

Date: May 6, 2011

Draft Letter of Offer

For private circulation to the equity shareholders of the Company only



RELIGARE ENTERPRISES LIMITED

Our Company was incorporated as "Vajreshwari Cosmetics Private Limited" on January 30, 1984 as a private limited company under the Companies Act, 1956. For details in relation to change of name of our Company and our corporate history, see the Section "History and Certain Corporate Matters" on page 92.

Registered and Corporate Office: D3, P3B, District Centre, Saket, New Delhi – 110 017, India.

For changes in our Registered Office, see the Section "History and Certain Corporate Matters" on page 92.

Telephone: +91 (11) 3912 5000; **Facsimile:** +91 (11) 3912 6505

Company Secretary and Compliance Officer: Mr. Ravi Batra

Email: investorrights@religare.com; **Website:** www.religare.com

PROMOTERS OF OUR COMPANY: MR. MALVINDER MOHAN SINGH AND MR. SHIVINDER MOHAN SINGH		
FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF THE COMPANY ONLY		
DRAFT LETTER OF OFFER		
ISSUE OF [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH ("EQUITY SHARES") FOR CASH AT A PRICE OF RS [●] PER EQUITY SHARE INCLUDING A PREMIUM OF RS [●] PER EQUITY SHARE AGGREGATING UP TO ₹ 8,000* MILLION TO THE EQUITY SHAREHOLDERS OF THE COMPANY ON RIGHTS BASIS IN THE RATIO OF [●] EQUITY SHARES FOR EVERY [●] EQUITY SHARES HELD ON THE RECORD DATE, [●], 2011 (THE "ISSUE"). THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARE. FOR MORE DETAILS, SEE THE SECTION "TERMS OF THE ISSUE" ON PAGE 455. THE ENTIRE ISSUE PRICE FOR THE EQUITY SHARES WILL BE PAID ON APPLICATION.		
<i>* Pursuant to the resolution dated April 26, 2011 passed by the Board of Directors of the Company, the size of the Issue may be increased by up to 10%.</i>		
GENERAL RISKS		
Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Section "Risk Factors" on page xii carefully before taking an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of our Company and this Issue including the risks involved. The securities being offered have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document. Investors are advised to refer to the Section "Risk Factors" on page xii before making an investment in this Issue.		
COMPANY'S ABSOLUTE RESPONSIBILITY		
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.		
LISTING		
The existing Equity Shares are listed on the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE" and together with BSE, the "Stock Exchanges"). The Company has received "in-principle" approvals from BSE and the NSE for listing of the Equity Shares proposed to be issued in this Issue by their respective letters dated [●] and [●]. NSE shall be the Designated Stock Exchange.		
LEAD MANAGERS TO THE ISSUE		REGISTRAR TO THE ISSUE
 NOMURA FINANCIAL ADVISORY & SECURITIES (INDIA) PRIVATE LIMITED Ceejay House, Level 11, Dr. Annie Besant Road, Worli, Mumbai – 400 018, India. Telephone: +91 (22) 4037 4037 Facsimile: +91 (22) 4037 4111 E-mail: projectemerald-in@nomura.com Investors Grievance Email: investorgrievances-in@nomura.com Website: http://www.nomura.com/asia/services/capital_raising/equity.shtml Contact Person: Mr. Harishwar Sukthankar SEBI Registration No: INM000011419	 RELIGARE CAPITAL MARKETS LIMITED* 4th floor, Plot No: C-12, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051, Maharashtra, India Telephone: +91 (22) 6766 3400 Facsimile: +91 (22) 6766 3575 E-mail: rel.rights@religare.com Investor Grievance ID: grievance.ibd@religare.com Website: www.religarecm.com Contact Person: Ms. Maya Ganapathy SEBI Registration No: INM000011062	 Karvy Computershare Private Limited Plot No 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081, India. Telephone: +91 (40) 2342 0815-0825 Facsimile: +91 (40) 2343 1551 Email: religarerights@karvy.com Website: www.karvy.com Contact Person: Mr. M. Murali Krishna SEBI Registration No.: INR000000221
ISSUE PROGRAMME		
ISSUE OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSES ON
[●]	[●]	[●]

* Religare Capital Markets Limited ("RCM") is a wholly owned subsidiary of our Company. As our Company directly exercises control over RCM and also there are common promoters (directly or indirectly) and common directors between RCM and us, RCM is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended ("Merchant Bankers Regulations"). Further, in relation to our stated objects for this Issue, RCM shall be one of the recipients of funds from the Issue proceeds. RCM has signed the due diligence certificate and accordingly been disclosed as a Lead Manager. Further, in compliance with the provision to Regulation 21A(1) and explanation to Regulation 21A(1) of the Merchant Bankers Regulations, RCM would be involved only in marketing of the Issue.

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SECTION I - GENERAL

NO OFFER IN THE UNITED STATES

The offer of Equity Shares pursuant to this Issue has not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or with any securities regulatory authority of any state or other jurisdiction of the United States and the Equity Shares may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (the “**United States**” or “**U.S.**”) or to, or for the account or benefit of, “U.S. Persons” (as defined in Regulation S under the Securities Act (“**Regulation S**”)), except in a transaction exempt from the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being issued, offered and sold outside the United States pursuant to Regulation S.

The rights referred to in this Draft Letter of Offer are being offered in India, but not in the United States. This Issue to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any shares or rights for sale in the United States or as a solicitation therein of an offer to buy any shares or rights. Accordingly, this Draft Letter of Offer should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is, either a “U.S. Person” (as defined in Regulation S) or otherwise in the United States. Composite Application Forms (“**CAFs**”) should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where this Issue would be unlawful, and all persons subscribing for the Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making this Issue on a rights basis to shareholders of our Company and the CAFs will be dispatched to shareholders who have an Indian address.

Any person who acquires Equity Shares will be deemed to have declared, represented, warranted and agreed that it: (i) is not and that at the time of subscribing for the Equity Shares, will not be, in the United States; (ii) is not a “U.S. Person” (as defined in Regulation S) and does not have its registered address (and is not otherwise located) in the United States; and (iii) is authorised to acquire the Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any subscription which: (i) does not include the certification set out in the CAFs to the effect that the subscriber is not a “U.S. Person” (as defined in Regulation S) and does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Equity Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its agents to have been dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that the CAFs is incomplete or acceptance of such CAFs may infringe applicable legal or regulatory requirements; and in each case our Company shall not be bound to allot or issue any Equity Shares in respect of any such CAFs. Rights may not be transferred or sold to any U.S. Person.

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Draft Letter of Offer.

