THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a shareholder(s) of Religare Enterprises Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or your investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your Shares in the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

RHC Finance Private Limited

a private limited company, incorporated under the Companies Act, 1956
(Registered Office: 55, Hanuman Road, Connaught Place, New Delhi 110001, Tel: +91-11-23346875, Fax: +91-11-23346876)

Along with the following Person Acting in Concert

RHC Holding Private Limited

a private limited company, incorporated under the Companies Act, 1956
(Registered Office: 55, Hanuman Road, Connaught Place, New Delhi 110001, Tel: +91-11-23346875, Fax: +91-11-23346876)

MAKE A CASH OFFER AT Rs. 457/- PER FULLY PAID UP EQUITY SHARE TO ACQUIRE UP TO
2,79,92,715 Shares representing 21.7 % of the Share Capital (20% of the Diluted Share Capital) of the Target Company

Religare Enterprises Limited

a company incorporated under the Companies Act, 1956
(Registered Office: D3, P3B, District Centre, Saket, New Delhi - 110017, India, Telephone: +91 11 3912 5000; Fax: +91 11 3912 6505)

Note:

- This Offer is being made pursuant to and in accordance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereof.
- This Offer is not subject to a minimum level of acceptance.
- This Offer is subject to certain statutory and regulatory approvals described in detail in paragraph 90
- If there is any upward revision of the Offer Price by the Acquirer till the last permitted date for revision (January 6, 2011) or withdrawal of the Offer, the same would be informed by way of a Public Announcement in the same newspapers in which the original Public Announcement had appeared. Such revised Offer Price would be payable for all the Shares tendered anytime during the Offer and accepted under the Offer.
- Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement/ Letter of Offer, can withdraw the same up to three working days prior to the closure of the Offer (January 12, 2011).
- **If there is a competitive bid: (i) the public offers under all the subsisting bids shall close on the same date; (ii) as the Offer Price cannot be revised during seven working days prior to the closing date of the offers / bids, it would therefore, be in the interest of the Shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.**
- **There has been no competitive bid as on date.**
- A copy of the Public Announcement and this Letter of Offer (including the Form of Acceptance-cum-Acknowledgement and the Form of Withdrawal) is expected to be available on SEBI's website (www.sebi.gov.in).

Manager to the Offer		Registrar to the Offer
kotak Investment Banking	Kotak Mahindra Capital Company Limited Bakhtawar, 1st Floor, 229, Nariman Point Mumbai 400 021 Tel: +91 22 6634 1100, Fax: +91 22 2840492 Contact Person: Mr. Chandrakant Bhole Email: Project.RelOffer@kotak.com	Karvy Computershare Private Limited Plot No 17 to 24, Vittalrao Nagar Madhapur, Hyderabad 500 081 Tel: +91 40 2342 0815, Fax: +91 40 2343 1551 Contact Person: Mr. Murali Krishna Email: murali@karvy.com

Activity	Date	Day
Public Announcement	August 25, 2010	Wednesday
Specified Date	September 3, 2010	Friday
Last date for a competitive bid, if any	September 15, 2010	Wednesday
Last date for dispatch of Letter of Offer to the Shareholders of the Target Company	December 24, 2010	Friday
Offer Opens on	December 29, 2010	Wednesday
Last date for revising the Offer Price	January 6, 2011	Thursday
Last date for withdrawing acceptance of the Offer	January 12, 2011	Wednesday
Offer Closes on	January 17, 2011	Monday
Last date for communicating acceptance (in full or part) and rejection of application by registered post and payment of consideration for application accepted	February 1, 2011	Tuesday

Risk Factors

Risks factors (i) relating to the Offer, (ii) relating to the Transaction and (iii) involved in associating with the Acquirer/ PAC and the likely adverse affect of these risk factors on the Shareholders

I. Risks relating to the Offer:

- The Offer is subject to the receipt of certain statutory and regulatory approvals described in detail in Section VII. In the event any of the required statutory approvals are refused or under such circumstances as in the opinion of SEBI merit withdrawal of the Offer, the Offer may be withdrawn in terms of regulation 27 of the Regulations.
- In the event that either: (a) regulatory approvals are not received in time, (b) there is any litigation leading to a stay/ injunction on the Offer or that restricts/ restrains the Acquirer/ PAC from performing its obligations hereunder, or (c) SEBI instructing the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Shares are accepted under the Offer as well as the return of Shares not accepted under the Offer by the Acquirer may get delayed. In case of delay, due to non-receipt of statutory approval(s), then in accordance with regulation 22(12) of the Regulations, SEBI may, if satisfied that non-receipt of approvals was not due to any willful default or negligence on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer agreeing to pay interest to the Shareholders. Further, Shareholders should note that after the last date of withdrawal i.e. January 12, 2011, unless permitted under applicable law, Shareholders who have lodged their acceptances would not be able to withdraw them even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed.
- The Shares tendered in the Offer will be held in trust by the Registrar to the Offer till the completion of the Offer formalities, and the Shareholders will not be able to trade such Shares. During such period, there may be fluctuations in the market price of the Shares. The Acquirer makes no assurance with respect to the market price of the Shares both during the period that the Offer is open and upon completion of the Offer and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.
- In the event of oversubscription in the Offer, the acceptance of the Shares tendered will be on a proportionate basis and will be contingent on the level of oversubscription. The unaccepted Shares will be returned to the Shareholders in accordance with the Schedule of Activities for the Offer.
- The Acquirer, the PAC and the Manager to the Offer accept no responsibility for the statements made otherwise than in this Letter of Offer /PA and anyone placing reliance on any other source of information (not released by the Acquirer, the PAC or the Manager to the Offer) would be doing so at his/her/their own risk.

II. Risks relating to Transaction

- The Acquirer has entered into an escrow agreement with Escrow Agent (defined hereinafter), whereby the Block Purchase Shares will be held in an escrow account established in the name of the Escrow Agent, and the Block Purchase Shares will continue to remain in the escrow account until completion of the Open Offer formalities with the voting rights in respect of the Block Purchase Shares being exercised by the Escrow Agent until completion of the Open Offer formalities.

III. Risks relating to Acquirer

- The Promoter Group is already in control of the Target Company and the Acquirer, part of the Promoter Group, is only making the Offer pursuant to consolidation of their holdings in the Target Company.
- There is no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.

The risk factors set forth above pertain to the Offer and do not relate to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a shareholder in the Offer. The shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

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Key Definitions

Acquirer	RHC Finance Private Limited, a private limited company incorporated in India on 26th July, 2007 under the Companies Act, 1956 (Registered Office: 55, Hanuman Road, Connaught Place, New Delhi 110001, India)
BSE	Bombay Stock Exchange Limited
Block Purchase Shares	Agreement to acquire 7,812,499 Shares of the Target Company at a price of Rs. 457 per equity share constituting 6.1% of the Paid-up Capital of the Target Company pursuant to a transaction carried out on August 24, 2010 via block deal on the National Stock Exchange of India Limited
Cash Deposit	The amount of Rs. 145,00,00,000/- held in the escrow account with Kotak Mahindra Bank Limited, 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai – 400021
Diluted Share Capital	Share capital after the Proposed Preferential Issue and Warrant Conversion (i.e., 13,99,63,574 Shares being the sum of Share Capital, Proposed Preferential Issue and Warrants)
Eligible Shareholders	All shareholders/beneficial owners (registered or otherwise) of Shares (other than the Acquirer and the persons acting in concert)
FEMA	Foreign Exchange Management Act, 1999, as amended
FIPB	Foreign Investment Promotion Board
Form of Acceptance-cum-Acknowledgment	Form of Acceptance-cum-Acknowledgement attached to this Letter of Offer
I T Act	(Indian) Income Tax Act, 1961
Letter of Offer	This Letter of Offer dated December 24, 2010
Manager to the Offer / KMCC	Kotak Mahindra Capital Company Limited
Maximum Consideration	The maximum consideration payable under this Offer, assuming full acceptance, is Rs. 1279,26,70,755/- (Rupees One Thousand Two Hundred and Seventy Nine Crores Twenty Six Lacs Seventy Thousand Seven Hundred and Fifty Five only)
NBFC	Non Banking Financial Company registered with the Reserve Bank of India
NSE	National Stock Exchange of India Limited
Offer	Offer being made by the Acquirer for acquiring up to 2,79,92,715 Shares representing 21.7% of the Share Capital (20.0% of the Diluted Share Capital), from the Shareholders at the Offer Price payable in cash
Offer Committee	Committee set up by the board of directors of the Target Company vide their Board meeting dated July 30, 2010 for the purpose of fund raising
Offer Period	20 day period from the date of the opening of the Offer on December 29, 2010 to the closing of the Offer on January 17, 2011 (both days inclusive)

Offer Price	Price of Rs. 457 (Rupees Four Hundred and Fifty Seven only) per Share payable in cash
Offer Size	2,79,92,715 Shares representing 21.7% of the Share Capital (20.0% of the Diluted Share Capital)
PAC / Person Acting in Concert	RHC Holding Private Limited, a private limited company incorporated in India on 19th April, 2007 under the Companies Act, 1956 (Registered Office: 55, Hanuman Road, Connaught Place, New Delhi 110001, India)
Paid-up Capital	Fully paid-up equity capital of the Target Company of Rs. 12,793.09 lacs comprising of 127,930,863 shares of face value of Rs. 10/- each as on the date of the PA
Proposed Preferential Issue	Proposed issue and allotment on a preferential basis of 5,617,977 fully paid up equity shares of Rs. 10/- each of the Target Company for cash at a price of Rs. 445/- per share, including a premium of Rs. 435/- per share to the Acquirer
Promoters / Promoter Group	Promoters of the Target Company holding 7,30,34,540 shares representing 56.7% shareholding of the Share Capital (52.2% of the Diluted Share Capital)
Public Announcement /PA	Public announcement of this Offer made on behalf of the Acquirer to the Shareholders, which appeared on August 25, 2010 in all editions of Financial Express, and Jansatta, and on August 26, 2010 in the Mumbai edition of Maharashtra Times
RBI	Reserve Bank of India
Registrar to the Offer	Karvy Computershare Private Limited
Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
SEBI	Securities and Exchange Board of India
Share	Each fully paid up equity share of the Target Company having a face value of Rs.10
Share Capital	The paid-up equity capital comprising of 12,87,27,620 shares (which include 796,757 shares on account of ESOPs issued by the Target Company under the Employee Stock Option Scheme - 2006 that may be exercised during the period of the Offer) of Rs.10 each as on the date of the Public Announcement as per the information from the Target Company
Shareholders	Shareholders of the Target Company
Specified Date	September 3, 2010 being the date for the purpose of identifying shareholders of the Target Company to whom the Letter of Offer will be sent
Stock Exchanges	BSE and NSE
Transaction	The Proposed Preferential Issue and Block Purchase Shares resulting in a potential consolidation of the Promoter Group's shareholding in the Target Company
Target Company /REL	Religare Enterprises Limited, a public limited company, incorporated in India on January 30, 1984 under the Companies Act, 1956 (Registered Office: D3, P3B, District Centre, Saket, New Delhi - 110017, India)
Warrants	Issue and allotment on a preferential basis of 5,617,977 warrants to the Acquirer with entitlement to subscribe equivalent number of equity shares of Rs. 10/- each of the Target Company for cash at a price of Rs. 445/- per share including a premium of Rs. 435/- per share
Warrant Conversion	Conversion of 5,617,977 Warrants held by the Acquirer into equivalent number of Shares on November 30, 2010

Note: All terms beginning with a capital letter used in this Letter of Offer, but not otherwise defined herein, shall have the meanings ascribed thereto in the Regulations.

I. Disclaimer Clause

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF RELIGARE ENTERPRISES LIMTED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, PACs OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 8, 2010 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.

II. Details of the Offer

Background of the Offer

1 This open offer ("Offer") is being made by RHC Finance Private Limited, ("Acquirer") along with RHC Holding Private Limited, hereinafter referred to as Person Acting in Concert ("PAC") pursuant to and in compliance with, among others, Regulation 11(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto ("Regulations").

2 As on the date of the PA, the paid-up equity capital of the Target Company is Rs. 12,793.09 lacs. The paid-up equity capital consists of 127,930,863 shares of face value of Rs. 10 each ("Paid-up Capital"). As on the date of the PA, the Target Company has outstanding ESOPs under the Employee Stock Option Scheme - 2006 comprising of 796,757 shares that may be exercised during the period of the Offer ("Outstanding ESOPs). The Paid-up Capital taken together with Outstanding ESOPs comprise 12,87,27,620 shares.

3 Of the Share Capital, 7,30,34,540 shares representing 56.7% shareholding is held by the promoter group of the Target Company. The Acquirer and PAC are part of the Promoter Group.

4 This Offer is being made by the Acquirer to the equity shareholders of Religare Enterprises Limited in compliance with regulation 11(2) of the Regulations as a result of the following transactions:

a. On August 24, 2010, the Offer Committee of the Board of Directors of Target Company has agreed to issue and allot on a preferential basis to the Acquirer, ("Proposed Preferential Issue") 5,617,977 fully paid up equity shares of Rs. 10/- each ("Shares") of the Target Company for cash at a price of Rs. 445/- per share, including a premium of Rs. 435/- per share, in accordance with section 81(1A) of the Companies Act, 1956 and the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the subsequent amendments thereto ("ICDR Regulations").

b. On August 24, 2010, the Acquirer acquired 7,812,499 Shares of the Target Company at a price of Rs. 457 per equity share ("Block Purchase Shares") pursuant to a transaction carried out via block deal on the National Stock Exchange of India Limited ("NSE"). The Acquirer has entered into an escrow agreement on August 24, 2010 with Karvy Computershare Private Ltd having place of business at Plot No 17-24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081 (the "Escrow Agent"), whereby the aforesaid Block Purchase Shares will be held in an escrow account established in the name of the Escrow Agent, and the Block Purchase Shares will continue to remain in the escrow account until completion of the Open Offer formalities. The voting rights in respect of the Block Purchase Shares shall be exercised by the Escrow Agent till the completion of the Open Offer formalities.

5 On August 24, 2010, the Offer Committee of the Board of Directors of Target Company had agreed to issue and allot on a preferential basis to the Acquirer, 5,617,977 warrants with entitlement to subscribe equivalent number of equity shares of Rs. 10/- each of the Target Company for cash at a price of Rs. 445/- per share including a premium of Rs. 435/- per share ("Warrants"). The Warrants have been subsequently converted into underlying Shares by the Acquirer on November 30, 2010 ("Warrant Conversion").

