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## **RIGA SUGAR COMPANY LIMITED**

Registered Office: 14, Netaji Subhas Road, Kolkata- 700 001

CIN: L15421WB1980PLC032970

### **EXTRA-ORDINARY GENERAL MEETING**

#### **NOTICE**

To The Members,

Notice is hereby given that an Extra-Ordinary General Meeting (EGM) of the Members of the Company will be held on 29th day of September, 2015 at 11.30 a.m. at SITARAM SEKSARIA SABHAGAR (Auditorium), Bhartiya Bhasa Parishad,36A, Shakespeare Sarani, Kolkata - 700 017,to transact the following business:

#### **Special Business:**

##### **Item No. 1**

#### **To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), the Report of Board of Directors of the Company to the shareholders on the erosion of more than 50% of the Net Worth of the Company as at the end of the Financial year ended 31st March, 2015 in relation to its peak net worth during the immediately preceding four financial years, be and is hereby considered, approved and noted.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary including reporting of the fact of such erosion to the Board for Industrial and Financial Reconstruction (BIFR) in the prescribed form and in accordance with the provisions of Section 23(1)(a)(i) of SICA and to do all such acts, deeds and things as may be considered necessary, proper or desirable or expedient to give effect to the above resolution."

Kolkata, 8th August, 2015

Registered Office:

14, Netaji Subhas Road

Kolkata- 700 001

By Order of the Board of Directors

**Shailendra Prasad**  
Company Secretary

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#### Notes:

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) and pursuant to clause 49 of the Listing Agreements in respect of business under Item No. 1 of the Notice is annexed hereto.
2. A Member entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.

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3. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
  4. A person can act as proxy on behalf of members not exceeding 50 in number and holding the aggregate not more than 10% of the total share capital of the company carrying voting right. However a member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
  5. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, S. K. Infosolutions Pvt. Ltd (SKIPL) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to SKIPL.
  6. In terms of Sick Industrial Companies (Special Provisions) Act, 1985, the shareholders of the Company are required to take note of the Report of Board of Directors on erosion of the net-worth and causes for such erosion within sixty days of finalization of the audited accounts of the Company. The financial statements of the Company for F Y 2014-15 has been with the shareholders for quite sometime and is also available on the Company's website [www.rigasugar.com](http://www.rigasugar.com). The Board of Directors of the Company, in order to avoid expenditure on dispatch of Notice and other expenses, has decided to convene and hold this EGM of the shareholders of the Company after the conclusion of the Annual General Meeting ("AGM") of the Company on the same day and at the same venue and accordingly the Notice convening this meeting of the shareholders of the Company is being sent to all the shareholders along with the Notice of the AGM.
  7. The meeting will be held at 11.30 p.m. or after the conclusion of the annual general meeting convened on the same day, which ever is later.
  6. All documents referred to in the notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company on all working days, upto the date of EGM.
  7. Members are requested to bring their attendance slips annexed with the Notice of EGM dated 29th September, 2015.
  8. Pursuant to Listing Agreement with Stock Exchange and Sections 20 and 101 of the Companies Act, 2013, read with relevant rules made thereunder, the Companies can serve Notice for the meeting and other communications through electronic mode to those members who have registered their email address either with the Company or with the Depository. Accordingly, the Notice of EGM shall be sent electronically to all the members whose email address has been registered with the Company/Depository Participants unless any member has requested for a hard copy of the same. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon receipt of request for the same, by post/courier, free of cost.
  9. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

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## 10. Voting Right by electronic means

- I. In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rules framed thereunder and clause 35B of the Listing Agreement, the company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the above Extra- ordinary General Meeting (EGM) by electronic means and business may be transacted through e-Voting Services. The Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by NSDL, on resolution set forth in this Notice.
- II. The facility for voting through ballot paper shall be made available at the EGM and the members attending the meeting who have not caste their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to EGM may also attend the EGM but shall not be entitled to cast their vote again.
- IV. The instructions for e-voting are as under:
  - A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):
    - i. Open the e-mail and also open PDF file namely "RSCL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
    - ii. Open the internet browser and type the following URL: <https://www.evoting.nSDL.com>.
    - iii. Click on Shareholder - Login.
    - iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
    - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
    - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
    - vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
    - viii. Select "EVEN" (E-Voting Event Number) of Riga Sugar Company Limited. Now you are ready for e-voting as Cast Vote page opens.
    - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
    - xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
    - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen

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signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to hmchoraria@gmail.com with a copy marked to evoting@nsdl.co.in.

xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com.

