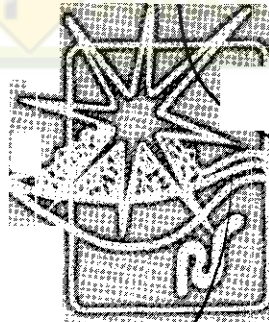


ANNUAL REPORT 1999-2000

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RIGA SUGAR CO. LTD.

RIGA SUGAR COMPANY LIMITED

Annual Report : 1999-2000

Board of Directors	:	Shri P. L. Dhanuka – Chairman Shri J. M. Tandon Shri R. V. Tyagarajan Shri J. J. Bhagat Shri Vivek Saraogi Shri J. K. Acharya (IIBI Nominee) Shri Alok Agarwal (ICICI Nominee) Shri O. P. Dhanuka – Vice Chairman & Managing Director Shri Pankaj Tibrawalla Shri B. P. Ray
Company Secretary	:	Shri Shailendra Prasad
Auditors	:	K. N. Gutgutia & Co. Chartered Accountants Calcutta
Bankers	:	Bank of India
Registered Office	:	Chatterjee International Centre 33A, Jawaharlal Nehru Road 14th Floor, Flat No. A-1 Calcutta-700 071
Works	:	P. O. Riga Dist. Sitamarhi Bihar
Registrars	:	AMI Computers (India) Ltd. 60A & 60B, Chowringhee Road Calcutta-700 020
Shares Listed at	:	The Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Calcutta-700 001 The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers Dalal Street Mumbai-400 001

Fifteen Years' Working Highlights

Sugar Season	Duration (Actual Number of crushing days)	Cane Crushed (Lakh Quintals)	Sugar Produced (Lakh Quintals)	Recovery (Percent)
1984-85	69	7.50	0.75	10.05
1985-86	132	14.14	1.43	10.15
1986-87	164	19.19	1.84	9.58
1987-88	150	19.06	1.83	9.60
1988-89	144	19.54	1.90	9.74
1989-90	125	21.81	2.05	9.40
1990-91	198	34.68	3.24	9.33
1991-92	232	42.25	3.73	8.83
1992-93	133	25.29	2.44	9.65
1993-94	91	17.18	1.62	9.46
1994-95	176	32.94	3.01	9.12
1995-96	169	35.85	3.34	8.68
1996-97	134	28.07	2.60	9.25
1997-98	110	21.96	2.09	9.51
1998-99	114	24.01	2.16	9.00
1999-00	100	31.30	2.82	9.00

NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of RIGA SUGAR COMPANY LIMITED will be held on Friday, the 29th September, 2000 at 4.30 P.M. at SITARAM SEKSERIA SABHAGAR (Auditorium), Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Calcutta-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, 2000 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri P. L. Dhanuka, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri R. V. Tyagarajan, 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 Shri Pankaj Tibrawalla, who was appointed on the 24th January, 2000 by the Board of Directors as Additional Director of the Company and who holds office upto the date of the Twentieth 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 by the Company, 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 the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED that pursuant to the provisions of Section 31, the Articles of Association of the Company be and are hereby altered to the extent and in the manner set out hereunder :—

After the existing Article 44A, the following may be inserted as new Articles 44B :

NOMINATION OF SHARES

44B. "Notwithstanding anything contained in Articles 42, 43 and 44, every holder(s) of Shares or holder(s) of Debentures of the Company, holding either singly or jointly, may, at any time, nominate a person in the prescribed manner to whom the Shares and/or the interest of the member in the capital of the Company or Debentures of the Company shall vest in the event of his/her death. Such member may revoke or vary his/her nomination, at any time, by notifying the same to the Company to that effect. Such nomination shall be governed by the provisions of Section 109A and 109B of the Companies Act, 1956 or such other regulation governing the matter from time to time."

7. To Consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION** :

"RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification or re-enactment thereof, the Articles of Association of the Company be and are hereby altered to the extent and in the manner set out hereunder :—

1. IN ARTICLE 2 :

- a) the existing definition of "Register" be substituted by the following :

"Register means the Register of Members to be kept pursuant to Section 150 of the Act and unless it be repugnant to the context or otherwise, the Register of Beneficial Owners in case of shares held in a Depository."