6 After completion of the Proposed Preferential Issue and Warrant Conversion, the number of outstanding shares will increase from Share Capital of 128,727,620 to 139,963,574 on a fully diluted basis ("Diluted Share Capital") as per the following computation:

	No. of Shares
Paid-up Capital as on the date of the PA	**127,930,863**
ESOP's Issued under Employee Stock Option Scheme - 2006 that may be exercised during the period of the Offer	796,757
Share Capital	**128,727,620**
Shares proposed to be issued under Proposed Preferential Issue	5,617,977
Warrants converted into Shares pursuant to Warrant Conversion	5,617,977
Diluted Share Capital	**139,963,574**

7 The Acquirer belongs to the Promoter Group of the Target Company, which in aggregate owns 56.7% of the Share Capital. The Proposed Preferential Issue and Block Purchase Shares taken together with shares already held by the Promoter Group, will result in a potential consolidation of the Promoter Group's shareholding in the Target Company as given below:

Category	**Voting rights (%) before Proposed Preferential Issue and Block Purchase Shares**		**Voting rights (%) after Proposed Preferential Issue (on expanded capital)**		**Voting rights (%) after Block Purchase Shares (transfer to be executed post completion of open offer)**		**Voting rights (%) after Warrant Conversion on expanded capital**	
	No. of Shares	**%***	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%****
Promoters	66,539,794	52.0%	66,539,794	49.5%	66,539,794	49.5%	66,539,794	47.5%
Acquirer	-	0.0%	5,617,977	4.2%	13,430,476	10.0%	19,048,453	13.6%
PAC	6,494,746	5.1%	6,494,746	4.8%	6,494,746	4.8%	6,494,746	4.6%
Total Promoter Group	**73,034,540**	**57.1%**	**78,652,517**	**58.5%**	**86,465,016**	**64.4%**	**92,082,993**	**65.8%**
Public & Others	54,896,323	42.9%	55,693,080^	41.5%	47,880,581^	35.6%	47,880,581^	34.2%
Total	**127,930,863**	**100.0%**	**134,345,597**	**100.0%**	**134,345,597**	**100.0%**	**139,963,574**	**100.0%**

** % shareholding calculated on the Paid-up Capital*

^ Assuming exercise of 7,96,757 ESOPs issued by the Target Company under the Employee Stock Option Scheme - 2006

*** % shareholding calculated on Diluted Share Capital*

8 The Acquirer, the PAC and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the SEBI Act, 1992 or any other regulations made under the SEBI Act, 1992.

9 All shareholders forming part of the Promoter Group have confirmed that they shall be jointly and severally responsible for fulfillment of obligations of acquirers under the Regulations.

Details of the proposed Offer

10 In accordance with Regulation 14(1) and Regulation 15(1) of the Regulations, the Acquirer issued a Public announcement ("PA") on August 25, 2010, which appeared in all editions of Financial Express and Jansatta, and on August 26, 2010 in the Mumbai edition of Maharashtra Times. A copy of the PA is available on SEBI's website (www.sebi.gov.in).

11 Pursuant to this Offer, the Acquirer proposes to acquire 2,79,92,715 (Two crore seventy nine lacs ninety two thousand seven hundred and fifteen only) Shares of the Target Company ("Offer Size") representing 21.7 % of the Share Capital (20% of the Diluted Share Capital) of the Target Company, at a price of Rs.457 (Rupees Four hundred and fifty seven only) for each Share of the Target Company ("Offer Price"), to be paid in cash in accordance with the Regulations.

12 There are no partly paid-up Shares of the Target Company. This Offer is not subject to any minimum level of acceptance or any differential pricing.

13 The Acquirer has neither acquired nor has been allotted any Shares of the Target Company in the 12 months prior to the date of the PA. The PAC has been allotted 6,493,746 shares in the Rights Issue of the Target Company in the past 12 months at a price of Rs.355 per share.

The Acquirer and PAC have not acquired any Shares since the date of the PA and up to the date of this Letter of Offer other than as mentioned in paragraph 4 and 5 above.

However, the Acquirer or PAC may acquire Shares of the Target Company on the Stock Exchanges in compliance with and subject to the provisions of the Regulations and applicable law during the pendency of the Offer.

As per Regulation 20(7) of the Regulations, where any such aforementioned acquisition upto the closure of the Offer is at a price higher than the Offer Price, then, the highest price paid for such acquisition shall be payable for all acceptances received under the Offer. Further, no such acquisition shall be made during the last seven working days prior to the closure of the Offer, except Shares accepted in the Offer.

14 There have been no competitive bids till date.

15 To the extent of the Offer Size, all the Shares of the Target Company that are validly accepted in this Offer are proposed to be acquired by the Acquirer, subject to the terms and conditions of the Offer and receipt of approvals. In case the number of Shares validly tendered in the Offer is more than the Shares to be acquired in the Offer, the acquisition of Shares from each shareholder will be, as per the provisions of regulation 21(6) of the Regulations, on a proportional basis in such a way that the acquisition from any shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. As the Shares trade in the compulsory dematerialized settlement segment of BSE and NSE, the minimum marketable lot for the Shares is 1 (one).

16 The Shares to be acquired under this Letter of Offer are to be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.

17 This Offer is made to all shareholders of the Target Company except the Acquirer and the PAC.

18 The Letter of Offer is being sent to those shareholders of the Target Company (except the Acquirer and the PAC) whose names appeared in the Register of Members of the Target Company at the close of business hours on September 3, 2010, being the Specified Date, as required under the Regulations.

Object of the acquisition / Offer

19 The Offer is being made in accordance with regulation 11 (2) of the Regulations for the purpose of acquisition of shares and voting rights of the Target Company.

20 The Acquirer and the PAC wish to consolidate and enhance the stake of the Promoter Group in order to create more flexibility in managing the operations of the Target Company.

III. Background of the Acquirer and PAC

RHC Finance Private Limited - Acquirer

21 The Acquirer was incorporated as a private limited company on 26th July, 2007 as "Whyteleaf Investments Private Limited" under the Companies Act, 1956. Subsequently, on 20th April, 2010, it changed its name to "RHC Finance Private Limited" The Acquirer's registered office is located at 55, Hanuman Road, Connaught Place, New Delhi 110001, Tel: +91-11-23346875, Fax: +91-11-23346876.

22 The Acquirer is registered as a NBFC with Reserve Bank of India.

23 On 7th September, 2009, RHC Holding Private Limited acquired the entire issued and paid up equity capital of the Acquirer thereby making it a wholly owned subsidiary.

24 The Acquirer is a wholly owned subsidiary of RHC Holding Private Limited, which is ultimately wholly owned and controlled by Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh, Promoters of the Target Company.

25 The Acquirer has not held any Shares in the Target Company since inception and till the date of the PA and hence the provisions of Chapter II of the Regulations do not apply to the Acquirer, other than as mentioned in paragraph 4 and 5 above, for which the Acquirer has complied with applicable provisions of Chapter II of the Regulations.

26 The shares of the Acquirer are not listed on any stock exchange. The shareholding details of the Acquirer as on the date of the PA is as follows:

Sl No.	Name of Shareholder	No. of shares held	Percentage shareholding
1	RHC Holding Private Limited	2,099,900	100%
2	Malvinder Mohan Singh, Nominee	100	Negligible
	Total	**2,100,000**	**100%**

27 The details of the Board of Directors of the Acquirer as on the date of the PA are as under:

Name of director	Residential address	Educational Qualifications and Experience	Date of appointment	DIN
Mr. Malvinder Mohan Singh*	1, Rajesh Pilot Lane, New Delhi 110 011	Graduate in Economics from St. Stephens college, MBA from Fuqua School of Business Duke University Experience: Mr. Singh has over 15 years of experience and has worked extensively in the pharmaceutical business in his prior assignments. He was earlier CEO and MD of Ranbaxy Laboratories Limited, a promoter group company, which was later sold to Daiichi Sankyo. He has worked in diverse roles such as General Management, Sales & Marketing, Finance and Business Development.	August 23, 2010	00042981
Mr. Shivinder Mohan Singh	1, Rajesh Pilot Lane, New Delhi 110 001	B.A.(Hons) in Mathematics from St. Stephens College, Delhi and MBA with specialisation in health sector management from Fuqua School of Business Duke University Experience: Mr. Singh has over 14 years of experience and has worked extensively in the healthcare sector. He is one of the Promoters of group company Fortis Healthcare. He is currently the Managing Director of Fortis Healthcare Ltd.	August 23, 2010	00042910
Mr. Anil Panwar	47-C, DDA Flats, Phase-I, Masjid Moth, New Delhi-110048	Chartered Accountant (F.C.A.) Over 34 years of experience. Extensive experience in the finance function with prior assignments as Corporate Head – Treasury and Financial Resources at Escorts Ltd and President – Growth & Governance at group company Fortis Healthcare. He is currently the Chief Strategy Officer at RHC Holding Private Limited	August 12, 2010	00135751

** Mr. Malvinder Mohan Singh has applied for becoming a Permanent Resident of Singapore and his application has been approved*

None of the above directors is a director of the Target Company as of the date of the PA.

28 The financial details of the Acquirer for the last three years as derived from its audited financial statements are as set forth below:

Profit & Loss Statement (Rs.Lacs)	**Year Ended 31st March 2010**	**Year Ended 31st March 2009**	**Year Ended 31st March 2008**
Income from Operations	1,630	98	4
Other Income	-	-	-
Total Income	**1,630**	**98**	**4**
Total Expenditure	1,310	1	1
Profit before Depreciation Interest & Tax	**320**	**98**	**3**
Depreciation	1	-	-
Interest	77	64	-
Profit before Tax	**242**	**34**	**3**
Provision for Tax	85	11	1
Profit after Tax	**156**	**23**	**2**

Balance Sheet Statement (Rs. Lacs)	**As on March 31, 2010**	**As on March 31, 2009**	**As on March 31, 2008**
Sources of Funds			
Paid up share capital	210	210	210
Reserves and Surplus (excluding revaluation reserves)	181	25	2
Networth	**391**	**235**	**212**
Secured loans	-	-	-
Unsecured loans	9,010	257	-
Total	**9,401**	**493**	**212**
Uses of Funds			
Net fixed assets	85	-	-
Investments	-	198	-
Net current assets	9,317	293	210
Total miscellaneous expenditure not written off	-	2	2
Total	**9,401**	**493**	**212**

Other Financial Data	**Year Ended 31st March 2010**	**Year Ended 31st March 2009**	**Year Ended 31st March 2008**
Dividend (%)	-	-	-
Earning per share[1] (Rs.)	7.4	1.1	0.1
Return on Networth[2] (%)	39.9%	9.8%	1.1%
Book Value per share[3] (Rs.)	18.6	11.2	10.1

The above financials are based on audited accounts
[1]Earning per share calculated as Profit After Tax / Number of outstanding shares as at the end of the year
[2]Return on Networth calculated as Profit After Tax / Networth as at the end of the year
[3]Book Value per share computed as the Networth / Number of outstanding shares as at the end of the year

29 The Acquirer does not have any contingent liabilities as on March 31, 2010

30 The reasons for rise/fall in total income and PAT in the last three financial years are as follows:

a. During the year ended March 31, 2010, the Acquirer became a wholly owned subsidiary company of RHC Holding Private Ltd. During the year, the company has issued 0% OCD for Rs. 90,00,00,000 (Rupees Ninety Crore) to its holding company and deployed the funds in financing activity, trading in shares and securities, investment in mutual funds, and earned interest income of Rs.393.0 lacs which led to an increase in PAT to Rs.156.2 lacs

b. During the year ended March 31, 2009, the company obtained a Certificate of Registration from Reserve Bank of India to commence Non Banking Financial Activity and started its financing activity through which it earned interest income of Rs. 98.2 lacs and PAT of Rs. 23.0 lacs

31 The principal accounting policies applied in the preparation of the financials information presented in this document are set out below:

a. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention, on an accrual basis and in accordance with the generally accepted accounting principles in India, the applicable mandatory Accounting Standards as notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

b. Use of Estimates

The presentation of Financial Statements requires estimates and assumptions to be made that affects the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting year. Difference between the actual result and estimates are recognized in the period in which results are known/ materialized.

c. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

d. Change in Accounting Policy

The Company in Compliance with the Accounting Standard (AS-26) “Intangible Assets” issued by the Institute of Chartered Accountants of India, has changed its Accounting Policy for the amortization of preliminary expenses, these from being amortized over a period of five years are being fully amortized in the current year.

e. Fixed Assets

Fixed assets are stated at cost inclusive of incidental expenses, less accumulated depreciation.

f. Depreciation

Depreciation is provided on Straight Line Method, pro-rata to the period of use, at the rates specified in Schedule XIV of the Companies Act, 1956.

RHC Holding Private Limited - PAC

32 The PAC was incorporated as a private limited company on April 19, 2007 as "Solaris Finance Private Limited" under the Companies Act, 1956. Subsequently, on November 7, 2008, it changed its name to "RHC Holding Private Limited" The Acquirer’s registered office is located at 55, Hanuman Road, Connaught Place, New Delhi 110001, Tel: +91-11-23346875, Fax: +91-11-23346876.

33 On September 24, 2008, pursuant to a scheme of amalgamation as approved by the order of the High Court of Delhi dated September 4, 2008, Oscar Holdings Private Limited and Ranbaxy Holding Company (at the time a promoter group company of the Target Company) merged into RHC Holding Private Limited (at the time known as “Solaris Finance Private Limited”)

34 The PAC is engaged in the business of lending and advancing money and is registered as a NBFC company with Reserve Bank of India.

35 PAC owns 100% shareholding of the Acquirer, and is in turn is ultimately owned and controlled by Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh, Promoters of the Target Company.

36 The PAC has complied with the provisions of the Chapter II of the Regulations with respect to the Target Company, wherever applicable

37 The shares of the PAC are not listed on any stock exchange. The shareholding details of the Acquirer as on the date of the PA are as follows:

Sr. No.	Name of the Entity	No. of Shares	Percentage
1	Malav Holdings Private Limited	45,699,610	49.99
2	Shivi Holdings Private Limited	45,687,400	49.98
3	Mr. Malvinder Mohan Singh	7,390	0.01
4	Mr. Shivinder Mohan Singh	19,600	0.02
	Total Paid Up Capital	**91,414,000**	**100.00**

38 The details of the Board of Directors of the PAC as on the date of the PA are as under:

Name of director	Residential address	Educational Qualifications and Experience	Date of appointment	DIN
Mr. Malvinder Mohan Singh*	1, Rajesh Pilot Lane, New Delhi 110 011	Graduate in Economics from St. Stephens college, MBA from Fuqua School of Business Duke University Experience: Mr. Singh has over 15 years of experience and has worked extensively in the pharmaceutical business in his prior assignments. He was earlier CEO and MD of Ranbaxy Laboratories Limited, a promoter group company, which was later sold to Daiichi Sankyo. He has worked in diverse roles such as General Management, Sales & Marketing, Finance and Business Development.	November 10, 2008	00042981
Mr. Shivinder Mohan Singh	1, Rajesh Pilot Lane, New Delhi 110 001	B.A.(Hons) in Mathematics from St. Stephens College, Delhi and MBA with specialisation in health sector management from Fuqua School of Business Duke University Experience: Mr. Singh has over 14 years of experience and has worked extensively in the healthcare sector. He is one of the Promoters of group company Fortis Healthcare. He is currently the Managing Director of Fortis Healthcare Ltd.	November 10, 2008	00042910

Name of director	Residential address	Educational Qualifications and Experience	Date of appointment	DIN
Mrs. Japna Malvinder Singh	1, Rajesh Pilot Lane, New Delhi 110 001	B.A. (Hons.) in Political Science Experience: Over 10 years of experience at group companies including Oscar Investments Limited and Ranbaxy Holding Company. Currently Managing Director at Oscar Investments Limited	November 10, 2008	00238896
Mrs. Aditi Shivinder Singh	1, Rajesh Pilot Lane, New Delhi 110 001	B.Sc in Chemistry & P.G. Diploma Experience: Over 10 year of experience at group companies including Oscar Investments Limited and Ranbaxy Holding Company. Currently Managing Director at RHC Holding Private Limited	November 10, 2008	00286354

** Mr. Malvinder Mohan Singh has applied for becoming a Permanent Resident of Singapore and his application has been approved*

None of the above directors is a director of the Target Company as of the date of the PA.