Company Related Terms

Term	Description
REL/Religare/Issuer/the Company/ our Company	Religare Enterprises Limited, a public limited company incorporated under the Companies Act, 1956.
We/us/our	Religare and where the context so suggests together with its Subsidiaries, Joint Ventures and Associates, on a consolidated basis.
Articles/ Articles of Association	The Articles of Association of our Company, as amended.
Auditor	The statutory auditor of our Company, M/s. Price Waterhouse, Chartered Accountants, having their office at 252, Veer Savarkar Marg, Shivaji Park, Dadar, Mumbai 400 028, India.
Board/ Board of Directors/ our Board	Board of Directors of our Company or a duly constituted committee thereof, as the context may refer to.
Business Associates	The parties, including sub-brokers registered with SEBI, with whom we have entered into arrangements for certain services including introduction of customers to our services.
Business Locations	Premises in which we and/or our Business Associates operate one or more of our business activities.
Corporate Office/ Registered Office	The office of our Company situated at D3, P3B, District Centre, Saket, New Delhi – 110 017, India.
Directors/ our Directors	Directors of our Company, unless otherwise specified.
ESOS 2006	Employee Stock Option Scheme 2006 for the employees of our Company as approved by the shareholders by way of a resolution dated November 6, 2006 and subsequent amendments thereto.
ESOS 2010 and/or ESPS – 2010	Employee Stock Option Scheme – 2010 (" ESOS 2010 ") and Employee Stock Purchase Scheme - 2010 (" ESPS 2010 ") for the eligible employees/ Directors (other than Promoters) of the Company including the employees/ Directors (other than Promoters) of its Subsidiaries in accordance with the ESOP & ESPS Guidelines as approved by the shareholders by way of a resolution dated August 11, 2010 as amended by shareholder resolution dated March 12, 2011.
Memorandum/ our Memorandum	The Memorandum of Association of our Company, as amended.
Net Worth	Total equity capital plus free reserves less accumulated losses.
Promoters	The promoters of our Company, being Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh.
Promoter Group	Promoter group as defined in Regulation 2 (zb) of SEBI Regulations.
Subsidiaries/our Subsidiaries	The direct subsidiaries of our Company as listed below: (i) Religare Securities Limited; (ii) Religare Finvest Limited; (iii) Religare Insurance Broking Limited; (iv) Religare Venture Capital Limited; (v) Religare Finance Limited; (vi) Religare Capital Markets Limited; (vii) REL Infracilities Limited; (viii) Religare Arts Initiative Limited; (ix) Religare Health Insurance Company Limited; (x) Vistaar Religare Capital Advisors Limited; and (xi) Religare Global Asset Management Inc.

Issue Related Terms and Abbreviations

Term	Description
Abridged Letter of Offer	The abridged letter of offer to be sent to the Equity Shareholders in accordance with the SEBI Regulations, Companies Act and the terms and conditions specified in the Section "Terms of the Issue" on page 455.
Allotment	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue.
Allotment Date	The date on which Allotment is made.
Application Money	The aggregate amount payable in respect of the Equity Shares applied for in the Issue at the Issue Price of ₹ [●].
ASBA	"Application Supported by Blocked Amount" or an application, whether physical or

Term	Description
	electronic, used by an ASBA Investor to apply for the Equity Shares in the Issue, together with an authorization to an SCSB to block the Application Money in the ASBA Account, as further detailed in the Section “Terms of the Issue – Information for ASBA Investors” on page 467.
ASBA Account	Account maintained by an ASBA Investor with an SCSB which will be blocked by such SCSB to the extent of the Issue Price, as specified in the CAF or the plain paper application, as the case may be.
ASBA Investor	Any Equity Shareholder who intends to apply to the Issue through ASBA and: <ul style="list-style-type: none"> (a) holds the Equity Shares in dematerialized form as on the Record Date; (b) has not renounced his/ her Rights Entitlement in full or in part; (c) is not a Renouncee; and (d) is applying through the ASBA Account.
Bankers to the Issue	Bankers to the Issue being [●] and [●].
CAF/Composite Application Form	The application form used by Equity Shareholder(s) and Renouncee(s), if any, to make an application for the issue and allotment of the Equity Shares in the Issue.
Controlling Branches	The branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/pmd/scsb.pdf .
Designated Branches	Such branches of the SCSBs which shall collect the CAF or the plain paper application, as the case may be, from the ASBA Investors and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf .
Depository	A depository registered with the SEBI under the Depository Regulations.
DP	Depository Participant.
Designated Stock Exchange	The National Stock Exchange of India Limited.
Draft Letter of Offer/DLOF	This Draft Letter of Offer dated May 6, 2011.
Equity Shares	Equity shares of the Company of face value of ₹ 10 each.
Equity Shareholder	A holder of Equity Shares.
Investor(s)	Equity Shareholder as on the Record Date, i.e. [●], 2011 and Renouncee(s).
Issue/the Issue/this Issue	Issue of [●] Equity Shares for cash at a price of ₹ [●] per Equity Share including a premium of ₹ [●] per Equity Share aggregating up to ₹ 8,000 million (pursuant to the resolution dated April 26, 2011 passed by the Board of Directors of the Company, the size of the Issue may be increased by up to 10%.) to the Equity Shareholders of the Company on rights basis in the ratio of [●] Equity Shares for every [●] Equity Shares held on the record date, [●], 2011. The Issue Price is [●] times of the face value of the Equity Share. The entire Issue Price for the Equity Shares will be paid on application.
Issue Closing Date	[●], 2011.
Issue Opening Date	[●], 2011.
Issue Price	₹ [●] per Equity Share.
Issue Proceeds	The proceeds raised through this Issue estimated to be ₹ 8,000 million. Pursuant to the resolution dated April 26, 2011 passed by the Board of Directors of the Company, the size of the Issue may be increased by up to 10%. Accordingly the estimated issue proceeds may increase by 10%.
Lead Manager(s)	Nomura Financial Advisory & Securities (India) Private Limited and Religare Capital Markets Limited
Letter of Offer/LOF	The Letter of Offer to be filed with the Stock Exchanges after incorporating the comments received from SEBI on the Draft Letter of Offer.
Monitoring Agency	[●].
Nomura	Nomura Financial Advisory & Securities (India) Private Limited
Net Proceeds	An estimated amount of ₹ [●] million arrived at after deducting Issue related expenses from the Issue Proceeds.
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs and sub-accounts registered with SEBI (other than a sub-account which is a foreign corporate or foreign individual), scheduled commercial banks, Mutual Funds registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds setup and managed by the Department of Posts, India
RCM	Religare Capital Markets Limited

Term	Description
Record Date	[●].
Refund Banker(s)	[●].
Registrar/ Registrar to the Issue	Registrar to the Issue, in this case being Karvy Computershare Private Limited.
Renouncees	Persons, who have acquired Rights Entitlements from Equity Shareholders.
Rights Entitlement	[●] Equity Shares that an equity shareholder is entitled to for every [●] fully paid-up Equity Share(s) held as on the Record Date.
SAF	Split Application Form
Self Certified Syndicate Bank or SCSB	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf .
Stock Exchange(s)	The NSE and BSE, as the context may refer to.

