

# Religare Enterprises Limited

Regd. Off.: D3, P3B, District Centre, Saket, New Delhi - 110017

## POSTAL BALLOT NOTICE

(Pursuant to Section 192A of the Companies Act, 1956)

Dear Members,

**NOTICE** is hereby given pursuant to the provisions of Section 192A of the Companies Act, 1956 ("**the Act**") read with the Companies (passing of the resolution by postal ballot) Rules, 2011 ("**the Rules**"), seeking the consent of the Members for the proposed resolutions appended below to be passed through Postal Ballot.

### SPECIAL BUSINESS:

#### 1. RAISING OF FUNDS THROUGH ISSUE OF CAPITAL:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:  
"**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and any other applicable provisions of the Companies Act, 1956 and any applicable provisions of Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, any other applicable laws, regulations, policies or guidelines, the provisions of the Memorandum and Articles of Association of the Company and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (the "**SEBI ICDR Regulations**"), Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**SEBI TAKEOVER REGULATIONS**") and amendments thereto the regulations/guidelines, if any, prescribed by the Reserve Bank of India ("**RBI**"), the Foreign Investment Promotion Board ("**FIPB**"), the Securities and Exchange Board of India ("**SEBI**"), the Government of India ("**Gol**") and all other relevant statutory, governmental authorities or departments, institutions or bodies in this regard (collectively, the "**Appropriate Authorities**" and individually, the "**Appropriate Authority**") and the listing agreement entered into by the Company with the BSE Limited and the National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**") and subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of them while granting such approvals, consents, sanctions and permissions as may be necessary or which may be agreed to by the Board of Directors of the Company (the "**Board**" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this resolution), the consent of the Members be and is hereby accorded to create, offer, issue and allot, from time to time, in one or more tranches, through a public issue, private placement and / or any other nature of offerings as may be permitted under applicable laws, equity shares of the Company and/or any instrument convertible into equity shares, whether optionally or otherwise in the course of domestic and / or international offerings, Global Depository Receipts ("**GDRs**"), American Depository Receipts ("**ADRs**"), Foreign Currency Convertible Bonds ("**FCCBs**"), Foreign Currency Exchangeable Bonds ("**FCEBs**"), securities with warrants including any instruments or securities representing either equity shares and/or convertible securities or securities linked to equity shares or equity shares/fully convertible debentures/partly convertible debentures or non-convertible debentures along with warrants or any securities other than warrants, which are convertible or exchangeable with equity shares at a later date, or a combination of the foregoing, whether rupee denominated or denominated in one or more foreign currency, in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India or abroad (hereinafter referred as ("**Issue of Securities / Securities**"), including but not limited to Qualified Institutional Buyers as defined under the ICDR Regulations, whether domestic investors / foreign investors through Qualified Institutions Placement ("**QIP**"), resident and / or permitted non-resident investors, whether institutions and/or incorporated bodies and/or individuals or otherwise and whether or not such investors are shareholders of the Company, foreign institutional investors and non-resident Indians, for an amount not exceeding Rs. 1000 Crores (Rupees One Thousand Crores only) (the "**Issue**") through a placement documents / offer document and / or prospectus and / or offer letter and / or offering circular, from time to time, in one or more combination, as may be deemed appropriate by the Board, such issue and allotment to be made at such time or times, in one or more tranches, at such price or prices, as may be decided by and deemed appropriate by the Board as per applicable laws including the discretion to determine the categories and combination of investors to whom the offer, issue and allotment shall be made considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s), financial advisor(s), underwriter(s), legal advisor(s) and / or any other agency, as the Board may in its absolute discretion may deem fit and appropriate.

**RESOLVED FURTHER THAT** in case of issue of Securities by way of QIP as per Chapter VIII of SEBI ICDR Regulations, as amended from time to time, shall fulfill the following requirements:

1. The "relevant date" for pricing of the Securities, will be in accordance with SEBI ICDR Regulations and in case of allotment of equity shares, will be the date of Board meeting in which the Board decides to open the proposed issue and in case of issue of convertible securities it will be the date of board meeting in which it decides to open the

- proposed issue of such convertible Securities ;
2. The QIP shall be made at a price not less than the average of the weekly high and low of the closing prices, during the two weeks preceding the relevant date, of the equity shares of the same class quoted on the Stock Exchange in which the highest trading volume in such equity shares has been recorded during aforesaid period;
  3. No allotment shall be made, either directly or indirectly to any Qualified Institutional Buyers ("**QIB**") who is a promoter or any person related to promoters; and
  4. A minimum of 10% of the Securities to be issued and allotted pursuant to Chapter VIII of SEBI ICDR Regulations shall be allotted to Mutual Fund(s) and if the Mutual Fund(s) do not subscribe to said minimum percentage or any part thereof, such minimum portion or part thereof may be allotted to other QIB.
  5. The prices determined for qualified institutions placement shall be subject to appropriate adjustments if the Company, pending allotment under this resolution:
    - a. makes an issue of equity shares by way of capitalization of profits or reserves, other than by way of dividend on shares;
    - b. makes a rights issue of equity shares;
    - c. consolidates its outstanding equity shares into a smaller number of shares;
    - d. divides its outstanding equity shares including by way of stock split;
    - e. re-classifies any of its equity shares into other securities of the issuer;
    - f. is involved in such other similar events or circumstances, which in the opinion of the concerned stock exchange, requires adjustments.

**RESOLVED FURTHER THAT** in case of issuance of FCCBs, the relevant date for determination of the issue price for the Securities offered, shall be determined in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as may be amended from time to time.

**RESOLVED FURTHER THAT** the pricing of the equity shares to be issued upon exchange of the warrants (issued simultaneously with non-convertible debentures), shall be in accordance with the provisions of Chapter VIII of the SEBI ICDR Regulations and as may be decided by the Board in its sole and absolute discretion.

**RESOLVED FURTHER THAT** in addition to all applicable Indian laws, the Issue of Securities in pursuance of this Resolution shall also be governed by all applicable laws and regulations of any jurisdiction outside India where they are listed or proposed to be listed or that may in any other manner apply to such Securities or provided in the terms of their issue.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of new securities as may be required, including issue and allotment of equity shares upon conversion of any new securities or as may be necessary in accordance with the terms of the offer, all such equity shares rank pari passu inter-se and with the then existing equity shares of the Company in all respects.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to engage, appoint and to enter into and execute all such agreement(s)/ arrangement(s)/ MoUs/ placement agreement(s)/ subscription agreement(s)/ any other agreements or documents with any consultant(s), lead manager(s), co-lead manager(s), manager(s), advisor(s), registrar(s), authorised representative(s), legal advisor(s) / counsel(s), merchant banker(s), underwriter(s), custodian(s), stabilizing agent(s) and all such advisor(s), professional(s), intermediaries and agencies as may be required or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees and such other expenses as it deems fit and permissible, and to authorise any Director(s) or any Officer(s) of the Company, severally, to sign for and on behalf of the Company, offer document(s), arrangement(s), application(s), authority letter(s), or any other related paper(s)/ document(s), give any undertaking(s), affidavit(s), certification(s), declaration(s) including without limitation the authority to amend or modify such document(s) in relation to the aforesaid Issue of Securities.

**RESOLVED FURTHER THAT** the Board shall have all powers and authority to modify, reapply, redo, make necessary changes, approach and to do all requisite filings/resubmission of any document(s) and other compliances and to do all such acts and deeds that are necessary to comply with the terms and conditions subject to which approval, sanction, permission etc. would be provided by the Stock Exchange(s), SEBI, FIPB, RBI and any other Appropriate Authority, without being required to seek any further approval of the Members and that the Members shall be deemed to have given their approval thereto for all such acts, deeds, matters and/or things, expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue and allotment of Securities, as aforesaid, the Board or committee duly authorised by the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or expedient including fixing of record dates or book closure, deciding on the issue price, issue opening and closing dates and to settle any questions, difficulties or doubts that may arise in regard to any such offer, issue and allotment as it may in its absolute discretion deem fit.

**RESOLVED FURTHER THAT** the Board be authorized to delegate (to the extent permitted by law) all or any of the powers conferred by this resolution on it, to any committee or sub-committee of Directors or any other Director(s) or Officer(s) of the Company to give effect to the aforesaid resolution, with the power to such committee/sub-committee of the Board to further delegate all or any of its powers/ duties to any of its Members.

**2. CREATION OF CHARGES ON THE MOVABLE AND IMMOVABLE PROPERTIES OF THE COMPANY, BOTH PRESENT AND FUTURE, IN RESPECT OF BORROWINGS.**

To consider and if thought fit, to give assent / dissent to the following resolution as a **Special Resolution**:

**RESOLVED that** pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and any applicable provisions of the Companies Act, 1956 consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/ bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or securities linked to Ordinary Shares/ and/or rupee/ foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed Rs. 3,000 crores or the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose at the relevant time, whichever is higher."

**RESOLVED FURTHER** that the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required".

**3. WAIVER OF EXCESS REMUNERATION PAID TO MR. SUNIL GODHWANI, CHAIRMAN & MANAGING DIRECTOR**

To consider and if thought fit, to give assent / dissent to the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 309 (5A)& (5B) and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the "Act", including any statutory modifications or re-enactment thereof for the time being in force) and in accordance with the provisions of Articles of Association of the Company and subject to approval of the Central Government and such other approval(s), sanction(s) and permission(s), if required, consent of the members be and is hereby accorded for waiver of recovery of excess remuneration of Rs. 7,60,61,538 (Rupees Seven Crore Sixty Lac Sixty One Thousand Five Hundred Thirty Eight only) paid to Mr. Sunil Godhwani, Chairman & Managing Director of the Company, for the period from April 1, 2011 to March 31, 2012.

**RESOLVED FURTHER THAT** Board of Directors of the Company ("Board") or remuneration committee ("Committee") of the Board or any person authorized by the Board or Committee be and are hereby severally authorized to file the application with Ministry of Corporate Affairs for waiver and to do all such acts, deeds and things as may be considered necessary, expedient or desirable for the purpose of giving effect to this Resolution."

**4. AMENDMENT IN ARTICLES OF ASSOCIATION OF THE COMPANY**

To consider and if thought fit, to give assent / dissent to the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in accordance with the provisions of Section 31 and other applicable provisions of the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, if any, the relevant provisions of the Memorandum and Articles of Association of the Company and the listing agreement entered into by the Company with the National Stock Exchange of India Limited and BSE Limited, the Articles of Association of the Company be and are hereby altered / amended by inserting following Articles after Article 246:

**CUBI PROVISIONS**

247. The provisions of Articles 247 to 264 shall override anything to the contrary in any of the provisions of the Other Articles, and shall apply notwithstanding anything to the contrary contained in the Other Articles unless otherwise approved or agreed in writing by CUBI. For the purposes of this Article 247, Other Articles shall mean all Articles except Articles 218 to 264(inclusive).

