



ANNUAL REORT 2011-2012



RIGA SUGAR COMPANY LIMITED

RIGA SUGAR COMPANY LIMITED

Annual Report : 2012

Board of Directors : Shri O. P. Dhanuka – Chairman & Managing Director
Shri N. C. Majumdar
Shri Pankaj Tibrawalla
Shri S. Borar
Shri Sarad Jha
Shri S. K. Goenka

CEO & 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

Works : Dhanuka Gram
P. O. Riga
Dist. Sitamarhi
Bihar-843 327

Registrars & Share Transfer Agent : S. K. Infosolutions Pvt. Ltd.
34/1A, Sudhir Chatterjee Street
Kolkata-700 006
Phone : 22194815

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

NOTICE

NOTICE is hereby given that the Thirty First Annual General Meeting of the Members of RIGA SUGAR COMPANY LIMITED will be held on Thursday, the 27th September, 2012 at 10.00 a.m. at SITARAM SEKSARIA SABHAGAR (Auditorium), Bhartiya Bhasa Parishad, 36A, Shakespeare Sarani, Kolkata-700 017 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2012 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Suyash Borar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. S. K. Goenka, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**.

“RESOLVED that Mr.N.C.Majumdar, who was appointed on 24.10.2011 by the Board of Directors as Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting , being eligible for appointment and in respect of whom notice in writing under section 257 of the Companies Act, 1956 has been received from a member, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**.

“RESOLVED that Mr.Sarad Jha, who was appointed on 25.01.2012 by the Board of Directors as Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting , being eligible for appointment and in respect of whom notice in writing under section 257 of the Companies Act, 1956 has been received from a member, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

Registered Office :

14, Netaji Subhas Road
2nd Floor
Kolkata-700 001
Dated : 30th May, 2012

By Order of the Board

S. PRASAD
Company Secretary

NOTES :

1. A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote on poll instead of himself and the Proxy need not be a member of the Company. The enclosed Proxy Form, if intended to be used, should reach the Registered Office of the Company, duly completed, not less than forty eight hours before the scheduled time of the Meeting.
2. The Register of Members and the Register of Transfer will remain closed from 24th September 2012 to 27th September 2012 (both days inclusive).
3. Members intending to require information about accounts to be explained at the meeting are requested to write to the Company at least ten days advance of the Annual general Meeting.
4. Members are requested to bring copy of the Annual Report to the Meeting.
5. The Equity Shares of the Company is under compulsory dematerialisation and the same have been activated in demat form on both the Depositories i.e. NSDL and CDSL. Members are advised to get their Shares dematerialised. The ISIN No. is INE 909 C01010.
6. Members are hereby informed that Dividend(s) which remain unclaimed/ un encashed over a period of 7 years have to be transferred by the Company to Investor Education & Protection Fund of the Central Government. The shareholders who have not encashed their Dividend Warrant are requested to claim the outstanding dividend declared by the Company for the financial year 2004-05, 2005-06 and 2008-09.
7. Members holding shares in physical form are requested to advise the Company and the members holding shares in dematerialized form are requested to advise their Depository Participants immediately about any change in their address.
8. Members holding Shares in Physical Form and desirous of making a nomination in respect of their Share Holding in the Company, as permitted under Section 109A of the Companies Act, 1956 are requested to submit to the Company's Registered Office.
9. Appointment/Re-appointment of Director :

Mr. Suyash Borar and Mr. S. K. Goenka, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, following information is furnished about the Director(s) proposed to be appointed/re-appointed :

Mr. Suyash Borar 49 years old is a Chartered Accountant having knowledge in Accounting, finance and Corporate Management. Mr. Suyash Borar does not hold any share of the Company.

Mr. S.K. Goenka 62 years old, B.Com.(H), L.L.B. is presently Director in Paramount Stock & Share Broking Services Ltd., Bharat Produce Co. Ltd., O. P. Vanyjya Ltd., Eastern Ganges Corporation (P) Ltd., Vimla Mercantile Pvt. Ltd. Mr. S. K. Goenka does not hold any share of the Company.

Mr. N. C. Majumdar 62 years old is a retired Bank Manager, having vast knowledge in Accounting, Banking and finance. Mr. N. C. Majumdar does not hold any share of the Company.

Mr. Sarad Jha 58 years old a Chartered Accountant, is a senior partner in Vidya & Co. a Chartered Accountant firm having wide experience in the field of Auditing and serving as a Technical/financial consultant to various corporate/non-corporate clients. Mr. Jha is presently director in Kant & Co.Ltd., Adroit Information System Pvt.Ltd., Cosmopolitan Investments Ltd., Ganges Properties Ltd. and Novogreen Energy Solutions Consultancy (P) Ltd.

Mr. Sarad Jha does not hold any share of the Company.

11. As per Section 53 of the Companies Act, 1956, which provides for service of documents under 'Certificate of Posting' as one of the accepted mode of service, whereas the 'Department of Posts' has discontinued the postal facility under 'Certificate of Posting' vide their letter dated 23.02.2011. 'The Information Technology Act, 2000' also permits service of documents etc. in electronic mode. Keeping this in view the Ministry of Corporate Affairs vide their circular no. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively clarified that a Company would have complied with Section 53 of the Companies Act, 1956, if the service of document has been made through electronic mode provided the Company has obtained email addresses of its members. However such members have given option to receive the documents in physical form.

Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address as mentioned below quoting their folio number(s).

S.K.Infosolutions Pvt. Ltd.
34/1A, Sudhir Chatterjee Street,
Kolkata - 700 006

ANNEXURE TO THE NOTICE :

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES Act, 1956

ITEM NO. 5

Mr. N. C. Majumdar was appointed as Additional Director of the Company on 24.10.2011, accordingly he is liable to retire at the ensuing Annual General Meeting. The Company has received a Notice in writing under Section 257 of the Companies Act, 1956 from a member proposing the appointment of Mr. N. C. Majumdar as a Director liable to retire by rotation.

The Board recommend his appointment as a Director.

No other Directors of the Company are concerned or interested in the aforesaid Resolution.

ITEM NO. 6

Mr. Sarad Jha was appointed as Additional Director of the Company on 25.01.2012, accordingly he is liable to retire at the ensuing Annual General Meeting. The Company has received a Notice in writing under Section 257 of the Companies Act, 1956 from a member proposing the appointment of Mr. Sarad Jha as a Director liable to retire by rotation.

The Board recommend his appointment as a Director.

No other Directors of the Company are concerned or interested in the aforesaid Resolution.

Registered Office :

14, Netaji Subhas Road
2nd Floor
Kolkata-700 001
Dated : 30th May, 2012

By Order of the Board

S. PRASAD
Company Secretary

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, 2012.

FINANCIAL & OPERATIONAL RESULTS

FINANCIAL RESULTS

	(Rs. in Lacs)	
	For 12 months Financial Year 31st March, 2012	For 18 months Financial Year 31st March, 2011
(a) Operating Profit Before Finance Cost & Depreciation	1,708.37	1,806.62
(b) Finance Cost	1,570.65	1,095.19
(c) Cash Accruals	137.72	711.43
(d) Depreciation & Amortization	662.18	597.11
(e) Profit (Loss) Before Tax	(524.46)	114.32
(f) Provision for Tax		
– Current Tax	—	11.13
– Deferred Tax	(51.15)	52.85
– Income Taxes of earlier year	(4.27)	(0.50)
(g) Profit (Loss) After Tax	(469.04)	50.84
(h) Balance brought forward from last year	57.80	6.96
(i) Profit (Loss) Carried Forward to Balance Sheet	<u>(411.24)</u>	<u>57.80</u>

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 and sugar recovery for the year ended 31st March, 2012 vis -a-vis previous reporting period of 18 months financial year ended 31st March, 2011 (1st October, 2009 to 31st March, 2011, comprising 2 seasons) in respect of the Sugar Factory of your Company are given below :-

	12 Months Financial Year ended 31st March, 2012	18 Months Financial Year ended 31st March, 2011
1. Duration of crushing (gross days)	113	193
2. Cane crushed (Lac Qtls.)	46.54	70.21
3. Recovery (%)	9.31	9.13
4. Production (Lac Qtls.) – From Sugarcane	4.33	6.39

Season 2011-12

For whole season 2011-12 the sugar factory operated for 120 days with cane crush of 48.13 Lac Qtls. with recovery of 9.31% against 121 days operation and cane crush of 48.11 Lac qtls. last year with recovery of 9.16%. The sugar factory successfully achieved and ran at expanded crushing capacity of 5,500 TCD during the season 2011-12. It made substantial saving of bagasse due to better operational performance which has got good market apart from own requirement for power in off-season and in Distillery.

The cane Price for the season 2011-12 was increased from Rs. 205 to Rs. 225 per qtl. for normal varieties (about 25%), from Rs. 195 to Rs. 210 per qtl. for rejected varieties (about 65%) and from Rs. 210 to Rs. 230 for premium Variety (about 10%). The rejected category has increased because many varieties has been declared as discarded this year by the state government. On the other hand the Transport rebate on out center cane has been increased from Rs. 8.50 to Rs. 10.00 per qtls. Moreover the state government has exempted the purchase tax of Rs. 1.75 per qtls. for 2010-11 and 2011-12 and has reduced the ZDC commission from 1.8% to 1%. The above factors have overall actual impact on cane price increased by about Rs. 10/- per qtl. The molasses price during the year increased from Rs. 175 to Rs. 190 per qtls.

The sugar price during the year continued to remain below cost of production and thus sugar industry as a whole incurred losses. Although there was surplus production in the country but the government kept check on export of sugar. It was only from April, 2011 onward the government allowed restricted export of sugar on quota basis, according to which the total intended quantity of export were divided amongst all the sugar factories of country in proportionate to their production during last three years and option were given to sell the quota to other factories who actually doing physical export. As the export market was higher than domestic price it fetched premium to sell the export quota. Your company also sold the quota of export during the year on premium. This system works very well as all the factories were given equal opportunity to participate in export directly or indirectly and share profit and loss. However from April, 2012 the government removed this system and now any factory can export any quantity of sugar subject to registration with DGFT. Consequently now only sugar factory in coastal areas can export as for interior factories the transportation cost put them at disadvantageous position.

Due to higher production during the year the factories had to maintain higher level of inventory. The losses incurred by the factory compel them to bring more borrowing to fill the gap. Thus overall the working capital requirement increased during the year. Moreover the interest rate also increased in general. For sugar industry also due to downgrading of rating the bank increased the interest rate. Thus the interest expenses during the year increased tremendously.

Therefore higher cane price, lower realization and increase of interest burden impacted the profitability of the company and industry.

Expansion of Sugar Plant Capacity & Incentives

The sugar plant of the company successfully achieved expanded capacity from 5,000 TCD to 5,500 TCD during season 2011-12. The company has got Memorandum of acknowledgement from SIA, Ministry of Commerce and Industry, Government of India for expansion from 5,000 to 6,000 TCD. The company proposes to undertake expansion to 6,000 TCD in season 2012-13 after addition of few equipments. The company has applied to Bihar State Investment Promotion Board for registration of our expansion project. After achieving expansion to 6,000 TCD the company will be entitled for benefit for further expansion of 1,000 TCD (i.e. 5,000 TCD to 6,000 TCD).