- b) After the definition of 'In Writing' and 'Written' the following be inserted :
- "Beneficial Owner" shall have the meaning assigned thereto in Section 2 of the Depositories Act, 1996. "Depositories Act" shall mean the Depositories Act 1996 and included any statutory modification or re-enactment thereof for the time being in force.
- "Depository" shall mean a Depository as defined in the Depositories Act, 1996.
- "Member" means a duly registered holder from time to time of the shares of the Company and also one, whose name is entered as beneficial owner in the records of a Depository in the case of shares held in Depository.
2. In existing Article 9, the following shall be added at the end :
- "In respect of shares or other securities of the Company held in Dematerialised form, the provisions relating to joint holders contained herein shall mutatis-mutandis apply to the joint beneficial owners".
3. After the heading "CERTIFICATES" and after existing Article 11, the following new Articles numbered 11A to 11D with marginal notes as indicated be inserted under the heading "DEMATERIALISATION AND DEPOSITORY".

DEMATERIALISATION AND DEPOSITORY :

"Authority to Dematerialise Securities"

- 11A. 1. Notwithstanding anything to the contrary contained in these Articles, the Board may at any time decide to permit holding of and dealings in any or all the shares or debentures or other securities of the Company (hereinafter referred to as "Securities") in dematerialised form under the provisions of the Depositories Act and may offer the securities of the Company for subscription/allotment in dematerialised form in the manner provided by the said Act.
2. When any securities of the Company are held or dealt in dematerialised form :

"Option to hold securities in certificates or with Depository" :

- a) Every person holding any securities of the Company through allotment or otherwise shall have the option to receive and hold the same in the form of Certificates or to hold the same with a Depository.

"Securities with Depository to be dematerialised"

- b) All securities held with a depository shall be dematerialised and the depository shall hold the same for the beneficial owners thereof in a fungible form.

"Beneficial owner is member"

- c) Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities held by him in a depository.

"Beneficial owner may opt out of a Depository"

- d) Every person holding securities of the Company with the Depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and on exercise of such option and on fulfilment of the conditions and payment of the fees prescribed under the said Act, the Company shall rematerialise the relevant securities and issue to the beneficial owner thereof the requisite certificates of such securities.

"Intimation to Depository"

- 11B. 1. The Company shall make available to the Depository, copies of the relevant records in respect of securities held by such Depository for the beneficial owners thereof.
2. When a holder or an allottee of securities opts to hold the same with a Depository, the Company shall intimate such Depository the details of his/her holdings or allotment of securities and thereupon the Depository shall enter in its record the names of the holders/ allottees or the beneficial owner(s) of such securities.

"Register and Index of Beneficial Owners"

- 11C. The Register and Index of Beneficial Owners of Securities maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be and forming part of the Register and Index of Members or of holders of Debentures or other Securities of the Company.

"Transfer of Securities held in a Depository"

- 11D. 1. Transfer of Securities held in a Depository shall be governed by the provisions of the Depositories Act.
2. Every Depository shall furnish to the Company information about the transfer of Securities, the name of Beneficial Owners at such intervals and in such manner as may be specified under the provisions of the Depositories Act.
3. Section 108 of the Act shall not apply to transfer of Securities effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of a Depository.

After the existing Article 40, the following new Article 40A be inserted :

- 40A. "A Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Shares, Debentures or other Securities on behalf of beneficial owners and shall not have any voting rights or any other rights in respect of Shares, Debentures and other securities held by it. The beneficial owner as per the Register of Beneficial Owners maintained by a Depository shall be entitled to all rights, including voting rights and benefits in respect of the securities held by him with the Depository."

8. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as **SPECIAL RESOLUTION :-**

"RESOLVED that pursuant to the provisions of Section 31 of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the following manners :—

The existing Article 116A be substituted by following :

"Any Dividends remaining unpaid or unclaimed after having been declared by the Company shall be dealt with in accordance with the provisions of Sections 205A and 205C of the Companies Act, 1956".

9. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as **SPECIAL RESOLUTION :-**

"RESOLVED that pursuant to the provisions of Section 31 of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the following manner :

In the existing Article 75 relating to remuneration to Directors towards Fee for attending the Directors Meeting, the letters, figures and words "a sum of Rs. 500/-" shall be substituted by the letters, figures and words "upto a sum of Rs. 3,000/-".

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an

ORDINARY RESOLUTION :—

“RESOLVED that the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 for mortgaging and/or charging by the Board of Directors of the Company, of all the immoveable and moveable properties of the Company wheresoever situated, present and future, and the whole of the undertaking of the Company and/or conferring power to enter upon and to take possession of the assets of the Company in certain events, to or favour of ICICI Ltd. (ICICI) by way of First pari passu mortgage/charge to secure their Corporate Rupee Loan aggregating Rs. 500 Lacs (Rupees five hundred Lacs only) lent and advanced by ICICI together with interest thereon at the respective rates, compound interest, additional interest, liquidated damages, commitment charges, premia on pre-payment, costs, charges, expenses and other monies payable by the Company to ICICI under the Loan Agreement(s)/Letter of Sanction(s) entered into by the Company in respect of the said Term Loan.”