39 The financial details of the PAC on a consolidated basis for the last three years as derived from its audited financial statements are as set forth below:

Profit & Loss Statement (Rs. Lacs)	**Year Ended 31st March 2010**	**Year Ended 31st March 2009**	**Year Ended 31st March 2008**
Income from Operations	35,799	385,055	14,062
Other Income	100	138	86
Total Income	**35,899**	**385,193**	**14,148**
Total Expenditure*	3,870	2,447	722
Profit before Depreciation Interest & Tax	**32,029**	**382,746**	**13,426**
Depreciation	57	22	17
Interest	-	3,640	14,878
Profit before Tax	**31,971**	**379,085**	**(1,469)**
Provision for Tax	10,001	75,948	768
Profit after Tax	**21,970**	**303,137**	**(2,237)**

Balance Sheet Statement (Rs. Lacs)	**As on March 31, 2010**	**As on March 31, 2009**	**As on March 31, 2008**
Sources of Funds			
Paid up share capital	9,141	9,141	220
Reserves and Surplus (excluding revaluation reserves)	654,610	632,650	330,602
Networth	663,751	641,791	330,822
Secured loans	51,501	-	32,267
Unsecured loans	133,000	1,500	118,788
Total	**848,252**	**643,291**	**481,876**

Balance Sheet Statement (Rs. Lacs)	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008
Uses of Funds			
Net fixed assets	1,809	1,643	1,623
Deferred Tax assets	11	12	10
Investments	333,239	184,429	401,824
Net current assets	513,193	457,207	75,203
Total miscellaneous expenditure not written off	-	-	3,217
Total	**848,252**	**643,291**	**481,876**

Other Financial Data	Year Ended 31st March 2010	Year Ended 31st March 2009	Year Ended 31st March 2008
Dividend (%)	-	-	-
Earning per share[1] (Rs.)	24.0	331.6	(101.6)
Return on Networth[2] (%)	3.3%	47.2%	-0.7%
Book Value per share[3] (Rs.)	726.1	702.1	15,037.4

The above financials are based on audited accounts
**Total Expenditure includes non-interest finance costs such as debenture issue expenses, loan pre-payment charges, currency fluctuation, securities transaction tax and others*
[1]Earning per share calculated as Profit After Tax / Number of outstanding shares as at the end of the year
[2]Return on Networth calculated as Profit After Tax / Networth as at the end of the year
[3]Book Value per share computed as the Networth / Number of outstanding shares as at the end of the year

40 The following are the details of the PAC's contingent liabilities as on March 31, 2010:

Particulars	Rs. Lacs
Demand of Rs. 329.7 lacs raised by National Pharmaceuticals Pricing Authority (N.P.P.A). The Company has deposited a sum of Rs. 129.7 lacs and contested the demand in Hon'ble High Court of Delhi.	200.0

41 The reasons for rise/fall in total income and PAT in the last three financial years are as follows:

a. During the year ended March 31, 2010, the PAC has deployed its funds in financing activity and made investments in Mutual funds, CP/CD and accordingly earned interest income of Rs. 25,513.3 lacs which formed the bulk of the total income earned by the PAC

b. During the year ended March 31, 2009, the PAC had sold its entire stake in a promoter group company Ranbaxy Laboratories Ltd. at a price of Rs.737 per share to a Japanese pharmaceutical company – Daiichi Sankyo and earned a profit of Rs. 3,59,953.7 lacs resulting in a sharp increase in income and profit in FY 2009

42 The principal accounting policies applied in the preparation of the financials information presented in this document are set out below:

Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention, on an accrual basis and in accordance with the generally accepted accounting principles in India, the applicable mandatory Accounting Standards as notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

Fixed Assets and Depreciation

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss if any. Cost includes taxes, duties, freight and incidental expenses related to the acquisition and installation of Assets.
Depreciation is charged on Written Down Value method at the rates specified in accordance with the provisions of schedule XIV of the Companies Act, 1956.

Intangible Assets

Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and the cost of the assets can be measured reliably.

The intangible assets are recorded at cost and are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

Impairment of Assets

A substantial portion of the company's assets comprises of 'financial assets' to which Accounting Standard 28 'Impairment of Assets' is not applicable. In the opinion of the management, there is no impairment of its assets (to which the standard applies), requiring recognition in terms of the said standard.

Investments

Investments are classified into current and long-term investments. Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments. Long term investments are accounted at cost and any decline in the carrying value other than temporary in nature is provided for. Current investments are valued at lower of cost or market value/ fair value.

Stock in Trade

Trading stock of shares and securities is valued at lower of the cost or market value.

Revenue Recognition

a) Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.

b) Dividend income is accounted for when the right to receive the payment is established.

c) Interest and other dues are accounted on accrual basis.

d) Revenue from Sale of Shares & Securities is recognized on the date of sale of such Shares & Securities.

Employee Benefits

Provident Fund is a defined contribution scheme and the contributions as required by the statute are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.

Gratuity Liability is a defined obligation and is wholly unfunded. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent external actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the balance sheet date. Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

The employees of the Company are entitled to compensated absences and leave encashment as per the policy of the Company, the liability in respect of which is provided, based on an actuarial valuation as at the balance sheet date.

The Company has defined Superannuation contribution plan which is managed by Life Insurance

Corporation of India (LIC) wherein it annually contributes a sum equivalent to employee's eligible annual basic salary to LIC. The Company recognizes such contributions as an expense in the year they are incurred.

Foreign Currency Transactions

Transactions in foreign currencies are recorded at the rate of exchange in force at the time of occurrence of the transactions.

Exchange differences arising on settlement of revenue transactions are recognized in the profit and loss account.

Monetary items denominated in a foreign currency are restated using the exchange rates prevailing at the date of the balance sheet and the resulting net exchange difference is recognized in the Profit and Loss Account.

Taxation

Tax expense comprises of current and deferred income tax and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act. Deferred Tax is recognized, subject to consideration of prudence, on timing differences, being difference between taxable income and accounting income/ expenditure that originate in one period and are capable of reversal in one or more subsequent year(s). Deferred taxes are reviewed for their carrying values at each balance sheet date.

Borrowing Cost

Borrowing Costs are accounted for as expense in the period in which they are incurred and are related to.

Earning per Share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue and share split. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the affects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date

43 **Disclosure in terms of Regulation 16(ix) of the Regulations**

a. The Acquirer and the PAC wish to consolidate and enhance the stake of the Promoter Group in order to create more flexibility in managing the operations of the Target Company.

b. As on the date of this Letter of Offer, the Acquirer does not have any plans to dispose of or otherwise encumber any assets of the Target Company in the next two years except in the ordinary course of business of the Target Company, and except to the extent required for the purpose of restructuring and/or rationalization of operations, assets, investments, liabilities or otherwise of the Target Company.

c. Other than in the ordinary course of business, the Acquirer undertakes that it shall not sell, dispose of or otherwise encumber any substantial asset of the Target Company except with the prior approval of the shareholders of the Target Company to the extent required by applicable law.

IV. Continuous Listing

44 If the Offer results in the public shareholding of the Target Company being reduced to less than the minimum public shareholding threshold, the Acquirer undertakes to comply with the continuous listing guidelines laid out in the Listing Agreement of the Target Company with stock exchanges as required by Regulation 21(2) of the Regulations within a time period of 12 months from the date of closure of the open offer.

V. Background of the Target Company

45 REL is a public limited company incorporated under the Companies Act, 1956 having its registered and corporate office at D3, P3B, District Centre, Saket, New Delhi - 110017, India, Telephone: +91 11 3912 5000; Facsimile: +91 11 3912 6505.

46 REL was incorporated on January 30, 1984 as a private limited company by the name of "Vajreshwari Cosmetics Private Limited" under the Companies Act, 1956. The name was subsequently changed to "Religare Enterprises Private Limited" with effect from January 31, 2006. With effect from August 11, 2006, Religare Enterprises Private Limited became a public limited company under its current name and got listed on BSE and NSE on November 21, 2007.

47 REL is a global financial services company offering a suite of financial products and services targeted at retail investors, high net worth individuals and corporate and institutional clients. Its financial products and services include equity and commodity broking, personal financial services, personal credit, online trading, wealth advisory services, portfolio management services, priority client equity services, arts initiative, international advisory, fund management services including film fund management and asset management, insurance broking, life insurance, investment banking and institutional broking.

48 In addition to its Indian operations, REL, through its subsidiaries, also has international offices in various countries including UK, Singapore, United States of America, Brazil, South Africa, Dubai, Qatar and Japan.

49 As on the date of the PA, the total paid-up capital of the Target Company was Rs. 12,793.1 lacs consisting of 127,930,863 Shares of face value Rs. 10 each. There were no partly paid-up shares of the Target Company. The share capital structure of the Target Company as on the date of the PA is as under:

	Number of Shares / voting rights	% of Shares / voting rights
Fully paid up equity shares	127,930,863	100
Partly paid up equity shares	-	-
Total paid up equity shares	127,930,863	100
Total voting rights in the Target Company	127,930,863	100

50 Build-up of the current capital structure of the Target Company since inception till the date of the PA is as under:

Date of Allotment	No. of Shares issued	% of the post-issue paid up capital	Cumulative Paid-up Capital (Rs.)	Mode of Allotment	Identity of allottees (Promoters / Ex-promoters/ Others)	Status of compliance with applicable provisions of the Regulations, under the SEBI Act, 1992 and other statutory requirements as applicable
January 30, 1984	20	100	200.00	Initial allotment	See Note 1	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
February 27, 1997	9,000	99.78	90,200.00	Further issue	See Note 2	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
March 10, 1999	10,980	54.9	2,00,000.00	Conversion of preference shares issued to the late Dr. Parvinder Singh	See Note 3	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
July 16, 1999	4,05,000	95.29	42,50,000.00	Further issue	See Note 4	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements

Date of Allotment	No. of Shares issued	% of the post-issue paid up capital	Cumulative Paid-up Capital (Rs.)	Mode of Allotment	Identity of allottees (Promoters / Ex-promoters/ Others)	Status of compliance with applicable provisions of the Regulations, under the SEBI Act, 1992 and other statutory requirements as applicable
September 10, 2005	4,95,75,000	99.15	50,00,00,000.00	Further issue	See Note 5	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
December 30, 2006	1,43,81,250	22.34	64,38,12,500.00	Preferential allotment	See Note 6	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
January 18, 2007	15,614	0.02	64,39,68,640.00	Preferential allotment	See Note 7	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
October 15, 2007	37,88,050	5.55	68,18,49,140.00	Preferential allotment	See Note 8	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
November 14, 2007	75,76,102	10	75,76,10,160.00	Equity Shares allotted pursuant to IPO of our Company	See Note 9	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
December 31, 2007	1,38,992	0.18	75,90,00,080.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
January 31, 2008	1,16,661	0.15	76,01,66,690.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
February 29, 2008	54,780	0.07	76,07,14,490.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
March 31, 2008	12,410	0.02	76,08,38,590.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
April 30, 2008	10,760	0.01	76,09,46,190.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
May 31, 2008	1,775	0.00	76,09,63,940.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
June 30, 2008	19,800	0.03	76,11,61,940.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
July 31, 2008	5,475	0.01	76,12,16,690.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements

Date of Allotment	No. of Shares issued	% of the post-issue paid up capital	Cumulative Paid-up Capital (Rs.)	Mode of Allotment	Identity of allottees (Promoters / Ex-promoters/ Others)	Status of compliance with applicable provisions of the Regulations, under the SEBI Act, 1992 and other statutory requirements as applicable
August 30, 2008	26,516	0.03	76,14,81,850.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
September 30, 2008	12,804	0.02	76,16,09,890.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
October 31, 2008	3,000	0.00	76,16,39,890.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
November 26, 2008	81,398	0.11	76,24,53,870.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
December 31, 2008	28,065	0.04	76,27,34,520.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
January 30, 2009	16,308	0.02	76,28,97,600.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
April 1, 2009	11,537	0.02	76,30,12,970.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
April 30, 2009	18,233	0.02	76,31,95,300.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
June 1, 2009	15,070	0.02	76,33,46,000.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
July 1, 2009	15,220	0.02	76,34,98,200.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
August 25, 2009	30,038	0.04	76,37,98,580.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
October 1, 2009	12,978	0.02	76,39,28,360.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
October 30, 2009	24,730	0.03	76,41,75,660.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements

Date of Allotment	No. of Shares issued	% of the post-issue paid up capital	Cumulative Paid-up Capital (Rs.)	Mode of Allotment	Identity of allottees (Promoters / Ex-promoters/ Others)	Status of compliance with applicable provisions of the Regulations, under the SEBI Act, 1992 and other statutory requirements as applicable
November 30, 2009	1,06,372	0.14	76,52,39,380.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
January 5, 2010	48,533	0.06	76,57,24,710.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
January 12, 2010	88,630	0.12	76,66,11,010.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
February 24, 2010	51107401	40	127,76,85,020.00	Rights Issue	See Note 11	Relevant disclosures under SEBI (SAST) Regulations filed with Stock Exchanges. Complied with other statutory requirements
March 4, 2010	45250	0.04	127,81,37,520.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
April 6, 2010	12710	0.01	127,82,64,620.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
May 7, 2010	13000	0.01	127,83,94,620.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
June 3, 2010	56920	0.04	127,89,63,820.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
July 9, 2010	22641	0.02	127,91,90,230.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements
August 3, 2010	11840	0.01	127,93,08,630.00	Equity Shares allotted pursuant to ESOS	See Note 10	SEBI (SAST) Regulations not applicable. Complied with other statutory requirements

Notes:

(1) *Allotment of 10 Equity Shares each to Mr. V. Subba Rao and Mr. V.M Bhutani at Rs. 10 per share. The Equity Shares were transferred to late Dr. Parvinder Singh and Mr. Shivinder Mohan Singh (held jointly) by Board meeting dated May 15, 1999, who subsequently transferred the Equity Shares at a price of Rs. 10 per Equity Share to Vitoba Cosmetics Private Limited by Board meeting dated June 30, 2001. Vitoba Cosmetics Private Limited subsequently transferred the Equity Shares at a price of Rs. 10 per Equity Share to Mr. Shivinder Mohan Singh by Board meeting dated January 15, 2005.*

(2) *Allotment of 9,000 Equity Shares to Tripoli Investments & Trading Company, Ranbaxy Animal Health Care Private Limited and Oscar Medical Enterprises Private Limited (presently known as Shivi Holdings Private Limited) at Rs. 10 per share. The Equity Shares held by Tripoli Investments & Trading Company were transferred to late Dr. Parvinder Singh and Mr. Shivinder Mohan Singh (held jointly) by Board meeting dated May 15, 1999. The Equity Shares held by Ranbaxy Animal Health Care Private Limited were transferred to late Dr. Parvinder Singh and Mr. Shivinder Mohan Singh (held jointly) and Mr. Shivinder Mohan Singh and Ms. Aditi Shivinder Singh (held jointly) by Board meeting dated May 15, 1999. The Equity Shares were subsequently transferred by Mr. Shivinder Mohan*

Singh and Mr. Shivinder Mohan Singh and Ms. Aditi Shivinder Singh (held jointly) to Vitoba Cosmetics Private Limited by Board meeting dated June 30, 2001. Vitoba Cosmetics Private Limited subsequently transferred the Equity Shares at a price of Rs. 10 per Equity Share to Mr. Shivinder Mohan Singh by Board meeting dated January 15, 2005.

