



# Riga Sugar Company Ltd.

Regd. Office : 14, Netaji Subhas Road, 2nd Floor, Kolkata - 700 001

☎ : 2231-3214/3415/3416

E-mail : ho.rigasugar@gmail.com, Website : www.rigasugar.com

CIN-L15421WB1980PLC032970

26.08.2020

BSE Limited The Corporate Relationship Department 1 <sup>st</sup> Floor, New Trading Wing, Rotunda Building, Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai-400 001	The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata – 700 001
Scrip Code: 507508	Scrip Code:028038

Dear Sir/ Madam,

## Sub: Outcome of the Board Meeting

We wish to inform you that the Board of Directors of the Company at their meeting held today i.e. 26.08.2020 ('The Board Meeting'), has inter alia, approved the following:

### 1. Audited Financial Results

Audited Financial Results (Standalone) for the Quarter and Year ended 31<sup>st</sup> March,2020

In this regard, we are enclosing herewith a copy of the following as prescribed under Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations , 2015 ('The Listing Regulations')

- I The Audited Financial Results (as stated above) in the detailed format as per the Listing Regulations alongwith the Auditors' Report.
- II Declaration regarding unmodified opinion in terms of Regulation 33.
- III Extracts of the said results as being released to advertisement agency for publication in Newspapers in terms of Regulation 47.

Further , the said Meeting commenced at 3.00 p.m. and concluded at 5.30 p.m.

Thanking you,

Yours faithfully,  
For RIGA SUGAR CO. LTD.

B.K.Bhartia  
Company Secretary

Encl: As above.



**FACTORY** : Dhanuka Gram, P.O. RIGA-843327, Dist. Sitamarhi (Bihar)

☎ : (06226) 285085

E-mail : sugar.rigasugar@gmail.com, distillery.rigasugar@gmail.com



# Salarpuria & Partners

CHARTERED ACCOUNTANTS

7, C. R. AVENUE, KOLKATA - 700 072

Phone : 2237 5400 / 5401, 4014 5400 - 5410

website : [www.salarpuriajajodia.com](http://www.salarpuriajajodia.com)

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Branches at New Delhi & Bangalore

**Independent Auditor's Report on the quarterly and year-to-date audited standalone financial results of the company pursuant to the regulations 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.**

## TO THE BOARD OF DIRECTORS OF

Riga Sugar Co Ltd,

14, Netaji Subhas Road, 2<sup>nd</sup> Floor,

Kolkata – 700 001.

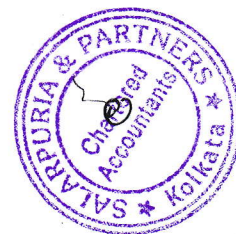
## Report on the Audit of the Standalone Financial Results

### Opinion

We have audited the accompanying quarterly standalone financial results of **Riga Sugar Co Ltd** ("the Company") for the quarter ended 31.03.2020 and the year to date results for the period from 01.04.2019 to 31.03.2020, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

- i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the **net loss** (including and other comprehensive income) and other financial information for the quarter ended 31.03.2020 as well as the year to date results for the period from 01.04.2019 to 31.03.2020.







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## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Emphasis Matter Paragraph

### Material Uncertainty Relating to Going Concern

We draw your attention to the following matters

- (a) Due to continuous losses Networth is fully eroded which may have effect on the entity's ability to continue as a going concern. (Refer Note 10)
- (b) The Company has defaulted in payment of Bank Loans and said borrowings are subject to confirmation. (Refer Note 9)
- (c) The Company has applied permission of Closure of Sugar Plant from Labour Department. (Refer Note 11)

## Management's Responsibilities for the Standalone Financial Results

These quarterly standalone financial results as well as the year to date standalone financial results have been prepared on the basis of the standalone financial statements. The Company's Board of Directors are responsible for the preparation of these standalone financial results that give a true and fair view of the net loss (including other comprehensive income) and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting







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records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related







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to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Other Matters

The statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures upto the 3<sup>rd</sup> quarter of the current financial year, which were subjected to a limited review by us, as required under the listing regulations.

