



ANNUAL REPORT

2016 -2017

RIGA SUGAR COMPANY LIMITED

An ISO 9001 & 14001 Certified Company

RIGA SUGAR COMPANY LIMITED

CIN : L15421WB1980PLC032970

Annual Report : 2017

Board of Directors	:	Shri O. P. Dhanuka - Chairman & Managing Director Shri Dilip Datta Shri N.C.Majumdar Shri S.Borar Shri Sarad Jha Shri S.K.Goenka Smt. Sulekha Dutta Sri N. K. Parasramka
Company Secretary	:	Shri S. Prasad
Auditors	:	K. N. Gutgutia & Co. Chartered Accountants Kolkata
Bankers	:	Bank of India Union Bank of India
Registered Office	:	14, Netaji Subhas Road, 2nd Floor, Kolkata - 700 001 Phone : 2231 3414/15 E-mail : sprasad@rigasugar.in Website : www.rigasugar.com
Registrars & Share Transfer Agent	:	S. K. Infosolutions Pvt. Ltd. 34/1A, Sudhir Chatterjee Street Kolkata - 700 001 Phone : 2219 4815 E-mail : skcdilip@gmail.com
Shares Listed at	:	The Calcutta Stock Exchange Ltd. 7, Lyons Range Kolkata - 700 001 Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001
Legal Advisor and Solicitor	:	Khaitan & Co. Emerald House 1B, Old Post Office Street Kolkata - 700 001

DIRECTORS' REPORT

To THE SHAREHOLDERS

Your Directors have pleasure in presenting their Report and audited Accounts of the Company for the financial year ended 31st March, 2017.

FINANCIAL & OPERATIONAL RESULTS

(Rs. in Lacs)

FINANCIAL RESULTS

	Financial Year 31st March, 2017	Financial Year 31st March, 2016
(a) Gross Turnover	19,321.05	18,536.84
(b) Operating Profit Before Finance Cost & Depreciation	1515.14	1337.09
(c) Finance Cost	1502.23	1,435.34
(d) Cash Accruals	12.91	(98.25)
(e) Depreciation & Amortization	432.28	408.27
(f) Profit (Loss) before extraordinary items	(419.37)	(506.52)
(g) Extraordinary Item of Exp./Income	—	—
(h) Profit (Loss) Before Tax	(419.37)	(506.52)
(i) Provision for Tax		
- Deferred Tax	64.39	(278.63)
- Income Tax of earlier year	—	0.82
(j) Profit (Loss) After Tax	(483.76)	(228.71)
(k) Balance Brought Forward from last year	(2,165.91)	(1937.20)
(L) Profit (Loss) Carried Forward to Balance Sheet	(2,649.67)	(2,165.91)

DIVIDEND:

In view of losses company is unable to pay Dividend.

OPERATIONAL RESULTS

Sugar Unit

The comparative figures in regard to duration of season, cane crush, sugar recovery and production for the year ended 31st March, 2017 vis-a-vis previous financial year ended 31st March, 2016 in respect of the Sugar Factory of your Company are given below:-

	Financial Year 31st March, 2017	Financial Year 31st March, 2016
1. Duration of crushing (gross days)	92	96
2. Cane crushed (Lac Qtls.)	32.70	36.45
3. Recovery (%)	8.72	9.38
4. Production (Lac Qtls.) -	2.85	3.42

The net sales of sugar unit increased by 10% from Rs.136.63 Cr. to Rs 150.71 Cr.

Due to adverse Agro-climatic conditions the yield and quality of sugarcane affected severally, resulting into lower cane availability for crushing and marked fall of recovery. These factors increased the cost of production of sugar substantially. .

After five years of continuous surplus production and stock, which led to free fall of sugar price, the downtrend in sugar price halted in financial year 2016-17 and prices of sugar improved to a level of break-even for sugar industry.

The FRP for the season 2016-17 remained unchanged by Central Government at Rs.230 per qtl. linked with basic recovery of 9.5%. In Bihar the cane Price for the season 2016-17 were increased to Rs. 280 per qtl. for normal varieties (last year Rs. 260), Rs. 260 per qtl. for lower varieties (last year Rs. 250) and Rs. 300 for premium variety (last year Rs. 270). Transport rebate on out center cane remains at Rs.15 per qtl.

Cane Price in Bihar for the season 2016-17 were increased by an average Rs.25 per qtl. taking into consideration the estimated recovery of 9.6%, against which actual recovery was only 9.18% for Bihar and 8.72% for your factory. Our Association requested for giving the subsidy as recovery was much lower than that of state government taken into consideration while fixing cane price.

Efforts and Agitation by Company's CMD to draw government attention toward sugar industry problem brought fruitful result

Mr. O.P. Dhanuka, CMD of the company through many representation to the government in previous 2-3 years have highlighted the plight of sugar industry with whom 5 crore sugarcane farmers are associated and also suggested various possible measures for revival of sugar industry. When the sugar industry were becoming bad to worse and worse to worst and were on the brink of collapse and when no light were visible at the end of tunnel, Mr. Dhanuka decided to intensify his effort to draw the attention of the government on the free fall of sugar industry and farmers fortune.

In an unprecedented move Mr. Dhanuka organized Satyagrah at Jantar-Mantar on 24th and 25th June, 2015 followed by Shanti Andolan at Jantar-Mantar on 4th August, 2015. Thereafter he organized Marathon Walk on 2nd October, 2015 from Vijay Ghatto Jantar-Mantar. These were unprecedented move that an industrialist was doing Dharna, Andolan and Satyagrah for the sake of Industry and millions of farmers.

Although belated the government could realize the enormity of the situations and took certain bold decisions. For last one year the sugar prices have improved from earlier bottom out price, but are still lower than the cost of production.

Withdrawal of Relief by Bihar Government

The state government of Bihar for last two years had provided relief in the form of cash subsidy of Rs.16.75 per qtl. of sugarcane. However the same were withdrawn for the season 2016-17 inspite of adverse condition of sugar industry in the state and increase of cane price coupled with sharp fall of recovery in the state.

The molasses price in Bihar during the year maintained at Rs. 287.50 per qtl.

Due to adverse Agro-climatic conditions the yield and quality of sugarcane affected severally, resulting into lower cane availability for crushing and marked fall of recovery. Rainfall last year in the year 2016 for the months of April & May were below average and in October were in excess which adversely impacted sugar yield and recovery. These factors increased the cost of production of sugar substantially. Further around 7 lac quintal of sugarcane were smuggled to Nepal through adjoining Nepal border surrounding factory.

The state government of Bihar has also not released subsidy on various account of about Rs. 11 crore, which would have used for payment to cane growers.

Distillery Unit

	Financial Year 31st March, 2017	Financial Year 31st March, 2016
1. Production of Industrial Alcohol (Lac BL)	NIL	95.24
2. Sale of Industrial Alcohol/Transfer for Country Liquor	NIL	64.04
3. Production of Ethanol from Industrial Alcohol	24.97	13.47
4. Production of Ethanol from Molasses (Lac BL)	60.60	—
5. Supply of Ethanol (Lac BL)	73.64	13.29

Ethanol

The state government of Bihar from 1st April 2016 ban the production, consumption and supply of Alcohol in all forms i.e country liquor and IMFL in the state. The Distillery of the company is producing and supplying Ethanol as per tender of OMC. Thus the

company applied for full quantity of expected production in distillery as Ethanol to be supplied to all marketing companies. The admixing of Ethanol with Petrol were increased from 5% to 10% at some depot.

From December, 2016 the Ethanol Procurement prices were downward revised to Rs. 39.00 per BL plus taxes and duties instead of earlier fixed delivered price policy of Ethanol i.e Rs. 48.50 per BL within 100 km, Rs 49.00 per BL within 100-300 km and 49.50 per BL beyond 300 km. Moreover the Excise duty exemption on Ethanol were withdrawn by Government of India in August, 2016, which impacted the margin severely. Our Association ISMA is taking up this issue with central government.

The Production of Ethanol in Distillery affected due to restriction of State Pollution Control Board, which was subsequently removed. These factors impacted turnover and profitability.

Due to stricture of the pollution control authority, the working days of Distillery unit of the company affected during the reporting financial year, although the company installed MEE during the year and is setting up new Digester for treatment of effluent of distillery. Company have filed case against the State Pollution Control Board against forcefully closure of Distillery which impacted the production and sales of ethanol to OMC and loss to Distillery of approx Rs.6.00 Crore.

Country Liquor

The state government of Bihar from 1st April 2016 ban the production, consumption and supply of Alcohol in all forms i.e country liquor and IMFL. Thus the company's exclusive License for manufacture and supply of Country Liquor in Pet Bottle to Bihar State Beverage Corporation Limited for a period of 5 years starting from 1st April, 2014 in Muzzafarpur Zone were cancelled and Manufacturing Depot of country liquor were closed and surrendered on 31st march 2016 and was sealed by the Excise Department of Bihar. The company also filed compensation application in High Court toward of Rs. 15 cr. as pre-matured termination of License.

SEGMENT-WISE PERFORMANCE:

During the reporting period sugar segment contributed 83 percent of net sales of the company whereas Distillery accounted for 17 percent. The company identified two business segments in line with the Accounting Standard on Segment Reporting, Segment-wise Revenue, Results and Capital Employed as stated in Note No.32 of financial statement enclosed with the Annual Report.

INDUSTRY STRUCTURE & POLICY

Structure

Sugar Industry, is seasonal in nature and directly dependent on monsoon for availability of adequate sugar cane. India is the largest consumer and second largest producer of sugar in the world, contributing over 15 percent of the world's sugar production through over 600 sugar factories situated in different parts of the country. The sugar Industry is the largest agro based industry in India. This industry also provides valuable by-products like bagasse, molasses and press mud. The availability of these by-products had led to setting up of Alcohol/Ethanol/co-generation of Power and Organic Manure plants. Over 5 Crore farmers, large number of agricultural labourer are involved in sugarcane cultivation and its harvesting operations. The growth of sugar industry has a powerful impact on the rural economy. Integrated Sugar Industry (comprising sugar, molasses, alcohol, power and bio-fertilizer) enjoys annual turnover of over Rs. 1,00,000 Crore and contribute about Rs.6,000 crore to the Central Government Exchequer by way of central excise duty every year beside state taxes on sugarcane and hefty taxes collected by state as excise and VAT on sale of spirit in the state which run an estimated Rs.10,000 crores annually. The Income tax also contributes to the government coffer. Industry accelerates rural development through farm employment as well as business opportunities in transport and communication.

Sugar has been declared as an 'essential commodity' under the Essential Commodities Act, 1955. Under Sugarcane (Control) Order, 1966, the Government of India fixes cane price called Fair and Remunerative Price (FRP) for sugarcane every year based on the recommendations of the Commission on Agricultural Costs & Prices. However many state government fixes higher cane price for the sugar factories in their state.

Sugar Cycle

The Indian sugar industry is characterized by cycle of high and low sugar production. This cycle of 3-4 years is broadly of two types viz. Natural comprising climatic variation, water availability and pest attacks. The other is induced cyclicity which have sequence like -- higher sugar production and accumulation of stock -- decline in sugar prices & profitability -- higher sugarcane

arrears -- decline in area under cultivation & Lower cane production -- lower sugar production -- lower sugar availability and stock and thus increase in sugar prices --- improved profitability & low cane arrears -- higher cane production --higher sugar production and so on. Every time the cyclicity reaches its low government have to step in to provide Fiscal support in the form of Export subsidy, Buffer Stock creation, Interest Free Loans etc. This cycle was broken till 2015-16 and India was having higher production of sugar for previous five consecutive years and thus downtrend continued for five year, which was halted in the current season 2016-17 by way of lower production than previous 5 years.

The fundamental problem of the Indian Sugar Industry is that there is no parity between the price of raw material i.e. sugarcane and its finished goods of sugar i.e. Illogical intervention of state government cause wide economical distortion in sugar industry. In almost all major sugar producing countries of the world the price of cane paid to the farmers depends on realization from sugar. Untimely decision of government of import and export of sugar hampers the domestic sugar market sentiments. Timely decision of import and export of sugar based on fixed parameter is utmost necessary.

Rangrajan Committee Report-Linkage of Raw Material Costs and Sugar Realization

The main recommendation of Rangrajan Committee report of the year 2012 regarding linkage of cane price with sugar price and its by products has not been implemented so far. The committee has suggested for revenue sharing model under which 70% of sugar value and each of its major three by-products would be paid to farmers. Rangrajan Committee has indicated a derived cane price formula. It indicates that cane price will not be an absolute but linked to another variable. Cane price will be linked to the price of sugar in the market place. The higher the sugar realizations, the greater will be the cane price. This is an internationally tested model. This ensures that any increase in sectors profitability is equitably shared between its manufactures and growers. The cane grower will not be treated outsider, but as partner of entire value chain. The Rangrajan committee has gone a step further in this proposed linkage; it has proposed a sharing percentage at a level higher than what is practiced abroad, which more than secures the interest of farmers.

Fixation of cane price at high level than the market price of sugar should be made illegal. Various committees and high-level committee like Rangarajan have said so. According to Rangrajan Committee, "A sugar unit without any by-products' business will have to pay cane price of 70% of its revenue realisation, while it will have to spend 30% on its functioning. On the other hand, a sugar factory with by-products business will have to pay cane price of 75% of its revenue realization from sugar. The cane price to be fixed taking into account this formula."

Distillery & Ethanol

In Bihar since ban has been imposed on production, consumption and sale of potable from 1st April 2016 and distilleries only produces Ethanol and supply the same to oil marketing companies in any State of India. However the movement and price of Molasses is controlled by State Government.

Co-Gen of Power

The Company is supplying surplus power upto 3 MW from its co-generation Plant. This forward integration contribute to the bottom-line of the company .

Bio-Compost Fertiliser

The company is using distillery effluent and press mud from sugar and other agricultural waste to produce bio-compost which is very cost efficient. Thus the company apart from treatment of effluent and zero discharge adding value. The company got Registration of Bio-compost under Fertiliser Control Order, 1985 with Ministry of Agriculture as per requirement of CPCB.

Pollution Control- Zero Discharge Company

The Sugar and Distillery factories of the company are Zero Discharge Plants as per norms of Central Pollution Control Board and Ministry of Forest and Environment. The company treat the entire solid waste generated from Sugar factory which is generated in the form of Press-mud and liquid generated from Distillery in the form of spent wash for production of Bio-Compost. For this the company has set-up Digesters, RO, Lagoon and Bio-compost facilities on more than 17 Acres of Land. The Digesters is capable of generating bio-gas which is replacement of fossil fuel. The Bio-compost produced is rich in all organic nutrients required

for fertility of the land. The said bio-compost is sold to farmers who supply sugarcane to company and also to other farmers and even used in Tea Gardens of Assam and Darjeeling.

During last year a complaint was filed with National Green Tribunal (NGT) by one individual person against distillery of the company. After through submission of facts and figures by the company the Hon'ble NGT directed for inspection by CPCB. CPCB after detailed inspection found that company is following Zero discharge norms and thus the matter was disposed off.

The company is not only zero discharge company, but is also generating economic value from such waste products and rejuvenating the farm land through use of organic fertilizer. The company has been awarded ISO 14000: 2004 in recognition of the organization's Environmental Management System.

As per new norms of CPCB, Distillery of the company during the year has installed Multi Effect Evaporator (MEE), which reduces effluent generation substantially and thus the achieving of Zero Discharge as per new norms of CPCB has been strengthened. The Distillery during the year is also installing new Digester so as to achieve better treatment of effluent and generation of Gas.

The total project cost of MEE and Digester is Rs. 12 Cr. Thus the company is totally committed toward achievement of zero discharge and compliance of Pollution Control norms.

The Distillery during the year remained closed for total 218 days for host of reasons viz. due to direction from BSPCB, Non-renewal of License from Excise Dept., 90 days rainy season CPCB protocol of closure of Distillery. The company has complied with all the directions of regulatory bodies from time to time and has incurred huge capital investment and recurring expenses regularly. However the intermittent closure of Distillery severely impacted the profitability.

OPPORTUNITIES AND THREATS

OPPORTUNITIES

Sugar

India is largest consumer and second largest producer of sugar in the world. The consumption of sugar is on increasing trend with the increase in consumption of cold drink, Biscuits, Confectioneries and Halwais which constitute 70% of total consumption and rest 30% by ordinary consumer. There are huge scope for further increase in demand as India is still lagging behind from many advanced countries in respect of per capita consumption of sugar. Thus there are opportunity in production and consumption of higher quantity of sugar in coming period.

