

Press Release

RHC Holding Private Limited (RHC)

31 July, 2017



Rating Withdrawn

Total Instruments Rated*	Rs.350.00 Cr
Short Term Rating	SMERA A4 (Withdrawn)

*Refer Annexure for details

Rating Rationale

SMERA has **withdrawn** the rating of **SMERA A4 (read as SMERA A four)** assigned to the Rs. 350.00 crore Proposed Commercial Paper Program by RHC Holding Private Limited (RHC). SMERA, vide Press Released dated 19 July, 2017, had downgraded the rating from SMERA A1 to SMERA A4 on account of RHC's stretched liquidity position resulting in delays in servicing of certain other debt instruments (i.e., instruments not rated by SMERA).

SMERA's rating action was on the basis of the issuer's communication to SMERA that Commercial Paper of Rs. 150.00 crore had been placed and are outstanding, based on SMERA's rating. Subsequently, the issuer has clarified (on 21 July, 2017) that there is no Commercial Paper outstanding against SMERA's rating and hence has sought a withdrawal of the rating.

Applicable Criteria

- Non-Banking Finance Entities: <https://www.smera.in/criteria-nbfc.htm>
- Commercial Paper: <https://www.smera.in/criteria-cp.htm>
- Default Recognition: <https://www.smera.in/criteria-default.htm>

About the Rated Entity

RHC Holding Private Limited (RHC) is a NBFC-ND-SI incorporated in 2007 and is the ultimate holding company for the Religare and Fortis group of companies. The company has interests in financial services (held via Religare Enterprises Limited), healthcare (held via Fortis Healthcare Holdings Private Limited), aviation (held via Ligare Aviation Limited), Information Technology and Real Estate. RHC was promoted by Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh.

In FY2017 (Provisional), RHC reported PAT (profit after tax) of Rs. 14.97 crore on total income of Rs. 607.42 crore against PAT of Rs. 40.91 crore on total income of Rs. 642.86 crore in FY2015.

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.3,500 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 sub-judice. Any adverse outcome will have a significant impact on the credit profile of RHC.

Rating History for the last three years:

Name of Instruments	FY2018 (Current)			FY2018		FY2018		FY2017	
	Scale	Amount (Rs. Crore)	Rating with Outlook	Date	Rating	Date	Rating	Date	Rating
Proposed Commercial Paper Program	ST	350.00	SMERA A4 (Withdrawn)	19 July, 2017	SMERA A4 (Downgraded from SMERA A1)	13 Apr, 2017	SMERA A1 (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 Commercial Paper Program	N.A	N.A	N.A	350.00	SMERA A4 (Withdrawn)

Note on complexity levels of the rated instrument:

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

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ABOUT SMERA

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