

April 30, 2021

The National Stock Exchange of India Ltd.
Corporate Communications Department
“Exchange Plaza”, 5th Floor,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400051

BSE Limited
Corporate Services Department
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001

Scrip Symbol: RELIGARE

Scrip Code: 532915

Sub: Updates – Revision in Credit Rating of Religare Finvest Limited (“RFL”), wholly owned material subsidiary company

Dear Sir(s),

We would like to inform you that **India Ratings and Research** has revised the credit rating of following instrument of **Religare Finvest Limited (“RFL”), wholly owned material subsidiary company** of Religare Enterprises Limited (REL) as per the below mentioned details:

| Sr. No. | Instruments | Amount (In billion) | Rating Action |
|----------------|-----------------------|----------------------------|--|
| 1 | Lower Tier 2 sub-debt | INR4 | Rating revised from “IND C” to “IND D” |

Letter issued by **India Ratings and Research** to **RFL** is enclosed herewith.

You are requested to take the above information on your record.

For Religare Enterprises Limited


Reena Jayara
Company Secretary



Encl: as above

Correction: India Ratings Affirms Religare Finvest at 'IND D'

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APR 2021

By Roshan Aryal

This announcement rectifies the version published on 28 April 2021 to correctly state that the company is in the process of submitting a revised debt resolution plan (DRP). The amended version is as follows:

India Ratings and Research (Ind-Ra) has affirmed Religare Finvest Limited's (RFL) Long-Term Issuer Rating at 'IND D'. The instrument-wise rating actions are given below:

| Instrument Type | Date of Issuance | Coupon Rate | Maturity Date | Size of Issue (billion) | Rating | Rating Action |
|------------------------|------------------|-------------|---------------|-------------------------|--------|---------------|
| Lower tier 2 sub-debt# | - | - | - | INR4 | IND D | Downgraded |
| Long-term bank loans | - | - | - | INR150 | IND D | Affirmed |

#Details in Annexure

KEY RATING DRIVERS

The ratings reflect RFL's continued delays in debt servicing due to its stretched liquidity situation, along with a strained funding profile. The company has informed the agency, as well as the NCD holder (Axis Bank) that it is not in a position to service the interest and principal amount of the non-convertible debentures on the approaching maturity date of 30 April 2021.

The company is still under the corrective action plan as advised by the Reserve Bank of India (RBI) since January 2018. A simultaneous exercise for identifying potential investors was undertaken in consultation with a consortium of banks, under which debt resolution was proposed with TCG Advisory Services Pvt. Ltd. as the investor. However, the RBI did not approve of this request for a change in RFL's control in favour of TCG Advisory Services.

The management has informed the agency that the company is in the process of submitting a revised DRP with Religare Enterprises Limited continuing as its promoter. The DRP, the management believes, may not need prior approval from the RBI, as the latter is a non-bank finance company-core investment companies registered entity with the RBI. Further, RFL is also actively pursuing recovery cases, including Lakshmi Vilas Bank, and expects to recover its fixed deposits along with interest from the bank.

RATING SENSITIVITIES

Positive: Timely debt servicing for at least three consecutive months could result in the re-assessment of the credit profile.

COMPANY PROFILE

RFL is a non-bank finance company that primarily provides loans to small and medium enterprises through its product offering of loan against property and working capital loans. RFL had total assets worth INR54.04 billion at end-March 2020. During FY20, RFL incurred a net loss of INR8.96 billion (FY19: INR15.48 billion).

FINANCIAL SUMMARY

| Particulars (INR billion) | FY20 | FY19 |
|----------------------------|-------|--------|
| Total assets | 54.04 | 69.61 |
| Tangible net worth | -4.5 | 4.47 |
| Net loss | -8.96 | -15.48 |
| Return on assets (%) | -14.5 | -16.8 |
| Tangible equity/assets (%) | -7.3 | 4.8 |
| Source: RFL | | |

RATING HISTORY

| Instrument Type | Current Rating | | | Historical Rating/Rating Watch | | | |
|-----------------------|----------------|------------------------|--------|--------------------------------|------------------|---------------|-----------------|
| | Rating Type | Rated Limits (billion) | Rating | 19 February 2021 | 26 February 2020 | 14 March 2019 | 5 November 2018 |
| Issuer rating | Long-term | - | IND D | IND D | IND D | IND B+/RWN | IND BB/RWN |
| Lower tier 2 sub-debt | Long-term | INR4 | IND D | IND C | IND C | IND B+/RWN | IND BB/RWN |
| Long-term bank loans | Long-term | INR150 | IND D | IND D | IND D | IND B+/RWN | IND BB/RWN |

ANNEXURE

Subordinated Debt

| ISIN | Date of Issuance | Coupon Rate (%) | Maturity Date | Size of Issue (billion) | Rating | Rating Action |
|--------------|-------------------|-----------------|------------------|-------------------------|--------|---------------|
| INE958G08955 | 12 October 2012 | 12.20 | 12 October 2022 | INR0.5 | IND D | Downgraded |
| INE958G08963 | 21 January 2013 | 12.20 | 21 January 2023 | INR0.42 | IND D | Downgraded |
| INE958G08989 | 25 February 2013 | 12.00 | 25 February 2023 | INR0.08 | IND D | Downgraded |
| INE958G08997 | 28 March 2013 | 12.05 | 28 March 2023 | INR0.2 | IND D | Downgraded |
| INE958G08AA3 | 30 September 2015 | 10.68 | 30 April 2021 | INR1 | IND D | Downgraded |

Subordinated debt unutilised: INR1.8 billion

COMPLEXITY LEVEL OF INSTRUMENTS

| Instrument Type | Complexity Indicator |
|-----------------|----------------------|
| Bank loans | Low |
| NCDs | Low |

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

SOLICITATION DISCLOSURES

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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ABOUT INDIA RATINGS AND RESEARCH

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Applicable Criteria

Financial Institutions Rating Criteria

Non-Bank Finance Companies Criteria

Analyst Names

Primary Analyst

Roshan Aryal

Analyst

India Ratings and Research Pvt Ltd Wockhardt Towers, 4th floor, West Wing Plot C-2, G Block. Bandra Kurla Complex Bandra (East), Mumbai 400051

Secondary Analyst

Sohail Pathan

Analyst

Committee Chairperson

Prakash Agarwal

Director and Head Financial Institutions

+91 22 40001753

Media Relation

Ankur Dahiya

Manager – Corporate Communication

+91 22 40356121
