

February 07, 2013

The National Stock Exchange of India Ltd.
Corporate Communications Department
"Exchange Plaza", 5th Floor,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400051

Bombay Stock Exchange Limited
Corporate Services Department
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

Scrip Symbol: RELIGARE EQ

Scrip Code: 532915

Subject: Notice Pursuant to Section 192A(2) of the Companies Act, 1956

Dear Sir (s),

This is to inform you that pursuant to the provisions of Sections 192A of the Companies Act, 1956 (The Act) read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, the Company has sought the consent of shareholders/members by Postal Ballot for the Special Resolution(s) for re-appointment of Mr. Sunil Godhwani, Chairman & Managing Director and for the Amendment in the Articles of Association of the Company.

The Company has appointed Mr. Sanjay Grover, Practicing Company Secretary, as the Scrutinizer for conducting the Postal Ballot in a fair and transparent manner. The duly completed Postal Ballot Forms should reach the Scrutinizer on or before the close of working hours on March 14, 2013. The result of the postal ballot will be announced on March 19, 2013.

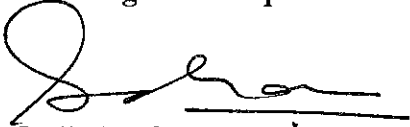
The said results of the Postal Ballot will be displayed on the notice board of the Company's Registered Office. The results will also be displayed on the company's Website.

We are sending herewith copy of Postal Ballot notice pursuant to clause 33 of the Listing Agreement.

Kindly take the same on record.

Thanking you,

Yours truly,
For Religare Enterprises Limited



Sudhakar Shetty
Director - Compliance & Secretarial



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. 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 217 :

IFC PROVISIONS

218. The provisions of Articles 218 to 246 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 IFC. For the purposes of this Article 218, Other Articles shall mean all Articles except Articles 218 to 246 (inclusive).

DEFINITIONS

219. **"Acceptance Notice"** has the meaning set forth in Article 224(c).

"Accession Instrument" means a deed of adherence to the Shareholders' Agreement substantially in the form set forth in Schedule 1 of the Shareholders' Agreement, with applicable amendments which are in form and substance satisfactory to each of the parties to the 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 set forth in Article 221(c).

"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.

"Articles" means these Articles of Association of the Company.

"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 the central bank);

"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 given by failure to act within any specified time period and all corporate, creditors' and shareholders' approvals or consents.

"Banking Investment Right" has the meaning set forth in Section 3.04(g) of the Shareholders' Agreement.

"Buyer" has the meaning set forth in Article 244(c).

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

"Closing Date" means November 7, 2012.

"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.

"Competitor" means the Persons identified by the Company in accordance with Section 4.03 (e) of the Shareholders' Agreement (as originally specified in Schedule 6 of the Shareholders' Agreement and as updated from time to time in accordance with the terms of Section 4.03 (e) of the Shareholders' Agreement and includes any Affiliate(s) of such Person(s).

"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 per cent (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.

"Eligible Sponsor" has the meaning set forth in Article 224(c).

"Eligible Transferee" has the meaning set forth in Article 225(a).

"Exercise Period" has the meaning set forth in Article 222(c).

"Existing RFL Investors" means collectively Avigo PE Investments Limited, Mauritius and NYLIM.

"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.

"IFC" means International Finance Corporation, an international organization established by the Articles of Agreement among its member countries including the Republic of India.

"ICDR Regulations" shall mean the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

"IFC CCD's" means up to Four Million Five Hundred Thousand (4,500,000) fully paid Compulsorily Convertible Debentures having a face value of Rupees One Thousand (INR 1000) each (and having the rights, preferences and privileges as set forth in Schedule 5 of the Subscription Agreement).

"IFC Entry Equity Valuation" means the equity value based on IFC's entry valuation ascribed for the Company, the Key Subsidiaries and Key Affiliates as set forth in column (c) of Annex E of the Shareholders' Agreement.

"IFC Negotiated Transfer" has the meaning set forth in Article 223.

"IFC Nominee Director" has the meaning set forth in Article 234(a).

"IFC Securities" means collectively, the IFC Shares, the IFC CCD's, the Shares issued to IFC upon the conversion of IFC CCD's, as applicable and any shares or Share Equivalents of the Company acquired by IFC pursuant to or in accordance with the terms of the Shareholders' Agreement.

"IFC Shares" means one thousand (1000) 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 Shareholders' Agreement.

"IFC Subscription" means the subscription for IFC Shares and IFC CCD's of the Company by IFC as provided for in Article II of the Subscription Agreement.

"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.

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

"Issue Notice" has the meaning set forth in Article 221(b).

"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 assets of such Affiliate account for more than five percent (5%) of the total consolidated assets of the Company; or
 - ii. the 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").

"Key Affiliate Employee Plan" means any stock option plan, which has been sponsored, contributed to or required to be contributed to by the relevant Key Affiliate for the benefit of any Person who performs or who has performed services for such 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 assets of such Subsidiary account for more than five percent (5%) of the total consolidated assets of the Company; or
 - ii. the 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 Asset Management Company Private Limited ("RAMCPL"); (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"); (vi) Religare Housing Development Finance Corporation Limited ("RHDFCL"); and (vii) Religare Securities Limited ("RSL");
- (c) RCML, upon the consolidation of RCML with the financial statements of the Company, whether or not RCML meets any of the conditions set forth in sub-section (a).

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

"Lien" means any mortgage, pledge, charge, assignment, hypothecation, security interest, title retention, preferential right, option (including call commitment), trust arrangement, right of set-off, counterclaim 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.

"Member Company" has the meaning set forth in Article 110.

"New Securities" has the meaning set forth in Article 221(f).

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

"Notification Date" has the meaning set forth in Article 221(c).

"Objectable Entity" means, in relation to a proposed Transfer by a Sponsor of any Share or Share Equivalents of the Company, any Person that IFC designates as an objectionable entity due to reputational reasons and requirements of IFC policies.

"Offer Notice" has the meaning set forth in Article 224(b).

"Offer Price" has the meaning set forth in Article 224(b).

"Offering Period" has the meaning set forth in Article 224(b).

"Permitted Lien" has the meaning set forth in Article 243(c)(i).

"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.

"Proposed Investor" has the meaning set forth in Article 220(b).

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

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

"QCapitalRaise" 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.

"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 within 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 Act; 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.

"Relevant Parties" means the Company, the Sponsors and each of the other shareholders of the Company that agrees to become a party to the Shareholders' Agreement pursuant to an Accession Instrument.

"RCML" means Religare Capital Markets Limited.

"RCSL" means Religare Corporate Services Limited.