Conventional/General Terms, Abbreviations and References to Other Business Entities

Term	Description
A/c	Account.
Act or Companies Act	The Companies Act, 1956, as amended.
Aegon	AEGON India Holding B.V.
Aegon N.V.	AEGON International N.V.
ADR	American Depositary Receipts.
AGM	Annual General Meeting.
AMC	Asset Management Company.
AMG	Affiliated Managers Group.
ANR	ANR Securities Limited.
Arbitration Act	The Arbitration and Conciliation Act, 1996, as amended.
ARLICL	AEGON Religare Life Insurance Company Limited.
AS	Accounting Standards.
AY	Assessment Year.
BCCL	Bennett, Coleman & Company Limited.
BJM	Barnard Jacobs Mellet (UK) Limited.
BJM US	Barnard Jacobs Mellet (USA) LLC.
BMS	Bartleet Mallory Stockbrokers (Pvt) Limited.
BRIC Nations	Brazil, Russia, India and China.
BRPL	Bindas Realtors Private Limited.
CAGR	Compounded Annual Growth Rate.
CARO	Companies (Auditors' Report) Order, 2003.
COO	Chief Operating Officer.
CEO	Chief Executive Officer.
CFD	Contracts For Difference.
CIC-ND-SI	Core Investment Company.
CII	Confederation of Indian Industries.
CIN	Corporate identification number.
CIT	Commissioner of Income Tax.
CoR	Certificate of Registration.
CJEL	Central Joint Enterprises Limited (now known as Religare Capital Markets ("HK") Limited)
CP, Act	The Consumer Protection Act, 1986, as amended.
CRAR	Capital to Risk-weighted Assets Ratio.
CrPC	Criminal Procedure Code, 1973, as amended.
CRISIL	Credit Rating Information Services of India Limited.
CST	Commissioner of Service Tax.
Depositories Act, 1996	The Depositories Act, 1996, as amended.
Depository Regulations	The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended.
DGS	Dion Global Solutions Limited
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, GOI.
DP ID	Depository Participant's Identity.
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation.
ECB	External Commercial Borrowings.
ECS	Electronic Clearing Service.
EGM	Extraordinary General Meeting.
EPS	Earnings Per Share i.e., profit after tax for a Fiscal/period divided by the weighted

Term	Description
ESOS & ESPS Guidelines	average number of equity shares/potential equity shares during that Fiscal/period. SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.
EU	European Union.
FBT	Fringe Benefit Tax.
FCCB	Foreign Currency Convertible Bonds.
FDI	Foreign Direct Investment.
FDI Policy	The Foreign Direct Investment Policy as laid down in the consolidated FDI policy effective from April 1, 2011.
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations promulgated thereunder and any amendments thereto.
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto.
FHIL	Fortis Healthcare (India) Limited.
FII(s)	Foreign Institutional Investors as defined under Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995 registered with SEBI under applicable laws in India.
FII Regulations	The Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
Financial Year/ Fiscal/ FY	Period of twelve months ended March 31 of that particular year.
FINRA	Financial Industry Regulatory Authority.
FIPB	Foreign Investment Promotion Board.
FIR	First Information Report.
FSA	Financial Services Authority
GBPL	Greenview Buildtech Private Limited.
GDP	Gross Domestic Product.
GDR	Global Depositary Receipts.
GIR Number	General Index Registry Number.
GOI	Government of India.
HNI	High net worth individuals.
HNWI	High Net-Worth Individuals.
Hottinger & Cie	Hottinger & Cie Banquiers, a company registered under the laws of Zurich, Switzerland.
HSJ	HSJ Investments and Holdings Private Limited.
HUF	Hindu Undivided Family.
ICAI	Institute of Chartered Accountants of India.
ICDs	Inter Corporate Deposits.
ICRA	ICRA Limited.
IFA	Independent financial advisor
Insurance Act	The Insurance Act, 1938, as amended.
IRDA Act	The Insurance Regulatory and Development Authority Act, 1999, as amended.
IFRS	International Financial Reporting Standards.
IPO	Initial Public Offering.
IPPL	Impact Projects Private Limited.
IPRO	Investment Professionals Limited
IRDPL	Impact Realty Developers Private Limited.
ITA	Income Tax Appeal.
IT Act	The Income Tax Act, 1961, as amended.
IT Department	Income Tax Department.
Indian GAAP	Generally Accepted Accounting Principles in India.
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended.
Insurance Broker Regulations	The Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2002, as amended.
IP	Intellectual Property.
IPC	The Indian Penal Code, 1860, as amended.
IRDA	Insurance Regulatory and Development Authority.
IT	Information Technology.
ITAT	Income Tax Appellate Tribunal.
JV	Joint Venture.
KYC	Know Your Customer.
Karvy	Karvy Computershare Private Limited.
Landmark Partners	Landmark Partners LLC, US.

Term	Description
LAS	Loans Against Securities.
LIBOR	London Interbank Offered Rate.
Listing Agreement	Listing Agreement entered into with the Stock Exchanges.
Macquarie	Macquarie Equities Limited, a company incorporated under the laws of New South Wales, Australia.
MBPL	Meadows Buildtech Private Limited.
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
Merchant Banker Regulations	The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended.
MHC	Malsh Healthcare.
RHDFCL	Religare Housing Development Finance Corporation Limited.
MHPL	Malav Holdings Private Limited.
Milestone	Milestone Fincap Services Private Limited.
MOU	Memorandum of Understanding.
MPEF	Milestone Private Equity Fund.
MRTPL Act	Monopolies and Restrictive Trade Practices Act, 1969 as amended.
MRIAPL	Milestone Religare Investment Advisors Private Limited.
Mutual Fund	Mutual fund as defined under the Mutual Fund Regulations.
Mutual Fund Regulations	The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended.
N.A.	Not Applicable.
NAV	Net asset value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation, preference share capital, preference share premium and share application money) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of 'profit and loss account', divided by number of issued equity shares outstanding at the end of Fiscal.
NBFC	Non Banking Financial Company as defined under the Reserve Bank of India Act, 1934 and regulations promulgated thereunder, as amended.
NBFC-ND	NBFC not accepting deposits from the public.
NBFC-ND-SI	Systemically important NBFC-ND
NCR	National Capital Region
NCT	National Capital Territory of Delhi and Haryana.
NEFT	National Electronic Fund Transfer.
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.
N.I. Act	The Negotiable Instruments Act, 1881, as amended.
No.	Number.
NPAs	Non performing assets.
NR	Non-resident or person(s) resident outside India, as defined under the FEMA, including FIIs.
NRE Account	Non Resident External Account.
NRI	Non Resident Indian, is a person resident outside India, as defined under the FEMA and the FEMA Regulations.
NRO Account	Non Resident Ordinary Account.
NSDL	National Securities Depository Limited.
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the FEMA Regulations and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA.
OIL	Oscar Investments Limited.
OT	Oscar Traders.
OTCEI	Over the Counter Exchange of India Limited.
p.a.	Per Annum.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number allotted under the IT Act.
PE	Private Equity.
Portfolio Manager	A portfolio manager as defined under the Portfolio Manger Regulations.
PGDBM	Post Graduate Diploma in Business Management.
PLR	Prime Lending Rate.