**DEFINITIONS**

248. Wherever used in Articles 247 to 264, the following terms shall have the following meanings:

**"Acceptance Notice"** has the meaning ascribed to such term in Article 263(c)(*Right of First Offer*);

**"Accession Instrument"** means a deed of adherence to the CUBI Shareholders' Agreement substantially in the form set forth in the CUBI Shareholders' Agreement;

**"Accounting Standards"** means the Indian generally accepted accounting principles (Indian GAAP) promulgated by the Institute of Chartered Accountants of India (ICAI), together with its pronouncements thereon from time to time and shall be deemed to include any alternate accounting principles including IFRS (as defined hereinafter) adopted/promulgated by the ICAI in place of and in lieu of the Indian GAAP;

**"Additional Securities"** has the meaning ascribed to such term in Article 261(c) (Preemptive Right);

**"Affiliate"** means with respect to any Person, any Person directly or indirectly Controlling, Controlled by or under common Control with, that Person;

**"Applicable Law"** means all applicable statutes, laws, ordinances, rules and regulations, including but not limited to, any license, permit or other governmental Authorization, in each case as in effect from time to time;

**"Authority"** means any national, supranational, regional or local government, or governmental, statutory, regulatory, administrative, fiscal, judicial, or government-owned body, department, commission, authority, tribunal, agency or entity, or central bank (or any Person whether or not government owned and howsoever constituted or called, that exercises the functions of a central bank) or a self-regulatory organization;

**"Authorization"** means any consent, registration, filing, agreement, notarization, certificate, license, approval, permit, authority or exemption from, by or with any Authority, whether given by express action or deemed to be given by failure to act within any specified time period and all corporate, creditors' and shareholders' approvals or consents;

**"Balance Warrant Amount"** means the INR equivalent of up to USD 21,000,000 payable by CUBI to the Company, if CUBI decides to convert the CUBI Warrants, at the time of conversion of the CUBI Warrants into Conversion Shares and allotment of the same to CUBI in accordance with the Transaction Documents;

**"Banking Company"** means a company which has a valid licence to commence the business of banking in India as per the requirements of Applicable Law;

**"Banking Guidelines"** means Guidelines for Licensing of New Banks in the Private Sector, dated 22 February 2013, issued by the RBI, as amended or modified from time to time and any other related guidelines or regulations issued by any Authority;

**"Board of Directors"** or **"Board"** means the board of directors of the Company nominated and elected from time to time in accordance with Article 249 (Board Composition);

**"Business"** shall mean the business of providing merchant banking services, underwriting services, portfolio management services, investment advisory services, financial consultancy, stock and commodities broking services, asset management services, venture capital, custodian services, leasing and finance, housing finance, forex broking services, insurance services and any other existing and prospective financial services that the Company engages in or may engage in from time to time (whether directly or through its Subsidiaries and Key Affiliates);

**"Business Alliance Agreement"** means an agreement between CUBI and the Company which they may enter into in due course to find opportunities for work between the Parties in the areas of banking, wealth management, capital market and cross referral of clients to enhance the revenue opportunities for the Parties;

**"Business Day"** means a day when banks are open for business in New York, United States of America and New Delhi, India;

**"Business Partner Agreement"** means an agreement dated October 17, 2011 executed between RSL and the Company;

**"Buyer"** has the meaning ascribed to such term in Article 258(b); (Transfer by the Sponsors)

**"Charter"** or **"Charter Documents"** means the memorandum of association, the articles of association of the Company or, as applicable, any Key Subsidiary or, as applicable, any Key Affiliate;

**"Closing Date"** has the meaning ascribed to such term in the CUBI Shareholders' Agreement;

**"Company Employee Plan"** means any stock option plan, which has been sponsored, contributed to or required to be contributed to by the Company for the benefit of any Person who performs or who has performed services for the Company;

**"Control"** means the power to direct the management or policies of a Person, directly or indirectly, whether through the ownership of shares or other securities, by contract or otherwise; provided that, in any event, the direct or indirect ownership of twenty-six percent (26%) or more of the voting share capital of a Person is deemed to constitute Control of that Person, and **"Controlling"** and **"Controlled"** have corresponding meanings;

**"Conversion Date"** has the meaning ascribed to such term in Article 264(d)(i)(C);

**"Conversion Notice"** has the meaning ascribed to such term in Article 264(d)(i)(A);

**"Conversion Period"** has the meaning ascribed to such term in Article 264(b);

**"Conversion Shares"** means the fully paid equity shares of the Company having a face value of Rupees Ten (INR 10) each to be issued and allotted to CUBI upon conversion of CUBI Warrants in accordance with the provisions of the Subscription Agreement and the CUBI Shareholders' Agreement, if CUBI decides to convert the CUBI Warrants;

**"Country"** means the Republic of India;

**"CUBI"** means CUBI India Ventures Pte. Ltd, a company incorporated under the laws of Singapore having its registered office at 1 Raffles Place, #28-02, One Raffles Place, Singapore 048616;

**"CUBI Nominee Director"** has the meaning ascribed to such term in Article 249(Board Composition);

**"CUBI Representative"** has the meaning ascribed to such term in Article 249(Board Composition);

**"CUBI Securities"** means collectively, the CUBI Shares and the CUBI Warrants, and includes the Conversion Shares;

**"CUBI Shares"** means 195,936 (One Lakh Ninety Five Thousand Nine Hundred and Thirty Six) fully paid equity shares of the Company having a face value of Rupees Ten (INR 10) each and bearing the rights as set forth in the CUBI Shareholders' Agreement and these Articles;

**"CUBI Subscription"** means any subscription for the CUBI Warrants by CUBI in accordance with the terms of the Subscription Agreement;

**"CUBI Warrants"** means a minimum of 3,258,024 (Three Million Two Hundred and Fifty Eight Thousand and Twenty Four) warrants and up to 5,811,911 (Five Million Eight Hundred Eleven Thousand Nine Hundred and Eleven) warrants to be issued and allotted by the Company to CUBI with each warrant having a face value of INR 313.15 each and having the rights, preferences and privileges set forth in the Transaction Documents;

**"Director"** means an individual who is a member of the Board of the Company nominated and elected from time to time;

**"Dollars"** or **"\$"** or **"USD"** means the lawful currency of the United States of America;

**"Effective Date"** has the meaning ascribed to such term in the CUBI Shareholders' Agreement;

**"Eligible Sponsor"** has the meaning ascribed to such term in Article 263(c)(*Right of First Offer*);

**"Eligible Transferee"** has the meaning ascribed to such term in Article 260(b); (*Transfers by CUBI and its Affiliates*)

**"Employee Relative"** means any relative of any Person who has within the past twelve (12) months served as a Director, officer or employee (whose cost to company package and other commercial dealings with the Company amounts to more than Rupees Two Crore (INR 2,00,00,000) per annum) of the Company or any of its Subsidiaries. Further, for the purpose of this definition, the term "relative" shall have the meaning ascribed to it in Accounting Standard 18 of the Accounting Standards;

**"Equity Share Capital"** means the equity share capital of the Company on a Fully-Diluted Basis;

**"Existing RFL Investors"** means collectively Avigo PE Investments Limited, Mauritius and NYLIM Jacob Ballas Indian Fund III LLC;

**"Financial Year"** means the accounting year of the Company commencing each year on April 1 and ending on the following March 31;

**"Fully-Diluted Basis"** means the number of equity shares of the Company, or other Person, as applicable, calculated as if the then issued and outstanding relevant Share Equivalents, or share equivalents of such other Person, as applicable, had been exercised in full;

**"General Meeting"** means either an Extra Ordinary General meeting of the Company's shareholders or the Annual General Meeting of the Company's shareholders;

**"IFC"** means the International Finance Corporation, an international organization established by articles of agreement among its member countries including the Republic of India;

**"IFC Banking Investment Right"** means the right of IFC to invest in a Banking Company, as set out in the IFC Shareholders' Agreement;

**"IFC Shareholders' Agreement"** means the Shareholders' Agreement dated November 5, 2012 amongst IFC, the Sponsors and the Company;

**"IFC Transaction Documents"** means the IFC Shareholders' Agreement and the Subscription Agreement dated November 5, 2012 amongst IFC, the Sponsors and the Company;

**"IFRS"** means International Financial Reporting Standards, the principles based standards, adopted by the International Accounting Standards Board;

**"Invesco"** means Invesco Hong Kong Limited, a company organized under the laws of Hong Kong;

**"Investor Entry Equity Valuation"** has the meaning ascribed to such term in the CUBI Shareholders' Agreement;

"**IRR**" means the internal rate of return using XIRR function of microsoft excel;

"**Issue Notice**" has the meaning ascribed to such term in Article 261(b)(Preemptive Right);

"**Key Affiliate**" means, at the relevant time or times:

- (a) each Affiliate where, as of the end of the then most recently completed Financial Year:
  - (i) the present and future assets of such Affiliate account for more than five percent (5%) of the total consolidated assets of the Company; or
  - (ii) the present and future total revenue/income from such Affiliate accounts for more than five percent (5%) of the Company's total consolidated income;
- (b) the following named Affiliates whether or not they meet any of the conditions set forth in sub-section (a): (i) Aegon Religare Life Insurance Company Limited ("**Aegon Religare**"); and (ii) Religare Macquarie Wealth Management Limited ("**Religare Macquarie**");

For the avoidance of doubt, any Affiliate of the Company that qualifies as a Key Subsidiary in terms of these Articles shall be considered excluded from the definition of Key Affiliate.

