

## Religare Capital Markets Limited

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

CIN No. - U51909DL2007PLC159042

Phone: [+91-11-39125000](tel:+91-11-39125000); Fax No. : [+91-11-39126117](tel:+91-11-39126117)

Website: <http://www.religarecm.com>

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### NOTICE

**NOTICE** is hereby given that an Extraordinary General Meeting of the equity and preference shareholders of **Religare Capital Markets Limited** will be held on Wednesday, 22 October, 2014 at D3, P3B, District Centre, Saket, New Delhi - 110017 at 11:00 AM, at shorter notice, to transact the following special business:

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

**“RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 (including any statutory modification or re-enactment thereof), Memorandum and Articles of Association of the Company, and subject to the approval of BSE Limited and National Stock Exchange of India Limited (hereinafter referred to as the **“Exchanges”**) and subject to confirmation by the Hon’ble High Court of Delhi at New Delhi and such other approvals, consents, permissions and sanctions as may be necessary to be obtained from appropriate Governmental authorities, departments, offices, institutions, bodies, agencies and third parties, and such conditions as may be prescribed while granting such approvals, consents, permissions and sanctions, which may be agreed by the Board of Directors (hereinafter referred to the **“Board”** which term shall be deemed to mean and include one or more committee(s) constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the approval of the members of the Company be and is hereby accorded to the proposal to set off the operating losses of the Company of Rs. 2,150,812,788 (Rupees Two hundred fifteen crores eight lakh twelve thousand seven hundred eighty eight) and diminution in the value of investments in Religare Capital Markets International (Mauritius) Limited to the tune of Rs. 3,099,187,212 (Rupees Three hundred nine crore ninety one lakh eighty seven thousand two hundred twelve) aggregating to Rs. 5,250,000,000 (Rupees five hundred and twenty five crores), by reducing the issued, subscribed and paid up share capital of the Company, which shall be effected by way of,

- (a) a selective extinguishment and cancellation of (i) 25,000,000 (Two crore fifty lakh) 0.001% non-convertible cumulative redeemable fully paid up preference shares of Rs. 10 (Rupees Ten) each held by Religare Enterprises Limited (**“REL”**), which were issued at a premium of Rs. 90 (Rupees Ninety) per share, and having an aggregate paid up value of Rs. 250,000,000 (Rupees Twenty five crores); and (ii) 500,000,000 (Fifty crores) 0.001% non-convertible cumulative fully paid up preference shares of Rs. 10 each (Rupees Ten) held by REL, which were issued at par, and having an aggregate paid up value of Rs. 5,000,000,000 (Rupees Five hundred crores) (**“Proposed Capital Reduction”**); and
- (b) NIL consideration being payable by the Company to REL in lieu of the selective reduction, extinguishment and cancellation of the fully paid up preference shares held by REL as mentioned hereinabove.

**RESOLVED FURTHER THAT** in the event that there is a need to infuse further capital in the Company by way of equity or preference shares to meet certain statutory/ regulatory obligations of the Company, the Company may issue such additional capital to meet its statutory and regulatory obligations and upon issuance of such additional capital, the proposed form of minutes or any other document(s) stated under the petition for the Proposed Capital Reduction will be

deemed to have been modified accordingly without any further approval being required from the shareholders of the Company. The Company shall place on record with the Hon'ble High Court of Delhi at New Delhi the revised form of minutes to reflect the revised share capital structure of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board, or any other person or Committee authorized by the Board, including Mr. Sunil Godhwani, Shachindra Nath and Anil Saxena - Directors, Mr. Basab Mitra – CEO, Capital Markets & Wealth Management, Mr. Gopalan S – Director, Head of Compliance, Mr. Satish Kumar Nirankar – Company Secretary and Mr. Vinod Kumar Singh – Chief Financial Officer of the Company, be and are hereby severally authorized on behalf of the Company to:

