



# RUCHI SOYA INDUSTRIES LIMITED

CIN : L15140MH1986PLC038536

Head Office :  
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7/5, South Tukoganj,  
Nath Mandir Road,  
INDORE - 1 (M.P.) India  
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RSIL/SE 18

February 20, 2018

The Manager  
Listing Department  
BSE Ltd.  
Floor No.25,  
Phiroze Jeejeebhoy Tower  
Dalal Street,  
**Mumbai – 400 00**

The Manager  
Listing Department  
National Stock Exchange of India Ltd.  
"Exchange Plaza"  
Bandra-Kurla Complex,  
Bandra(E),  
**Mumbai – 400 051**

**Sub: Un-audited Financial Results of Ruchi Soya Industries Limited ("the Company") for the Quarter and nine months ended December 31, 2017**

Dear Sirs,

In continuation to our letter No. RSIL/SE 18 dated February 12, 2018, we may inform you that the un-audited financial results of the Company for the quarter and nine months ended December 31, 2017 ("Financial Results") which were placed at a co-ordination meeting of Audit Committee and Board of Directors held on February 12, 2018, have today been approved by the Resolution Professional (RP). The un-audited financial results and limited review report issued by the Statutory Auditors are enclosed herewith for your records.

The Financial Results have been certified by Mr. Anil Singhal, Chief Financial Officer of the Company in accordance with Regulation 33(2) of the SEBI (Listing Obligations and Disclosure Requirements) Rules, 2015. While these unaudited financial results pertain to the quarter and nine months ended 31st December 2017, almost entirely prior to Insolvency Commencement Date, the RP has not received any certification, representation, undertaking or statement from the erstwhile Managing Director or any other director (the power of Managing Director stands suspended in accordance with the Code) for such period. Consequently, the RP is not in a position to certify on its own the truthfulness, fairness, accuracy or completeness of the financial statements prepared for the quarter and nine months ended 31<sup>st</sup> December 2017 during the financial year of 2017 – 18 i.e. prior to Insolvency Commencement Date.

This unaudited financial results were placed before the now suspended Board / Co-ordination meeting of the Audit Committee and Directors of the Company (suspended during CIRP) on February 12, 2018 for their consideration. Accordingly, the financial results were considered and recommended in the meeting. In view thereof, the RP, in reliance of such examination by Directors of the Company and the representations, clarifications and explanations provided by the Chief Financial Officer on behalf of the Board of Directors (suspended during CIRP), has approved the same. They have provided the certifications and representations with responsibility in respect of

various secretarial, compliance and board matters pertaining to the period prior to Insolvency Commencement Date.

The RP has approved the Financial Results only to the limited extent of discharging the powers of the Board of Directors of the Company (suspended during CIRP) which have been conferred upon him in terms of provisions of Section 17 of the Code. The statutory auditors of the Company have carried out limited review on the Financial results.

Further, please note that the Company has already made necessary arrangement to publish the same in newspaper as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The above is for your information and records please

Thanking you,

Yours faithfully,

**For and on behalf of Ruchi Soya Industries Limited**



**Shailendra Ajmera**

Resolution Professional

Ruchi Soya Industries Limited

(a company under corporate insolvency resolution process vide NCLT order)

301 Mahakosh House, 7/5 South Tukoganj, Nath Mandir Road

Indore - 452 001, Madhya Pradesh, India.

Tel: +91 (731) 2513 281 / 82 / 83 | Email: [ip.ruchi@in.ey.com](mailto:ip.ruchi@in.ey.com)

*Shailendra Ajmera has been granted a certificate of registration to act as a Resolution Professional by the Insolvency and Bankruptcy Board of India, his Registration No. is IBBI/PA-001/IP-P00304/2017-18/10568. The affairs, business and property of Ruchi Soya Industries Limited ('RSIL') are being managed by the Resolution Professional, Shailendra Ajmera, who acts as agent of RSIL only and without personal liability.*

*IP registration details as under:*

*IP Registration no. IBBI/PA-001/IP-P00304/2017-18/10568*

*Ernst & Young LLP, 3rd Floor, Worldmark 1, Aerocity Hospitality, New Delhi, Delhi – 110037 |*