B. In case a Member receives physical copy of the Notice of EGM (for Members whose email addresses are not registered with the Company/Depositories):

i. Initial password is provided as below/ at the bottom of the Attendance Slip for the EGM:

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN
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ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

C. Other Instructions:

i. The remote e-voting period commences on 26th September, 2015 (9.00 a.m. IST) and ends on 28th September, 2015(5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 22nd September, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.

ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the date of cut-off date. In case of joint holders, only one of the joint holders may cast his vote.

iii. Mr. H.M.Choraria, Practicing Company Secretary (Membership No. FCS 2398), has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the venue of EGM in a fair and transparent manner.

iv. The Scrutinizer shall, after conclusion of voting at EGM, count the votes cast at the EGM and thereafter unblock the votes cast through remote e-voting in presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than three days after conclusion of EGM to the Chairman or person authorized by him in writing, who shall countersign the same and declare the result of voting forthwith.

v. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.rigasugar.com and on the website of NSDL www.evoting.nsdl.com and communicated to the Stock Exchanges, where the shares of the Company are listed. Subject to receipt of requisite nos. of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of EGM.

vi. All documents referred to in the accompanying Notice and the Explanatory Statements shall be open for inspection at the Registered Office of the company during normal business hours on all working days except Saturday.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 1:**

As per Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 ('the Act), if the accumulated losses

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of an Industrial Company as at the end of any financial year have resulted in erosion of fifty percent or more of its peak net worth during the immediately preceding four financial years, the said Company falls within the definition of "Potential Sick Company".

**In terms of requirement of Section 23 of the Act, such Company is required:**

- 1) To report the fact of such erosion to the Board for Industrial and Financial Reconstruction and
- 2) To hold a general meeting of its shareholders for considering such erosion within sixty days from the date of adoption of its duly audited financial statements at the Annual General Meeting.

As per the Audited Accounts of the Company for the financial year ended 31st March, 2015, which shall be laid before the members at the Annual General Meeting to be held on 29th September, 2015 and which the Board expects to be approved and adopted by the members at the said Annual General Meeting, the accumulated losses of your Company as at 31st March, 2015 amounting to Rs 19.37 crores has resulted in erosion of more than 50% of its peak net worth during the four financial years immediately preceding the financial year ended on 31st March, 2015. Hence the Company will be defined as 'Potential Sick Company' under the Act. In terms of requirement of Section 23 of the Act, the Board of Directors in their meeting held on 8th August, 2015, had also approved the Report to such erosion and revival measures being taken, which is explained in the enclosed Report of the Board of Directors forming part of the Notice. Accordingly, the said report of the Board of Directors on such erosion and revival measures being taken as per Section 23 of the Act is being placed before the members for their consideration and noting.

None of the Directors /Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financial or otherwise, in the said resolution.

The Board recommends consideration of the proposed resolution for your approval as an Ordinary Resolution.  
By Order of the Board

Kolkata, 8th August 2015  
CIN: L15421WB1980PLC032970  
Registered Office:  
14, Netaji Subhas Road  
Kolkata- 700 001

By Order of the Board of Directors

**Shailendra Prasad**  
Company Secretary

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## **Annexure to the Extra Ordinary General Meeting to be held on 29th September, 2015**

REPORT OF BOARD OF DIRECTORS TO THE SHAREHOLDERS OF THE COMPANY UNDER SECTION 23(1)(b) OF THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985

### **To The Members**

#### **Riga Sugar Co. Ltd.**

As required under Section 23(1)(b) of the Sick Industrial Companies (Special Provisions), Act, 1985 ("the Act"), a Report of the Board of Directors to the erosion of more than 50% of its peak net worth of the Company and the causes and steps taken for revival thereof, is being submitted to the Members of the Company. The Board of Directors in its meeting on 29th May 2015 had approved the audited financial statements of the Company for the year ended 31st March 2015 . In terms of the provisions of the Act, the Company's accumulated losses stood at Rs.19.57 crores, against the peak net worth of Rs. 22.74 crores, in the immediately preceding 4 (four) financial years, Hence the Company will be defined as a Potential Sick Company under the Act.