For Salarpuria & Partners

Chartered Accountants

(Firm ICAI Regn. No. 302113E)

UDIN: 20057076AAAA3D8050

Nihar Ranjan Nayak

N. R. Nayak

Chartered Accountant

Membership No.-57076

Place : Kolkata

Date : 26.08.2020





**RIGA SUGAR CO. LTD.**  
CIN: L15421WB1980PLC032970  
14, Netaji Subhas Road, 2nd Floor, Kolkata - 700001  
Phone No. (033) 22313414

Website: <https://www.rigasugar.com> EMAIL - [sprasad@rigasugar.in](mailto:sprasad@rigasugar.in)  
Audited Financial Results for the Quarter and Year Ended March 31, 2020

		(Rs in lacs except per share data)				
		STANDALONE				
SL.	PARTICULARS	QUARTER ENDED			Year Ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
		Audited	Unaudited	Audited	Audited	Audited
1	Revenue					
	Gross Sales					
a)	Revenue from operations	4,313.52	3,603.99	4,479.12	15,313.22	15,487.31
b)	Other Income	4,313.52	3,603.99	4,479.12	15,313.22	15,487.31
	202.87		19.55	293.62	394.29	503.22
	Total Income(a+b)	4,516.39	3,623.54	4,772.74	15,707.51	15,990.53
2	Expenses					
a)	Cost of materials consumed	5,421.13	858.74	7,933.01	9,461.43	9,851.67
b)	Change in inventories of finished goods, stock-in-trade and work-in-progress	(2,456.10)	2,828.72	(5,407.19)	3,457.65	5,285.08
c)	Employee benefits expense	844.08	290.13	982.91	1,633.61	1,600.91
d)	Excise Duty	-	-	-	-	-
e)	Finance costs	11.82	474.62	408.23	1,481.02	1,963.44
f)	Depreciation and amortisation expense	154.66	121.87	137.55	521.18	490.55
g)	Other expenses	883.26	303.47	954.87	1,562.59	1,442.00
3	Total Expenses	4,858.85	4,877.55	5,009.38	18,117.48	20,633.65
4	Profit/(loss) before exceptional items & tax (1-3)	(342.45)	(1,254.01)	(236.64)	(2,409.96)	(4,643.12)
5	Exceptional Items	-	-	-	-	-
6	Profit / (Loss) before tax (4-5)	(342.45)	(1,254.01)	(236.64)	(2,409.96)	(4,643.12)
	Tax expense / (benefit)	-	-	-	-	-
a)	Current tax including tax relating to earlier years	-	-	-	-	-
b)	Deferred tax charge / (credit)	-	-	-	-	-
7	Net tax expense / (benefit)	-	-	-	-	-
8	Net profit / (loss) after tax (6-7)	(342.45)	(1,254.01)	(236.64)	(2,409.96)	(4,643.12)
9	Other comprehensive income					
	Items not to be reclassified to profit or loss in subsequent periods :					
	A. Items that will not be classified to profit or loss	(43.95)	29.21	(36.92)	(59.24)	(1.66)
	B. Items that will be classified to profit or loss	-	-	-	-	-
	Total Other Comprehensive Income	(43.95)	29.21	(36.92)	(59.24)	(1.66)
10	Total comprehensive income	(386.40)	(1,224.80)	(273.56)	(2,469.20)	(4,644.78)
11	Paid up equity share capital (Face value Rs. 10/- each)	1,444.34	1,444.34	1,444.34	1,444.34	1,444.34
12	Earnings per share					
	- Basic and Diluted (not annualised) (Rs.)	(2.37)	(8.68)	(1.64)	(16.69)	(32.15)

*[Handwritten Signature]*





**RIGA SUGAR CO. LTD.****CIN :L15421WB1980PLC032970****Registered Office : 14, Netaji Subhas Road, 2nd Floor, Kolkata - 700 001****Phone: 033-22313414 Fax: 033-22303663****Website: <http://www.rigasugar.com> Email: [sprasad@rigasugar.in](mailto:sprasad@rigasugar.in)****SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES  
AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020**

