

DECEMBER 19, 2016

CARE REVISES THE RATINGS ASSIGNED TO BANK FACILITIES OF RUCHI SOYA INDUSTRIES LIMITED

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long Term Bank Facilities	3,794.71	CARE D (Single D)	Revised from CARE B (Single B)
Long Term / Short Term Bank Facilities	6,931.40	CARE D/CARE D (Single D/Single D)	Revised from CARE B/CARE A4 (Single B/A Four)
Total Facilities	10,726.11 (Rupees Ten Thousand Seven Hundred Twenty Six Crore and Eleven Lakh Only)		

Rating Rationale

The revision in the ratings assigned to the bank facilities of Ruchi Soya Industries Ltd. (RSIL) takes into account recent delays in servicing of debt obligations on account of stress on its liquidity on the back of huge loss posted in FY16 and subdued operating performance in H1FY17.

Background

Incorporated in January 1986, Ruchi Soya Industries Ltd. (RSIL) is engaged in crushing of oil seeds and extraction/refining of edible oil along with manufacturing of related products like vanaspati and textured proteins. It is also engaged in import/export as well as domestic trading of various agri-commodities. It is the flagship entity of the Indore, Madhya Pradesh based Ruchi Group, which has business interests spread across various sectors including edible oil, agri-commodity trading, liquid and dry storage warehousing for agri-products and real estate. RSIL has manufacturing presence at 20 locations across the country.

RSIL registered a net loss of Rs.879 crore on a total operating income of Rs.27,805 crore in FY16 (refers to the period from April 1 to March 31), compared with a net profit of Rs.61 crore on a total operating income of Rs.28,402 crore in FY15. Further during H1FY17, RSIL reported a net profit of Rs.28 crore on a total operating income of Rs.10,159 crore.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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

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