- (a) file a Company Petition/application for reduction of share capital of the Company before the Court, and to do all such acts, deeds and things as they may deem necessary and desirable towards approval and sanction of the Proposed Capital Reduction contemplated in this resolution by the Court;
- (b) file applications/petitions before the Court, seeking appropriate directions for dispensation from the procedure(s) prescribed under Section 101 of the Companies Act, 1956 (or any statutory re-enactment thereof);
- (c) file applications/petitions before the Court, seeking appropriate directions for dispensation from addition of the words "and reduced" to the name of the Company as contemplated under Section 102 (2) of the Companies Act, 1956 (or any statutory re-enactment thereof);
- (d) make applications to the relevant authorities or other persons for their approval to the Proposed Capital Reduction and to make such disclosures to governmental or regulatory authorities as may be required for the purpose under applicable laws;
- (e) withdraw or amend, as may be necessary, the Company Petition at any stage in case any changes and/or modifications are suggested/required to be made or any condition imposed, whether by any shareholder, creditor, court and/or any other authority, and to do all such acts, deeds and things as they may deem necessary and desirable in connection herewith and incidental hereto;
- (f) file any other application, petition, affidavit, form and/or report before any authority (including but not limited to the Registrar of Companies, National Capital Territory of Delhi and Haryana) in connection with the Proposed Capital Reduction contemplated hereunder and/or in connection with sanction thereof, and to do all such acts, deeds and things as they may deem necessary and desirable in connection herewith and incidental hereto;
- (g) represent the Company in general before any authority, tribunal and/or the Court in relation to any matter pertaining to the Proposed Capital Reduction and to exercise requisite powers on behalf of the Company to settle, as they may in their absolute discretion deem fit, any questions, difficulties or doubts that may arise in this regard;
- (h) appoint legal advisors to advice, submit recommendations and provide inputs on the Proposed Capital Reduction and to draft the Company Petition/ application for reduction of share capital and related documents and facilitate the High Court process; and
- (i) do all such acts, matters, deeds and things as they may in their absolute discretion deem necessary or desirable in connection with or incidental to giving effect to this resolution.

**RESOLVED FURTHER THAT** Share Allotment Committee of Board be and is hereby authorized to consider and approve any or all matters as outlined above relating to the Proposed Capital Reduction of the Company matters related therewith including cancellation of securities and do all such acts, deeds and things necessary and incidental in order to effect the resolution.

**RESOLVED FURTHER THAT** certified true copy(ies) of these resolutions may be issued, wherever necessary, under the signature of any one of the Directors or the Company Secretary of the Company.”

**By order of the Board  
For Religare Capital Markets Limited**

Sd/-

**Place** : New Delhi  
**Date** : 17 October 2014

**Satish Kumar Nirankar  
Company Secretary**

Registered Office:  
D3, P3B, District Centre, Saket,  
New Delhi – 110017, India  
CIN No.- U51909DL2007PLC159042  
Phone: [+91-11-39125000](tel:+91-11-39125000);  
Fax No. : [+91-11-39126117](tel:+91-11-39126117)  
Website: <http://www.religarecm.com>

**NOTES:**

1. All equity and preference shareholders of the Company are entitled to vote at the Extraordinary General Meeting.
2. A shareholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a shareholder of the Company. Duly filled in proxy forms shall be deposited at the registered office of the Company before the Extraordinary General Meeting.
3. The Extraordinary General Meeting is being convened at a shorter notice, after obtaining the consent, in writing, of not less than 95% of the equity and preference shareholders of the Company, pursuant to the provisions of Section 101 read with Section 47 of the Companies Act, 2013.
4. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Extraordinary General Meeting is annexed hereto.
5. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. up to 22 October 2014, at the Registered Office of the Company situated at D3, P3B, District Centre, Saket, New Delhi – 110017, India.

**Form No. MGT-11**  
**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U51909DL2007PLC159042  
Name of the company: Religare Capital Markets Limited  
Registered office: D3 P3B, District Centre, Saket, New Delhi-110017

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the member (s) of .....shares of the above named company, hereby appoint

1. Name: .....

Address:

E-mail Id:

Signature:....., or failing him

2. Name: .....

Address:

E-mail Id:

Signature:....., or failing him

3. Name: .....

Address:

E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extra-ordinary General Meeting of the company, to be held on Wednesday, 22 October 2014 at D3 P3B, District Centre, Saket, New Delhi-110017 at 11:00 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1.....

2.....

3.....

4.....

Signed this..... day of..... 2014

\_\_\_\_\_  
**Signature of shareholder**

\_\_\_\_\_  
**Signature of Proxy holder**

Affix  
Revenue  
Stamp

*Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.*

## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 sets out all material facts relating to the business mentioned in the accompanying notice.

