

Riga Sugar Co Limited

September 05, 2022

Ratings

Facilities	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	104.14	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	5.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	109.14 (₹ One Hundred Nine Crore and Fourteen Lakhs Only)		

Details of facilities in Annexure-1.

Detailed rationale and key rating drivers

CARE had, vide its press release dated April 02, 2020, placed the rating(s) of Riga Sugar Company Limited (RSCL) under the 'issuer non-cooperating' category as RSCL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. RSCL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and emails May 17, 2022 and June 06, 2022. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Detailed description of the key rating drivers

At the time of last rating on July 01, 2021, the following were the rating strengths and weaknesses (updated for the information received from the stock exchange):

Key rating weaknesses

Ongoing delays in the account

The banker has confirmed that there are overdue/defaults in servicing their debt obligations.

Analytical approach – Standalone

Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

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About the company

RSCL, incorporated in September 02, 1980, the flagship company of DHANUKA GROUP, currently has Sugar (5000 TCD), Distillery (50 KLPD), Ethanol (45 KLPD), Power plant (8 MW) & DAP/ Organic Fertilizer facilities in Riga, North Bihar. The sugar factory is one of the oldest sugar factories in India which was set-up in 1933 by The Belsund Sugar & Industries limited under British Management before being taken over by Dhanukas in 1950 and was subsequently transferred w.e.f.1.10.1981 to Riga Sugar Company Limited.

The company has been admitted into Corporate Insolvency Resolution Process. Mr. Neeraj Jain is appointed as IRP via order dated October 08, 2022, by The National Company Law Tribunal Kolkata Bench.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Brief Financials (₹ crore)	March 31, 2020 (A)	March 31, 2021 (A)	9MFFY22 (UA)	FY22/Q1FY23
Total operating income	156.15	83.38	2.46	NA
PBILDT	-4.97	-16.46	-4.06	NA
PAT	-24.10	-47.37	-17.17	NA
Overall gearing (times)	-1.16	-1.42	-	NA
Interest coverage (times)	-0.34	-0.94	-2.31	NA

A: Audited, UA- Un-Audited

Status of non-cooperation with previous CRA: Not Applicable**Any other information:** Not Applicable**Rating history for the last three years:** Please refer Annexure-2**Covenants of the rated facilities:** Detailed explanation of covenants of the rated facilities is given in Annexure-3**Complexity level of various instruments rated for this company:** Annexure-4**Annexure-1: Details of facilities**

Name of the Facilities	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	March 2023	26.64	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	77.50	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	5.00	CARE D; ISSUER NOT COOPERATING*

*Issuer – did not Co-operate; Based on best available information

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	26.64	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (01-Jul-21)	1)CARE D; ISSUER NOT COOPERATING* (02-Apr-20)	-
2	Fund-based - LT-Cash Credit	LT	77.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (01-Jul-21)	1)CARE D; ISSUER NOT COOPERATING* (02-Apr-20)	-
3	Non-fund-based - ST-Bank Guarantee	ST	5.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (01-Jul-21)	1)CARE D; ISSUER NOT COOPERATING* (02-Apr-20)	-

*Issuer – did not Co-operate; Based on best available information

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities- Not Applicable**Annexure-4: Complexity level of various instruments rated for this company**

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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