Term	Description
PLUS	PLUS Markets plc.
Portfolio Manager Regulations	The Securities and Exchange Board of India (Portfolio Managers) Regulation, 1993 as amended.
RAIL	Religare Arts Initiative Limited.
RAIML	Religare Arts Investment Management Limited.
RAMCL	Religare Asset Management Company Limited.
RBI	The Reserve Bank of India.
RBI Act	The Reserve Bank of India Act, 1934, as amended.
RCL	Religare Commodities Limited.
RCM	Religare Capital Markets Limited.
RCM Inc.	Religare Capital Markets Inc.
RCMEMEA	Religare Capital Markets (EMEA) Limited.
RCMIML	Religare Capital Markets International (Mauritius) Limited.
RCMIUKL	Religare Capital Markets International (UK) Limited.
RCMPlc	Religare Capital Markets Plc.
RFIL	Religare Finance Limited.
RFL	Religare Finvest Limited.
RGAM	Religare Global Asset Management Inc.
RHC Holding	RHC Holding Private Limited.
RHH	Religare Hichens, Harrison Plc.
RHIL	Religare Health Insurance Company Limited
RIBL	Religare Insurance Broking Limited.
RMWML	Religare Macquarie Wealth Management Limited.
RoC	The Registrar of Companies, NCT of Delhi and Haryana.
RONW	Return on Net Worth.
RSL	Religare Securities Limited.
Rs./Rupees/₹	Indian Rupees.
RTCL	Religare Trustee Company Limited.
RTGS	Real Time Gross Settlement.
RVCL	Religare Venture Capital Limited.
RVL	Religare Voyages Limited.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act 1992, as amended.
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
SHPL	Shivi Holdings Private Limited.
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985 and amendments thereto
SME	Small and medium enterprises.
Stock Broker Regulations	The Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992, as amended.
STT	Securities Transaction Tax.
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended.
TM Act	The Trademarks Act, 1999, as amended.
UHNI	Ultra high networth individuals.
UPSI	Unpublished Price Sensitive Information.
U.S./USA/United States	United States of America.
US GAAP	Generally Accepted Accounting Principles in the United States of America.
USE	United Stock Exchange
UTI	Unit Trust of India.
VC	Venture Capital.
Venture Capital Funds/VCF	Venture capital funds as defined and registered with SEBI under the VCF Regulations.
VCF Regulations	The Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended.
VCPL	Vistas Complexes Private Limited.
VRCAL	Vistaar Religare Capital Advisors Limited.
VRMF	Vistaar Religare Mutual Fund.
VRPL	Vistas Realtors Private Limited.
Working Days	All days other than a Sunday or a public holiday, on which commercial banks in Mumbai and Hyderabad are open for business.

Industry Related Terms

Term	Description
AFMS	Advisory Fund Management Service.
AMC	Asset management company as defined under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
AMFI	Association of Mutual Funds in India.
AUM	Assets Under Management.
BSE	Bombay Stock Exchange Limited.
CDSL	Central Depository Services (India) Limited.
Depositories	NSDL and CDSL.
F&O	Futures and Options.
FMC	Forward Markets Commission.
ICEX	Indian Commodity Exchange Limited.
IPO Financing	Offering loans to the retail customers who participate in the business of subscribing to shares of companies in domestic IPOs and add-on offerings.
IS	Information Systems.
ITES	IT Enabled Services.
MCX	Multi Commodity Exchange of India Limited.
MCX SEL	MCX Stock Exchange Limited.
NCDEX	National Commodity and Derivatives Exchange Limited.
NCDEX SEL	NCDEX Spot Exchange Limited.
Nifty	National Stock Exchange Sensitive Index.
NMCE	National Multi-Commodity Exchange of India Limited.
NSDL	National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited.
NSEL	National Spot Exchange Limited.
PFS	Personal Finance Services.
PMS	Portfolio Management Services.
RM	Relationship Manager.
SENSEX	Bombay Stock Exchange Sensitive Index.
STT	Securities Transaction Tax.
UCC	Unique Client Code.
VSAT	Very Small Aperture Terminal.

Notwithstanding the foregoing, terms in Sections “Outstanding Litigations and Defaults”, “Main Provisions of the Articles of Association of our Company”, “Statement of Tax Benefits” and “Financial Statements” beginning on pages 422, 476, 43 and 105, respectively, have the meanings given to such terms in these respective Sections.

PRESENTATION OF CURRENCY, FINANCIAL INFORMATION AND USE OF MARKET DATA

Currency of Presentation

All references to “Rs.” or “INR” or “Rupees” or “₹” refer to Indian Rupees, the lawful currency of India, “USD” or “US\$” refers to the United States Dollar, the lawful currency of the United States of America, “Singapore Dollar” or “S\$” refers to Singapore Dollars the official currency of Singapore, “Real” refers to the official currency of Brazil, “Rand” refers to the official currency of the Republic of South Africa and “Pound” or “£” refers to the Great Britain Pound, the official currency of the United Kingdom. The words “Lakh” or “Lac” mean “100 thousand” and the word “million” means “10 Lakh” and the word “crore” means “10 million” or “100 Lakhs” and the word “billion” means “1,000 million” or “100 crores”.

Financial Data

Unless stated otherwise, the financial information used in this Draft Letter of Offer, including any percentage amounts as set forth in the Sections “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages xii, 64 and 402, is derived from our Company’s audited consolidated and standalone financial statements as at and for the years ended March 31, 2009 and 2010, and the unaudited reviewed condensed consolidated and standalone financial statements as at and for the nine month periods ending December 31, 2010 and 2009, prepared in accordance with Indian GAAP and the Companies Act and applicable provisions of the SEBI Regulations, including instructions and clarifications issued by SEBI from time to time in this regard.

Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in ₹ million.

Our fiscal year commences on April 1 and ends on March 31 of the next year. Unless stated otherwise, reference herein to a particular “fiscal year” or “Fiscal” are to the 12-month period ended March 31 of that year. The revenue of the Company is referred to herein and in the financial statements as income.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sum of the amounts listed may be due to rounding off.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

Basis of Presentation

Historically, our Promoters conducted our business in separate companies; however, presently all of our businesses are primarily operated through our various subsidiaries. In order to integrate our financial services operations under the “Religare” name, our Company acquired a 100% stake in such entities during Fiscals 2006 and 2007 to make them our wholly owned subsidiaries. Subsequently, our Company has incorporated certain subsidiaries.

Industry and Market Data

Unless stated otherwise, industry data used in this Draft Letter of Offer has been obtained from industry publications, data on websites maintained by private and public entities, data appearing in reports by market research firms and other publicly available information.

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that the industry data used in this Draft Letter of Offer is reliable, it has not been verified by any independent source. Neither we nor the Lead Managers have independently verified this data and neither we nor the Lead Managers nor any of their respective affiliates nor advisors make any representation regarding the accuracy of such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the Section titled “Risk Factors” on page xii. Accordingly, investment decisions should not be based on such information.

Further, the extent to which the market data presented in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

In this Draft Letter of Offer, our Company has used the industry information extracted from the database maintained by Prime Database, Praxis Consulting & Information Services Private Limited, as of April 8, 2011. Prime Database, Praxis Consulting & Information Services Private Limited by its letter dated April 25, 2011, has consented to the use of such information in this Draft Letter of Offer.

FORWARD-LOOKING STATEMENTS

We have included statements in this Draft Letter of Offer which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward looking statements”. Similarly, statements that describe our objectives, strategies, plans or goals are also forward-looking statements.

All forward looking statements are based on our current plans and expectations and are subject to a number of uncertainties, assumptions and risks that could significantly affect our current plans and expectations, and our future financial condition and results of operations and may differ materially from those contemplated by the relevant forward-looking statement. These factors include, but are not limited to:

- Competitive environment;
- Financial market trends;
- Changes in political, economic or financial conditions;
- Ability to borrow at competitive rates;
- Changes in government policies and regulation;
- Changes in interest and foreign exchange rates; and
- Global financial conditions.

For a further discussion of factors that could cause our actual results to differ, please see the Sections “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages xii, 64 and 402, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Neither our Company nor the Lead Managers nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI/Stock Exchanges requirements, our Company and the Lead Managers will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II - RISK FACTORS

RISK FACTORS

Investment in equity and equity related securities involves a high degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Issuer. Before making an investment decision, investors must rely on their own examination of this Issue and the Issuer.

In addition, the risks set out in this Draft Letter of Offer may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer and the price of the Equity Shares could decline. To obtain a complete understanding, this section should be read in conjunction with the Sections “Our Business” and “Management’s Discussion and Analysis on Results of Operations and Financial Conditions” beginning on pages 64 and 402, respectively.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. This section has been numbered solely for convenience and the order in which the risks appear does not reflect the prioritization of any risk. This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Letter of Offer.

Unless otherwise stated, the financial information used in this section is derived from our consolidated audited financial statements as at and for the years ended March 31, 2010 and 2009 and our reviewed condensed consolidated financial statements as at and for the nine month periods ended December 31, 2010 and 2009, the schedules, annexure and notes thereto, prepared as per Indian GAAP. Any other financial information used in this section is on the basis of internal management reports and such information is not based on any review of our financial statements.

Internal Risk Factors

1. We have been subjected to regulatory action and penalties. Further, certain proceedings against us are currently pending.

We are a diversified financial services group with many of our subsidiaries being regulated by various regulatory authorities such as SEBI, RBI, BSE, NSE, MCX, NCDEX, IRDA, FMC, NHB etc. We have been subjected to regulatory action and penalties by certain authorities such as SEBI, certain exchanges and depositories. Further, an appeal has been filed by us against an order of the adjudication officer of SEBI and is currently pending. Should any new developments arise, such as a change in Indian law or orders against us by these regulatory agencies, we may need to make additional provisions in our financial statements, which could increase our expenses and our current liabilities. We can give no assurance that this appeal will be decided in our favour. An adverse outcome in this proceeding could have an adverse effect on our business prospects, financial condition and results of operations.

The details of the proceeding pending against us are as follows:

Subsidiaries	Number and nature of proceedings	Monetary claim, if any (₹ in million)
Religare Securities Limited	One appeal pending before the Securities Appellate Tribunal	0.30

For further details see “Outstanding Litigations and Defaults” on page 422.

The details of the proceedings that have been decided against our Subsidiaries are given below:

Subsidiaries	Nature of proceedings	Penalty, if any (₹ in million)
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Subsidiaries	Nature of proceedings	Penalty, if any (₹ in million)
Religare Finvest Limited	Penalty imposed by SEBI for violation of SEBI (SAST) Regulations and SEBI (Insider Trading) Regulations	0.10
Religare Securities Limited	Penalties imposed by NSE, NSCCL and BSE for various securities trading violations.	5.10
Religare Securities Limited	Penalties imposed by NSDL and CDSL for operational lapses.	0.20
Religare Commodities Limited	Penalties levied by MCX and NCDEX for certain reasons including exceeding open interest position limit, delivery shortage, etc.	0.60
Religare Insurance Broking Limited	Penalty imposed for payment of annual fee after due date.	0.05
Religare Capital Markets Limited	Penalty imposed by NSE and BSE for securities trading violations.	0.32

2. There are outstanding legal proceedings against our Company, our Subsidiaries and other consolidated entities, our Directors and Promoters.

Our Company, certain of our Promoters, Directors, Subsidiaries and other consolidated entities are involved in certain legal proceedings and claims, including criminal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Should any new developments arise, such as a change in Indian law or rulings against us by courts or tribunals, we may need to make additional provisions in our financial statements, which could increase our expenses and our current liabilities. We can give no assurance that these legal proceedings will be decided in our favour.

Further, our Company is involved in 8 consumer and 8 taxation litigations, which are pending at different levels of adjudication. The aggregate monetary claim for these cases, to the extent ascertainable, amounts to ₹ 5.82 million.