"**Key Subsidiary**" means, at the relevant time or times:

- (a) each Subsidiary where, as of the end of the then most recently completed Financial Year:
  - (i) the present and future assets of such Subsidiary account for more than five percent (5%) of the total consolidated assets of the Company; or
  - (ii) the present and future total revenue/income from such Subsidiary accounts for more than five percent (5%) of the Company's total consolidated income;
- (b) the following named Subsidiaries whether or not they meet any of the conditions set forth in sub-section (a): (i) Religare Invesco Asset Management Company Private Limited ("**RIAMCPL**"); (ii) Religare Commodities Limited ("**RCL**"); (iii) Religare Finvest Limited ("**RFL**"); (iv) Religare Global Asset Management Inc. ("**Global, Inc.**"); (v) Religare Health Insurance Company Limited ("**RHICL**"); and (vi) Religare Securities Limited ("**RSL**");

"**Landmark**" means Landmark Partners LLC, a limited liability company incorporated under the laws of Delaware;

"**Lien**" means any mortgage, pledge, charge, assignment, encumbrance, hypothecation, security interest, title retention, preferential right, option (including call commitment), trust arrangement, right of set-off, counter claim or banker's lien, privilege or priority of any kind having the effect of security, any designation of loss payees or beneficiaries or any similar arrangement under or with respect to any insurance policy or any preference of one creditor over another arising by operation of law;

"**Liquidation Event**" means any liquidation, winding up or bankruptcy, reorganization, composition with creditors or other analogous insolvency proceeding of the Company or any Key Subsidiary or any Key Affiliate (as applicable), whether voluntary or involuntary, or any petition presented or resolution passed for any such event or for the appointment of an insolvency practitioner;

"**New Securities**" has the meaning ascribed to such term in Article 261(f)(Preemptive Right);

"**Northgate**" means collectively Northgate Capital LLC and Northgate Capital L.P.;

"**Notification Date**" has the meaning ascribed to such term in Article 261(c)(Preemptive Right);

"**Offer Notice**" has the meaning ascribed to such term in Article 263(b)(Right of First Offer);

"**Offer Price**" has the meaning ascribed to such term in Article 263(b)(Right of First Offer);

"**Offering Period**" has the meaning ascribed to such term in Article 263(b) (Right of First Offer);

"**Person**" means any individual, corporation, company, partnership, firm, voluntary association, joint venture, trust, unincorporated organization, Authority or any other entity whether acting in an individual, fiduciary or other capacity;

"**Pro-rata Share**" means, with respect to any Shareholder, the total number of issued and outstanding Shares of the Company and Share Equivalents held by the relevant Shareholder, expressed as a percentage of the total number of Shares of the Company and Share Equivalents then issued and outstanding, calculated on an Fully-Diluted Basis;

"**QIPO**" shall mean an initial public offering of shares and/ or Share Equivalents of any Key Subsidiary and/ or Key Affiliate at a price per equity share that is equal to or greater than the Threshold Price;

"**QCapital Raise**" means any issue of shares and/ or Share Equivalents of any Key Subsidiary and/ or any Key Affiliate (other than a rights offering) at a price per equity share that is equal to or greater than the Threshold Price;

"**RBI**" means Reserve Bank of India;

**"RCML"** means Religare Capital Markets Limited, a wholly owned Subsidiary of the Company;

**"RCSL"** means Religare Corporate Services Limited, a private company wholly owned and controlled by RHC Holdings Private Limited (i.e., a Sponsor Group entity);

**"Related Party"** means: (a) any Person that holds a material interest in the Company or any Subsidiary; (b) any Person in which the Company or any Subsidiary holds a material interest; (c) any Person that is otherwise an Affiliate of the Company; (d) any Person who serves (or has with in the past twelve (12) months served) as a Director, officer or employee of the Company (other than employees whose cost to company package and other commercial dealings with the Company or its Subsidiaries amounts to less than Rupees Two Crore (INR 2,00,00,000) per annum); (e) any of the Sponsors; or (f) any Person who is a relative of any individual included in any of the foregoing.

For the purpose of this definition, "material interest" shall mean a direct or indirect ownership of shares representing at least five percent (5%) of the outstanding voting power or equity of the Company or any Subsidiary; Further, for the purpose of this definition, the term "relative", when used in the context of (a) a Sponsor, shall have the meaning ascribed to it in Section 6 of the Companies Act, 1956; and (b) a Director, officer or an employee of the Company or its Subsidiaries, shall have the meaning ascribed to it in Accounting Standard 18 of the Accounting Standards;

**"Related Party Transaction Policy"** means the policy to regulate transactions between the Company and its Related Parties based on the IFC Shareholders' Agreement and the Applicable Laws (including the provisions of clause 49 of the listing agreements executed between the Company and the Relevant Markets);

**"Relevant Market"** means the Bombay Stock Exchange Limited and/or the National Stock Exchange of India Limited, or any other reputable and internationally recognized automated quotation system(s) or stock exchange(s) on which the Shares of the Company and/or Share Equivalents are listed;

**"Relevant Parties"** means the Company and the Sponsors;

**"RFO Closing Date"** has the meaning ascribed to such term in Article 263(d)(Right of First Offer);

**"RFO Transfer Shares"** has the meaning ascribed to such term in Article 263(a) (Right of First Offer);

**"RFO Notice"** has the meaning ascribed to such term in Article 263(a)(Right of First Offer);

**"RITCL"** means Religare Invesco Trustee Company Private Limited;

**"Rupees"** or **"INR"** means the lawful currency of the Country;

**"Sale Shares"** has the meaning ascribed to such term in Article 262(b) (Tag-Along Rights);

**"Selling Shareholder"** has the meaning ascribed to such term in Article 262(a) (Tag-Along Rights);

**"Shareholders"** means collectively CUBI, the Sponsors and any other shareholder of the Company that is a party to the CUBI Shareholders' Agreement or agrees to become party to the CUBI Shareholders' Agreement pursuant to an Accession Instrument;

**"Shares"** means the equity shares of the Company having a face value of Rupees Ten (INR 10) each;

**"Share Equivalents"** means preferred shares, bonds, loans, warrants, options or other similar instruments or securities which are convertible into or exercisable or exchangeable for, or which carry a right to subscribe for or purchase, equity shares of the Company and/ or its Subsidiaries and/ or its Affiliates (as applicable) or any instrument or certificate representing a beneficial ownership interest in the equity shares of the Company and/ or its Subsidiaries and/ or its Affiliates (as applicable), including Global Depository Receipts or American Depository Receipts;

**"Sponsors"** has the meaning ascribed to such term in the CUBI Shareholders' Agreement;

**"Sponsor Negotiated Transfer"** has the meaning ascribed to such term in Article 258(a); (Transfer by the Sponsors)

**"Sponsor Transfer Notice"** has the meaning ascribed to such term in Article 258(b); (Transfer by the Sponsors)

**"Stock Exchanges"** means, the BSE Limited and/or the National Stock Exchange of India Limited, or any other reputable and internationally recognized automated quotation system(s) or stock exchange(s) on which the Shares of the Company and/or Share Equivalents are listed;

**"Subscription Notice"** has the meaning ascribed to such term in Article 261(c) (Preemptive Right);

**"Subsequent Transferee"** has the meaning ascribed to such term in Article 260(b)(v); (Transfers by CUBI and its Affiliates)

**"Subsidiary"** means with respect to the Company, an Affiliate more than fifty percent (50%) of whose capital is owned, directly or indirectly, by the Company;

**"Subsidiary Employee Plan"** means any stock option plan, which has been sponsored, contributed to or required to be contributed to by the relevant Key Subsidiary for the benefit of any Person who performs or who has performed services for such Key Subsidiary;

"**Tag Along Notice**" has the meaning ascribed to such term in Article 262(b) (Tag-Along Rights);

"**Tag Period**" has the meaning ascribed to such term in Article 262(b) (Tag-Along Rights);

"**Tax**" or "**Taxes**" means, any present or future taxes (including stamp taxes), withholding obligations, duties and other charges of whatever nature levied by any Authority;

"**Third Party**" has the meaning ascribed to such term in Article 263(a) (*Right of First Offer*);

"**Threshold Strike Price**" means, in relation to a Key Subsidiary or a Key Affiliate, the strike price (duly adjusted for any subsequent bonus issue, stock split or other share re-organization) that provides an IRR of at least twenty percent (20%) per annum on the Investor Entry Equity Valuation of such Key Subsidiary or Key Affiliate, starting from the date of subscription of CUBI Securities by CUBI as per the Subscription Agreement;

"**Total CUBI Holding**" means, the total number of Shares and Share Equivalents that are held by CUBI along with its Affiliates in the share capital of the Company until the Closing Date, as at the Effective Date, and on or after the Closing Date as at the Closing Date;

"**Transaction Documents**" has the meaning ascribed to such term in the CUBI Shareholders' Agreement;

"**Transfer**" means to transfer, sell, convey, assign, pledge, hypothecate, create a security interest in or Lien on, place in trust (voting or otherwise), transfer by operation of law or in any other way subject to any encumbrance or dispose of, whether or not voluntarily, and "**Transferring**" and "**Transferred**" have corresponding meanings;

"**Transferring Sponsor**" has the meaning ascribed to such term in Article 258(b) (Transfer by the Sponsors);

"**Trigger Event**" has the meaning ascribed to such term in Article 262(a); (*Tag-Along Rights*)

"**Trigger Notice**" has the meaning ascribed to such term in Article 262(a); (*Tag-Along Rights*)

"**Unpurchased Securities**" has the meaning ascribed to such term in Article 261(d)(Preemptive Right); and

"**Valuation Benchmark**" means with respect to Northgate, the revenue multiple of 4.0x and with respect to Landmark, EV/EBITDA multiple of 8.9x.

## CORPORATE GOVERNANCE

### 249. Board Composition

- (a) Upon the conversion of all the CUBI Warrants into Conversion Shares, CUBI shall have the right to nominate one (1) Director (the "**CUBI Nominee Director**") and the Sponsors shall, in accordance with the CUBI Shareholders Agreement, procure that such nominee is promptly appointed as a Director, subject to such nomination being reviewed and approved by the nomination committee of the Board.
- (b) The CUBI Nominee Director may be nominated and appointed as a member of any of the committees of the Board, at the option and sole discretion of the nomination committee of the Board.
- (c) The Company shall maintain directors and officers liability insurance for an amount and on terms it deems appropriate and shall indemnify each of the Directors to the maximum extent permitted under Applicable Law for any cost, expenses or liabilities incurred by each such Director in the course of, or in any way related to, his or her activities or his or her position as a Director.
- (d) The reasonable costs incurred by the CUBI Nominee Director in attending a meeting of the Board or a committee or a General Meeting (including the costs of business class air travel, accommodation and attendance) shall be reimbursed by the Company.
- (e) Until all the CUBI Warrants have been converted into Conversion Shares, the Board may, at its sole discretion, invite a representative of CUBI ("**CUBI Representative**") as a special invitee to attend meetings of the Board, strictly as an observer, subject to the CUBI Representative executing a confidentiality agreement and adhering to all Applicable Laws including in relation to confidentiality and prohibition of insider trading and unfair trade practices and the CUBI Representative not being entitled to vote.
- (f) Upon conversion of RFL into a Banking Company and CUBI having converted all the CUBI Warrants into Conversion Shares, subject to RFL applying for and obtaining an approval under Applicable Law for expanding its board of directors to 15 members, which the Company shall endeavor to procure, CUBI will have the right to nominate the CUBI Representative on the board of directors of RFL on behalf of the Company, and the Company and the Sponsors shall, in accordance with the CUBI Shareholders Agreement, procure that such CUBI Representative is promptly appointed on the board of directors of RFL.
- (g) In the event that the Company establishes a committee for the purposes of advising RFL in relation to its application to RBI for conversion into a Banking Company, CUBI will have the right to nominate the CUBI Representative as a member of such advisory committee; and the Company and the Sponsors shall, in accordance with the CUBI Shareholders Agreement, procure that such CUBI Representative is promptly appointed on such a committee.