*[shailendra.ajmera@yahoo.com](mailto:shailendra.ajmera@yahoo.com)*

Encl. As above

RUCHI SOYA INDUSTRIES LIMITED  
CIN:L15140MH1986PLC038536

Regd. Office : Ruchi House, Royal Palms, Survey No. 169 , Aarav Milk Colony, Near Mayur Nagar, Goregoan ( East ), Mumbai - 400.065

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017 (₹ in lakh unless otherwise stated)

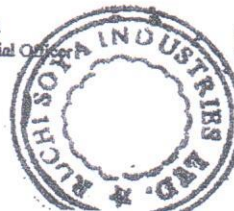
Particulars	STANDALONE					
	3 months ended 31.12.2017	Preceding 3 months ended 30.09.2017	Corresponding 3 months ended 31.12.2016	9 month ended 31.12.2017	Corresponding 9 month ended 31.12.2016	Year ended 31.03.2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Income</b>						
I Revenue from operations	302,483.50	308,876.29	503,198.83	937,480.54	1,516,146.33	1,852,689.74
II Other Income	2,510.94	347.44	4,535.99	4,755.35	7,521.07	9,348.20
III Total Income (I+II)	304,994.44	309,223.73	507,734.82	942,235.89	1,523,667.40	1,862,037.94
<b>IV Expenses</b>						
(a) Cost of Materials Consumed	247,672.54	226,928.53	264,848.93	695,937.40	793,591.09	1,041,942.44
(b) Purchases of Stock-in-Trade	21,660.38	33,745.94	194,758.92	125,371.95	524,823.74	578,311.09
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade.	(2,859.99)	5,314.37	3,046.71	5,262.83	45,540.63	30,225.21
(d) Employee Benefits Expenses	4,069.10	4,733.97	4,291.58	12,415.56	14,525.72	18,667.04
(e) Finance Costs	32,331.61	29,948.43	25,867.20	81,973.10	62,782.72	83,221.28
(f) Provision for Financial Guarantee Obligation	-	6,658.95	-	6,658.95	-	-
(g) Depreciation, amortisation and Impairment Expenses	3,506.96	3,554.08	3,779.13	10,581.53	11,642.21	15,605.55
(h) Provision for Doubtful Debts and advances and Bad Debts	166,784.78	282,624.07	-	476,942.63	-	130,297.47
(i) Other Expenses	27,490.01	30,553.74	30,622.15	84,183.69	94,408.30	131,301.31
Total Expenses (IV)	508,655.39	624,062.08	527,214.62	1,499,327.64	1,547,314.41	2,029,571.39
Profit/(loss) before exceptional items and tax (III-IV)	(195,668.95)	(314,838.35)	(19,479.80)	(557,091.75)	(23,647.01)	(167,533.45)
VI Exceptional Items	-	-	-	-	4,540.01	4,490.40
VII Profit/(loss) before tax (V-VI)	(195,668.95)	(314,838.35)	(19,479.80)	(557,091.75)	(19,107.00)	(163,043.05)
VIII Tax Expense						
Current Tax	-	-	(140.95)	-	-	-
Deferred Tax	-	(26,567.26)	2,343.85	(44,535.95)	(202.37)	(37,023.31)
Tax for earlier years	(1.03)	-	-	(1.03)	-	(299.93)
IX Profit/(loss) for the period/Year (VII-VIII)	(195,659.92)	(288,271.09)	(21,682.78)	(512,554.77)	(18,984.63)	(123,719.81)
X Other Comprehensive Income						
A (i) Items that will not be reclassified to profit or loss	405.93	273.60	(182.86)	383.17	(764.73)	(648.52)
Tax relating to above items	-	(46.09)	-	-	-	(28.26)
B (i) Hedge Reserves	-	-	-	-	-	-
Items that will not be reclassified to profit or loss	-	-	-	-	-	200.30
XI Total Comprehensive Income for the period/Year ( IX ± X)	(195,253.99)	(288,043.58)	(21,865.56)	(512,171.60)	(19,669.36)	(126,196.29)
XII Paid up - Equity Share Capital [ Net of Treasury shares] (Face value ₹ 2/- per share)	6,529.41	6,529.41	6,529.41	6,529.41	6,529.41	6,529.41
XIII Other equity excluding Revaluation Reserve	-	-	-	-	-	95,841.21
XIV Earnings/(loss) per equity share of face value of ₹ 2 each						
a) Basic (in ₹)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)
b) Diluted (in ₹)	(59.93)	(88.35)	(6.63)	(157.02)	(5.78)	(44.41)
	(59.93)	(88.35)	(6.63)	(157.02)	(5.78)	(44.41)
See accompanying notes to the Financial Results						