DISTILLERY UNIT

	12 Months Financial Year ended 31st March, 2012	18 Months Financial Year ended 31st March, 2011
1. Production of Industrial Alcohol (Lac BL)	105.14	98.61
2. Sale of Industrial Alcohol (Lac BL)	119.66	68.93

The Distillery Unit of your company made record production and sales during the financial year 2011-12.

The Ethanol Plant supplied only 5.20 Lac BL against 0.20 Lac B.L. in previous year. The state control price of Rectified Spirit remained at Rs. 24.55 per BL, which is continuing since April, 2009. The industry is making representation to state government for increase of the same, which is under consideration.

ETHANOL

The provisional ethanol price since last two years is continued at Rs. 27.00 per BL. Recommendations of Expert Committee led by Dr Saumitra Chaudhuri on pricing of ethanol are still under consideration of the Government.

The company participated in Tender floated by Oil Marketing Companies (OMC) and got LOI for supply of ethanol to the depot of OMC in Bihar. However the state government of Bihar has no policy on Ethanol and thus not allowing sufficient transfer of Rectified Spirit, which is under state control, for manufacture of Ethanol. In absence of that the production and supply of Ethanol in the state of Bihar is negligible.

In the state of Bihar the ambitious Central Government Ethanol Blending scheme is failing, unlike other states where there are least restriction on Ethanol production.

SEGMENT-WISE PERFORMANCE :

During the reporting period sugar segment contributed 80 percent of net sales of the company whereas Distillery accounted for 20 percent. The company identified two business segments in line with the Accounting Standard on Segment Reporting, Segment-wise Revenue, Results and Capital Employed is stated in Note No.34 of financial statement enclosed with the Annual Report.

The company has got common excise registration of sugar and distillery unit. Thus on molasses transfer there is no applicability of excise duty, besides entitlement of utilization of accumulated cenvat credit lying in distillery for clearance of sugar also. Thus company's cash flow has been increased to that extent.

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 about Rs. 75,000 Crore and contribute about Rs.3,000 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. Beside the direct taxes by way of income is additional source of revenue to the government from sugar industry. Sugar 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.

10% of sugar production is earmarked as Levy sold under PDS to BPL families and balance as free which is regulated by government through monthly release.

Sugar Cycle

The Indian sugar industry is characterized by cycle of high and low sugar production. This cycle of 5-7 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.

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 i.e. Sugar. In some states cane price is fixed by the state government unreasonably high. Sugar Price are regulated by Union Government through varieties of measures including regulation of monthly release and control on international trade. 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.

Government control on Sugar Industry

Every hook and corners of sugar industry are desperately controlled by Central and State Governments in a bit to show their supremacy but their steps are in contradictory track. State Governments have been entrusted for the development of sugarcane areas but they are fixing sugarcane price at their whims and fancies whereas sugar prices are subject matter of Central

Government. State has no regard for realization of sugar prices while fixing the cane price and at the same time Central Government does not pay any attention while capping/ controlling the sugar prices with regard to cane prices being actually paid.

Central Government has kept the levy price at lower level by fixing FRP at very low which even does not cover the cost of growing of sugarcane, whereas state announces SAP which is much higher than FRP and ultimately becomes unviable for sugar factories. FRP price announced by central government since its introduction has been neither fair nor remunerative from any angle. This year the industry was forced to pay cane price of Rs. 225 against governments FRP of Rs. 145. The FRP announced by Central Government has no basis, no comparison with other crops, no linkage to the cost of production to farmers, no relation with inflation rate and are far from realistic. This has been done with single objective of keeping Levy price of sugar at lower level, far below than cost of production. Sugarcane prices in India are highest in the world wherein sugar prices are lowest in the world which is clearly unviable economic due to deficiency of the Government's policy.

Both central and state government should work on well devised Bhargava Formula which state that whenever there is extra realization over and above the Base sugar price fixed on the basis of SMP (now FRP) the same should be shared equally between the farmers and factory.

This is the only private industry in India which has to bear the unwarranted burden of subsidy in PDS by giving levy sugar.

A number of studies have shown that only about 35% sugar is directly consumed by household and rest by the Institutional Buyers for commercial use like Beverage, Confectionery and sweet makers. Again majority amongst the direct consumers are high income group. Still the sugar has been kept under Essential Commodities Act. This has got no logic.

Government never allows the sugar industry to flourish, disregarding the facts that its orderly development will ultimately help the farmers and will attract investment in the sector.

Levy Sugar

The sugar industry is the only industry in the country which is made to bear the burden of food subsidy under which it is required to supply 10% of its production to the Government as levy sugar at a discounted price, which at present is about 2/3rd of the open market sugar price. The sizable quantity of levy sugar lifted by state government nominee is diverted by unscrupulous traders in the open market and not actually goes to concerned poor family. There is no other industry in the country which is required to supply any part of its production for the public distribution system. The Government procures other commodities from the market like wheat, paddy, kerosene, pulses etc. for the PDS. The Food subsidy bill of the Central Government is around Rs.1,00,000 crores. A rough calculation of the subsidy burden the Central Government will have to bear, if it procures sugar for its PDS directly from the market, indicates that the additional subsidy burden on account of sugar would be around Rs.2,500 crore only. But this burden of Rs. 2500 Crores on sugar industry is unbearable.

Export policy

The government's decision making process to allow export in case of surplus takes inordinate time, by which the opportunity are lost. Thus government needs to create a predictable export direction in case of sugar-surplus year making it possible to capitalize in ever changing global market of sugar.

Distillery & Ethanol

Movement and distribution of Molasses and Alcohol (co-products) are governed by the State Governments. Here also due to lack of clear cut cohesive policy, which varies from state to state, it take considerable time to even allot the sugar factory's own molasses to Distillery and allotment of finished goods Alcohol due to several bureaucratic hurdles. The ethanol blending program also suffer as states are reluctant to allow permission for allocation of alcohol for production of ethanol. The state authority put hurdles on ethanol production due to perceptible fear of losing revenue and meeting state requirement for potable. The final price of ethanol is still awaited although the Expert Committee headed by Dr. Soumitra Chaudhuri, Member of Planning Commission has submitted his report long back.

Decontrol of Sugar Sector

The proposal to de-regulate sugar sector was considered by the Government in 2008 which included - (a) Abolition of levy sugar obligation from sugar mills (b) Abolition of regulated monthly release mechanism (c) Provide stable export-import regime and (d) Include denatured alcohol in the list of goods of special importance for free manufacture and movement of ethanol.

The Planning Commission and Ministry of Commerce had given their consent to the proposal of Department of Food to deregulate the Industry with little modification. However, decision on the proposal was deferred by the Government in view of the parliamentary elections in 2009. The matter was again taken up for consideration by the Government in 2010 when the proposal included (a) Abolition of levy sugar obligation from sugar mills (b) Abolition of regulated monthly release mechanism (c) Cane area de-reservation and (d) Cane price linkage to sugar price.

The Prime Minister has constituted a Committee under the Chairmanship of Dr. Rangrajan, Chairman of PM's Economic Advisory Council (PMEAC) to study the matter relating to de-control of the sugar industry and make its recommendations thereon. Dr. Rangrajan Committee is in the process of consultation with all the stake holders and thereafter may recommend to the Government to de-regulate sugar sector.

Linkage of Sugarcane Price with Sugar Price

Presently, there is no relationship between sugarcane & sugar price in India. Major sugar producing nations like Brazil, Australia, Thailand, Mauritius, even Kenya and Tanzania have such a direct linkage. Nandakumar Committee recommended such a formula in the year 2010 which are yet to be implemented. The Prime Minister's Office has formed a Committee under the Chairmanship of Dr. Rangarajan to examine possibilities of such linkages in India also. The government has asked opinion from industry about sharing of sugar and by-product realization with the farmers by formulating a formula of sharing realization of about 60% and thereby fixing the most rational basis of cane price. On implementation this will be most positive steps by the government which will stabilize the sugar industry and will lessen the adverse effect of sugar cycle. The political consideration of fixing cane price will also be removed.

CANE & SUGAR POLICY

The ratio of levy for the season 2011-12 remained at 10%.

The Fair and Remunerative Price (FRP) price for the season 2011-12 was 145.00 (last year Rs. 139.12) linked with basic recovery of 9.5% subject to premium of Rs.1.37 per qtl. for every 0.1% .

The levy sugar price for the season 2011-12 was Rs. 2115.94 per qtl. against Rs. 2052.01 per qtl in previous season.

The monthly release order of levy-free sugar has been made on quarterly basis with stipulation to sell between minimum 25% and maximum 50% per month of released quota of the quarter.

Government allowed export under OGL of 15 Lacs MT in tranches of 5 Lac MT each till September, 2011. Again during the season 2011-12 the government permitted export of 20 Lac MT of sugar in tranches of 10 Lac MT each under Open General License. Each sugar factory were allocated proportionate tradable license based on its average sugar production in the previous three seasons. From 14th May, 2012 the government made the sugar export free subject to registration with DGFT.

OPPORTUNITIES AND THREATS

OPPORTUNITIES

Sugar

India is largest consumer and second largest producer of sugar in world. Sugar is an essential item of mass consumption and with increase in income and spending power the consumption pattern of rural India is changing. The consumption of sugar is on increasing trend and 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. Further there is no alternative to sugar as sweetener is having mass value which add weight to products.

Distillery

The consistent increase of demand of Rectified Spirit /Ethyl Alcohol in varied segment and mandatory provision of ethanol doping of 5% and its proposed increase to 10% will have strong support for growth of sugar industry.

Power

The freewheeling policy of export of power from co-generation will give further opportunity to sugar factories to start feasible bagasse based co-generation at much lower capital investment. Due to this the increased demand of surplus bagasse has added imputes to revenue generation.

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. 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 and thus expect good cash flow in near future.

THREATS

The sugar sector is exposed to political intervention.

Unreasonable increase in cane price in comparison to sugar selling price.

Industry cyclicalities.

FUTURE PROSPECTS/OUTLOOK

The sugar year 2011-12 opened with a stock of 68 lac M/T against 50 lac M/T in 2010-11. The production for the season 2011-12 expected at 260 Lac M/T against 244 lac MT during previous season. The domestic consumption of sugar for 2011-12 expected at 215 lac M/T against 208 Lac M/T last year. The export of sugar for 2011-12 is expected at 36 Lac MT against 26 Lac M/T last year. The closing stock was thus will be 77 Lac MT, which is 9 lac MT more than last year and is more than 4 months domestic consumption.

Company's Plan :**SUGAR**

The company after achieving 5,500 TCD is planning to consolidate in forthcoming season by increasing sugarcane availability. The company plan to further expand its capacity after rationalizing of its existing facilities from 5,500 TCD to 6,000 TCD.

The company also plans to enter into co-generation in small way by installing small turbine so as to use the existing surplus capacity of steam generation due to higher saving of bagasse. The surplus power will be sold under free wheeling. At later stage it may go for co-generation on large scale.

The bio-compost and krishi-labh jaivik khad has pick up the momentum and company is further strengthening its production facilities and marketing tie-up.

The company is also thinking of starting CO₂ production from its distillery facility.