		(Rupees in Lacs)				
Sl. No.	Particulars	QUARTER ENDED			YEAR ENDED	
		31.03.2020 (AUDITED)	31.12.2019 (UNAUDITED)	31.03.2019 (AUDITED)	31.03.2020 (AUDITED)	31.03.2019 (AUDITED)
1	<b>SEGMENT REVENUE</b>					
	A) Sugar Unit	3,953.74	2,999.86	3,872.34	13,501.77	12,752.12
	B) Distillery Unit	647.28	661.59	1,289.90	2,558.35	3,418.31
	Less: Inter Segment Sales	(287.50)	(147.46)	-	(746.90)	(683.11)
	<b>Net Sales/ Income from Operations</b>	<b>4,313.52</b>	<b>3,513.99</b>	<b>5,162.24</b>	<b>15,313.22</b>	<b>15,487.32</b>
2	<b>SEGMENT PROFIT/(LOSS) BEFORE TAX &amp; FINANCE COST</b>					
	A) Sugar Unit	(477.87)	(805.13)	(189.31)	(1,987.33)	(3,685.99)
	B) Distillery Unit	147.25	25.72	360.90	1,058.39	1,006.31
	<b>Sub-Total (A+B)</b>	<b>(330.62)</b>	<b>(779.41)</b>	<b>171.59</b>	<b>(928.94)</b>	<b>(2,679.68)</b>
	Less:					
	A) Finance Cost	11.82	474.62	408.23	1,481.02	1,963.44
	B) Other un-allocable expenditure net of unallocable income	-	-	-	(59.24)	(1.66)
	<b>Operating Profit Before Tax</b>	<b>(342.44)</b>	<b>(1,254.03)</b>	<b>(236.64)</b>	<b>(2,469.20)</b>	<b>(4,644.78)</b>
3	<b>Segment Assets</b>					
	A) Sugar Unit	21,095.23	19,759.40	16,995.22	21,095.23	16,995.22
	B) Distillery Unit	5,794.11	5,262.14	13,206.42	5,794.11	13,206.42
	C) Unallocable	935.52	935.52	935.52	935.52	935.52
	<b>Sub-Total</b>	<b>27,824.86</b>	<b>25,957.06</b>	<b>31,137.16</b>	<b>27,824.86</b>	<b>31,137.16</b>
4	<b>Segment Liability</b>					
	A) Sugar Unit	28,870.99	26,342.99	27,455.67	28,870.99	27,455.67
	B) Distillery Unit	1,111.73	1,383.76	978.53	1,111.73	978.53
	C) Unallocable	-	-	-	-	-
	<b>Sub-Total</b>	<b>29,982.72</b>	<b>27,726.75</b>	<b>28,434.21</b>	<b>29,982.72</b>	<b>28,434.21</b>

\* B based on the nature of business activity, the Company has identified Sugar &amp; Distillery as reportable segments.



**RIGA SUGAR CO LTD****Statement of Standalone Assets and Liabilities**As at  
31.03.2020  
(Rs. In Lacs)As at  
31.03.2019  
(Rs. In Lacs)**I. ASSETS****Non current assets**

- a) Property, Plant and Equipment
- b) Capital work-in-progress
- c) Other Intangible Assets
- d) **Financial assets**
  - i) Investments
  - ii) Trade Receivables
  - iii) Loans and Deposits
  - iv) Other Financial Assets
- e) Deferred tax assets (Net)
- f) Other non current assets

**Current assets**

- a) Inventories
- b) **Financial assets**
  - i) Trade receivables
  - ii) Cash and cash equivalents
  - iii) Bank Balance other than (iii) above
  - iv) Loans and Deposits
  - iv) Other Financial Assets
- c) Current tax asset
- d) Other current assets

**TOTAL - ASSETS****II. EQUITY AND LIABILITIES****Equity**

- a) Equity share capital
- b) Other equity

**TOTAL - EQUITY****Liabilities****Non-current liabilities**

- a) **Financial Liabilities**
  - i) Borrowings
  - ii) Trade payables
  - iii) Other Financial Liabilities
- b) Provisions
- c) Other Non Current Liabilities