Distillery

The mandatory provision of ethanol doping of 10% will have strong support for growth of sugar industry. Ethanol production improves oil security and contributes to environmental protection. The Government is further considering to increase the ethanol mixing with petrol at 20% and also mixing with Diesel. Thus coming years the Ethanol is going to be major driver for growth of sugar industry in the country.

Power

Sugar Industry offer immense scope for renewal energy project on co-generation basis, which provide clean energy. Due to this the increased demand of surplus bagasse has added imputes to revenue generation. The Tariff policy for co-gen renewal power is also lucrative in comparison to conventional power based on fusel fuel. At present sugar industry in India is producing about 4000 MW of surplus power and supplying to grid. However there is potential of 8000 MW co-gen surplus power with the sugar industry.

Bio-Compost Fertiliser

The bio-compost and vermi-compost fertilizers being produced by the company has got immense scope of demand in all major agriculture cultivation as it not only preserve the soil from excessive use of chemical fertilizer but also increase its fertility.

THREATS

- No linkage of Sugar Price with cane price

- Unreasonable increase in cane price in comparison to sugar selling price.
- The sugar sector is exposed to political intervention.
- Natural Calamity.

FUTURE PROSPECTS/OUTLOOK

As per ISMA's latest estimates, production of sugar for the season 2016-17 estimated at 203 Lacs MT and consumption of 240 Lac MT. With a high opening balance of 77.5 Lac MT, the closing balance in the current season is estimated to be around 42 Lac MT, which indicates enough availability to meet domestic demand until end of November 2017. The reason for the lower production especially in Maharashtra, Karnataka, Andhra Pradesh etc. is due to the continuous drought in last few years. On the other hand, cane yields, as well as sugar recovery in Uttar Pradesh have been substantially better than last year. With favourable monsoons approaching, yield improvement is expected in 2017-18. There has been an increase in sugar and sugarcane production of 2.63% and 2.40% CAGR, respectively over the last 10 years.

Prices of by-products such as bagasse and molasses continue to remain remunerative driven by healthy demand by consuming sectors such as power, paper and ethanol. During the year lower realizations for ethanol due to price change impacted the returns. Forward integration into distilleries, power generation, bio-fertilisers gives value addition. A significant part of profitability of the integrated sugar mills comes from by-products. It is believed that forward integration will remain crucial for improving profitability and riding through the cyclicity of the sugar industry.

From a medium to long-term perspective, the long term prices and profitability of Indian sugar companies will remain highly cyclical and dependent on domestic and international supply-demand tendencies. The price trends in the international markets will be one of the key determinants of future profitability. Further, Government action on rational linkage between cane and sugar prices will have a critical bearing on the long-term feasibility of sugar operations, especially in the states where there is interference of state. Players with high operating efficiencies, forward integration and strong capital structure within the sugar industry will be best placed to ride out the challenges.

Committee of the Board

The details of composition of Audit Committee and other committees of the Board of Directors alongwith the attendance thereof is provided in the Corporate Governance Report forming part hereof.

Audit Committee

The Audit Committee comprises Mr. Sarad Jha as its Chairman with Mr. Suyesh Borar and Mr. S.K.Goenka as members. All recommendations of the Audit Committee were accepted by the Board.

Information pursuant to Section 134 of the Companies Act, 2013

- Extract of the annual return as provided under Section 92(3) of Companies Act, 2013 is enclosed -Annexure I
- Five meetings of the Board of Directors of the Company were held during the year on 30.05.2016, 13.08.2016, 05.09.2016, 10.11.2016 and 14.02.2017.
- All the Independent Directors of the company have furnished declarations that they satisfy the requirement of Section 149 (6) of the Companies Act, 2013.
- Relevant extracts of the Company's policy on directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided in section 178(3) of Companies Act, 2013 is enclosed -Annexure II. We affirm that the remuneration paid to the Directors is as per terms laid out in the Nomination and Remuneration Policy of the company.
- There is no qualification, reservation or adverse remark or disclaimer made by the auditor in his report and by Company Secretary in practice in the secretarial audit report and hence no explanations or comments by the Board are required.
- The details of Loans, Guarantees and Investment covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements and also enclosed as Annexure-III.

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- g. There has been no materially-significant related party transactions made by the company with the promoters, the directors, the Key Managerial Personnel which may be in conflict with the interest of the company at large. The company has formulated a policy on Related Party Transactions and also on dealing with Related Party Transactions. The policy is disclosed on the website of the company (www.rigasugar.com). All related party transactions as placed before the Audit Committee has also received approval from the Board. Your Directors draw attention of the members the Note No. 33 to the financial statement which set out Related Party Disclosures.
- h. Details of conservation of energy, technology absorption, foreign exchange earnings and outgo as prescribed vide Rule 8(3) of Companies (Accounts) Rules 2014 is enclosed - Annexure IV
- i. The company has laid down policy on risk assessment and minimization procedures and the same is periodically reviewed by the Board. The Policy facilitates in identification of risk at appropriate time and ensure necessary steps to be taken to mitigate the risk. Brief details of risks and concerns are given in this Board Report.
- j. The corporate Social Responsibility Committee has formulated and recommended to the Board a Corporate Social Responsibility Policy (CSR Policy) indicating the activities of the company.
- The Annual Report on CSR activities is not annexed herewith due to non- applicability of relevant provisions to the company due to losses.
- k. In compliance with the Companies Act, 2013 and Regulation 17 of the Listing Regulations, during the year the Board adopted a mechanism for evaluating its performance as well as that of its Committee and Individual directors, including the Chairman of the Board.
- The evaluation of Independent was carried out by the entire Board and that of the chairman and Non-Independent directors were carried out by the Independent directors.
- The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its committee with the company.

RISK AND CONCERN

SUGAR

- (a) Delay in evolving a rational Sugarcane Pricing Policy having link with sugar price is detrimental to growth of the industry.
- (b) The output of sugar, an agro-based product, is influenced by climatic vagaries.
- (c) Sugar Industry being cyclic in nature, the growth is hampered during downtrend.

DISTILLERY

Inconsistent policy of the government in the implementation of the Ethanol Blending Programme is matter of concern.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company has adequate systems and internal control procedures to safeguard the assets of the company and to ensure maintenance of proper accounting records. There is also an Internal Audit System in place which reviews the key business and controls and also test checks on routine transactions and reports deviations. Besides, an Audit Committee periodically reviews the functioning of the entire system.

CHANGE IN SHARE CAPITAL

The company during the year allotted on 30.12.2016 and on 30.03.2017 respectively 5,50,000 equity shares and 14,50,000 equity shares of Rs.10/- each at a price of Rs.12/- per equity share of nominal value of Rs. 10/- and premium of Rs. 2/- each by way of conversion of equivalent number of convertible warrants on preferential allotment basis to promoters and to others as per SEBI (ICDR) Regulations, 2009. The entire amount of Rs.240.00 Lacs were used for improving the financial of the company. There is no outstanding share warrants.

CREDIT RATING

CARE improved credit rating for the company's Long-term debts at CARE B+; Stable from CARE B and reaffirmed short-term at CARE A4.

FIXED DEPOSITS:

The company has neither accepted nor renewed any deposit from public within the meaning of section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 during the year under the review.

AUDITORS

(a) Statutory Auditors

The observation of Statutory Auditors in their report, read with the relevant notes to accounts are self explanatory and therefore, do not require any further explanation.

M/s. K.N. Gutgutia & Co., Chartered Accountants (ICAI Registration No. 304153E) , Kolkata,, hold office as Auditors of the Company till the conclusion of ensuing Annual General Meeting.

The Board, on the recommendation of the Audit Committee, proposed that M/s. Salarpuria & Partners, Chartered Accountants (Firm registration number 302113E), be appointed as the Statutory Auditors of the Company for a period of five consecutive years from the conclusion of the ensuing Annual General Meeting of the Company, subject to the approval of the shareholders of the Company.

(b) Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its Sugar activity is required to be audited. Your Directors have, on the recommendation of the Audit Committee, appointed M/s. Mani & Co., Cost Accountants (Firm Registration No 000004) as the Cost Auditor to audit the cost accounts of the Company for the financial year 2017-18. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification.

(c) Secretarial Auditor and Secretarial Audit Report

In pursuance of section 204 of the Companies Act, 2013 M/s H.M. Choraria & co., Company Secretaries were appointed as secretarial Auditors to carry out Secretarial Audit for the financial year 2016-17. Their report is annexed to this report as Annexure-V.

DIRECTORS:

Mr. Nirmal Kumar Parasramka, was appointed as Additional Director of the company in the category of Independent Director by the Board in its meeting held on 10th November, 2016. He shall hold office upto the date of ensuing Annual General Meeting of the company and will be eligible for re-appointment as Director.

Resume and other information regarding the Directors seeking appointment/reappointment as required by Regulation 36 of the Listing Regulations has been given in the Notice convening the ensuing Annual General Meeting and in the statement pursuant to section 102 of the Act. The Board of Directors recommends the above appointment /reappointment.

All Independent Directors have given declaration that they meet the criteria of Independence as laid down under section 149 (6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors state that:-

- (i) in preparation of the annual accounts for the year ended 31st March, 2017 , the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any ;

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- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and of the loss of the company as on 31st March, 2017;
 - (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - (iv) the Directors have prepared the annual accounts on 'going concern' basis;
 - (v) the Directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and are operating effectively; and
 - (vi) directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

PERSONNEL:

The particulars of employee as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as separate annexure attached hereto and forms part of this report as Annexure- VI.

During the year under review, no complaint/case was filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

CORPORATE GOVERNANCE:

The Corporate Governance form an integral part of this Report and are set out as Annexure- VII to this Report. The certificate from the Auditors of the company certifying compliance of condition of Corporate Governance stipulated in Regulations 34(3) of the Listing Regulations is also annexed to Report on Corporate governance.

KEY MANAGERIAL PERSONNELS

In compliance of provisions of section 203 of the Companies Act, 2013 the following persons were the key managerial personnel of the company:

- (i) Mr. O.P.Dhanuka, Chairman & Managing Director
- (ii) Mr. S.Prasad, Company Secretary
- (iii) Mr. R.N.Sharma, Chief Financial Officer

The other details pertaining to KMP of the company, their appointment/cessation during the year under review and their remuneration have been provided in the Extract of Annual Return annexed hereto and forming part of this report.

Code of conducts and ethics

The Board of company has adopted a Code of Conducts and ethics for the Directors and Senior Executives of the company. The code is available on the company's website at www.rigasugar.com.

Significant & material orders passed by the regulators

During the year under review, no significant and materials orders were passed by the Regulators or courts or Tribunals impacting the going concern status.

Whistleblower Policy

The company has in place a whistleblower policy to deal with unethical behavior, victimizations, fraud and other grievances or concerns, if any. The Whistleblower policy can be accessed on the company's website www.rigasugar.com.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees, etc.) are covered under this policy. No sexual harassment complaints were received during the year 2016-17.

Risk Management Policy

The Company has Risk Management committee of Directors to have a system of Risk Management, inter alia, to review it periodically.

Policy for Preservation of Documents

The Policy for preservation of documents are stated in website of the company www.rigasugar.com.

Material changes and commitments affecting the financial position of the company after 31st March, 2016

From 1st April, 2016 the Bihar Government has banned the production and sale of Liquor in the state. Thus the exclusive license obtained by the company for manufacture and supply of country liquor in Muzzafarpur Zone has been withdrawn. The company has been allowed production of 100% Ethanol, which hitherto were restricted to only 5%. The sale realization from Ethanol is better than the sale of Rectified Spirit and Country Liquor. Thus it has impacted positively to the company's financial.

The Sugar price continue to show upward trend during current financial year so far, on the back of lower than expected production and stock in the country. This will have positive impact on the margin on sugar sales.

Subsidiaries, Joint Ventures or Associate Companies

There is no subsidiary, Joint Venture or Associate of the company under meaning of Companies Act, 2013.

LISTING OF EQUITY SHARES:

The Shares of the Company are listed on The Calcutta Stock Exchange Ltd. and BSE LTD. The Company has been regularly paying the Listing Fees to each Stock Exchanges.

ANNEXURES FORMING PART OF THIS REPORT OF THE DIRECTORS

The Annexure referred to in this report and other information which are required to be disclosed are annexed herewith and forms a part of this report of the Directors:-

<u>Annexure</u>	<u>Particulars</u>
I	Extract of the Annual Return as per form MGT-9
II	Policy on selection of Directors appointment and remuneration
III	Details of Loan , Guarantees and Investment
IV	Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo
V	Secretarial Audit Report
VI	Particulars of Employees
VII	Corporate Governance Report

APPRECIATION:

Your Directors express their appreciation for the support and contribution by Cane Growers, Bankers, Central and Bihar State Government, Suppliers, Customers and the valuable services rendered by the Employees at all levels.

Kolkata,

Dated : 29th May, 2017

For and on behalf of
the Board,

O. P. Dhanuka

Chairman & Managing Director

Annexure - I to the Directors Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L15421WB1980PLC032970
2.	Registration Date	2nd September, 1980
3.	Name of the Company	Riga Sugar Company Limited
4.	Category/Sub-category of the Company	Public Company/Limited by shares
5.	Address of the Registered office & contact details	14, Netaji Subhas Road, 2nd Floor, Kolkata-700001 Phone : 033-6607 1600, E-mail : sprasad@rigasugar.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	S.K. Info solutions Pvt. Ltd. 34/1A, Sudhir Chatterjee Street, Kolkata-700 006 Phone : 033 2219 4815 E-mail : skcdilip@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sugar	10721-Manufacture of sugar from sugarcane	83%
2	Ethanol	1101	17%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No.	Name and address of company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Application section
	NONE				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 March 2016]				No. of Shares held at the end of the year [As on 31st March 2017]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1,03,677	0	1,03,677	0.83	1,03,677	0	1,03,677	0.72	-0.11
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(S)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	78,89,701	-	78,89,701	63.41	98,89,701	-	98,89,701	68.47	+5.06
Banks / FI	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
f) Any other	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
Total shareholding of Promoter (A)	78,93,378	0	79,93,378	64.24	99,93,378	-	99,93,378	69.19	+4.95
B. Public Shareholding									
1. Institutions	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
a) Mutual Funds	0	2,600	2,600	0.02	0	2,600	2,600	0.02	0
b) Banks / FI	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
c) Central Govt	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
d) State Govt(s)	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
e) Venture Capital Funds	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
f) Insurance Companies	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
g) FIs	NIL	NIL	NIL	NIL	NIL	0	NIL	0	0
h) Foreign Venture Capital Funds	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
i) Others (specify)	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	
Sub-total (B)(1):-	0	2,600	2,600	0.02	NIL	2600	2600	0.02	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	20,67,223	6700	20,73,923	16.67	17,85,136	6,700	17,91,836	12.40	-4.27
ii) Overseas	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
b) Individuals									

i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	10,52,487	2,40,317	12,92,804	10.39	12,61,930	2,36,817	14,98,747	10.38	-0.01
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	10,63,021	-	10,63,021	8.54	1076765	0	1076765	7.46	-1.08
c) Others (specify)	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
(i) Non Resident Indians	17,679	0	17,679	0.14	80,079	NIL	80,079	0.55	+0.41
(ii) Overseas Corporate Bodies	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
(iii) Foreign Nationals	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
(iv) Clearing Members	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
(v) Trusts	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
(vi) Foreign Bodies-DR	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
Sub-total (B)(2):-	42,00,410	2,47,017	44,47,427	35.74	42,03,910	2,43,517	44,47,427	30.79	-4.95
Total Public Shareholding (B)=(B)(1)+ (B)(2)	42,00,410	2,49,617	44,50,027	35.76	42,03,910	2,46,117	44,50,027	30.81	-4.95
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	N.A.	0
Grand Total (A+B+C)	10393788	2049617	12443405	100.00	14197288	2,46,117	14443405	100.00	0

ii. Shareholding of Promoter :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Meera Dhanuka	45,342	0.36	0	45,342	0.31	0	-0.05
2	Tripti Saraff	57,135	0.46	0	57,135	0.39	0	-0.07
3	Garima Tibrawalla	1,100	0.01	0	1,100	0.01	0	-0.00
4	Shruti Jatia	100	0.00	0	100	0.00	0	0.00
5	DG Vitta Vinimay & Properties Ltd.	5,098,484	40.97	0	70,98,484	49.15	0	+8.18
6	O.P.Vanyjya Ltd.	1,40,993	1.13	0	1,40,993	0.98	0	-0.15
7	The Belsund Sugar & Industries Ltd.	26,16,165	21.03	0	26,16,165	18.11	0	-2.92
8	Garima Investment & Trading Co. Ltd.	34,059	0.28	0	34,059	0.24	0	-0.04
	Total	79,93,378	64.24	0	99,93,378	69.19	0	+4.95

iii. Change in Promoters' Shareholding (Please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		No. of Shares		% of total shares of the Company	No. of Shares	% of total shares of the company
	At the beginning of the year		79,93,378	64.24		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	30.12.2016 30.03.2017 Both aboveAllotment pursuant to conversion of Warrants into Equity Share	5,50,000 14,50,000	4.23 10.04	85,43,378 99,93,378	65.75 69.19
	At the end of the year				99,93,378	69.19