Place : Mumbai  
Date : February 08, 2018



For Ruchi Soya Industries Limited

Anil Singhal  
Chief Financial Officer



For Ruchi Soya Industries Limited

Shalendra Ajmera  
Resolution Professional

**RUCHI SOYA INDUSTRIES LIMITED**  
CIN:L15140MH1986PLC038536

Regd. Office : Ruchi House, Royal Palms, Survey No. 169, Aarav Milk Colony, Near Mayur Nagar, Goregaon ( East ), Mumbai - 400 065  
**UNAUDITED STANDALONE SEGMENT INFORMATION FOR THE QUARTER AND NINE MONTH ENDED DECEMBER 31, 2017**

₹ In lakh

PARTICULARS	3 months ended 31.12.2017	Preceding 3 months ended 30.09.2017	Corresponding 3 months ended 31.12.2016	9 month ended 31.12.2017	Corresponding 9 month ended 31.12.2016	Year ended 31.03.2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1 Segment Revenue</b>						
Oils	259,169.15	246,897.84	406,539.60	777,539.89	1,173,183.95	1,431,378.59
Vanaspati	17,904.81	21,984.34	20,762.36	57,795.70	55,924.09	73,990.43
Seed Extraction	54,119.35	62,850.30	69,670.33	170,097.25	216,147.99	257,405.63
Food Products	12,080.78	15,410.67	11,291.90	40,920.44	46,448.72	56,333.33
Wind Turbine Power Generation	985.07	1,785.15	1,009.99	4,789.53	4,813.88	6,152.33
Others	7,799.03	16,107.28	47,056.05	37,334.62	181,668.69	225,372.88
<b>Total</b>	<b>352,058.19</b>	<b>365,035.58</b>	<b>556,330.23</b>	<b>1,088,477.43</b>	<b>1,678,187.32</b>	<b>2,050,633.19</b>
Less : Inter Segment Revenue	49,574.69	56,159.29	53,131.39	150,996.89	162,040.99	197,943.45
<b>Net Sales/Income from Operations</b>	<b>302,483.50</b>	<b>308,876.29</b>	<b>503,198.84</b>	<b>937,480.54</b>	<b>1,516,146.33</b>	<b>1,852,689.74</b>
<b>2 Segment Results ( Profit ) (+) / Loss (-) before Tax and Finance Costs from each segment</b>						
Oils	3,513.00	5,466.24	7,020.82	10,177.96	27,243.18	25,080.80
Vanaspati	54.22	88.32	55.33	201.22	120.18	152.74
Seed Extraction	181.43	496.31	678.66	939.37	(932.99)	(1,919.84)
Food Products	171.16	398.83	664.36	383.24	2,031.77	2,424.28
Wind Turbine Power Generation	40.15	1,067.36	168.37	2,383.70	2,397.32	3,123.64
Others	(2,306.17)	(3,206.13)	(2,361.48)	(8,150.00)	7,610.95	13,809.83
<b>Total</b>	<b>1,653.79</b>	<b>4,316.93</b>	<b>6,226.06</b>	<b>6,435.49</b>	<b>38,470.41</b>	<b>42,673.45</b>
Less: (i) Finance costs	32,331.61	29,948.43	25,867.20	81,973.10	62,782.72	83,221.28
(ii) Unallocable Income Including Interest and Dividend Income	(1,801.66)	(82.17)	(167.43)	(2,047.45)	(659.05)	(3,311.83)
(iii) Provision for Doubtful Debts and advances and Bad Debts and Financial Guarantees Obligation and Others	166,784.79	289,283.02	6.09	483,601.59	(6.25)	130,297.49
Add: Exceptional Items	-	-	-	-	4,340.01	4,490.40
<b>Total Profit before tax</b>	<b>(195,660.95)</b>	<b>(314,838.35)</b>	<b>(19,479.80)</b>	<b>(557,091.75)</b>	<b>(19,107.00)</b>	<b>(163,043.07)</b>
<b>3 Segment Assets</b>						
Oils	205,204.73	219,393.55	641,449.47	205,204.73	641,449.47	498,553.51
Vanaspati	18,753.48	26,483.09	31,449.43	18,753.48	31,449.43	29,228.84
Seed Extraction	84,890.04	100,300.17	341,075.23	84,890.04	341,075.23	161,921.16
Food Products	14,467.88	17,267.08	19,218.05	14,467.88	19,218.05	17,495.53
Wind Turbine Power Generation	39,060.80	41,320.67	40,786.92	39,060.80	40,786.92	40,679.21
Others	47,967.25	170,198.73	94,478.71	47,967.25	94,478.71	180,549.21
Unallocated	386,343.63	402,088.68	282,549.21	386,343.63	282,549.21	397,165.25
<b>TOTAL</b>	<b>796,687.81</b>	<b>977,851.97</b>	<b>1,451,007.02</b>	<b>796,687.81</b>	<b>1,451,007.02</b>	<b>1,525,592.71</b>
<b>Segment Liabilities</b>						
Oils	404,079.34	409,744.20	561,757.30	404,079.34	561,757.30	421,580.29
Vanaspati	12.38	14.04	15.01	12.38	15.01	30.02
Seed Extraction	6,612.17	5,216.55	37,376.64	6,612.17	37,376.64	11,633.02
Food Products	340.39	279.48	523.50	340.39	523.50	842.67
Wind Turbine Power Generation	-	-	-	-	-	-
Others	45,204.02	44,613.63	47,329.74	45,204.02	47,329.74	26,461.51
Unallocated	750,249.19	731,793.98	483,980.50	750,249.19	483,980.50	752,674.60
<b>TOTAL</b>	<b>1,206,497.49</b>	<b>1,191,661.88</b>	<b>1,130,982.69</b>	<b>1,206,497.49</b>	<b>1,130,982.69</b>	<b>1,223,221.11</b>