Certain proceedings are pending against some of our Subsidiaries. The details of these proceedings are given below:

Subsidiaries	Number and nature of proceedings	Monetary claim, if any (₹ in million)
Religare Insurance Broking Limited	2 civil cases	0.52
Religare Insurance Broking Limited	5 labour matters	0.03
Religare Insurance Broking Limited	1 consumer matter	Non ascertainable
Religare Insurance Broking Limited	5 tax proceedings	0.22
Religare Commodities Limited	3 police matters	Non ascertainable
Religare Commodities Limited	2 arbitration claims	43.3
Religare Commodities Limited	7 consumer matters	4.22
Religare Commodities Limited	1 labour matter	Non ascertainable
Religare Commodities Limited	8 tax proceedings	1.40
Religare Securities Limited	24 police matters	Non ascertainable
Religare Securities Limited	2 matters before magistrates	Non ascertainable
Religare Securities Limited	25 civil cases	22.61
Religare Securities Limited	70 arbitration petitions	18.55
Religare Securities Limited	75 consumer matters	40.25
Religare Securities Limited	13 arbitration claims	20.19
Religare Securities Limited	6 complaints before registrar of companies	Non ascertainable
Religare Securities Limited	11 labour matters	0.14
Religare Securities Limited	3 matters under various Shops and Establishment Acts	Non ascertainable
Religare Securities Limited	2 matters under MRTP Act	Non ascertainable
Religare Securities Limited	1242 investors grievances	223.96
Religare Securities Limited	16 tax proceedings	308.93
Religare Finvest Limited	85 civil proceedings	Nil
	7 consumer matters	1.18
	7 labour matters	Nil
	15 tax proceedings	116.94

Subsidiaries	Number and nature of proceedings	Monetary claim, if any (₹ in million)
Religare Capital Markets Limited	3 tax proceedings	0.52
Religare Housing Development Finance Corporation Limited	2 civil proceedings 7 consumer matters 2 writ proceedings 5 tax proceedings	1.5 0.19 Nil 10.40

Apart from the above, our Promoters and certain of our Directors are involved in certain civil and criminal litigations in their respective capacities as directors in other companies.

An adverse outcome in any or all of these proceedings could have an adverse effect on our business prospects, financial condition and results of operations. Furthermore, the criminal proceedings pending against our Directors could impair their ability to serve our Company. In addition, there are outstanding legal proceedings initiated by our Company, its Subsidiaries and other consolidated entities, its Directors and Promoters. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, appellate tribunals and arbitrators. For further details, please see “Outstanding Litigations and Defaults” on page 422.

3. *Our contingent liabilities could adversely affect our financial condition.*

As of March 31, 2010 and December 31, 2010, our contingent liabilities not provided for and outstanding guarantees, as disclosed in our audited financial statements and unaudited reviewed consolidated financial statements, respectively include:

(₹ in million)

Sr. No.	Particulars	December 31, 2010	March 31, 2010
(a)	Financial and other guarantees issued by the Banks/ Group to banks and stock exchanges and others*	9,615.56	9,403.99
(b)	Underwriting commitments/obligations for Shares / debentures**	4537.92	2,900.00
(c)	Disputed Income Tax demands not provided for	185.46	105.34
(d)	Provident fund demand against employees provident fund dues from a subsidiary under appeal not provided for	-	11.91
(e)	Disputed demand for Service Tax Liability against a subsidiary not provided for	277.39	212.91
(f)	Loan sanctioned but not disbursed by a subsidiary	1,025.61	1,662.92
(g)	Claim against the Group not acknowledged as debts	429.09	281.58

*Certain guarantees have been disclosed at net outstanding value instead of at face value.

**The contingent liabilities as at December 31, 2010 included an amount of US\$ 56 million (₹ 2,537.92 million) on account of capital commitments relating to the acquisition of Northgate Capital LLC.

If any of these contingent liabilities materializes, our financial condition and results of operations could be adversely affected.

4. *We are subject to uncertainties associated with the securities industry which could result in fluctuating revenues. Further, our business is affected by conditions in the financial markets and economic conditions generally, both in India and elsewhere around the world which could have an adverse effect on our results of operations.*

As a financial services company, we are subject to uncertainties that are common in the securities business. These include the volatility of domestic and international financial, bond and stock markets, extensive governmental regulation, litigation, intense competition, substantial fluctuations in the volume and price levels of securities and dependence on the solvency of various third parties. As a result, our revenues and earnings may vary significantly from quarter to quarter and from year to year. In periods of low trading volume, our profitability may be impaired because certain of our expenses remain relatively fixed.

Our business is affected by conditions in the financial markets and economic conditions generally, both in India and elsewhere around the world. Many factors or events could lead to a downturn in the financial markets

including war, acts of terrorism, natural catastrophes and sudden changes in economic and financial policies. Any such event could affect confidence in the financial markets and affect our ability to function effectively. In addition, such events can reduce the value of our advisory assets, thereby reducing our asset-based fee income. A significant portion of our revenues in recent years has been derived from broking and lending operations and although we intend to continue to diversify our revenue sources, we expect these businesses to continue to account for a significant portion of our revenues in the foreseeable future. During periods of unfavorable market or economic conditions, the volume and value of primary and secondary market transactions may decrease, thereby reducing the demand for our broking services. A market downturn would likely lead to a decline in the volume of transactions that we execute for our customers as well as a decrease in prices. Any decline in transaction volumes would lead to a decline in our revenues received from commissions. If we are unable to reduce our expenses accordingly, our profit margins would decrease. With regard to our capital markets businesses, any sustained decrease in the performance of investments related to our operations may affect our portfolio and consequently, our business and financial condition. Capital markets are exposed to additional risks, including liquidity, interest rate and foreign exchange related risks. Any downturn or disruption in the securities markets and the capital markets in particular could have an adverse effect on our results of operations.

5. Our risk management policies and procedures may leave us exposed to unidentified risks or unanticipated levels of risk.

We have adopted policies and procedures to identify, monitor and manage our operational risk. These policies relate to human error, customer defaults, market movements, fraud and money-laundering and our methods may be discretionary and based on internally developed controls. The policies and procedures we employ to identify, monitor and manage risks may not be fully effective. Some methods of risk management are based on observed historical market behavior. As a result, these methods may not predict future risk exposures, which could be significantly greater than what historical measures indicate. Other risk management methods depend on the evaluation of information regarding markets, clients or other matters that are publicly available or otherwise accessible by us. This information may not be accurate, complete, up to date or properly evaluated. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events. We cannot assure you that our policies and procedures will effectively and accurately record and verify this information.

We seek to monitor and control our risk exposure through a variety of financial, credit, operational and legal reporting systems. Nonetheless, the effectiveness of our ability to manage risk exposure cannot be completely or accurately predicted or fully assured. For example, unexpectedly large or rapid movements or disruptions in one or more markets or other unforeseen developments may have an adverse effect on our results of operations and financial condition. The consequences of these developments could include losses due to adverse changes in inventory values, decreases in the liquidity of trading positions, higher volatility in earnings, increases in our credit risk to customers as well as to third parties and increases in systemic risk. For details, see “Our Business – Risk Management” on page 86.