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name for each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Chitravali Barter Pvt.Ltd.				
	At the beginning of the year	3,00,000	2.41		
	As at 31.03.2016			3,00,000	2.08
2	Sneha Patwari				
	At the beginning of the year	3,00,000	1.61		
	As at 31.03.2017			3,00,000	2.08
3	Mountview Vintrade Pvt. Ltd.				
	At the beginning of the year	200,000	1.61		
	As at 31.03.2017			200,000	1.38
4	Sraboni Sales Pvt. Ltd.				
	At the beginning of the year	200,000	1.61		
	As at 31.03.2017			200,000	1.38
5	Baldeep Singh				
	At the beginning of the year	3,35,532	2.69		
	20.05.2016 - transfer	(17,103)	0.14	3,18,429	2.56
	07.08.2016 - transfer	(53,429)	0.43	2,65,000	2.13
	15.07.2016 - transfer	(5,000)	0.04	2,60,000	2.09
	29.07.2016 - transfer	(39,625)	0.32	2,20,375	1.77
	08.05.2016 - transfer	(35,375)	0.28	1,85,000	1.49
	08.12.2016 - transfer	(1,900)	0.02	1,83,100	1.47
	16.12.2016 - transfer	450	0	1,83,550	1.48
	As at 31.03.2017			1,83,550	1.27
6	Gayatri Dealtrade Private Ltd.				
	At the beginning of the year	-			
	23.09.2016	1,01,853	0.82		
	As at 31.03.2017			1,01,853	0.70
7	Universal Cine Trade Pvt. Ltd.				
	At the beginning of the year	101,000	0.81		
	As at 31.03.2017			101,000	0.70
8	Black Rose Industries Ltd.				
	At the beginning of the year	91,000	0.73		
	As at 31.03.2017			91,000	0.63

9	Raj Kumar Kudilal Seksaria				
	At the beginning of the year	90,000	0.72		
	As at 31.03.2017			90,000	0.62
10	Genuine Dealtrade Private Ltd.				
	At the beginning of the year	79,167	0.63		
	As at 31.03.2017			79,167	0.54
11	Moonlight Tradecomm Pvt. Ltd.				
	At the beginning of the year	150,000	1.20		
	13.01.2017 - transfer	(348)	0	1,49,652	1.15
	20.01.2017 - transfer	(8,702)	0.07	1,40,950	1.08
	27.01.2017 - transfer	(8,593)	0.07	1,32,357	1.01
	02.02.2017 - transfer	(22,135)	0.17	1,10,222	0.84
	17.02.2017 - transfer	(3,000)	0.02	1,07,222	0.82
	24.02.2017 - transfer	(4,010)	0.03	1,03,212	0.79
	03.03.2017 - transfer	(10,099)	0.08	93,113	0.72
	10.03.2017 - transfer	(93,113)	0.72	0	
12	Reliable Dealcom Pvt.Ltd.				
	At the beginning of the year	150,000	1.41		
	27.01.2017 - transfer	(2,970)	0.02	1,47,030	1.13
	02.03.2017 - transfer	(15,455)	0.12	1,31,575	1.01
	03.10.2017 - transfer	(1,908)	0.01	1,29,667	1.00
	17.03.2017 - transfer	(16,067)	0.13	1,13,600	0.87
	24.03.2017 - transfer	(30,528)	0.23	83,072	0.64
	31.03.2017 - transfer	(28,251)	0.19	54,821	0.38
	As at 31.03.2017			54,821	0.38
13	Amandeep Singh				
	At the beginning of the year	83,429	0.67		
	07.08.2016 - transfer	(3,000)	0.02	80,429	0.65
	15.07.2016 - transfer	(4,000)	0.03	76,429	0.62
	22.07.2016 - transfer	(1,342)	0.01	75,087	0.61
	29.07.2016 - transfer	(19,111)	0.16	55,976	0.45
	08.05.2016 - transfer	(500)	0	55,476	0.45
	08.12.2016 - transfer	(110)	0	55,366	0.44
	03.10.2016 - transfer	(5,000)	0.04	50,366	0.40
	As at 31.03.2017			50,366	0.40

v. Shareholding of Directors and Key Managerial Personnel :

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	
	Mr. Ramanand Sharma, CFO					
	At the beginning of the year		351	0	250	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Sale-30.05.16 Sale-09.06.16	100 251	0 0	251 0	0 0
	At the end of the year		0	0	0	0

VI. INDEBTEDNESS - Indebtedness of the Company including interest outstanding / accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,15,30,72,349	27,68,63,776	-	1,42,99,36,125
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,07,17,280	48,96,684	-	2,56,13,964
Total (i+ii+iii)	1,17,37,89,629	28,17,60,460	-	1,45,55,50,089
Change in Indebtedness during the financial year				
*Addition	7,76,00,669	-		7,76,00,669
*Reduction	9,63,38,601	1,55,96,181		11,19,34,782
Net Change	(1,87,37,932)	(1,55,96,181)	-	(3,43,34,113)
Indebtedness at the end of the financial year				
i) Principal Amount	1,15,33,60,120	26,58,75,000	-	1,41,92,35,120
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	16,91,577	2,89,279	-	19,80,856
Total (i+ii+iii)	1,15,50,51,697	26,61,64,279	-	1,42,12,15,976

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
		Mr. O. P. Dhanuka, CMD	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29,56,936/-	29,56,936/-
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	1,60,758/-	1,60,758/-
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	--
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission - as % of profit - others, specify...	--	--
5	Others, please specify	--	--
	Total (A)	31,17,694/-	31,17,694/-
	Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the remuneration paid is well within the limit.	

B. Remuneration to other directors :

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. Dilip Datta	Mr. S. K. Goenka	Mr. S. Borar	Mr. N. C. Manumdar	Mr. Sarad Jha	Mrs. Sulekha Dutta	Mr. N. K. Parasramka	
1	Independent Directors								
	Fee for attending Board meetings	10,000/-	12,500/-	Nil	10,000/-	12,500/-	12,500/-	-	57,500/-
	Commission	-	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	-	
	Total (1)	10,000/-	12,500/-	Nil	10,000/-	12,500/-	12,500/-	-	57,500/-
2	Other Non-Executive Directors								
	Fee for attending board committee meetings	-	-	-	-	-	-	5,000/-	-
	Commission								
	Others, please specify								
	Total (2)								
	Total (B)=(1+2)	-	-	-	-	-	-	5,000/-	5,000/-
	Total Managerial Remuneration	10,000/-	12,500/-	Nil	10,000/-	12,500/-	12,500/-	5,000/-	62,500/-
	Overall Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the remuneration paid is well within the limit.							

Note : • Mr. O. P. Dhanuka - Managing Director of the Company, is not entitled for Director's Sitting Fee.
• Mr. Suyash Borar Vide his letter dated 01.04.2019 expressed his intention to not to pay him Sitting Fee.
• Mr. Nirmal K. Parasramka was appointed as Additional Director w.e.f. 10.11.2016.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS Mr. Shailendra Prasad	CFO Mr. Ramanand Sharma	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,56,920/-	5,13,240/-	16,70,160/-
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	16,152/-	9,034/-	25,186/-
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	11,73,072/-	5,22,274/-	16,95,346/-

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

No penalties /punishment/compounding of offences were levied under the Companies Act, 2013.

Annexure - II to the Directors Report

POLICY ON DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL APPOINTMENT AND REMUNERATION

The objectives of this Policy include the following:

- to lay down criteria for identifying persons who are qualified to become Directors;
- to formulate criteria for determining qualification, positive attributes and independence of a Director;
- to determine the composition and level of remuneration, which is reasonable and sufficient to attract, retain and motivate Directors and KMP. ;
- to frame guidelines on the diversity of the Board;

DEFINITIONS

Unless the context requires otherwise, the following terms shall have the following meanings:

"Director" means a Director of the Company.

"Key Managerial Personnel" or "KMP" means-

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Whole-time director;
- (iii) the Chief Financial Officer;
- (iv) the Company Secretary; and
- (v) such other officer as may be prescribed under the applicable law.

Criteria for identifying persons who are qualified to be appointed as a Director of the Company:

Section 164 of the Companies Act, 2013 ("Act") provides for the disqualifications for appointment of any person to become Director of any company. Any person who in the opinion of the Board of Directors ("Board") is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.

Independent Directors

For appointing any person as an Independent Director he/she should possess qualifications as mentioned in (A) the Act and the Rules made thereunder (including but not limited to Section 149 of the Act and Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014; and (B) the Listing Regulations.

Appointment criteria and qualifications

The Nomination & Remuneration Committee (Committee) shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director (including Independent Directors), or KMP and recommend to the Board his / her appointment. Such person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.

Evaluation:

The Committee shall carry out evaluation of performance of every Director or KMP at regular interval and at least on a yearly basis.

Evaluation of Directors:

In terms of Section 149 of the Act read with Schedule IV of the said Act the Independent Directors shall at its separate meeting review the performance of non-independent Directors based on the parameters that are considered relevant by the Independent Directors.

The Board as a whole shall evaluate the performance of Independent Directors. During such evaluation the Director being evaluated shall be excluded from the meeting.

Evaluation of KMP and Senior Management Personnel

Criteria for evaluating performance of KMP (other than Directors) and Senior Management Personnel shall be as per the internal guidelines of the Company on performance management and development.

Criteria for evaluating performance of Other Employees

The human resources department of the Company shall evaluate the performance of Other Employees. In this regard, the human resources department shall decide upon the criteria for evaluating performance of Other Employees.

REMUNERATION OF DIRECTORS AND KMP

The remuneration/ compensation etc. to Managing Director / Whole-time Director and remuneration of KMP will be determined by the Committee and recommended to the Board for approval. Remuneration/commission to Directors (including Independent Directors) as per the statutory provisions of the Act and the rules made thereunder for the time being in force within limits approved by shareholders, shall be decided by the Board.

Increments to the existing remuneration/ compensation structure payable to Managing Director / Wholetime Directors and KMP may be recommended by the Committee to the Board which should be within the slabs if any, approved by the shareholders in the case of Directors.

Sitting Fees:

Non-Executive Directors including Independent Directors may receive remuneration by way of fees for attending meetings of Board or its committee within limits prescribed by the Central govt.

Remuneration to Senior Management Personnel:

The Committee has delegated its powers under this Policy with respect to Senior Management Personnel (other than their appointment) and other employees to the Whole time Director of the Company and the Whole-time Director shall be entitled to take decisions with respect to remuneration of Senior Management Personnel and other employees / their extension after attainment of applicable retirement age/employee welfare measure including provision of loans (with or without interest as per statutory provisions) through wage settlements or company rules/regulations or otherwise.

Remuneration to Other Employees

The human resources department of the Company with Managing Director 's approval, will determine from time to time the remuneration payable to Other Employees. The powers of the Committee in this regard have been delegated to the human resources department of the Company.

BOARD DIVERSITY

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Company while appointing may consider the following criteria; i.e. appoint those persons who possess relevant experience, integrity, understanding, knowledge or other skill sets that may be considered by the Board as relevant in its absolute discretion, for the business of the Company etc. The Board shall have the optimum combination of Directors of different genders, from different areas, fields, backgrounds and skill sets as maybe deemed absolutely necessary. The Board shall have members who have accounting or related financial management expertise and are financially literate.

Annexure - III to the Directors Report

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Name of Entity	Nature of Relationship	Amount (Rs. in Lacs)	Particular of Loan, Guarantee and Investment
Farmers, who supply sugarcane to company's sugar factory	No Relationship	4,150.00	Guarantees given to Banks against Agriculture Loan sanctioned to the Farmers, who supply sugarcane to company's sugar factory
D. G. Vitta Vinimay & Properties Limited	Associate	8.00 (Loan) 0.62(interest)	Maximum amount of Loan outstanding and Interest respectively during the year
Garima Investment & Trading Co. Ltd.	Associate	0.39 (Interest)	- DO -

Annexure - IV to the Directors Report

PARTICULAR OF ENERGY CONSERVATION , TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014:

A. CONSERVATION OF ENERGY:

(i) The Steps taken or impact on conservation of energy

Your Company continues to give priority to conservation of energy on an ongoing basis. Some of the significant measures taken are:

- (a) Installation of Variable Frequency Drive (VFD) at Boiler, Plate Type heat exchanger, Cane Belt Conveyor.
- (b) DCS controlled operation at various stations to achieve maximum efficiency. Use of capacitor near motor to maintain power factor.
- (c) Installation of DC drive having full auto control, hydraulic cane unloader, rotary screens, juice flow stabilization system, continuous sulphur burner, high efficiency centrifugal pumps, sugar bag conveying system, efficient and automatic centrifugal machines, semikestner.
- (d) Installation of travelers, High Pressure Boiler, condensensing cum extraction turbine, variable frequency drives for feed pumps, compressors and fans, heat recovery unit in Boiler, feed water heaters, distributed control system.
- (e) Recycling of process water to conserve natural resources. Replacement of conventional inefficient bulbs with efficient CFL and LED lights.

The above measures result into saving of fuel and power and consequently cost of production.

(ii) Steps taken by the company for utilizing alternate source of energy

- (a) Sugar factory runs on bagasse based steam and power and thus there is no fossil fuel consumption.
- (b) The company also installed co-gen plant which is supplying surplus power to state grid.
- (c) During off-season also the boiler run on bagasse, thus saving fuel.
- (d) In Distillery installing new digester for treatment of spent wash feeding, which will generate bio gas and will reduce COD and BOD substantially.

(iii) The Capital investment on energy conservation equipments during the year 2016-17 was Rs NIL

B. TECHNOLOGY ABSORPTION:

The company carried out the following technology absorption activities during the financial year 2016-17 :

(i) Sugarcane Development

- (a) Soil Analysis and Nutrition
- (b) Soil Testing Lab
- (c) Tissue Culture
- (d) Microbial Culture Laboratory
- (e) Biological Control of Cane Crop

- (f) Heat Treatment Therapy to treat Sugarcane Seeds
- (g) Pest Control Measures to protect Sugar Cane from diseases.
- (h) Multiplication of foundation Cane Seeds by rearing in Nurseries
- (i) Ratoon Management for Sugar Cane crops.
- (j) Installation GPS, HHT for cane survey.

The above measures will result into high yielding disease-free cane and higher financial return to the Cane Growers. Microbial Lab will increase the fertility of soil by restoring its vital components.

(ii) Utilisation of by-products:

- (a) Manufacture of Bio-Compost & Vermi- Compost by using Pressmud and Distillery Effluents.
- (b) Co-gen of power from bagassee.

The above measures results into advent of Bio-Fertilizer and cheaper duly treated Effluent Water, rich in nutrients, which are beneficial to the farmers, factory and environment and achievement of zero water discharge and pollution level below the maximum norms set by government and co-gen.

- (iii) The company has not imported any technology.
- (iv) Expenditure incurred on Research and Development: Rs.8.10 Lacs

C. FOREIGN EXCHANGE EARNING AND OUTGO:

	Financial Year 31st March, 2017	Financial Year 31st March, 2016
(i) Total Foreign Exchange Earnings	Nil	Nil
(ii) Used (Rs. in Lacs)	280.44	282.76

Annexure - V to the Directors Report

FORM-MR-3 SECRETARIAL AUDIT REPORT

(For the financial year ended 31st March, 2017)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Riga Sugar Company Limited
14, Netaji subhas Road
Kolkata- 700 001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Riga Sugar Company Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Riga Sugar Company Limited ("The Company") for the financial year ended on 31st March, 2017 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ; Not applicable
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable
- VI. Laws specifically applicable to the industry to which the company specifically belongs, as identified by the management, that is to say:-
 - a. Essential Commodities Act., 1955

-
- b. Sugar Control Order, 1966
 - c. Sugar Cess Act, 1982
 - d. Levy Sugar Price Equalisation Fund Act, 1976
 - e. Sugar Development Fund Act, 1982
 - f. Food Safety and Standards Act, 2006
 - g. The Legal Metrology Act, 2009
 - h. Environment Protection Act, 1986

VII. We have also examined compliance with the applicable clauses Secretarial Standards issued by The Institute of Company Secretaries of India and Listing Agreement entered into by the company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Regulations etc mentioned above, save and except that we were informed by the management that for temporary foreign currency loan taken from Bank against earmarking of existing Rupee loan does not requires filing of E form pursuant to the provisions of section 179(3) of the Act, as there was no fresh exposure or the increase of the overall loan amount.

