



RELIGARE ENTERPRISES LIMITED

ANNUAL REPORT 2016-17



# Religare is a Latin word that means ‘to bind together’

We chose this name to reflect the integrated nature of our services. Our name is paired with the symbol of a four-leaf clover. Traditionally, it is considered good fortune to find a four-leaf clover as there is only one four-leaf clover for every 10,000 three-leaf clovers found.



Each leaf of the Religare clover has a special meaning. It is a symbol of Hope, Trust, Care and Good Fortune.



The first leaf of the clover represents **HOPE**

The aspirations to succeed. The dream of becoming. Of new possibilities. It is the beginning of every step and the foundation on which a person reaches for the stars.



The second leaf of the clover represents **TRUST**

The ability to place one's own faith in another. To have a relationship as partners in a team. To accomplish a given goal with the balance that brings satisfaction to all, not in the binding, but in the bond that is built.



The third leaf of the clover represents **CARE**

The secret ingredient that is the cement in every relationship. The truth of feeling that underlines sincerity and the triumph of diligence in every aspect. From it springs true warmth of service and the ability to adapt to evolving environments with consideration to all.



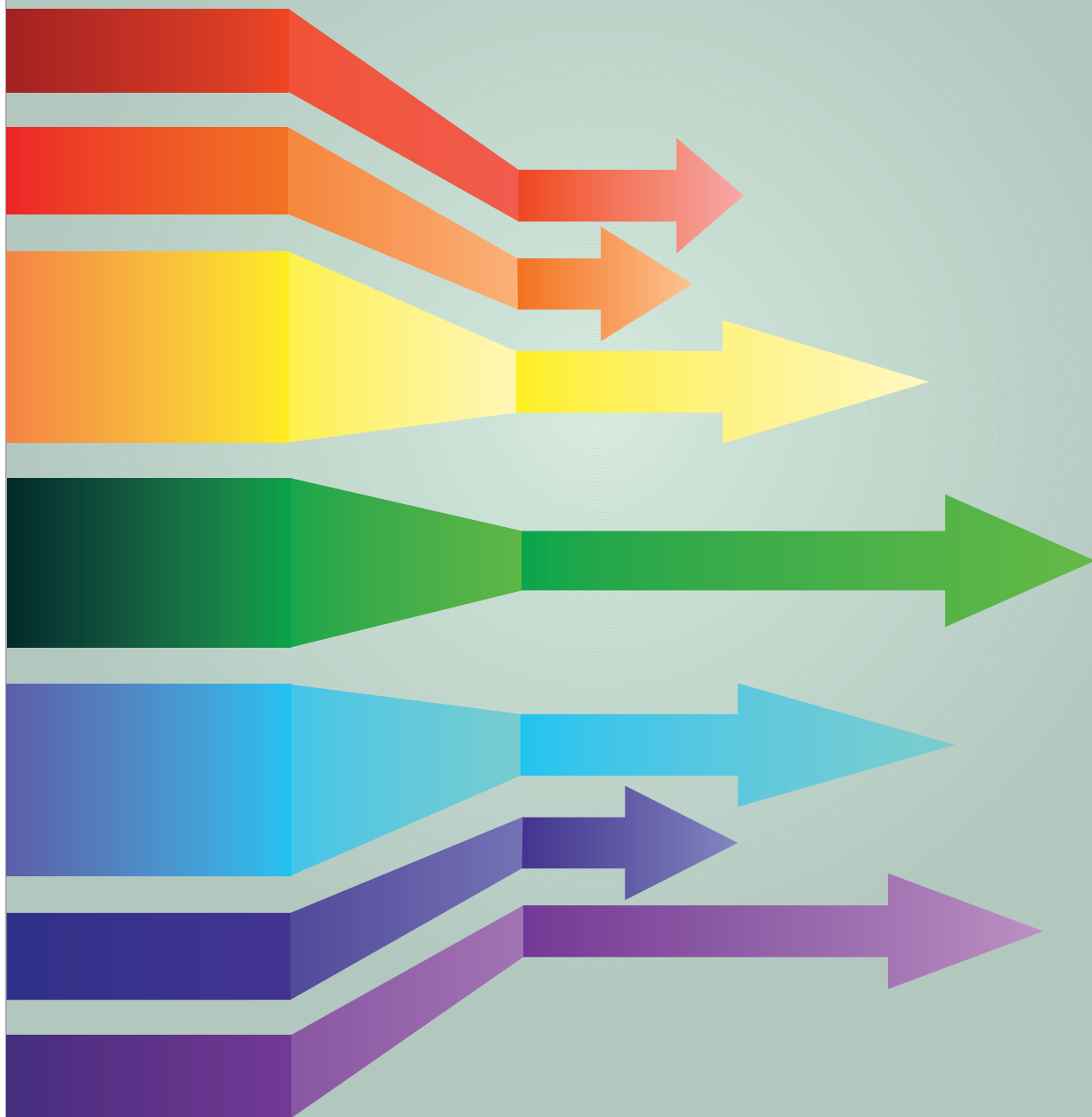
The fourth and final leaf of the clover represents **GOOD FORTUNE**

Signifying that rare ability to meld opportunity and planning with circumstance to generate those often looked for remunerative moments of success.



