

September 15, 2010

CARE ASSIGNS 'CARE AA-' RATING TO LT DEBT OF RELIGARE FINVEST LTD.

CARE has assigned a 'CARE AA-' [Double A Minus] rating to the proposed issue of Non Convertible Debentures (NCD) of Religare Finvest Limited (RFL) for an aggregate amount of Rs.250 crore with maturity of up to 5 years.

Instrument	Amt Rated (Rs crore)	Rating¹
Non Convertible Debentures (NCD)	250	CARE AA-

Rating Rationale

The rating factors the strength of Religare group and expected support from the parent entity Religare Enterprises Ltd (REL) that was demonstrated in the past through equity infusion, ready access to REL's pan India branch network of more than 2,000 branches and established customer base, its synergy with business of group companies like Religare Securities and its experienced management team drawn from group companies and the financial industry. The rating also factors in RFL's comfortable capital adequacy, good growth in business volumes over the last two years while maintaining good asset quality, good profitability and good diversification in revenue streams. However, the rating is constrained due to lower seasoning of RFL's portfolio and a moderate Asset Liability Maturity (ALM) profile. Sustainable growth in business while maintaining asset quality, improving the ALM profile and maintaining comfortable capital adequacy and profitability would remain key rating sensitivities.

¹Complete definitions of the ratings assigned are available at www.careratings.com

Company Profile

Religare Finvest Ltd. (RFL) is a 100% subsidiary of Religare Enterprise Ltd. (REL). REL was promoted by Mr. Malvinder Singh and Mr. Shivinder Singh, former promoter of Ranbaxy Laboratories Ltd. RFL is a Systemically Important Non-Deposit Taking NBFC classified as a Loan Company registered with the Reserve Bank of India (RBI) and engaged in business of commercial asset finance, lending to SMEs, loan against property/mortgage loans, lending against shares, corporate finance, IPO distribution, mutual fund distribution. RFL reported profit after tax (PAT) of Rs.103 crore on total income of Rs.536 crore during FY10, as compared to PAT of Rs.46 crore on total income of Rs.355 crore during FY09. It reported PAT of Rs.32 crore during Q1FY11 on total income of Rs.206 crore.

Analyst Contacts

Name: Vijay Agrawal

Tel # 022-67543416

Mobile # 9819161912

Email: vijay.agrawal@careratings.com

Name: Abhinav Sharma

Tel # 022-67543508

Mobile # 9833361568

Email: vijay.agrawal@careratings.com

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries /regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

HEAD OFFICE: MUMBAI

Mr. D.R. Dogra

Managing Director

Cell : +91-98204 16002

E-mail : dr.dogra@careratings.com

Mr. Rajesh Mokashi

Dy. Managing Director

Cell : +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

Mr. Ankur Sachdeva

Head - Business Development

Cell : +91-9819698985

E-mail: ankur.sachdeva@careratings.com

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway,
Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457

Website: www.careratings.com

OFFICES

<p>Mr.Mehul Pandya Regional Manager 32 TITANIUM Pralhadnagar Corporate Road, Satellite, Ahmedabad - 380 015. Tel – 079 4026 5656 Mobile - 98242 56265 E-mail: mehul.pandya@careratings.com</p>	<p>Mr.Sundara Vathanan Regional Manager Unit No. 8, I floor, Commander's PlaceNo. 6, Raja Ram Mohan Roy Road, Richmond Circle, Bangalore - 560 025. Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr. Pradeep Kumar Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai 600 002 Tel: 044 2849 7812/2849 0811 Mobile – 98407 54521 E-mail :Pradeep.kumar@careratings.com</p>	<p>Mr. Ashwini Jani Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar Hyderabad - 500 029 Tel – 040 40102030 Mobile – 91766 47599 E-mail: ashwini.jani@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3rd Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani Kolkata - 700 071. Tel – 033 2283 1800/1803 Mobile – 98311 70075 E- mail: sukanta.nag@careratings.com</p>	<p>Ms.Swati Agrawal Regional Manager 710 Surya Kiran, 19 K.G. Road, New Delhi - 110 001. Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail :swati.agrawal@careratings.com</p>