Reliance has been put on compliance system prevailing in the company and legal compliance certificates received from various Unit heads as regards compliance of Laws specifically applicable to the industry to which the company specifically belongs:

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes maintained by the company for the Board/Committee and Shareholders, we noticed that all decisions were approved by the respective Board/Committee and shareholders without any dissent note.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has:-

- (i) Allotted 5,50,000 Equity Shares on 30.12.2016 on conversion of outstanding equity share warrants pursuant to section 62, 23(1)(b), 42 and all other applicable provisions of the Companies Act, 2013 and in accordance with SEBI Regulations
- (ii) allotted 14,50,000 Equity Shares, on conversion of outstanding equity share warrants pursuant to section 62, 23(1)(b), 42 and all other applicable provisions of the Companies Act, 2013 and in accordance with SEBI Regulations on 30th March, 2017

For **H.M. Choraria**
Company secretaries

(H.M.Choraria)
Proprietor
FCS 2398
CP No. 1499

Place: Kolkata
Date : 4th August, 2017

Annexure - VI to the Directors Report

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial Year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Directors(KMP) and Designation	Remuneration of Director/KMP for the Financial Year 2016-17 (Rs. in Lac)	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each of Director to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company
1.	Mr.Om Prakash Dhanuka -Chairman cum Managing Director	31.18	34%	18.44	Net sales Decreased by 1% during 2016-17. Net loss was Rs. 483.75 lacs in 2016-17 as against net loss of Rs. 228.71 lacs in 2015-16
2.	Mr. Suyash Borar-Independent Director *	Nil	—	—	
3.	Mr. N.C.Majumdar -Independent Director	0.10	-57%	0.06	
4.	Mr. Dilip Datta-Independent and Director	0.10	100%	0.06	
5.	Mr. Sarad Jha-Independent Director	0.13	-43%	0.07	
6.	Mr.S.K.Goenka-Independent Director	0.13	-28%	0.07	
7.	Mrs.Sulekha Dutta *** Independent Director	0.13	-43%	0.07	
8.	Mr. Nirmal K. Parasramka Non Executive Director	0.05	NA	0.03	
9.	Mr.S.Prasad-Company Secretary	11.73	15%	6.94	
10.	Mr.R.N.Sharma - CFO	5.23	33%	3.09	

Note: (i) Remuneration to the Independent Directors and non-executive Directors consisting of only sitting fee in 2015-16 and 2016-17.

* Mr.Suyash Borar vide his letter dated 01.04.2009 expressed his intention to not to pay him sitting fee.

** Mr.Nirmal Kumar Parasramka was appointed as Additional Director w.e.f. 10.11.2016.

(ii) The median remuneration of employees of the Company during the Financial Year was Rs. 1.69 lacs.

(iii) In the financial year, there was an increase of 4 % in the median remuneration of the employees.

(iv) Number of permanent employees on the rolls of the Company as on 31.03.17 were 610.

(v) Net Sales during the year 2016-17 was Rs. 18199.45 lacs as compared to Rs 17953.47 lacs during 2015-16. Net loss was Rs. 483.75 lacs in 2016-17 as against net loss of Rs. 228.71 lacs in 2015-16. Increase in median remuneration of employees during the year was 4%. The average increase in remuneration was in line with the sales performance of the Company.

(vi) The total remuneration of Key Managerial Personnel's increased by 29 % from Rs. 37.41 lacs in 2015-16 to Rs. 48.13 lacs in 2016-17. Net loss during 2016-17 was Rs 483.75 lacs as against net loss of Rs. 228.71 lacs in 2015-16. In

view of lower existing remuneration and market challenges for retaining talent and experienced KMP remuneration has to be commensurate with market trend.

- (vi) a) Variations in the Market capitalization of the Company: The Market capitalization as on 31.03.2017 was Rs. 3264.21 Lacs and as on 31.03.2016 was Rs. 1605.20 Lacs.
- b) Price earnings ratio of the Company as at 31.03.2017 and 31.03.2016 was not applicable as the EPS was negative in both years.
- c) Percentage increase over/decrease in the Market quotations of the shares of the Company as compared to the rate at which the Company had come out with last public offer in the year: The company made initial public offer (IPO) in 1994-95 @ Rs.50/- per share. As on 31.03.2017, the closing market price of one Equity share was Rs. 22.60. Therefore, an amount of Rs. 100 invested in the said IPO would be worth Rs. 45.20 as on 31.03.2017. This excludes the dividend payout.
- (viii) Average percentage increase made in the salaries of employees other than the Managerial Personnel in the financial year 2016-17 was 5.02 %, whereas the managerial remuneration was increased during the financial year 2016-17 was 28.65 %.
- (ix) The Non-executive Directors were paid sitting fee of Rs. 2,500/- for attending the each Board Meeting. No sitting fee was paid for attending committee meetings. Remuneration to directors are as per recommendation of the Nomination and Remuneration Committee and as approved by the Board and shareholders of the Company.
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year- Nil
- (xi) It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.

STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sl. No.	Name (Relationship)	Designation, Nature of duties	Remuneration (Rs.)	Qualification and experience (years)	Age (Years)	Date of commencement of employment	Last employer, designation
1	Om Prakash Dhanuka	Chairman & Managing Director	31,17,694	M .B.A, (37 Yrs.)	67	01st April 1981	NIL
2	Srivrat Dhanuka (Relative of MD)	Chief Operating Officer	27,52,142	B.Sc. (Business Studies), U.K. (5 Yrs.)	28	1st Oct'2014	DGVitta Vinimay & Properties Ltd., Executive Director
3	Udaya Shankar Dwivedy	Senior General Manager (Distillery)	14,63,610	M.Sc. , P.G.(Dip.) in Industrial fermentation (30 Yrs.)	54	4th Oct'2010	B.S.D.L -Bhagauli as G.M. (Distillery)
4	Narendra Singh	Senior General Manager	14,47,994	M.Sc. , A.N.S.I. (Sugar Technology) (25 Yrs.)	50	30th July' 2011	Agronectafresh Ltd., Vice President
5	Shailendra Prasad	Chief Executive Officer & Company Secretary	11,73,072	M.Com, ACMA, ACS. (24 Yrs.)	48	1st July 1995	Chemcrown (India) Ltd- Company Secretary
6	Peeyush Kotia	Chief General Manager	9,33,136	B.Sc. (Hons.), P.G. (Dip) in Business Management (32 Yrs.)	57	20th Oct'2016	Sunti Golden Sugar Estate, Nigeria as Coordinator
7	Sunil Kumar	D.G.M (Distillery)	8,85,368	M.Sc., LLB, MBA (26 Yrs.)	49	15th May' 2010	The Seksaria Biswas Sugar Factory Ltd. as DGM (Distillery)
8	Kedar Nath Sahoo	General Manager (Technical)	8,73,713	AMIE(I), Mechanical (26 Yrs.)	53	30th May' 2015	Indian Sucrose Ltd. as Snr. Chief Engineer (HOD)
9	Janki Jevan Mani	DGM(Instrumentation)	8,17,522	B.E Electronics and Industrial Electronics (23 Yrs.)	47	15TH September 1999	Kanoria Sugar & Gen Mfg Co. Ltd . as Instrument Engineer
10	Sanjay Kumar Malik	General Manager (Production)	7,99,258	B.Sc. A.N.S.I. (Sugar Technology) (24 Yrs.)	49	22nd April' 2016	Kwale International Sugar Co. Ltd-Kenya as AGM (Production)

Annexure - VII to the Directors Report

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Riga Sugar Company Limited as a part of Dhanuka Group, has over the years endeavored to follow practice of Corporate Governance. Riga Sugar's business objective and that of its management and employees is to manufacture and market the Company's products so as to create value for consumers, farmers, shareholders, employees, and the national economy. In addition to compliance with regulatory requirements, Riga Sugar Company Limited endeavors to ensure that standards of ethical and responsible conduct are met throughout the organization.

BOARD OF DIRECTORS:-

The Board of Riga sugar Co. Ltd. as on 31st March, 2017 comprises of an Executive Chairman cum Managing Director (CMD) and seven other Directors including a Women Director. The day to day affairs of the company is managed by CMD. The composition of the Board is in conformity with section 149 of the Companies Act, 2013 and Regulation 17(1) of SEBI (LODR) Regulations, 2015. The Composition, attendance at the Board meeting & last Annual General Meeting, Outside Directorship and other Board Committees are given below.

During the year ended 31st March, 2017, five board meetings were held. The company held at least one meeting in every quarter and the time gap between two board meetings did not exceed 120 days. The details are as follow:-

Sl. No.	Date of Board Meeting	Board Strength	No. of Directors Present	No. of Independent Directors Present
1	30.05.2016	7	4	4
2	13.08.2016	7	6	5
3	05.09.2016	7	7	6
4	10.11.2016	8	7	5
5	14.02.2017	8	7	5

The composition of the Board of Directors as at 31st March, 2017, the number of other Boards of Directors or Board Committees of which he/she is a member/Chairperson and the attendance of each director at these Board Meetings and the last Annual General Meeting was as under:-

Directors	Category	No. of Outside Directorship Held (Public Ltd. Co.)	No. of Membership (Chairmanship) In Board Committees	No. of Board Meetings Attended	Attendance At previous AGM held on 11.09.2014	Shareholding in the Company
Mr. O. P. Dhanuka Chairman & Managing Director	Promoter & Executive	4	Nil	4	Yes	Nil
Mr. Suyash Borar	Independent & Non-executive	Nil	1	2	No	Nil
Mr. S. K. Goenka	-do-	3	2	5	No	Nil
Mr. N. C. Majumdar	-do-	Nil	-	4	Yes	Nil
Mr. Sarad Jha	-do-	3	2	5	Yes	Nil
Mrs. Sulekha Dutta	-do-	2	1	5	Yes	Nil
Mr. Dilip Datta	-do-	3	1	4	No.	Nil
Mr. N. K. Parasramka Appointed w.e.f 10.11.2016	Non-Executive Director	2	Nil	2	N.A.	Nil

Note 1: number of directorship in other companies excludes directorship in private limited companies, foreign companies and companies incorporated under section 8 of the Companies Act, 2013.

Note 2: Board Committee chairmanship/memberships in other companies include only chairmanships/memberships of Audit Committees and Stakeholders Relationship Committee.

Note 3: Board committee memberships in other companies includes only chairmanships in committees of other companies. All the independent directors qualify the conditions for being independent director as prescribed under Regulation 16(1) of SEBI (LODR) Regulations, 2015. The Board periodically reviews compliance reports of all laws applicable to the Company and necessary steps are being taken to ensure the compliance of law. .

As required under Regulation 17(7) of SEBI (LODR) Regulations, 2015, all the necessary information were placed before the Board from time to time.

The company pays to its non-executive Directors as sitting fees, an amount of Rs.2,500/- per meeting for attending meetings of the Board of Directors.

Code of Conduct

The company has adopted a code of conduct for its non-executive Directors and all non-executive Directors have affirmed compliances with the said code. All senior Management of the company have also affirmed compliance with the Code of Conduct. The code of conduct is also displayed on the website of the company www.rigasugar.com.

Maximum tenure of independent directors

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Formal Letter of appointment to independent directors

The company issue a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The terms and conditions of appointment of independent directors are placed on the company's website.

Performance evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the Board of Directors has carried out an annual performance evaluation of its own performance, and that of its Committee and individual Directors.

A structured questionnaire was prepared after taking into consideration input received from the Directors, covering many aspects of the Board functioning. The performance evaluation of the independent directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-independent directors was carried out by independent directors. The Nomination and Remuneration Committee also carried out evaluation of every director's performance. The directors expressed their satisfaction with the evaluation process.

Independent Directors Meeting

In compliance with schedule IV of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the independent directors held their separate meeting on 14.02.2017 without the attendance of non-independent directors and members of management to review the performance of non-independent directors and chairman of the Board, assess their quality, quantity and timeliness of flow of information between company Management and the Board.

All Independent Director were present at the meeting. The independent directors present at the meeting deliberated on the above and expressed their satisfaction.

Transaction with Board Members, KMC and Senior Management

There were no materially significant transactions during the Financial Year with Board Members, KMC and Senior Management, including their relatives that had or could have has a potential conflict of interest with the company. The Annual Report of the company contains a certificate duly signed by Managing Director in this regard.

BOARD COMMITTEES

Composition of various Committees of Board of Directors are disclosed in website of the company www.rigasugar.com.

AUDIT COMMITTEE

The Audit committee has been constituted and its Terms of reference is in line with provisions of Regulation 18 of SEBI (LODR) Regulations, 2015 and section 177 of the Companies Act, 2013. Terms of Audit committee includes overseeing the financial reporting process, review of financial statements, ensuring compliance with the regulatory guidelines, review of internal audit report, recommending appointment and remuneration of auditors to the Board of Directors and to review adequacy of internal control systems and internal audit function and other matters specified for audit committee under the listing regulations and section 177 of the Act. The Audit committee also review information as per the requirement of part C of schedule II to the Listing Regulations.

The Audit Committee comprises of 3 directors, all of whom are Independent Directors. All of them are expert in corporate finance, accounts and corporate law. The Company Secretary acts as secretary of the committee. The CFO, Auditor, Internal Auditor and Cost Auditor are the permanent invitee of the audit committee meeting. The Internal auditors report directly to the audit committee. The Audit Committee of the Company met 4 times during the financial year 2016-17 on 28.05.2016, 11.08.2016, 08.11.2016 and 11.02.2017.

The composition and attendance at the audit committee meeting are as follow:-

The composition and attendance at the audit committee meeting are as follow:-

<u>Name of Members</u>	<u>Status</u>	<u>No. of Meetings attended</u>
Mr. Sarad Jha (Chairman)	Independent & Non-Executive	4
Mr. Suyash Borar	-do-	4
Mr.S.K.Goenka	-do-	4

Mr. Sarad Jha, Chairman attended the AGM held on 30.09.2016 and replied to the queries to the satisfaction of the shareholders.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every directors performance. It shall carry out such other functions as may be required under section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015. The Nomination and Remuneration Committee comprises of 3 Directors, all of whom are non-executive, Independent Directors. The members of the Committee are Mr. S.K.Goenka, Mr. S.Borar and Mr.N.C.Majumdar.

During the Financial Year 2016 -17 one Nomination and Remuneration Committee Meeting was held on 11th August, 2016. The composition and attendance of the members of the Nomination and remuneration Committee are as follow:-

<u>Name of Members</u>	<u>Status</u>	<u>No. of Meetings attended</u>
Mr.S.K.Goenka - (Chairman)	Independent & Non-Executive	1
Mr. Suyash Borar	-do-	1
Mr. N.C.Majumdar	-do-	1

Remuneration Policy

The Board on the recommendation of the Nomination and Remuneration Committee has framed a Remuneration Policy, providing (a) criteria for determining qualification, positive attributes and independence of directors and (b) a policy on remuneration for directors, key managerial personnel and other employees.

REMUNERATION OF DIRECTORS FOR FINANCIAL YEAR 2016-17

<u>Name of the Director</u>	<u>Sitting Fee</u>	<u>Salaries</u>	<u>Perquisites/ Benefits</u>	(Amount in Rs.) <u>Total</u>
Mr. O.P.Dhanuka, Chairman - Managing Director	–	29,56,936/-	1,60,758/-	31,17,694/-
Mr. S. Borar	Nil			
Mr. S.K.Goenka	12,500/-			12,500/-
Mr.N.C.Majumdar	10,000/-			10,000/-
Mr.Sarad Jha	12,500/-			12,500/-
Mrs. Sulekha Dutta	12,500/-			12,500/-
Mr. Dilip Datta	10,000/-			10,000/-
Mr.N.K.Parasramka	5,000/-			5,000/-

The Company does not have any stock option scheme.

The present appointment of the Managing Director is for a period of three years and is effective from 13th August, 2016.

Familiarization Programme

With a view to familiarizing the Independent Directors with the company's operations as required under Regulation 25 of SEBI (LODR) Regulations, 2015, the company held various programme on continuous basis. The details of familiarization programmes are also placed on the companies website www.rigasugar.com

SHAREHOLDERS COMMITTEE

(i) Share Transfer Committee

The Share Transfer Committee was constituted to deal with various matters relating to share transfer/transmission, issue of duplicate share certificates, approving the split and consolidation request and other matters relating to transfer and registration of shares.