"Related Party Transaction Policy" means the policy to regulate transactions between the Company and its Related Parties based on the key principles set out in Section 3.04(a) of the 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.

"RFO Notice" has the meaning set forth in Article 224(a).

"RFO Closing Date" has the meaning set forth in Article 224(d).

"RFO Transfer Shares" has the meaning set forth in Article 224(a).

"RPT Sub-Committee" shall mean the sub-committee of the Board to be constituted for the purpose and in the manner set forth in the Shareholders Agreement.

"RTCL" means Religare Trustee Company Private Limited.

"Selling Shareholder" has the meaning set forth in Article 222(a).

"Shareholders' Agreement" means the Shareholders' Agreement dated November 5, 2012 between the Sponsors, the Company and IFC.

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

"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 or any instrument or certificate representing a beneficial ownership interest in the equity shares of the Company, including global depositary receipts or American depositary receipts.

"Sponsors" means (a) Mr. Malvinder Mohan Singh, son of Late Dr. Parvinder Singh; (b) Mr. Shivinder Mohan Singh, son of Late Dr. Parvinder Singh; and (c) the Persons specified in Annex A of the Shareholders' Agreement and "Sponsor" means any one of them.

"Sponsor Lien Shares" mean the Shares held by the Sponsors over which a Lien has been created prior to the date of the Shareholders' Agreement, details of which have been set forth in Annex H of the Shareholders' Agreement.

"Sponsor Lock-In Shares" means eleven million two hundred thirty five thousand nine hundred and fifty four (11,235,954) Shares held by RHC Finance Private Limited and nine million five hundred ninety seven thousand one hundred and fifty six (9,597,156) Shares held by Hospitalia Information Systems Private Limited, which are locked-in in accordance with the ICDR Regulations, as on the date of the Shareholders' Agreement.

"Sponsor Negotiated Transfer" has the meaning set forth in Article 244(b).

"Sponsors Representative" has the meaning set forth in Section 3.07 of the Shareholders' Agreement.

"Sponsor Transfer Notice" has the meaning set forth in Article 244(c).

"Subscription Agreement" means the subscription agreement dated November 5, 2012 between IFC, the Sponsors and the Company pertaining to the IFC Subscription.

"Subscription Date" means the date of IFC Subscription.

"Subscription Notice" has the meaning set forth in Article 221(c).

"Subsequent Transferee" has the meaning set forth in Article 227(i).

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

"Subsidiary Compensation Committees" means the compensation committee (or any other committee by whatever name called) constituted by the board of directors of RSL, RFL, RHICL and RAMCL to administer their respective Subsidiary Employee Plans.

"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 Notice" has the meaning set forth in Article 222(c).

"Tagged Shares" has the meaning set forth in Article 222(c).

"Threshold Price" means:

- (a) in relation to a QIPO and/or a QCapitalRaise of any Key Subsidiary and/or Key Affiliate (other than RFL), the price (duly adjusted for any subsequent bonus issue, stock split or any share re-organization) that provides an IRR of at least twenty percent (20%) per annum on the IFC Entry Equity Valuation of such Key Subsidiary and/or Key Affiliate starting from the Subscription Date;
- (b) in relation to a QIPO of RFL, a price per equity share which on the lower end of the price band of the initial public offering would equal an amount which provides a floor IRR of fourteen percent (14%) per annum for the price per subscription share paid by the Existing RFL Investors; and
- (c) in relation to a QCapitalRaise of RFL, price at a floor IRR of twenty percent (20%) per annum on the IFC Entry Equity Valuation of RFL starting from the Subscription Date (save and except the capital infusion for the maintenance of capital adequacy as required under Applicable Law and approved by the Board).

"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 IFC Entry Equity Valuation of such Key Subsidiary or a Key Affiliate, starting from the Subscription Date.

"Transaction Documents" means:

- (a) the Shareholders' Agreement;
- (b) the Subscription Agreement; and
- (c) any other agreement or document as may be mutually determined by the parties to be a part of the Transaction Documents.

"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 set forth in Article 244(c).

"Unpurchased Securities" has the meaning set forth in Article 221(d).

"Valuation Benchmark" has the meaning ascribed to such term in the Shareholders' Agreement.

ANTI DILUTION AND PREEMPTIVE RIGHTS

220. Anti-Dilution Rights

- (a) For a period of eighteen (18) months from the Closing Date, the Company shall not issue any New Securities to any Person on financial terms which are more favourable than the financial terms on which IFC CCD's and IFC Shares are issued to IFC.
- (b) If at any time within the period of eighteen (18) months from the Subscription Date, the Company proposes to issue any New Securities on more favourable financial terms to any Person (including any of the Sponsors) ("**Proposed Investor**"), then the Company shall, subject to IFC's prior written consent, proceed with the proposed issuance of New Securities to the Proposed Investor only if the Company issues additional number of Shares to IFC at the lowest price per Share permitted under Applicable Law, such that the average price per Share for the IFC Securities taken together with such additional Shares issued pursuant to this Article 220(b) would be equal to the issue price per Share payable by the Proposed Investor in respect of the proposed issuance. For the avoidance of doubt and subject to the terms of the Shareholders' Agreement, the Company can issue New Securities to any Person on any financial terms after the expiry of eighteen (18) months from the Subscription Date.
- (c) On and from the expiry of eighteen (18) months from the Subscription Date, save and except a rights offering, the Company shall not issue Shares and/or Share Equivalents to any of the Sponsors at a price lower than the price that provides an IRR of at least twenty percent (20%) per annum on the IFC Entry Equity Valuation of the Company (duly adjusted for any subsequent bonus issue, stock split or any share re-organization).
- (d) The provisions of Article 220 shall have effect notwithstanding anything contained in These presents.

221. Preemptive Right

- (a) IFC 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 IFC written notice of its intention, describing the New Securities, their price, and their general terms of issuance, and specifying IFC's Pro-rata Share of such issuance (the "**Issue Notice**"). In the event the Issue Notice is delivered to IFC pursuant to a proposed rights issue and prior to the conversion of IFC CCD's, the Sponsors shall ensure that the Pro-rata Share of the New Securities are offered to IFC as a part of such rights issue or by way of a preferential allotment or in any other matter permitted by Applicable Law (to the satisfaction of IFC).
- (c) IFC 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**"). IFC 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 IFC has indicated that it is willing to buy Additional Securities, the Company shall give IFC 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 221(c). Such notice shall specify the particulars of the payment process for the New Securities to be purchased by IFC pursuant to the Subscription Notice.
- (e) On the thirtieth (30th) Business Day after expiry of the thirty (30) day period referred to in Article 221(c):
 - (i) IFC shall subscribe for the number of its Pro-rata Shares specified in the Subscription Notice;
 - (ii) if IFC has indicated that it is willing to buy Additional Securities, IFC 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) IFC shall pay the relevant consideration to the Company; and
 - (iv) the Company shall issue to IFC a duly stamped letter of allotment for the Shares and/or Share Equivalents issued to IFC under this Article 221(e) and intimate the registrar and share transfer agent for recording IFC as the legal and beneficial owner of the Shares and/or Share Equivalents issued under this Article 221(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 the date of the Shareholders' Agreement;
 - (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.
- (g) The provisions of Article 221 shall have effect notwithstanding anything contained in These presents.