(3) Conversion of 1,098 preference shares of Rs. 100 each held by late Dr. Parvinder Singh into 10,980 Equity Shares, at a price of Rs. 10 per Equity Share. The Equity Shares were subsequently transmitted to Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh on July 26, 1999. The Equity Shares were subsequently transferred to Vitoba Cosmetics Private Limited by Board meeting dated June 30, 2001. Vitoba Cosmetics Private Limited subsequently transferred the Equity Shares at a price of Rs. 10 per Equity Share to Mr. Shivinder Mohan Singh by Board meeting dated January 15, 2005.

(4) Allotment of 4,05,000 Equity Shares to Mr. Shivinder Mohan Singh and Ms. Aditi Shivinder Singh (held jointly) at Rs. 10 per share, out of which 1,94,000 were transferred at a price of Rs. 10 per Equity Share to Vitoba Cosmetics Private Limited and 2,12,500 Equity Shares were transferred at a price of Rs. 10 per Equity Share to Oscar Pharmaceuticals Private Limited by Board meeting dated June 30, 2001. Oscar Pharmaceuticals Private Limited subsequently transferred 2,12,500 Equity Shares at a price of Rs. 10 per Equity Share to Mr. Malvinder Mohan Singh and Vitoba Cosmetics Private Limited subsequently transferred 1,94,000 Equity Shares at a price of Rs. 10 per Equity Share to Mr. Shivinder Mohan Singh by Board meeting dated January 15, 2005.

(5) Allotment of 4,95,75,000 Equity Shares to Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh at Rs. 10 per Equity Share. Mr. Malvinder Mohan Singh transferred 62,50,000 Equity Shares to Mr. Gurpreet Singh Dhillon on June 2, 2006 and 5,00,000 Equity Shares were transferred to Mr. Sunil Godhwani and 100 Equity Shares to Ms. Japna Malvinder Singh at a price of Rs. 10 per Equity Share on July 13, 2006. Further, on June 2, 2006, Mr. Shivinder Mohan Singh has transferred 62,50,000 Equity Shares to Gurkirat Singh Dhillon and 5,00,000 Equity Shares were transferred to Mr. Sunil Godhwani and 100 Equity Shares to Ms. Aditi Shivinder Singh at a price of Rs. 10 per Equity Share on July 13, 2006.

(6) Allotment of 1,43,81,250 Equity Shares to Mr. Malvinder Mohan Singh, Malav Holdings Private Limited, Mr. Shivinder Mohan Singh, Shivi Holdings Private Limited, Rexcin Pharmaceuticals Private Limited, Best Laboratories Private Limited, Vectra Pharmaceuticals Private Limited and Hottinger & Cie at the price of Rs. 160 per Equity Share. Subsequently, the Equity Shares held by Rexcin Pharmaceuticals Private Limited and Best Laboratories Private Limited were transferred to Vectra Pharmaceuticals Private Limited and Prolific Drugs Private Limited, respectively and the same were recorded in the meeting of the Shareholders/Investors' Grievance Committee held on September 15, 2007.

(7) Allotment of 15,614 Equity Shares to Hottinger & Cie at the price of Rs. 160 per Equity Share on January 18, 2007. Pursuant to a share subscription agreement dated December 2, 2006 with Hottinger & Cie, The Target Company was to receive USD 1.80 crores from Hottinger & Cie towards allotment of Equity Shares at Rs. 160 per Equity Share. The Target Company assumed a conversion rate of Rs. 45 for every U.S dollar. A remittance of USD 1,79,99,943 was received on December 4, 2006 and December 21, 2006, against which the Target Company issued and allotted 50,21,864 Equity Shares on December 30, 2006. However, the prevailing average rate of conversion on these dates was Rs. 44.6389 for every U.S dollar. The total amount of remittance received was Rs. 80,34,98,256, amounting to an excess remittance of Rs. 24,98,256. Consequently, an allotment of additional 15,614 Equity Shares was made to Hottinger & Cie at the price of Rs. 160 per Equity Share, utilising the balance proceeds which resulted due to variation in the exchange rate.

(8) Allotment of 37,88,050 Equity Shares to Indopark Holdings Limited, an indirect wholly owned subsidiary of Merrill Lynch & Co., Inc. ("Indopark"), at the price of Rs. 160 per Equity Share. Pursuant to an investment agreement dated October 13, 2007 with Indopark, the Target Company was required to issue and allot 37,88,050 Equity Shares at Rs. 160 per Equity Share worth Rs. 60.61 crores to Indopark at a premium of Rs. 150 per Equity Share.

(9) Allotment of 75,76,102 Equity Shares to the investors pursuant to the IPO of the Target Company at the price of Rs. 185 per Equity Share.

(10) Allotment of Equity Shares to employees of the Target Company and its subsidiaries pursuant to the exercise of stock options granted to such employees.

(11) Allotment of 51107401 Equity Shares of the Target Company in the ratio of 2:3 pursuant to the Rights Issue of the Target Company at a price of Rs. 355/- per equity Share.

51 There has been no suspension of trading of the Shares of the Target Company on the Stock Exchanges.

52 There has not been any non-listing of any Shares of the Target Company at the Stock Exchanges.

53 There are no outstanding convertible instruments (warrants/FCDs/PCDs) etc. in the Target Company as of date of PA. There are no partly paid up Shares of the Target Company.

54 The Target Company and the Promoters have complied with the applicable provisions of Chapter II of the Regulations within the time specified in the Regulations.

55 The Target Company has complied with the listing requirements of the Stock Exchanges. No penal / punitive actions have been taken by the Stock Exchanges.

56 The Board of Directors of the Target Company, as of the date of the PA, is as under:

Name	**Date of Appointment**	**Educational Qualifications**	**Residential Address**	**DIN**	**Designation**
Sunil Godhwani	13/07/2006	Graduate in chemical engineering and Master's degree in industrial engineering and finance from Polytechnic Institute, New York.	A-2, Inayat Farm, Fatehpur Beri, P.O. Mehrauli, New Delhi 110 030	00174831	Chairman & Managing Director
Shachindra Nath	06/04/2010	Bachelor's degree in law from the Banaras Hindu University, Varanasi, and a post graduate diploma in intellectual property rights from the Amity Law College.	C - 4, Sarai Khawaja, Green Valley, Sector 41 - 42, Faridabad-121012	00510618	Director & Group CEO
Anil Saxena	06/04/2010	Bachelor's degree in commerce from the University of Delhi. Member of the Institute of Chartered Accountants of India as well as the Institute of the Cost and Works Accountants of India.	House No. 603, Aspire-1, Supertech Emerald Court, Sector – 93A, Noida - 201301, U.P	01555425	Director & Group CFO
Harpal Singh	09/04/2007	Bachelor's (honours) degree in Economics from St. Stephen's College, Delhi and Bachelor of Science degree in Economics and a Master's degree in Public Affairs from the California State University at Hayward, California, U.S.A	B-10, Anand Niketan, New Delhi 110 021, India	00078224	Non- Executive Director
Deepak Ramchand Sabnani	09/04/2007	Received training in business from the Caritas Adult Education Centre, Hong Kong	No.5, Braga Circuit, Kadoorie Avenue, Kowloon, Hong Kong	01312836	Independent Director
J.W Balani	09/04/2007	Studied at Broadhembury College, Somerset, U.K.	Compas De La Victoria 3, 29012, Malaga, Spain	01338053	Independent Director
Kathryn Ann Matthews	06/07/2010	BSc. Economics Honours and Majored in Econometrics and Macroeconomic Theory from Bristol University.	38 Fielding Road, London W4 1HL, United Kingdom	03143587	Independent Director
Padam Bahl	09/04/2007	Bachelor's degree in Commerce from the Kurukshetra University and a Bachelor's degree in law from Guru Nanak Dev University, Amritsar. Fellow member of the Institute of Chartered Accountants of India. Also received a diploma in information system audit from SSI, Amritsar.	D-70, Ranjit Avenue, Amritsar , Punjab, India Pin-143001	01314395	Independent Director
Stuart Duncan Pearce	06/07/2010	CNNA , Portmouths, Polytechnics	C/O Qatar Financial Centre Authority, P.O. BOX 23245, Doha, Qatar	03167812	Independent Director

Name	Date of Appointment	Educational Qualifications	Residential Address	DIN	Designation
Sunita Naidoo	26/06/2008	Specialist in Orthodontics.	41, Pemberley Avenue, Bedford, MK 40 2LE Bedford, United Kingdom	02278137	Independent Director
G.P.S. Bhalla	09/04/2007	Qualified master mariner certified by the Ministry of Transport, GOI, New Delhi.	241, Sector 15A, Noida 201 301, India	01306166	Alternate Director to Mr. D. R Sabnani
R.K. Shetty	09/04/2007	Bachelor's degree in Mechanical Engineering from Karnataka University, Dharwad and has completed an executive development program from the Jamunalal Bajaj Institute of Management in Product Management Control in Mumbai	D- 2, 166, Chartered Cottage, Langford Road, Bangalore 560 025, India	01521858	Alternate Director to Mr. J.W Balani

57 Details of the experience of the Board of Directors of the Target Company are as under:

Mr. Sunil Godhwani

He has more than 20 years of experience in business. He was appointed as CEO and Managing Director of Target Company on April 9, 2007 and is currently Chairman and Managing Director. Mr. Godhwani is also the Chairman and Managing Director of Religare Securities Limited (RSL). Prior to becoming the Managing Director of the Target Company, he was Managing Director of RSL since April 15, 2002.

Mr. Shachindra Nath

Prior to joining the Target Company, he was at Abhipra Capital Limited as a senior consultant and held several key positions there from 1998 until 2000. In the past, he has also worked with Obeetee Textiles Limited, R.D. & Company and Garware Wall Ropes Limited. He has over 15 years of experience in the financial services industry.

Mr. Anil Saxena

Prior to joining the Target Company, he was at Kotak Securities Limited as their vice-president. In the past, he has also worked with Religare Technova Limited (formerly Fortis Financial Services Limited) and R. Singhania & Co. He has over 19 years of experience in the financial services industry.

Mr. Harpal Singh

Mr. Harpal Singh has had diverse experience of over 35 years in the corporate sector and has held senior positions in various TATA group companies, Hindustan Motors Limited, Mahindra and Mahindra Limited and Shaw Wallace. Further, Mr. Harpal Singh is and has been on the board of many premier educational institutions, including the Doon School, the Shriram School, the Scindia School and the Yadavindra Public School. He is also the Vice Chairman of the Salwan Schools Trust which runs 11 schools in the NCR.

Mr. Harpal Singh has also been a member of several Government Committees and is presently member of the Punjab Chief Minister's Advisory Committee on Industrial Growth and Development of Relevant Infrastructure. Mr. Harpal Singh is National Chairman of the CII Committee on Public Health and a Member of the CII National Committee on Healthcare and the National Committee on Primary and Secondary Education and the past Chairman of CII Punjab State Council. He was a member and Treasurer of the National Association of Real Estate Development.

Mr. Singh is a member of the Resource Persons Group for Delhi on healthcare as appointed by the Lt. Governor of Delhi and is a member of the Punjab Education Board. Further Mr. Singh is involved with the Public Health Foundation of India. Mr. Singh was in the past the Non-Executive Chairman of Ranbaxy Laboratories Limited and is the Mentor and Chairman Emeritus of Fortis Healthcare Limited. He is also the Chairman of Impact Projects Limited and Impact Agencies Limited.

Mr. Deepak Ramchand Sabnani

Mr. Sabnani has been engaged in the business of export and import of goods and has more than 31 years of work experience.

Mr. J. W. Balani

Mr. Balani is engaged in the business of export and import of white goods. Mr. Balani is currently associated with Atari S. L. and Time Concepts S.L. He has more than 40 years of work experience.

Ms. Kathryn Matthews

Ms. Matthews has experience of almost three decades in the international financial services business and has during this period held leadership positions in leading asset management firms globally.

Ms. Matthews started her career at Baring Asset Management. She left there after nearly 17 years to set up a global asset management business for Santander based in Boston. She has also worked for Axa Investment Managers as Head of their Global Institutional business and was a consultant to the asset management industry at William M Mercer briefly before joining Fidelity in 2003 as Head of Global Equities and Portfolio Strategies Group. She subsequently moved to Asia as Chief Investment Officer for Fidelity in the region.

Mr. Padam Bahl

Mr. Bahl has been practicing as a chartered accountant and an income tax advisor since 1979 and has more than 29 years of work experience. He was the Chairman of the Northern India Regional Council, Institute of Chartered Accountants of India, Amritsar Chapter for the year 1998-99 and was a member of the Income Tax Advisory Committee, Amritsar Chapter during the years 2002-03 and 2003-04.

Mr. Stuart D Pearce

Mr. Stuart Pearce has experience of 35 years in International financial services business including Asset Management, Corporate Banking & Private Banking.

In his last assignment, Mr. Pearce was the Chief Executive Officer and Director General of the Qatar Financial Centre Authority (QFC) and has led the centre's transformation into a world-class financial centre. Prior to being with the QFC, Mr. Pearce was associated with HSBC in senior management positions over a period of three decades ending in 2005 as the Chief Executive Officer of Investment Management, UK.

Dr. Sunita Naidoo

Ms Naidoo specializes in Orthodontics and has been practicing in the United Kingdom for the past 13 years. She has helped to set up and run a reputable practice at Clapham, Bedford.

Captain G.P.S. Bhalla

Mr. Bhalla has more than 58 years of work experience.

Mr. R.K. Shetty

Mr. Shetty has received the National Productivity Award in the year 1992 and is presently the President of Karnataka State Hockey Association; Vice President of Karnataka Olympic Association and has more than 31 years of work experience.

58 The Target Company was not involved in any merger/demerger/spin offs during the last 3 years. The history of name changes for the Target Company is as under:

- REL was incorporated on January 30, 1984 as a private limited company by the name of “Vajreshwari Cosmetics Private Limited” under the Companies Act, 1956.
- The name was subsequently changed to “Religare Enterprises Private Limited” with effect from January 31, 2006.
- With effect from August 11, 2006, Religare Enterprises Private Limited became a public limited company under its current name and got listed on BSE and NSE on November 21, 2007

59 The consolidated audited financials of the Target Company are as under:

Profit & Loss Statement	**For financial year ended March 31, 2010**	**For financial year ended March 31, 2009**	**For financial year ended March 31, 2008**
	Rs. Lacs	**Rs. Lacs**	**Rs. Lacs**
Income from operations	1,32,447	97,182	74,824
Other Income	35,076	21,924	14,827
Total Income	**1,67,522**	**1,19,106**	**89,651**
Total Expenditure.	1,13,009	84,325	48,553
Profit Before Depreciation, Interest and Tax	**54,513**	**34,782**	**41,098**
Depreciation	6,797	5,265	2,592
Interest	27,975	30,918	22,909
Profit Before Tax	**19,742**	**(1,401)**	**15,596**
Provision for Tax	10,027	5,119	6,407
Profit After Tax	**9,715**	**(6,520)**	**9,189**

Balance Sheet Statement	**As on March 31, 2010**	**As on March 31, 2009**	**As on March 31, 2008**
	Rs. Lacs	**Rs. Lacs**	**Rs. Lacs**
Sources of funds			
Paid up share capital	12,781	7,629	7,608
Paid up preference share capital	2,500	2,500	-
Reserves and Surplus (excluding revaluation reserves)	2,45,956	65,687	50,646
Share Application Money	18	1,80,016	-
Networth	**2,61,255**	**2,55,832**	**58,255**
Secured loans	1,57,555	49,555	72,323
Unsecured loans	3,99,644	76,802	2,34,121
Policy Holders Fund	6,391	906	-
Minority Interest	1,293	277	-
Total	**8,26,138**	**3,83,372**	**3,64,699**
Uses of funds			
Net fixed assets (including CWIP)	88,846	78,895	14,866
Investments	87,304	25,593	31,294
Deferred Tax Assets (Net)	142	213	287
Net current assets	6,49,846	2,78,671	3,18,252
Total miscellaneous expenditure not written off	-	-	-
Total	**8,26,138**	**3,83,372**	**3,64,699**

Other Financial Data	**For financial year ended March 31, 2010**	**For financial year ended March 31, 2009**	**For financial year ended March 31, 2008**
Dividend (%)	20.0%	-	25.0%
Earning per share[1] (Rs.)	7.6	(8.5)	12.1
Return on Networth[2] (%)	3.7%	-2.6%	15.8%
Book Value per share[3] (Rs.)	204.4	335.3	76.6

The above financials are based on audited accounts (Source: Annual reports of the Target Company)
[1]Earning per share calculated as Profit After Tax / Number of outstanding shares as at the end of the year
[2]Return on Networth calculated as Profit after Tax / Networth as at the end of the year
[3]Book Value per Share calculated as the Networth / Number of outstanding Shares as at end of the year
Note – Networth includes Equity share capital, Preference share capital and Reserves and Surplus (excl revaluation reserve and Minority interest), and share application money

60 The reasons for the rise and fall of net sales and profit after tax of the Target Company are as follows:

FY 2010

REL's Total Income was Rs. 1,67,522 lacs for the FY 2010, as compared to Rs. 1,19,106 lacs for FY 2009, a growth of 41% year-on-year. The growth was primarily an outcome of all business segments becoming operational and adding to the total income.