The members of the committee are Mr. O.P.Dhanuka, Mr. S.K. Goenka. and Mrs.Sulekha Dutta. Mr. S.Prasad, Company Secretary is Ex-officio Secretary of the Share Transfer Committee. During financial year 2016-17, 5 No. of share transfer committee meetings were held on 22.11.2016, 27.01.2017, 03.02.2017, 23.02.2017 and 27.03.2017.

(ii) Stakeholders Relationship Committee

In compliance with the provision of section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015 the Board has constituted "Stakeholders Relationship Committee " to look into and resolve the Grievance of security holders of the company related to transfer of shares, non-receipt of annual report and non-receipt of dividend.

During the financial year 2016-17, the Committee met on 07.04.2016, 07.07.2016, 07.10.2016 and 07.01.2017 (four meetings).

The Composition and attendance of Stakeholder Relationship Committee during the year were as follows:-

<u>Name of Members</u>	<u>Status</u>	<u>No. of Meetings attended</u>
Mr. S.K.Goenka	Independent & Non-Executive	4
Mr.Sarad Jha	-do-	4
Mrs. Sulekha Dutta	Independent & Non-Executive	4

Shareholder complaints received and redressed during the Financial Year 2016-17

Nature of Grievances	Complaints received from				Total Complaints received during 2016-17	Total Complaints resolved	No. of complaints outstanding as on 31st March, 2017
	Investors directly	Stock Exchange	SEBI 'SCORES'	ROC			
Non-receipt of Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non-receipt of Share Certificate	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non-receipt of Annual Reports	Nil	Nil	Nil	Nil	Nil	Nil	Nil

SUBSIDIARY COMPANY

The company has no subsidiary company.

COMPLIANCE OFFICER

Mr. S. Prasad , Company Secretary, is the Compliance Officer.

Address: Riga Sugar Co. Ltd.

14, Netaji Subhas Road, Kolkata- 700 001

Phone No. 033 2231 3414/15

Fax: 033 2230 3663

e-mail.: spasad@rigasugar.in

GENERAL BODY MEETING

Location and time of last Annual General Meetings are as under:

<u>For Financial year ended</u>	<u>Venue</u>	<u>Date and time</u>	<u>No of Special Resolution passed</u>
31.03.2016	Sitaram Seksaria Sabhagar(Auditorium) Bhartiya Bhasa Parishad, 36A, Shakespeare Sarani, Kolkata- 700 017	30th September, 2016 at 10.00 a.m.	1
31.03.2015	Sitaram Seksaria Sabhagar(Auditorium) Bhartiya Bhasa Parishad, 36A, Shakespeare Sarani, Kolkata- 700 017	29th September, 2015 at 10.00 a.m	None
31.03.2014	Sitaram Seksaria Sabhagar(Auditorium) Bhartiya Bhasa Parishad, 36A, Shakespeare Sarani, Kolkata- 700 017	11th September, 2014 at 10.00 a.m.	4

One Extra-Ordinary General Body Meeting was held during last 3 years on 29th September, 2015. During last three years one deemed Extra-Ordinary General Meeting was also held on 29.03.2016 for declaration of result of resolution put through postal ballot.

In aforesaid Extra Ordinary General Meeting the following Resolutions were passed:

<u>Date of Extra Ordinary General Meeting/Postal Ballot</u>	<u>Resolution Description</u>	<u>Voting pattern</u>
EGM : 29.09.2015	Ordinary Resolution in terms of section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) for Report of the Board of Directors of the Company to the Shareholders on the erosion of more than 50% of the Net Worth of the Company as at the end of the Financial Year ended 31st March,2015 in relation to its peak net worth during the immediately preceeding four financial years and authorization to the Board of Directors to take necessary steps including reporting of the fact of such erosion to the Board for Industrial and Financial Reconstruction (BIFR) in the prescribed form and in accordance to the provisions of section 23(1)(a)(i) of SICA and to do all connected works.	By Postal Ballot / E-voting
i) In Postal Ballot resolutions passed on 29th March, 2016 the following resolutions were passed as Special Resolution:-		
(a) Enhancement of Authorised Share Capital of the Company pursuant to the provisions of section 13 and 61 of the Companies Act, 2013 and rules framed thereunder.		
(b) Preferential issue of Convertible Equity Share Warrants pursuant to section 62, 23(1)(b) and 42 of the Companies Act,2013 , as per provisions of the Memorandum and Articles of the Company and as per Listing Agreement with the Stock Exchanges and in accordance with the existing guidelines, rules and regulations of the SEBI.		
(c) Approval for Loan/Guarantees/Investment under section 186 of the Companies Act, 2013 and rules framed thereunder.		
(d) Adoption of new set of Articles of Association of the Company under section 14 of the Companies Act,2013 read with the rules framed thereunder.		

DISCLOSURES

- (i) The details of related party transactions is mentioned in note no. 33 of financial statement. There was no materially significant related party transaction, which was considered to have conflict with the interest of the Company at large. The company has disclosed the policy of dealing with the related party transaction on its websites at www.rigasugar.com.
- (ii) There was no non-compliance, penalties or strictures imposed on the Company by the Stock Exchange, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.
- (iii) None of the Non-Executive Directors hold equity shares or convertible instruments of the Company as on 31.03.2017.
- (iv) The Company has followed the guidelines of Accounting Standards prescribed under the Companies (Accounting Standard) Rules, 2006 in preparation of its financial statements.

-
- (v) Pursuant to section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, Whistle Blower Policy has been made in Board Meeting dated 25.05.2014.

The Whistle Blower Policy/Vigil Mechanism provides a mechanism for the director/employee to report violations without fear of victimization of any unethical behavior, suspected or actual fraud, violation of the code of conduct etc. which are detrimental to the organization's interest. The Whistle Blower Policy is placed on the companies website www.rigasugar.com. During the year no personnel has been denied access to the Audit Committee.

- (v) The company has no unlisted subsidiary company as defined under Listing Regulations.
- (vi) Industry structure and developments, opportunities and threats, segment-wise or product-wise performance, outlook, risks and concerns of the Company and discussion on financial performance with respect to the operational performance, has been covered in the Director's Report.
- (vii) The Managing Director and CFO certificate for the year 2016-17 forms part of the Annual Report.
- (viii) All mandatory requirements relating to corporate governance under the Listing Regulations have been appropriately complied with and the status of non mandatory (discretionary) requirements is given below:
1. The Company does not bear any expenses of the Non executive Chairman's office.
 2. The Financial Statements are free from any Audit Qualifications.
 3. The Internal Auditors of the Company report directly to the Audit Committee.
- (ix) The Company has laid down Risk Assessment and Minimization procedures and the same are periodically reviewed by the Board. The Company has a defined Risk Management Policy approved by the Board of Directors of the Company. Further the Company has adequate internal control systems to identify risks at appropriate time and to ensure that the executive management controls the risk through properly defined framework.
- (x) The company allotted 5,50,000 Equity Shares and 14,50,000 Equity Shares on 30.12.2016 and on 30.03.2017 respectively on conversion of outstanding equity share warrants pursuant to section 62,23(1)(b), 42 and all other applicable provisions of the Companies Act,2013 and in accordance with SEBI Regulations.
- (xi) Other terms which are not applicable to the Company have not been separately commented upon.

MEANS OF COMMUNICATION

The Quarterly, Half yearly and Annual Results were published in the leading English and Bengali Newspapers such as 'The Financial Express', 'Business Standard' and 'Dainik Statesman' (Bengali). The Half-Yearly reports are not sent to household of shareholders. The Company's Website is www.rigasugar.com, Official news release and presentations made to analysts are sent to the Stock Exchanges at Calcutta and Mumbai, where shares of the Company are listed.

The Company's Quarterly Results are available on www.rigasugar.com

As per Listing Regulations, certain documents/information such as quarterly/annual financial results, shareholding pattern and corporate governance are accessible on the website www.rigasugar.com

The Company has designated separate section for redressal of the investor grievances and necessary disclosure to this effect in the Company's website www.rigasugar.com as well the email-id sprasad@rigasugar.in

GENERAL SHAREHOLDERS INFORMATION

- (i) Annual General Meeting

Date and Time : Monday, 18th September, 2017 at 10.00 a.m.

Venue : Sitaram Seksaria Sabhagar (Auditorium)
Bhartiya Bhasa Parishad,
36A, Shakespeare Sarani,
Kolkata- 700 017

- (ii) Financial Year Calendar for 2017-2018

Results for quarter ending, June, 2017	second week of September, 2017
Results for quarter ending, September, 2017	second week of December, 2017
Results for quarter ending, December, 2017	second week of February, 2017
Results for quarter ending March, 2018	second week of May, 2018 (Unaudited) OR last week of May, 2018 (if audited)

(iii) Date of Book Closure	13.09.2017 to 18.09.32017
(iv) Outstanding ADRs/GDRs Warrants or any convertible instruments, conversion date and likely impact on equity	NIL

LISTING OF EQUITY SHARES ON STOCK EXCHANGES AT

- (i) The Calcutta Stock Exchange Limited
7, Lyons range, Kolkata - 700 001
- (ii) BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001

LISTING FEES

Listing fee for the year 2017-18 has been paid to the above Stock Exchanges.

DEPOSITORIES

- (i) National Securities Depository Limited
Trade World, 4th Floor, Kamala Mills Compound
Senapat Bapat Marg, Lower Parel
Mumbai-400023
- (ii) Central Depository Securities Limited
Phiroze Jeejeebhoy Towers, 28th Floor
Dalal Street
Mumbai-400 023

STOCK CODE

- CSE Code 10028038
- BSE Code 507508
- ISIN Code INE 909 C01010

STOCK MARKET DATA

	Calcutta Stock Exchange(CSE)			Bombay Stock Exchange(BSE)		
	Month's high Price	Months Low Price	Volume	Month's high price	Month's low price	Volume
April . 2016	-	-	-	17.35	12.65	73,660
May. 2016	-	-	-	18.51	13.00	89,915
June. 2016	-	-	-	20.25	16.50	1,30,731
July. 2016	-	-	-	33.60	24.30	9,32,723
Aug. 2016	-	-	-	33.75	20.10	3,57,987
Sept. 2016	-	-	-	29.50	21.00	2,57,552
Oct. 2016	-	-	-	30.35	24.05	1,68,303
Nov. 2016	-	-	-	27.90	17.05	1,56,627
Dec. 2016	-	-	-	21.35	16.95	88,791

Jan. 2017	-	-	-	27.00	20.50	1,61,520
Feb. 2017	-	-	-	28.50	21.95	2,62,029
Mar. 2017	-	-	-	28.25	22.00	4,39,849

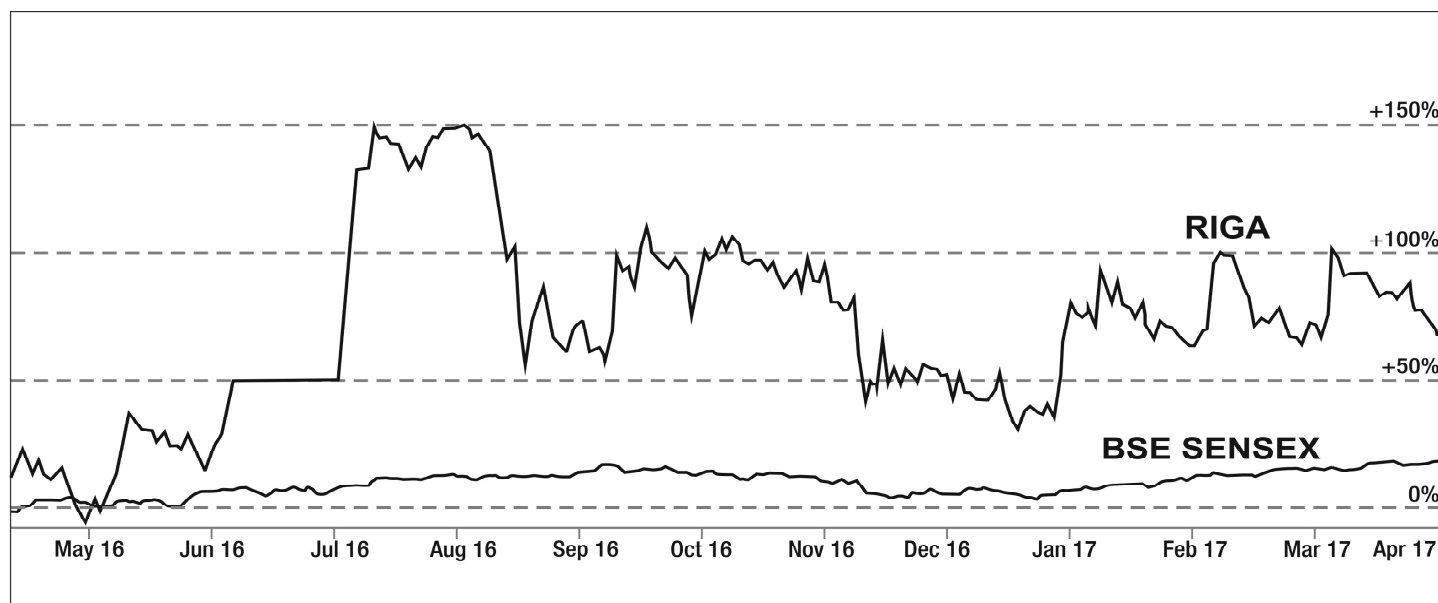
Note: There was no trading in Calcutta Stock Exchange during the year.

Share Price Performance in comparison to BSE Sensex.

BSE Sensex	
% change in RSCL share price	% change in Sensex
(+)75%	(+)17%

Financial Year ended 31st March,2017

MOVEMENT OF SHARE PRICE VIS-A-VIS SENSEX



REGISTRAR AND TRANSFER AGENTS, SHARE TRANSFER SYSTEM

Share transfers are normally held within a maximum period of 15 days from the date of receipt and Demat request is confirmed within a period of 14 days.

Registrars and Share Transfer Agents:

M/s S.K. Infosolutions Pvt.Ltd.
 34/1A, Sudhir Chatterjee Street,
 Kolkata-700006
 Phone : 033 2219 6797
 Fax : 033 2219 4815
 E-mail : skcdilip@gmail.com

CATEGORIES OF SHAREHOLDING AS ON 31ST MARCH, 2017

Category	Number of Shares	Percent of total shares
Promoters	99,93,378	69.19
Foreign Institutional Investors	-	-
Banks, Financial Institutions, Insurance Co.	-	-
Companies (Central/State Govt. Institutions/Non Govt. Institutions)	-	-
Mutual Funds and UTI	2,600	0.02
Private Corporate Bodies (including clearing members)	18,38,130	12.73
Non-Resident Indian (NRI) and Overseas Corporate Bodies (OCB)	58,372	0.40
Indian Public	25,50,925	17.66
TOTAL	1,44,43,405	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2017

Shareholding Range	Number of shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-500	5,290	89.38	6,23,981	4.32
501-1000	278	4.70	2,31,543	1.60
1001-2000	136	2.30	2,10,439	1.46
2001-3000	68	1.15	1,70,694	1.19
3001-4000	30	0.51	1,10,364	0.76
4001-5000	22	0.37	1,04,340	0.72
5001-10000	35	0.59	2,57,589	1.78
10001-50000	39	0.66	8,23,783	5.70
50001-100000	10	0.17	6,68,627	4.63
100001 and above	10	0.17	1,12,42,045	77.84
TOTAL	5918	100.00	1,44,43,405	100.00

DEMATERIALISATION OF SHARES AND LIQUIDITY

	<u>No.</u>	<u>%</u>
Demat in CDSL	16,14,319	11.18
Demat in NSDL	1,25,82,969	87.12
Physical	2,46,117	1.70
Total	1,44,43,405	100.00

98.30% equity Shares of the Company have been dematerialized as on 31st March, 2017.

PLANT LOCATION

i) SUGAR UNIT	(ii) DISTILLERY UNIT
Dhanuka Gram,	Dhanuka Gram,
P.O. Riga	P.O. Riga
Dist. Sitamarhi	Dist. Sitamarhi
Bihar - 843 327	Bihar - 843 327

INVESTORS CORRESPONDANCE

All share transfer cases should be forwarded to the Registrars & Share Transfer Agents of the company. All communication should be forwarded to the Registered Office of the Company marked to the attention of the Company Secretary- Mr.S.Prasad (Phone No. 033 2231-3414 , E-mail sprasad@rigasugar.in)

DECLARATION BY THE MANAGING DIRECTOR ON THE CODE OF CONDUCT

Pursuant to Regulation 17 (5) of SEBI (LODR) Regulations, 2015, this is to confirm that company has adopted the code of conducts for its Board Members and Senior Management Personnel and same is available on the website of the company. The Board of Directors and Senior Management Personnel of the company have affirmed their compliance with the said code, It is hereby declared that the company has obtained from all the Board Members and Senior Management personnel affirmation that they have complied with the said code for the financial year 2016-17.

