

January 17, 2018

The National Stock Exchange of India Ltd.
Corporate Communications Department
"Exchange Plaza", 5th Floor,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051

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

Scrip Symbol: RELIGARE EQ

Scrip Code: 532915

Sub: Updates

Dear Sir(s),

We would like to inform you that the India Ratings & Research Private Limited ("IND Ra") has revised the ratings of the Company and subsidiaries of the Company, details of which are herein below:

- with respect to its Non-Convertible Debentures (NCDs), the rating has been revised from "IND A/RWN" to "IND BBB-/RWN" &
- with respect to Short Term Debt (Commercial Papers), the rating has been revised from "IND A1/RWN" to "IND A3/RWN"

The revision in the ratings of the Company is inter-alia on account of financial challenges of Key Subsidiary which reduces support capabilities and Management changes leading to delay in Strategy Execution.

Further there has been revision in the ratings of Religare Finvest Limited (RFL), subsidiary of the Company and Religare Housing Development Finance Corporation Limited (RHDFCL), subsidiary of RFL, details of which are herein below:

I. Religare Finvest Limited (RFL), subsidiary company

a. CARE Ratings

Sr. No.	Instruments	Amount (In Rs. Crore)	Rating Action
1.	Long -Term Debt/Non-Convertible Debentures	36.93 <i>{reduced from 332.05}</i>	Revised from CARE A (Single A) <i>(Credit watch with developing implications)</i> to CARE BBB (Triple B) <i>(Credit watch with developing implications)</i>

The revision in the rating assigned to the aforementioned instruments of the Company by CARE Ratings takes into account *inter-alia* the delay in the sale of various core and non-core businesses at REL level (Religare Enterprises Ltd.) which was expected to reduce the corporate loan book. Ratings are further constrained by slowdown in disbursements and de-growth of loan portfolio, further weakening of the asset quality, amid challenging competitive economic environment, increase in gross NPAs. The rating however continues to derive strength from the large secured lending book with significant coverage.

The ratings continue to be under “Credit Watch with Developing Implications” based on the remarks on Corporate Loan Book as highlighted in the by the Statutory Auditors of the Company in the last Audited Financial Statements of F.Y. 2016-17.

b. India Ratings and Research Ratings

Sr. No.	Instruments	Amount (In million)	Rating Action
1.	Issuer Rating (Long Term)	-	Rating revised from IND A/RWN to IND BBB/RWN
2.	Lower Tier 2 sub-debt	INR7,500	Rating revised from IND A/RWN to IND BBB/RWN
3.	Long-term bank loans	INR150,000	Rating revised from IND A/RWN to IND BBB/RWN
4.	Long-term debentures	INR30,000	Rating revised from IND A/RWN to IND BBB/RWN
5.	Commercial paper	INR30,000	Rating revised from IND A1/RWN to IND A3+/RWN
6.	Short-term bank loans	INR30,000	Rating revised from IND A1/RWN to IND A3+/RWN

The revision in the rating assigned to the aforementioned instruments of the Company by India Ratings and Research takes into account *inter-alia* increase in stress of RFL’s loan portfolio in face of shrinking lending operation and operational challenges, slowdown in disbursements, increase in gross NPAs, reshuffling at the top management level, limited visibility on capital infusion and business restructuring, concerns of Auditors’ on internal control and processes in the Auditors Report for F.Y. 2016-17 in respect of corporate loan portfolio as well as certain assignment transactions and refinancing challenges.

II. Religare Housing Development Finance Corporation Limited (RHDFCL), subsidiary of RFL: India Ratings and Research Ratings

Sr. No.	Instruments	Amount (In Rs. Crore)	Rating Action
1.	Long Term Bank loan	10,000	India Ratings & Research revised from “IND A/RWN” to “IND BBB-/RWN

2.	Non –Convertible Debentures (NCDs)	1,000	India Ratings & Research revised from “IND A/RWN” to “IND BBB-/RWN”
3	Commercial Paper	2,000	Revised from “IND A/RWN” to “IND A3/RWN”
4	Short Term Bank Loan	2,000	Revised from “IND A/RWN” to “IND A3/RWN”

The revision in the rating of RHDFCL reflects the revision in rating of RFL, parent company which reflects reduced ability of support from RFL in view of its operational and financial challenges, deterioration of asset quality, and increase in gross NPAs of RHDFCL

This is for your information and records.

**Thanking You,
For Religare Enterprises Limited**



**Reena Jayara
Company Secretary**