222. Tag-Along Rights

- (a) Subject to the requirement of Articles 243, 244 and 245, if (i) any of the Sponsors (a "**Selling Shareholder**") proposes to undertake a Sponsor Negotiated Transfer of any Shares or Share Equivalents to a Buyer; and (ii) the Sponsor Negotiated Transfer would result in the transfer of more than five percent (5%) of the Shares and/or Share Equivalents held by all the Sponsors as of the date of the Shareholders' Agreement (whether such transfer takes place in one or more tranches), IFC shall have the right to participate in such transfer in accordance with this Article 222. For the avoidance of doubt, the Selling Shareholder may only propose to transfer such Shares in the Company or Share Equivalents hereunder if, after giving effect to the proposed transfer, each of the Sponsors shall still be in compliance with the requirements of Article 243 (or IFC has provided a written waiver in respect of Article 243).
- (b) Each Selling Shareholder which owns Shares in the Company or Share Equivalents indirectly through one or more holding companies agrees that it will ensure that any disposal of any indirect interest in the Company is consummated

as a transfer of the Shares in the Company or Share Equivalents, and not by a sale of any Shares or Share Equivalents of any such holding company, so as to ensure that IFC will be able to exercise its rights under this Article 222.

- (c) IFC shall have the right to participate in the proposed transfer by giving notice to the Selling Shareholder (a "**Tag Notice**") within a period of twenty five (25) days from IFC's receipt of the Sponsor Transfer Notice (the "**Exercise Period**") of the number of Shares of the Company and/or Share Equivalents it wishes to transfer (the "**Tagged Shares**"), subject to Article 222(d). For the avoidance of doubt, IFC shall not be obligated to pay any fees or deal expenses of the Selling Shareholder or of any other Person in connection with the exercise of its rights under this Article 222.
- (d) Subject to the next sentence of this Article 222 and Article 222(g), the maximum number of Tagged Shares shall be the number (and if this is not a whole number, such number rounded to the nearest whole number) obtained by multiplying the number of the Shares of the Company and/or Share Equivalents on a Fully Diluted Basis to be transferred by the Selling Shareholder by a fraction: (i) the numerator of which shall be the number of Shares of the Company and/or Share Equivalents on a Fully Diluted Basis held by IFC (as of the date of the Tag Notice); and (ii) the denominator of which shall be the aggregate number of Shares of the Company and/or Share Equivalents on a Fully Diluted Basis held by all the Sponsors and IFC (as of the date of the Tag Notice). However, notwithstanding anything contained in these Articles, if the proposed transfer by the Selling Shareholder would result in (A) the Sponsors 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) the Sponsors losing the right to appoint majority of the Directors on the Board; or (C) the Sponsors not being the single largest shareholders or group of shareholders of the Company; or (D) IFC holding less than two point five percent (2.5%) of the outstanding issued and paid-up share capital of the Company on a Fully Diluted Basis, the maximum number of Tagged Shares shall be all of the Shares and/or Share Equivalents held by IFC.
- (e) Any transfer by IFC shall be made on substantially the same terms and conditions as described in the Sponsor Transfer Notice. However, IFC shall not be required to make any representation or warranty to the Buyer, other than as to good title to the Tagged Shares, absence of Liens with respect to the Tagged Shares, customary representations and warranties concerning IFC's power and authority to undertake the proposed transfer, and the validity and enforceability of IFC's obligations in connection with the proposed transfer.
- (f) For the avoidance of doubt, IFC's rights under this Article 222 to transfer the Tagged Shares shall apply regardless of whether the Tagged Shares are of the same class or type of Shares of the Company or Share Equivalents which the Selling Shareholder propose to transfer, provided that, to the extent such a difference in class or type exists, the consideration payable to IFC for the Tagged Shares shall be calculated as if all Shares of the Company and Share Equivalents held by the applicable Selling Shareholder and IFC which will be subject to a transfer under this Article 222 (assuming IFC exercises its tag-along rights in full) had been converted into Shares of the Company on the date immediately prior to the date of the Tag 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.
- (g) On the twentieth (20th) day from the expiration of the Exercise Period, the Selling Shareholder 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 Transfer Notice. The Selling Shareholder shall give IFC at least ten (10) Business Days notice of the proposed date of the transfer and IFC shall transfer the Tagged Shares to the Buyer at the same time upon the terms and conditions (including consideration for the transfer) specified in the Transfer Notice. If the Selling Shareholder does not complete the transfer within such period, any proposed subsequent transfer by it 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 222.
- (h) The Selling Shareholder shall not transfer any of its Shares in the Company or Share Equivalents to the Buyer unless, at the same time, the Buyer purchases all of the Tagged Shares from IFC upon the terms and conditions (including consideration for the transfer) specified in the Transfer Notice.

223. Transfers by IFC

IFC 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 and such transfer shall not be subject to the provisions of Article 224; or (ii) a negotiated deal (whether on the Relevant Markets or otherwise) where the identity of the transferee is known. It is clarified that the transfer by IFC of forty percent (40%) or more of the IFC Securities ("**IFC Negotiated Transfer**") shall be subject to the provisions of Article 224.

224. Right of First Offer

- (a) If IFC proposes to transfer forty percent (40%) or more of the IFC Securities through a IFC Negotiated Transfer to any Eligible Transferee it shall first give notice thereof (the "**RFO Notice**") to the Sponsor Representative setting forth the number of IFC Securities proposed to be transferred (the "**RFO Transfer Shares**").