**Current liabilities**

- a) **Financial Liabilities**
  - i) Borrowings
  - ii) Trade payables
  - iii) Other Financial Liabilities
- b) Other current liabilities
- c) Provisions

**TOTAL - LIABILITIES****TOTAL - EQUITY AND LIABILITIES**

	16,002.05	15,464.87
	21.55	176.92
	32.69	38.50
	874.99	691.48
	935.52	935.52
	551.97	553.82
	18,418.76	17,861.11
	8,399.05	11,955.30
	527.74	658.56
	62.23	184.75
	127.54	141.46
	-	-
	-	-
	14.08	13.25
	275.46	322.72
	9,406.10	13,276.04
	27,824.87	31,137.15
	1,444.34	1,444.34
	(3,602.19)	(1,133.00)
	(2,157.85)	311.35
	974.09	952.87
	-	-
	510.35	502.37
	47.35	49.92
	1,531.79	1,505.16
	10,883.03	11,832.18
	15,793.95	16,192.75
	1,226.97	1,021.04
	401.13	165.17
	145.84	109.50
	28,450.93	29,320.64
	29,982.72	30,825.80
	27,824.87	31,137.15



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**RIGA SUGAR CO LTD**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

**PARTICULARS**

For the  
year ended  
31.03.2020  
₹

(Rs in lakhs)  
For the  
year ended  
31.03.2019  
₹

**A. CASH FLOW FROM OPERATING ACTIVITIES**

Net Profit/(Loss) before Tax & Extra-Ordinary Items

**Adjustment for :**

Depreciation

Net Gain/Loss on Fair Valuation

Amortisation

Loss on Dispose of asset

Interest Expenses

Capital Subsidy

Interest Income

**Operating Profit before Working Capital Changes**

**Movements in Working Capital :**

Increase/(Decrease) in Trade Payables

Increase/(Decrease) in Other Current Liabilities

(Increase)/ Decrease in Inventories

(Increase)/ Decrease in Trade Receivables

(Increase)/ Decrease in Loans

Increase/ (Decrease) in Provisions

Increase/ (Decrease) in Other Financial Assets

(Increase)/ Decrease in Other Financial Liabilities

(Increase)/Decrease in Other Non Current Assets

(Increase)/Decrease in Other Current Assets

**Cash generated from/(used in) Operations**

Direct Taxes Paid (Net)

**Net Cash from Operating Activities**

(A)

**B. CASH FLOW FROM INVESTING ACTIVITIES :**

Investment in Bank Deposits

Addition to Capital Work-in-Progress

Sale of Property, Plant & Equipment and Intangible Assets

Capital Subsidy Received

Interest Received

Purchase of Property, Plant & Equipment and Intangible Assets

**Net Cash from Investing Activities**

(B)

**C. CASH FLOW FROM FINANCING ACTIVITIES :**

Interest Paid

Repayment of Long Term Borrowings

Refund from Long Term Loans

Proceeds/(Repayment) of Short Term Borrowings

**Net Cash from Financing Activities**

(C)

**Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)**

**Cash and Cash Equivalents at the beginning of the year**

**Cash and Cash Equivalents at end of the year**

**Cash & Cash Equivalents :**

Balances with Bank

Current Account

Cash-on-Hand

**Total**

(2,409.96)	(4,643.12)
515.38	485.33
(59.24)	(1.66)
5.80	5.22
3.14	4.71
1,481.02	1,963.44
(2.57)	-
(7.58)	(7.61)
(474.02)	(2,193.69)
(398.80)	538.86
235.98	(166.80)
3,556.25	5,363.11
130.82	216.83
-	-
44.32	(64.31)
(183.51)	(198.96)
233.61	(65.07)
1.86	(54.88)
47.25	(18.60)
3,193.77	3,356.48
(0.83)	(0.83)
3,192.94	3,355.65