RISK AND CONCERN**SUGAR**

- (a) Government's zeal to control every aspect of sugar industry, although all other industries has been decontrolled, hampering the growth of sugar sector.
- (b) Delay in evolving a rational Sugarcane Pricing Policy having link with sugar price is detrimental to growth of the industry.
- (c) The output of sugar, an agro-based product, is influenced by climatic vagaries.
- (d) Sugar Industry being cyclic in nature, the growth is hampered during downtrend.
- (e) Due to increase in interest rate the interest burden on sugar industry have increased as they are forced to maintain higher stock due to monthly release mechanism and so the higher working capital.

DISTILLERY

- (a) Lack of clear cut policy of the State Government and time consuming regulation of the movement, distribution and pricing of molasses and Industrial Alcohol and pricing of are major concerns in respect of Distillery operations.
- (b) Inconsistent policy of the Central and State government in the implementation of the Ethanol Blending Programme and its stringent pricing issue are 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. Computerized Information System is available to capture, present and analysis the data for management information and decision-making. The company has installed ERP system for entire factory operation

including sugarcane, raw material, Store, manpower, sales, accounting. The company has also taken the services of satellite mapping and measurement of cane area which gives authentic figures. The management and control of factory operation is also under computerization and automation. 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. The company has surveillance systems at critical places to control.

FIXED DEPOSITS :

The company is complying with Fixed Deposit Rules. There is no overdue Fixed Deposit or interest thereon at the end of the year.

AUDITORS' REPORT :

The Notes on the Financial Statement referred to in the Report of the Auditors have been suitably explained by way of 'Notes on Accounts'.

COST AUDIT :

Cost Audit of Accounts of the Company for the year ended 31st March, 2012 in respect of Sugar and Industrial Alcohol are being conducted by M/s. Mani & Co., Cost Accountants, Kolkata, and necessary Report will be submitted to the Ministry of Corporate Affairs, Government of India.

The cost audit report for the financial year ended 31st March, 2011 was filed by the cost auditors with respect to sugar unit of the company on 6th September 2012, which is well within the due date of 30th September, 2012.

DIRECTORS :

Mr. Rahul Pasari resigned from the Directorship of the company with effect from 26th May, 2011. The Board expresses its appreciation for the advices given by Mr. Rahul Pasari during tenure in office as Director.

Dr. Gora Ghosh resigned from the Directorship of the company with effect from 26th June, 2011. The Board expresses its appreciation for the advices given by Dr. Gora Ghosh during tenure in office as Director.

Dr. I.K.Saha passed away on 10th December, 2011. The Board record its profound condolence for the passing soul and also record its deep appreciation for the advices given by Dr. Saha during tenure of his directorship in the company.

Mr. N.C. Majumadar appointed as Additional Director with effect from 24th October, 2011. He will hold office till the ensuing Annual General Meeting. Notice has since been received from a member proposing the appointment of Mr. N.C. Majumadar as Director of the company.

Mr. Sarad Jha appointed as Additional Director with effect from 25th January, 2012. He will hold office till the ensuing Annual General Meeting. Notice has since been received from a member proposing the appointment of Mr. Sarad Jha as Director of the company.

Mr. Suyash Borar, Director who retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Mr. S.K. Goenka, Director who retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, as amended, with respect to the Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in preparation of accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed;
- (ii) That the Directors of the Company 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 as at 31st March, 2012 and of the loss of the Company for the year ended 31st March, 2012.
- (iii) That the Directors of the Company have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(iv) That the Directors of the Company have prepared the accounts of the Company for the year ended 31st March, 2012 on 'going concern' basis.

CORPORATE GOVERNANCE :

The Corporate Governance form an integral part of this Report and are set out as separate annexures to this Report. The certificate from the Auditors of the company certifying compliance of condition of Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is also annexed to Report on Corporate governance. The voluntary guidelines on Corporate Governance issued by the Ministry of Corporate Affairs , Government of India , will be considered after the enactment of the new Companies Bill by the Government.

PERSONNEL :

There was no employee of the Company getting remuneration so as to attract the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended as on date.

LISTING OF SHARES :

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

Change in Capital Structure :

During the year the company allotted 16,65,000 equity shares of Rs.10/- each at a price of Rs.18.50 per share (including a premium of Rs.8.50) for total amount of Rs. 308.03 Lacs on preferential allotment basis on 19th March, 2012 as per SEBI (ICDR) Regulations, 2009. The said issue amount strengthened the Company's financial parameters.

CONSERVATION OF ENERGY :

Particulars in respect of conservation of energy, technology absorption and Foreign Exchange earning and outgo as required under Section 217(1)(e) of the Companies Act, 1956 are given in a separate annexure hereto and forming part of this report.

AUDITORS :

M/s. K. N. Gutgutia & Co., Chartered Accountants, Kolkata, Auditors of the Company, retire and being eligible offer themselves for re-appointment.

APPRECIATION :

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

Kolkata,
Dated : 30th May, 2012

For and on behalf of the Board,

O. P. Dhanuka
Chairman & Managing Director

Information pursuant to the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the period ended 31st March, 2012 :

A. CONSERVATION OF ENERGY :

Energy Conservation measures taken :

- a) Your Company continues to give priority to conservation of energy on an ongoing basis.
- b) Total energy consumption and energy consumption per unit of production – Given separately in Form 'A' annexed hereto.

B. TECHNOLOGY ABSORPTION :

Research & Development (R & D) :

- a) Specific areas in which R & D is being carried out by the Company :

Agriculture Development :

- 1) Soil Analysis and Nutrition
- 2) Soil Testing Lab
- 3) Tissue Culture
- 4) Microbial Culture Laboratory
- 5) Biological Control of Cane Crop
- 6) Heat Treatment Therapy to treat Sugarcane Seeds
- 7) Pest Control Measures to protect Sugar Cane from diseases.
- 8) Multiplication of foundation Cane Seeds by rearing in Nurseries
- 9) Ratoon Management for Sugar Cane crops.

Manufacturing Process :

- 1) Increasing the per day crushing rate.
- 2) Increase in operational efficiency of the Plant
- 3) Reduction of Sugar losses in process
- 4) Reduction in Steam consumption and power saving
- 5) Improvement in Sugar quality

Utilisation of by-products :

Manufacture of Bio-Compost & Vermi-Compost by using Pressmud and Distillery Effluents.

- b) Benefits derived as a result of above R & D :

- 1) By the measures under caption "Agricultural Development" :
Availability of 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.
- 2) By the measures under caption "Manufacturing Process" :
Improvement in production efficiency and reduction in steam consumption.
- 3) By the measures under caption "utilisation of by-products" :
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.

- c) Future Plans of Actions :

- 1) Continuous research of better yielding disease-free variety of cane.
- 2) Contemplating scheme to reduce sugar loss in the process and simultaneously increasing operational efficiencies.

- d) Expenditure on R & D :

- | | |
|----------------------------|-----------------------------------|
| 1) Capital | : NIL |
| 2) Recurring | : Rs.20.00 Lacs approx. per annum |
| 3) Total | : Rs. 20.00 Lacs approx. |
| 4) Total R & D Expenditure | : 0.14% of total turnover. |

as percentage of total turnover

- e) Technology absorption, Adaptation and Innovation :

- i) Efforts, in brief, made towards technology absorption, adaptation and innovation :

The Research & Development Department and Technical Personnel keep themselves abreast of the technical developments and innovations relating to the Company's product and/or products and bring about improvement in operation for better quality and cost effectiveness.

- ii) Benefits derived as a result of the above efforts : The Modernisation of Plant and smooth working ensured.

- iii) Imported Technology : None during the year.

C. FOREIGN EXCHANGE EARNING AND OUTGO :

	For 12 months Financial Year 31st March, 2012	For 18 months Financial Year 31st March, 2011
1) Activities relating to exports initiative	None	None
2) Development of new Export Market for products and services	Nil	Nil
3) Total Foreign Exchange Earnings	Nil	Nil
4) Used (Rs. in Lacs)	6.56	250.44
FORM'A' SUGAR		
	For 12 months Financial Year 31st March, 2012	For 18 months Financial Year 31st March, 2011
A. Power & Fuel consumption (In the process of manufacture) :		
1. Electricity :		
a) Purchased :		
Units	NIL	NIL
Total amount (Rs.)	NIL	NIL
Rate/Unit	N.A.	N.A.
b) Own Generation :		
i) Through Diesel Generator :		
Units	7,21,740	10,60,447
Units/Litres of Diesel Oil	3.36	3.12
Diesel Oil Cost/Unit Rs.	12.77	12.05
ii) Through Steam Turbine :		
Units	1,28,36,239	1,88,73,368
Units/Qtl. of Bagasse	21.00	20.20
iii) Cost/Unit :	Bagasse being byproduct, not ascertainable.	
2. Coal, Furnace Oil & Ors :	Not directly consumed in production.	
B. Consumption per Unit of Production :		
Production (in Lac Qtls. including Stock in Process)	4.33	6.39
Electricity (per Qtl. of Sugar)(Units)	31.31	31.21

NPK FERTILISER**Power & Fuel Consumption :**

	For 12 months Financial Year 31st March, 2012	For 18 months Financial Year 31st March, 2011
1. Electricity		
A. Purchase (Units) (Transfer from Sugar Unit)	15,264	42,750
Total Value (Rs.)	76,320	—
Rate per Unit (Rs.)	5.00	—
B. Own Generation :		
Through Diesel Generation (Units)	—	—
Unit per Litre of Diesel Oil	—	—
Diesel Oil Cost/Unit	—	—
2. Coal, Furnace Oil & Others		
(1) Production of Fertiliser (Qtls.)	5,088	9,379
(2) Electricity Power Consumed Unit/Qtls.	3.00	4.55

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 :

Composition, attendance at the Board meeting & last Annual General Meeting, Outside Directorship and other Board Committees :-

During the financial year 2011-12 ended 31.03.2012, 10 (ten) Board Meetings were held on 10.05.2011, 27.05.2011, 15.07.2011, 13.08.2011, 24.10.2011, 15.11.2011, 19.01.2012, 25.01.2012, 13.02.2012 and 23.03.2012.

Above information for the financial year ended 31st March, 2012 as applicable, is tabulated hereunder :

Directors	No of Board Meetings Attended	Attendance At previous AGM held on 20.08.2011	No. of Outside Directorship Held (Public Ltd. Co.)	No. of Membership (Chairmanship) in Board committees	Category
Mr. O. P. Dhanuka	9	Yes	3	—	Promoter & Executive
Mr. Pankaj Tibrawalla	8	Yes	3	1	Non-Promoter & Non-Executive
Mr. R. Pasari (resigned w.e.f 26.05.2011)	—	—	2	2	-do-
Dr. I. K. Saha Ceased due to death on 10.12.2011	6	Yes	2	2	Independent & Non-Executive
Dr. Gora Ghose Resigned on 20.06.2011	2	No	3	2	-do-
Mr. Suyesh Borar	1	No	—	1	-do-
Mr. S. K. Goenka	6	Yes	3	2	-do-
Mr. N. C. Majumdar	7	Yes	—	—	-do-
Mr. Sarad Jha	2	No	3	2	-do-

The composition of the Board and other provisions as to Board and Committees are in compliance with the clause 49. All the independent directors qualify the conditions for being independent director as prescribed under clause 49. No Director is related to any other director, except Mr. O. P. Dhanuka and Mr. Pankaj Tibrawalla, who are related to each other, as Mr. Pankaj Tibrawalla is 'son-in-law' of Mr. O. P. Dhanuka. Further, the Board periodically reviews compliance reports of all laws applicable to the Company and necessary steps are being taken to ensure the compliance in law and spirit.