### **ITEM NO. 1:**

1. Religare Capital Markets Limited (“**RCML**” or “**the Company**”) is a company incorporated in India under the Companies Act, 1956. The Company is engaged in the business of investment banking and institutional broking in India. In year 2008, the Company incorporated a wholly owned subsidiary in Mauritius i.e. Religare Capital Markets International (Mauritius) Limited, with due approval from Securities and Exchange Board of India (“**SEBI**”) and Reserve Bank of India (“**RBI**”) in India. This subsidiary acquired an investment banking company in United Kingdom, through an intermediary subsidiary, which is currently named Religare Capital Markets (Europe) Limited (“**RCME**”). Building of investment banking and institutional securities broking business on a global platform necessitates expansion of business in different countries. Therefore RCME established subsidiaries and joint ventures in United Kingdom, United States of America, Hong Kong, Singapore, Japan, South Africa and Mauritius. In addition to this, Religare Capital Markets International (Mauritius) Limited also acquired/set-up subsidiaries in Sri Lanka and Australia. These subsidiaries and RCME are hereinafter referred to as “**the Group**”. In addition to having a global footprint, building global investment banking business also required an experienced management team. Therefore, RCME and other companies in the Group had employed very experienced and high profile investment bankers at various levels.
2. However, with economic slowdown and the resultant significant decline in the investment banking business, the operations of various companies in the Group did not take-off as expected. To cater to the financial requirements of the Group, the Company had to infuse significant amount of capital into Religare Capital Markets International (Mauritius) Limited and its underlying subsidiaries. Religare Enterprises Limited (“**REL**”), the holding company, in turn had to infuse capital into the Company.
3. The paid up share capital of the Company is Rs. 10,825,600,000 (Rupees One thousand eighty two crores fifty six lakh). Further, as per the audited financial statements of the Company as on March 31, 2014, the Company has a credit balance in the securities premium account of Rs. 12,321,116,164 (Rupees One thousand two hundred thirty two crores eleven lakh sixteen thousand one hundred sixty four).
4. The Company is carrying an investment of Rs. 20,744,093,305 (Rupees Two thousand seventy four crores forty lakh ninety three thousand three hundred five) in Religare Capital Markets International (Mauritius) Limited in its balance sheet for the year ended March 31, 2014.
5. The sub-optimal business performance of the Group and the high people costs resulted in significant amount of cash losses. To stem such losses, the Company has over a period of time shut the operations of the Group in United Kingdom, United States of America, Japan and Australia and restructured its businesses in United Kingdom and South Africa to hold minority stake. Despite these measures, there has been a significant erosion of net worth of Religare Capital Markets International (Mauritius) Limited, which has consequently impacted the balance sheet of the Company.
6. The above mentioned factors clubbed with the slowdown in the Indian economy, weakness in domestic currency, concerns over current account deficit, high inflation, low growth projections and geo-political problems during the recent years have led to a significant decline

in business opportunities and have consequently resulted in huge amount of cash losses in the Company.

7. The total accumulated losses of the Company as on March 31, 2014 are Rs. 15,800,812,788 (Rupees One thousand five hundred eighty crores eight lakh twelve thousand seven hundred eighty eight). These losses comprise of the following:
  - a. Losses on account of business operations of the Company: Such losses aggregate to Rs. 2,150,812,788 (Rupees Two hundred fifteen crores eight lakh twelve thousand seven hundred eighty eight) as on March 31, 2014.
  - b. Losses on account of diminution in value of investment in Religare Capital Markets International (Mauritius) Limited: The Company, as per Accounting Standard-13 “Accounting for Investments, issued by the Institute of Chartered Accountants of India” has booked a provision for diminution in the value of its investment in Religare Capital Markets International (Mauritius) Limited as a result of which the accumulated losses of Rs 15,800,812,788 (Rupees One thousand five hundred eighty crores eight lakh twelve thousand seven hundred eight eight) includes loss on account of provision for diminution in the value of investment aggregating to Rs. 13,650,000,000 (Rupees One thousand three hundred and sixty five crores), as on March 31, 2014.
  