- (b) Within five (5) calendar 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 IFC, the Sponsors Representative shall deliver a written notice (the **"Offer Notice"**) to IFC 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 IFC within the Offering Period, IFC shall be entitled to consider only the Offer Notice which sets forth the highest Offer Price.
- (c) IFC 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 IFC, at its sole discretion, by delivering a notice to the Sponsor Representative or to the Eligible Sponsor within ten (10) days after the end of the Offering Period (the **"Acceptance Notice"**). If IFC 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 Transfer (as the case may be) (the **"RFO Closing Date"**), IFC 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 IFC the aggregate price determined by multiplying the number of RFO Transfer Shares by the Offer Price, provided that IFC shall have no obligation to transfer any RFO Transfer Shares unless IFC 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) IFC shall not make (or be required to make) any representation or warranty to the Sponsors, other than good title to the RFO Transfer Shares, absence of Liens with respect to the RFO Transfer Shares, customary representations and warranties concerning IFC's power and authority to undertake the proposed transfer, and the validity and enforceability of IFC's obligations in connection with the proposed transfer.
- (f) If: (i) no Offer Notice has been received within the Offering Period; (ii) IFC 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) IFC does not issue an Acceptance Notice, then IFC shall be free to transfer all or any part of the RFO Transfer Shares to any Eligible Transferee within one (1) year 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 IFC 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 224.
- (g) The provisions of this Article 224 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 224.

225. Assignment of rights and obligations by IFC

- (a) In the event IFC proposes to transfer forty percent (40%) or more of the IFC Securities to a Person through an IFC Negotiated Transfer (**"Eligible Transferee"**), IFC shall be entitled to assign to the Eligible Transferee(s) all of its rights and obligations set forth under the Transaction Documents (other than the Banking Investment Right set forth in Section 3.04(g) of the Shareholders' Agreement).
- (b) IFC shall, as a condition of the proposed IFC Negotiated Transfer, require the Eligible Transferee(s) to execute an Accession Instrument. The Accession Instrument shall restrict the Eligible Transferee(s) from transferring the IFC Securities held by it to any of the Competitors set forth in Schedule 6 of the Shareholders' Agreement. IFC's obligation to enforce the aforesaid restriction on the Eligible Transferee shall be limited to procuring the execution of the Accession Instrument.
- (c) IFC shall be entitled to exercise all of its rights under the Transaction Documents even if such rights have been assigned (A) by IFC to the Eligible Transferee(s) pursuant to the IFC Negotiated Transfer; or (B) by the Eligible Transferee(s) or its further assignees in the manner set forth in Article 227 below.
- (d) Provided that, IFC shall not be entitled to (A) exercise its rights under Section 2.07(a) of the Shareholders' Agreement if it does not hold one percent (1%) of the outstanding issued and paid-up share capital of the Company on a Fully Diluted Basis and twenty five percent (25%) of the IFC Securities; and (B) appoint the IFC Nominee Director in the event IFC assigns its rights under Section 2.01, Section 2.02 and Section 2.03 of the Shareholders' Agreement to any Eligible Transferee(s).

226. Exercise of rights and obligations by the Eligible Transferee or its assignees

- (a) The Eligible Transferee(s) shall be entitled to exercise the rights and further assign the IFC Securities transferred to it by IFC, only if such Eligible Transferee holds one percent (1%) of the outstanding issued and paid-up share capital of the Company on a Fully Diluted Basis and twenty five percent (25%) of the IFC Securities transferred by IFC to such Eligible Transferee.
- (b) Upon the assignment of rights and obligations by the Eligible Transferee (in the manner set forth in Article 227 below), any assignee shall be entitled to exercise and further assign the rights transferred to it, only if such assignee holds one percent (1%) of the outstanding issued and paid-up share capital of the Company on a Fully Diluted Basis and twenty five percent (25%) of the IFC Securities transferred to such assignee.

227. Further assignment of rights and obligations

Assignment of rights and obligations under the Transaction Documents by any Eligible Transferee or any of its further assignees shall be effective, only if:

- (i) prior to the proposed assignment, such Eligible Transferee or further assignee provides a written notice to the Company stating that the identity of the Person to whom all rights and obligations are proposed to be assigned ("**Subsequent Transferee**"). Such notice shall also confirm that pursuant to the assignment of all rights and obligations held by such Eligible Transferee or further assignee, the Eligible Transferee or further assignee shall not be entitled to exercise any of the rights and obligations under the Shareholders' Agreement;
- (ii) the Subsequent Transferee shall execute an Accession Instrument, as a condition of the aforesaid assignment;
- (iii) pursuant to the proposed assignment, the Subsequent Transferee shall hold one percent (1%) of the outstanding issued and paid-up share capital of the Company on a Fully Diluted Basis and twenty five percent (25%) of the IFC Securities transferred to such Person;

Provided that only one Person (whether the (i) Eligible Transferee or any of its further assignees (as the case may be); or (ii) Subsequent Transferee) shall be entitled to exercise all (but not less than all) the rights and obligations assigned pursuant to Article 227 above.

Miscellaneous

228. 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. 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 this Article 228. No business shall be transacted at any General Meeting duly convened and held other than that specified in the notice without the prior consent of all Shareholders. 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. The provisions of this Article 228 shall have effect notwithstanding anything contained in These presents.

Notwithstanding anything contained in These presents, the Company shall reimburse reasonable costs incurred by the IFC Nominee Directors in attending a meeting of the Board or a committee of the Board or a General Meeting as set forth in Section 2.03(d) of the Shareholders Agreement.

IFC Consent Rights

229. As long as IFC holds at least twenty five percent (25%) of the IFC Securities and at least one percent (1%) of the outstanding issued and paid-up capital of the Company on a Fully Diluted Basis, 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 IFC:
 - 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 IFC providing information as IFC may require in respect of such arrangement. Provided further that IFC's prior written consent under Article 229(a) shall not be required in respect of the (A) proposed sale of forty nine percent (49%) of the equity share capital each of RAMCL and RTCL by RSL to Invesco; (B) transfer of RSL's shareholding in RAMCL and RTCL pursuant to the exercise of a

call option by Invesco; and (C) transfer of RSL's shareholding in RAMCL and RTCL upon the exercise of the shoot-out mechanism by Invesco, as specified under the joint venture arrangements between Invesco, RTCL, RAMCL 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 IFC's prior written consent under this Article 229 (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 Global Inc.'s shareholding in Northgate or Landmark; and (B) issuance of Share Equivalents of RAMCL 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 RAMCL under the Applicable Laws;
- e) authorize or undertake any reduction of capital or repurchase of shares and/or Share Equivalents. Provided that IFC's prior written consent under this Article 229(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 Article 241(b)(i); (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; and (C) transfer of shares of RAMCL from the employees of RAMCL, employees of the Company and such employees of RCSL (who were employees of the Company at the time of restructuring of RCSL) to RSL at a price per share equal to the per share consideration received by RSL from Invesco (in respect of Invesco's acquisition of forty nine per cent (49%) of the share capital of RAMCL and RTCL);
- 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 Annex G of the 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 Annex F of the Shareholders' Agreement; and (B) Key Affiliate Employee Plan in excess of the threshold specified in Annex F of the Shareholders' Agreement. Provided that IFC's prior written consent under this Article 229(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 Global Inc.'s shareholding in Northgate or Landmark; and
- 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 IFC's prior written consent under this Article 229(l) 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.