As required under Annexure I to clause 49 of the Listing Agreement with the Stock Exchanges, 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.

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 companies website. The Annual Report of the company contains a certificate duly signed by Managing Director in this regard.

BOARD COMMITTEES**AUDIT COMMITTEE**

The Audit Committee of the Company met 4 times during the financial year 2011-12 on 26.05.2011, 12.08.2011, 14.11.2011 and 11.02.2012.

TERMS OF REFERENCE

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Reviewing, with the management, the annual and quarterly financial statements before submission to the board for approval, with particular reference to :
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
4. Reviewing the adequacy of internal audit function & discussion with internal auditors any significant findings and follow up there on.
5. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
6. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
7. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
8. Approval of appointment of CFO.
9. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

As on 31.03.2012 the Audit Committee of the Company comprises 3 Directors, all of whom are independent and non-executive. Mr. Suyesh Borar, who has financial and accounting knowledge, is the Chairman of the Audit Committee. The Company Secretary acts as the Secretary to the Committee. Auditors and Internal Auditors are invited to the meetings.

The constitution of Audit Committee was as follows :

Name of Members	Status	No. of Meetings attended
Mr. Suyesh Borar (Chairman)	Independent & Non-Executive	4
Mr. Rahul Pasari Resigned on 26.05.2011	Non-Promoter & Non-Executive	—
Mr. S.K.Goenka	Independent & Non-Executive	3
Dr. I. K. Saha Joined the committee on 27.05.2011 and ceased due to death on 10.12.2011	-do-	—
Mr. Sarad Jha Joined the committee on 25.01.2012	-do-	1

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. Pankaj Tibrawalla, and Mr. S. K. Goenka. Mr. S. Prasad, Company Secretary is Ex-officio Secretary of the Share Transfer Committee. During financial year 2011-12, 13 No. of share transfer committee meetings were held.

(ii) Shareholders/Investors grievances committee

The company constituted the Shareholders/Investors grievances committee to oversee the redressal of shareholders' and investors' grievances in relation to transfer of shares, non-receipt of annual report and non-receipt of dividend.

Shareholders/Investors Grievance Committee comprises of Mr. Pankaj Tibrawalla, Chairman, Mr. S. K. Goenka, Mr. Rahul Pasari resigned w.e.f. 26.05.2011, Dr. I. K. Saha joined the committee on 27.05.2011 and ceased due to death on 10.12.2011 and Mr. S. Jha joined the committee on 25.01.2012. During the financial year 2011-12, 5 No. of Shareholders/Investors Grievance Committee meetings were held.

The constitution of Shareholders/Investors Grievance Committee was as follows :

Name of Members	Status	No. of Meetings attended
Mr. Pankaj Tibrawalla (Chairman)	Non-Promoter & Non-Executive	5
Mr. Rahul Pasari Resigned w.e.f. 26.05.2011	Non-Promoter & Non-Executive	–
Mr. S.K.Goenka	Independent & Non-Executive	4
Dr. I. K. Saha Joined the committee on 27.05.2011 and ceased due to death on 10.12.2011	-do-	–
Mr. Sarad Jha Joined the committee on 25.01.2012	-do-	1

Share transfer are processed fortnightly and approved by the share transfer committee. During the Financial Year 2011-12, 3 number of complaints were received from shareholders and investors. All the complaints have generally been solved to the satisfaction of the complainants. There is no pending complaints.

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 : sprasad@rigasugar.com

REMUNERATION COMMITTEE

Matters of remuneration of Executive Directors is considered by Remuneration Committee before placing at the Meeting of Board of Directors of the Company, with the interested Executive Director(s), not participating or voting. The terms of remuneration of Executive Directors are approved by the Shareholders at the General Meeting. Remuneration Committee is comprising of Directors, Mr. S. K. Goenka, Chairman, Mr. Suyesh Borar and Mr. N. C. Majumdar all of them independent and non-executive Directors.

The Company pays remuneration by way of salary and perquisites to the Managing Director. The remuneration is recommended by the Remuneration Committee to the Board of Directors and placed before the shareholders' meeting for approval.

The Non-executive Directors are remunerated by way of sitting fee of Rs. 2,500/- for attending each Board of Directors' meeting.

REMUNERATION OF DIRECTORS FOR FINANCIAL YEAR 2011-12

(Amount in Rs.)

Name of the Director	Sitting Fee	Salaries	Perquisites/ Benefits	Total
Mr. O. P. Dhanuka Chairman-Managing Director	–	12,10,000	12,19,630	24,29,630
Dr. I. K. Saha	15,000	–	–	15,000
Dr. Gora Ghose	5,000	–	–	5,000
Mr. P. Tibrawalla	20,000	–	–	20,000
Mr. Rahul Pasari	–	–	–	–
Mr. S. Borar	2,500	–	–	2,500
Mr. S. K. Goenka	15,000	–	–	15,000
Mr. N. C. Majumdar	17,500	–	–	17,500
Mr. Sarad Jha	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 five years and is effective from 1st March, 2009 to 28th February, 2014.

During the Financial Year 2011-12 no Remuneration Committee Meeting was held.

GENERAL BODY MEETING

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

For Fin. Year	Venue	Date and time	No. of Special Resolution passed
18 months period ended 31.03.2011	'Kalakunj', 48, Shakespeare Sarani Kolkata- 700 017	20th August, 2011 at 11.45 a.m.	None
30.09.2009	Sitaram Seksaria Sabhagar (Auditorium) Bhartiya Bhasa Parishad 36A, Shakespeare Sarani, Kolkata-700 017	25th February, 2010 at 4.30 p.m.	None
30.09.2008	Do	18th February, 2009 at 10.30 a.m.	1

Three Extra-Ordinary General Body Meeting were held during last 3 years on 09.09.2009, 09.03.2011 and 21.02.2012, during last three years no deemed Extra-Ordinary General Meeting was held for declaration of result of resolution put through postal ballot.

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

Date of Extra Ordinary General Meeting/Postal Ballot	Resolution Description	Voting pattern in Postal Ballot % in favour % Against
EGM : 09.09.2009	Special Resolution in terms of section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 for issue of Convertible Equity Share Warrants on Preferential basis.	By show of hands
EGM : 09.03.2011	Special Resolution in terms of section 81(1A) and all other applicable provisions, if any of the Companies Act, 1956 for issue of Convertible Equity Shares on Preferential basis.	By show of hands
EGM : 21.02.2012	Special Resolution in terms of section 81(1A) and all other applicable provisions, if any of the Companies Act, 1956 for issue of Equity Shares on Preferential basis.	By show of hands

DISCLOSURES

- (i) The details of related party transactions is mentioned in note no. 35 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.
- (ii) There has not been any 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 31.03.2012.
- (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 the provisions of sub-clause V of the revised clause 49 of the Listing Agreement with the Stock Exchanges, the Managing Director and the CEO have issued a certificate to the Board, for the financial year ended 31st March, 2012.

MEANS OF COMMUNICATION

The Quarterly, Half yearly and Annual Results were published in the leading English and Bengali Newspapers such as 'The Financial Express' and 'Dainik Statesman'/'Ekdin' (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 Clause 52 of the Listing Agreement with stock exchanges, 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.com

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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.

The Company has an adequate system of internal controls to ensure that transactions are properly recorded, authorized and reported apart from safeguarding its assets. The internal control system is supplemented by well documented policies, guidelines and procedures and review carried out by the Company's internal audit function which submits reports periodically to the Management and the Audit Committee of the Board.

There has been no material development in Human Resources/Industrial Relations during the period covered by this Annual Report. Your Company has a favorable work environment that motivates performance, customer focus and innovation while adhering to the high degree of quality and integrity. Training programmes are being organized to impart further innovative ideas and knowledge as well as to upgrade the skill of the employees.

Manpower figures of the Company as on 31.03.2012 was 700

GENERAL SHAREHOLDERS INFORMATION

(i) Annual General Meeting

Date and Time : 27th September, 2012 at 10.00 a.m.

Venue : Sitaram Seksaria Sabhagar (Auditorium)

Bhartiya Bhasa Parishad

36A, Shakespeare Sarani,

Kolkata- 700 017

(ii) Financial Year Calendar for 2012-2013

Results for quarter ending June, 2012

second week of August, 2012

Results for quarter ending September, 2012

second week of November, 2012

Results for quarter ending December, 2012

second week of February, 2012

Results for quarter ending March, 2013

second week of May, 2013 (Unaudited)

OR last week of May, 2013 (If audited)

(iii) Date of Book Closure

24.09.2012 to 27.09.2012

- (v) 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) Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai -400 001

LISTING FEES

Listing fee for the year 2011-12 and 2012-13 has been paid to the above Stock Exchanges.

DEPOSITORIES

- (i) National Securities Depository Limited
Trade World, 4th Floor, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel, Mumbai-400 023
- (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
Apr. 2011	-	-	-	27.90	22.05	59536
May 2011	-	-	-	25.30	20.10	34669
Jun. 2011	-	-	-	24.95	20.10	50005
Jul. 2011	-	-	-	24.50	20.50	18052
Aug. 2011	-	-	-	25.80	16.50	23556
Sep. 2011	-	-	-	21.55	17.20	13803
Oct. 2011	-	-	-	20.15	16.20	12356
Nov. 2011	-	-	-	18.75	14.65	13026
Dec. 2011	-	-	-	18.15	14.20	17014
Jan. 2012	-	-	-	21.25	15.55	27437
Feb. 2012	-	-	-	20.00	15.15	27511
Mar. 2012	-	-	-	17.45	14.30	16505

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
(-) 29.9%	(-) 10.5%

Financial Year ended 31st March, 2012

REGISTRAR AND TRANSFER AGENTS, SHARE TRANSFER SYSTEM

Share transfers are normally effected 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-700 006

Phone : 033 2219 6797, Fax : 033 2219 4815

CATEGORIES OF SHAREHOLDING AS ON 31st MARCH, 2012

Category	Number of Shares	Percent of total shares
Promoters	53,43,378	58.12
Foreign Institutional Investors	—	—
Banks, Financial Institutions, Insurance Co.	—	—
Companies (Central/State Govt. Institutions/Non Govt. Institutions)	—	—
Mutual Funds and UTI	2,600	0.03
Private Corporate Bodies (including clearing members)	22,68,300	24.67
Non-Resident Indian(NRI) and Overseas Corporate Bodies (OCB)	13,771	0.15
Indian Public	15,65,356	17.03
TOTAL	91,93,405	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2012

Shareholding Range	Number of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-500	5695	92.36	701387	7.63
501-1000	243	3.94	196635	2.14
1001-2000	106	1.72	158531	1.72
2001-3000	42	0.69	103570	1.13
3001-4000	15	0.24	55266	0.60
4001-5000	8	0.13	36664	0.40
5001-10000	22	0.36	168220	1.83
10001-50000	20	0.32	390025	4.24
50001-100000	4	0.06	289135	3.15
100001 and above	15	0.18	7093972	77.16
TOTAL	6170	100.00	9193405	100.00

DEMATERIALISATION OF SHARES AND LIQUIDITY

97.09% equity Shares of the Company have been dematerialised as on 31st March, 2012. (out of which 18.11% shares allotted on 19.03.2012 are pending)

PLANT LOCATION

(i) SUGAR UNIT Dhanuka Gram, P. O. Riga Dist. Sitamarhi Bihar-843 327	(ii) DISTILLERY UNIT Dhanuka Gram, P. O. Riga Dist. Sitamarhi Bihar-843 327	(iii) HARABHARA FERTILISER Dhanuka Gram, P. O. Riga Dist. Sitamarhi Bihar-843 327
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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. 2231-3414, E-mail : sprasad@rigasugar.com)

DECLARATION BY THE MANAGING DIRECTOR ON THE CODE OF CONDUCT

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, I, O. P. Dhanuka, Managing Director of Riga Sugar Co. Ltd., declare that all the Board Members and senior Executives of the Company have affirmed their compliance with the Code of Conduct of the Company during the financial year 2011-12.