“RESOLVED FURTHER that the act of the Board of Directors of the Company in mortgaging and/or charging of all the immoveable and moveable properties of the Company in favour of ICICI be and is hereby approved/ratified.”

11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an

ORDINARY RESOLUTION :—

“RESOLVED that consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to creation by the Board of Directors of the Company (hereinafter referred to as the “Board” which expression shall also include a Committee thereof) of such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company as the Board may direct on such of the assets of the Company, both present and future, in such manner as the Board may direct together with power to take over the management of the Company in certain events, to or in favour of all or any of the financial institutions/banks/any other investing agencies trustees for the holders of debentures/bonds/other instruments which may be issued to and subscribed by all or any of the financial institutions/banks/any other investing agencies or any other person(s)/bodies corporate by way of private placement or otherwise, to secure rupee/foreign currency loans, debentures, bonds or other instruments of an equivalent aggregate value not exceeding Rs. 100 Crores together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on pre-payment, or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under the Agreement/Arrangements entered into/to be entered into by the Company in respect of the said loans/debentures/bonds or other instruments.”

“RESOLVED FURTHER that the Board be and is hereby authorised to finalise with the aforesaid parties or any of them, the documents for creating the mortgages/charges/hypothecations and accepting or making any alterations, changes, variations to or in the terms and conditions, to do all such acts, deeds, matters and things and to execute all such documents and writing as it may consider necessary, for the purpose of giving effect to this Resolution.”

Registered Office :
‘Chaterjee International Centre’
14th Floor, Flat A-1
33A, Jawaharlal Nehru Road
Calcutta-700 071
Dated : August 26, 2000

By Order of the Board

SHAIENDRA 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 *fortyeight hours before the scheduled time of the Meeting*.
2. Members and Proxies are requested to deposit the enclosed Attendance Slip duly filled in and signed for attending the Meeting.
3. The Register of Members and the Register of Transfer will remain closed from 26th September to 29th September, 2000 (both days inclusive).
4. 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.
5. Please bring your copy of the Annual Report to the Meeting.
6. Shareholders are advised that effective from February 26, 2001 all trades in Company's shares will be carried through the National Electronic Settlement and Transfer. The Company recommends that it is in its shareholders' best interest to open an account with a Depository Participant. If any clarification is needed regarding opening of a Depository Account and on the process of dematerialisation, you may write to the Company or to the Share Transfer Agent, M/s. AMI Computers (India) Ltd. for further information.
7. Individual shareholders can now take the facility of nomination. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of shares/debentures/deposits shall vest in the event of the death of the shareholder(s). A minor can be a nominee provided the name of the Guardian is given in the Nomination Form. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. For further details in this regard shareholders may contact M/s. AMI Computers (India) Ltd.
8. Members are requested to notify any change in their address to the Company's Registrars and Share Transfer Agents at the Following address :

AMI Computers (India) Ltd.
60A & 60B, Chowringhee Road
Calcutta-700 020

ANNEXURE TO THE NOTICE :**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 :****ITEM NO. 5 :**

Shri Pankaj Tibrawalla was appointed as Additional Director of the Company on 24th January, 2000. 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 Shri Pankaj Tibrawalla as a Director liable to retire by rotation.

The Board recommends his appointment as a Director.

Save and except Shri P. L. Dhanuka, Chairman and Shri O. P. Dhanuka, Managing Director—both relatives of Shri Pankaj Tibrawalla, none of the other Directors is interested or concerned in the above Resolution.

ITEM NO. 6 :

The proposed Article 44B is based on the facility for Nomination under Section 109A and 109B of the Companies Act, 1956, pursuant to the Companies (Amendment) Act, 1999.

ITEM NO. 7 :

The Depositories Act, 1996 provides option to investors to hold securities in the form of Certificates or in Dematerialised form with a Depository. The Depositories Act, 1956 has also amended some of the provisions of the Companies Act, 1956 pertaining to issue, holding, transfer, transmission and dealing in Shares and other Securities to facilitate introduction and implementation of the Depository System. The Securities & Exchange Board of India (SEBI) have already made compulsory 'Dematerialised Trading' in the Shares of our Company effective from 26.2.2001.