Place : Mumbai  
Date : February 16, 2018



For Ruchi Soya Industries Limited

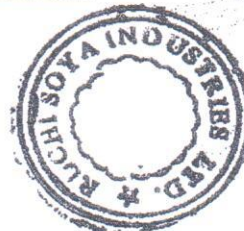
For Ruchi Soya Industries Limited

*Anil Singhal*

*Shalendra Ajmera*

Anil Singhal  
Chief Financial Officer

Shalendra Ajmera  
Resolution Professional



#### Notes to the Financial Results:

The National Company Law Tribunal ("NCLT"), Mumbai Bench, vide order delivered on 15th December 2017 ("Insolvency Commencement Date") has initiated Corporate Insolvency Resolution Process ("CIRP") w/s 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code") based on application filed by Standard Chartered Bank and DBS Bank Ltd, financial creditors of the Company. Mr. Shailendra Ajmera IP Registration No. IBBI/PA-001/IP-P00304/2017-18/10568 was appointed as Interim Resolution Professional ("IRP") to manage affairs of the Company in accordance with the provisions of Code. In the first meeting of Committee of Creditors ("CoC") held on 12th January 2018, Mr. Shailendra-Ajmera has been confirmed as Resolution Professional ("RP") for the Company. Pursuant to the NCLT order for commencement of the CIRP and in line with the provisions of the Code, the powers of the Board of Directors stand suspended and be exercised by IRP / RP. The financial results for the quarter and nine months ended 31st December 2017 have been certified by Mr. Anil Singhal, Chief Financial Officer of the Company in accordance with Regulation 33(2) of the SEBI (Listing Obligations and Disclosure Requirements) Rules, 2015. While these unaudited financial results pertain to the quarter and nine months ended 31st December 2017, almost entirely prior to Insolvency Commencement Date, the RP has not received any certification, representation, undertaking or statement from the erstwhile Managing Director or any other director (the power of Managing Director stands suspended in accordance with the Code) for such period. Consequently, the RP is not in a position to certify on its own the truthfulness, fairness, accuracy or completeness of the financial statements prepared for the quarter and nine months ended 31st December 2017 during the financial year of 2017 - 18 i.e. prior to Insolvency Commencement Date.

This unaudited financial results were placed before the now suspended Board / Co-ordination meeting of the Audit Committee and Directors of the Company (suspended during CIRP) on February 12, 2018 for their consideration. Accordingly, the financial results were considered and recommended in the meeting. In view thereof, the RP, in reliance of such examination by Directors of the Company and the representations, clarifications and explanations provided by the Chief Financial Officer on behalf of the Board of Directors (suspended during CIRP), has approved the same. They have provided the certifications and representations with responsibility in respect of various secretarial, compliance and board matters pertaining to the period prior to Insolvency Commencement Date.