Kolkata
30th May, 2012

O. P. Dhanuka
Chairman-Managing Director

CMD & CEO Certification

The Board of Directors
Riga Sugar Co.Ltd.
Kolkata.

Re : Financial Statements for the Financial Year 2011-12 Certification by CMD and CEO

We, O. P. Dhanuka, Managing Director and S. Prasad, Chief Executive 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, 2012 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, 2012 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
30th May, 2012

S. Prasad
Chief Executive Officer

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 for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges. 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, 2012 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.

6C, Middleton Street
Kolkata-700 071
30th May, 2012

For **K.N. GUTGUTIA & CO.**
Chartered Accountants
(Subhasish Pore)
Partner
(Membership No. 55862)

AUDITOR'S REPORT

**TO
THE MEMBERS OF
RIGA SUGAR COMPANY LIMITED**

1. We have audited the attached balance sheet of RIGA SUGAR COMPANY LIMITED (hereinafter referred to as "the company"), as at 31st March, 2012 and also the statement of profit and loss and the cash flow statement for the year ended on that date annexed thereto, all of which we have signed this day under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform our audit to obtain reasonable assurance as to whether the aforesaid financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for expressing our opinion on the aforesaid financial statements of the company.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors Report Amendment) Order, 2004 ("the Order") made by the Central Government of India in exercise of power conferred by sub-section (4A) of section 227 of the Companies Act, 1956 (hereinafter referred to "the Act"), and, on the basis of such checks as we have considered appropriate and according to the information and explanations given to us during the course of our audit, we enclose in the Annexure a statement containing the matters specified in paragraph nos. 4 and 5 of the Order.
4. Further to our statement in the Annexure referred to in paragraph no. 3 above, we report that :
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - (iii) The company's balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the statement of profit and loss, balance sheet and the cash flow statement comply with the applicable accounting standards referred to in sub-section (3C) of section 211 of the Act.
 - (v) Based on written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts of the company 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 -

- (i) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2012;
- (ii) in the case of the statement of profit & loss, of the loss of the company for the year ended on that date; and
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For K. N. GUTGUTIA & CO.
Chartered Accountants
(ICAI Firm Registration No. 304153E)

6C, Middleton Street
Kolkata-700 071
Dated : 30th May, 2012

SUBHASISH PORE
Partner
Membership No. 55862

Annexure

As referred to in paragraph no. 3 of our report of even date

- (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) No substantial part of fixed assets has been disposed off during the year.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The company has granted unsecured loans to companies covered under register maintained under section 301 of the Act; as detailed in note no. 35 of financial statement; and
- (b) the rate of interest and other terms and conditions of loans given by the company are not prima-facie prejudicial to the interest of the company ; and
- (c) Receipt of the principal amount and interest are also regular; and
- (d) there is no overdue amount.
- (e) The company has taken unsecured loans from companies covered in the register maintained under section 301 of the Act; as detailed in note no. 35 of Financial Statement; and
- (f) the rate of interest and other terms and conditions of loan taken by the company are not prima facie prejudicial to the interest of the company; and
- (g) Payment of the principle amount and interest are also regular.
- (iv) There is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. We have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) The particulars of contracts or arrangement referred to in section 301 of the Act have been entered in the register required to be maintained under that section; and
- (b) save and except the transactions reported in clause (iii) above no transaction has been made.
- (vi) In respect of deposit accepted, in our opinion and according to the information and explanations given to us, directives issued by Reserve Bank of India and the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules made thereunder, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Board Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vii) The company has an internal audit system commensurate with its size and nature of its business.
- (viii) Maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and such accounts and records have been made and maintained.
- (ix) (a) The company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with appropriate authorities.

- (b) There are no dues of sales tax, income tax, customs duty, wealth tax, excise duty, service tax and cess which have not been deposited on account of any dispute, except the following :-

Sl. No.	Nature	Amount (Rs.in Lac)	Forum where dispute is pending
1.	Excise Duty	5.50	Commissioner of Excise (Appeal)
2.	VAT	34.63	Jt. Commissioner of Commercial Taxex (Appeal)

- (x) The company has accumulated loss balance at the end of the financial year but it has not incurred any cash losses in current and immediately preceding financial year.
- (xi) The company has not defaulted in repayment of dues to bank.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is neither a chit fund nor a nidhi/mutual benefit fund/society.
- (xiv) The company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) The company has not given any guarantees for loan taken by others from banks or financial institutions except as disclosed in note no. 36.8 of financial statement. The terms and conditions thereof are not prejudicial to the interest of the company.
- (xvi) The term loans were applied, by and large, for the purposes for which they were obtained.
- (xvii) No funds raised on short-term basis have been used for long-term investment.
- (xviii) The company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act as per SEBI Regulations and the price of shares issued is not prejudicial to the interest of the company.
- (xix) No debentures have been issued.
- (xx) No money has been raised by public issues during the year.
- (xxi) During the course of our examination of the books of accounts carried out in accordance with the generally accepted auditing practices in India, no fraud on or by the company has been noticed or reported.

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

6C, Middleton Street
Kolkata-700 071
30th May, 2012

(SUBHASISH PORE)
Partner
Membership No. 55862

BALANCE SHEET AS AT 31ST MARCH, 2012

	Note	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
I. EQUITY AND LIABILITIES			
1) Shareholders' funds			
a) Share Capital	2	9,19,34,050	7,52,84,050
b) Reserve & Surplus	3	60,49,23,832	22,12,86,315
c) Money Recieved against share warrants		—	—
		69,68,57,882	29,65,70,365
2) Share Application Money pending allotment		—	—
3) Non-current Liabilities			
a) Long Term Borrowing	4	29,42,90,098	29,41,15,183
b) Deffered Tax Liabilities (Net)		—	—
c) Other Long Term Liabilities	5	—	32,10,877
d) Long Term Provisions	6	4,45,42,000	5,17,22,000
		33,88,32,098	34,90,48,060
4) Current Liabilities			
a) Short Term Borrowings	7	1,14,53,61,018	86,41,46,686
b) Trade Payable	8	74,04,73,657	78,69,70,762
c) Other Current Liabilities	9	6,56,81,713	16,87,94,346
d) Short Term Provisions	10	62,70,437	28,16,213
		1,95,77,86,825	1,82,27,28,007
TOTAL		2,99,34,76,805	2,46,83,46,432
II. ASSETS			
1) Non-current Assets			
a) Fixed Assets			
i) Tangible Assets	11	1,22,83,00,835	84,98,86,166
ii) Intangible Assets	11	5,54,079	6,69,532
iii) Capital work-in-progress	11	1,88,97,871	7,29,245
iv) Intangible assets under development	11	—	—
		1,24,77,52,785	85,12,84,943
b) Non-current Investments		—	—
c) Deffered Tax Assets (Net)	12	3,13,88,292	2,62,72,629
d) Long term loans and advances	13	3,26,327	2,28,727
e) Other non-current assets		—	—
		1,27,94,67,404	87,77,86,299
2) Current Assets			
a) Current Investment		—	—
b) Inventories	14	1,48,31,42,184	1,32,00,20,171
c) Trade Receivables	15	18,31,410	1,31,26,607
d) Cash and Cash equivalents	16	2,63,66,462	4,30,74,452
e) Short-term loans and advances	17	3,96,07,397	5,29,43,192
f) Other current assets	18	16,30,61,948	16,13,95,711
		1,71,40,09,401	1,59,05,60,133
TOTAL ASSETS		2,99,34,76,805	2,46,83,46,432

Significant Accounting Policies**Notes on Financial Statements**

In terms of our Report of even date attached herewith

For K. N. Gutgutia & Co.

Chartered Accountants

SUBHASISH PORE

(Membership No. 55862)

6C, Middleton Street, Kolkata-700 071

30th May, 2012

S. Prasad

Company Secretary

O. P. Dhanuka

Chairman & Managing Director

N. C. Majumdar

P. Tibrawalla

S. Jha

S. K. Goenka

Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note	2011-12 (12 Months) Rs.	2009-11 (18 Months) Rs.
INCOME			
Revenue from operation	19	1,48,44,60,552	1,21,82,73,726
Other Income	20	62,27,057	20,18,197
Total Revenue		1,49,06,87,609	1,22,02,91,923
EXPENDITURE			
Cost of materials consumed-Indigenous	21	1,16,62,15,189	1,64,92,26,983
Purchase of Stock-in-Trade		—	—
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(15,82,34,651)	(1,01,98,11,859)
Employee benefits expense	23	12,52,34,852	17,67,09,980
Finance costs	24	15,70,65,009	10,95,18,515
Depreciation and amortization expenses	25	6,62,18,244	5,97,11,371
Other Expenses	26	18,66,35,306	23,35,04,488
Total expenses		1,54,31,33,949	1,20,88,59,478
Profit before tax		(5,24,46,340)	1,14,32,445
Tax expense :			
(a) Current Tax		—	11,13,437
(b) Income Tax for earlier year		(4,26,726)	(50,399)
(c) Deferred Tax		(51,15,664)	52,84,955
Profit(Loss) for the year		(4,69,03,950)	50,84,452
Earning per equity share of face value of Rs. 10 each			
Basic and Diluted	27	(6.18)	0.81
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 38		

In terms of our Report of even date attached herewith.