Kolkata
29.05.2017

O.P.Dhanuka
Chairman - Managing Director

CMD & CFO Certification

In terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015

The Board of Directors

Riga Sugar Co.Ltd.

Kolkata.

Re: Financial Statements for the Financial Year 2016-17 Certification by CMD and CFO

We, O.P.Dhanuka, Managing Director and R.N.Sharma, Chief Finance Officer of Riga Sugar Co. Ltd, on the basis of the review of the financial statements and the cash flow statement for the year ended 31st March,2017 and to the best of our knowledge and belief, hereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March,2017 which are fraudulent, illegal or violative of the company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies
5. We have indicated to the Auditors & the Audit Committee:
 - a) there have been no significant changes in internal control over financial reporting during this period
 - b) about the significant changes in accounting policies during this period.
 - c) there have no instances of significant fraud of which we have become aware and the involvements therein, of management or an employee having significant role in the company's internal control systems over financial reporting.

Kolkata
29.05.2017

R. N. Sharma
CFO

O.P.Dhanuka
Chairman - Managing Director

CERTIFICATE

To the Members of Riga Sugar Company Limited

We have examined the compliance of conditions of corporate governance by Riga Sugar Company Limited for the year ended 31st March, 2017 as stipulated in SEBI (Listing Obligation and Disclosure Requirements Regulation 2015).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the financial year ended 31st March, 2017 no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **K.N. GUTGUTIA & CO.**
Chartered Accountants

(CA. Subhasish Pore)
Partner
(Membership No. 55862)

6C, Middleton Street
Kolkata-700 071
29.05.2017

K.N. GUTGUTIA & CO.

CHARTERED ACCOUNTANTS
KOLKATA • NEW DELHI

PHONE : 2287-3735/56
FAX : 91-033-2287 3756
6C, MIDDLETON STREET
FLAT NO. 23 (2ND FLOOR)
KOLKATA-700071
E-mail : kng_kol@vsnl.net

INDEPENDENT AUDITOR'S REPORT

**TO
THE MEMBERS OF
RIGASUGAR COMPANY LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of RIGASUGAR COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information,.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2016 (the Order) issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in "Annexure -A" statement on the matters specified in the paragraphs 3 and 4 of the Order as may be applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, please refer to our separate Report in "Annexure -B"
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:-
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 31 to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company
 - (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from the 8th November, 2016 to 30th December, 2016 and the disclosures are in accordance with books of accounts maintained by the Company and as produced to us.

For K. N. Gutgutia & Co.
Chartered Accountants
(ICAI Firm Registration No. 304153E)

CASUBHASISH PORE
Partner
Membership No. 55862

Kolkata
29th May, 2017

K.N. GUTGUTIA & CO.

CHARTERED ACCOUNTANTS

Annexure - A

As referred to our Report of Even Date in Para 1 of Report on Other Legal & Regulatory Requirements.

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- (iii) The Company has granted unsecured loan to a company covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) The terms and conditions of the grant of such loans are not prejudicial to the Company's interest;
 - (b) The loan is repayable on demand and the payment of interest has been stipulated and the receipts are regular;
 - (c) No amount is overdue.
- (iv) In respect of loans and guarantees, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The Company has not accepted any deposits.
- (vi) Maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and such accounts and records have been so made and maintained.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
- (b) Dues of duty of Excise and value added tax that have not been deposited on account of any disputes is detailed below in annexure- I.
- (viii) The Company has not defaulted in repayment of loans or borrowing to Bank and Government.
- (ix) No moneys were raised by way of initial public offer or further public offer (including debt instruments). Term loans were applied for the purposes for which those are raised.

-
- (x) Any fraud by the Company or any fraud to the Company by its officers or employees has not been noticed or reported during the year.
- (xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company has not been incorporated as Nidhi.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc., as required by the applicable Accounting Standards.
- (xiv) The Company has made preferential allotment of equity shares on private placement on conversion of convertible warrants during the year under review and the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised.
- (xv) The Company has not entered into any non-cash transaction with directors or persons connected.
- (xvi) The Company is not required to be registered under Section 45-1A of the RBI Act, 1934.

For **K. N. Gutgutia & Co.**
Chartered Accountants
(ICAI Firm Registration No. 304153E)

CA SUBHASISH PORE
Partner
Membership No. 55862

Kolkata
29th May, 2017

Annexure-I

Name of Statute	Nature of dues	Amount demanded (Rs. in Lacs)	Amount deposited under dispute	Period to which amount relates	Forum where dispute is pending
Bihar VAT	VAT Demand on SDS/ODS and Stock Transfer of RS	124.66 (Basic)	90.34	2009-10 to 2012-13	Commercial Tax Tribunal, Bihar

Annexure - B

As referred to our Report of Even Date in Para 2(f) of Report on Other Legal & Regulatory Requirements.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over financial reporting of Riga Sugar Co. Ltd. ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :-

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

-
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
 - (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For **K. N. Gutgutia & Co.**
Chartered Accountants
(ICAI Firm Registration No. 304153E)

CA SUBHASISH PORE
Partner
Membership No. 55862

Kolkata
29th May, 2017

Balance Sheet as at 31st March, 2017

	<u>Note No.</u>	<u>As at</u> <u>31.03.2017</u> Rs.	<u>As at</u> <u>31.03.2016</u> Rs.
I. EQUITY AND LIABILITIES			
1) Shareholders' Funds			
a) Share Capital	2	14,44,34,050	12,44,34,050
b) Reserve and Surplus	3	70,53,78,695	74,97,54,523
c) Money Received against share warrants	2	-	60,00,000
		<u>84,98,12,745</u>	<u>88,01,88,573</u>
2) Non-current Liabilities			
a) Long Term Borrowings	4	25,00,05,954	30,50,97,093
b) Long Term Provisions	5	5,26,41,000	5,18,43,000
		<u>30,26,46,954</u>	<u>35,69,40,093</u>
3) Current Liabilities			
a) Short Term Borrowings	6	1,01,36,38,682	97,90,63,032
b) Trade Payable	7	61,42,08,976	90,93,97,844
c) Other Current Liabilities	8	30,09,47,500	33,25,46,941
d) Short-term Provisions	9	59,03,000	33,51,000
		<u>1,93,46,98,158</u>	<u>2,22,43,58,817</u>
TOTAL		<u>3,08,71,57,857</u>	<u>3,46,14,87,483</u>
II. ASSETS			
(1) Non-current Assets			
a) Property, Plant & Equipments			
i) Tangible Assets	10	1,51,41,73,119	1,48,41,26,849
ii) Intangible assets	10	21,40,835	24,70,021
iii) Capital work-in-progress	10	5,95,47,310	-
		<u>1,57,58,61,264</u>	<u>1,48,65,96,870</u>
b) Deferred Tax Assets (Net)	11	9,35,51,986	9,99,90,654
c) Long term loans and advances	12	1,04,667	62,677
		<u>1,66,95,17,917</u>	<u>1,58,66,50,191</u>
(2) Current Assets			
(a) Inventories	13	1,12,25,92,245	1,55,21,07,049
(b) Trade Receivables	14	5,64,31,136	2,70,52,191
(c) Cash and Cash equivalents	15	1,07,85,300	96,14,268
(d) Short-term loans and advances	16	3,09,95,065	8,21,15,122
(e) Other current assets	17	19,68,36,194	20,39,48,662
		<u>1,41,76,39,940</u>	<u>1,87,48,37,292</u>
TOTAL		<u>3,08,71,57,857</u>	<u>3,46,14,87,483</u>

Significant Accounting Policies

1

Notes on Financial Statements

2 to 36

In terms of our Report of even date attached herewith.

For **K.N.GUTGUTIA & CO.**

CHARTERED ACCOUNTANTS

(ICAI Firm Registration No. 304153E)

(CA. SUBHASISH PORE)

Partner

Membership No. 55862

6C, Middleton Street, Kolkata-700071

29th May, 2017

R. N. Sharma

C.F.O.

S. Prasad

Company Secretary

O. P. Dhanuka

Chairman &
Managing Director

S. K. Goenka

Dilip Datta
Nirmal K. Parsarmka
Directors

Statement of Profit and Loss for the year ended 31st March, 2017

	<u>Note No.</u>	<u>For the year ended 2016-17 Rs.</u>	<u>For the year ended 2015-16 Rs.</u>
INCOME			
Revenue from operations	18	1,83,22,88,766	1,80,14,65,237
Other Income	19	2,27,02,099	89,65,954
Total Revenue		<u>1,85,49,90,865</u>	<u>1,81,04,31,191</u>
EXPENDITURE			
Cost of materials consumed- Indigenous	20	1,01,21,64,589	1,07,57,15,141
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	39,85,34,709	20,92,33,691
Employee benefits expense	22	14,61,08,112	13,66,10,729
Finance costs	23	15,02,22,519	14,35,33,704
Depreciation and amortization expenses	24	4,32,28,592	4,08,27,534
Other Expenses	25	14,66,69,504	25,51,62,104
Total expenses		<u>1,89,69,28,025</u>	<u>1,86,10,82,903</u>
Profit (Loss) before exceptional item		(4,19,37,160)	(5,06,51,712)
Exceptional Item	26	-	-
Profit (Loss) before Tax		(4,19,37,160)	(5,06,51,712)
Tax expense :			
(a) Income Tax of Current Year		-	-
(b) Income Tax for earlier years		-	81,997
(c) Deferred tax		64,38,668	(2,78,62,701)
Profit (Loss) for the year		<u>(4,83,75,828)</u>	<u>(2,28,71,008)</u>
Earning per equity share of face value of Rs.10 each			
Basic	27	(3.84)	(2.07)
Diluted		(3.84)	(2.04)
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 36		

In terms of our Report of even date attached herewith.

For **K.N.GUTGUTIA & CO.**

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(ICAI Firm Registration No. 304153E)

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Directors

Cash Flow Statement for the Year ended 31st March, 2017

	For the year ended <u>2016-17</u>	For the year ended <u>2015-16</u>
		(Rs. in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit (Loss) before tax and extra ordinary items	(419.37)	(506.52)
Adjustment for:		
Depreciation	432.29	408.28
Finance Charges	1,502.23	1,435.34
Interest/ Other Income	(7.04)	(1.55)
(Profit) Loss on sale of Investment	-	-
Liability no longer required written back	(215.76)	(76.64)
(Profit) Loss on Sale of Fixed Assets	-	(10.85)
Wealth tax paid	-	-
Operating Profit before Working Capital Changes	<u>1,292.35</u>	<u>1,248.05</u>
Adjustments For:		
Trade and other Receivables	279.41	(277.44)
Inventories	4,295.14	2041.38
Trade & Other Payables	(2,904.40)	(2,349.66)
Cash Generated from Operating Activities	<u>2,962.50</u>	<u>662.32</u>
Income Tax(payment) refund (Net)	8.70	(1.36)
Net Cash from Operating Activities (A)	<u>2,971.20</u>	<u>660.97</u>
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(1,324.93)	(195.21)
Sale/Purchased of Investment	-	-
Sale of Fixed Assets	-	11.05
Capital Subsidy Received	-	-
Dividend Received	-	-
Interest Received	7.04	1.55
Net Cash used in Investing Activities (B)	<u>(1,317.89)</u>	<u>(182.60)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from allotment money received on Share Capital	180.00	265.20
Proceeds from Long Term Borrowing(including funded Interest)	776.01	1,678.00
Repayment of Long Term Loan	(1,204.81)	(785.68)
Repayment /proceed from short term borrowing	345.76	(257.33)
Dividend paid	-	-
Finance Cost Paid	(1,738.56)	(1,371.16)
Net Cash from Financing Activities (C)	<u>(1,641.60)</u>	<u>(470.97)</u>
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENT (A+B+C)	11.71	7.40
OPENING BALANCE OF CASH & CASH EQUIVALENTS	96.14	88.74
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	107.85	96.14

(1) Cash and cash equivalent consists of cash on hand and balances with Banks.

(2) Figures for the previous year have been regrouped/re-casted whereevr necessary.

For **K.N.GUTGUTIA & CO.**

CHARTERED ACCOUNTANTS

(ICAI Firm Registration No. 304153E)

(CA. SUBHASISH PORE)

Partner

Membership No. 55862

6C, Middleton Street, Kolkata-700071

29th May, 2017

R. N. Sharma
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Chairman &
Managing Director

S. K. Goenka
Dilip Datta
Nirmal K. Parsarmka
Directors

1. SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of Preparation of accounts:

The accounts have been prepared based on 'historical cost' (except for certain fixed assets which are revalued) and governing statutes of India except otherwise stated.

(b) Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent assets and liabilities as at the balance sheet date and the reported amount of income and expenditure during the year.

(c) Revenue:

Revenue are recognized on the basis of certainty of their ultimate collection.

(d) Provisions

Provisions are recognized where reliable estimates can be made for probable outflow of resources to settle present obligation as a result of past event and the same is reviewed at each balance sheet date.

(e) Prior Period Items

Prior period expenses/income are accounted under the respective heads. Material items, if any, are disclosed separately by way of a note, except the items which are necessitated by circumstances although related to prior period but are determined in current period.

(f) Sales:

Sales include Excise Duty, Inter-divisional transfers but excludes sale tax/VAT.

(g) Government Grants and subsidies

Government grants and subsidies identifiable with specific fixed assets are adjusted against the value of those fixed assets. Government grants and subsidies not identifiable with any fixed assets are credited to Capital Reserve.

Government grants and subsidies identifiable with specific revenue expenses are adjusted with such revenue expenses. Government grants and subsidies not identifiable with any specific revenue expenses, are accounted for as other income.

(h) Research & Development:

Revenue Expenditure is charged to Profit & Loss Account and Capital Expenditure is added to the cost of Fixed Assets in the accounting year in which it is incurred.

(i) Expenditure on Modernisation and Expansion:

Expenses directly related to the Modernisation/Expansion Project are capitalised. Interest and financial Charges during construction period are also capitalised. Expenses incurred for arranging finance for capital project are amortized over the period of 10 years.

(j) Borrowing Cost:

Borrowing cost attributable to the acquisition and construction of fixed assets/projects are capitalized till it is put into use for intended future benefit.

(k) Fixed Assets:

Fixed Assets are stated at their original cost comprising purchase price, taxes and duties but net of Modvat/Cenvat credit allowed. All costs attributed to bring such assets to working condition and relative borrowing costs attributable to the acquisition and construction of fixed assets are capitalized till put into use for intended use. Capital subsidy received is reduced from cost of relevant fixed assets. The cost of fixed assets may undergo changes subsequent to its acquisition or construction on account of exchange fluctuation, price adjustments, changes in duties or similar

factors. The discarded/ obsolete fixed assets are transferred to scrap with recoupment of gross value and accumulated depreciation.

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Impairment losses, if any, are recognized in accordance with the Accounting Standard specified under section 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rule, 2014.

(l) Depreciation:

Depreciation on tangible assets is provided on the straight line method over the useful life of the assets as per schedule II of the Companies Act, 2013 except stated otherwise. Depreciation for assets purchased /sold during the year is proportionately charged. The management estimates the useful life for tangible fixed assets as follow:-

Building- Factory	-30 years
Building- Non-Factory	- 60 years
Plant and Machineries	-25 years
Furniture and Fixture*	- 5 years
Computer and Data Processor	- 3 years
Vehicle	- 8 years

Intangible assets are amortized over a period of ten years.

* Based on technical evaluation, the Management believes that the useful life of furniture and fixture best represent the period over which it is expected to be used. Hence the useful lives for these assets are different from the useful lives as prescribed under schedule II of the Companies Act, 2013.

(m) Inventory:

Description	Basis of Valuation
i) Stores & Spare Parts	At lower of cost or net realisable value
ii) Loose tools & Equipment's	At lower of cost or net realisable value
iii) Raw Materials	At lower of cost or net realisable value
iv) Finished Goods:	
a) Sugar	At lower of cost or net realisable value.
b) Molasses (Byproduct)	At realisable value.
c) Ethanol	At lower of cost or net realisable value.
d) Bio-Compost & Organic	Fertiliser made of waste At estimated realisable value.
v) Work in Process (Sugar)	At lower of cost or net realisable value.
vi) Standing Crop	At estimated realisable value.
vii) Bagassee	At estimated realizable value
The cost of inventory comprises cost price and all cost attributed to bring such inventory to its location including taxes and duties (net of credit) and is computed on weighted average basis.	