13.92	(90.48)
155.37	(176.92)
14.00	-
-	52.49
7.58	7.61
(1,069.70)	(173.88)
(878.83)	(381.18)

(1,508.70)	(1,619.11)
21.22	(1,038.81)
-	12.50
(949.15)	(175.71)
(2,436.63)	(2,821.13)
(122.52)	153.35
184.75	31.40
62.23	184.75

54.45	184.11
7.78	0.64
62.23	184.75



## **Riga Sugar Company Limited**

14, Netaji Subhas Road, 2<sup>nd</sup> Floor, Kolkata - 700 001

CIN – L15421WB1980PLC0329, Phone No. 033-40506600, mail; [sprasad@rigasugar.in](mailto:sprasad@rigasugar.in)  
(033)22303663

- (1) The crushing season 2019-20 started from 18<sup>th</sup> December, 2019 and concluded on 29<sup>th</sup> February, 2020. Due to flood situation in August, 2019 sugarcane availability was lower and recovery was also lower.
- (2) Pursuant to Resolution passed by the sugarcane dept. government of Bihar for providing financial assistance to sugar factories to offset the cost of sugarcane crushed for the sugar season 2018-19 Rs. 152.06 Lacs has been adjusted against cost of raw materials.
- (3) The sale price of sugar were much lower than cost of production.
- (4) Miscellaneous income include buffer claim subsidy Rs.179.90 lakhs.
- (5) One of the bank has not charged interest on KCC Loan for the year 2019-20 on account of Loan became NPA.
- (6) During the year IFCI Ltd. Have filed recovery suit on behalf of Sugar Development Fund (SDF) before Debt Recovery Tribunal of Rs. 1913 Lacs. The company has not acknowledged Debt of Rs. 939 Lacs and disputed the same. The matter is sub-judice.
- (7) The central government fixed minimum floor price of sugar at Rs. 31 per kg. However the cost of production of sugar on all India basis was much higher and industry demanded floor price of Rs. 35-36 per kg which was not accepted by the government, resulting into loss on realizations. The parity between cane price and sugar price is yet to be established. The government has taken decision to increase the MSP of Sugar to Rs. 33/- per kg from 1<sup>st</sup> October, 2020.
- (8) The Distillery of the company run for higher nos. of days of 158 days against 157 days last year as against stipulated 270 days working 43 days remained closed due to closure due to illegal closure by CPCB on the pretext of Adequacy Report and verification of installation of CPU although we have full proof proven and certified system of Zero discharge.
- (9) During previous year on 30<sup>th</sup> September, 2018 all Bank loans of the company became NPA. The bankers allowed holding on operation which is still going on. For that all Bank Loans shown as short term borrowings.
- (10) Due to continuous losses, the Net worth of the company is fully eroded which may have an effect on the entity's ability to continue as a going concern. However the Management is still hopeful that with financial restructuring by the banks and financial assistance from the state and central government the company can still revive.
- (11) Company has also applied for Permission for Closure of Sugar Plant from Labour Dept. on 28.07.2020 and matter is under consideration.
- (12) Since last few years company is facing natural calamities one after another. The Phalin cyclone in October 2013, the Hudhud in October 2014 stranded the growth of sugarcane as well as reduce the sugar recovery considerably. Again company faced devastating earthquake in April 2015 and May 2015



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and lost crores of rupees. The State Government had given assurance to help and visited the area but no compensation was granted. In August 2017 heavy flood also caused huge damage to our plant and sugarcane.

(13) The company has made request for following support from central and state government , if provided the company can be revived:-

#### **CENTRAL GOVERNMENT**

Company have also not received the following relief as announced by Central government, if provided company will be revived:-

##### **1. Ethanol Loan to NPA sugar factory who has defaulted in SDF**

Our present capacity of Distillery is 45 KLPD. However Distillery runs for only 150- 200 days due against permitted 270 days due to stringent order of Regulatory authorities like CPCB and BSPCB although the company has installed full-fledged system of zero discharge validated by authorized agency like VSI and invested more than Rs. 17 Cr during last 3 years.