### **REFERENCE TO BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR)**

On the basis of the audited accounts for the financial year ended 31st March, 2015, the accumulated losses up to that date stands at Rs.19.57 crores, thereby eroding the peak net worth of the Company by more than 50%. The Company, therefore, has to report this fact to BIFR under Section 23 of the Act. The Board of Directors in their meeting held on 8th August, 2015 analyzed the reasons for such erosion and has come to the conclusion that the situation is controllable and further erosion in the net worth of the Company may be avoided by the various remedial measures being taken by the management of the Company.

The major causes of erosion of net worth and the remedial measures taken / to be taken are explained below:

### **CAUSES OF EROSION OF MORE THAN 50% PEAK NET WORTH**

The performance of the Company was adversely affected mainly on account of the following reasons:-

- (a) The Sugar Industry were partially decontrolled in the year 2012 by way of removal of Levy and abolishing monthly release mechanism, but cane price control were kept with the Central and State government. This distorted policy led to free fall in sugar price, but cane cost increased year after year. The FRP has been increased from Rs. 145 to Rs. 220 during last 4 years, i.e. increase of 50% , but sugar price has reduced by 25% in same period.
- (b) Lower sugar price in comparison to cost of production due to surplus production of sugar in the country for last five years. The problem of glut further accentuated due to unhindered import of sugar at lower import duty. This led to crash in sugar price even below cost of sugarcane. Thus company incurred losses continuously for last 3 years, which eroded substantial part of the Net Worth.
- (c) There is no relationship between sugar price and sugarcane price. The Recommendation of High Powered Committee led by Dr. Rangrajan has not been implemented who had suggested Revenue Sharing of Sugar and by products realization between the farmers and sugar mills.
- (d) The company has faced extensive damage and losses due to 2 consecutive years' of natural calamities. The Phailin Cyclone occurred in October' 2013 followed by Hudhud Cyclone in October'2014 which devastated the sugarcane quality in Factory area and reduced recovery in both years by about 0.5%. This resulted into estimated loss of Rs. 7 Crores for each financial year of 2013-14 and 2014-15. The State government of Bihar constituted a committee and visited the affected area to asses losses, but till date no relief has been provided to affected sugar mill.

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- (e) The company undertook Expansion of Sugar Plant to 5,000 TCD over the years in phased manner and incurred huge capital expenditures. However the benefit of such expansion could not be availed by the company in the form of corresponding higher cane crush and increased recovery because of natural calamities which retarded growth and quality of sugarcane. The company also set-up ethanol plant in 2007, but due to non-allotment of required Rectified Spirit by the Bihar State Excise Dept. the Ethanol Plant remained underutilized over the years.

The Loan borrowed for aforesaid Capital Expenditure impacted the profitability severally in the period of high interest rate regime for last few years. During last 5 years Rs. 13.56 crores were injected by way of equity to compensate the losses, but that proves insufficient in comparison the mammoth continuous losses.