Religare reported a consolidated profit after tax of Rs. 9,715 lacs for FY 2010 as various businesses contributed to the bottom line.

FY 2009

FY 2009 witnessed severe recessionary conditions in the global market which had a direct impact on all sectors including the Indian Financial Services industry. Inspite of this, the total consolidated income of REL reported a growth of 33% at Rs. 1,19,106 lacs compared to Rs. 89,651 lacs in the previous year.

However REL recorded a consolidated loss after tax of Rs. 6,520 lacs in FY 2009 mainly due to pressure on margins, increase in interest cost on borrowings for acquisitions made by REL and scaling up of operations.

FY 2008

Consolidated revenues for FY 2008 at Rs. 89,651 lacs grew 180% over Rs. 32,012 lacs in FY 2007, as a result of growth across all major businesses. Consolidated profit after tax for FY 2008 at Rs. 9,189 lacs was up 270% over Rs. 2,487 lacs in FY 2007 as a result of increased scale of operations. PAT Margin for FY 2007-08 grew to 10% over 8% for FY 2007. REL also started expanding globally and partnered with some leading names across the globe.

61 Pre and post Offer shareholding pattern of the Target Company as on August 20, 2010 is as follows:

Shareholders' category	Shareholding & voting rights prior to the agreement/ acquisition and offer as on August 20, 2010 (A)		Shares /voting rights agreed to be acquired which triggered the Offer under the Regulations (B)		Shares /voting rights acquired post Warrant Conversion (C)		Shares/voting rights to be acquired in open offer (Assuming full acceptances) (D)		Share holding / voting rights after the acquisition and offer. i.e. (A)+(B)+(C) +(D) = (E)	
	No.	%	No.	%	No.	%	No.	%	No.	%**
(1) Promoter Group										
<u>(a) Parties to the Transaction</u>										
- Acquirer (Proposed Preferential Issue)			5,617,977	4.2%			27,992,715	20.0%	47,041,168	33.6%
- Acquirer (Block Purchase Shares)			7,812,499	5.8%						
- Acquirer (Warrant Conversion)					5,617,977	4.0%				
- PAC	6,494,746	5.1%	-	-					6,494,746	4.6%
(b) Promoters other than (a) above:	66,539,794	52.0%	-	-			-	-	66,539,794	47.5%
Total 1 (a+b)	**73,034,540**	**57.1%#**	**13,430,476**	**10.1%**	**5,617,977**	**4.0%**	**27,992,715**	**20.0%**	**120,075,708**	**85.8%**
(2) Acquirer & PAC^									-	
(a) Acquirer	-	-							-	-
(b) PAC	-	-					-	-	-	-
Total 2 (a+b)	**-**	**-**	**-**	**-**			**-**	**-**	**-**	**-**
(3) Parties to the Transaction other than (1)(a) and (2) above	**-**	**-**	**-**	**-**			**-**	**-**	**-**	**-**
(4) Public (other than parties to the Transaction, Acquirer & PACs)									This will depend on response from and within each category of (4)	
(a) Financial Institutions/ Banks	2,354,613	1.8%								
(b) Mutual Funds/ UTI	574,951	0.4%								
(c) FIIs	2,587,388	2.0%								
(d) Others	49,379,371	38.6%								
Total (4)	**54,896,323**	**42.9%**							**19,887,866***	**14.2%**
GRAND TOTAL (1+2+3+4)	**127,930,863**	**100.0%**							**139,963,574**	**100.0%**

^ The Acquirer and PAC are part of the Promoter Group and hence have been shown in the promoter shareholding in (1) above
** Assuming exercise of 7,96,757 ESOPs issued by the Target Company under the Employee Stock Option Scheme - 2006*
*** % shareholding calculated on Diluted Share Capital*
 # 56.7% of Share Capital

As on August 20, 2010, there were 42,254 public shareholders holding 5,48,96,323 Shares of the Target Company.

62 Change in the shareholding of the promoters in the Target Company is as under:

Details of changes in the shareholding of Promoters of REL

Date of Acquisition/ Transfer/ Transmission	Nature of Transaction	Nature of Consideration	No. of Equity Shares	Status of compliance with applicable provisions of the Regulations, under the SEBI Act, 1992 and other statutory requirements as applicable
Mr. Malvinder Mohan Singh				
26-Jul-99	Transmission from late Dr. Parvinder Singh.	Cash	5,490	Not Applicable
30-Jun-01	Sold to Vitoba Cosmetics Private Limited.	Cash	(5,490)	Not Applicable
15-Jan-05	Acquired from Oscar Pharmaceuticals Private Limited.	Cash	2,12,500	Not Applicable
10-Sep-05	Further issue	Cash	1,72,11,398	Not Applicable
			75,76,102	Not Applicable
2-Jun-06	Sold to Mr. Gurpreet Singh Dhillon.	Cash	(62,50,000)	Not Applicable
13-Jul-06	Sold to Mr. Sunil Godhwani.	Cash	(5,00,000)	Not Applicable
	Sold to Ms. Japna Malvinder Singh.	Cash	(100)	Not Applicable
30-Dec-06	Preferential allotment	Cash	9,37,500	Not Applicable
	Sub-Total		**1,91,87,400**	
Mr. Shivinder Mohan Singh				
15-May-99	Acquired from Mr. V. Subba Rao, Mr. V.M. Bhutani, Tripoli Investments & Trading Company and Ranbaxy Animal Health Care Private Limited.	Cash	4,520	Not Applicable
26-Jul-99	Transmission from late Dr. Parvinder Singh.	Cash	5,490	Not Applicable
30-Jun-01	Sold to Vitoba Cosmetics Private Limited.	Cash	(10,010)	Not Applicable
15-Jan-05	Acquired from Vitoba Cosmetics Private Limited	Cash	2,12,500	Not Applicable
10-Sep-05	Further issue	Cash	1,72,11,398	Not Applicable
			75,76,102	Not Applicable
2-Jun-06	Sold to Gurkirat Singh Dhillon.	Cash	(62,50,000)	Not Applicable
13-Jul-06	Sold to Mr. Sunil Godhwani.	Cash	(5,00,000)	Not Applicable
	Sold to Ms. Aditi Shivinder Singh.	Cash	(100)	Not Applicable
30-Dec-06	Preferential allotment	Cash	9,37,500	Not Applicable
Sub-Total			**1,91,87,400**	
Malav Holdings Private Limited				
30-Dec-06	Preferential allotment	Cash	14,06,250	Not Applicable
24-Feb-10	Allotment in Rights Issue	Cash	1,26,76,056	Complied With
Sub-Total			**1,40,82,306**	
Shivi Holdings Private Limited				
27-Feb-97	Further issue	Cash	3,000	Not Applicable
30-Jun-01	Sold to Vitoba Cosmetics Private Limited.	Cash	(3,000)	Not Applicable
30-Dec-06	Preferential allotment	Cash	14,06,250	Not Applicable
24-Feb-10	Allotment in Rights Issue	Cash	1,26,76,056	Complied With
Sub-Total			**1,40,82,306**	
RHC Holding Private Limited				
2-Dec-08	Acquired from secondary market	Cash	1,000	Complied with
24-Feb-10	Allotment in Rights Issue	Cash	64,93,746	Complied With
Sub-Total			**64,94,746**	

Date of Acquisition/ Transfer/ Transmission	Nature of Transaction	Nature of Consideration	No. of Equity Shares	Status of compliance with applicable provisions of the Regulations, under the SEBI Act, 1992 and other statutory requirements as applicable
Ms. Japna Malvinder Singh				
13-Jul-06	Acquired from Mr. Malvinder Mohan Singh	Cash	100	Not Applicable
24-Feb-10	Allotment in Rights Issue	Cash	66	Complied with
Sub-Total			**166**	
Ms. Aditi Shivinder Singh				
13-Jul-06	Acquired from Mr. Shivinder Mohan Singh	Cash	100	Not Applicable
24-Feb-10	Allotment in Rights Issue	Cash	66	Complied with
Sub-Total			**166**	
Mr. Abhishek Singh				
31-Mar-09	Acquired from secondary market		50	Not Applicable
Sub-Total			**50**	
Total			**73,034,540**	

63 The Target Company has confirmed that it is in compliance with the Corporate Governance provisions of Clause 49 of the Listing Agreement with the Stock Exchanges.

64 The status of pending litigations matters is as under:

S.No.	Case Filed By	Court	Case type and Date	Claim	Particulars	Status
1	Mr. Krishna Chetan Thakur	District Consumer Disputes Redressal Forum, Vadodra, Gujarat	Consumer complaint (being No. 460/2008 dated May 11, 2008)	Rs. 0.02 Cr + Interest and Rs. 0.002 Cr towards damages	- Complaint primarily against the subsidiary of REL namely Religare Securities Limited (RSL). - Complaint pertains to liquidation of customer's positions in the futures and options segment without any prior intimation to the customer	The matter is currently pending
2	Mr. Hitesh Chetan Thakur	District Consumer Disputes Redressal Forum, Vadodra, Gujarat	Consumer complaint (being No. 464/2008 dated May 11, 2008)	Rs. 0.02 Cr + Interest @ 11% p.a. and Rs. 0.002 Cr towards damages	- Complaint primarily against the subsidiary of REL namely Religare Securities Limited (RSL). - Complaint pertains to liquidation of customer's positions in the futures and options segment without any prior intimation to the customer	The matter is currently pending
3	Mr. Padma Ishwarbhai Sitlani	District Consumer Disputes Redressal Forum, Vadodra, Gujarat	Consumer complaint (being No.720/2008 dated June 13, 2008	Rs. 0.03 Cr + Interest @ 11% p.a. and Rs. 0.002 Cr towards damages	- Complaint primarily against the subsidiary of REL namely Religare Securities Limited (RSL). - Complaint pertains to liquidation of customer's positions in the futures and options segment without any prior intimation to the customer	The matter is currently pending

S.No.	Case Filed By	Court	Case type and Date	Claim	Particulars	Status
4	Ms. Jaya Durgadas Satlani	District Consumer Disputes Redressal Forum, Vadodra, Gujarat	Consumer complaint (being No. 721/2008 dated June 13, 2008)	Rs. 0.02Cr + Interest @ 11% p.a. and Rs. 0.002 Cr towards damages	- Complaint primarily against the subsidiary of REL namely Religare Securities Limited (RSL). - Complaint pertains to liquidation of customer's positions in the futures and options segment without any prior intimation to the customer	The matter is currently pending
5	Mr. Deepak Kumar Pancholi	District Consumer Disputes Redressal Forum, Vadodra, Gujarat	Consumer complaint (being No. 722/2008 dated June 13, 2008)	Rs. 0.01 Cr + Interest @ 11% p.a. and Rs. 0.002 Cr towards damages	- Complaint primarily against the subsidiary of REL namely Religare Securities Limited (RSL). - Complaint pertains to liquidation of customer's positions in the futures and options segment without any prior intimation to the customer	The matter is currently pending
6	Mr. Nandlal Jamnadas Bajaj	District Consumer Disputes Redressal Forum, Vadodra, Gujarat	Consumer complaint (being No. 465/2008 dated May 9, 2008)	Rs. 0.07 Cr + Interest @ 11% p.a. and Rs. 0.002 Cr towards damages	- Complaint primarily against the subsidiary of REL namely Religare Securities Limited (RSL). - Complaint pertains to liquidation of customer's positions in the futures and options segment without any prior intimation to the customer	The matter is currently pending
7	Mr. Amit Khandelwal	Consumer District court of Jaipur	Consumer complaint under Section 12 of the Consumer Protection Act	- Rs. 6,000 from October 31, 2007 along with interest and Rs. 50,000 towards damages	- Complaint against REL. - Complaint pertains to application for 35 shares in IPO for which the complainant has not received any shares or his amount till date	The matter is currently pending

65 The compliance officer of the Target Company is Mr. Ravi Batra (Address: D3, P3B, District Centre, Saket, New Delhi – 110017; Tel.: +91 0120 3394002, Fax: +91 0120 3394020)

VI. Offer Price and Financial Arrangements

Justification of Offer Price

66 The Shares of the Target Company are listed on BSE and NSE.

67 The annualized trading turnover during the period February 2010 to July 2010, the six calendar months prior to August 2010 (the month in which PA was made), was as follows:

Name of the Stock Exchange	Total number of Shares traded during the preceding 6 calendar months prior to the month of the PA (February 2010 to July 2010)	Total number of listed Shares	Annualised trading turnover (as % of total number of listed Shares)
BSE	41,09,046	127,930,863	6.42%
NSE	1,95,49,277	127,930,863	30.56%

Source: www.bseindia.com and www.nseindia.com

68 Based on the above information, the Shares of the Target Company are deemed to be frequently traded on both BSE and NSE as the annualized trading turnover based on the trading during six calendar months i.e. February 2010 to July 2010 is more than 5% of the total number of listed Shares in terms of Explanation (i) to Regulation 20(5) of the Regulations. As the annualized trading turnover on NSE is 30.37% as compared to 6.38% on BSE of the total number of listed Shares, the Shares of the Target Company are deemed to be "most frequently traded" on NSE in terms of Explanation (i) to Regulation 20(5) of the Regulations.