For K. N. Gutgutia & Co.
Chartered Accountants
SUBHASISH PORE
(Membership No. 55862)
6C, Middleton Street, Kolkata-700 071
30th May, 2012

S. Prasad
Company Secretary

O. P. Dhanuka
Chairman & Managing Director

N. C. Majumdar
P. Tibrawalla
S. Jha
S. K. Goenka
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	For the year ended 31.03.2012 (Rs. in Lacs)	For 18 months ended 31.03.2011 (Rs. in Lacs)
A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extra ordinary items	(524.46)	114.32
Adjustment for :		
Depreciation	662.18	597.11
Finance Charges	1,570.65	1,095.19
Interest/Other Income	(6.91)	(13.25)
(Profit)Loss on Sale of Investment	—	(0.85)
Liability no longer required Written Back	(5.49)	(0.16)
(Profit) Loss on Sale of Fixed Asstes	(46.83)	4.09
Wealth Tax paid	0.05	0.13
Operating Profit before working Capital Changes	1,649.19	1,796.58
Adjustments For :		
Trade and Other Receivables	197.87	(199.62)
Inventories	(1,631.22)	(10,832.48)
Trade & Other Payables	(567.13)	7,826.70
Cash generated from Operating Activities	(351.29)	(1,408.82)
Income Tax (payment) refund (Net)	17.98	(29.32)
Net Cash from Operating Activities	(A) (333.31)	1,438.14
B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(702.12)	(769.87)
Sale/Purchase of Investment	—	5.23
Sale of Fixed Assets	50.19	3.00
Capital Subsidy received	235.79	54.65
Dividend Received	—	—
Interest Received	6.91	13.25
Net Cash used in Investing Activities	(B) (409.23)	(693.75)
C) CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from allotment money received on Share Capital	308.03	549.06
Proceeds from Long Term Borrowing (including funded interest)	421.17	—
Repayment of Long Term Loan	(1,365.04)	(1,513.58)
Repayment/Proceeds from short term Borrowing	2,812.15	4,486.90
Dividend Paid	0.55	(56.58)
Finance Cost Paid	(1,601.40)	(1,037.62)
Net Cash from Financing Activities	(C) 575.46	2,428.18
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	(167.08)	296.29
OPENING BALANCE OF CASH & CASH EQUIVALENTS	430.74	134.45
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	263.66	430.74

(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 wherever necessary.

For K. N. Gutgutia & Co.

Chartered Accountants

SUBHASISH PORE

Partner

(Membership No. 55862)

6C, Middleton Street

Kolkata-700 071

30th May, 2012

S. Prasad
Company Secretary

O. P. Dhanuka
Chairman & Managing Director

N. C. Majumdar
P. Tibrawalla
S. Jha
S. K. Goenka
Director

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 assumption 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 realiable 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) Governments 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.

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 notified under the Companies Act, 1956.

l) Depreciation :

Depreciation on Fixed Assets is provided at the rate and in the manner specified in Schedule XIV to the Companies Act, 1956 considering the Sugar Mill, Ethyl Alcohol, Ethanol & Fertilisers Plants as 'continuous process' Plants. Depreciation is charged on 'Straight Line Method' but for the Fixed Assets acquired during the period from 1986-87

to 1988-89, it is charged on "Written Down Value Method". Discarded assets are depreciated fully. Intellectual Property Rights is amortized over a period of ten years.

m) Inventory :

Description	Basis of Valuation
i) Stores & Spare Parts	At lower of cost or net realisable value.
ii) Loose tools & Equipment's value	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 (By product)	At realisable value.
c) Industrial Alcohol	At lower of cost or net realisable value.
d) Fertiliser	At lower of cost or net realisable value.
e) Bio-Compost & Organic Fertiliser	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) Bagasse	At estimated realisable 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 Actuary are provided for.

(iii) Actuarial Gain/Loss :

Liabilities annually determined by 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 set out in AS-22 of the Companies Act, 1956.

r) Earning Per Share :

Computed in accordance with the AS-20 the Companies Act, 1956.

s) Contingent Liabilities & 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, 2012

The figures as on 31.03.2011 have been regrouped/reclassified, wherever necessary to conform with figures of 31.03.2012

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
2. SHARE CAPITAL		
(a) AUTHORISED :		
1,00,000 12% Cumulative Redeemable		
(1,00,000) Preference shares of Rs. 10/- each	10,00,000	10,00,000
1,49,00,000 Equity Shares of Rs. 10/- each	14,90,00,000	14,90,00,000
(1,49,00,000)	15,00,00,000	15,00,00,000
(b) ISSUED, SUBSCRIBED & PAID-UP EQUITY SHARES :		
92,27,105 (75,62,105) ISSUED	9,22,71,050	7,56,21,050
92,27,105 (75,62,105) SUBSCRIBED	9,22,71,050	7,56,21,050
91,93,405 (75,28,405) PAID-UP	9,19,34,050	7,52,84,050
2.1 PAR VALUE OF PER EQUITY SHARE	10	10
2.2 RECONCILIATION OF EQUITY SHARES		
Opening	75,28,405	58,33,405
Issued	16,65,000	16,95,000
Redeem/buyback	—	—
Closing	91,93,405	75,28,405
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 31.03.2012	As at 31.03.2011
	No. of	No. of
	Shares	Shares
	% of	% of
	holding	holding
(a) DG Vitta Vinimay & Properties Ltd.	39,48,484	28,79,780
(b) The Belsuld Sugar & Industries Limited	11,16,165	11,09,920
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 No security is pending to be convertible into equity/preference shares.		
2.9 There is no unpaid call.		
2.10 Amount of forfeited equity shares (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, 2012

	As at 31.03.2012 Rs.	As at 31.03.2011 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	13,23,52,975	9,43,96,725
Receipt	1,41,52,500	3,79,56,250
Closing	<u>14,65,05,475</u>	<u>13,23,52,975</u>
(c) Revaluation Reserve (Revaluation of land) – Opening	6,92,18,539	6,92,18,539
Revalued during the year	41,63,88,967	—
Closing	<u>48,56,07,506</u>	<u>6,92,18,539</u>
(d) General Reserve :		
As per last Balance Sheet	1,30,91,917	6,68,61,917
Less : Accumulated Liability of Gratuity & Leave Benefits of Past Years as per Valuation	<u>—</u>	<u>(5,37,70,000)</u>
	<u>1,30,91,917</u>	<u>1,30,91,917</u>
(e) Surplus as per Profit and Loss Account		
Opening	57,80,384	6,95,932
Net Profit (Loss) for the period	(4,69,03,950)	50,84,452
Total	(4,11,23,566)	57,80,384
Appropriations :	<u>—</u>	<u>—</u>
Balance Carried Forward	<u>(4,11,23,566)</u>	<u>57,80,384</u>
TOTAL (a) to (e)	<u>60,49,23,832</u>	<u>22,12,86,315</u>
4. LONG TERM BORROWINGS :		
Secured		
(a) Term Loans		
Bank of India	17,13,09,197	13,13,02,688
Union Bank of India	20,89,756	1,24,84,388
Sugar Development Fund (Including funded Interest)	12,08,91,145	15,03,28,107
	<u>29,42,90,098</u>	<u>29,41,15,183</u>
Unsecured		
(a) Deferred Payment Liabilities	—	—
(b) Deposits	—	—
(c) Loans and advance from related parties	—	—
(d) Other Loans and advances	<u>—</u>	<u>—</u>
	<u>29,42,90,098</u>	<u>29,41,15,183</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 4 outstanding loans :-

- (i) Outstanding balance of Rs. 600.81 Lacs repayable in monthly instalment from February, 2014 to January, 2018.
- (ii) Outstanding balance of Rs. 691.11 Lacs repayable in monthly instalment from February, 2014 to January, 2018.
- (iii) Outstanding balance of Rs. 421.17 Lacs repayable in monthly instalment from February, 2014 to January, 2018.
- (vi) Outstanding balance of Rs. 21.10 Lacs repayable by Oct, 2012 in monthly instalments.

(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 3 outstanding loans :-

- (i) Outstanding balance of Rs. 13.77 Lacs repayable by July, 2012 in monthly instalments.
- (ii) Outstanding balance of Rs. 15.17 Lacs repayable by August, 2012 in monthly instalments.
- (iii) Outstanding balance of Rs. 95.90 Lacs repayable by June, 2013 in monthly instalments.

4.2 Loan guarantee by Directors- Both the above Term Loans taken from Banks are guaranteed by a Director.

4.3 There is no continuing defaults in repayment of Loan and Interest to Banks and Financial Institutions.

4.4 Sugar Development Fund Loan is secured by Second Charge on Block assets of sugar unit of the company.

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
5. OTHER LONG TERM LIABILITIES :		
(a) Trade Payable	—	—
(b) Others	—	32,10,877
	—	32,10,877
6. LONG TERM PROVISIONS :		
(a) Provision for Employee benefits	4,45,42,000	5,17,22,000
(b) Others	—	—
	4,45,42,000	5,17,22,000
7. SHORT TERM BORROWINGS :		
Secured		
(a) Loans repayable on demand		
Bank of India	66,47,12,141	40,03,17,696
Union Bank of India	18,96,36,394	13,32,48,760
	85,43,48,535	53,35,66,456
Unsecured		
(a) Loans and advance from related parties	12,19,95,375	—
(b) Deposits	52,00,000	75,00,000
(c) Inter-Corporate Loans	16,37,00,000	32,30,80,230
(d) Other Loans and advances	1,17,108	—
	29,10,12,483	33,05,80,230
	1,14,53,61,018	86,41,46,686

7.1 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 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.

7.2 Loan guarantee by Directors- Both the above Term Loans taken from Banks are guaranteed by a Director.

7.3 There is no continuing defaults in repayment of Loan and Interest to Banks and Financial Institutions.

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
8. TRADE PAYABLE :		
Micro, Small and Medium Enterprise	—	—
Others	74,04,73,657	78,69,70,762
	74,04,73,657	78,69,70,762
9. OTHER CURRENT LIABILITIES :		
(a) Current maturities of long term debt	1,25,05,461	10,70,67,706
(b) Interest accrued but not due on borrowings	55,35,604	86,10,518
(c) Interest accrued and due on borrowings	—	—
(d) Income received in advance	16,01,678	—
(e) Unpaid dividends	6,85,864	6,30,464
(f) Unpaid matured deposits and interest accrued thereon	—	—
(g) Others payable*	4,53,53,106	5,24,85,658
	6,56,81,713	16,87,94,346
9.1 Other Payable		
Excise Duty liability on Closing Stock	3,97,40,354	4,40,04,789
Miscellaneous	56,12,752	84,80,869
	4,53,53,106	5,24,85,658
10. SHORT TERM PROVISIONS :		
(a) Provisions for employee benefits	51,57,000	—
(b) Provision for Dividend	—	—
(c) Others*	11,13,437	28,16,213
	62,70,437	28,16,213

* Other includes provision for taxation.

RIGA SUGAR CO. LTD.