The RP has approved these financial results only to the limited extent of discharging the powers of the Board of Directors of the Company (suspended during CIRP) which has been conferred upon him in terms of provisions of Section 17 of the Code. The statutory auditors of the Company have carried out limited review for the quarter and nine month ended 31st December, 2017.

In respect of borrowings from banks and financial institutions aggregating Rs.6,03,231 Lakh, bank balances aggregating Rs. 3,157 Lakh, independent balance confirmations as at 31st December 2017 is not available. Borrowings, interest and other charges and bank balances have been accounted on the basis of information available with the Company and its understanding of sanction letters / agreements. However, as a part of CIRP, financial creditors were also called upon to submit their claims latest by 29th December 2017 to the Interim Resolution Professional detailing their debts as at the Insolvency Commencement Date.

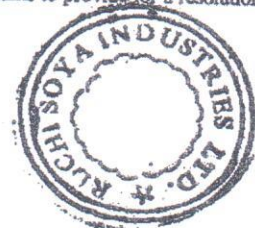
Financial creditors and operational creditors, as a part of CIRP, submitted their claims to the Interim Resolution Professional. In aggregate, claims submitted by the financial exceeded the amount as appearing in the books of accounts. Further, in respect of operational creditors the process of submitting claims is still going on and it is also under reconciliations with amount as appearing in the books of accounts. Accordingly, to the extent the process for submission and reconciliation of claims as on the Insolvency Commencement Date remains an on-going process, no provision in the books of accounts has been made for excess claims submitted in respect of financial creditors. No accounting effects are considered as well in respect of operational creditors. This matter has been qualified by the auditors in their review report.

- 3
- (i) The Company has performed assessment of impairment for its non-current investment in unquoted equity instruments of subsidiaries and joint venture during the year ended 31st March 2017 and required impairment provisions was made for the year ended 31st March 2017. The carrying value (net of impairment) is Rs. 5,631.61 Lakh.
- (ii) First Indian Accounting Standards ("Ind AS") financial statements of the Company for the year ended 31st March 2017 have been prepared in accordance with Ind-AS notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 ("the Act"). On Transition to Ind AS as on April 1, 2015 the Company has elected to measure its a) Tangible assets - Freehold Land, Building and Plant and Equipment and b) Intangible assets - Acquired Trademarks/ Brands at Fair value, for other fixed assets elected to measure the same at cost as per Ind AS. The same are considered as Deemed cost, indicating that there is no impairment in the carrying value of tangible and intangible assets. The carrying value of tangible assets (including capital work in progress and intangible assets as at 31st December 2017 is Rs. 3,90,324.40 Lakh and Rs. 1,51,650.63 Lakh, respectively.

As explained in note no. 1 the Company is under CIRP and the Resolution professional is required to invite submission and obtain approval of resolution plan. The process of submission and approval of resolution plan is underway. Accordingly, the Company has not made fresh assessment of impairment, if any, as at 31st December 2017 in the value of non-current investments, tangible and intangible assets. This matter has been referred to in by the auditors in their review report as emphasis of matter.

- 4
- The Company has incurred losses, its liabilities exceeded total assets and its net worth has been fully eroded as on 31st December 2017. In view of the continuing default in payment of dues, certain lenders have sent notices/letters recalling their loans given and called upon the Company to pay entire dues and other liability, while also invoking the personal guarantee of promoter director. Demand notices pursuant to invocation of Corporate Guarantees provided by the Company. Further, the Company was also compelled to provide for Doubtful debts from its trade receivables which have resulted in erosion of working capital and reduction in capacity utilisation levels. Few of the lenders also issued wilful defaulter notices and filed petition for winding up of the Company.

As mentioned in note no. 1 above, on the application of two financial creditors the NCLT has admitted a petition to initiate insolvency proceeding against the Company under the Code. As per the Code, it is required that the Company be managed as a going concern during the CIRP. Further, under the CIRP, a resolution plan needs to be presented to and approved by the CoC, post which it will need to be approved by the NCLT to keep the Company as a going concern. Currently, the RP has made a public announcement seeking an Expression of Interest from potential resolution applicants to provide for a resolution plan for the Company on a going concern basis, which is in progress.