6. We are subject to extensive regulations of multiple jurisdictions and any failure to comply with these regulations could subject us to penalties or sanctions or both.

The securities business and our business are subject to extensive regulation by the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), the Forward Markets Commission (“FMC”), the Insurance Regulatory and Development Authority (“IRDA”) and other governmental regulatory authorities. We are also regulated by industry self-regulatory organizations, including the Bombay Stock Exchange Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”) (collectively, the “Stock Exchanges”), the Multi Commodity Exchange of India Limited (“MCX”), the National Commodity & Derivatives Exchange Limited (“NCDEX”), the National Multi-Commodity Exchange of India Limited (“NMCE”), the National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”). The regulatory environment in which we operate is also subject to change and we may be adversely affected as a result of new or revised legislation or regulations imposed by SEBI, other governmental regulatory authorities or self-regulatory organizations. We also may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations. Our Subsidiaries, Religare Securities Limited (“RSL”), Religare Commodities Limited (“RCL”), Religare Capital Markets Limited (“RCM”) and Bartleet Mallory Stockbrokers (Pvt) Limited (“BMS”), Religare Capital Markets Plc (“RCM Plc”), Religare Capital Markets (UK) Limited (formerly Blomfield Corporate Finance Limited) and Religare Capital Markets (EMEA) Limited (“RCMEMEA”) which was formerly known as Barnard Jacobs Mellet (UK) Limited (“BJM”) are members of various stock exchanges. Broker-dealers and merchant bankers

are subject to regulations which cover all aspects of the securities business, including sales methods and supervision, trading practices, usage and safekeeping of customer funds and securities, record keeping, and the conduct of directors, officers and employees.

Due to our acquisitions in various jurisdictions, we are subjected to regulations in several jurisdictions. We acquired Hichens, Harrison & Co. Plc., presently known as Religare Capital Markets Plc (“RCM Plc”) in FY 2009. RCM Plc is authorized and regulated by the Financial Services Authority (“FSA”), is a member of the London Stock Exchange, a PLUS member broker-dealer, a PLUS member corporate adviser, a member of the NASDAQ Dubai. Its subsidiary, Religare Capital Market (UK) Limited (formerly known as Blomfield Corporate Finance Limited), is also authorized and regulated by the FSA and Religare Capital Markets (Pty) Limited (formerly Religare Hichens, Harrison (Pty) Limited) is licensed by the Financial Services Board of South Africa. We acquired Central Joint Enterprises Limited (“CJEL”) in FY 2011 now known as Religare Capital Markets (“HK”) Limited. CJEL is authorized and regulated by the Securities and Futures Commission of Hong Kong and its subsidiary Central Joint Enterprises Pte Limited (now known as Religare Capital Market (Singapore) Pte Limited) is regulated by Monetary Authority of Singapore. We acquired 50% interest in BMS in FY 2011. BMS is a member of the Colombo Stock Exchange. We acquired Barnard Jacobs Mellet (USA) LLC (“BJM US”), now known as Religare Capital Markets (USA) LLC and BJM in FY 2011. BJM US is a registered broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority (“FINRA”). RCMEMEA is authorized and regulated by the FSA and is a member of the London Stock Exchange. We acquired Northgate Capital LLC and Northgate Capital LP, a private equity investment advisory company, in FY 2011. We also acquired Landmark Partners, a private equity and real estate investment advisory company on April 18, 2011. Northgate Capital LLC, Northgate Capital LP and Landmark Partners are regulated by the United States Securities and Exchange Commission. We have also acquired monitory stake in Investment Professionals Limited (“IPRO”), a Mauritius based company engaged in the business of fund management regulated by the Financial Services Commission of Republic of Mauritius.

Our ability to conduct business in the jurisdictions in which we currently operate depends on our compliance with the laws, rules and regulations promulgated by regulatory bodies and the regulatory authorities in each of these jurisdictions. Our ability to comply with all applicable laws, rules and regulations is largely dependent on our establishment and maintenance of compliance, audit and reporting systems and procedures, as well as our ability to attract and retain qualified compliance, audit and risk management personnel. While we have adopted policies and procedures reasonably designed to comply with all applicable laws, rules and regulations, these systems and procedures may not be fully effective, and we cannot assure you that regulators or third parties will not raise material issues with respect to our past or future compliance with applicable regulations.

Compliance with many of the regulations applicable to us involves a number of risks, particularly in areas where applicable regulations may be subject to varying interpretation. The requirements imposed by securities regulators are designed to ensure the integrity of the financial markets and to protect customers and other third parties who deal with us. Consequently, these regulations often serve to limit our business activities, including through capital adequacy, credit concentration and market conduct requirements. If we are found to have violated any applicable regulation, administrative or judicial proceedings may be initiated against us that may result in trading bans, censures, fines, suspension or deregistration of our brokerage or investment banking activities, the suspension or disqualification of our officers or employees, or other adverse consequences. The imposition of any of these or other penalties could have an adverse effect on our business, reputation, financial condition and results of operations.

We are subject generally to changes in Indian and international laws, as well as to changes in regulations and accounting principles. We cannot assure you that the laws governing the financial services sector will not change in the future or that the impact of such changes would not adversely affect our business and results of operations.

7. *We require certain regulatory approvals for conducting our business and any failure to obtain, retain or renew such approvals in a timely manner, or at all, may adversely affect our business and results of operations.*

We have made several applications to various authorities which are currently pending.

- We have applied to RBI for registration as a systemically important core investment company (“CIC-ND-SI”) by our application dated March 28, 2011;

- RSL, by way of its application dated July 7, 2010 has applied to the Delhi Stock Exchange Limited for registration as a trading cum clearing member of its capital market segment;
- RCM has made an application on October 16, 2009 before SEBI for registration as a ‘Custodian of Securities’ under the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996.
- We also intend to foray into the health insurance business in India for which we have obtained a R1 approval from IRDA and have applied for license in Form R2 on January 10, 2011, upon grant of which, the process in relation to the R3 approval may be completed. RHICL will be in a position to issue policies once R2 and R3 approvals are received.

We cannot assure you that we will be able to obtain approvals in respect of such applications or any application made by us in the future, in a timely manner or at all. In addition, we require certain approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by authorities such as IRDA, SEBI, the RBI, the Stock Exchanges, the FMC and certain other regulatory and government authorities, for operating our businesses. These approvals, licenses, registrations and permissions may be subject to numerous conditions. If we fail to maintain such registrations and licenses or to comply with applicable conditions or a regulator claims that we have not complied with such conditions, our certificate of registration, license or permission for carrying on a particular activity may be suspended or cancelled and we may not be able to carry on such activity, which could adversely affect our business, financial condition and results of operations. For further details see “Government and Other Approvals” on page 444.

