



Religare Enterprises Limited

	Amount	Rating Action
Commercial Paper/Short Term Debt programme	Rs. 700 crore (enhanced from Rs. 500 crore)	[ICRA]A1+ assigned

ICRA has assigned a rating of [ICRA]A1+ (pronounced ICRA A one plus) to the Rs. 700 crore (enhanced from Rs. 500 crore) Commercial Paper/Short Term Debt programme of Religare Enterprises Limited (REL)[†].

The rating for REL factors in REL's experienced management team, its demonstrated track record of raising capital to support the business, and presence in wide range of products in the financial services domain which offer opportunities for growth in business volumes. The highest credit quality rating in the short-term also factors ability Religare group to refinance which has helped the company in maintaining a favourable liquidity profile. ICRA has also taken note of the fact that the company has been looking at reducing the debt burden at the holding company level either through raising fresh capital or through selling of stake in some investments/joint ventures, which had helped the company in improving its capital structure (gearing on standalone basis reduced from 1.6 times as on March 31, 2014 to 0.5 times as on March 31, 2015). Being a non-operating holding company, the only source of income for REL is the dividend flow from the operating subsidiaries.

Over 50% of REL's revenues for the year 2014-15 and H1, 2015-16 were from the lending business (Religare Finvest Limited (RFL), rated [ICRA]AA-(stable)/[ICRA]A1+ by ICRA and Religare Housing Development Finance Corporation Limited) and currently RFL is the only dividend paying subsidiary for REL and thus REL's credit profile is linked to RFL.

RELs other operating subsidiaries are unlikely to distribute dividends over the next couple of years given their internal requirements, although their standalone performance could improve over the medium term with the improvements in the operating environment and cost optimisations.

Further, some of the operating subsidiaries of REL would need capital for their business growth (~Rs. 400-500 crore over the next couple of years) and given the low internal capital generation for REL, it would be important for REL to raise funds in order to support the subsidiaries. REL is looking at raising further capital in the current financial year, which would be used for reduction in the debt burden and for investing in the subsidiaries for their business needs. Overall, the ability of the group to improve the earnings and generate adequate cash-flows for REL and ability of REL to raise funds as and when required would be key rating sensitivities.

About Religare Enterprises Limited

REL is a Non Deposit Taking Systemically Important Core Investment Company (CIC-ND-SI) and has been promoted by Mr. Malvinder Singh and Mr. Shivinder Singh, erstwhile promoters of Ranbaxy Laboratories Limited. REL has a well diversified business profile with subsidiary companies engaged in the business of lending (constituting 54% of revenues for Q2,2015-16), capital market & wealth management (19%), asset management (16%) and Insurance (11%). REL came out with its initial public offer in November 2007 and is listed at the Bombay Stock Exchange and the National Stock Exchange. For the year ended March 31, 2015, REL (consolidated) reported a net profit* of Rs. 153.8 crore as compared with a net loss of Rs. 69.3 crore for 2013-14. On a standalone basis, REL reported a net loss of Rs. 103.5 crore for the year 2014-15 as compared with a net loss of Rs. 129.5 crore for 2013-14. For the half year ended September 30, 2015, on a consolidated basis, REL reported a net profit of Rs. 100.47 crore as compared to a net profit of Rs. 11.12 crore for the corresponding period of previous financial year. On a standalone basis, REL reported a net profit of Rs. 24.03 crore for H1, 2015-16 as compared with a net loss of Rs. 68.91 crore for H1, 2014-15.

December 2015

[†] For complete rating definition please refer to ICRA Website www.icra.in or any of the ICRA Rating Publications

* After minority interest



For further details please contact:

Analyst Contacts:

Ms. Vibha Batra, (Tel. No. +91-124-4545 302)
vibha@icraindia.com

Relationship Contacts:

Mr. Vivek Mathur (Tel. No. +91-124-4545310)
vivek@icraindia.com

© Copyright, 2015, ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001

Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**

Mobile: 9871221122

Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002

Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai**Mr. L. Shivakumar**

Mobile: 9821086490

Email: shivakumar@icraindia.com

1802, 18th Floor, Tower 3,
Indiabulls Finance Centre,
Senapati Bapat Marg,
Elphinstone, Mumbai 400013,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**

Mobile: +91 9903394664

Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

Chennai**Mr. Jayanta Chatterjee**

Mobile: 9845022459

Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

Bangalore**Bangalore****Mr. Jayanta Chatterjee**

Mobile: 9845022459

Email: jayantac@icraindia.com

'The Millenia'
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

Ahmedabad**Mr. L. Shivakumar**

Mobile: 989986490

Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax: +91-
79-25569231

Pune**Mr. L. Shivakumar**

Mobile: 989986490

Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 99, CTS 3909, Range Hills
Road, Shivajinagar, Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-25561231

Hyderabad**Mr. Jayanta Chatterjee**

Mobile: 9845022459

Email: jayantac@icraindia.com

4th Floor, Shobhan, 6-3-927/A&B, Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500