11. FIXED ASSETS AS AT 31ST MARCH, 2012

Depreciaion	GROSS BLOCK			DEPRECIATION/AMORTISATION					NET BLOCK	
	Cost/Value 01.04.2011	Additions	Deductions/ Adjustment	As at 31.03.2012	As at 01.04.2011	For the Year	Deduction/ Adjustments	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TANGIBLE ASSETS :										
OWNED										
Free-hold Land	7,69,81,033	41,63,88,967	—	49,33,70,000	—	—	—	—	49,33,70,000	7,69,81,033
Buildings	12,59,49,410	—	4,70,150	12,54,79,260	3,56,45,919	36,06,798	1,52,610	3,91,00,107	8,63,79,153	9,03,03,491
Railway Sidings	1,093	—	1,093	—	1,083	10	1,093	—	—	10
Plant & Machinery	1,17,23,65,359	4,73,72,703	2,35,79,120	1,19,61,58,942	50,23,40,200	5,99,02,687	—	56,22,42,887	63,39,16,055	67,00,25,159
Furniture, Fixtures										
& Equipments	1,16,54,376	12,43,989	—	1,28,98,365	69,07,637	10,34,513	—	79,42,150	49,56,215	47,46,739
Vehicles	1,39,30,193	32,89,236	50,127	1,71,69,302	61,00,459	14,20,908	31,477	74,89,890	96,79,412	78,29,734
Total (A)	1,40,08,81,464	46,82,94,895	2,41,00,490	1,84,50,75,869	55,09,95,298	6,59,64,916	1,85,180	61,67,75,034	1,22,83,00,835	84,98,86,66
Previous period (A)										
(18 Months)	1,33,09,52,356	7,69,37,489	70,08,381	1,40,08,81,464	49,24,87,672	5,93,42,576	8,34,950	55,09,95,298	84,98,86,166	—
INTANGIBLE ASSETS :										
Trade Mark	50,000	—	—	50,000	39,167	5,000	—	44,167	5,833	10,833
Software Development	15,72,721	1,37,875	—	17,10,596	9,14,022	2,48,328	—	11,62,350	5,48,246	6,58,699
Total (B)	16,22,721	1,37,875	—	17,60,596	9,53,189	2,53,328	—	12,06,517	5,54,079	6,69,532
Previous period (B)										
(18 Months)	15,92,940	29,781	—	16,22,721	5,84,394	3,68,795	—	9,53,189	6,69,532	—
Total (A+B)	1,40,25,04,185	46,84,32,770	2,41,00,490	1,84,68,36,465	55,19,48,487	6,62,18,244	1,85,180	61,79,81,551	1,22,88,54,914	85,05,56,998
Previous period										
(A+B) (18 Months)	1,33,25,45,296	7,69,67,270	70,08,381	1,40,25,04,185	49,30,72,066	5,97,11,371	8,34,950	55,19,48,487	85,05,55,698	—
Capital										
Work-in-Progress									1,88,97,871	7,29,245
Intangible Assets										
under Development										—

11.1 Notes :

- (1) Addition to Fixed Assets is net of Cenvat Credit.
- (2) The Capital subsidy amount received during the year amounting to Rs. 235.79 Lacs credited to plant and machinery and depreciation provided accordingly.
- (3) The entire block of land at factory area were revalued during the current year by Bank appointed Approved Valuer and accordingly "Revaluation Reserve" of Rs. 4163.89 Lacs were created.

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
12. DEFERRED TAX		
Deferred Tax Liability :		
Depreciation on Fixed Assets	14,36,01,198	16,21,86,576
Deferred tax Assets :		
Unabsorbed Business Losses carried forward in Income Tax	—	9,38,142
Unabsorbed Depreciation carried forward in Income Tax	15,56,76,877	14,56,30,774
Section 43B	1,22,55,696	3,48,33,372
MAT Credit	70,56,917	70,56,917
	17,49,89,490	18,84,59,205
Net Deferred tax Assets (Liability)	3,13,88,292	2,62,72,629
12.1 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 2009-10, as per the last Income Tax assesment Order dated 28.11.2011. For assesment year 2010-11 to 2012-13 claim of unabsorbed depreciation as per Income Tax Return filed/to be filed.		
	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
13. LONG TERM LOANS AND ADVANCES :		
(Unsecured, considered good)		
(a) Capital Advances	—	—
(b) Security Deposit	3,26,327	2,28,727
(c) Loan and advances to related parties	—	—
(d) Other Loans and advances	—	—
(e) Loan and advances due by directors, Officers and related firm	—	—
	3,26,327	2,28,727
14. INVENTORIES :		
Raw Materials	3,07,59,168	3,26,47,686
Stock-in-Process	1,65,90,192	3,24,11,305
Store and Spare Parts	6,73,26,421	5,62,86,106
Sugar	1,26,14,72,620	1,05,32,61,501
Ethyl Alcohol	3,61,69,128	7,21,32,675
Molasses	2,18,89,710	2,95,87,664
Bagassee	3,10,32,960	3,15,16,200
Fertilisers	1,79,01,985	1,21,77,034
	1,48,31,42,184	1,32,00,20,171
15. TRADE RECEIVABLE :		
(Unsecured and considered good)		
Debts outstanding for a period exceeding Six Months from the due date of payment	12,41,770	18,67,514
Other Debts	2,68,313	1,12,59,093
	15,10,083	1,31,26,607
Doubtful Debts	3,21,327	—
	18,31,410	1,31,26,607

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
16. CASH & CASH EQUIVALENTS :		
Balance with Banks :		
In Current Accounts	1,82,92,081	3,49,36,105
In Dividend Account	6,85,864	6,30,454
Cheque, Draft on hand	—	6,05,833
Cash on hand	64,40,608	21,73,862
Margin Money against Bank Guarantees	9,47,909	47,28,198
	2,63,66,462	4,30,74,452
17. SHORT TERM LOANS AND ADVANCES :		
(Unsecured, considered good)		
(a) Loan & Advances to related parties	51,69,500	3,88,09,404
(b) Loan & Advances to others		
Advance to Cane Growers	2,07,55,634	5,42,042
Advances Recoverable	1,25,83,199	1,30,51,746
Inter-Corporate Loan	—	5,40,000
	3,33,38,833	1,41,33,788
(c) Doubtful Loan and advances		
Others	10,99,064	—
(d) Allowance for bad and doubtful loan & Advances	—	—
(e) Loan and advance due by Directors, Officers, Private Company where Directors are partner	10,99,064	—
Total	3,96,07,397	5,29,43,192
18. OTHER CURRENT ASSETS :		
Balance with Govt. Dept.	13,62,38,847	12,62,44,985
Tax Deducted at source	14,18,641	35,17,659
Advance Income tax Payments	4,35,924	14,16,210
Others	2,49,68,536	3,02,16,857
Total	16,30,61,948	16,13,95,711
	2011-12 (12 Months) Rs.	2009-11 (18 Months) Rs.
19. Revenue from operations :		
Sale of products:	1,49,89,55,584	1,24,33,09,453
Sale of services	—	—
Other operating revenues	2,60,49,257	2,52,84,718
Less : Excise Duty	(4,05,44,289)	(5,03,20,445)
Total	1,48,44,60,552	1,21,82,73,726
19.1 Particulars of Sale of Products		
Sugar	1,14,39,84,996	99,81,33,167
Molasses	3,84,69,550	5,75,27,556
Industrial Alcohol	28,35,28,605	17,04,49,236
Ethanol	1,54,86,120	5,95,620
Fertilisers	1,20,77,739	1,35,56,930
Bagasse	53,68,425	28,81,494
Others	40,149	1,65,450
Total	1,49,89,55,584	1,24,33,09,453

	2011-12 (12 Months) Rs.	2009-11 (18 Months) Rs.
19.2 Other Operating Revenue :		
Subsidy Claim	2,27,43,178	1,85,45,499
Insurance Claim	4,15,063	14,31,571
Miscellaneous Income	28,91,016	53,07,648
Total	2,60,49,257	2,52,84,718
20. Other Income :		
Interest Income – from current investment	6,91,392	13,24,924
Dividend Income	—	—
Net gain/loss on sale of investments	—	85,020
Other non-operating income (net expenses directly attributable to such income)	55,35,665	6,08,253
Total	62,27,057	20,18,197
20.1 Other Non-operating Income :		
Liability no longer required written back	5,48,903	16,253
Profit on sale of fixed assests	46,82,460	—
Miscellaneous	3,04,302	5,92,000
Total	55,35,665	6,08,253
21. Cost of Materials Consumed :		
Imported	—	—
Indigenous - 100%	1,16,62,15,189	1,64,92,26,983
Total	1,16,62,15,189	1,64,92,26,983
21.1 Raw Materials under broad heads :		
Sugarcane	1,04,24,25,468	1,53,54,84,447
Molasses	11,78,30,128	9,87,23,883
Pressmud & Other in NPK Fertiliser	59,59,593	70,67,472
Others	—	79,51,181
Total	1,16,62,15,189	1,64,92,26,983
22. Variation in Stock :		
(a) Closing Stock :		
Sugar	1,26,14,72,620	1,05,32,61,501
Molasses	2,18,89,710	2,95,87,664
Ethyl Alcohol & Ethanol	3,61,69,128	7,21,32,675
Stock-in-Process	1,65,90,192	3,24,11,305
Fertilisers	1,79,01,985	1,21,77,034
Bagassee	3,10,32,960	3,15,16,200
	1,38,50,56,595	1,23,10,86,379

	2011-12 (12 Months) Rs.	2009-11 (18 Months) Rs.
(b) Opening Stock :		
Sugar	1,05,32,61,501	15,87,28,302
Molasses	2,95,87,664	—
Ethyl Alcohol & Ethanol	7,21,32,675	21,31,580
Stock-in-Process	3,24,11,305	12,19,191
Fertilisers	1,21,77,034	1,05,04,465
Bagassee	3,15,16,200	—
	<u>1,23,10,86,379</u>	<u>17,25,83,538</u>
	15,39,70,216	1,05,85,02,841
Excise Duty & Cess on Increase/(decrease) on Finished Goods Stock	42,64,435	(3,86,90,982)
Increase (Decrease)	<u>15,82,34,651</u>	<u>1,01,98,11,859</u>
23. Employee Benefits Expenses (showing separately)		
Salary and Wages	10,84,16,361	15,86,20,137
Contribution to provident fund and others	93,19,729	1,16,77,888
Staff welfare expenses	36,10,560	49,20,874
Gratuity*	38,88,202	14,91,081
Total	<u>12,52,34,852</u>	<u>17,67,09,980</u>

*Gratuity Expense is net of provision as per valuation.

23.1 Employee 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	51,44,418	63,30,307
Employer's Contribution to Pension Scheme	41,75,311	53,47,581
	<u>93,19,729</u>	<u>1,16,77,888</u>

In case of company's exempted Provident Fund under section 17 of Employee's 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-a-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, 2012.

	Gratuity (Rs. in Lacs)		Leave Encashment (Rs. in Lacs)	
Particulars	2011-12	2009-11	2011-12	2009-11
Current Service Cost	22.99	41.43	25.83	33.84
Interest Cost	35.50	57.78	2.85	1.42
Expected return on plan Asset	—	—	—	—
Plan Amendment cost	—	4.44	—	—
Net actual (gain) loss recognised in the year	(19.86)	(113.57)	(11.99)	4.56
Total Expenses	38.63	(10.01)	16.69	39.82
Expenses (Income) Recognized in the Income Statement	38.63	(10.01)	16.69	39.82

	Gratuity (Rs. in Lacs)		Leave Encashment (Rs. In Lacs)	
	<u>2011-12</u>	<u>2009-11</u>	<u>2011-12</u>	<u>2009-11</u>
(b) Net Receipt/Liability Recognised in the Balance Sheet				
Current Opening net liability	472.58	517.98	44.64	19.72
Expenses as above	38.63	(10.01)	16.69	39.82
Contribution paid	(57.55)	(35.39)	(18.00)	(14.90)
Closing net Liability	453.66	472.58	43.33	44.64
Recognised in Balance Sheet	453.66	472.58	43.33	44.64
(c) Recalculation of Opening and Closing Balance of Defined Benefit Obligation				
Current Liability at the beginning of the period	472.58	517.98	44.64	19.72
Interest Cost	35.50	57.78	2.85	1.42
Current Service Cost	22.99	41.34	25.83	33.84
Plan Amendment cost	—	4.44	—	—
Benefit Paid	(57.55)	(35.39)	(18.00)	(14.90)
Actuarial (Gain) Loss Obligations	(19.86)	(113.57)	(11.99)	4.56
Liability at the end of the period	453.66	472.58	43.33	44.64
(d) Actuarial assumption				
Discount Rate	8.60%	8%	8.60%	8%
Rate of Increase in Salary	5%	5%	5%	5%
Rate of Return on Plan Assets	N.A.	N.A.	N.A.	N.A.

