

Riga Sugar Company Limited

April 02, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long term Bank Facilities	104.14	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	ISSUER NOT COOPERATING; Based on best available information
Short-term Bank Facilities	5.00	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	ISSUER NOT COOPERATING; Based on best available information
Total	109.14 (Rupees One Hundred and Nine crore and fourteen lakhs only)		

Details of facilities in Annexure-1

Detailed Rationale & key rating drivers

CARE had, vide its Press release dated February 14, 2019, placed the ratings of Riga sugar Company Limited (RSCL) under the 'issuer non-cooperating' category as RSCL 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 dated March 03, 2020, March 06, 2020, March 16, 2020 and March 18, 2020. 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 February 14, 2019 the following were the rating strengths and weaknesses:

Key Rating Weaknesses**Ongoing delays in the account**

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

Analytical approach: Standalone

Applicable Criteria

[CARE's Policy on Default Recognition](#)

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

[Criteria on assigning Outlook and Credit Watch to Credit Ratings](#)

[Financial ratios – Non-Financial Sector](#)

[Criteria for Short term Instruments](#)

About the Company

Riga Sugar Company Limited (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.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	102.74	159.54
PBILDIT	1.4	-22.21
PAT	-20.86	-46.43

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Overall gearing (times)	2.97	-
Interest coverage (times)	0.08	NM

A-Audited; NM- Not Meaningful

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	26.64	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-Cash Credit	-	-	-	77.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Bank Guarantees	-	-	-	5.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	26.64	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (14-Feb-19) 2)CARE D (06-Jun-18)	1)CARE B+; Stable (14-Mar-18)	1)CARE B+; Stable (21-Mar-17) 2)CARE B (14-Apr-16)
2.	Fund-based - LT-Cash Credit	LT	77.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (14-Feb-19) 2)CARE D (06-Jun-18)	1)CARE B+; Stable (14-Mar-18)	1)CARE B+; Stable (21-Mar-17) 2)CARE B (14-Apr-16)
3.	Non-fund-based - ST-Bank Guarantees	ST	5.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available	-	1)CARE D; ISSUER NOT COOPERATING* (14-Feb-19) 2)CARE D (06-Jun-18)	1)CARE A4 (14-Mar-18)	1)CARE A4 (21-Mar-17) 2)CARE A4 (14-Apr-

				information				16)
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**Issuer did not cooperate; Based on best available information*

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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