8. The current accumulated losses are significant in relation to the total net-worth of the Company. In view of the afore-mentioned losses incurred and brought forward by the Company, the net-worth of the Company has eroded considerably and any improvements in the performance of the Company will not be appropriately represented unless past losses are written off. Accordingly, a careful evaluation of the issues relating to overcapitalization reveals that a reduction of the share capital against the accumulated losses will improve the financial position of the Company and the Company will be able to provide a better representation of its assets and liabilities in its books of accounts going forward. It will further enable the Company to reflect its capital and financial position more appropriately and carry on its business with better operating parameters, including better capacity for servicing capital. It will also help the Company to achieve a dividend paying capacity in the near future. Hence, a reduction of the Company’s share capital could be considered whereby capital not represented by available assets is written off so as to achieve the objective of attaining a position in which the Company’s financial state of affairs can be set right in the interests of the shareholders and all stakeholders.
  
9. The management of the Company carefully considered and evaluated the proposal of reduction of share capital of the Company. After reviewing share capital structure of the Company and considering that, (a) certain equity and preference shares held by REL are partly paid and the obligation to pay the remaining amount subsists; (b) there has been a diminution in value of investments made by REL in the Company; and (c) Cresswell Investments Limited being a foreign shareholder any return of capital could potentially involve foreign exchange complications, the management of the Company was of the opinion that capital reduction be proposed for the following fully paid up preference share capital of the Company:

<b>Name of shareholders</b>	<b>Share capital proposed to be reduced (Face value in Rs. Cr)</b>	<b>Total amount of corresponding investment (in Rs. Cr)</b>	<b>Nature of shares proposed to be reduced</b>
REL	525.00	750.00	Preference (fully-paid)
RHC Holding Private Limited and its affiliates (“RHC”)	48.21	671.00	Preference (fully-paid)

10. The Board of Directors of the Company, at its meeting held on September 17, 2014 (i) granted its in-principle approval to explore the proposal to set off a part of the accumulated losses of the Company (consisting of operating losses and diminution in value of investments in Religare Capital Markets International (Mauritius) Limited), by reducing the issued, subscribed and paid up share capital of the Company, which shall be effected by way of a selective extinguishment and cancellation of the fully paid up preference share capital held by REL and/or RHC; (ii) authorized Mr. Shachindra Nath and Mr. Anil Saxena – Directors, Mr. Basab Mitra – CEO Capital Markets & Wealth Management and Mr. Vinod Kumar Singh – Chief Financial Officer of the Company on behalf of the Company to have further discussions with REL and RHC on the proposed capital reduction, determine the most appropriate share capital that could be reduced along with the terms and conditions thereof; and (iii) approved the appointment of M/s TRC Corporate Consulting Private Limited, to undertake valuation of the present value of the preference shares proposed to be reduced, cancelled and extinguished for the purposes of determining the consideration to be paid for such reduction, if any.
11. Subsequently, the Company had discussions with its promoter shareholders, REL and RHC on the most appropriate share capital to be reduced. After such discussions and deliberations, the management of the Company was of the view that a selective reduction of the fully paid up preference shares held by REL in the Company will be optimum.
12. REL, in order to fund the Company's continuous cash losses, entered into an agreement (as defined in Para 16 below) with RHC, one of the promoter group companies of REL, under which RHC agreed to provide financial support to RCML w.e.f. October 01, 2011 to September 30, 2015 for meeting its business requirements by subscribing to the 0.01% Non-cumulative Non-convertible Redeemable Preference Shares having a face value of Re. 1 (Rupee one) at a premium of Rs. 99 (Rupees ninety nine) per share.
13. The said agreement imposed certain restrictive covenants on REL, which inter alia included the following:
  - a. Change in the terms of the preference shares held by REL in the Company by increasing the term of the preference shares and reduction of coupon rate of the said preference shares from 12 % to 0.001%;
  - b. Restrictions on any remittance of money by the Company to REL in any manner whether by way of dividend, capital reduction, buy back etc.; and
  - c. Restrictions on redemption of preference shares held by REL.
14. As a result of the above, REL has, as per Accounting Standard-13 "Accounting for Investments, issued by the Institute of Chartered Accountants of India", booked a provision for diminution in the value of its investment in RCML. Such impairment aggregates to Rs. 15,261,500,000 (Rupees One thousand five hundred twenty six crore fifteen lakh) as on March 31, 2014.
15. Further, REL holds 620,000,000 (Sixty two crores) 0.002% Cumulative Non-convertible Redeemable Preference Shares of Rs. 10 each out of which Rs. 6.30 per share has been paid up, i.e. Rs. 3,906,000,000 (Rupees Three hundred ninety crore and sixty lakh) has been paid up and Rs. 2,294,000,000 (Rupees Two hundred twenty nine crore forty lakh) remains unpaid. RCML has the right to call for the un-paid share capital on the said preference shares held by REL, from time to time, as and when it may deem fit.
16. RHC, REL and the Company had entered into an agreement dated February 13, 2012, wherein RHC committed to make capital contribution in the preference share capital of the Company from October 01, 2011 to September 30, 2015 to *inter-alia* fund business losses of the Company. As per the said agreement, the Company *inter alia* agreed to redeem such preference shares at