**250. Quorum at Board Meetings**

Any Director shall be entitled to participate in a meeting of the Board or a committee of which he or she is a member, at which he or she is not physically present, through tele-conference or by way of video conference facilities in compliance with Applicable Law (including the Companies Act, 1956 and the Information Technology Act, 2000).

**251. Procedure of the Board**

- (a) Upon the CUBI Nominee Director being appointed, written notice of each meeting of the Board shall be given to all the Directors and their alternates, if any. Written notice of each meeting of a committee of the Board shall be given to all directors on that committee and their alternates, if any. Written notice of the meeting under this Article 251(a) shall be sent by email to the Directors or their alternates, if any, at least seven (7) days in advance of such meeting (with originals to be dispatched within such seven (7) day period); provided that where, exceptionally, the Board or a committee of the Board is required to make a decision in circumstances in which the foregoing notice requirements cannot be observed, such notice requirements may be waived with the approval of the majority of the Directors (provided that if CUBI has become entitled to the rights under Article 254 (CUBI Consent Rights), such majority shall include the CUBI Nominee Director) or in the case of a meeting of a committee of the Board majority of the Directors on that committee (provided that such majority shall include the IFC Nominee Director and if CUBI has become entitled to the rights under Article 254 (CUBI Consent Rights), such majority shall include the CUBI Nominee Director).
- (b) An agenda setting out in detail the items of business proposed to be transacted at a meeting of the Board together with necessary information and supporting documents shall be circulated to each of the Directors and their alternates, if any. An agenda setting out in detail the items of business proposed to be transacted at a meeting of a committee of the Board together with necessary information and supporting documents shall be circulated to each of the Directors on that committee and their alternates, if any. The agenda, information and documents shall be circulated at least seven (7) days prior to the date of the relevant meeting; provided that where, exceptionally, the Board or a committee of the Board is required to make a decision in circumstances in which the foregoing notice requirements cannot be observed, such requirement to circulate agenda information and documents may be waived with the approval of the majority of the Directors (provided that if CUBI has become entitled to the rights under Article 254 (CUBI Consent Rights), such majority shall include the CUBI Nominee Director), or, in the case of a meeting of a committee of the Board, majority of the Directors on that committee (provided that such majority shall include the IFC Nominee Director and if CUBI has become entitled to the rights under Article 254 (CUBI Consent Rights), such majority shall include the CUBI Nominee Director).
- (c) If CUBI has become entitled to the rights under Article 254 (CUBI Consent Rights) and if the resolution proposed to be passed by circulation pertains to a matter listed in Article 254 (CUBI Consent Rights), then such circular resolution shall be valid and effective only if it has received prior written consent of CUBI.

**252. Resolution by Circulation or Written Consent**

- (a) Subject to Applicable Law, the Board may take decisions through resolutions by circulation. No resolution shall be deemed to have been duly passed by the Board or a committee of the Board by circulation or written consent, unless the resolution has been circulated in draft form, together with the information required to make a fully informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any, to all Directors or to all the Directors on the relevant committee by email (with originals to follow), and has been approved in writing by majority of the Directors entitled to vote on the resolution. Provided that if CUBI has become entitled to the rights under Article 254 (CUBI Consent Rights) and if the resolution proposed to be passed by circulation pertains to a matter listed in Article 254 (CUBI Consent Rights), then such circular resolution shall be valid and effective only if it has received prior written consent of CUBI.

**253. General Meetings**

- (a) Not less than twenty one (21) days' prior written notice of all General Meetings shall be given to the Shareholders at their respective addresses notified by them to the Company in writing. Provided that where, exceptionally, the Shareholders are required to make a decision in circumstances in which the foregoing notice requirements cannot be observed, a General Meeting may be convened at shorter notice in accordance with the prescribed process under Applicable Law and the Charter.
- (b) An agenda and accompanying materials setting out the business proposed to be transacted at a General Meeting shall be circulated by the Company to the Shareholders at the same time as the notice referred to in the above Article 253(a).
- (c) The Board shall provide the Company's previous Financial Year's audited financial statements to all Shareholders at least twenty one (21) days before the General Meeting which is held to approve and adopt such audited financial statements.

## **CUBI CONSENT RIGHTS**

254. Subject to provisions of Articles 255 and 257, as long as CUBI along with its Affiliates holds at least two percent (2%) of the Equity Share Capital and at least fifty percent (50%) of the Total CUBI Holding, and IFC loses its rights or fails/ ceases or is ineligible as may be applicable, to exercise their rights under the IFC Transaction Documents and these Articles including the consent rights or the IFC Transaction Documents are terminated or deemed to be terminated for any reason whatsoever in respect of the following matters, the Company shall not and shall ensure that its Key Subsidiaries and Key Affiliates shall not take the following decisions or actions without the prior written consent of CUBI (For the avoidance of doubt, IFC will be deemed to have lost its rights under the IFC Transaction Documents and these Articles notwithstanding the survival of the IFC Banking Investment Right):
- (a) authorize or undertake any arrangement for the disposal of: (i) twenty five percent (25%) or more of the assets of the Company or any Key Subsidiary or any Key Affiliate, whether in one or a series of transactions; or (ii) any shares of any Subsidiary that results in the Company owning (directly or indirectly) less than fifty one percent (51%) of any Key Subsidiary; or (iii) any shares of any Affiliate that results in the Company owning (directly or indirectly) less than twenty six percent (26%) of any Key Affiliate (unless such arrangement is undertaken to meet the requirements of the Applicable Law, provided that the Company issues a written notice to CUBI providing information as CUBI may require in respect of such arrangement. Provided further that CUBI's prior written consent under this Article 254(a) shall not be required in respect of the (A) transfer of RSL's shareholding in RIAMCPL and RITCL pursuant to the exercise of a call option by Invesco; and (B) transfer of RSL's shareholding in RIAMCPL and RITCL upon the exercise of the shoot-out mechanism by Invesco, as specified under the joint venture arrangements between Invesco, RITCL, RIAMCPL and RSL;
  - (b) authorize or undertake any delisting of the Shares or Share Equivalents of the Company or shares or Share Equivalents of any Key Affiliate/Key Subsidiary;
  - (c) any initial public offering of any Key Subsidiary and/or any Key Affiliate (save and except Aegon Religare) which is not a QIPO;
  - (d) any issue of shares or Share Equivalents (other than a rights offering) by any Key Subsidiary and/or any Key Affiliate which is not a QCapitalRaise. Provided that CUBI's prior written consent under this Article 254(d) shall not be required in respect of (A) any issue of shares or Share Equivalents of Northgate or Landmark which results in a dilution of not more than fifteen per cent (15%) of Religare Global Asset Management Inc.'s shareholding in Northgate or Landmark; and (B) issuance of Share Equivalents of RIAMCPL to Invesco in the event Invesco exercises its right to subscribe to such Share Equivalents for an aggregate consideration which is equivalent to the minimum amount that Invesco is required to capitalize RIAMCPL under the Applicable Laws;
  - (e) authorize or undertake any reduction of capital or repurchase of shares and/or Share Equivalents. Provided that CUBI's prior written consent under this Article 254(e) shall not be required in respect of (A) the reduction of capital or repurchase of shares and/or Share Equivalents pursuant to the Company Employee Plan or any Subsidiary Employee Plan at the repurchase price computed in accordance with the Charter; and (B) the reduction of capital or repurchase of shares and/or Share Equivalents of Northgate and Landmark at the repurchase price computed in accordance with the Valuation Benchmark;
  - (f) the sale, transfer or assignment of all or substantially all of the intellectual property rights (including those relating to copyrights, trademarks, patents and designs) of the Company or any of its Key Subsidiaries or any Key Affiliates;
  - (g) a new investment in any of the existing financial services activities (other than consumer financing, investment banking and capital markets) undertaken by the Company, its Subsidiaries and/or Key Affiliates, where such investment is more than ten percent (10%) of the Company's consolidated net worth, in excess of the amounts set forth in the CUBI Shareholders' Agreement;
  - (h) any new investment in the business of (A) consumer financing; and (B) investment banking and capital markets;
  - (i) any investment of more than five percent (5%) of the Company's consolidated net worth in any new financial services business which is currently not undertaken by the Company or any of its Subsidiaries or Key Affiliates;
  - (j) any grant of options under the (A) Company Employee Plan or any Subsidiary Employee Plan in excess of the percentage of the issued and paid-up share capital on a Fully Diluted Basis of the Company and/or such Key Subsidiary as specified in the CUBI Shareholders' Agreement; and (B) Key Affiliate Employee Plan in excess of the thresholds specified in the CUBI Shareholders' Agreement. Provided that CUBI's prior written consent under this Article 254(j) shall not be required in respect of the grant of options under the employee benefit schemes of Northgate and Landmark which results in a dilution of not more than fifteen per cent (15%) of Religare Global Asset Management Inc's shareholding in Northgate or Landmark;
  - (k) any grant of options under the Company Employee Plan or any Subsidiary Employee Plan or a Key Affiliate Employee Plan at a strike price which is lower than the Threshold Strike Price. Provided that CUBI's prior written consent under this Article 254(k) shall not be required in respect of the grant of options under the employee benefit schemes of Northgate and Landmark at a price computed in accordance with the Valuation Benchmark.

- (l) amend or repeal the Articles or the articles of association of any Key Subsidiary or any Key Affiliate (as applicable): (A) in any material manner; and (B) in any way which may alter or change the rights, privileges or preferences of the CUBI Securities, save and except the amendment of the articles of association of RIAMCPL as required under the joint venture arrangements between RIAMCPL, RSL and Invesco;
  - (m) any alteration or change in the designations, powers, rights, preferences or privileges, or the qualifications, limitations or restrictions of the CUBI Securities or allowing any Person (other than CUBI) terms or rights, privileges or preferences (other than the price) which are more favourable than those granted to CUBI;
  - (n) create, authorize or issue any Shares or Share Equivalents in the Company having a structural or legal preference over the CUBI Securities with respect to any matter, including, without limitation, dividend rights, voting rights or liquidation preference;
  - (o) any process of amalgamation, merger, consolidation, reconstitution, restructuring or similar transaction undertaken voluntarily by the Sponsors that results in the Sponsors (A) not holding a minimum of twenty six percent (26%) of the outstanding share capital of the Company on a Fully Diluted Basis free of all Liens; or (B) losing the right to appoint majority of the Directors on the Board; or (C) not being the single largest shareholders or group of shareholders of the Company;
  - (p) any process of amalgamation, merger, consolidation, reconstitution, restructuring or similar transaction undertaken voluntarily by the Company that results in the Company (A) not holding a minimum of fifty one percent (51%) of the outstanding share capital of any Key Subsidiary on a Fully Diluted Basis; or (B) not holding a minimum of twenty six percent (26%) of the outstanding share capital of any Key Affiliate on a Fully Diluted Basis;
  - (q) authorize or undertake any Liquidation Event;
  - (r) any amendment, waiver or modification of (A) the agreements executed by RCSL with Religare Bullion Limited, RCL, RCML, RHICL, RSL and RFL for providing centralized corporate management services or (B) the agreement dated February 13, 2012 executed between the Company, RHC Holdings Private Limited and RCML.
  - (s) any amendment, waiver or modification of any arrangement or agreement executed by the Company or any of its Subsidiaries or Affiliates (which are Controlled by the Company) with any Related Party (other than the Sponsors), prior to September 12, 2013, where such amendment, waiver or modification is expected to result in an additional financial obligation of more than Rupees Five Crores (INR 5,00,00,000) or where such amendment, waiver or modification (together with all amendments, waiver or modifications of any single arrangement or agreement since the date on which the CUBI Securities have been subscribed to by CUBI as per the terms of the Subscription Agreement) is expected to result in an aggregate financial obligation of more than Rupees Ten Crores (INR 10,00,00,000). It is clarified that the Company shall be required to obtain prior written consent of CUBI in relation to the amendment, waiver or modification of any agreement with any Employee Relative, only to the extent that the Company or its Subsidiaries are aware of the particulars of such Employee Relative;
  - (t) any amendment, waiver or modification of any arrangement, agreement or obligation executed by the Company or any of its Subsidiaries or Affiliates (which are Controlled by the Company) with any of the Sponsors, prior to September 12, 2013;
  - (u) any change to the primary business of the Company or any of its Key Subsidiaries or any Key Affiliate;
  - (v) authorize or undertake any issuance of shares of the Company and/or Share Equivalents pursuant to the terms of the Business Partner Agreement; and
  - (w) Any amendment to the Related Party Transaction Policy other than increase in the thresholds by up to thirty percent (30%) at the beginning of every Financial Year.
255. As long as CUBI along with its Affiliates holds at least two percent (2%) of the Equity Share Capital and at least fifty percent (50%) of the Total CUBI Holding, and IFC loses its rights or fails/ceases or is ineligible as may be applicable to exercise their rights under the IFC Transaction Documents and these Articles or the IFC Transaction Documents are terminated or deemed to be terminated for any reason whatsoever, in respect of the matters listed at Article 254 above, the Company shall not provide its consent or affirmative vote to Religare Macquarie and Aegon Religare with respect to the actions specified in Article 254 (to the extent Religare Macquarie and Aegon Religare require the affirmative vote or the consent of the Company or its Subsidiaries for undertaking such actions) without obtaining the prior consent of CUBI. For the avoidance of doubt, IFC will be deemed to have lost its rights under the IFC Transaction Documents and these Articles notwithstanding the survival of the IFC Banking Investment Right.
256. It is clarified that if an Affiliate or any other entity (i) is not a Key Affiliate as on September 12, 2013; and (ii) becomes a Key Affiliate at any time during the term of the CUBI Shareholders' Agreement, and in the event that Article 254 becomes applicable, the Company shall make best efforts to ensure that such Key Affiliates do not take the actions specified in Article 254, without the prior written consent of CUBI.
257. If RIAMCPL ceases to be a Subsidiary at any time during the term of the CUBI Shareholders' Agreement and in the event that Article 254 becomes applicable, the Company shall not provide its consent or affirmative vote to RIAMCPL with respect to the actions specified in Article 254 (to the extent RIAMCPL requires the affirmative vote or the consent of the Company or its Subsidiaries for undertaking such actions) without obtaining the prior consent of CUBI.

## FURTHER ISSUE AND TRANSFER OF SECURITIES

### 258. Transfer by the Sponsors

- (a) Subject to Articles 259, 243, 244 and 245, each of the Sponsors shall be entitled to transfer the Share or Share Equivalents held by the Sponsors through: (i) an open market transaction on the Relevant Markets; or (ii) a negotiated deal (whether on the Relevant Markets or otherwise) where the identity of the transferee is known ("**Sponsor Negotiated Transfer**").
- (b) In the event any of the Sponsors wish to transfer any Shares or Share Equivalents held by them through a Sponsor Negotiated Transfer ("**Transferring Sponsor**") to any Person (other than CUBI) (a "**Buyer**"), the Transferring Sponsor shall issue a notice in writing to CUBI intimating CUBI of: (i) the material terms and conditions proposed by the Buyer in respect of the transfer; (ii) particulars of the Buyer; (iii) the numbers of Shares or Share Equivalents to be transferred and the consideration to be paid by the Buyer; (iv) the date on which the Proposed Transfer by the Transferring Sponsor shall take place (which shall be at least forty five (45) days from the date of issue of Sponsor Transfer Notice); and (v) any other details as may be requested by CUBI ("**Sponsor Transfer Notice**").
- (c) Each Sponsor which owns Shares in the Company or Share Equivalents indirectly through one (1) or more holding companies agrees that it will ensure that disposal of any interest in the Company or creation of any Lien on the Shares and/or Share Equivalents of the Company is consummated as a Transfer of the Shares or Share Equivalents in the Company, and not by a Transfer of any shares or Share Equivalents of any such holding company.
- (d) If however, IFC provides the Relevant Parties with a waiver to the transfer set out in this Article 258, then the same shall be construed as a deemed waiver by CUBI of the restrictions set out in this Article 258.
- (e) The provisions contained in Articles 258, 259 and 262 pertaining to transfer of Shares or Share Equivalents held by the Sponsors shall be subject to compliance with the relevant provisions contained in Articles 216 to 246.

### 259. Restricted Transfers

As long as CUBI along with its Affiliates holds at least two percent (2%) of the Equity Share Capital and at least fifty percent (50%) of the Total CUBI Holding:

- (a) The Relevant Parties (other than the Company) shall not Transfer any Shares in the Company or Share Equivalents to any of the individuals or entities named on (A) lists promulgated by the United Nations Security Council or its committees pursuant to resolutions issued under Chapter VII of the United Nations Charter; or (B) of the World Bank Listing of Ineligible Firms (see [www.worldbank.org/debarr](http://www.worldbank.org/debarr));
- (b) Any Transfer made in breach of these Articles (including this Article 259) shall be null and void; and
- (c) If however, IFC provides the Relevant Parties with a waiver to the restrictions set out in this Article 259, then the same shall be construed as a deemed waiver by CUBI of the restrictions set out in this Article 259.

### 260. Transfers by CUBI and its Affiliates

- (a) CUBI shall be entitled to transfer any Shares or Share Equivalents held by it in the Company through (i) an open market transaction on the Relevant Markets; or (ii) to any of its Affiliate(s), and such transfers shall not be subject to the provisions of Article 263 (Right of First Offer).
- (b) Assignment of rights and obligations by CUBI and Eligible Transferee
  - (i) In the event CUBI proposes to transfer forty percent (40%) or more of the Total CUBI Holding to an Affiliate ("**Eligible Transferee**"), CUBI shall be entitled to assign to such Eligible Transferee all of its rights and obligations set forth under the Transaction Documents.
  - (ii) CUBI shall, as a condition of the proposed transfer to the Eligible Transferee, require the Eligible Transferee to execute an Accession Instrument. The Accession Instrument shall restrict the Eligible Transferee from transferring the Shares and/or Share Equivalents held by it to any entity which is not an Affiliate of CUBI.
  - (iii) CUBI shall be entitled to exercise its rights under the Transaction Documents to the extent the same are available to it under the Transaction Documents, pursuant to the above transfer.
  - (iv) Provided that, CUBI shall not be entitled to (A) exercise any rights under the CUBI Shareholders' Agreement and these Articles once such rights are assigned by it to any of its Affiliates; (B) exercise its rights under Article 254 (CUBI Consent Rights) if it does not along with its Affiliates, hold at least two percent (2%) of the Equity Share Capital and at least fifty percent (50%) of the Total CUBI Holding, and if IFC does not lose its rights or fails/ceases or becomes ineligible as may be applicable or the IFC Transaction Documents are terminated or deemed to be terminated for any reason whatsoever, under the IFC Transaction Documents and these Articles; and (C) appoint the CUBI Nominee Director in the event CUBI assigns its rights under Article 249 (Board Composition), Article 251 (Procedures of the Board) to an Affiliate and Section 2.02 of the CUBI Shareholders' Agreement. For the avoidance of doubt, IFC will be deemed to have lost its rights under the IFC Transaction Documents and these Articles notwithstanding the survival of the IFC Banking Investment Right.

(v) Exercise of rights and obligations by the Eligible Transferee or its assignees

- A. The Eligible Transferee(s) shall be entitled to exercise the rights assigned to it by CUBI and further assign such rights to an Affiliate of CUBI ("**Subsequent Transferee**"), only if such Eligible Transferee holds and continues to hold fifty percent (50%) of the Shares and Share Equivalents transferred by CUBI to such Eligible Transferee.
- B. Upon the assignment of rights and obligations by the Eligible Transferee to a Subsequent Transferee (in the manner set forth in Article 260(b)(vi) below), such Subsequent Transferee shall be entitled to exercise the rights transferred to it, only if such Subsequent Transferee holds and continues to hold fifty percent (50%) of the Shares and Share Equivalents transferred to it by the Eligible Transferee.

(vi) Further assignment of rights and obligations

The Parties agree and acknowledge that assignment of rights and obligations under the Transaction Documents by any Eligible Transferee to the Subsequent Transferee shall be effective, only if:

- A. The Subsequent Transferee has executed an Accession Instrument, as a condition of the aforesaid assignment;
- B. Pursuant to the proposed assignment, the Subsequent Transferee holds and continues to hold fifty percent (50%) of the Shares and Share Equivalents to be transferred to such Subsequent Transferee.

(vii) Provided that only one Person (whether the (i) Eligible Transferee; or (ii) Subsequent Transferee) shall be entitled to exercise all (but not less than all) the rights and obligations assigned pursuant to Article 260(b)(vi).

(viii) In the event that an Affiliate of CUBI acquiring the Shares and Share Equivalents under this Article 260 ceases to be an Affiliate of CUBI, CUBI undertakes to cause the transfer of all the Shares and Share Equivalents held by such Affiliate to CUBI or to another Affiliate of CUBI.

**261. Preemptive Right**

- (a) CUBI shall have the right to purchase its Pro-rata Share of New Securities (as defined below) in the manner set out below.
- (b) If the Company proposes to issue New Securities (whether by way of a rights issue or otherwise), it shall give CUBI written notice of its intention, describing the New Securities, their price, and their general terms of issuance, and specifying CUBI's Pro-rata Share of such issuance (the "**Issue Notice**"). In the event the Issue Notice is delivered to CUBI pursuant to a proposed rights issue, the Sponsors shall ensure that the Pro-rata Shares of the New Securities are offered to CUBI as a part of such rights issue or by way of a preferential allotment or in any other manner permitted by Applicable Law (to the satisfaction of CUBI).
- (c) CUBI shall have thirty (30) days after any such notice is delivered (the "**Notification Date**") to give the Company written notice that it agrees to purchase part or all of its Pro-rata Share of the New Securities for the price and on the terms specified in the Issue Notice (the "**Subscription Notice**"). CUBI may also notify the Company in the Subscription Notice that it is willing to buy a specified number of the New Securities in excess of its Pro-rata Share of such issuance ("**Additional Securities**") for the price and on the terms specified in the Issue Notice. For the avoidance of doubt, the Company shall not issue any New Securities until after the Notification Date.
- (d) If CUBI has indicated that it is willing to buy Additional Securities, the Company shall give CUBI written notice of the total number of New Securities not taken up by other shareholders of the Company ("**Unpurchased Securities**") within five (5) days of the expiry of the thirty (30) day period referred to in Article 261(c). Such notice shall specify the particulars of the payment process for the New Securities to be purchased by CUBI pursuant to the Subscription Notice.
- (e) On the thirtieth (30th) Business Day after expiry of the thirty (30) day period referred to in Article 261(c):
  - (i) CUBI shall subscribe for the number of its Pro-rata Shares specified in the Subscription Notice;
  - (ii) if CUBI has indicated that it is willing to buy Additional Securities, CUBI shall, without obtaining the consent of the Sponsors, subscribe for the lower of the number of Additional Securities and the number of Unpurchased Securities;
  - (iii) CUBI shall pay the relevant consideration to the Company; and
  - (iv) the Company shall issue to CUBI a duly stamped letter of allotment for the Shares and/or Share Equivalents issued to CUBI under this Article 261(e) and intimate the registrar and share transfer agent for recording CUBI as the legal and beneficial owner of the Shares and/or Share Equivalents issued under this Article 261(e) in the register of beneficial owners of the Company's depository;
- (f) "**New Securities**" shall mean any Shares of the Company or any Share Equivalents, including already existing Shares of the Company; provided, that the term "New Securities" does not include:

- (i) equity shares (or options to purchase equity shares) issued or issuable to officers, Directors and employees of, or consultants to, the Company pursuant to a Company Employee Plan that has been approved by the Board of Directors;
- (ii) equity shares issuable upon the exercise or conversion of Share Equivalents in existence as of September 12, 2013;
- (iii) equity shares issued or issuable in connection with a bonus issue, any stock split or consolidation, sub-division or other share reorganisation or stock dividend of the Company; and
- (iv) equity shares issued or issuable in connection with merger, demerger, amalgamation or other similar corporate action.

## 262. Tag-Along Rights

- (a) Subject to the requirements under Articles 258, if one or more Sponsors ("**Selling Shareholder(s)**") propose to undertake a Sponsor Negotiated Transfer, such that the Sponsor Negotiated Transfer results in a change in Control of the Company ("**Trigger Event**"), CUBI shall have the right (but not an obligation) to participate in such transfer by selling all (and not some) of the Shares and Share Equivalents held by it in the Company in accordance with the succeeding provisions. Within fifteen (15) days of the occurrence of the Trigger Event, the Selling Shareholder(s) undertake to issue a written notice to CUBI informing them of the proposal to undertake the Sponsor Negotiated Transfer ("**Trigger Notice**").
- (b) Within twenty five (25) days of the receipt of the Trigger Notice by CUBI (the "**Tag Period**"), CUBI may, at its option, send a notice (the "**Tag Along Notice**") to the Selling Shareholder(s) requiring the Selling Shareholder(s) to cause the Buyer to purchase all (and not some) of the Shares and Share Equivalents held by CUBI along with its Affiliates at such time ("**Sale Shares**"). The Selling Shareholder(s) shall cause the Buyer to purchase the Sale Shares on terms no less favourable than those offered by the Buyer to the Selling Shareholder(s). It is clarified that the tag rights may be exercised in relation to Shares and Share Equivalents held by CUBI and/or any Affiliate(s) of CUBI.
- (c) For the avoidance of doubt, CUBI shall not be obligated to pay any fees or deal expenses of the Selling Shareholder(s) or of any other Person in connection with the exercise of its rights under this Article 262.
- (d) CUBI and/ or its Affiliates (or be required to make) shall not be required to make any representation and warranty to the Buyer, other than as to good title to the Sale Shares, absence of Liens with respect to the Sale Shares, customary representations and warranties concerning CUBI's and/ or its Affiliates' power and authority to undertake the proposed transfer, and the validity and enforceability of CUBI's and/ or its Affiliates' obligations in connection with the proposed transfer.
- (e) For the avoidance of doubt, CUBI's rights under this Article 262 to transfer the Sale Shares shall apply regardless of whether the Sale Shares are of the same class or type of Shares of the Company or Share Equivalents which the Selling Shareholder(s) propose to transfer provided that to the extent such a difference in class or type exists, the consideration payable to CUBI and its Affiliates for the Sale Shares shall be calculated as if all Shares of the Company and Share Equivalents held by the Selling Shareholder(s) and the Sale Shares had been converted into Shares of the Company on the date immediately prior to the date of the Trigger Notice (to the extent not already in the form of Shares of the Company) at the conversion price which would be applicable on such date had such conversion occurred on such date.
- (f) On the twentieth (20th) day from the expiration of the Tag Period, the Selling Shareholder(s) shall transfer to the Buyer the Shares and/or Share Equivalents originally proposed to be transferred, upon the terms and conditions (including consideration for the transfer) specified in the Trigger Notice. If the tag right has been exercised by CUBI in terms of this Article 262, then the Selling Shareholder(s) shall give CUBI at least ten (10) Business Days' notice of the proposed date of the transfer and CUBI along with its Affiliates shall transfer the Sale Shares to the Buyer at the same time upon the terms and conditions (including consideration for the transfer) specified in the Trigger Notice. If the Selling Shareholder(s) do not complete the transfer within such period, any subsequent Sponsor Negotiated Transfer by them of some or all of the Shares and/or Share Equivalents originally proposed to be transferred shall again be subject to the provisions of this Article 262.
- (g) IFC's tag along right under Article 222 shall be independent from CUBI's tag along right under this Article 262 and CUBI's tag along right shall not affect the exercise of IFC's tag along right in any manner whatsoever and vice versa.

## 263. Right of First Offer

- (a) If CUBI proposes to transfer forty percent (40%) or more of the Total CUBI Holding to any Person (other than an Affiliate of CUBI) ("**Third Party**") in any manner (other than through an open market transaction on the Relevant Markets), it shall first give notice thereof (the "**RFO Notice**") to the Sponsor Representative setting forth the number of Shares or Share Equivalents proposed to be transferred (the "**RFO Transfer Shares**").

- (b) Within fifteen (15) days from receipt of the RFO Notice (the "**Offering Period**"), the Sponsors shall have the right (but not an obligation) to make an offer to acquire all (but not less than all) of the RFO Transfer Shares. In the event the Sponsors decide to make a collective offer to CUBI, the Sponsors Representative shall deliver a written notice (the "**Offer Notice**") to CUBI stating (i) the particulars of the Sponsor(s) willing to acquire all (but not less than all) RFO Transfer Shares; and (ii) the price per RFO Transfer Share that the Sponsors are willing to pay for all RFO Transfer Shares ("**Offer Price**"). Provided that in the event the Sponsors do not make a collective offer through the Sponsor Representative and deliver more than one offer notice to CUBI within the Offering Period, CUBI shall be entitled to consider only the Offer Notice which sets forth the highest Offer Price.
- (c) CUBI shall have the right to transfer the RFO Transfer Shares to the Sponsors (in the case of a collective offer) or to the Sponsor offering the highest Offer Price (in the case of separate offers from more than one Sponsor) ("**Eligible Sponsor**") at the Offer Price specified in the Offer Notice, which right shall be exercisable by CUBI, at its sole discretion, by delivering a notice to the Sponsor Representative or to the Eligible Sponsor within fifteen (15) days after the end of the Offering Period (the "**Acceptance Notice**"). If CUBI delivers a timely Acceptance Notice, such Acceptance Notice shall constitute a binding agreement to transfer the RFO Transfer Shares.
- (d) On the fifteenth (15th) calendar day after the receipt of the Acceptance Notice by the Sponsor Representative or the Eligible Sponsor (as the case may be) (the "**RFO Closing Date**"), CUBI shall transfer the RFO Transfer Shares to the Sponsors or the Eligible Sponsor (as the case may be), and the Sponsors or the Eligible Sponsor shall pay to CUBI the aggregate price determined by multiplying the number of RFO Transfer Shares by the Offer Price, provided that CUBI shall have no obligation to transfer any RFO Transfer Shares unless CUBI receives payment in full of such aggregate price. Between the end of the Offering Period and the RFO Closing Date, the Sponsors Representative or the Eligible Sponsor (as the case may be) shall obtain any Authorization required in connection with the transfer of the RFO Transfer Shares before the RFO Closing Date.
- (e) CUBI shall not make (or be required to make) any representations or warranty to the Sponsor, other than good title to the RFO Transfer Shares, absence of Liens with respect to the RFO Transfer Shares, customary representations and warranties concerning CUBI's power and authority to undertake the proposed transfer, and the validity and enforceability of CUBI's obligations in connection with the proposed transfer.
- (f) If: (i) no Offer Notice has been received within the Offering Period; or (ii) CUBI does not receive payment in full of the Offer Price on the RFO Closing Date; (iii) any Authorization required in connection with the Transfer of the RFO Transfer Shares has not been obtained by the RFO Closing Date; or (iv) CUBI does not issue an Acceptance Notice, then CUBI shall be free to transfer all or any part of the RFO Transfer Shares to the Third Party within two (2) months after the end of the Offering Period or after the RFO Closing Date at a price per RFO Transfer Share higher than the Offer Price. If CUBI does not complete the transfer within such period, any subsequent proposed transfer by it of some or all of the RFO Transfer Shares shall again be subject to the provisions of this Article 263.
- (g) The provisions of this Article 263 shall not apply to the extent that the RFO Transfer Shares are being transferred as a result of the exercise of the rights of any party under Article 262 (Tag-Along Rights).

#### 264. TERMS OF CUBI WARRANTS

##### (a) Form and Status of the CUBI Warrants

Each CUBI Warrant shall have a face value of Rupees three hundred thirteen Paise fifteen (INR 313.15).

##### (b) Term/ Conversion Period

Unless converted earlier, the term of each CUBI Warrant shall be a maximum of eighteen (18) months from the Closing Date ("**Conversion Period**"). Notwithstanding anything contained in the Transaction Documents, CUBI shall have no obligation to convert the CUBI Warrants (or any part thereof) into Shares of the Company. It is only in the event that CUBI issues a Conversion Notice to convert all or some of the CUBI Warrants it shall be obliged to pay the Balance Warrant Amount (or any part thereof as the case may be if all the CUBI Warrants are not to be converted). For the avoidance of any doubt, conversion of the CUBI Warrants is a right available to CUBI and not an obligation.

##### (c) Authorized Capital

The Company agrees to maintain a sufficient number of authorized and unissued Shares till the conversion of each CUBI Warrant, to permit the full conversion of the CUBI Warrants in accordance with this Article 264 and the Transaction Documents.

##### (d) Conversion

###### (i) Optional Conversion

The conversion of CUBI Warrants or any part thereof can take place any time prior to the expiry of eighteen (18) months from the Closing Date, at the option of CUBI.

- A. CUBI shall have the right, any time after the Closing Date and during the Conversion Period to require the Company, by written notice (the "**Conversion Notice**"), to convert all or some of the CUBI Warrants into Shares of the Company. In case the conversion occurs prior to the expiry of the Conversion Period specified in Article 264(b) above, then the conversion shall be completed within a period of fifteen(15) days from the date of the Conversion Notice. Each CUBI Warrant will be convertible into one (1) Conversion Share after payment by CUBI of the appropriate amount based on the Balance Warrant Amount and the number of CUBI Warrants being converted.
- B. The Conversion Notice shall be dated and shall set forth:
- (i) The number of CUBI Warrants in respect of which the CUBI is exercising their right to conversion;
  - (ii) The number of Conversion Shares that the CUBI Warrants shall convert into; and
  - (iii) The prorated consideration to be paid by CUBI to the Company for such issuance based on the Balance Warrant Amount.
- C. Upon receipt of the Conversion Notice and upon payment by CUBI of the applicable consideration in full by way of wire transfer in same day funds to the bank account designated by the Company ("**Conversion Date**"), the Company shall effect the following:
- (i) It shall deliver to CUBI a letter of acknowledgement of the receipt of the Balance Warrant Amount for Conversion Shares.
  - (ii) It shall within ten (10) Business Days hold a meeting of the Board at which a resolution shall be passed to convert the said CUBI Warrants into Conversion Shares, to cancel the warrant certificates representing the CUBI Warrants, to issue and allot the Conversion Shares to CUBI and to enter the name of CUBI into the Register of Members of the Company. The Company shall provide appropriate evidence to CUBI that the Conversion Shares stand in the name of CUBI.
- D. Deliveries and Actions Post Closing
- (i) The Company shall ensure that the final listing and trading approvals are received from the Stock Exchanges and the Conversion Shares are listed within 30 (thirty) days of the conversion of the CUBI Warrants or in accordance with the Transaction Documents, as may be amended from time to time.
  - (ii) The Company shall under take all post-issue filings and other requirements associated with the issuance of the Conversion Shares, including without limitation, the filing of:
    - (a) E-form No.2 of the Companies (Central Government's) General Rules and Forms, 1956 with respect to the allotment of the Conversion Shares;
    - (b) a report in accordance with the requirements under FEMA 20 (in relation to receipt of the funds from CUBI for subscription of the Conversion Shares); and
    - (c) Form FC-GPR (in relation to the Conversion Shares) and all necessary documents required for the purposes of filing of Form FC-GPR as prescribed under the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder; within thirty (30) days of the conversion of the CUBI Warrants, and shall provide CUBI certified true copies of each such form, duly filed with the relevant Authority, along with receipts in respect of such form.
  - (iii) Conversion Shares  
Upon the conversion of CUBI Warrants, the Conversion Shares issued to CUBI shall rank pari-passu in all respects (including with respect to distribution of dividend) with the fully paid equityshares of the Company.
- (e) The Company and the Sponsors shall do all such acts and deeds as may be necessary to give effect to the provisions of this Article 264.
  - (f) The Company shall have received all approvals as may be required to be obtained by it from any third party or Authority (including FIPB) for issuance of Conversion Shares.
  - (g) The Company shall pay to the relevant tax authorities all applicable fees and Taxes including stamp duty arising on conversion (and the consequent issue of Conversion Shares), the issue and allotment of each Conversion Share pursuant to conversion and any listing of such Conversion Shares on the Stock Exchanges.
  - (h) The Company shall ensure that the issue and allotment of the CUBI Warrants and the Conversion Shares and conversion of the CUBI Warrants are in accordance with Applicable Law.
  - (i) Each Conversion Share shall be issued free from any Liens.
  - (j) Subject to Applicable Law, the rights, privileges and conditions attached to the CUBI Warrants and the Conversion Shares (when issued) may be varied, modified or abrogated in accordance with the provisions of the Charter Documents only with the prior written consent of CUBI.



- (k) The CUBI Warrants and Conversion Shares shall be governed and construed in accordance with the laws of India.
- (l) The terms and conditions set out in this Article 264 shall be written on the reverse of the certificates representing each of the CUBI Warrants.

By Order of the Board of Directors  
For **Religare Enterprises Limited**

Place : **New Delhi**  
Date : **November 07, 2013**

Sd/-  
**Sudhakar Shetty**  
Company Secretary

**NOTES:**

1. The Explanatory Statement and reasons for the proposed Special Business pursuant to Section 102(1) of the Companies Act, 2013 read with Section 192A(2) of the Companies Act, 1956 setting out material facts are appended herein below.
2. The Notice is being sent to all the Members, whose names appear on the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) on Friday, 01<sup>st</sup> November, 2013.
3. The Company has appointed Mr. Sanjay Grover, Company Secretary in Whole Time Practice as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
4. Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed in the attached self-addressed postage pre-paid Business Reply Envelope. An unsigned Postal Ballot Form will be rejected. Postage will be borne and paid by the Company. However, Postal Ballot(s), if sent by courier or by registered post at the expense of the Member(s) will also be accepted. The Postal Ballot(s) may also be deposited personally. The Postal Ballot(s) should reach the Scrutinizer not later than the close of working hours i.e 1800 hrs on Saturday 14<sup>th</sup> December, 2013 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.
5. Members are requested to carefully read the instructions printed on the back of the Postal Ballot Form before exercising their vote.
6. In case, shares are jointly held, this form should be completed and signed (as per the specimen signature registered with the company) by the first named Member and in his/her absence, by the next named Member.
7. In case of shares held by companies, trusts, societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/ Authority letter together with attested specimen signature(s) of the duly authorized signatory/ies, giving requisite authority to the person voting on the Postal Ballot Form.
8. A member may request for duplicate postal ballot form, if so required. However, the duly filled in and signed duplicate postal ballot form should reach the Scrutinizer not later than the date specified at instruction No. 4 above. Unsigned Postal Ballot form shall be rejected
9. A tick (✓) mark should be placed in the relevant box signifying assent / dissent for the resolution, as the case may be, before mailing the Postal Ballot Form.
10. The vote in this Postal Ballot cannot be exercised through proxy.
11. In compliance with provisions of Clause 35B of the Listing Agreement entered into with the Stock Exchange(s), the Company is pleased to offer **e-voting facility to enable members to cast their votes electronically**. The Company has agreement with KARVY COMPUTERSHARE PRIVATE LIMITED for facilitating e-voting to enable the shareholders to cast their votes electronically. **E-voting is optional**.
12. Kindly note that members can opt only one mode of voting i.e. either by Postal Ballot form or e-voting. In case of receipt of vote by both the modes, voting casted through e-voting shall prevail and voting casted by Postal Ballot shall be treated as invalid.
13. Members who have registered their e-mail ids for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs as contemplated in Circular No. 17/2011 dated 21st April 2011 Notice of Postal Ballot are being sent by e-mail and others are sent by post along with Ballot Form. Members have option to vote either through e-voting or through Postal Ballot Form. Members who have received Postal Ballot Notice by e-mail and who wish to vote through Postal Ballot Form can download Postal Ballot Form from the link '<https://evoting.karvy.com>' or seek duplicate Postal Ballot Form from Karvy Computershare Private Limited, Registrar & Transfer Agent, Unit: Religare Enterprises Limited, Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081, fill in the details and send the same to the Scrutinizer.

14. The Scrutinizer will submit his report to the Chairman after scrutiny of the Postal Ballot forms and the result of the Postal Ballot shall be declared by the Chairman, or in their absence, by any other person authorized by the Chairman, on Monday, 16<sup>th</sup> December, 2013 at 4.00 P.M Hrs at the Registered Office of the Company at D3, P3B, District Centre, Saket, New Delhi - 110017. The resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman or by the authorized person, if the result of the Postal Ballot indicates that the requisite majority of the Members had assented to the resolution. Members, who wish to be present at the venue at the time of declaration of the result, may do so. The result of the Postal Ballot shall also be announced through newspaper advertisement and shall be hosted on the website of the Company [www.religare.com](http://www.religare.com).
15. All relevant documents referred in the Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days between 1100 Hrs. to 1300 Hrs. up to the date of declaration of the result of Postal Ballot.
16. Members are requested to fill in the postal ballot form in indelible ink and not in any erasable writing mode.
17. The voting rights of Members shall be in proportion to their shares of the Paid up Equity Share Capital of the Company.
18. The Scrutinizer's decision on the validity or otherwise of the Postal Ballot will be final.

By Order of the Board of Directors  
For **Religare Enterprises Limited**

Sd/-

**Sudhakar Shetty**  
Company Secretary

Place : New Delhi  
Date : November 07, 2013

**EXPLANATORY STATEMENT FOR THE PROPOSED RESOLUTION ACCOMPANYING THE NOTICE DATED NOVEMBER 07, 2013, PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH SECTION 192A(2) OF THE COMPANIES ACT, 1956**

In terms of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all the material facts relating to the Item No. 1 to Item No 4 of the accompanying Notice dated November 07, 2013.

**ITEM NO. 1**

The Members are aware that underlying businesses of Religare Enterprises Limited and its subsidiaries and associates ("**Religare**") continue to demand capital for its growth and expansion and considering the buoyancy in capital market and global investor's appetite for Indian financial services company it is necessary that the Company should be ready for window of opportunity for capital raising going forward as and when the opportunity arises.

Considering the above, the Board of Directors of the Company on October 31, 2013, approved the raising of funds by issue of equity shares of the Company, and/or any instrument convertible into equity shares, whether optionally or otherwise in the course of domestic and / or international offerings, Global Depository Receipts ("**GDRs**"), American Depository Receipts ("**ADRs**"), Foreign Currency Convertible Bonds ("**FCCBs**"), Foreign Currency Exchangeable Bonds ("**FCEBs**"), securities with warrants including any instruments or securities representing either equity shares and/or convertible securities or securities linked to equity shares or equity shares/fully convertible debentures/partly convertible debentures or non-convertible debentures along with warrants or any securities other than warrants, which are convertible or exchangeable with equity shares at a later date, or a combination of the foregoing, whether rupee denominated or denominated in one or more foreign currency, in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India or abroad, (hereinafter referred as "**Securities**"), including but not limited to Qualified Institutional Buyers as defined under the ICDR Regulations, whether domestic investors / foreign investors through Qualified Institutions Placement ("**QIP**"), for an amount not exceeding in the aggregate Rs. 1000 Crores (Rupees One Thousand Crores only) in one or more tranches through various offerings as contemplated in the resolution, in domestic and/ or international markets.

Pursuant to the above, the Board of Directors (the "**Board**" which term shall be deemed to include any committee thereof the time being exercising the powers conferred on the Board) may, in one or more tranches, issue and allot Securities on such date as may be determined by the Board but not later than 12 months from the date of passing of the resolution.

The aforesaid Issue of Securities will be subject to receipt of requisite approvals from Appropriate Authorities, as applicable.

The said Resolution for seeking approvals of Members of the Company for the proposed Issue of Securities through QIP and proposing to confer authority on the Board to do all such acts and deeds which may be required to offer, issue and allot Securities at opportune time, including the size, structure, price, timing and other terms and conditions of the Issue.

Since the pricing and other terms of the offerings cannot be decided except at a later stage, an enabling resolution is being passed to give adequate flexibility and discretion to the Board to finalize the price and terms of the Issue of Securities. However, the same would be in accordance with the ICDR Regulations and /or issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Mechanism) Scheme, 1993 as amended from time to time or any other guidelines/ regulations as may be applicable and in case the Board decides to undertake a QIP under Chapter VIII of ICDR Regulations.

The other terms and conditions of the QIP will be determined in consultation with the merchant bankers, lead managers, consultants, advisors and / or such other intermediaries as may be appointed for the Issue of Securities.

The consent of the Members is being sought under Section 81(1A) of the Companies Act, 1956, and other applicable provisions of the Companies Act, 1956, if any, and in terms of the ICDR Regulations and provisions of the listing agreements executed by the Company with the Stock Exchanges where the Company's shares are listed.

The Board of Directors of the Company believes that the proposed issue is in the interest of the Company and hence, recommends the resolution for the approval of the Shareholders by way of Special Resolution.

None of the Directors/Key Managerial Personnel/their relatives of the Company is in any way concerned or interested in the above referred resolution except as holders of shares in general or that of the companies, firms, and/or institutions of which they are directors, partners or members and who may hold shares in the Company.

## **ITEM NO. 2**

As members are aware that Pursuant to a shareholders' resolution dated September 10, 2011 in accordance with provisions of the Companies Act, 1956, the Board has been authorised to borrow, from banks/financial institutions at their discretion up to Rs. 3000 crores.

The proposed borrowings of the Company may, if necessary, be secured by way of charge/ mortgage/ hypothecation on the Company's assets in favour of the lenders/ holders of securities / trustees for the holders of the said securities as mentioned in the Resolution at Item No. 2.

As the documents to be executed between the lenders/security holders/ trustees for the holders of the said securities and the Company may contain provisions to take over substantial assets of the Company in certain events, it is necessary to pass a resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of charges/mortgages/hypothecations for an amount not exceeding Rs. 3,000 crores or the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose at the relevant time, whichever is higher.

The above proposals are in the interest of the Company and the Directors commend the Resolution in Item No. 2 of the Notice for approval by the Members

None of the Directors/Key Managerial Personnel/their relatives of the Company is in any way concerned or interested in the above referred resolution.

## **ITEM NO. 3**

Members are hereby informed that The Board in its meeting held on January 19, 2010 appointed Mr. Sunil Godhwani as Chairman and Managing Director for a period of three years w.e.f. April 8, 2010. Further, on May 30, 2011, the Board accorded its consent for increase in remuneration of Mr. Sunil Godhwani to Rs. 16 crores per annum w.e.f. January 1, 2011 for the remaining period of his tenure i.e. upto April 7, 2013.

As the Company had suffered net loss of Rs. 816.21 Crores on standalone basis on account of an exceptional item of provision of Rs. 635.55 Crores for diminution in value of Long Term Investment in Religare Capital Markets Limited (RCML), its wholly owned subsidiary, in view of severe long term restrictions stipulated in the tripartite agreement between the Company, RCML and RHC Holding Private Limited, a Promoter Group Company and on consolidated basis, the Company suffered a net loss of Rs. 212.77 Crores during the financial year 2011-12, therefore maximum remuneration that can be paid to Mr. Sunil Godhwani for the financial year 2011-12 was upto Rs. 48 Lacs p.a. in accordance with the limits prescribed in the Schedule XIII of the Companies Act, 1956 from time to time.

However, the remuneration drawn by him during the financial year 2011-12 was Rs. 8,08,61,538 /- and therefore, an amount of Rs. 7,60,61,538/- has been paid in excess of the prescribed limit.

Company filed an application before the Central Government for seeking approval for waiver of recovery of excess remuneration of Rs. 7,60,61,538 (Rupees Seven Crore Sixty Lac Sixty One Thousand Five Hundred Thirty Eight only) paid to Mr. Sunil Godhwani, Chairman & Managing Director of the Company.

On July 30, 2012, the Company filed an application with the Ministry of Corporate Affairs, New Delhi(MCA) for obtaining approval for waiver of recovery of excess remuneration paid to Mr. Sunil Godhwani, Chairman & Managing Director of the Company, during the financial year 2011-12.

However, the aforesaid Application has been rejected by MCA vide its letter dated September 09, 2013 stating the reason that Shareholders resolution dated August 11, 2010 has restricted the payment of remuneration to 5% of the net profits of the Company.

Mr. Godhwani has led the growth of the Company through one of the most turbulent periods in the global economic history and particularly in the financial services industry. He has contributed to Religare becoming one of the most recognized financial services Brand in India which has contributed to recognition and marketability of all products and services across all different business segments.

Under his overall supervision Religare has emerged as a force to reckon with and enjoys leadership position in its business and has also achieved further expansion of activities in other areas in a profitable manner.

Considering the focus on different areas of business, the growth sought to be achieved in different jurisdictions as well as the versatility of operations, continuous leadership of Mr. Sunil Godhwani is an essential requirement for Religare and to that extent retaining Mr. Sunil Godhwani in the organization is an absolute necessity.

Therefore, Company is proposing to re-apply with MCA to re-consider the application for waiver of recovery of excess remuneration paid to Mr. Godhwani as above after obtaining the approval of shareholders.

The Board of Directors of the Company recommends the resolution at Item no. 3 for approval of the Shareholders by way of a Special Resolution

None of the Directors/Key Managerial Personnel/their relatives of the Company is in any way concerned or interested in the above referred resolution except Mr. Sunil Godhwani, Chairman & Managing Director of the Company. He is deemed to be interested for the reason specified above.

#### **ITEM NO. 4**

The Members are aware that CUBI India Ventures Pte Ltd. ("**CUBI**"), had entered into a Shareholders Agreement ("**Agreement**") inter-alia with the Company under which CUBI has agreed to invest up to US\$ 29 million in the Company in the form of Equity Shares and Compulsory Convertible Share Warrants.

The Members may note that in terms of the Agreement, the Company is required to amend the existing Articles of Association of the Company.

The proposed amendments in the Articles broadly pertain to granting necessary rights to CUBI including the right to appoint a Director of CUBI on the Board of Directors of the Company. However CUBI can exercise some of these rights only if International Finance Corporation (IFC), a world bank group organization, loses its rights. Members may please note that IFC has also been given certain rights pursuant to its investment of US\$ 75 million in the Company.

The amendments proposed to be made to the Articles are given in the draft resolution at item no. 4 of the annexed notice and are self-explanatory.

Pursuant to the provisions of Section 31 of the Companies Act 1956, any amendments in the Articles of Association of the Company require the approval of the Shareholders of the Company by way of Special Resolution.

Accordingly, consent of the Shareholders by way of special resolution has been sought in terms of Section 31 of the Companies Act, 1956.

The Board of Directors of the Company recommends the resolution at Item no. 4 for approval of the Shareholders by way of a Special Resolution

None of the Directors/Key Managerial Personnel/their relatives of the Company is in any way concerned or interested in the above referred resolution.

By Order of the Board of Directors  
For **Religare Enterprises Limited**

**Place : New Delhi**  
**Date : November 07, 2013**

**Sd/-**  
**Sudhakar Shetty**  
**Company Secretary**