Depository System eliminates several problems experienced in the Scrip based system such as bad deliveries, fraudulent transfers, thefts in postal transit, time taken in registration of transfer, long settlement cycles, mutilation of Share Certificates etc. Depository System also offers several advantages as also exemption from Stamp Duty, reduction in transaction costs, elimination of market lot etc. In view of this and to make the Articles of Association of the Company conform to the provisions of the Depositories Act, 1996, necessary enabling clauses are sought to be incorporated in the Articles of Association of the Company, authorising the Board of Directors to permit holding of and dealings in securities of the Company in Dematerialised form under the provisions of the Depositories Act, 1996 so that the Board of Directors could Dematerialise any of its Securities.

ITEM NO. 8 :

The Companies (Amendment) Act, 1999 has also amended the existing Section 205A and inserted new Section 205C containing the provisions relating to unclaimed dividend. This new Articles is being substituted in place of existing Article No. 116A to bring it in conformity with Sections 205A and 205C of the Act. The new Sections provide for transfer of the unclaimed dividend to a separate fund called "Investor Education and Protection Fund" to be established by the Central Government. As per Section 205C of the Act, where any amount of dividend remains unclaimed for a period of seven years from the date it has become due for payment, it shall be transferred to "Investor Education and Protection Fund" and that thereafter no claim shall lie against the fund or the Company in respect of the amounts so transferred.

The resolutions under items No. 6, 7 and 8 are accordingly recommended for approval of the Members by means of Special Resolutions.

A copy of the Memorandum and Articles of Association of the Company incorporating the proposed alteration is available for inspection by the Members at its Registered Office between the hours

of 3.00 P.M. to 5.00 P.M. on any working day upto and inclusive of the date of the ensuing Annual General Meeting.

None of the Directors of the Company may be deemed to be concerned or interested in the said Resolutions.

ITEM NO. 9 :

The Amended Provision of Companies Act, 1956 allows Sitting Fee payable to Directors for attending the Board Meeting upto Rs. 5,000/- per meeting. The existing provisions under which Clause 75 or the Article of Association of the Company provides for Sitting Fee of Rs. 500/- payable to Directors for attending the Board Meeting which is required to be altered in view of the present scenario and allowability by statutes.

It is proposed to alter the relevant clause of the Articles of Association of the Company so as to enable the Company to pay Sitting Fee to the extent of Rs. 3,000/- to the Directors for attending the Board Meeting of the Company. All Director are interested in this resolution.

ITEM NO. 10 :

The Company has been sanctioned Rupee Term Loan aggregating Rs. 500 Lacs under the Corporate Rupee Loan Scheme from ICICI Ltd. to meet part requirement of Company's funds toward margin money for working capital and normal capital expenditure. The said Corporate Rupee Loan shall be secured by way of First pari-passu mortgage/charge on all the movable and immovable assets of the Company in favour of the ICICI Ltd.

Under the provisions of Section 293(1)(a) of the Companies Act, 1956 the creation of such mortgage/charge requires approval of the Company in the General Meeting by an Ordinary Resolution. Hence the resolution is proposed.

Except Mr. Alok Agarwal, Nominee of ICICI Ltd. no other Directors of the Company is interested in the said Resolution.

ITEM NO. 11 :

To meet the capital expenditure requirements, the Company proposed to obtain in the coming years further financial assistance from Financial Institutions/Banks/Investing Agencies by way of loans, issue of Debentures/Bonds/Other Instruments on Private Placement basis or otherwise as set out in the Resolution. Therefore, the Resolution proposes the creation of mortgages, charges and hypothecations of the assets of the Company upto a value not exceeding Rs. 100 Crores.

To secure such borrowings, the Company would have to mortgage/charge/hypothecate the assets and properties of the Company, both present and future, as may be required by the lenders/trustees.

As the documents to be executed between the Company and the lenders/trustees for the debentures/bonds/other instruments may contain the power to take over the management of the Company in certain events, it is necessary for the Members to pass a Resolution under Section 293(1)(A) of the Act, before the creation of the mortgages/charges/hypothecations.

Mr. J. K. Acharya and Mr. Alok Agarwal, the Financial Institutions Nominees on the Board of the company may be deemed to be concerned or interested in the Resolution at Item No. 11 of the Notice.

Registered Office :
'Chaterjee International Centre'
14th Floor, Flat A-1
33A, Jawaharlal Nehru Road
Calcutta-700 071
Dated : August 26, 2000

By Order of the Board

SHAIENDRA PRASAD
Company Secretary