The provisions of Article 229 shall have effect notwithstanding anything contained in the Articles (other than Article 231 and Article 233).

230. For as long as IFC holds any IFC Securities, the Company shall not and shall ensure that each of its Key Subsidiaries and Key Affiliates shall not take the following decisions or actions without the prior written consent of IFC:

- a) 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 IFC Securities, save and except the amendment of the articles of association of RAMCL as required under the joint venture arrangements between RAMCL, RSL and Invesco;
- b) any alteration or change in the designations, powers, rights, preferences or privileges, or the qualifications, limitations or restrictions of the IFC Securities or allowing any Person (other than IFC) terms or rights, privileges or preferences which are more favourable than those granted to IFC;

- c) create, authorize or issue any Shares or Share Equivalents in the Company having a structural or legal preference over the IFC Securities with respect to any matter, including, without limitation, dividend rights, voting rights or liquidation preference;
- d) 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;
- e) 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;
- f) authorize or undertake any Liquidation Event;
- g) any amendment, waiver or modification of (A) the agreements executed by RCSL with Religare Bullion Limited, RCL, RCML, RHICL, RSL, RFL and RAMCL for providing centralized corporate management services or (B) the agreement dated February 13, 2012 executed between the Company, RHC Holdings Private Limited and RCML. Provided that IFC's prior written consent under this Article 230(g) shall not be required in respect of the termination of the master services agreement dated November 9, 2011 between RCSL and RAMCL only if RSL confirms in writing to IFC that RSL shall execute or shall procure any of its Affiliates to execute an agreement with RAMCL for provision of shared services to RAMCL on an arm's length and most favoured basis;
- h) 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 the date of the Shareholders' Agreement, 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 Subscription Date) 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 IFC 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;
- i) 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 the date of the Shareholders' Agreement;
- j) until such time as the RPT Sub-Committee is operationalized and the Related Party Transaction Policy is adopted by the Company, any new arrangement, transaction or agreement to be executed (A) by the Company with any of its Subsidiaries and (B) between the Subsidiaries. Provided that IFC's prior written consent under Article 230 (j) shall not be required in respect of (A) transactions between the Company and any of its Subsidiaries entered into on an arm's length basis; and (B) transactions between the Subsidiaries entered into on an arm's length basis, only if such transactions do not result and are not expected to result in the creation of impaired assets;
- k) any change to the primary business of the Company or any of its Key Subsidiaries or any Key Affiliate; and
- l) authorize or undertake any issuance of shares of the Company and/or Share Equivalents pursuant to the terms of the Business Partner Agreement;

The provisions of Article 230 shall have effect notwithstanding anything contained in the Articles (other than Article 231 and Article 233).

- 231. Notwithstanding anything contained in the Articles, the Company shall not provide its consent or affirmative vote to Religare Macquarie and Aegon Religare with respect to the actions specified in Article 229 and Article 230 (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 IFC.
- 232. If an Affiliate or any other entity (i) is not a Key Affiliate on the date of the Shareholders' Agreement; and (ii) becomes a Key Affiliate at any time during the term of the Shareholders' Agreement, the Company shall make best efforts to ensure that such Key Affiliates do not take the actions specified in Article 229 and Article 230, without the prior written consent of IFC.
- 233. If RAMCL ceases to be a Subsidiary at any time during the term of the Shareholders' Agreement, the Company shall not provide its consent or affirmative vote to RAMCL with respect to the actions specified in Article 229 and Article 230 (to the extent RAMCL requires the affirmative vote or the consent of the Company or its Subsidiaries for undertaking such actions) without obtaining the prior consent of IFC.

234. a) For so long as IFC holds more than one percent (1%) of the outstanding issued and paid-up share capital of the Company on a Fully Diluted Basis and more than twenty five percent (25%) of the IFC Securities, IFC shall have the right to nominate one (1) Director (the "IFC Nominee Director") and the Sponsors shall, in accordance with Article 242, ensure that such nominee is promptly appointed as a Director.
- b) The IFC Nominee Director shall be entitled to be a member of the: (i) audit committee; (ii) compensation/corporate governance and nominations/remuneration committee; (iii) shareholders and investor grievances committee; (iv) share allotment committee; (v) investment and borrowing committee; and (vi) other committees constituted by the Board from time to time in accordance with Applicable Law.
- c) IFC may require the removal of the IFC Nominee Director at any time and shall be entitled to nominate another Person as the IFC Nominee Director in place of any IFC Nominee Director so removed. In the event of the resignation, retirement or vacation of office of the IFC Nominee Director, IFC shall be entitled, subject to this Article 234, to nominate another Person as the IFC Nominee Director in place of such IFC Nominee Director and the Company and the Sponsors shall, in accordance with Article 242, ensure, to the fullest extent of all rights and powers available to them, that such nominee is promptly appointed as a Director.
235. The Company shall indemnify each of the Directors to the maximum extent permitted under Applicable Law for any costs, 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. The provisions of Article 234 and 235 shall have effect notwithstanding anything contained in These presents.
236. Written notice of a meeting of the Board or a committee shall be sent to the address notified from time to time by the Directors and their alternates, if any, at least seven (7) days in advance of such 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 notice requirements may be waived with the approval of the majority of the Directors (provided that such majority shall include the IFC 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).
237. 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 Directors (provided that such majority shall include the IFC 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). The provisions of Articles 236 and 237 shall have effect notwithstanding anything contained in These presents.
238. If the resolution proposed to be passed by circulation pertains to a matter listed in Article 229 and Article 230, then, notwithstanding anything contained in These presents, such circular resolution shall be valid and effective only if it has received prior written consent of IFC.
239. Any Director shall be entitled to participate in a meeting of the Board or a committee of the Board 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 Act and the Information Technology Act, 2000).
- 240. More Favourable Rights**
- The Sponsors and the Company shall ensure that the rights granted to IFC pursuant to the Transaction Documents shall not be affected or altered or prejudiced by any rights offered to or any other Person investing in the Company after the date of the Shareholders' Agreement or to a Person co-investing with IFC.
- 241. Exit Opportunities under the Subsidiary Employee Plans**
- a) The Company shall ensure that the Subsidiary Compensation Committees shall comprise of independent members at all times during the term of the Shareholders' Agreement. IFC shall have the right to appoint the IFC Nominee Director as a member of the Subsidiary Compensation Committees. In the event IFC wishes to exercise its aforesaid right, the Company shall take all such steps as required to facilitate the appointment of the IFC Nominee Director on the Subsidiary Compensation Committees.