	2011-12 (12 Months) Rs.	2009-11 (18 Months) Rs.
24. Finance Costs :		
Interest expense	15,06,98,596	9,97,59,737
Other borrowing costs	43,09,498	7,57,329
Applicable gain/loss on foreign currency transactions and translation	17,40,983	87,34,420
Bank Guarantee Commission	3,15,932	2,67,029
Total	15,70,65,009	10,95,18,515
25. Depreciation and amortization expense :		
Depreciation & Amortisation	6,62,18,244	5,97,11,371
Total	6,62,18,244	5,97,11,371
26. OTHER EXPENSES :		
Manufacturing expenses		
Store, Chemicals and Packing Materials-Indigenous	5,87,51,120	8,74,14,019
Power, Fuel and Water	3,13,60,139	3,05,73,432
Repairs to buildings	47,65,643	68,95,847
Repairs to machinery	5,12,69,574	5,22,53,959
Processing & Ferti-irrigation Expenses	34,27,895	44,74,245
Pollution Control Expenses	57,58,760	44,58,153
Total	15,53,33,131	18,60,69,655

	2011-12 (12 Months) Rs.	2009-11 (18 Months) Rs.
Selling & Distribution Expenses		
Commission & Discount	18,45,562	21,47,566
Selling Expenses	12,75,791	16,01,660
VAT paid	—	29,257
Total	31,21,353	37,78,483
Establishment Expenses		
Rent	11,34,514	19,38,616
Insurance	38,27,402	41,86,667
Auditors Remuneration	3,25,768	3,12,175
Cost Audit Fee	70,000	60,665
Director's Fee	80,000	1,02,500
Charity & Donations	28,100	7,89,208
Sundry Balance Written Off	2,35,075	3,23,559
Wealth tax paid	5,231	12,570
Rates and taxes, excluding taxes on income	22,11,342	31,57,638
Loss on Sale of Fixed Assets	—	4,08,784
Miscellaneous expenses	2,02,63,390	3,23,63,968
Total	2,81,80,822	4,36,56,350
TOTAL OTHER EXPENSES	18,66,35,306	23,35,04,488
26.1 Payments to the auditor :		
Auditors Remuneration	95,000	1,04,785
Taxation Matters	40,000	79,710
Company Law Matters	—	—
Managerial Services	—	—
Other Services	1,41,190	90,453
Reimbursement	49,578	37,227
Total	3,25,768	3,12,175
27. Earning Per Share (EPS)		
(i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(4,69,03,950)	50,84,451
(ii) Weighted Average number of equity shares used as denominator for calculating EPS	75,88,610	62,82,582
(iii) Basic and Diluted Earning per share	(6.18)	0.81
(iv) Face value per equity share	10	10
28. Expenditure on foreign currency during the financial year		
Interest	6,56,251	2,50,43,841
Travelling	—	—
Conference	—	—
Total	6,56,251	2,50,43,841

	2011-12 (12 Months) Rs.	2009-11 (18 Months) Rs.
29. Value of imports calculated on C.I.F. basis during the financial year	NIL	NIL
30. Prior Period items	—	—
31. Work-in-Progress		
Sugar	1,65,90,192	3,24,11,305
32. Earnings in foreign exchange	NIL	NIL
33. Contingent Liabilities and Commitments		
(a) Contingent Liabilities		
(1) Claim against the company not acknowledge as Debt	—	—
(2) Guarantee :		
Bank Guarantees	Rs. 133.92 Lacs	Rs. 117.12 Lacs
(3) Other money for which the company is contingently liable	—	—
(b) Commitments :		
(1) Estimated amount of contracts remaining to be executed on capital account and not provided for	—	—
(2) Uncalled liability on shares and other investment partly paid	—	—
(3) Other commitments	—	—

34. 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 and related products).

Reportable Segment	Sugar	Distillery	Un-allocable	Elimination	Total
1. Segment Revenue :					
Net Sales	11,621.12 (10,232.93)	2,963.00 (1,696.96)	— —	— —	14,584.11 (11,929.89)
Less : Inter-Segment Revenue	—	—	—	—	—
Net sale from operations	11,621.12 (10,232.93)	2,963.00 (1,696.96)	— —	— —	14,584.11 (11,929.89)
2. Segment Results :					
Profit(+)/Loss(–) before Tax and Interest	448.13 (877.94)	598.06 (328.90)	— —	— —	1,046.19 (1,206.84)
Less : (i) Interest					1,570.65 (1,092.51)
(ii) Other un-allocable Expenses (Income)					—
Profit (Loss) Before Tax					(524.46) (114.33)
3. Segment Assets & Liabilities :-					
	Sugar	Distillery	Un-allocated	Elimination	Total
Segment Assets (31.03.2012)	25,743.05	6,022.72	313.88	(2,148.15)	29,931.50
(31.03.2011)	20,935.50	4,254.81	262.73	(769.57)	24,683.47
Segment Liabilities (31.03.2012)	10,353.39	239.38	—	(2,148.15)	8,444.62
(31.03.2011)	9,689.11	144.93	—	-769.57	9,064.47
Capital Employed (31.03.2012)	15,389.66	5,783.34	313.88	—	21,486.88
(31.03.2011)	11,246.39	4,109.88	262.73	—	15,619.00

4. Other Information :

Capital Expenditure	489.65	30.79	—	—	520.44
	(758.50)	(11.17)	—	—	(769.67)
Depreciation	541.22	120.97	—	—	662.18
	(424.62)	(172.49)	—	—	(597.11)

35. Related party transaction : (Rs. in Lac)

Name of related party	Description of relationship with the Company	Nature of transaction	Value for the Year 2011-12	Outstanding as on 31.03.2012	Written off during the period
The Belsund Sugar & Industries Ltd.	Associate Company	ICD Interest	1196.95(Cr.) 6.05	1196.95(Cr.) 5.44(Cr.)	NIL NIL
DG Vitta Vinimay & Properties Ltd.	Associate Company	ICD Interest	233.19(Dr.) 25.04	51.70(Dr.) 22.53(Dr.)	NIL NIL
O.P. Vanyjya Limited	Associate Company	ICD Interest	7.22(Dr.) 0.19	2.00(Cr.) 0.17(Cr.)	NIL NIL
Garima Investment & Trading Co. Ltd.	Associate Company	ICD Interest	27.00(Cr.) 1.78	2.00(Cr.) 1.61(Cr.)	NIL NIL
Dupoint Impex Services Ltd.	Associate Company	ICD Interest	19.00(Cr.) 2.66	19.00(Cr.) 2.39(Cr.)	NIL NIL
Directors of the Company		Sitting Fee for attending Board Meeting	0.80	NIL	NIL
O.P. Dhanuka	CMD (Key Managerial Person)	Salary as per terms of appointment	24.30	NIL	NIL
Tripti Saraf	Relative of CMD	Salary as per terms of appointment	1.35	NIL	NIL

36. Other Notes

36.1 Unutilized amount of proceed of issue of securities -NIL

36.2 Diminution in value of current assets -NIL

36.3 Capital Subsidy received from Bihar Government under Sugar Incentive Scheme has been adjusted against cost of plant and depreciation already charged against them. Claim lodged to Bihar Government for reimbursement of excise duty paid toward Expansion of Sugar Plant to 5,000 TCD as per Sugar Incentive Scheme has been recognized on the basis of certainty.

36.4 Interest Expense is net of Interest Income of Rs. 29.06 Lacs (Previous year 124.53 Lacs) from companies.

36.5 During the year borrowing cost amounting to Rs. NIL (previous year Rs.266.38 Lacs) were capitalized toward acquisition and construction of various fixed assets/integrated project till it was put to use for intended purpose.

36.6 During the year the company allotted 16,65,000 equity shares of Rs.10/- each at a price of Rs.18.50 per share (including a premium of Rs.8.50) for total amount of Rs. 308.03 Lacs on preferential allotment basis on 19th March, 2012 as per SEBI (ICDR) Regulations, 2009.

The said issue amount was used to strengthen the Company's financial parameters.

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

36.8 An undertaking of Rs. 300 Lacs given to Bank of India for its Crop/ Agriculture Loans/Advances to the Cane Growers against primary securities of their standing crop and one personal guarantee with a condition that the Company will deduct the loan amount from the proceeds of cane supply by the growers and reimburse the same to the said Bank. In case of default, the Bank will consider re-schedulement of repayment upto 36 months. The Company is liable to make payment to the Bank for default of borrowers only after expiry of 36 months and in that case the Bank will assign the right of recovery from the defaulting borrowers to the Company.

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

37. There is no Impairment of Assets within the meaning of AS-28 of the Companies Act, 1956.

38. In view of the revision to the Schedule VI as per notification issued by the Central Government, the financial statements for the year ended 31st March, 2012 have been prepared as per the requirements of the Revised Schedule VI to the Companies Act, 1956. The previous period's figures have been accordingly regrouped/reclassified to conform to the current year's classification.

For K. N. Gutgutia & Co.
Chartered Accountants
SUBHASISH PORE
Partner
(Membership No. 55862)
6C, Middleton Street
Kolkata-700 071
30th May, 2012

S. Prasad
Company Secretary

O. P. Dhanuka
Chairman & Managing Director

N. C. Majumdar
P. Tibrawalla
S. Jha
S. K. Goenka
Director

RIGA SUGAR COMPANY LIMITED

Regd. Office : 14, Netaji Subhas Road
Kolkata-700 001

PROXY FORM

D.P.ID*
Client ID*/FOLIO NO. :
NO. OF SHARES :

I/We
of in the district of
being a Member/Members of Riga Sugar Company Limited, hereby appoint Sri
.....
of or failing him Sri
of
as my/our proxy to attend and vote for me/us and or my/our behalf at the 31st Annual General Meeting of the Company to be held on 27th September, 2012 at 10.00 a.m. and at adjournment thereof.

Signed this Affix Revenue Stamp here

Signature

No. of Shares

*Applicable if Shares are held in electronic form

Note : This instrument of Proxy shall be deposited at the Registered Office of the company not less than 48 (Forty-Eight) hours before the time of holding the Meeting.

RIGA SUGAR COMPANY LIMITED

Regd. Office : 14, Netaji Subhas Road
Kolkata-700 001

ATTENDANCE SLIP

31st Annual General Meeting, 27th September, 2012 at 10.00 A.M. at SITARAM SEKSARIA SABHAGAR (Auditorium), Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata-700 017.

Name of the Attending Member
(in Block Letters)

No. of Shares held : Client ID*/Folio No :

DP.ID*

I hereby record my presence at the 31st Annual General Meeting held on 27th September, 2012.

Member's/Proxy's Signature

* Applicable if Shares are held in electronic form.

Note : 1) Please bring this attendance slip to the meeting and hand over at the entrance duly filled in

2) The copy of the Annual Report may please be brought to the meeting hall.

BOOK POST

If undelivered please return to :
RIGA SUGAR COMPANY LIMITED
14, Netaji Subhas Road, 2nd Floor
Kolkata-700 001