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# COMPANY INFORMATION









Noida Corporate Office

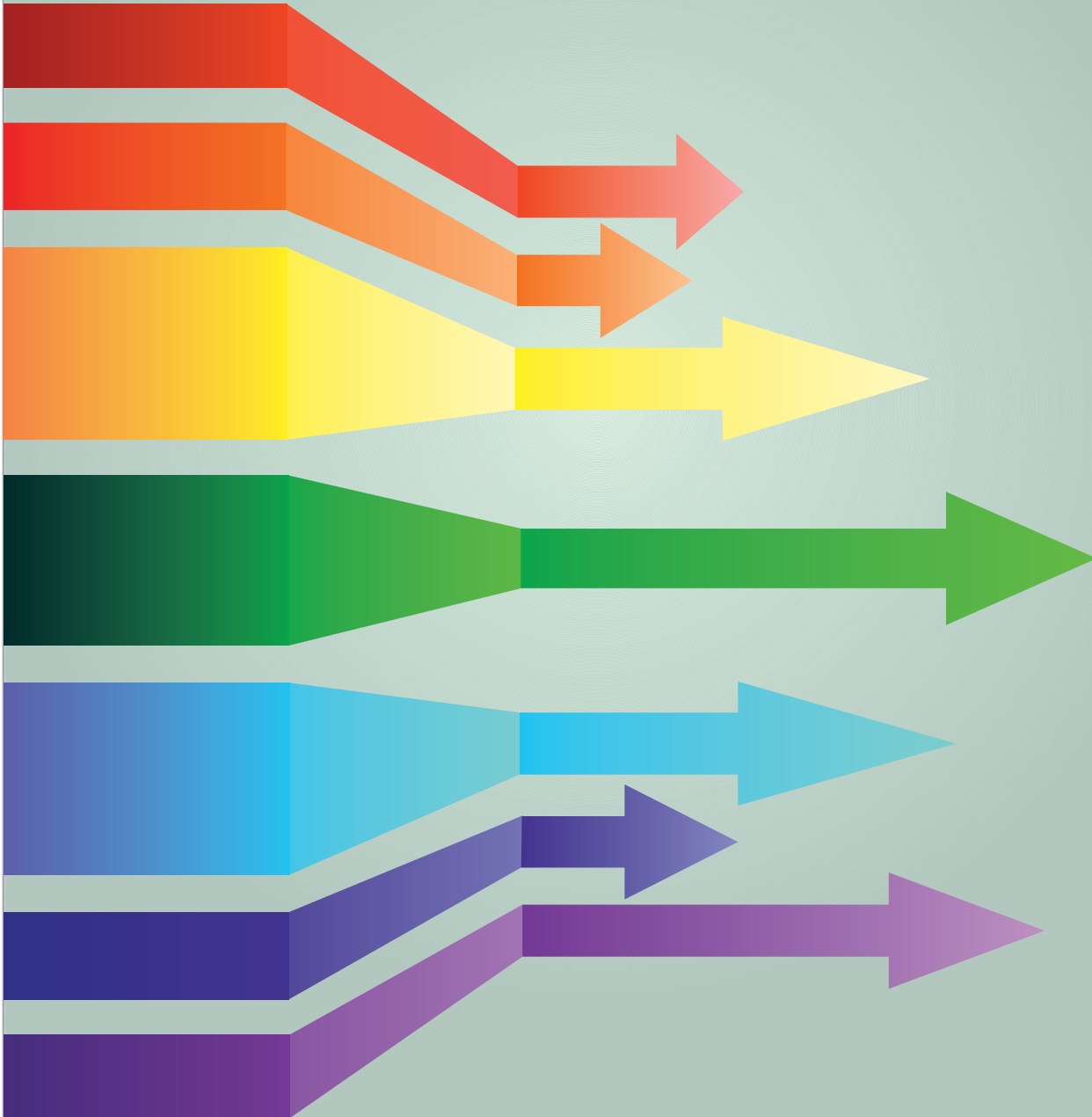


Gurugram Office Reception Area



|   |   |
|---|---|
| <b>BOARD OF DIRECTORS</b>                       | : Mr. Malvinder Mohan Singh (Non-Executive Chairman)<br>Mr. Shivinder Mohan Singh (Non-Executive Vice-Chairman)<br>Mr. A C Mahajan (Independent Director)<br>Mr. Deepak Ramchand Sabnani (Independent Director)<br>Mr. Harpal Singh (Director)<br>Mr. Padam Bahl (Independent Director)<br>Mr. R. K. Shetty (Independent Director)<br>Mr. Rashmi Dhir (Independent Director)<br>Mr. Sunil Godhwani (Whole-Time Director)<br>Mr. Tejpreet Singh Chopra (Independent Director)<br>Mr. Virendra Kumar Madan (Director) |
| <b>COMPANY SECRETARY</b>                        | : Mr. Mohit Maheshwari  |
| <b>REGISTERED OFFICE</b>                        | : 2 <sup>nd</sup> Floor, Rajlok Building, 24,<br>Nehru Place, New Delhi – 110 019   |
| <b>CIN NO</b>                                   | : L74899DL1984PLC146935   |
| <b>Phone</b>                                    | : +91– 11– 4627 2400  |
| <b>Fax No.</b>                                  | : +91– 11– 4627 2447  |
| <b>E-mail</b>                                   | : investorservices@religare.com   |
| <b>Website</b>                                  | : www.religare.com  |
| <b>BANKERS TO THE COMPANY</b>                   | : HDFC Bank Limited<br>Axis Bank Limited<br>Standard Chartered Bank   |
| <b>AUDITORS</b>                                 | : Price Waterhouse,<br>Chartered Accountants<br>252, Veer Savarkar Marg,<br>Opp. Shivaji Park,<br>Dadar (West),<br>Mumbai – 400 028   |
| <b>REGISTRAR &amp; SHARE<br/>TRANSFER AGENT</b> | : Karvy Computershare Private Limited<br>Karvy Selenium Tower B,<br>Plot 31–32, Gachibowli, Financial District,<br>Nanakramguda, Hyderabad – 500 032  |

# CHAIRMAN'S MESSAGE









### Dear Shareholders,

I have the privilege of communicating with you after a gap of several years and I want to take this opportunity to put the last few years in perspective. Since its inception, the promoters had intended Religare to be run by professional management under the overall insight and guidance by the Board of Directors of the Company. Taking this further, on April 06, 2010, both Shivinder and I stepped down from the Board entrusting oversight in addition to management to a professional team without being involved in the management or decision-making process of the Company, to allow