(n) Employee Benefits:

(a) Short Term employee benefits:

These are recognized as an expense at undiscounted amount in the year in which the related services are rendered.

(b) Post employment benefits:

(i) Provident Fund:

Contributions under this defined benefit plan are being deposited to the government administered /trust formed exclusively for maintaining the provident fund related activities of the company, which is an exempted organization under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and charged to profit and loss account on accrual basis.

(ii) Gratuity and Leave Encashment:

Liabilities annually determined by the Actuary are provided for.

iii) Actuarial Gain/Loss:

Liabilities annually determined by the Actuary are accounted for.

(o) Insurance Claim

These are accounted for on settlement of claim basis.

(p) Foreign Currency Transaction:

Transactions in Foreign Currency covered under 'Forward Contract' are recorded at the exchange rate prevailing at the time of transaction. The difference between forward rate and exchange rate on the date of the Forward Contract is recognised as income or expense over the life of the contract and is taken to Profit and loss account.

(q) Taxes on Income

Income tax expenses comprise current tax and deferred tax. Deferred tax liabilities and assets are recognized for all timing differences using the taxable rates substantively enacted by the balance sheet date and are reviewed at 31st March. Recognition of deferred tax assets is subject to consideration of prudence.

(r) Earning Per Share

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed by dividing the net profit after tax by the weighted average number of equity share considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

(s) Contingent Liabilities and Assets:-

Contingent liabilities are not provided for and are disclosed in the Notes on Accounts. Contingent assets are neither recognized nor disclosed in the accounts.

Notes on Financial Statements for the Year ended 31st March, 2017

	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
2. SHARE CAPITAL		
(a) AUTHORISED :		
1,00,000 12% Cumulative Redeemable Preference		
(1,00,000) Shares of Rs. 10/- each	10,00,000	10,00,000
1,99,00,000 Equity Shares of Rs. 10/- each	19,90,00,000	14,90,00,000
(1,49,00,000)	<u>20,00,00,000</u>	<u>15,00,00,000</u>
(b) ISSUED, SUBSCRIBED & PAID-UP EQUITY SHARES :		
1,44,77,105 (1,24,77,105) ISSUED	14,47,71,050	12,74,71,050
1,44,77,105 (1,24,77,105) SUBSCRIBED	14,47,71,050	12,47,71,050
1,44,43,405 (1,24,43,405) PAID-UP	14,44,34,050	12,44,34,050
2.1 PAR VALUE OF PER EQUITY SHARE	10	10
2.2 RECONCILIATION OF EQUITY SHARES (No.)		
Opening	1,24,43,405	1,06,43,405
Issued	20,00,000	18,00,000
Redeem/ buyback	-	-
Closing	<u>1,44,43,405</u>	<u>1,24,43,405</u>
2.3 The company has issued single class of equity shares and no special right and /or preference are attached to such shares.		
2.4 The company is neither holding company nor a subsidiary company.		
2.5 Equity Shares held by each shareholders holding more than 5% Shares :		
	As at 31.03.2017	As at 31.03.2016
	No. of Shares	No. of Shares
	% of holding	% of holding
(a) D G Vitta Vinimay & Properties Ltd.	70,98,484	50,98,484
(b) The Belsund Sugar & Industries Limited	26,16,165	26,16,165
	49.15	40.97
	18.11	21.02
2.6 No. of Shares Reserved for issue under Option and contact/commitment for the sale of shares/disinvestment	NIL	NIL
2.7 During the period of five years immediately preceeding the balance sheet date no shares were allotted as fully paid pursuant to contract without payment, no bonus shares were issued and no shares were bought back.		
2.8 20,00,0000 Equity Shares Warrants were allotted during previous year to promoters on preferential allotment basis at Rs. 12.00 per warrants at Face value of Rs. 10 and premium of Rs. 2.00 per equity share warrant converted into 20,00,000 Equity Shares.		
2.10 There in no unpaid call.		
2.11 Amount of forfeited equity shres (33,700 equity shares of Rs.10 each on which Rs.5 was paid up.)	1,68,500	1,68,500

Notes on Financial Statements for the Year ended 31st March, 2017

	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
3. RESERVE & SURPLUS :		
a) Capital Reserve		
Share Forfeited	8,42,500	8,42,500
	<u>8,42,500</u>	<u>8,42,500</u>
b) Security Premium Reserve -Opening	16,63,05,475	15,69,45,475
Receipt	40,00,000	93,60,000
Closing	<u>17,03,05,475</u>	<u>16,63,05,475</u>
c) Revaluation Reserve (Revaluation of Land)-Opening	79,91,97,506	79,91,97,506
Revalued during the year	-	-
Closing	<u>79,91,97,506</u>	<u>79,91,97,506</u>
d) General Reserve:		
As per last Balance Sheet	-	-
Transfer to Profit & Loss Account	-	-
	<u>-</u>	<u>-</u>
e) Surplus (Deficit) as per Profit and Loss Account		
Opening	(21,65,90,958)	(19,37,19,950)
Transfer from General Reserve	-	-
Net profit (Loss) for the period	<u>(4,83,75,828)</u>	<u>(2,28,71,008)</u>
Total	<u>(26,49,66,786)</u>	<u>(21,65,90,958)</u>
Appropriations:	-	-
Balance Carried Forward	<u>(26,49,66,786)</u>	<u>(21,65,90,958)</u>
TOTAL (a) to (e)	<u>70,53,78,695</u>	<u>74,97,54,523</u>

Notes on Financial Statements for the Year ended 31st March, 2017

	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
4. LONG TERM BORROWINGS :		
Secured Term Loans From		
Bank of India	16,63,12,996	21,85,12,268
Union Bank of India	5,61,76,778	6,43,98,000
Sugar Development Fund (Including funded Interest)	2,75,16,180	2,21,86,825
	<u>25,00,05,954</u>	<u>30,50,97,093</u>
4.1 Security and Terms of Repayment of Term Loans from Banks		
(a) Term Loan from Bank of India is Secured by first pari-passu charge on the fixed assets and second charge on current assets of the company at Riga, Sitamarhi, Bihar and personal guarantee of a Director with following terms in respect of 5 outstanding loans:-		
(i) Outstanding balance of Rs. 170.00 Lacs repayable in monthly instalment from April, 2017 to January, 2018..		
(ii) Outstanding balance of Rs. 146.65 Lacs repayable in monthly instalment from April, 2017 to January, 2018.		
(iii) Outstanding balance of Rs.123.21 Lacs repayable monthly instalment from April, 2017 to January, 2018.		
(iv) Outstanding balance of Rs. 185.95 Lacs repayable monthly instalment from April, 2017 to February, 2018.		
(v) Outstanding balance of Rs. 621.28 Lacs repayable monthly instalment from April,2017 to February, 2019.		
(vi) Outstanding balance of Rs. 1132.20 Lacs repayable quarterly instalment from April, 2017 to June, 2021		
(b) Term Loan from Union Bank of India is Secured by first pari-passu charge on the fixed assets and second charge on current assets of the company at Riga, Sitamarhi, Bihar and personal guarantee of a Director with following terms in respect of 2outstanding loans:-		
(i) Outstanding balance of Rs. 52.02 Lacs repayable in monthly instalment from April, 2017 to January, 2018.		
(ii) Outstanding balance of Rs. 215.44 Lacs repayable in monthly instalment from April, 2017 to March, 2019.		
(iii) Outstanding balance of Rs. 382.00 Lacs repayable in monthly instalment from June, 2017 to July, 2021.		
4.2 Sugar Development Fund Loan is secured by Second Charge on Block assets of sugar unit of the company.		
4.3 Loan guarantee by Directors- Both the above Term Loans taken from Banks are guaranteed by a Director.		
4.4 There is no continuing defaults in repayment of Loan and Interest to Banks and Financial Institutions as on 31st March, 2017.		

Notes on Financial Statements for the Year ended 31st March, 2017

	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
5. LONG TERM PROVISIONS :		
(a) Provision for Employee benefits	5,26,41,000	5,18,43,000
	5,26,41,000	5,18,43,000
6. SHORT TERM BORROWINGS :		
Secured		
(a) Loans repayable on demand		
Bank of India	55,88,46,488	51,83,71,077
Union Bank of India	18,65,20,991	18,38,28,179
	74,53,67,479	70,21,99,256
Unsecured		
(a) Loans and advance from related parties	16,28,75,000	16,13,75,000
(b) Deposits	-	-
(c) Inter-Corporate Loans	10,30,00,000	11,21,00,000
(d) Other Loans and advances	23,96,203	33,88,776
	26,82,71,203	27,68,63,776
	1,01,36,38,682	97,90,63,032
6.1 Security against short term loan from Banks:-		
(a) Working Capital loans from Bank of India is Secured by third pari-passu charge on the fixed assets of sugar unit and second pari-passu charge on fixed assets of Distillery unit as well as first charge on current assets of the company at Riga, Sitamarhi, Bihar and personal guarantee of a Director:-		
(b) Working Capital loans from Union Bank of India is Secured by third pari-passu charge on the fixed assets of sugar unit and second pari-passu charge on fixed assets of Distillery unit as well as first charge on current assets of the company at Riga, Sitamarhi, Bihar and personal guarantee of a Director:-		
6.2 Loan guarantee by Directors- Both the above Loans taken from Banks are guaranteed by a Director.		
6.3 There is no continuing defaults in repayment of Loan and Interest to Banks and Financial Institutions as on 31st March, 2017.		

Notes on Financial Statements for the Year ended 31st March, 2017

	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
7. TRADE PAYABLE :		
Other than Micro, Small, and Medium Enterprises	61,42,08,976	90,93,97,844
	61,42,08,976	90,93,97,844
8 OTHER CURRENT LIABILITIES		
(a) Current maturities of long term debt	15,79,86,689	14,57,76,000
(b) Interest accrued but not due on borrowings	19,80,856	2,56,13,964
(c) Income received in advance	1,87,70,009	1,69,36,371
(d) Unpaid dividends	1,75,203	1,75,203
(e) Others payable*	12,20,34,743	14,40,45,403
	30,09,47,500	33,25,46,941
8.1 OTHER PAYABLE		
Excise duty liability on Closing Stock	4,04,43,780	6,45,42,033
Miscellaneous	8,15,90,963	7,95,03,370
	12,20,34,743	14,40,45,403
9 SHORT TERM PROVISIONS		
(a) Provisions for employee benefits	59,03,000	33,51,000
(b) Others	-	-
	59,03,000	33,51,000

RIGA SUGAR CO. LTD.

10. PROPERTY, PLANT & EQUIPMENT AS ON 31.03.2017

Depreciaion	GROSS BLOCK			DEPRECIATION/AMORTISATION					NET BLOCK	
	As at 01.04.2016	Additions	Deductions/ Adjustment	As at 31.03.2017	As at 01.04.2016	Forthe Year	Deduction/ Adjustments	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<u>TANGIBLE ASSETS :</u>										
OWNED										
Free-hold Land	80,69,60,000	-	-	80,69,60,000	-	-	-	-	80,69,60,000	80,69,60,000
Buildings	14,24,45,562	5,79,756	-	14,30,25,318	5,52,40,239	39,09,955	-	5,91,50,194	8,38,75,124	8,72,05,323
Plant & Machinery	1,31,26,27,204	7,20,57,994	-	1,38,46,85,198	73,30,54,121	3,63,58,186	-	76,94,12,307	61,52,72,891	57,95,73,083
Furniture, Fixtures & Equipments	1,75,23,253	3,07,926	-	1,78,31,179	1,47,75,073	10,70,039	-	1,58,45,112	19,86,067	27,48,180
Vehicles	17,308,242	-	-	1,73,08,242	96,67,979	15,61,226	-	1,12,29,205	60,79,037	76,40,263
TOTAL (A)	2,29,68,64,261	7,29,45,676	-	2,36,98,09,937	81,27,37,412	4,28,99,406	-	85,56,36,818	1,51,41,73,119	1,48,41,26,849
Previous Period (A)	2,22,93,19,677	7,09,44,089	33,99,505	2,29,68,64,261	77,56,18,631	4,04,98,348	33,79,567	81,27,37,412	1,48,41,26,849	-
INTANGIBLE ASSETS										
Trade Mark	50,000	-	-	50,000	50,000	-	-	50,000	-	-
Softwares Development	46,30,579	-	-	4,630,579	21,60,558	3,29,186	-	24,89,744	21,40,835	24,70,021
TOTAL (B)	46,80,579	-	-	4,680,579	22,10,558	3,29,186	-	25,39,744	21,40,835	24,70,021
Previous Period (B)	38,54,181	8,26,398	-	4,680,579	18,81,372	3,29,186	-	22,10,558	24,70,021	-
TOTAL (A+B)	2,30,15,44,840	7,29,45,676	-	2,37,44,90,516	81,49,47,970	4,32,28,592	-	85,81,76,562	1,51,63,13,954	1,48,65,96,870
Previous Period (A+B)	2,23,31,73,858	7,17,70,487	33,99,505	2,30,15,44,840	77,75,00,003	4,08,27,534	33,79,567	81,49,47,970	1,48,65,96,870	-
Capital Work-in-Progress									59,547,310	-
Intangible Assets under Development										

10.1 Notes:

- (1) Addition to Fixed Assets is net of Cenvat Credit.
- (2) The entire block of land at factory area were revalued during the year 2011-12 by Bank appointed Approved Valuer and accordingly " Revaluation Reserve" of Rs. 4163.89 Lacs were created. Again in 2014-15 the said Land were revalued as per Bank appointed Valuer and further Revaluation Reserve of Rs. 3135.90 Lacs were created.

Notes on Financial Statements for the Year ended 31st March, 2017

	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
11. DEFERRED TAX		
Deferred Tax Liability:		
Depreciation on Fixed Assets	16,30,90,535	13,85,88,507
Deferred Tax Assets:		
Unabsorbed Business Losses carried forward in Income Tax	3,21,33,766	4,26,20,082
Unabsorbed Depreciation carried forward in Income Tax	21,45,85,855	18,60,36,179
Section 43 B	28,92,381	28,92,381
MAT Credit	70,30,519	70,30,519
	<u>25,66,42,521</u>	<u>23,85,78,161</u>
Net Deferred tax Assets(Liability)	<u>9,35,51,986</u>	<u>9,99,90,654</u>
11.1 Nature of evidence supporting the recognition of deferred tax assets in respect of unabsorbed depreciation and carry forward losses are as follows:-		
Unabsorbed Depreciation- Till assesment year 2014- 15, as per the last Income Tax assesment Order dated 09.12.2016. For assesment year 2015-16 to 2016-17 claim of unabsorbed depreciation as per Income Tax Return filed/to be filed.		
12 LONG TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Security Deposit	1,04,667	62,667
	<u>1,04,667</u>	<u>62,667</u>
13 INVENTORIES		
Raw Materials	63,26,351	4,35,27,141
Stock-in-Process	1,62,40,300	-
Store and Spare Parts	7,96,49,124	4,93,30,176
Sugar	82,87,86,384	1,20,66,27,750
Ethanol	8,25,43,042	14,30,05,049
Molasses	2,44,18,525	3,70,00,675
Bagassee	6,09,71,125	5,30,34,900
Fertilisers	2,36,57,394	1,95,81,358
	<u>1,12,25,92,245</u>	<u>1,55,21,07,049</u>