any time after 7 years but compulsorily on the expiry of the 20<sup>th</sup> year from date of allotment and pay to RHC on such redemption, the redemption amount as specified under the said agreement. Therefore, RHC is not agreeable to the proposed capital reduction of the preference shares held by RHC and affiliates in the Company.

17. In view of the above, the management of the Company felt that a selective reduction of the fully paid up preference shares held by REL in the Company aggregating to Rs. 5,250,000,000 (Rupees Five hundred twenty five crore) will be in the best interests of the Company and its stakeholders as it will improve the Company's financial state of affairs. The restructured capital pursuant to the reduction of the said share capital will provide a better representation of assets and liabilities in the books of accounts of the Company going forward.
18. M/s TRC Corporate Consulting Private Limited, submitted its valuation report dated 08 October 2014. As per the said valuation report, the present value of the fully paid up preference shares held by REL that is proposed to be reduced, extinguished and cancelled is NIL and therefore NIL consideration becomes payable to REL for the said capital reduction.
19. After taking into account the valuation report dated submitted by M/s TRC Corporate Consulting Private Limited, the Board of Directors of the Company, by way of a resolution dated 16 October 2014, granted its approval:
  - a. to set off the operating losses of the Company of Rs. 2,150,812,788 (Rupees Two hundred fifteen crores eight lakh twelve thousand seven hundred eighty eight) and diminution in the value of investments in Religare Capital Markets International (Mauritius) Limited to the tune of Rs. 3,099,187,212 (Rupees Three hundred nine crore ninety one lakh eighty seven thousand two hundred twelve) by way of a selective reduction, extinguishment and cancellation of:
    - i. 25,000,000 (Two crore fifty lakh) 0.001% non-convertible cumulative redeemable fully paid up preference shares of Rs. 10 (Rupees Ten) each held by REL, which were issued at a premium of Rs. 90 (Rupees Ninety) per share, and having an aggregate paid up value of Rs. 250,000,000 (Rupees Twenty five crores); and
    - ii. 500,000,000 (Fifty crores) 0.001% non-convertible cumulative fully paid up preference shares of Rs. 10 each (Rupees Ten) held by REL, which were issued at par, and having an aggregate paid up value of Rs. 5,000,000,000 (Rupees Five hundred crores) ("**Proposed Capital Reduction**"),
  - b. to pay NIL consideration to REL in lieu of the selective reduction, extinguishment and cancellation of the fully paid up preference shares held by REL as mentioned hereinabove.
20. The Proposed Capital Reduction will not involve diminution of liability or payment to any shareholders of any paid up share capital of the Company. Further, the Proposed Capital Reduction would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay its debts in ordinary course of business. The reduction of share capital is only for the purposes of improving the financial health of the Company by writing off the accumulated losses and thus the interest of the creditors is not likely to be affected in any manner. Further, the Proposed Capital Reduction will not change the status of Religare Enterprises Limited, being a dominant promoter of the Company in terms of SEBI Regulations.
21. The current shareholding pattern of the Company and the revised shareholding pattern of the Company post the Proposed Capital Reduction shall be as follows:



### A. Current Shareholding Pattern before the Proposed Capital Reduction

Sl. No.	Name of shareholders	No. of Shares held	Face value <sup>1</sup> (Rs)	Amount paid-up <sup>1</sup> (Rs)
<b>A. Equity Shareholders</b>				
1	Religare Enterprises Limited	81,549,994	15	815,499,940
2	Mr. Atul Gupta*	1	15	10
3	Mr. Pervez Bajan*	1	15	10
4	Mr. Anil Saxena*	1	15	10
5	Mr. Sunil Kumar Garg*	1	15	10
6	Mr. Shachindra Nath*	1	15	10
7	Mr. Sunil Godhwani*	1	15	10
	<b>Total (A)</b>	<b>81,550,000</b>		<b>815,500,000</b>
<b>B. Preference Shareholders</b>				
1	Cresswell Investments Limited <sup>&amp;</sup>	37,200,000	10	372,000,000
2	Religare Enterprises Limited <sup>#</sup>	525,000,000	10	5,250,000,000
3	Religare Enterprises Limited <sup>##</sup>	620,000,000	10	3,906,000,000
4	RHC Holding Private Limited <sup>§</sup>	20,000,000	10	200,000,000
5	RHC Holding Private Limited <sup>@</sup>	6,950,000	10	69,500,000
6	RHC Holding Private Limited <sup>^^</sup>	37,100,000	1	37,100,000
7	Todays Holdings Private Limited <sup>@</sup>	5,500,000	10	55,000,000
8	Shimal Research Laboratories Limited <sup>%</sup>	9,000,000	10	90,000,000
9	Shimal Research Laboratories Limited <sup>@</sup>	1,350,000	10	13,500,000
10	Vistas Artworks Private Limited <sup>@</sup>	1,700,000	10	17,000,000
	<b>Total (B)</b>	<b>1,263,800,000</b>		<b>10,010,100,000</b>
	<b>Grand Total (A+B)</b>			<b>10,825,600,000</b>

\* Nominees of Religare Enterprises Limited

<sup>1</sup> Paid up Rs. 10/- per shares; uncalled and unpaid capital of Rs. 5/- each

& 1% Compulsorily Convertible Preference Shares of Rs. 10 each

<sup>#</sup>0.001% Cumulative Non-convertible Redeemable Preference Shares of Rs. 10 each

<sup>##</sup>0.002% Cumulative Non-convertible Redeemable Preference Shares of Rs. 10/- each; paid-up Rs.6.30/- each.

<sup>§</sup> 11% Cumulative Non-convertible Redeemable Preference Shares of Rs. 10 each

<sup>@</sup>0% Cumulative Non-convertible Redeemable Preference Shares of Rs. 10 each.

<sup>^^</sup> 0.01% Non- Convertible Non-convertible Redeemable Preference Shares of Re. 1 each

<sup>%</sup> 12% Cumulative Non-convertible Redeemable Preference Shares of Rs. 10 each

### B. Revised Shareholding Pattern post the Proposed Capital Reduction

Sl. No.	Name of shareholders	No. of Shares held	Face value <sup>1</sup> (Rs)	Amount paid-up <sup>1</sup> (Rs)
<b>A. Equity Shareholders</b>				
1	Religare Enterprises Limited	81,549,994	15	815,499,940
2	Mr. Pervez Bajan*	1	15	10
3	Mr. Atul Gupta*	1	15	10
4	Mr. Anil Saxena*	1	15	10
5	Mr. Sunil Godhwani*	1	15	10
6	Mr. Shachindra Nath*	1	15	10
7	Mr. Sunil Kumar Garg*	1	15	10
	<b>Total (A)</b>	<b>81,550,000</b>		<b>815,500,000</b>
<b>B. Preference Shareholders</b>				
1	Cresswell Investments Limited <sup>&amp;</sup>	37,200,000	10	372,000,000
2	Religare Enterprises Limited <sup>##</sup>	620,000,000	10	3,906,000,000
3	RHC Holding Private Limited <sup>§</sup>	20,000,000	10	200,000,000
4	RHC Holding Private Limited <sup>@</sup>	6,950,000	10	69,500,000
5	RHC Holding Private Limited <sup>^^</sup>	37,100,000	1	37,100,000
6	Todays Holdings Private Limited <sup>@</sup>	5,500,000	10	55,000,000
7	Shimal Research Laboratories Limited <sup>%</sup>	9,000,000	10	90,000,000
8	Shimal Research Laboratories Limited <sup>@</sup>	1,350,000	10	13,500,000
9	Vistas Artworks Private Limited <sup>@</sup>	1,700,000	10	17,000,000

	<b>Total (B)</b>	<b>738,800,000</b>		<b>4,760,100,000</b>
	<b>Grand Total (A+B)</b>			<b>5,575,600,000</b>

\* Nominees of Religare Enterprises Limited

<sup>1</sup> Paid up Rs. 10/- per shares; uncalled and unpaid capital of Rs. 5/- each

& 1% Compulsorily Convertible Preference Shares of Rs. 10 each

# 0.001% Cumulative Non-convertible Redeemable Preference Shares of Rs. 10 each

## 0.002% Cumulative Non-convertible Redeemable Preference Shares of Rs. 10/- each; paid-up Rs.6.30/- each.

§ 11% Cumulative Non-convertible Redeemable Preference Shares of Rs. 10 each

@ 0% Cumulative Non-convertible Redeemable Preference Shares of Rs. 10 each.

