

## Ruchi Soya Industries Limited

January 28, 2020

### Ratings

Facilities	Amount (Rs. Crore)	Ratings <sup>1</sup>	Rating Action
Long Term Bank Facilities	-	-	Withdrawn
Long Term / Short Term Bank Facilities	-	-	Withdrawn
<b>Total Facilities</b>	-		

*Details of instruments/facilities in Annexure-1;*

### Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the outstanding ratings of 'CARE D / CARE D; Issuer Not Co-operating' [Single D / Single D; Issuer Not Co-operating] assigned to various bank facilities of Ruchi Soya Industries Limited (RSIL) with immediate effect. The above action has been taken at the request of the client and 'No Due Certificates' received from all the lenders that have extended the facilities rated by CARE.

**Analytical approach:** Not Applicable

### Applicable Criteria

CARE's policy on withdrawal of ratings

### About the Company

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 such as soya meal, soya lecithin, vanaspati and textured proteins. It is also engaged in import/export as well as domestic trading of various agri-commodities. Earlier, RSIL was the flagship of the Indore, Madhya Pradesh based Ruchi Group. However, due to inability to service its debt obligations in a timely manner, the company was admitted to the National Company Law Tribunal (NCLT) for Corporate Insolvency Resolution Process (CIRP) vide its order dt. December 17, 2017.

Subsequently, vide its order dated July 24, 2019 and September 4, 2019, the Mumbai Bench of the Hon'ble NCLT approved the resolution plan submitted by a consortium of Patanjali Ayurved Ltd. (PAL), Divya Yog Mandir Trust (through its business undertaking, Divya Pharmacy), Patanjali Parivahan Pvt. Ltd. and Patanjali Gramudhyog Nyas (collectively referred to as Patanjali Consortium), resulting into change in shareholding, promoter and board of directors of the company w.e.f. December 18, 2019. Subsequent to the implementation of the Resolution Plan, RSIL is now majority owned by various entities/members of the Patanjali Group.

### Brief Financials of RSIL are tabulated below:

Brief Financials (Rs. Crore)	FY17 (A)	FY18 (A)	FY19 (A)
Total operating income	18,566	12,017	12,822
PBILDT	(629)	(4,984)	222
PAT	(1,257)	(5,573)	77
Overall gearing (times)	NM	NM	NM
Interest coverage (times)	NM	NM	29.98

A – Audited; NM – Not Meaningful;

Further, as per the provisional results for H1FY20 published on stock exchanges, RSIL reported a total operating income of Rs.6,241 crore and a PAT of Rs.96 crore, compared with a total operating income of Rs.6,152 crore and a PAT of Rs.38 crore in H1FY19.

In respect of the provisional results for H1FY20, the statutory auditor has reported that the effect of implementation of resolution plan of Patanjali Consortium as per various orders of NCLT has not been given in H1FY20 financials.

Further, in respect of the audited results for FY19 and published results for H1FY20, the Independent Auditor's Review Report has been qualified on various matters.

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

**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
Term Loan-Long Term	-	-	-	0.00	Withdrawn
Fund-based-Long Term	-	-	-	0.00	Withdrawn
Non-fund-based-LT/ST	-	-	-	0.00	Withdrawn

**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.	Term Loan-Long Term	LT	-	-	1)CARE D; ISSUER NOT COOPERATING* (21-May-19)	-	1)CARE D; ISSUER NOT COOPERATING* (20-Feb-18)	1)CARE D (10-Jan-17) 2)Suspended (29-Dec-16) 3)CARE B (29-Sep-16) 4)CARE BB+ (16-Jun-16)
2.	Fund-based-Long Term	LT	-	-	1)CARE D; ISSUER NOT COOPERATING* (21-May-19)	-	1)CARE D; ISSUER NOT COOPERATING* (20-Feb-18)	1)CARE D (10-Jan-17) 2)Suspended (29-Dec-16) 3)CARE B (29-Sep-16) 4)CARE BB+ (16-Jun-16)
3.	Non-fund-based-LT/ST	LT/ST	-	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (21-May-19)	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (20-Feb-18)	1)CARE D / CARE D (10-Jan-17) 2)Suspended (29-Dec-16) 3)CARE B / CARE A4 (29-Sep-16) 4)CARE BB+ / CARE A4+ (16-Jun-16)

**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](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto: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.

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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