Meanwhile, steps are being taken for cost rationalisation, strengthening of Company's brand, and management of cash flow throughout and until completion of CIRP.

While the long term prospects of the Company may be dependent on expeditious completion of CIRP process, in view of the above facts and continuing operations of the Company on a going concern basis, the financial statements have been prepared on a going concern basis.

This matter has been referred to in by the auditors in their review report as emphasis of matter.

5 The Board of Directors, at its meeting held on 2nd November 2017, had approved a Scheme of Arrangement ("Scheme") between Ruchi Soya Industries Limited (Transferor Company), Mrig Trading Private Limited (Transferee Company) and their respective shareholder and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 subject to approval of Shareholders, Lenders, Creditors, regulatory, statutory and other required approvals. Board of directors in their meeting held on 2nd November 2017 approved signing of binding term sheet with Devonshire Capital for acquiring (a) equity stake of upto 51% in the Company including issue of fresh equity and (b) equity stake of 100% in the specific edible brands and distribution business of the Company to be spun into Special Purpose Vehicle (Mrig Trading Private Limited, a wholly owned subsidiary company of the company) for a consideration of Rs. 4000 Crore, payable in tranches. The amount would be substantially utilised for payment to all lenders over period of time as described in the Scheme of arrangement. The said scheme has been submitted to stock exchanges for approval.

As the Scheme is conditional on various approval / sanctions and is effective thereafter; accordingly no effect of the said Scheme is given in the financial results.

However, as mentioned in note no. 1 and 2, since the CIRP process under the Code is initiated on 15th December 2017, any resolution plan will now have to be provided by a resolution applicant in accordance with the request for EOI from the RP and other provisions of the Code. This resolution plan will further require approvals from the members of the CoC and NCLT failing which the company shall be liquidated. As such, the Scheme of Arrangement stands stayed under the given circumstances. It may be noted that the proposed Scheme of Arrangement, unless forming a part of a prospective resolution applicant's resolution plan, will remain unexecuted.

6 With effect from 1st July 2017, Goods and Service Tax ("GST") has been implemented which has replaced several indirect taxes including excise duty. While Ind-AS required excise duty to be included while computing revenue, GST is required to be excluded from Revenue computation. Accordingly, revenue for the quarter and nine months ended 31st December 2017 is net of such GST.

As per Indian Accounting Standard 108 'Operating Segment', the Company has reported 'Segment Information' as described below:

Reportable segment	Description
Extractions	Various types of seed extractions
Vanaspati	Vanaspati, Bakery fats and Table spread
Oils	Crude oils, refined oils
Food Products	Textured Soya protein and Soya flour
Wind Power Generation	Electricity Generation from Wind Mills

Other Segment	Description
	Gram, Wheat, Rice, Maize, Corn, Seeds, Coffee, Marine Products, Tuar, Peas, Barley, Soap, Fresh Fruit Bunch, seedling Plant and Equipment, Cotton Bales, Toiletry preparations and Cotton seed oil cake.

The assets and liabilities that can not be allocated between the segments are shown as unallocable assets and liabilities respectively.

8 Pursuant to the Scheme of Amalgamation and Arrangement between the Company and Mac Oil Palm Limited in earlier years which was effective from April 1, 2009, the Board has approved Advertisement & sales promotion expenses (net of current tax) amounting to Rs. 60.68 Lakhs as charged to Business Development Reserve.

9 The figures for the previous period/year have been re-grouped/ re-classified/ re-arranged, wherever necessary, to correspond with the current period's classification/disclosure.



Place : Mumbai  
Date : February 10, 2018

For Ruchi Soya Industries Limited

For Ruchi Soya Industries Limited

Anil Singhal  
Chief Financial Officer

Shalendra Ajmera,  
Resolution Professional



**INDEPENDENT AUDITORS' REVIEW REPORT**

**TO RESOLUTION PROFESSIONAL OF RUCHI SOYA INDUSTRIES LIMITED**  
**IP Registration No. IBBI/IPA-001/IP-P00304/2017-18/ 10568**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **RUCHI SOYA INDUSTRIES LIMITED** ("the Company") for the quarter and nine months ended 31<sup>st</sup> December 2017 ("the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016.
2. The National Company Law Tribunal ("NCLT"), Mumbai Bench, admitted petition for initiation of Corporate Insolvency Process ("CIRP") u/s 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code") filed by financial creditors vide order no. CP1371 & CP1372/I&BP/NCLT/MAH/2017 delivered on 15<sup>th</sup> December 2017 and appointed an Interim Resolution Professional ("IRP") to manage affairs of the Company in accordance with the provisions of Code. The Committee of Creditors of the Company, in its meeting held on 12<sup>th</sup> January 2018 confirmed the IRP as Resolution Professional ("RP") for the Company. In view of pendency of the CIRP and suspension of powers of Board of Directors and as explained to us, the powers of adoption of the Statement vests with RP.
3. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016 is the responsibility of the Company's management and approved by RP. Our responsibility is to issue a report on the Statement based on our review.
4. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