^^ 0.01% Non- Cumulative Non-convertible Redeemable Preference Shares of Re. 1 each

% 12% Cumulative Non-convertible Redeemable Preference Shares of Rs. 10 each

22. The Proposed Capital Reduction can be undertaken by way of a court approved process under Section 100 of the Companies Act, 1956 (“CA 1956”) read with the other relevant provisions of CA 1956 and the Companies Act, 2013 (as may be applicable) and the Rules made thereunder. Section 100 of CA 1956 provides that subject to the confirmation by the Court, a company may if so authorized by its Articles of Association, reduce its share capital by a special resolution of its shareholders. Under Article 24 of its Articles of Association, the Company may from time to time in any manner, by special resolution and subject to any consent required under Sections 100 to 103 of CA 1956, reduce its share capital.
23. In terms of Section 47 of the Companies Act, 2013, every member of a company limited by shares and holding any preference share capital therein shall, in respect of such capital, have the right to vote on resolutions, *inter alia*, for reduction of its equity or preference share capital and his voting right on a poll shall be in proportion to his share in the paid up preference share capital of the company. Therefore, Cresswell Investments Limited, RHC Holding Private Limited, Shimal Research Laboratories Limited, Todays Holdings Private Limited, Vistas Artworks Private Limited, the affiliates of RHC Holding Private Limited, and Religare Enterprises Limited being the holders of preference share capital in the Company are entitled to vote on the resolution for the Proposed Capital Reduction.
24. Vide the circular resolution dated 17 October 2014, the Board of Directors of the Company has called for an Extraordinary General Meeting of the members of the Company, at a shorter notice, to seek their approval for the Proposed Capital Reduction. Written consent was received from RHC Holding Private Limited, Shimal Research Laboratories Limited, Todays Holdings Private Limited, Vistas Artworks Private Limited and Religare Enterprises Limited, constituting 96.56% of members of the Company including equity and preference shareholders of the Company entitled to vote at the Extraordinary General Meeting, permitting the Company to convene an Extraordinary General Meeting on 22 October, 2014, at shorter notice as may be deemed appropriate by the Board of Directors.
25. The Company is registered with SEBI as a Category I Merchant Banker. The Company has also been granted certificate as a Trading and Self Clearing Member of Capital Market and Futures and Options Segment of National Stock Exchange of India Limited and Trading Member of Capital Market and Futures and Options Segment of BSE Limited. In order to maintain the above mentioned registrations, the Company is required to maintain a minimum ‘net worth’ as prescribed under various regulations/circulars issued by SEBI and the stock exchanges. It is likely that during the pendency of the proceedings for the Proposed Capital Reduction in the High Court of Delhi at New Delhi, the Company may require infusion of additional capital by way of equity or preference shares so as to maintain the minimum ‘net worth’ requirements. Therefore, the Company may issue such additional capital to meet its statutory and regulatory obligations and upon issuance of such additional capital, the proposed form of minutes or any other document(s) stated under the petition for the Proposed Capital Reduction will be deemed to have been modified accordingly without any further approval being required from the shareholders of the Company. The Company shall place on record with the Hon’ble High Court of Delhi at New Delhi the revised form of minutes to reflect the revised share capital structure of the Company.

26. None of the Directors and the Key Managerial Personnel including their Relatives are interested or concerned in the aforesaid Resolution except to the extent of shares held by them in the Company as nominee of Religare Enterprises Limited.

The Board of Directors recommend passing of this resolution as a special resolution.

**By order of the Board  
For Religare Capital Markets Limited**

**Sd/-**

**Place** : New Delhi  
**Date** : 17 October 2014

**Satish Kumar Nirankar  
Company Secretary**

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