If the company install Incineration boiler and also and install Modification System, its capacity will increase to 65 KLPD and also Distillery can run for 330 days. The capital cost would be Rs. 35 Cr. The additional Annual production will increase by 100 Lac Litre of Ethanol and profitability will increase by about Rs. 15 Cr. annually and thus payback period is only 2.5 years. The company will also survive.

The Central Government vide Notification dated 19<sup>th</sup> July, 2019 and 9<sup>th</sup> August, 2019 have notified Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity, under which financing of Ethanol plant expansion by enhancing the number of working days of existing distillery in a year on installation of new incineration boilers and also expansion of capacity of the existing distillery. On availing of such Loan from the bank the central government would provide interest subvention upto 6% p.a. for 5 years.

However as per terms of the scheme in case of NPA no such subvention will be provided. At the same time the Bankers are least interested to provide any fresh exposure due to NPA and present condition of Bankers.

It is therefore requested to Central Government to provide company SDF Loan under Chapter XI of SDF Rules, 1983 toward financing of Ethanol Expansion and Augmentation so as to increase the production capacity.

##### **2. MIEQ & Cane price Subsidy by the Central Government for the season 2018-19**

The central government had announced cane price subsidy for the season 2018-19 at the rate of Rs.13.88 per qtl. However it was linked with compulsory export obligation known as MIEQ. However there was loss on making export of sugar which the majority of weak companies like us could not bear and thus could not pay cane price subsidy to the farmers and thus farmers are deprived of cane price subsidy.



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We request the central government to pay Rs.13.88 for season 2018-19 directly to farmers without linking with prior export obligation to weak and small sugar companies like us. The amount comes at Rs. 6.50 Cr ( Cane Crush 46.90 lac qtl X Rs. 13.88)

### 3. SDF Loan Restructuring & withdrawal of DRT Case

Company have become totally weak and Sick Sugar Unit and has become NPA from 30<sup>th</sup> September, 2018. As per SDF Rules our company is fit case for restructuring of the Loan by way of :-

- (a) extension of repayment period;
- (b) waiving of all penal and additional interest;
- (c) Providing Loan for Clearance of Cane Price Arrears;
- (d) Loan for plant rejuvenation and balancing;
- (e) Loan for Ethanol and Power Plant; and
- (f) withdrawal of Recovery case in DRT

Company seek aforesaid relief and assistance as the SDF Rules provides for this under Chapter X of SDF Rules regarding - Loans for potentially viable sick sugar undertaking and Chapter XV of SDF Rules regarding Restructuring of loans of potentially viable sick sugar undertaking. The Government should provide relief to company by way of restructuring the SDF Loan, waiver of additional interest, extension of repayment period of loan as per cash flow projections as per consultation with the Banks as the company has become Sick due to continuous losses and the company has also faced occurrence of Natural Calamities of since last few years one after another.

### 4. Non-payment of 3<sup>rd</sup> and 4<sup>th</sup> qtr Buffer Stock Claim of 2018 Scheme and other penalties

Company have filed Buffer Stock claim for 3<sup>rd</sup> and 4<sup>th</sup> quarter. However claim is still pending. Company have received disbursement of 1<sup>st</sup> and 2<sup>nd</sup> quarter claim which was disbursed to the farmers toward their cane price dues. 3<sup>rd</sup> and 4<sup>th</sup> quarter claim, has been withheld because the company have not able to export sugar in 2018-19 as per MIEQ quota of 6,562 MT as per notification of Government dated 16<sup>th</sup> September 2018.

Our Company had became NPA from 30<sup>th</sup> September 2018 due to continuous losses and it also became very sick. On export of sugar through third party the company had to incur losses of about Rs.7,000/- per ton, which the company could not bear and thus the export was not possible. Neither Bank was ready to finance such upfront loss due to NPA. We explain to Dept. the reason for not able to export and requested for waiver of pre-export to avail cane price subsidy of Rs. 13.88/- directly to the farmers.