**5. Basis for Qualified Conclusion**

*As mentioned in Note no. 2 of the Statement, independent balances confirmations in respect of borrowings and bank balances are not available as at 31<sup>st</sup> December 2017. However, as a part of CIRP, creditors were called upon to submit their claims on 29 December 2017. In aggregate, claims submitted by the Financial Creditors exceeded the amount as appearing in the books of account. Further, in respect of operational creditors the process of submitting claims is still going on and it is also under reconciliations with amount as appearing in the books of accounts. Pending reconciliations and final outcome of the CIRP, no provision in the books of accounts has been made for excess claims submitted in respect of financial creditors and no accounting effect in respect of operational creditors is given. Hence, consequential impact, if any, on the financial results is not currently ascertainable.*

**6. Emphasis of Matter**

- (i) As mentioned in Note no. 3 of the Statement, in respect of Company's non-current investment in unquoted equity instruments of subsidiaries and joint venture and its tangible and intangible assets no impairment assessment, if any, in carrying value as at 31<sup>st</sup> December 2017 is made for the reasons explained therein.
- (ii) We draw attention to the Note no. 4 of the Statement, which states that that the Company has incurred cash losses, its liabilities exceeded total assets and its net worth has been fully eroded as on 31<sup>st</sup> December 2017. In view of the continuing default in payment of dues, certain lenders have sent notices/letters recalling their loans given and called upon the Company to pay entire dues and other liability. Further, the Company was also compelled to provide for Doubtful debts from its trade receivables which have resulted in erosion of working capital and reduction in capacity utilisation levels. As mentioned in 2 above, since the CIRP is currently in progress, as per the Code, it is required that the Company be managed as a going concern during the CIRP. The financial statements is continued to be prepared on going concern basis. However there exists material uncertainty about the Company's ability to continue as going concern since the same is dependent upon the resolution plan to be formulated and approved by NCLT. The appropriateness of preparation of financial statements on going concern basis is critically dependent upon CIRP as specified in the Code.

Our conclusion is not modified in respect of the said above matters.





7. Based on our review conducted as above, *except for possible effects of our observations described in the Basis of Qualified Conclusion paragraph 5 above* and read with our comments in paragraph 6 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Indian Accounting Standards ("Ind-AS") specified under section 133 of the Companies Act, 2013, read with relevant rules issued there under and other recognised accounting practices and principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**8. Other matter**

- 8.1 The accompany Statement and other financial information includes the Company's branches at Peddapuram and Ampapuram which reflects total revenue of Rs. 11784.29 Lakh and Rs. 40089.40 Lakh and expenditure of Rs. 8795.11 Lakh and Rs. 34240.77 Lakh for the quarter and nine months ended on that date, which is based on Statements of branches and review reports of branch auditors thereon. Our conclusion in so far it relates to amounts and disclosures included in respect of these branches, is based solely on report of branch auditors.
- 8.2 Figures for the corresponding quarter and nine months ended 31<sup>st</sup> December 2016 and year ended 31<sup>st</sup> March 2017 have been reviewed / audited by P. D. Kunte & Co., Chartered Accountants (Firm registration no. 105479W) who expressed conclusion / opinion vide their reports dated 14<sup>th</sup> February 2017 and 30<sup>th</sup> May 2017. We have traced figures for these periods from the published financial results of respective periods and placed reliance on these reports for the purpose of financial results.

Our conclusion is not modified in respect of the said matters.

**For Chaturvedi & Shah**  
Chartered Accountants  
(Firm Registration Number: 101720W)

*Vijay Napawaliya*

**Vijay Napawaliya**  
Partner  
Membership Number: 109859



**Place:** Mumbai  
**Date:** 20<sup>th</sup> February 2018