- b) The Company shall ensure that the Subsidiary Compensation Committee shall authorize either of the following exit opportunities to the eligible employees of RSL, RFL, RHICL and RAMCL in accordance with their respective Subsidiary Employee Plans:

- (i) cash settlement of options and/or buyback of shares of such Subsidiary at the fair value of the underlying shares of such Subsidiary at the (A) fair value of the underlying shares of such Subsidiary as determined by an independent valuer appointed in consultation with IFC (in the event the Subsidiary Employee Scheme of such Subsidiary specifies that the repurchase of shares shall take place at fair market value); or (B) the lower of the Threshold Price or the fair market value of the underlying shares of such Subsidiary (in the event the Subsidiary Employee Scheme does not provide for cash settlement and/or buyback of options at the fair market value); and
- (ii) choice to swap the options and/or shares held by the eligible employees of such Subsidiary with options of the Company, any subsidiary of such Subsidiary or any listed group company of such Key Subsidiary.

242. The Company and each Sponsor shall exercise all such rights and powers as are available to it to ensure compliance with and to fully and effectually implement the provisions of the Transaction Documents, as promptly as reasonably possible, including without limitation, as required to cause the Company, each of the Key Subsidiaries and Key Affiliates to take all actions required to be taken by them under the Transaction Documents.

243. Ownership and Share Retention

- (a) On and from the Subscription Date till such time as IFC holds any IFC Securities, the Sponsors shall (i) collectively ensure that they are the single largest shareholders or group of shareholders of the Company; and (ii) ensure that they have the ability to appoint majority of the Directors on the Board.
- (b) On and from the expiry of twenty four (24) months from the Subscription Date till such time as IFC holds any IFC Securities, the Sponsors shall hold a minimum of twenty six percent (26%) of the outstanding share capital of the Company on a Fully Diluted Basis free of all Liens.
- (c) On and from the Subscription Date and until such time as the Sponsors hold a minimum of twenty six percent (26%) of the outstanding share capital of the Company on a Fully Diluted Basis free of all Liens, the Sponsors shall not create any Lien on the Shares or Share Equivalents of the Company (including the Sponsor Lock-in Shares). Provided that the Sponsors shall be permitted to create a Lien on the Shares and/or Share Equivalents held by them (other than the Sponsor Lock-in Shares):
 - (i) if there is a requirement to top up an existing Lien on Shares and/or Share Equivalents to secure the loans obtained prior to the date of the Shareholders' Agreement ("**Permitted Lien**"); and
 - (ii) if pursuant to a refinancing of a loan (obtained prior to the date of the Shareholders' Agreement), the Sponsor Lien Shares are required to be re-pledged to the new lender. It is clarified that the number of Shares and/or Share Equivalents proposed to be re-pledged pursuant to this Article 243 (c) shall in no circumstance exceed the number of Shares and/or Share Equivalents on which the pledge is released pursuant to the propose refinancing.

The creation of the Permitted Lien by the Sponsors is subject to compliance with the provisions of Article 243.

The provisions of Articles 243 to 245 and Articles 222 to 227 shall have effect notwithstanding anything inconsistent contained in the other provisions of These presents.

244. Transfers by the Sponsors

- (a) Notwithstanding anything to the contrary contained in these Articles, the Sponsors shall not Transfer any Shares or Share Equivalents held by the Sponsors until the later of: (i) the expiry of six (6) months from the Subscription Date; and (ii) the time taken by the Sponsors' to meet the obligation of 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 (as specified in Article 243(b) above), unless the Sponsors obtain a prior written consent from IFC in respect of such Transfer.
- (b) Subject to Articles 243, 244 and 245, each of the Sponsors shall be entitled to transfer any Shares 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**").
- (c) 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 IFC) (a "**Buyer**"), the Transferring Sponsor shall issue a notice in writing to IFC intimating IFC of (i) the material terms and conditions proposed by the Buyer in respect of the transfer; (ii) particulars of the Buyer; (iii) the number 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 the Sponsor Transfer Notice); and (v) any other details as may be requested by IFC ("**Sponsor Transfer Notice**").

- (d) 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.

245. Restricted Transfers

- (a) As long as IFC holds any IFC Securities:

- (i) 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) the World Bank Listing of Ineligible Firms (see www.worldbank.org/debarr); and
- (ii) Any Transfer made in breach of the provisions of the Articles (including Article 243 and this Article 245) shall be null and void.

- (b) Objectionable Entity for Transfers

If the Sponsors intend to Transfer any Shares or Share Equivalents in favour of any Person, then where the identity of such Person is known to the Sponsors, the Sponsors and IFC shall consult each other for the purpose of determining whether such Person is or is not an Objectionable Entity. Notwithstanding anything to the contrary in the Articles, as long as IFC holds any IFC Securities, the Sponsors may Transfer any Shares or Share Equivalents in favour of a Person in compliance with the provisions of Articles 243, 244, 245 and Article 222, only if both IFC and the Sponsors agree that such Person is not an Objectionable Entity. It is clarified that if IFC and the Sponsors do not agree that such Person is not an Objectionable Entity, then the Sponsors shall not be entitled to Transfer any Shares or Share Equivalents in favour of that Person. It is clarified that the above process shall be repeated for every Transfer of the Shares and/or Share Equivalents by the Sponsors, and the intimation by IFC that a Person is not an Objectionable Entity for a specific Transfer shall not be deemed to be applicable for future Transfers in favour of that Person. It is expressly clarified that the restrictions contained in this Article 245 shall not be applicable in cases where the identity of the purchaser is not known to the Relevant Parties or the Sponsors (as the case may be) at the time of the Transfer of Shares or Share Equivalents held by them in the Company.

DISPUTE RESOLUTION

246. Any dispute between the Company and the parties to the Shareholders' Agreement shall be resolved and governed by the procedure set forth in Section 8.04 of the Shareholders' Agreement.

2. RE-APPOINTMENT OF MR. SUNIL GODHWANI AS CHAIRMAN & MANAGING DIRECTOR OF THE COMPANY:

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 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956, ("the Act") read with Schedule XIII to the said Act (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) and subject to such other approval(s) or sanction(s) as may be required, Mr. Sunil Godhwani be and is hereby re-appointed as Chairman & Managing Director of the Company within the meaning of Section 269 of the Act for a period of three years with effect from April 8, 2013 on following terms and conditions:

A. Total Remuneration by way of salary, dearness allowance, perquisites and any other allowances not exceeding the present prescribed limit of Rs. 48 lakhs per annum each, in terms of provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956 or such other amount within the limits prescribed by the aforesaid Section from time to time.

Besides the above, he will be entitled to the following facilities which shall not be included in the computation of ceiling on total remuneration:

- a) Provision of Car for use on Company's business, telephone and other communication facilities used for official purposes;
- b) Encashment of Earned Leave at the end of the tenure;

The value of Allowances & Perquisites shall be taken as per Income Tax Rules, wherever applicable. In the absence of any applicable rules, allowances & perquisites shall be valued at actual cost.

In addition to the above, he will also be entitled to the following benefits as per the policy/rules of the Company in force from time to time;

- a) Company's contribution to Provident Fund;
- b) Payment of Gratuity and other retirement benefits;

and these would not be included in the computation of ceiling on total remuneration to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

B. Subject to the superintendence, control and direction of the Board, Mr. Sunil Godhwani shall perform such duties and functions as would commensurate with his position as Chairman and Managing Director of the Company and as may be delegated to him from time to time.

RESOLVED FURTHER THAT Mr. Shachindra Nath, Group CEO, Mr. Anil Saxena, Group CFO and Mr. Sudhakar Shetty, Director – Compliance & Secretarial and Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds and things and to sign, execute and file and/ or modify all such forms, papers and documents as may be considered necessary or expedient including appointing attorney(s) or authorised representatives to give effect to this Resolution.

RESOLVED FURTHER THAT a certified true copy(ies) of this Resolution be provided to all concerned, as and when required, under the hand of a Director or Company Secretary of the Company."

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

Place : New Delhi
 Date : January 24, 2013

Sd/-
Sudhakar Shetty
 Company Secretary

NOTES:

1. The Explanatory Statement and reasons for the proposed Special Business pursuant to Section 173(2) read with Section 192A(2) of the Companies Act, 1956 (the Act) 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, 25th January, 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 on Thursday 14th March, 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.
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 Section 192A of the Act read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the Company is pleased to offer **e-voting facility** as an alternate, for its Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. **E-voting is optional.**

The instructions for Members who desire to cast their vote through e-voting are as under:-

(a) In case of Members who have received Postal Ballot form through e-mail from NSDL

- (i) Open e-mail and open PDF file viz; "REL e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

- (iii) Click on "Shareholder" – "Login"
- (iv) Put user ID and password as initial password noted in step (i). above. Click Login.
- (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of "e-Voting" opens. Click on "e-Voting" : Active Voting Cycles.
- (vii) Select "EVEN" of Religare Enterprises Limited.
- (viii) Now you are ready for "e-Voting" as "Cast Vote" page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail religarescrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.

(b) In case of Members who have received Physical Postal Ballot Form by Post :

- (i) Initial password is provided as below/at the bottom of the Postal Ballot Form.

EVEN (E VOTING EVENT NUMBER)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (x) above, to cast vote.
 - (c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the "downloads" section of www.evoting.nsdl.com.
 - (d) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
 - (e) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
12. Members who have registered their e-mail ids for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs are being sent Notice of Postal Ballot 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 www.evoting.nsdl.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 at Mr. Sanjay Grover, B-88, 1st Floor, Defence Colony, New Delhi-110024.
13. 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 Tuesday, 19th March, 2013 at 4.00 P.M. at the Registered Office of the Company at D3, P3B, District Centre, Saket, New Delhi – 110017. The resolution 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.
14. 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 hrs. to 13.00 hrs. up to the date of declaration of the result of Postal Ballot.
15. Members are requested to fill in the postal ballot form in indelible ink and not in any erasable writing mode.
16. The voting rights of Members shall be in proportion to their shares of the Paid up Equity Share Capital of the Company.
17. 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

Place : New Delhi
 Date : January 24, 2013

Sd/-
 Sudhakar Shetty
 Company Secretary

EXPLANATORY STATEMENT FOR THE PROPOSED RESOLUTION ACCOMPANYING THE NOTICE DATED JANUARY 24, 2013, PURSUANT TO SECTION 173(2) READ WITH SECTION 192A(2) OF THE COMPANIES ACT, 1956

ITEM NO. 1

The Members are aware that International Finance Corporation ("IFC"), had entered into a Shareholders Agreement ("Agreement") inter-alia with the Company and invested INR 404.86 Cr in the Company in the form of Equity Shares and Compulsory Convertible Debentures.

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 IFC including the right to appoint a Nominee Director of IFC on the Board of Directors of the Company.

The amendments proposed to be made to the Articles are given in the draft resolution at item no. 1 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. 1 for approval of the Shareholders by way of a Special Resolution.

None of the Directors of the Company is, in any way, concerned or interested in the proposed resolution.

ITEM NO. 2

The Members are requested to note that the Board of Directors of the Company (the "Board") at their meeting held on January 24, 2013 approved the re-appointment of Mr. Sunil Godhwani as Chairman & Managing Director for a period of three years with effect from April 8, 2013.

Based on the recommendations of the Nomination/Remuneration/Compensation Committee, the Board at its meeting held on January 24, 2013 also approved the remuneration payable to Mr. Sunil Godhwani, for the aforesaid tenure as stated in the Resolution.

Statement pursuant to the provisions of Schedule XIII to the Companies Act, 1956 is given below:

I. GENERAL INFORMATION:

- a) **Nature of Industry:** Religare Enterprises Limited is a financial services holding company with a portfolio of operating subsidiaries and joint ventures that are based in India and have a strategic presence in select emerging markets overseas. As of September 30, 2012, our portfolio companies had a presence in over 1,900 locations across India and service more than 1.2 million customers. Through our portfolio companies, we offer customer-centric financial products and services and have a presence across multiple customer segments including mass market, mass affluent, high networth individuals ("HNI"), small and medium enterprises ("SME") and Mid and large corporate clients and institutional clients.
- b) **Date of commencement of commercial production:** The Company was incorporated on 30th January, 1984
- c) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** N.A.
- d) **Financial performance based on given indicators as per Stand alone Audited Financial Results for the year ended March 31, 2012:**

Particulars	For the year ended 31 st March, 2012 (Rs. in Million)
Turnover and Other Income	569.50
Net Profit/ (Loss) as per Profit & Loss A/c	(8,162.14)

- e) **Export performance and net foreign exchange collaborations:** N.A

- f) **Foreign investments or collaborators :** The Company has received an investment of Rs. 404.86 crores by issue of Equity Shares and Compulsory Convertible Debentures from International Finance Corporation ('IFC', a member of the World Bank Group) in November 2012. IFC is a premier development finance institution and this investment reflects the faith that IFC has placed in the growth prospects and execution ability of the Company. Furthermore, the Company's shares are publicly traded and Foreign Institutional Investors acquire the shares of the Company from the open market from time to time.

The Company is a financial services holding company and the businesses are operated through subsidiaries or joint ventures that are separate legal entities. In India, the Company has entered into joint ventures with two reputed international financial services groups, viz. AEGON NV of Netherlands for the Life Insurance business and Macquarie of Australia for the Wealth Management business.

II. INFORMATION ABOUT THE APPOINTEE:

a) Background Details:

Mr. Sunil Godhwani, aged 52 years is a Graduate in Chemical Engineering and holds a Masters Degree in Industrial Engineering & Finance from Polytechnic Institute of New York. He has a rich business experience of more than 22 years.

Under his leadership the Company has achieved a tremendous growth in a very short span of time.

A high standard of professionalism, integrity and corporate ethics is what he always strived for in the organization.

Besides his qualifications, he is a person of outstanding caliber and possesses vast experience and capabilities for managing the increasing business activities of the Company.

b) Past Remuneration:

Mr. Sunil Godhwani had drawn a remuneration of Rs. 8,08,61,538 during the financial year 2011-12 as Chairman cum Managing Director of the Company.

Total remuneration of Mr. Sunil Godhwani inclusive of Salary, dearness allowance, perquisites and any other allowance has been changed to an amount not exceeding Rs. 48 lacs p.a. w.e.f. October 1, 2011 or such amount within the limits prescribed by Schedule XIII of the Companies Act, 1956 ("Act") from time to time. The Company has filed an application with Ministry of Corporate Affairs (MCA) under Sec. 309(5B) of the Act for waiver of recovery of excess amount of Rs. 7,60,61,538 paid to Mr. Sunil Godhwani during the financial year 2011-12 and the same is still pending as on date. The said excess amount will be held by Mr. Sunil Godhwani in trust for the Company till the final decision of the MCA on the said application for waiver.

c) Recognition or Awards:

- He was conferred the "Udyog Rattan Award" under the aegis of Institute of Economic Studies at Indian Habitat Centre.
- He was conferred the "CEO of the year Award" at CEO Clubs International Awards.
- He was conferred an award for "Indian Business Leader of the Year" in recognition of his Professional and Social Contributions at Global India Business Meeting.

d) Job Profile and Suitability of the Appointee:

Mr. Sunil Godhwani, aged 52 years is one of the most respected and well-known person in the Indian Financial Services Industry.

Mr. Sunil Godhwani had successfully led the Religare group in its financial services business and has been the guiding force in terms of its vision and management. Under his able guidance, Religare has emerged as a significant enterprise in the financial services business and this is also reflected in the growth of REL since the time he took over as Managing Director of the Company in the year 2007. The total consolidated income of the Company increased from Rs. 896.51 Cr. in 2007-08 to Rs. 3248.19 Cr. in 2011-12 registering a growth of over 260%. Under his active leadership & guidance the Religare team is driven towards an ethical and dynamic institution of wealth creation.

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 become 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.

Under the dynamic leadership of Mr. Sunil Godhwani, Religare have built an Asia & Emerging Markets focused Institutional Equities & Investment Banking business and a multi boutique Global Asset Management platform to tap the broader opportunities offered by the most promising emerging markets around the world. Religare, which was primarily focused on equity broking, have expanded into a diversified financial services conglomerate, operating through subsidiaries and joint ventures in India and Outside India.

Considering the focus on different areas of financial services business such as asset financing, institutional and retail broking, life and health insurance, domestic and global asset management business and investment banking, the growth sought to be achieved globally 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.

e) Remuneration Proposed:

Total Remuneration by way of salary, dearness allowance, perquisites and any other allowances not exceeding the present prescribed limit of Rs. 48 lakhs per annum each, in terms of provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956 or such other amount within the limits prescribed by the aforesaid Section from time to time.

f) Comparative remuneration profile with respect to the industry, size of the Company, profile of the position and person:

Though in terms of comparison, Mr. Sunil Godhwani is eligible for higher remuneration, given the fact Company is in losses, Company is proposing to pay him minimum remuneration as prescribed under the Companies Act, 1956. Hence, the proposed remuneration payable to Mr. Sunil Godhwani is justified compared to remuneration paid in the financial industry and the size of the Company.

g) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

Except for the proposed remuneration, Mr. Sunil Godhwani does not have any pecuniary relationship with the Company or with any managerial Personnel except that he holds 15,00,000 Equity Shares and 14,70,750 Stock Options of the Company or any stock options/shares that he may be further allocated under the REL ESOS – 2012 from time to time.

(III) OTHER INFORMATION :

(i) Reasons of loss or inadequate profits

The Company, being a financial services holding company and having no operating business of its own, is dependent on income by way of interest, dividends from subsidiaries etc. to generate profits. Given that the businesses of some of the Company's subsidiaries are at the investment stage, the subsidiaries do not have sufficient profit to declare a dividend. Furthermore, during the financial year ended March 31, 2012, the Company has, as a matter of prudence, made provisions for diminution in the value of some of its investments, which represents a non-cash charge in the Company's Profit and Loss Account. In light of these factors, the Company has reported a loss during the financial year ended March 31, 2012.

(ii) Steps taken or proposed to be taken for improvement:

The Company is focused on ensuring that the operating businesses are run optimally and has put in place a robust performance management system for its subsidiaries and joint ventures. The Company has also ensured that the subsidiaries and joint ventures are managed by talented and result-oriented staff at all levels and has provided them adequate resources to deliver results. As the subsidiaries start generating operating surpluses, these will be distributed as dividends and improve the financial results of the Company.

(iii) Expected increase in productivity and profits in measurable terms

The Company has reported a profit of Rs. 141.21 crores for the six months ended September 30, 2012 (as per unaudited financial results). A large part of the profit has been contributed by dividend received from one of the Company's subsidiaries and therefore the profit for the first half of the year cannot be extrapolated. However, the Company is confident that it will remain profitable for the year and will endeavor to generate profits in coming years.

The aforesaid resolution would require the approval of the shareholders of the Company pursuant to Sections 198, 269, 309, 316 read with Schedule XIII of the said Act and other applicable provisions of the Companies Act, 1956. This may be treated as an abstract of the terms of contract of Mr. Sunil Godhwani, Chairman & Managing Director with the Company as required under Section 302 of the Companies Act, 1956.

The Directors recommend the Resolution for approval of Shareholders by way of a Special Resolution.

None of the Directors except Mr. Sunil Godhwani are interested or concerned in the proposed Resolution.

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

Place : New Delhi
Date : January 24, 2013

Sd/-
Sudhakar Shetty
Company Secretary