69 The details of closing prices and volume on NSE for the 26-week period prior to the date of the PA are as under:

Week Number	Week-ended	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (Number of Shares)
Week 1	2-Mar-10	380.60	361.85	371.23	391,027
Week 2	9-Mar-10	377.70	371.45	374.58	423,204
Week 3	16-Mar-10	369.80	364.45	367.13	422,357
Week 4	23-Mar-10	373.55	369.60	371.58	448,798
Week 5	30-Mar-10	372.70	368.35	370.53	321,134
Week 6	6-Apr-10	395.50	374.05	384.78	904,208
Week 7	13-Apr-10	401.50	393.05	397.28	399,081
Week 8	20-Apr-10	393.95	388.15	391.05	340,132
Week 9	27-Apr-10	439.45	386.15	412.80	2,319,060
Week 10	4-May-10	418.05	414.10	416.08	552,843
Week 11	11-May-10	428.00	411.70	419.85	887,987
Week 12	18-May-10	429.65	417.75	423.70	490,587
Week 13	25-May-10	425.00	410.85	417.93	376,572
Week 14	1-Jun-10	415.05	411.25	413.15	206,641
Week 15	8-Jun-10	450.25	429.80	440.03	607,139
Week 16	15-Jun-10	432.15	422.40	427.28	391,134
Week 17	22-Jun-10	422.80	387.00	404.90	5,544,318
Week 18	29-Jun-10	404.95	398.15	401.55	636,105
Week 19	6-Jul-10	412.85	404.65	408.75	365,696
Week 20	13-Jul-10	426.20	416.85	421.53	1,201,416
Week 21	20-Jul-10	416.35	405.10	410.73	226,286
Week 22	27-Jul-10	418.05	408.70	413.38	225,956
Week 23	3-Aug-10	419.65	411.80	415.73	201,546
Week 24	10-Aug-10	418.55	414.90	416.73	514,756
Week 25	17-Aug-10	455.40	431.15	443.28	2,580,899
Week 26	24-Aug-10	501.10	452.05	476.58	1,493,220
Average				**408.16**	

Source: www.nseindia.com

The details of intra-day high and low prices and volume on NSE for the 2-week period prior to the date of the PA are as under:

Day Number	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (Number of Shares)
1	11-Aug-10	475.00	411.50	443.25	1,239,384
2	12-Aug-10	466.75	435.00	450.88	924,900
3	13-Aug-10	464.70	441.00	452.85	232,506
6	16-Aug-10	457.00	436.20	446.60	44,468
7	17-Aug-10	457.40	440.10	448.75	139,641
8	18-Aug-10	459.30	451.10	455.20	120,554
9	19-Aug-10	461.00	454.00	457.50	65,517
10	20-Aug-10	462.50	445.00	453.75	30,128
13	23-Aug-10	475.00	457.00	466.00	61,039
14	24-Aug-10	517.50	455.10	486.30	1,215,982
Average				**456.11**	

Source: www.nseindia.com

Note: The Target Company announced a dividend of Rs. 2 per Share on March 19, 2010. The ex-dividend date was March 30, 2010. Therefore, the share price for the period March 19, 2010 to March 30, 2010 has been adjusted by Rs.2 per Share for computing the 26 week prices as per Explanation (i) to Regulation 20(11) of the Regulations.

70 The Offer Price of Rs. 457 per Share is justified in terms of Regulation 20(4) read with explanation to Regulation 20(11) of the Regulations as it is the highest of:

a)	The average of the weekly high and low of the closing prices for Shares of the Target Company on NSE for the 26 weeks:	
	- before the date of the PA - before the date of the Offer Committee resolution authorizing the Proposed Preferential Issue	Rs. 408.16/ Share Rs. 406.96/ Share
b)	The average of the daily high and low of the Shares of the Target Company on NSE for the two week period:	
	- before the date of the PA - before the date of the Offer Committee resolution authorizing the Proposed Preferential Issue	Rs. 456.11/ Share Rs. 449.00/ Share
c)	The negotiated price	Rs. 457.00/ Share
d)	The highest price paid by the Acquirer or persons acting in concert with them for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the 26 weeks before the date of the PA	Rs. 355.00/ Share

a. The Acquirer is permitted to revise the Offer Price upward up to 7 (seven) working days prior to the date of closure of the Offer. In the event of such a revision, an announcement would be made in the same newspapers in which this PA has appeared and the revised Offer Price would be paid for all Shares accepted under the Offer

71 There was no non-compete fee paid by the Acquirer in the agreement for the Transaction.

72 Based on the above, the Offer Price is justified in terms of Regulation 20(4) of the Regulations.

73 The Offer Price shall not be less than the highest price paid by the Acquirer and persons acting in concert for any acquisition of Shares of the Target Company from the date of PA upto seven working days prior to the closure of the Offer. Further, no Shares shall be acquired during the last seven working days prior to the closure of the Offer, except those accepted in the Offer.

74 As per the Regulations, the Acquirer can revise the Offer Price upwards up to 7 working days prior to the closure of this Offer and the revision, if any, would be announced in the same newspapers where the PA has appeared and the revised price will be paid for all shares acquired pursuant to this Offer.

Financial Arrangements

75 The maximum consideration payable under this Offer, assuming full acceptance, is Rs. 1279,26,70,755/- (Rupees One Thousand Two Hundred and Seventy Nine Crores Twenty Six Lacs Seventy Thousand Seven Hundred and Fifty Five only) (“Maximum Consideration”).

76 The Acquirer proposes to finance the Offer through internal accruals and/ or corporate borrowings. By way of security for performance of its obligations under Regulation 28 of the Regulations, the Acquirer and PAC have made financing arrangements of Rs. 1520,00,00,000/- (Rupees One Thousand Five Hundred and Twenty Crores only) comprising of the following:

a. Escrow arrangement for the Offer comprising a cash deposit of an amount of Rs.145,00,00,000/- (Rupees One Hundred and Forty Five Crores Only) in cash, which is adequate as per the computation of escrow amount as required by the Regulations. The Acquirer has made the cash deposit with Kotak Mahindra Bank Limited, 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai - 400021. This has been confirmed vide a confirmation letter dated August 24, 2010 issued by Kotak Mahindra Bank Limited. The Manager to the Offer is empowered to realize the value of the cash deposit in terms of the Regulations.

b. Undertaking by the PAC to provide such funds to the Acquirer as may be required by the Acquirer to meet the obligations under the Offer by way of loan subject to a maximum of the Maximum Consideration.

i. To meet its undertaking to the Acquirer, following are the details of the funds exclusively earmarked by the PAC:

Particulars	**Amount (Rs. Crore)**
Value of listed equity shares and Mutual Fund units (as of one day prior to the date of the Public Announcement)	800
Loans advanced to group companies which are available to the PAC on demand	575
Total	**1,375**

ii. The group companies have also provided an unconditional undertaking to repay the loans advanced by the PAC on demand without demur and have the ability to repay the loans advanced by the PAC as and when demanded.

77 M.S. Sekhon & Co, Chartered Accountants, 170, Madhuvan, Delhi – 110092; Tel. No. +91-11-42445194; Fax: +91-11-4244-5294; Membership Number: 87343 (“Accountants”) have confirmed vide their certificate dated August 24, 2010 that the Acquirer has adequate financial resources available for meeting its obligations under the Regulations for a value up to the Maximum Consideration.

78 On the basis of the aforesaid financial arrangements and the Accountants’ certificate, the Manager to the Offer confirms that adequate funds are available with the Acquirer through verifiable means to implement this Offer in full.

VII. Terms and Conditions of the Offer

79 This Letter of Offer specifying the detailed terms and conditions of this Offer along with the Form of Acceptance cum Acknowledgement (“Form of Acceptance-cum-Acknowledgment”) and Form of Withdrawal will be mailed to all the shareholders, except the Acquirer and the PAC, whose names appear on the Register of Members of the Target Company at the close of business hours on September 3, 2010 (“Specified Date”). Accidental omission to dispatch this Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate the Offer in any way.

80 Shares which are locked-in as per the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or restated, can be tendered in the Offer. In such an event, the residual lock-in period shall continue in the hands of the Acquirer. The Acquirer shall only accept Shares of the Target Company that are fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.

81 This Offer is made to all shareholders (other than the Acquirer and the PAC) of the Target Company as on the Specified Date and also to persons who acquire Shares before the closure of the Offer and tender these Shares into the Offer in accordance with the PA on or before January 17, 2011; save and except for the Acquirer and the PAC.

82 Subject to the terms and conditions of the Offer and receipt of necessary statutory/ regulatory approval, the Acquirer proposes to acquire, to the extent of the Offer Size, all Shares that are validly tendered under the Offer.

83 The Regulations provide for an upward revision of the Offer Price and the number of Shares to be acquired, at any time up to seven working days prior to the closure of the Offer viz. up to January 6, 2011 and allows withdrawal of the Offer under certain circumstances. Any such revision / withdrawal would be informed by way of an announcement in the same newspapers where the PA appeared. In case of revision, the revised price will be payable by the Acquirer for all the Shares that are validly tendered pursuant to the Offer.

84 Each shareholder of the Target Company to whom this Offer is being made is free to offer his shareholding in the Target Company in whole or in part while accepting this Offer. The acceptance must be unconditional and should be absolute and unqualified.

85 Eligible Shareholders who hold shares in **physical form** and who wish to tender their shares will be required to send the form of Acceptance-cum-Acknowledgement, duly signed and completed in the manner specified therein together with all the necessary documents, as specified in section VIII of this Letter of Offer entitled "Procedure for Acceptance and Settlement", to the Registrar to the Offer at any of its collection centers, mentioned under paragraph 95 of this Letter of Offer, either by hand delivery during Business Hours or by registered post (at Hyderabad collection center only) so that the same are received on or before the closing date i.e. January 17, 2011.

86 In respect of **dematerialised shares** the credit for the shares tendered must be received in the special account (as specified in paragraph 98) on or before 3 p.m. Indian Standard Time on January 17, 2011. If the Shareholders hold their shares through CDSL, their Depository Participant Instruction will have to take the form of an inter-depository delivery instruction to CDSL for the purpose of crediting their shares in favour of the Special Depository Account with NSDL as mentioned in paragraph 98 below.

87 The Acquirer will not be responsible in any manner for any loss of share certificate(s) and/or Offer acceptance documents during transit and the Shareholders of the Target Company are advised to adequately safeguard their interest in this regard. In case of any lacunae and/or defect or modifications in the documents/forms submitted, the acceptance is liable to be rejected.

88 **In case of non-receipt of this Letter of Offer**, the eligible shareholder may send his participation, to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, distinctive numbers, folio number, number of shares offered, along with the necessary documents (as mentioned in paragraph 97) so as to reach the Registrar to the Offer on or before the closure of the Offer.

89 The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute part of the terms of this Letter of Offer.

Statutory Approvals

90 This Offer is subject to the Acquirer's obtaining all necessary approvals including approvals from the Reserve Bank of India (the "RBI") under the Foreign Exchange Management Act, 1999, as amended from time to time, for the acquisition / transfer of the Shares tendered pursuant to this Offer, if required. The Acquirer has filed an application dated September 13, 2010 with the RBI for its approval for the transfer of shares tendered pursuant to the Offer.

91 As of the date of this Letter of Offer, to the best of the knowledge of the Acquirer, there are no other statutory approvals required for the Acquirer and the PAC to acquire the Shares that are validly tendered pursuant to this Offer.

92 To the best of the knowledge of the Acquirer, no approvals are required from financial institutions or banks for the Offer.

93 Notwithstanding paragraphs 90, 91 and 92 above, if any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals and the Acquirer will apply for such approval at the appropriate stage. The Acquirer will not proceed with the Offer in the event any statutory approval indicated herein is not obtained in terms of regulation 27 of the Regulations.

94 It may be noted that in case of non-receipt of statutory approvals within time, the Securities and Exchange Board of India (the "SEBI") has a power to grant an extension of time to the Acquirer for payment of consideration to shareholders subject to the Acquirer agreeing to pay interest for the delay, as directed by SEBI under regulation 22(12) of the Regulations. Further, if the delay occurs due to willful default of the Acquirer in obtaining the requisite approvals, regulation 22(13) of the Regulations will become applicable.

VIII. Procedure for Acceptance and Settlement

95 The Eligible Shareholders, who wish to avail of and accept this Offer, should deliver the requisite documents mentioned below as soon as possible by Registered Post or courier with acknowledgement due (at Hyderabad collection center only) or in person or by courier, so as to reach the Registrar to the Offer or the Registrar's Collection Centers at the addresses mentioned below before 3:00 pm Indian Standard Time on January 17, 2011. Eligible Shareholders are advised to ensure that the Form of Acceptance-cum-Acknowledgement and other documents are complete in all respects otherwise the same is liable to be rejected. In the case of dematerialized shares, Shareholders are advised to ensure that their shares are credited in favour of the special depository account, before the close of the Offer. The Form of Acceptance-cum-Acknowledgment of such dematerialised shares not credited in favour of the special depository account before the close of the Offer is liable to be rejected. The Form of Acceptance-cum-Acknowledgement along with all the relevant documents may be submitted at any of the collection centers below.

S.No	Collection Centre	Address of Collection Centre	Contact Person	Phone no	Fax	Mode of delivery
1	**Mumbai**	Karvy Computershare. Pvt Ltd. 24,Maharashtra Chamber. of Commerce. Lane, Opp. MSC Bank, Fort Mumbai – 400 023	Ms.Nutan Shirke	022-66381747 & 22842666 / 66382666	022-66331135	Hand Delivery
2	**New Delhi**	Karvy Computershare. Pvt Ltd. 305, New Delhi House, 27, Barakhamba Road, Connaught Place New Delhi - 110 001	Mr. Rakesh Kr Jamwal / Vinod Singh Negi	011-43681700	011-41036370	Hand Delivery
3	**Ahmedabad**	Karvy Computershare. Pvt Ltd. 201-203,Shail,Opp: Madhusudhan House Behind Girish Cold Drinks Off C G Road Ahmedabad ~ 380 006	Mr.Aditya Gupta/ Robert Joeboy	079- 66614772 / 9558803822	079-26565551	Hand Delivery
4	**Chennai**	Karvy Computershare. Pvt Ltd. No. 33/1, Venkatraman Street, T.Nagar, Chennai - 600017	Ms. S. Janaki	044 – 28151793/ 42121332	044-28153181	Hand Delivery
5	**Hyderabad**	Karvy Computershare. Pvt Ltd. Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081	Ms. Rinki Sareen	040-23420818-23 / 44655000	040-23431551	Hand Delivery/ Regd Post
6	**Kolkata**	Karvy Computershare. Pvt Ltd. 49, Jatin Das Road, Nr.Deshpriya Park, Kolkatta 700 029	Mr. Sujit Kundu/ Mr. Debnath	033-24644891	033-24644866	Hand Delivery
7	**Bengaluru**	Karvy Computershare. Pvt Ltd. No.59, Skanda, Putana Road, Basavanagudi Bengaluru 560 004	Mr. Kumaraswamy / Ms.V Sudha	080-26621192	080-26621169	Hand Delivery

Note: Business Hours: Monday to Friday 10:00 AM to 4:00 PM, Saturday 10:00 AM to 1:00 PM, Holidays: Sunday & Bank Holidays

NO SHARES OR DOCUMENTS SHOULD BE SENT DIRECTLY TO THE ACQUIRER / THE PAC/ THE TARGET COMPANY OR THE MANAGER TO THE OFFER

96 Applicants who cannot hand deliver their documents at the collection center referred to above, may send the same by registered post, at their own risk and cost, to the Registrar to the Offer at its address, Karvy Computershare Private Ltd, Plot No 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081, Ph.No.: +91 40 2342 0815; Fax No.: +91 40 2343 1551; email: murali@karvy.com; Contact Person: Murali Krishna

97 In case of non-receipt of this Letter of Offer, the Eligible Shareholders may obtain a copy of this Letter of Offer from the SEBI website “www.sebi.gov.in”, or obtain a copy of the same from the Manager to the Offer or Registrar to the Offer on providing suitable documentary evidence of acquisition of the Shares. Alternatively those desirous of tendering their Shares to the Acquirer may participate in the Offer as follows:

(a) In case Shares are held in the dematerialized form by sending their consent in writing on a plain paper to the Registrar to the Offer, such that it is received by the Registrar to the Offer before 3:00 p.m. Indian Standard Time on January 17, 2011, stating the name, address, no. of Shares held, no. of Shares offered, DP name, DP ID, beneficiary account number along with a photocopy of the Delivery Instruction in “Off-market” mode, duly acknowledged by the DP, in favour of " KCPL ESCROW ACCOUNT REL OPEN OFFER” filled as specified in paragraph 98. No indemnity would be required from unregistered Shareholders as regards the title of the Shares.

