

Press Release

RHC Finance Private Limited (RFPL)

04 August, 2017

Rating Withdrawn



Total Instruments Rated*	Rs.500.00 Cr
Long Term Rating	SMERA Provisional** A+ (SO#)/Stable (Withdrawn)

**Refer Annexure for details*

***The rating shall be final after the below conditions are satisfied/complied:*

i. Appointment of a SEBI Registered Trustee

ii. Execution of the Trust Deed with the proposed Structured Payment Mechanism (SPM) duly incorporated therein

iii. Execution of the pledge documents for the underlying Equity Shares of Religare Enterprises Limited (REL) & Fortis Healthcare Limited (FHL) and confirmation of the same by the Trustee

iv. Execution of the guarantee document between RHC Holdings Private Limited and the Trustee and confirmation of the same by the Trustee

v. Execution of the lien documents for the DSRA in the form of bank fixed deposit in favour of the Trustee and confirmation of the same by the Trustee

#Credit Enhancement on account of the presence of Corporate Guarantee of RHC Holdings Private Limited, Debt Service Reserve Account (DSRA) in the form of Bank Fixed Deposit and First & Exclusive pledge of shares of REL and FHL

Rating Rationale

SMERA has withdrawn the rating of **SMERA Provisional A+ (SO) (read as SMERA Provisional A plus Structured Obligation)** assigned to the Rs.500.00 crore Proposed Secured, Redeemable, Non-Convertible Debenture (NCD) issue of RHC Finance Private Limited (RFPL).

In line with SMERA's policy on provisional ratings and withdrawal of ratings, the issuer has informed SMERA that there are no outstanding debt instruments against the rating assigned by SMERA and RFPL has thus requested SMERA to withdraw the outstanding ratings.

Applicable Criteria

- Non-Banking Finance Entities: <https://www.smera.in/criteria-nbfc.htm>
- Default Recognition: <https://www.smera.in/criteria-default.htm>
- Group and Parent Support: <https://www.smera.in/criteria-group.htm>
- Policy on Provisional Ratings: <https://www.smera.in/provisional-ratings.htm>

About the Rated Entity

RFPL, a Core Investment Company (CIC) incorporated in 2007, is a subsidiary of RHC Holdings Private Limited (RHC). RHC is an NBFC-ND-SI promoted by Mr. Malvinder Singh and Mr. Shivinder Singh. RHC has substantial holdings in various companies with interests primarily in health care, capital markets, IT and aviation.

RFPL's major investments are in Religare Enterprises Limited (REL) – a CIC listed on the BSE and NSE. RFPL holds 16.32 per cent equity stake in REL. REL has subsidiaries engaged in asset financing, capital market investments, broking and other financial services. REL, RFPL and RHC share a common management.

The company reported net loss of Rs.5.17 crore on operating income (interest income plus investment income) of Rs.36.09 crore in FY2015–16, compared with net loss of Rs. 0.40 crore on operating income of Rs.0.84 crore in FY2014–15.

Status of non-cooperation with previous CRA (if applicable): Not Applicable

Any other information: The International Court of Arbitration, Singapore has recently awarded damages of Rs.3500 crore to Daiichi Sankyo in the proceedings over the sale of Ranbaxy Laboratories Limited (RLL) by RHC and others. RHC has contested the award in the Indian Courts and the matter is subjudice. Any adverse outcome will have a significant impact on the credit profile of RHC and potentially its ability to support its group companies.

Rating History for the last three years:

Name of Instruments	FY2018 (Current)			FY2017		FY2017		FY2016	
	Scale	Amount (Rs. Crore)	Rating with Outlook	Date	Rating	Date	Rating	Date	Rating
Proposed Secured, Redeemable Non-Convertible Debentures	LT	150.00	SMERA Provisional** A+ (SO#)/Stable (Withdrawn)	27 Feb, 2017	SMERA Provisional** A+ (SO#)/Stable (Reaffirmed)	23 Feb, 2017	SMERA Provisional** A+ (SO#)/Stable (Assigned)	-	-
Proposed Secured, Redeemable Non-Convertible Debentures	LT	350.00	SMERA Provisional** A+ (SO#)/Stable (Withdrawn)	27 Feb, 2017	SMERA Provisional** A+ (SO#)/Stable (Assigned)	-	-	-	-

***Annexure – Details of instruments rated:**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/ Outlook
Proposed Secured, Redeemable Non-Convertible Debentures	N.A	N.A	N.A	150.00	SMERA Provisional** A+ (SO#)/Stable (Withdrawn)
Proposed Secured, Redeemable Non-Convertible Debentures	N.A	N.A	N.A	350.00	SMERA Provisional** A+ (SO#)/Stable (Withdrawn)

Note on complexity levels of the rated instrument:

<https://www.smera.in/criteria-complexity-levels.htm>

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ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India. SMERA is registered with SEBI as a Credit Rating Agency and accredited by Reserve Bank of India. For more details, please visit www.smera.in.

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