#### **STEPS TAKEN FOR REVIVAL**

The Company is taking various steps for improvement of operations in consultation with various stakeholders. Wiith view to compensate the loss on sugar the company is taking so many actions, some of which are stated as follow:-

- (a) SUGAR: Taking extensive cane development activities to improve cane productivity and quality by varietal changes, use of modern technology etc.
- (b) COGENERATION: Company has signed PPA with the State government on 1st September, 2014 for supplying of power from this season which will add to profitability.
- (c) DISTILLERY: The State Government has increased the sale price of Rectified Spirit (RS) from Rs. 28 per ltr. to Rs 35.80 per ltr. from 05.12.2014. This will give us additional profitability .
- (d) ETHANOL: The Central government have increased the price of Ethanol to Rs 49/- per ltr. This is a very good prospect for us to have better profitability. With proposed increase in mandatory mixing of ethanol with petrol from 5% to 10% the demand of ethanol has further shoot up. The state government has also taken decision to allow higher quantity of molasses for production of ethanol. This has surely helping the profitability of the company.
- (e) COUNTRY LIQUOR: Company has got tender for 5 years to manufacture and supply country liquor in pet bottle from April 2014. This will give an additional profitability to company.
- (f) BIO FERTILIZER: Bio-composed business is peaking up due to its increased demand for various agricultural crops.

The central and state government is also taking slew of measure to extend relief to the sugar industry by way of Interest Free Bank Loan, exemption of central excise duty on ethanol, allowing incentive on export of sugar etc. The company and Industry Association is taking up the matter with the Government vigorously so as to implement the Fair and Reasonable Price of Sugar in line with FRP of sugarcane.

The above positive masures and development are expected to have improved situation and profitability.

Kolkata, 8th August 2015  
CIN: L15421WB1980PLC032970  
Registered Office:  
14, Netaji Subhas Road  
Kolkata- 700 001

By Order of the Board

**O.P.Dhanuka**  
CMD

Extra Ordinary General Meeting  
Tuesday, September 29, 2015, at 11.30 a.m.

**RIGA SUGAR CO. LTD.**

Regd. Office : 14, Netaji Subhas Road, Kolkata - 700 001  
Tel. : 91-33-22313414/15, Fax : 92-33-22303663, CIN : L15421WB1980PLC032970  
E-mail : sprasad@rigasugar.in, Website: www.rigasugar.in

**ATTENDANCE SLIP**

I/We hereby record my/our presence at the Extra Ordinary General Meeting of the Company held on Tuesday, September 29, 2015 at 11.30 a.m. at 'Sitaram Seksaria Hall', Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata - 700 017

Name of Proxy (in BLOCK LETTERS)

Signature of Shareholder/ Proxy Present

Please cut here and bring the Attendance Slip duly signed, to the meeting and hand it over at the entrance. Duplicate slips will not be issued at the venue of the Meeting.

**ELECTRONIC VOTING PARTICULARS**

EVEN (E-voting Even Number)	User ID	Password / PIN

Please refer to the AGM Notice for e-voting instructions.

Extra Ordinary General Meeting  
Tuesday, September 29, 2015, at 11.30 a.m.

**RIGA SUGAR CO. LTD.**

Regd. Office : 14, Netaji Subhas Road, Kolkata - 700 001  
Tel. : 91-33-22313414/15, Fax : 92-33-22303663, CIN : L15421WB1980PLC032970  
E-mail : sprasad@rigasugar.in, Website: www.rigasugar.in

**PROXY FORM**

I / We, being the member(s), holding \_\_\_\_\_ shares of Riga Sugar Co. Ltd., hereby appoint

- Name \_\_\_\_\_ Address \_\_\_\_\_  
E.mail Id \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him / her
- Name \_\_\_\_\_ Address \_\_\_\_\_  
E.mail Id \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him / her
- Name \_\_\_\_\_ Address \_\_\_\_\_  
E.mail Id \_\_\_\_\_ Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf of the Extra Ordinary General Meeting of the Company, to be held on Tuesday, September 29, 2015 at 11.30 a.m. at Sitaram Seksaria Auditorium, Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700 020 and any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
1.	To consider and approve the Report of Board of Directors under Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, on the erosion of more than 50% of the Net Worth.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

Member's Folio / DP ID-Client ID \_\_\_\_\_ Signature of Shareholder (s) \_\_\_\_\_

**Affix  
Revenue  
Stamp**

Signature of Proxy holder(s) \_\_\_\_\_

- Note :
- This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
  - For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Extra Ordinary General Meeting.
  - It is optional to put a 'X' in the appropriate column against the Resolution as indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.