(b) In case of Shares held in the physical mode by sending their consent in writing to the Registrar to the Offer, on a plain paper stating the name, address, no. of Shares held, no. of Shares offered, distinctive nos., folio no., the original contract note issued by a registered share broker of a recognized stock exchange through whom such Shares were acquired, along with the original share certificate(s) and transfer deed(s) duly signed (as specified in paragraph 88, as applicable, above), either by hand delivery or by Registered Post or courier, such that these are received by the Registrar to the Offer before 3:00 p.m. Indian Standard Time on January 17, 2011.

98 Documents to be delivered by all shareholders

(a) For Shares held in the DEMATERIALIZED FORM

(i) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Shares, as per the records of the Depository Participant (“DP”).

(ii) Photocopy of the Delivery Instruction in “Off-market” mode or counterfoil of the delivery instruction slip in “Off-market” mode, duly acknowledged by the DP. The details of the special depository account are as follows:

Depository Name	National Securities Depository Ltd. (NSDL)
DP Name	Karvy Stock Broking Limited
DP ID Number	IN300394
Account Name	KCPL ESCROW ACCOUNT REL OPEN OFFER
Beneficiary Account Number	17759789
ISIN	INE621H01010
Market	Off-Market
Date of Credit	On or before January 17, 2011

** Shareholders should ensure that the Shares are credited in the aforementioned account on or before 3 p.m. Indian Standard Time on January 17, 2011.*

Please note the following:

(i) For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance-cum-Acknowledgment.

(ii) The Registrar to the Offer is not bound to accept those acceptances, for which corresponding Shares have not been credited to the above special account or for shares that are credited in the above special account but the corresponding Form of Acceptance-cum-Acknowledgment has not been received as on the date of closure of the Offer.

(b) In case of Shares held in the PHYSICAL MODE by REGISTERED SHAREHOLDERS:

(i) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders. In case of Shares held in joint names, names should be filled up in the same order in which they hold Shares in the Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer;

(ii) Original equity share certificate(s); and

(iii) Valid equity share transfer form(s) duly signed by transferor (by all the equity shareholders in case the Shares are in joint names) as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place(s).

PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.

(c) In case of Shares held in the PHYSICAL MODE by PERSONS NOT REGISTERED AS SHAREHOLDERS:

(i) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein;

(ii) Original equity share certificate(s) accompanied by valid share transfer forms as received from the market, wherein the name of the transferee has not been filled in; and

(iii) Original broker contract note of a registered broker of a recognized stock exchange in relation to the purchase of the Shares being tendered in this case.

(iv) In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company / its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Company/ its transfer agents, of the share certificate(s) and the transfer deed(s).

(v) No indemnity regarding title is required from persons not registered as Shareholders.

99 Non-resident Shareholders should, in addition to the above, enclose copy(ies) of permission(s), received from RBI or any other regulatory authority to acquire shares held by them in the Target Company. Overseas Corporate Bodies ("OCBs" as defined under FEMA) are requested to seek a specific approval of the RBI and a copy of such approval must be provided along with other requisite documents in the event that any OCB shareholder tenders its shares in the Open Offer. In case the previous approvals from the RBI are not submitted, the Acquirer reserves the right to reject such Shares tendered.

100 Shareholders who have sent their physical Shares for dematerialization may participate in the Offer by submitting the Form of Acceptance-cum-Acknowledgement along with a copy of the dematerialization request form duly acknowledged by the Depository Participant. Shareholders who have sent their physical Shares for dematerialization need to ensure that the process of getting their Shares dematerialized is completed well in time so that the credit in the special depository account duly instructed by the shareholder should be received on or before 3 p.m. Indian Standard Time on January 17, 2011, else the application will be rejected.

101 Applications in respect of Shares of the Target Company that are subject matter of litigation wherein the shareholders of the Target Company may be prohibited from transferring the Shares during the pendency of the said litigation are liable to be rejected if the directions / orders regarding these Shares are not received together with the Shares tendered under the Offer. This Letter of Offer in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

102 All Eligible Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):

- Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
- Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
- No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
- In case of companies, the necessary certified corporate authorisations (including board and/or general meeting resolutions).

103 In case the number of Shares validly tendered in the Offer by the Shareholders of the Target Company are more than the Shares to be acquired under the Offer, the acquisition of Shares from each shareholder will be, as per the provisions of Regulation 21(6) of the Regulations, on a proportional basis in such a way that the acquisition from any shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. As the Shares trade in the compulsory dematerialized settlement segment of BSE and NSE, the minimum marketable lot for the Shares is 1 (one).

104 Subject to the statutory approvals, the Acquirer intends to complete all formalities, including the payment of consideration within a period of Fifteen (15) days from the closure of the Offer, (i.e., February 1, 2011) and for the purpose open a special account as provided under regulation 29, provided that where the Acquirer is unable to make the payment to the Shareholders who have accepted the Offer before the said period of 15 days due to non-receipt of requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to

diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Shareholders for delay beyond Fifteen (15) days, as may be specified by SEBI from time to time.

105 The unaccepted share certificates, transfer forms and other documents, if any, would be returned by registered post at the Shareholders' sole risk. Shares, to the extent unaccepted, held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per details furnished in the Form of Acceptance.

106 The Registrar to the Offer will hold in trust the share certificates, credit of dematerialized Shares, form of acceptance duly filled in and the transfer deed(s) on behalf of the Shareholders of the Target Company who have accepted the Offer, till such time as the Acquirer completes the obligations under the Offer.

107 The payment of consideration for accepted applications will be made by the Acquirer in cash through Electronic Clearing Services ("ECS") (subject to availability of all information for crediting the funds), account payee cheques, drafts, warrants, etc. sent by Registered Post for amounts exceeding Rs. 1,500 and otherwise by UCP in accordance with the Regulations, and the same will be drawn in the name of the first named person in case of joint Shareholders.

In order to avail the ECS facility, Eligible Persons holding Shares in physical mode are requested to submit the enclosed ECS mandate form duly filled in and signed while submitting the Form if the same has not been submitted earlier to the Target Company/ Registrar. Eligible Persons holding shares in dematerialised mode are requested to instruct their respective depository participant regarding bank accounts in which they wish to receive the consideration before the close of the Offer. Acquirer/ PAC / Registrar will not act on any direct request received from Eligible Persons holding Shares in dematerialised form for change/ deletion of such bank details.

108 A copy of this Letter of Offer (including the Form of Acceptance-cum-Acknowledgement) is expected to be available on SEBI's web-site (www.sebi.gov.in) during the period the Offer is open. Eligible Shareholders can make an application in the Offer in the form downloaded from SEBI's website as one of the alternatives for applying in the Offer.

109 In terms of the Regulations, shareholders desirous of withdrawing their acceptances tendered in the offer can do so up to January 12, 2011, being three working days prior to the close of the Offer. The withdrawal option can only be exercised by submitting the Form of Withdrawal as per the instructions below so as to reach the Registrar to the Offer at its address Karvy Computershare Private Ltd, Plot No 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081, Ph.No.: +91 40 2342 0815; Fax No.: +91 40 2343 1551; email id: murali@karvy.com; Contact Person: Murali Krishna

110 In case of non-receipt of the Form of Withdrawal the withdrawal option can be exercised by making an application on plain paper along with details as mentioned in paragraph 97 above.

Tax related Provisions

111 No tax will be deducted at source on payment made to resident share holders for purchase price of shares acquired under the open offer and as per the prevailing laws

112 As per the provisions of Section 195(1) of the Income Tax Act, 1961 (IT Act), any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and cess). Since the Offer consideration would be chargeable to capital gains under the IT Act, the Acquirer will need to deduct tax at source (including surcharge and cess) at the applicable capital gains tax rate on the gross consideration payable to the following categories of Shareholders, as given below:

a. Non-resident Indians: The Acquirer will deduct tax at source (including surcharge and cess) at presently prevalent rates on the Offer Price.

b. Non-domestic companies: The Acquirer will deduct tax at source (including surcharge and cess) at presently prevalent rates on the Offer Price.

c. Other Foreign investors: The Acquirer will deduct tax at source (including surcharge and cess) at presently prevalent rates on the Offer Price.

In the event the aforementioned categories of Shareholders require non-deduction of tax or deduction of tax at a lower rate or on a lower amount, they would need to obtain an order from the Income Tax authorities under Section 195(3) or Section 197 of the IT Act, and submit the same while submitting the Form. On failure to produce such certificate from the Income Tax authorities, tax will be deducted as aforesaid, and a certificate in the prescribed form shall be issued to that effect.

113 FIIs enjoy exemption from tax deduction at source on capital gains under Section 196D(2) of the IT Act and hence no tax shall be deducted on amount payable to FIIs subject to receipt of an undertaking from them stating their residential status and that it does not have a permanent establishment in India and the amount received by them as a part of the Offer constitutes capital gains and does not constitute business income for them and that similar gains have been taxed as capital gains by the tax authorities in India in the past.

114 For the purpose of determining as to whether the capital gains are short-term or long-term in nature:

a. In the case of physical Shares registered with the Target Company, the date of registration of the Shares with the Target Company shall be taken as the date of acquisition.

b. In the case of physical Shares not registered with the Target Company, the capital gain shall be assumed to be short-term in nature.

c. In the case of dematerialized Shares, the date of credit of the Shares to the Shareholders' demat account in India shall be taken as the date of acquisition.

d. In case of any ambiguity, incomplete or conflicting information or the information not being available with the Target Company regarding the same, the capital gain shall be assumed to be short-term in nature.

All Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.

IX. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Eligible Shareholders at the office of the Manager to the Offer at 1st floor, Bakhtawar, 229 Nariman Point, Mumbai 400 021 on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 10:30 am to 1:00 pm from the date of opening of the Offer up to the closure of this Offer.

- Certified true copy of Certificate of Incorporation, Memorandum and Articles of Association of the Acquirer and the PAC.
- Audited annual reports / financial statements of the Acquirer, PAC and the Target Company for the financial year ended March 31, 2008, March 31, 2009 and March 31, 2010.
- Certificate from Mr. Rajiv Tandon (Membership No.: 87343), Partner of M.S. Sekhon & Co, dated August 24, 2010 certifying the adequacy of financial resources with Acquirer to fulfill the Offer obligations
- Escrow Agreement between the Acquirer, Kotak Mahindra Bank Limited and the Manager to the Offer dated August 24, 2010
- Copy of the agreement between the Acquirer, the Registrar to the Offer and the Depository Participant for opening the Special Depository Account for the purpose of the Offer
- Letter from Kotak Mahindra Bank Limited, confirming the deposit of Rs.145,00,00,000 (Rupees One Hundred and Forty Five Crores Only) in the escrow account
- Copy of the application made to RBI and the approval from RBI, incase the approval from RBI is received prior to the offer closing date
- Published copy of the Public Announcement dated August 25, 2010
- SEBI's observation letter dated December 15, 2010

X. DECLARATION BY THE ACQUIRER

For the purpose of disclosures in this Letter of Offer relating to the Target Company, the Acquirer, the PAC and the directors of the Acquirer and the PAC have relied on the information provided by the Target Company and have not independently verified the accuracy of details of the Target Company. Subject to the aforesaid, the Boards of Directors of the Acquirer and the PAC accept full responsibility for the information contained in this Letter of Offer. The Acquirer and the PAC shall be severally and jointly responsible for ensuring compliance with the SEBI (SAST) Regulations.

Signed by

Sd-

For the Board of Directors of RHC Finance Private Limited

Name	: Mr. Hemant Dhingra
Designation	: Authorized Signatory
Date	: December 24, 2010
Place	: New Delhi

For the Board of Directors of RHC Holding Private Limited

Name	: Mr. Anil Panwar
Designation	: Authorized Signatory
Date	: December 24, 2010
Place	: New Delhi

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FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

Religare Enterprises Limited Open Offer

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Acceptance with enclosures to any of the Collection Centres as mentioned in the Letter of Offer)

From
Folio No./DP ID No./Client ID No.:

OFFER OPENS ON	**December 29, 2010**
LAST DATE OF WITHDRAWAL	**January 12, 2011**
OFFER CLOSES ON	**January 17, 2011**

To
The Acquirer:
RHC Finance Private Limited – Religare Enterprises Limited Open Offer
C/ o Karvy Computershare Private Limited,
Plot No 17 to 24, Vittalrao Nagar,
Madhapur,
Hyderabad - 500 081

Dear Sir,

Sub: **Open Offer to acquire 2,79,92,715 fully paid up equity shares of face value of Rs. 10/- each, representing 20.00% of the Diluted Share Capital of Religare Enterprises Limited ("Target Company") by RHC Finance Private Limited ("Acquirer") along with person acting in concert RHC Holding Private Limited ("PAC") (at a price of Rs. 457/- per fully paid up equity share)**

I/We refer to the Public Announcement dated August 25, 2010 and the Letter of Offer for acquiring the equity shares held by me/us in Religare Enterprises Limited.

I/We, the undersigned, have read the Public Announcement and Letter of Offer and understood their contents including the terms and conditions mentioned therein.

☐ **SHARES IN DEMATERIALIZED FORM**

I/We, holding Shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my Shares as detailed below:

DP Name	DP ID	Client ID	Beneficiary Name	No. of Shares

I/We have executed an off-market transaction for crediting the Shares to the special depository account as per the details below

☐ via a delivery instruction from my account with NSDL

☐ via an inter-depository delivery instruction from my account with CDSL

Depository Name	National Securities Depository Ltd. (NSDL)
DP Name	Karvy Stock Broking Limited
DP ID Number	IN300394
Account Name	KCPL ESCROW ACCOUNT REL OPEN OFFER
Beneficiary Account Number	17759789
ISIN	INE621H01010
Market	Off-Market
Date of Credit	On or before January 17, 2011

Shareholders should ensure that the Shares are credited in the aforementioned account before the close of business hours on January 17, 2011.

I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirer dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

--**Tear along this line** ---

Acknowledgement Slip

Religare Enterprises Limited Open Offer

Received from Mr./Ms._ ____________________________________ a Form of Acceptance cum Acknowledgement for ________ Shares along with:

☐ copy of depository instruction slip from DP ID ___________ Client ID _____________

☐ ___________ Share certificate(s) ______________ transfer deed(s) under folio number(s) ____________

for accepting the Offer made by the Acquirer.

Stamp of Collection Centre:		Signature of Official:		Date of Receipt:	

☐ **SHARES IN PHYSICAL FORM**

I/We, accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below.