Religare to become what was envisioned as a “professionally managed, professionally supervised” company. The concept was ahead of its time and we were willing to be patient for it to work as anticipated. However, when Shivinder and I returned to the Board of Directors on July 29, 2016 owing to concerns we had about the performance of the Company, we noted that the concerns and disappointment were similarly echoed across the Board of Directors. In this backdrop, I would have preferred a better set of circumstances to report on Religare’s performance.

Nonetheless, in last one year, Religare has focussed on working towards its strategic priorities. During the year, Religare completed its exit from the India Asset Management joint venture; the Wealth Management business was divested as it fell outside Religare’s core focus area; the exit from the Global Asset Management business was completed, and consequently Religare’s exposure to markets outside India is now negligible. After the completion of FY17, Religare has entered into an agreement to divest its holdings in the Health Insurance business, subject to regulatory approvals and customary closing conditions. Health Insurance is a business that Religare has nurtured through the crucial formative phase leveraging the collective experience of the group, but in the longer-term interest of the business, decided to hand it to a new set of owners who are best placed to steer it through its next phase of growth. The transaction, when complete, will mark yet another successful exit by Religare.

Complementing the sharper strategic focus, Religare has embarked on a consolidation of legal entities by initiating the process of merger of eleven subsidiaries into Religare Enterprises Limited. The merger is expected to be completed during FY18 and will improve capital allocation, increase efficiencies and reduce costs.

The NBFC business, operated by Religare Finvest Limited (RFL), resolutely faced the challenges that came its way during the year. On the back of the deteriorating credit environment across sectors of the economy, RFL experienced higher delinquencies, particularly in certain large accounts against which it took an exceptional write-off of nearly ₹519 crore net of tax. To preserve the strength of the RFL balance sheet, additional equity of ₹560 crore was infused into RFL during the year. However, as a matter of prudence, RFL decided to conserve its capital and restricted fresh disbursements. Consequently the results were subdued: