

Religare Enterprises Limited

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

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www.religare.com

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. PREFERENTIAL ALLOTMENT OF EQUITY SHARES

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 all other applicable provisions of the Companies Act, 1956 (**Companies Act**), if any including any statutory modification(s) or re-enactment thereof, for the time being in force and other applicable provisions of the Companies Act, 2013, if any, various rules, circulars, press notes, clarification issued by Foreign Investment Promotion Board, the provisions of Foreign Exchange Management Act, 1999 and rules and regulations framed there under and subject to the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, and subsequent amendments thereto, including but not restricted to (**SEBI ICDR Regulations**), Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**SEBI Takeover Regulations**") and amendments thereto as in force and subject to other applicable rules, regulations and guidelines of Securities and Exchange Board of India (**SEBI**), Reserve Bank of India (**RBI**) and the stock exchanges where the shares of the Company are listed (**Stock Exchanges**) and enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into between the Company and the Stock Exchanges and subject to requisite approvals, consents, permissions and/or sanctions if any, of SEBI, the Stock Exchanges and other appropriate authorities, including RBI, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise one or more of its power including the powers conferred hereunder), the Board be and is hereby authorized to create, offer, issue and allot such number of equity shares of face value of Rs. 10/- each, fully paid up, at such price (including premium) being not less than the price determined in accordance with Chapter VII of SEBI ICDR Regulations, on a preferential basis, so that the total value of the number of shares so issued at a price determined in accordance with Chapter VII of SEBI ICDR Regulations aggregates to not more than INR 300 Crores (Rupees Three Hundred Crores) for cash to Bestest Developers Private Limited, non-promoter company and INR 250 Crores (Rupees Two Hundred Fifty Crores) for cash to Standard Chartered Bank (Mauritius) Ltd. non-promoter company.

RESOLVED FURTHER THAT the Relevant Date, as per the SEBI ICDR Regulations for the determination of issue price of the equity shares to be allotted pursuant to the preferential allotment is fixed as April 07, 2014 (April 08, 2014 being the holiday) i.e. 30 days prior to the date of declaration of result of postal ballot which is May 08, 2014, to approve the proposed preferential issue, in terms of Section 81(1A) of the Companies Act.

RESOLVED FURTHER THAT the equity shares to be allotted to the proposed allottee pursuant to the aforesaid preferential allotment shall rank *paripassu* in all respects including as to dividend, with the existing fully paid up equity shares of face value of INR. 10/- each of the Company, subject to lock-in as per requirements of SEBI ICDR Regulations and subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board/ the Committee be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of aforesaid equity shares and listing of the equity shares to be allotted on preferential allotment basis with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said equity shares, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any

further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors, any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution."

2. PAYMENT OF REMUNERATION TO MRS. SANGEETA TALWAR

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to section 309(4)(a) and other applicable provisions, if any of the Companies Act, 1956, and any applicable provisions of Companies Act, 2013, Clause 49 of the Listing Agreement entered with Stock Exchanges and subject to the approval of the Central Government and such other statutory approval(s) as may be required, consent of the members of the Company be and is hereby accorded for the payment of remuneration of Rs. 18 Lakh per annum, by way of half yearly payment, to Mrs. Sangeeta Talwar, Independent Non-Executive Director of the Company for a period of five years from the date of her appointment.

RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to do all such acts and deeds and file all such forms, returns, documents and letters with the appropriate authorities, as may be required to be done or filed to give effect to the said Resolution and Board may further delegate its powers to any person.

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

Place : New Delhi
Date : March 31, 2014

Sd/-
Sunil Godhwani
Chairman & Managing Director

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 Monday, March 31, 2014.
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 6.00 PM on Wednesday, May 07, 2014 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 Thursday, May 08 2014 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.
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 11.00 AM to 1.00 PM 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/-

Place : New Delhi
Date : March 31, 2014

Sunil Godhwani
Chairman & Managing Director

EXPLANATORY STATEMENT FOR THE PROPOSED RESOLUTION ACCOMPANYING THE NOTICE DATED MARCH 31, 2014, 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 & 2 of the accompanying Notice dated March 31, 2014.

ITEM NO. 1

- i. The Board of Directors in order to raise funds for making investment/loans in/to subsidiaries, joint-ventures and group companies of the Company, for repayment of the Company's debt obligations, to redeem preference shares of the Company, to meet capital expenditure and for general corporate purposes have decided to issue the equity shares. The funds obtained by the Company through the investment by **Bestest Developers Private Limited (BDPL) and Standard Chartered Bank (Mauritius) Ltd. ("SCB")**, non-promoter companies may be used to inter alia, fund the redemption of preference shares of the Company, Company's growth capital requirements, to meet the Company's capital expenditure, making investments/providing loans or inter-corporate deposits, enhance its long term resources and thereby strengthening the financial structure of the Company and for other general corporate purposes and purposes permitted by applicable laws.
- ii. The Board of Directors of the Company on March 31, 2014, subject to necessary approval(s), has approved the proposal for raising funds upto INR 550 Crores, by way of issue of equity shares to BDPL & SCB on preferential allotment basis.

iii. Pursuant to provisions of Section 81 (1A) of Companies Act, 1956("Act"), any preferential allotment of securities needs to be approved by the shareholders by way of Special Resolution. Further, in terms of Regulation 73 of SEBI (ICDR) Regulations, 2009("Regulations"), the following disclosures are needed to be made in the Explanatory Statement to the Notice of the General Meeting:

i. The Objects of the issue through preferential offer:

The proceeds of the preferential offer are proposed to be used to augment funds to *inter alia* for making investment/ loan in/to subsidiaries, joint-ventures and group companies of the Company, for repayment of the Company's debt obligations, to redeem preference shares of the Company, to meet capital expenditure ,enhance its long term resources and thereby strengthening the financial structure of the Company and for other general corporate purposes and purposes permitted by applicable laws.

ii. The intention of the Promoters/Directors/key Management Personnel to subscribe to the offer:

Promoters/Directors/Key Management Personnel do not intend to subscribe the offer.

iii. Relevant Date:

The Relevant Date as per the Regulations for the determination of issue price of the equity shares pursuant to the aforesaid preferential allotment is fixed as April 07, 2014 (April 08,2014 being the holiday) i.e. 30 days prior to the date of declaration of result of postal ballot which is May 08, 2014, to approve the proposed preferential issue, in terms of Section 81(1A) of the Act.

iv. Pricing of Preferential Issue:

The equity shares will be allotted in accordance with the price determined in terms of Regulation 76 of the Regulations.

Since the Company is listed on both BSE Limited and National Stock Exchange of India Limited, the trading volume of securities of the Company on both the stock exchanges will be considered to determine the highest trading volume for computation of issue price.

As required under the Regulations, wherever it is required, the Company shall re-compute the issue price in accordance with the Regulations. Further, if the amount payable on account of the re-computation of issue price is not paid by the proposed allottees, i.e. BDPL and SCB within the time stipulated under the Regulations, the equity shares allotted to BDPL and SCB shall continue to be locked in till the time such amounts are paid by them

vi. Identity of the proposed allottees:

Identity of Proposed allottees	Category	Pre-Issue Holding	No of equity shares to be allotted*	Issue Price (INR) of equity shares*	Post-issue holding*
Bestest Developers Private Limited	Non-Promoter Indian Company	Nil	94,24,985	318.30	94,24,985 (5.65%)
Standard Chartered Bank (Mauritius) Ltd.	Foreign Institutional Investor	Nil	78,54,153	318.30	78,54,153 (4.71%)

***The number of shares to be allotted is calculated on the basis of issue price determined taking tentative relevant date as March 31, 2014 in terms of pricing formula of Chapter VII of SEBI regulations and the same was considered only for the purpose of disclosing the pre & post issue shareholding pattern. However, the shareholding pattern and the issue price on the basis of actual relevant date i.e, April 07, 2014 may vary and accordingly number of shares to be allotted may increase or decrease subject to the condition that total investment by BDPL and SCB will not exceed INR 300 Cr. and INR 250 Cr. respectively in any case.**

BDPL is wholly-owned subsidiary of SGGD Projects Development Pvt. Ltd. (SGGD). SGGD owns 5.48% stake in the Company. Mrs. Shabnam Dhillon, who also owns 10.15% stake in the Company, owns 100% stake in SGGD. Total holding of Mrs. Shabnam Dhillon along with persons acting in concert with her as on date is 15.70%. After the proposed allotment, total holding will increase to approximately 19.72%.

vii. Shareholding Pattern pre and post preferential offer:

The present shareholding pattern and the shareholding pattern assuming full allotment of equity shares are given below:

Category of Shareholder		Pre Issue (as on 21.03.2014)		Post Issue (After allotment of equity shares)	
		No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
A.	Promoters' Shareholding				
	Promoters	19,400,127	12.97	19,400,127	11.62
	Promoter Group	71,422,374	47.74	71,422,374	42.80
	Sub-total	90,822,501	60.71	90,822,501	54.42
B.	Public Shareholding				
I.	Institutional Investors				
	Mutual Funds	773	0.00	773	0.00
	Financial Institutions / Banks	1,609,948	1.08	1,609,948	0.96
	Foreign Institutional Investors	15,821,641	10.58	15,821,641	9.48
II.	Non-Institutional Investors				
	Bodies Corporate	10,079,216	6.74	10,079,216	6.04
	Bestest Developers* Private Limited	-	-	9,424,985*	5.65
	Standard Chartered Bank (Mauritius) Ltd.*	-	-	7,854,153*	4.71
	Resident Individuals / HUF	21,866,280	14.62	21,866,280	13.10
	NRIs	5,268,714	3.52	5,268,714	3.16
	Foreign Corporate Bodies	196,936	0.13	196,936	0.12
	Qualified Foreign Investor	3,941,875	2.63	3,941,875	2.36
	Others	375	0.00	375	0.00
	Sub-total	58,785,758	39.29	76,064,896	45.58
	Total (A+B)	149,608,259	100.00	166,887,397	100.00

* The number of shares to be allotted is calculated on the basis of issue price determined taking tentative relevant date as March 31, 2014 in terms of pricing formula of Chapter VII of SEBI regulations and the same was considered only for the purpose of disclosing the pre & post issue shareholding pattern. However, the shareholding pattern and the issue price on the basis of actual relevant date i.e April 07, 2014 may vary and accordingly number of shares to be allotted may increase or decrease subject to the condition that total investment by BDPL and SCB will not exceed INR 300 Cr. and INR 250 Cr. respectively in any case.

viii. Proposed time within which the allotment shall be completed:-

As required under the SEBI (ICDR) Regulations, the Company shall complete the allotment of equity shares as aforesaid on or before the expiry of 15 days from the date of passing of the special resolution by the shareholders granting consent for preferential issue or in the event allotment of equity shares would require any approval(s) from any regulatory authority or the Central Government, within 15 (fifteen) days from the date of such approval(s), as the case may be.

ix. Change in control:

There shall be no change in management or control of the Company pursuant to the issue of equity shares.

x. Auditors certificate:

Since the price at which the Equity Shares would be issued to BDPL and SCB cannot be exactly determined before the issue of this notice to the shareholders as it depends on the average of the market price prevailing in the preceding 6 months or 2 weeks as per the SEBI formula, the Auditor's certificate, as required under Clause 73(2) of Regulations will be made available for inspection at the Registered Office of the Company between 10 a.m. and 4 p.m. on any working day starting from 14th April, 2014 upto the last date for voting under postal ballot. The Auditor's Certificate will also be displayed on the website of the Company - www.religare.com.

xi. Lock in period

The proposed allotment shall be subject to lock-in as per requirements of SEBI Regulations.

As it is proposed to issue and allot the aforesaid securities on preferential allotment basis, special resolution is required to be approved by members pursuant to the provisions of Section 81(1A) of the Act, applicable provisions of Companies Act, 2013 and Chapter VII of the SEBI Regulations. Your Directors, therefore, recommend the resolution for your approval.

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

However, one of the objects of this preferential issue is to redeem preference shares of the Company. Preference shares are proposed be redeemed from Oscar Investments Ltd/RHC Holding Pvt. Ltd./RHC Finance Pvt. Ltd., entities in which promoters of the Company are holding substantial interest. Promoters are holding approximately 61.17% in Oscar Investments Ltd, 100% in RHC holding Pvt Ltd. and 87.29% in RHC Finance Pvt Ltd. directly or indirectly.

ITEM NO. 2

The Non-Executive Directors play a critical and significant role in supporting independent decision making on the Board. They also bring in strategic guidance, leadership and an independent view to the Company's Management for discharging their fiduciary responsibilities, thereby ensuring that the Management adheres to highest standards of ethics, transparency and disclosure. Considering the amount of time spent by the Non-Executive Directors in the deliberations of Board and the valuable guidance given by them to the Management from time to time, it is proposed that in addition to payment of sitting fees, annual remuneration as stated in the resolution be paid to the Non-Executive Directors of the Company.

Nomination\Compensation\Remuneration Committee and the Board of Directors of the Company have approved and recommended the payment of remuneration to Mrs. Sangeeta Talwar as mentioned in resolution no 2, subject to the approval of the Shareholders of the Company and the Central Government. Remuneration proposed to be paid is per annum on half yearly basis for a period of 5 years from date of her appointment.

As per Section 309(4) of the Companies Act, 1956 and clause 49 of the listing agreement, the Non- Executive Directors may be paid remuneration by way of a monthly, quarterly or annual payment with the previous approval of the Shareholders and Central Government.

The Board of Directors recommends the resolution as set out at Item No. 2 for the approval of the Members as Special Resolution.

None of the Directors/Key Managerial Personnel/their relatives of the Company are in any way concerned or interested in the above referred resolution except Mrs. Sangeeta Talwar to the extent of the proposed remuneration payable to her.

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

Place : **New Delhi**
Date : **March 31, 2014**

Sd/-
Sunil Godhwani
Chairman & Managing Director