Sr. No.	Ledger Folio No(s)	Certificate No(s)	Distinctive No(s)		No. of Shares
			From	To	
1.					
2.					
3.					
4.					
5.					
(In case the space provided is inadequate, please attach a separate sheet with details.) **Total No. of Equity Shares**					

I/We note and understand that the Registrar to the Offer will hold the original share certificate(s) and valid share transfer deed in trust for me/us until the time the Acquirer dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

For all shareholders

I / We, confirm that our residential status for the purposes of tax is:

☐ Resident but ordinarily resident
☐ Resident
☐ Non-resident
☐ Non-resident Indian
☐ Foreign Company

I / We, confirm that our status is:

☐ Individual
☐ Firm
☐ Company
☐ Association of Person / Body of Individual
☐ Trust
☐ Any other - please specify ______________________

Where the shares are held on Capital / investment account, I / we, confirm that the shares tendered by me/ us are on (*select whichever is applicable)*:

☐ Long-term capital assets as defined under the Income Tax Act, 1961, purchased on ______________
☐ Short-term capital assets under the Income Tax Act, 1961, purchased on ______________

In case shares tendered comprise both long term capital assets and short term capital assets, then please provide a break up of the same.

Non Residents including NRIs/OCBs/FIIs/Foreign Shareholders

I / We, have enclosed the following documents:

☐ Self attested copy of PAN card
☐ Nil / lower withholding tax certificate from the Indian Income tax authorities u/s 195(3) or u/s 197 under the Income Tax Act, 1961
☐ Tax residency certificate if the shareholder intends to avail the beneficial provisions under a Tax Treaty
☐ Certificate of no permanent establishment in India under the Income Tax Act, 1961 and a Tax Treaty
☐ Banker certificate certifying inward remittance
☐ SEBI Registration Certificate for FIIs

For Resident shareholders

I / We, have enclosed the following documents:

☐ Self attested copy of PAN card
☐ Nil / lower withholding tax certificate from the Indian Income tax authorities u/s 195(3) or u/s 197 under the Income Tax Act, 1961
☐ Self declaration form in Form 15G / Form 15H, if applicable
☐ Nil / lower withholding tax certificate from the Indian Income tax authorities (applicable only for interest payment, if any)
☐ For Mutual fund/Banks/Notified Institution under Section 194A(3)(iii)(f) of the Income Tax Act, 1961, copy of relevant Registration or notification (applicable only for interest payment, if any)

--**Tear along this line** --

Note: All future correspondence, if any, should be addressed to Registrar to the Offer

Karvy Computershare Private Limited
Plot No 17 to 24, Vittalrao Nagar. Madhapur, Hyderabad 500 081
Tel: +91 40 2342 0815, Fax: +91 40 2343 1551
Contact Person: Mr. Murali Krishna
Email: murali@karvy.com

For NRIs/ OCBs/ FIIs/ Foreign Shareholders:

Foreign Institutional Investors enjoy exemption from tax deduction at source on capital gains under Section 196D(2) of the Income-tax Act, 1961 and hence no tax shall be deducted on amount payable to FIIs subject to receipt of an undertaking from them stating their residential status and that it does not have a permanent establishment in India, the amount received by them as a part of the Offer constitutes capital gains and does not constitute business income for them and that similar gains have been taxed as capital gains by the tax authorities in India in the past.

FIIs to confirm if the above is true ☐ Yes ☐ No

I/We have enclosed the following documents:

☐ No Objection Certificate / Tax Clearance Certificate from Income Tax Authorities.

☐ RBI approvals for acquiring Shares of Religare Enterprises Limited hereby tendered in the Offer.

☐ Others please specify _______________

I/We confirm that the equity shares of Religare Enterprises Limited, which are being tendered herewith by me/us under the Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirer to accept the Shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirer to return to me/us, share certificate(s)/Shares in respect of which the Offer is not found valid/not accepted without specifying the reasons thereof.

I/We authorize the Acquirer and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UCP as may be applicable at my/our risk, the draft/cheque/warrant, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below. In case I have tendered my Shares in dematerialized form, I authorize the Acquirer and the Registrar to the Offer and the Manager to the Offer to use my details regarding my address and bank account details as obtained from my depository participant for the purpose of mailing the aforementioned instruments.

I/We authorize the Acquirer to accept the Shares so offered or such lesser number of Shares that it may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirer to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirer is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Bank Details

So as to avoid fraudulent encashment in transit, the shareholder(s) holding Shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For Shares that are tendered in demat form, the Bank account as obtained from the beneficiary position download to be provided by the depositories will be considered and the warrants will be issued with the said Bank particulars, and not any details provided herein.

Name of the Bank		Branch	
Account Number		Savings/Current/(Others: please specify)	

Yours faithfully,
Signed and Delivered

	Full Name(s) of the Shareholders	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder____

Place:

Date:

The details of the collection centres are as follows:

S.No	Collection Centre	Address of Collection Centre	Contact Person	Phone no	Fax	Mode of delivery
1	**Mumbai**	Karvy Computershare. Pvt Ltd. 24,Maharashtra Chamber. of Commerce. Lane, Opp. MSC Bank, Fort Mumbai – 400 023	Ms.Nutan Shirke	022-66381747 & 22842666 / 66382666	022-66331135	Hand Delivery
2	**New Delhi**	Karvy Computershare. Pvt Ltd. 305, New Delhi House, 27, Barakhamba Road, Connaught Place New Delhi - 110 001	Mr. Rakesh Kr Jamwal / Vinod Singh Negi	011-43681700	011-41036370	Hand Delivery
3	**Ahmedabad**	Karvy Computershare. Pvt Ltd. 201-203,Shail,Opp: Madhusudhan House Behind Girish Cold Drinks Off C G Road Ahmedabad ~ 380 006	Mr.Aditya Gupta/ Robert Joeboy	079- 66614772 / 9558803822	079-26565551	Hand Delivery
4	**Chennai**	Karvy Computershare. Pvt Ltd. No. 33/1, Venkatraman Street, T.Nagar, Chennai - 600017	Ms. S. Janaki	044 – 28151793/ 42121332	044-28153181	Hand Delivery
5	**Hyderabad**	Karvy Computershare. Pvt Ltd. Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081	Ms. Rinki Sareen	040-23420818-23 / 44655000	040-23431551	Hand Delivery/ Regd Post
6	**Kolkata**	Karvy Computershare. Pvt Ltd. 49, Jatin Das Road, Nr.Deshpriya Park, Kolkatta 700 029	Mr. Sujit Kundu/ Mr. Debnath	033-24644891	033-24644866	Hand Delivery
7	**Bengaluru**	Karvy Computershare. Pvt Ltd. No.59, Skanda, Putana Road, Basavanagudi Bengaluru 560 004	Mr. Kumaraswamy / Ms.V Sudha	080-26621192	080-26621169	Hand Delivery

Note: Business Hours: Monday to Friday 10:00 AM to 4:00 PM, Saturday 10:00 AM to 1:00 PM, Holidays: Sunday & Bank Holidays

INSTRUCTIONS:

PLEASE NOTE THAT NO SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER OR TO THE MANAGER TO THE OFFER

(1) **All queries** pertaining to the Offer may be directed to the Registrar to the Offer.

(2) **Shareholders holding registered physical Shares** should submit the Form duly completed and signed in accordance, by the holders of the Shares, along with the original equity share certificate(s) and valid equity share transfer form(s) duly signed as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. Please do not fill in any other details in the transfer deed.

(3) **Shareholders holding Shares in dematerialised form** should submit the Form duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Shares, as per the records of the Depository Participant ("DP").

(4) **In case of shares held in joint names**, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold Shares in the Target Company, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.

(5) **In case where the signature is subscribed by thumb impression**, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

(6) **Persons who own physical Shares (as on the Specified Date or otherwise) but are not the registered holders** of such Shares and who desire to accept the Offer, will have to communicate their acceptance in writing to the Registrar to the Offer together with the original contract note issued by the broker, the share certificate(s), the transfer deed(s) with the buyers details not filled in and other relevant documents. In case the share certificate(s) and transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the Form shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and transfer deed(s). Persons under this clause should submit their acceptance and necessary documents by registered post or in person to the Registrar at their offices as mentioned above.

The sole/first holder may also mention particulars relating to savings/current account number and the name of the bank and branch with whom such account is held in the respective spaces allotted in the Form, to enable the Registrar to print the said details in the cheques after the name of the payee.

In order to avail Electronic Clearing Service ("ECS") for receipt of consideration, the attached ECS mandate form needs to be duly filled in and signed by the Sole/First Shareholder and submitted with the Form before the closure of the Offer.

(7) **Non-resident Shareholders** should enclose copy(ies) of permission received from Reserve Bank of India to acquire Shares held by them in the Target Company. OCBs (as defined under FEMA) are requested to seek a specific approval of the Reserve Bank of India for tendering their shares and a copy of such approval must be provided along with other requisite documents.

(8) **Non-resident Shareholders** are advised to refer to the clause on taxation in Section VIII of the Letter of Offer regarding important disclosures regarding the taxation of the consideration to be received by them.

(9) NRIs, OCBs and foreign shareholders are required to furnish Banker's Certificate certifying inward remittances of funds for acquisition of shares of the Target Company.

(10) **In case of bodies corporate**, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of Shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.

(11) **All the Shareholders** should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):

- (a) Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
- (b) Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
- (c) No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.

FORM OF WITHDRAWAL

Religare Enterprises Limited Open Offer

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

OFFER OPENS ON	**December 29, 2010**
LAST DATE OF WITHDRAWAL	**January 12, 2011**
OFFER CLOSES ON	**January 17, 2011**

From
Folio No./DP ID No./Client ID No.:

To
The Acquirer:
RHC Finance Private Limited – Religare Enterprises Limited Open Offer
C/ o Karvy Computershare Private Limited,
Plot No 17 to 24, Vittalrao Nagar,
Madhapur,
Hyderabad - 500 081

Dear Sir,

Sub: Open Offer to acquire 2,79,92,715 fully paid up equity shares of face value of Rs. 10/- each, representing 20.00% of the Diluted Share Capital of Religare Enterprises Limited ("Target Company") by RHC Finance Private Limited ("Acquirer") along with person acting in concert RHC Holding Private Limited ("PAC") (at a price of Rs. 457/- per fully paid up equity share)

I/We refer to the Public Announcement dated August 25, 2010 and the Letter of Offer for acquiring the equity shares held by me/us in Religare Enterprises Limited.

I / We, the undersigned have read the aforementioned Public Announcement and the Letter of Offer and understood their contents including the terms and conditions as mentioned therein.

I / We hereby consent unconditionally and irrevocably to withdraw my / our Shares from the Offer and I / we further authorize the Acquirer to return to me / us, the tendered Share Certificate(s) / Share(s) at my / our sole risk.

I / We note that upon withdrawal of my / our Shares from the Offer, no claim or liability shall lie against the Acquirer/ Manager to the Offer / Registrar to the Offer.

I / We note that this Form of Withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal i.e. January 12, 2011 before 4:00 p.m.

I / We note the Acquirer / Manager to the Offer / Registrar to the Offer shall not be liable for any postal delay / loss in transit of the Shares held in physical form and also for the non-receipt of Shares held in the dematerialized form in the DP account due to inaccurate / incomplete particulars/ instructions.

I / We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) / Shares in dematerialized form only on completion of verification of the documents, signatures and beneficiary position as available with the depositories from time to time.

I/We note that the Acquirer/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay / loss in transit of the shares held in physical form and also for non receipt of shares held in the dematerialised form in the DP account due to inaccurate/incomplete particulars/instructions.

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:

Sr. No.	Ledger Folio No(s)	Certificate No(s)	Distinctive No(s)		No. of Shares
			From	To	
1.					
2.					
3.					
4.					
5.					
(In case the space provided is inadequate, please attach a separate sheet with details.) **Total No. of Equity Shares**					

---**Tear along this line** ------------------------------------

Acknowledgement Slip

Religare Enterprises Limited Open Offer

Received from Mr./Ms._ ____________________ residing at _______________________________________ a Form of Withdrawal for ________ Shares along with:

☐ copy of depository instruction slip from DP ID ___________ Client ID _____________

☐ copy of acknowledgement slip issued when depositing dematerialized Shares

☐ copy of acknowledgement slip issued when depositing physical Shares

for withdrawing from the Offer made by the Acquirer.

Stamp of Collection Centre:		Signature of Official:		Date of Receipt:	

I / We hold the following Shares in dematerialized form and had executed an off-market transaction for crediting the Shares to the "KCPL ESCROW ACCOUNT REL OPEN OFFER". Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my / our Shares have been tendered are as follows:

DP Name	DP ID	Client ID	Beneficiary Name	No. of Shares

I / We note that the Shares will be credited back only to that depository account, from which the Shares have been tendered and necessary standing instructions have been issued in this regard.

I / We confirm that the particulars given above are true and correct.

In case of dematerialized Shares, I / we confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,
Signed and Delivered

	Full Name(s) of the Shareholders	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder____

Phone: ____ Email: ______________________________________

Place: ____

Date:____

INSTRUCTIONS

(1) **Shareholders desirous of withdrawing their acceptances tendered in the Offer can do up to January 12, 2011, being Three (3) working days prior to the Closing of the Offer.**

(2) The withdrawal option can be exercised by submitting the Form of Withdrawal, duly signed and completed along with the copy of the acknowledgment slip issued at the time of submission of the Form of Acceptance-cum-Acknowledgment.

(3) **All queries** pertaining to the Offer may be directed to the Registrar to the Offer.

(4) **In case of Shares held in joint names,** names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold Shares in the Target Company, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Counter Offer.

(5) **In case where the signature is subscribed by thumb impression,** the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

(6) **In case of bodies corporate,** certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of Shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.

(7) **All the Shareholders** should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the withdrawal is being sent. Such documents may include (but not be limited to):
(a) Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
(b) Duly attested power of attorney if any person apart from the shareholder has signed withdrawal form or transfer deed(s).

--**Tear along this line** --

Note: All future correspondence, if any, should be addressed to Registrar to the Offer

Karvy Computershare Private Limited
Plot No 17 to 24, Vittalrao Nagar. Madhapur, Hyderabad 500 081
Tel: +91 40 2342 0815, Fax: +91 40 2343 1551
Contact Person: Mr. Murali Krishna
Email: murali@karvy.com

MANDATE FORM
ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)

RHC Finance Private Limited
55, Hanuman Road,
Connaught Place,
New Delhi 110001

Dear Sirs:

I am pleased to participate in the Electronic Clearing Services (ECS) introduced by Reserve Bank of India (RBI). The particulars of my Bank Account to which the payment of Offer consideration may be electronically credited are as follows:

1.	Name of Sole/First Holder of shares	____________________________________
2.	Folio No.	____________________________________
3.	Name of the Bank	____________________________________
		____________________________________
4.	Branch address of Bank to which consideration Amount to be credited	____________________________________
		____________________________________
		____________________________________
5.	9-digit Code Number of the Bank and Branch appearing on the MICR cheque issued by your Bank. This is mentioned on the MICR band next to the cheque number. **(Please attach blank "cancelled" cheque or a Xerox copy thereof).**	
6.	Account Type (tick one)	☐ Savings ☐ Current ☐ Cash Credit
7.	Ledger Folio of your Bank Account (If any, appearing on your cheque book)	--
8.	Account No. (as appearing on your cheque book)	---

I hereby declare that the particulars given above are correct and complete. If the payment of Offer consideration is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the Company responsible.

Date:

…………………………………
Signature of Sole/First Holder

In case the shareholder is not in a position to give blank "cancelled" cheque or a Xerox copy thereof, a certificate of the shareholder's Bank may be furnished as under:

Certificate of the Shareholder's Bank
(To be submitted only if blank "cancelled" cheque or a Xerox copy thereof is not enclosed)

Certified that the particulars furnished above are correct as per our records.

Bank's Stamp: --

Date: Signature of the Authorized Official of the Bank

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