For one fault of non-export which is reason beyond our control, the Company is penalized by multiple ways as follow:-

- i) Not given cane price subsidy of Rs. 13.88/- per quintal on cane crush of 45.25 Lacs qtl. in 2018-19 i.e Rs. 6.29 Cr. which could have gone to farmers directly.
- ii) Withholding of Buffer subsidy of 3<sup>rd</sup> and 4<sup>th</sup> quarter on date of Rs. 1.24 Cr, which will go to the cane price arrears.
- iii) Reduction of monthly quota of sugar for sale in market, thereby the liquidity of the company to pay cane price to the farmers.



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- iv) Non-eligibility of the company to avail subsidized soft loan to pay cane price arrears as per scheme dated 2<sup>nd</sup> March, 2019 to pay cane price arrears to farmers of 2018-19.
- v) Reduction of subsequent Buffer qty created in of 2019.

#### **STATE GOVERNMENT**

**The company has made request for the following support from the State government. If provided, the company can be revived and it can come out of NPA:-**

- (a) Provide company additional cane price subsidy of Rs.40 per qtl. for the season 2017-18 and additional cane price subsidy of Rs.30 per qtl. for the season 2018-19 over and above the subsidy announced for all Bihar sugar mills- This will ward-off the additional losses incurred by us on account of lower Recovery for payment of cane price to Farmers.
- (b) Provide company soft term loan of Rs. 70 crores at interest rate of 4% for period of 10 years with moratorium of 5 years, so that we can pay cane price for last season and current season. The Bank has already agreed to provide second charge on Fixed Assets of the company toward security of such loan.

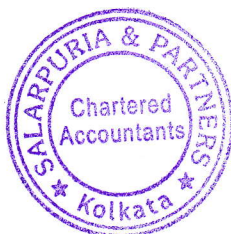
The aforesaid amount can be paid directly to the farmers.

© Release of Bihar Soft Loan Interest subvention for the FY 2016-17, 2017-18 and 2018-19 and 2019-20 -Rs. 447 Lacs.

- (d) Reimbursement of Co-gen subsidy of Rs.156 lacs pending since last 2 years.
- (e) Help farmers directly for procurement of High Yield variety of cane seed of CO 238 for 2 year OF Rs. 10 Cr.
- (f) Compensation towards running sugar plant in scorching heat of April and May, 2019 as per direction of the state government in the interest of farmers in season 2018-19 and consequent loss by way of extremely lower recovery estimated at Rs. 7.45 Cr.
- (g) Compensation towards running sugar plant for season 2019-20 for extremely lower no. of days operation with abysmal lower recovery. Of Rs.744 Cr.

**IF ABOVE ASSISTANCE AND COMPENSATION ARE PROVIDED BY THE STATE GOVERNMENT, THEN ONLY COMPANY CAN SURVIVE, OTHERWISE THERE IS NO POSSIBILITY OF SURVIVAL OF THE COMPANY.**

- (14) Deferred Tax Assets arising during the year has not been provided in the accounts on the basis of uncertainties.
- (15) The figure for the quarter ended 31<sup>st</sup> March'2020 and 31<sup>st</sup> March'2019 are the balancing figures between audited figures in respect of the full financial year ended 31<sup>st</sup> March' 2020 and 31<sup>st</sup> March, 2019 respectively and the unaudited published year to date figures upto 31<sup>st</sup> December'2019 and 31<sup>st</sup>December'2018, respectively, being the end of the third quarter of the respective financial year, which were subjected to limited review.



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- (16) The company is not a Large Corporate as per the applicability criteria given under the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.
- (17) Sugar being a seasonal industry, the performance of the Company varies from quarter to Quarter.
- (18) The figures of previous period/ year have been regrouped/ reclassified wherever necessary to make them comparable with those of the current period / year.
- (19) The above Standalone audited financial results were reviewed by the Audit Committee and thereafter, the Board of Directors approved the above results and were taken on record at their meeting on 26<sup>th</sup> August, 2020.

For and on behalf of Board of Directors  
For Riga Sugar Co. Ltd.

Place: Kolkata  
Date: 26<sup>th</sup> August, 2020

(O.P. Dhanuka)  
CMD  
DIN: 00049947