Notes on Financial Statements for the Year ended 31st March, 2017

	As at <u>31.03.2017</u> Rs.	As at <u>31.03.2016</u> Rs.
14. TRADE RECEIVABLE		
(Unsecured and considered good)		
Debts outstanding for a period exceeding Six Months from the due date of payment	12,31,367	19,74,644
Other Debts	<u>5,33,19,794</u>	<u>2,39,92,488</u>
	5,45,51,161	2,59,67,132
Doubtful Debts	<u>18,79,975</u>	<u>10,85,058</u>
	<u>5,64,31,136</u>	<u>2,70,52,190</u>
15 CASH & CASH EQUIVALENTS		
(a) Cash & Cash Equivalent		
Balance with Banks:		
In Current Accounts	54,13,089	68,39,608
In Dividend Account	1,75,203	1,75,203
Cheque, Draft on hand	-	-
Cash in hand	54,847	12,17,798
Margin Money against Bank Guarantees	-	-
(b) Others		
Fixed Deposit with more than 12 months maturity (Against BG)	<u>51,42,161</u>	<u>13,81,659</u>
	<u>1,07,85,300</u>	<u>96,14,268</u>
16 SHORT TERM LOANS & ADVANCES		
(Unsecured , Considered good)		
(a) Loan & Advances to related parties	<u>4,00,000</u>	<u>2,00,000</u>
(b) <u>Loan & Advances to others</u>		
Advance to Cane Growers	14,03,605	13,15,017
Advances Recoverable	<u>2,91,91,460</u>	<u>7,89,89,576</u>
	<u>3,05,95,065</u>	<u>8,03,04,593</u>
(c) Doubtful Loan and advances		
Others	-	16,10,529
Total	<u>3,09,95,065</u>	<u>8,21,15,122</u>
17 OTHER CURRENT ASSETS		
Balance with Govt. Dept	14,41,46,034	18,02,39,156
Tax Deducted at source	12,48,204	21,18,641
Advance Income tax Payments	4,22,890	4,22,890
Others*	<u>5,10,19,066</u>	<u>2,11,67,975</u>
Total	<u>19,68,36,194</u>	<u>20,39,48,662</u>
17.1 OTHER INCLUDES*		
Interest Receivable	94,447	6,64,388
Interest subvention receivable	2,36,16,381	1,21,52,303
Prepaid	22,80,967	30,56,425
Recoverable	<u>2,50,27,271</u>	<u>52,94,859</u>
	<u>5,10,19,066</u>	<u>2,11,67,975</u>

Notes on Financial Statements for the Year ended 31st March, 2017

	<u>2016-17</u> Rs.	<u>2015-16</u> Rs.
18. REVENUE FROM OPERATIONS		
Sale of products;	1,93,21,05,226	1,85,36,83,550
Other operating revenues;	1,23,43,396	60,68,622
Less: Excise Duty	(11,21,59,856)	(5,82,86,935)
Total	<u>1,83,22,88,766</u>	<u>1,80,14,65,237</u>
18.1 Particulars of Sale of Products		
Sugar	1,51,06,26,582	1,33,94,17,663
Molasses	7,66,69,721	4,87,88,175
Industrial Alcohol	-	18,74,27,700
Country Liquor	-	24,16,33,884
Ethanol	33,02,43,450	-
Fertilisers	41,24,168	2,25,67,353
Bagasse	-	60,000
Others	1,04,41,305	1,37,88,775
Total	<u>1,93,21,05,226</u>	<u>1,85,36,83,550</u>
18.2 Other Operating Revenue		
Subsidy Claim		
Insurance Claim	1,05,43,355	49,28,145
Miscellaneous Income	18,00,041	11,40,477
Total	<u>1,23,43,396</u>	<u>60,68,622</u>
19 Other Income		
Interest Income - from current investment	7,03,594	1,55,000
Other non-operating income (net of expenses directly attributable to such income).*	2,19,98,505	88,10,954
Total	<u>2,27,02,099</u>	<u>89,65,954</u>
19.1 Other non-operating income* :		
Liability no longer required written back (Net)	2,15,76,280	76,64,322
Profit on sale of fixed assets	-	10,85,062
Miscellaneous	4,22,225	61,570
Total	<u>2,19,98,505</u>	<u>88,10,954</u>

Notes on Financial Statements for the Year ended 31st March, 2017

	<u>2016-17</u> Rs.	<u>2015-16</u> Rs.
20 Cost of Materials Consumed		
Indigenous-100%	1,01,21,64,589	1,07,57,15,141
	<u>1,01,21,64,589</u>	<u>1,07,57,15,141</u>
20.1 Consumption of Raw Materials under broad heads		
Sugarcane	89,72,22,828	89,93,88,825
Molasses	11,49,41,761	17,63,26,316
Total	<u>1,01,21,64,589</u>	<u>1,07,57,15,141</u>
21 Variation in Stock		
a) Closing Stock:		
Sugar	82,87,86,384	1,20,66,27,750
Molasses	2,44,18,525	3,70,00,675
Ethanol	8,25,43,042	14,30,05,049
Country Liquor	-	-
Stock-in-Process	1,62,40,300	-
Fertilisers	2,36,57,394	1,95,81,358
Bagassee	6,09,71,125	5,30,34,900
	<u>1,03,66,16,770</u>	<u>1,45,92,49,732</u>
b) Opening Stock:		
Sugar	1,20,66,27,750	1,44,98,60,750
Molasses	3,70,00,675	3,35,64,475
Ethanol	14,30,05,049	8,54,67,155
Country Liquor	-	2,68,421
Stock-in-Process	-	-
Fertilisers	1,95,81,358	2,58,73,129
Bagassee	5,30,34,900	5,17,34,459
	<u>1,45,92,49,732</u>	<u>1,64,67,68,389</u>
	(42,26,32,962)	(18,75,18,657)
Excise Duty & Cess on Increase /(decrease) on Finished Goods Stock	2,40,98,253	(2,17,15,034)
Increase(Decrease)	<u>(39,85,34,709)</u>	<u>(20,92,33,691)</u>
22 Employee Beneifts Expenses		
Salary and Wages	12,65,14,918	11,74,13,783
Contribution to provident fund and others	92,24,088	84,56,661
Staff welfare expenses	33,05,303	28,64,723
Gratuity*	70,63,803	78,75,562
Total	<u>14,61,08,112</u>	<u>13,66,10,729</u>
* Gratuity and Leave Expense is net of provision as per valuation.		

Notes on Financial Statements for the Year ended 31st March, 2017

	<u>2016-17</u> Rs.	<u>2015-16</u> Rs.
22.1 EMPLOYEES BENEFITS		
Disclosure relating to Employee Benefits in accordance with provision of Accounting Standard (AS)-15 in respect to Company:-		
Defined Contribution Plans		
Contribution to Defined Contribution Plans, recognised as expense for the year is as under:-		
Employer's Contribution to Provident Fund	38,32,575	32,71,772
Employer's Contribution to Pension Scheme	53,91,513	51,84,889
	<u>92,24,088</u>	<u>84,56,661</u>

In case of company's exempted Provident Fund under section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952, conditions for grant of exemption stipulate that the employer shall make good deficiency, if any, in the rate declared by trust vis-à-vis statutory rate.

In case of non-exempted category employers and employees contribution are deposited in EPFO.

Defined Benefit Plan

(a) Expenses recognized in the Statement of Profit & Loss till last financial year ended 31st March, 2017.

	Gratuity (Rs. In Lacs)		Leave Encashment (Rs. In Lacs)	
Particulars	2016-17	2015-16	2016-17	2015-16
Current Service Cost	26.15	25.51	29.25	27.53
Interest Cost	36.73	35.07	4.32	4.27
Expected return on plan Asset	(0.12)	(0.11)	-	-
Plan Amendment cost	-	-	-	-
Net actuarial (gain) loss recognised in the year	7.88	18.29	(16.74)	(21.09)
Total Expenses	70.64	78.76	16.83	10.71
Expenses (Income) Recognized in the Income Statement	70.64	78.76	16.83	10.71
(b) Net Receipt/Liability Recognised in the Balance Sheet				
Current Opening net liability	490.76	484.68	61.18	58.97
Expenses as above	70.64	78.76	16.83	10.71
Contribution paid	(42.33)	(72.68)	(11.64)	(8.50)
Closing net Liability	519.07	490.76	66.37	61.18
Recognised in Balance Sheet	519.07	490.76	66.37	61.18
(c) Recalculation of Opening and Closing Balance of Defined Benefit Obligation				
Current Liability at the beginning of the period	490.76	484.68	61.18	58.97
Interest Cost	36.73	35.07	4.32	4.27
Current Service Cost	26.15	25.51	29.25	27.53
Plan Amendment cost	-	-	-	-
Benefit Paid	(42.33)	(72.68)	(11.64)	(8.50)
Actuarial (Gain) Loss Obligations	7.88	18.29	(16.74)	(21.09)
Expected return on plan Asset	(0.12)	(0.11)	-	-
Liability at the end of the period	519.07	490.76	66.37	61.18
(d) Actuarial assumption				
Discount Rate	7.00%	7.80%	7.00%	7.80%
Rate of Increase in Salary	5%	5%	5%	5%
Rate of Return on Plan Assets	N.A.	N.A.	N.A.	N.A.

Notes on Financial Statements for the Year ended 31st March, 2017

	<u>2016-17</u> Rs.	<u>2015-16</u> Rs.
23 Finance Costs		
Finance Cost on borrowing	10,91,04,596	9,10,28,622
Other Borrowing Cost	26,17,284	62,99,644
Applicable gain/loss on foreign currency on borrowing	3,67,08,020	4,60,93,424
Bank Guarantee Commission	17,92,619	1,12,014
Total	15,02,22,519	14,35,33,704
24 Depreciation and amortization expense;		
Depreciation & Amortisation	4,32,28,592	4,08,27,534
Total	4,32,28,592	4,08,27,534
25 OTHER EXPENSES		
Manufacturing expenses		
Store, Chemicals and Packing Materials- Indigenous	2,63,01,928	3,71,47,463
Power, Fuel and Water	3,57,56,962	2,01,11,498
Repairs to buildings.	29,42,118	21,28,453
Repairs to machinery.	3,41,42,624	3,65,00,205
Packing Materials for Country Liquior	-	8,71,76,653
Processing & Ferti-irrigation Expenses	30,66,703	1,20,39,189
Pollution Control Expenses	16,89,598	33,69,187
Total	10,38,99,933	19,84,72,648
Selling & Distribution Expenses		
Commission & Discount	36,85,963	31,38,651
Selling Expenses	26,77,974	1,27,28,635
Total	63,63,937	1,58,67,286
Establishment Expenses		
Rent.	17,64,882	17,27,397
Insurance.	71,30,796	69,35,773
Auditors Remuneration	3,21,845	3,14,000
Cost Audit Fee	85,000	85,000
Director's Fee	62,500	90,000
Sundry Balance Written Off	26,928	15,000
Rates and taxes, excluding taxes on income.	18,79,139	24,83,495
Miscellaneous expenses.	2,51,34,544	2,91,71,505
Total	3,64,05,634	4,08,22,170
TOTAL OTHER EXPENSES	14,66,69,504	25,51,62,104

Notes on Financial Statements for the Year ended 31st March, 2017

	<u>2016-17</u> Rs.	<u>2015-16</u> Rs.
25.1 Payments to the auditor :-		
For Statutory Audit	95,000	95,000
For Tax Audit	40,000	40,000
For Other Services	1,12,500	1,16,000
For Remburesement of expenses	74,345	63,000
Total	<u>3,21,845</u>	<u>3,14,000</u>
26 Exceptional Item	-	-
27 Earning Per Share (EPS)		
(i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(4,83,75,828)	(2,28,71,008)
(ii) Weighted Average number of equity shares used as denominator for calculating EPS	1,25,89,980	1,10,72,017
(iii) Basic and Diluted Earning per share	(3.84)	(2.07)
(iv) Diluted No of Equity Share	1,25,89,980	1,12,11,552
(v) Diluted EPS	(3.84)	(2.04)
(vi) Face Value per Equity Share	10	10
28 Expenditure on foreign currency during the financial year		
Interest	2,76,83,574	2,82,75,925
Travelling	3,60,911	-
Total	<u>2,80,44,485</u>	<u>2,82,75,925</u>
29 Prior Period items	<u>2,18,405</u>	<u>24,29,246</u>
30 Works in Progress under broad head		
Sugar	-	-
31 Contingent Liabilities (to the extent not provided for)		
(1) Claim against the company not acknowledged as Debt	47,67,052	47,67,052
(2) Bank Guarantee:	3,38,10,000	1,36,65,000
(3) Capital Commitment (Net of Advances)	-	5,29,20,000

Note: Claim against the company not acknowledged as debt of Rs. 47,67,052 relates to demand of central government to pay balance interest in respect of sugar season 1982-83 under provision of LSPEF Act, 1976 which is subjudice.

Notes on Financial Statements for the Year ended 31st March, 2017

32 Performance of Business Segment (Rs. in Lac)

(The Sugar segment includes the production of Sugar, Molasses and Fertilizers, whereas the Distillery segment includes production of Industrial Alcohol, Ethanol and related products).

Reportable Segment	Sugar	Distillery	Un-allocable	Elimination	Total
1 Segment Revenue :					
Net Sales	15,071.52	3,127.93	-	-	18,199.45
	13,663.35	4,290.62	-	-	17,953.97
Less : Inter-Segment Revenue	15,071.52	3,127.93	-	-	18,199.45
Net Sale from Operations	15,071.52	3,127.93	-	-	18,199.45
	13,663.35	4,290.52	-	-	17,953.97
2 Segment Results :					
Profit(+)/Loss(-) before Tax and Interest	487.96	594.90	-	-	1,082.23
	(524.81)	1,453.63	-	-	928.82
Less : (i) Interest					1502.23
					1,435.34
(ii) Other un-allocable Expenses(Income)					-
Profit (Loss) Before Tax					(419.37)
					(506.53)
3 Segment Assets & Liabilities :-	Sugar	Distillery	Un-allocable	Elimination	Total
Segment Assets (31.03.2017)	24,431.28	12,387.30	935.52	(6,882.52)	30,871.58
(31.03.2016)	(28,223.17)	(10,935.23)	(999.91)	(5,044.07)	(34,614.24)
Segment Liabilities (31.03.2017)	14,556.03	483.63	-	(6,882.52)	8,157.14
(31.03.2016)	(16,503.61)	(554.09)	-	(5,544.07)	(11,513.63)
Capital Employed (31.03.2017)	9,875.25	11,903.67	935.52	-	22,714.44
(31.03.2016)	(11,719.56)	(10,381.14)	(999.91)	-	(23,100.61)
4 Other Information :					
Capital Expenditure	114.06	615.40	-	-	729.46
	(692.70)	(25.00)	-	-	(717.70)
Depreciation	365.01	67.28	-	-	432.29
	(364.20)	(44.08)	-	-	(408.28)

Notes on Financial Statements for the Year ended 31st March, 2017

33. Related Party Transaction : (Rs. in Lac)

Name of related Party	Description of relationship with the Company	Nature of transaction	Value for the Year 2016-17	Outstanding as on 31.03.2017	Written off during the period
The Belsund Sugar & Industries Ltd	Associate Company	ICD Interest Trade Payable	3425 Cr. 1.55	1606Cr. 1.39 Cr. 314.83 Cr.	NIL NIL NIL
DG Vitta Vinimay & Properties Ltd.	Associate Company	ICD Interest	8.00 Dr. 0.62	4.00 Dr. 0.56 Dr.	NIL NIL
Garima Investment & Trading Co. Ltd.	Associate Company	ICD Interest	NIL NIL	NIL 0.39 Dr.	NIL NIL
Dupoint Impex Ltd.	Associate Company	ICD Interest	22.75 Cr. 2.37	22.75 Cr. NIL	NIL NIL
Directors		Sitting Fee	0.63	NIL	NIL
O. P. Dhanuka	CMD (KMP)	Salary as per terms of appointment	31.33	NIL	NIL
Srivrat Dhanuka	COO (Relative of CMD)	Salary as per terms of appointment	29.26	NIL	NIL

34. Other Notes

34.1 There is no unutilized amount of proceed of issue of securities.

34.2 Interest Expense is net of Interest Income of Rs. 0.62 Lacs (Previous year Rs. 7.97 Lacs).

34.3 The company during the year converted outstanding 20,00,000 equity share warrants into 20,00,000 equity shares of Rs.10/- each at a price of Rs.12.00 per equity share of Rs. 10/- and premium of Rs. 2.00 each, which were issued in previous year on preferential allotment basis as per SEBI (ICDR) Regulations, 2009. The Proceed of the same were used for strengthening the financial position of the company.

34.4 No supplier has furnished information about their registration under Micro, Small & Medium Enterprises Development Act, 2006 to the company.

34.5 The company has given Guarantee to Nationalized Banks toward Agriculture Loan provided by the Banks to the recommended farmers of the company to the extent of Rs. 4150 Lacs.

34.6 The outstanding liabilities considered not to be carried any longer have been written back.

35. As per Managements view there is no Impairment of Assets and there is no diminution in value of current assets.

36. The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November to 30th December 2016 by the Company are provided as below :-

<u>Particulars</u>	<u>SBNs Rs.</u>	<u>Other Denomination notes Rs.</u>	<u>Total Rs.</u>
Closing Cash in Hand as on 08.11.2016	10,84,000	69,171	11,53,171
(+) Permitted Receipts	-	-	-
(-) Permitted Payments	-	-	-
(-)Amount deposited in Banks	10,84,000	-	10,84,000
Closing Cash balance as on 30.12.2016	Nil	2,86,133	2,86,133

37. Previous years figure has been regrouped/ rearranged wherever necessary.

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