8. *We may be unable to successfully execute future acquisitions or efficiently integrate and manage the businesses we have acquired or may acquire in the future.*

We have entered into new businesses through the acquisition of Landmark Partners, Northgate Capital, LLC, Northgate Capital, LP, BMS, RCM Plc, BJM US, BJM and CJEL. The businesses carried on by these acquired companies include, among others, brokerage services, research services and investment advisory services. We may continue to expand, in part, by acquiring complementary businesses in the future. The success of the past acquisitions and any future acquisitions will depend upon several factors, including the following:

- our ability to identify and acquire businesses on a cost-effective basis;
- our ability to integrate acquired personnel, operations, products and technologies into our organization effectively;
- our ability to retain and motivate key managerial personnel and to retain the customers of the acquired businesses;
- unanticipated problems or legal liabilities of the acquired businesses; and
- tax or accounting issues relating to the acquired businesses.

Any acquisition requires a significant commitment of management time, capital investment and other resources. If we are unable to effectively execute our planned acquisitions or integrate any acquired businesses, our business, financial condition and results of operations may be adversely affected. We cannot assure you that we will achieve the strategic purpose of any acquisition or operational integration or an acceptable return on such investments. In addition, if we pay for such acquisitions by issuing additional Equity Shares as consideration for the purchases, the value of our Equity Shares may be diluted. Furthermore, the success of such expansions is highly dependent on our ability to obtain the requisite approvals and registrations from financial services regulatory authorities in the countries out of which these entities are based.

We recently acquired Landmark Partners, Northgate Capital, LLC and Northgate Capital, LP in the United States, IPRO in Mauritius, BMS in Sri Lanka and BJM US, BJM and CJEL in the United Kingdom. We cannot assure you that we will be able to effectively and successfully integrate these acquisitions. Further, there is a risk that our integration plans may not be executed in a timely manner or at expected costs. For instance, RCM Plc, CJEL and BJM are exposed to foreign exchange risk on account of broking transactions denominated in currencies other than their primary functioning currencies, which they minimize by buying or selling currency at the time of trading on behalf of their clients in order to meet funds due or receivable on settlement. We cannot assure you that RCM Plc, CJEL or BJM will be able to implement this foreign exchange risk management

strategy successfully at all times in the future. Any failure to effectively implement the integration strategies related to these acquisitions may have an adverse effect on our business and financial condition. For details in relation to our recent acquisitions, see “Our Business” on page 64.

9. We intend to diversify into new businesses and any delays in commencing operations of such businesses may affect our results of operations, expansion and growth plans.

We intend to diversify our businesses, including entering into the general insurance sector in the coming years. For instance, we have acquired Landmark Partners in FY 2012, a company engaged in, among other businesses, real estate investment advisory businesses. Diversifying our businesses would require our senior management to be involved in various negotiations and discussions, which could divert their attention from our existing operations. Further, certain businesses are heavily regulated and would require us to obtain certain approvals and licenses from regulatory and governmental authorities. New businesses would also require large amounts of capital infusion. We cannot assure you that we would have access to this capital in a timely manner or at costs which would render these businesses profitable or at all. In addition, we have no experience in running such businesses and we cannot assure you that such businesses, if and when they commence operations, would be profitable.

10. Credit risk exposes us to losses caused by financial or other problems experienced by third parties.

Due to the lack of reliable information in India about potential borrowers, particularly, small and medium enterprises (“SME”) and individuals, it is difficult for us to assess credit risks accurately. In addition, the Indian economy has been liberalized since 1991 and, as a result, many businesses in India have less experience operating in competitive market conditions than businesses in, for example, western Europe or the United States. Accordingly, the financial performance of Indian companies is generally more volatile and their credit quality is less predictable than those of similar companies in more developed markets and economies. Further, we are exposed to the credit risk of third parties owing us money, securities or other assets or failing to perform their obligations. We are particularly exposed to risks attributable to our SMEs lending business, which typically involves unsecured lending of funds to SMEs for meeting their working capital requirements. Other third parties to whom we extend unsecured loans include trading counterparties, customers, clearing agents, exchanges, clearing houses, and other financial intermediaries as well as issuers whose securities we hold. These parties may default on their obligations owed to us due to various factors including, among others, insolvency, lack of liquidity, operational failure or government or other regulatory intervention. In these circumstances, we have in the past been exposed to and in the future may be exposed to risks arising from, among others, holding securities of third parties, executing securities trades that fail to settle at required times due to non-delivery by the counterparties or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries extending credit to clients through bridge or margin loans or personal finance schemes. Significant failures by third parties to perform their obligations owed to us in a timely manner or at all could adversely affect our ability to borrow in the credit markets and our business.

11. Certain of our businesses are in the setting up or growth phase and require significant funding. We may not be able to realize significant gains from these businesses in the early years or at all.

Certain of our existing businesses such as investment banking, asset management and our life insurance business, are still in a setting up phase and require significant funding. Further, we have not realised and do not expect to realise significant gains from such businesses in the near term. Our inability to realise gains in some or all of these businesses may result in a material adverse effect on our business, prospects, financial condition and results of operations. Further, we exploit opportunities to expand into new business areas inorganically through acquisitions of entities providing financial services, which involve significant investment and capital commitment on our part in the initial years of the business. We may not be able to get an acceptable rate of return on these businesses which may lead to an adverse effect on our business, prospects, financial condition and results of operations. For details in relation to our acquisitions, see “Our Business” at 64. For risks in relation to future acquisitions see “Risk Factors —We may be unable to successfully execute future acquisitions or efficiently integrate and manage the businesses we have acquired or may acquire in the future” on page xvii.

12. We derive a substantial portion of our income from operations from our broking and lending businesses.

In FY 2010, we derived 31.54 % and 25.30% of our income from broking related operations and income from lending activities, respectively and for the nine months period ended December 31, 2010, they continue to contribute 22.93% and 36.66% of the total income. As a result, our results of operations are substantially

dependent upon the performance of these businesses and our ability to attract positive net client flows into these businesses. If a significant portion of our clients in our broking or lending businesses withdraw their investments, terminate their agreements, fail to repay their loans in a timely manner or at all or fail to enter into new loan agreements for any reason, including due to poor investment performance or adverse market conditions, our income from these businesses would decline, which would adversely affect our business, financial condition and results of operations.

13. We face risks associated with margin lending in our broking business.

In our broking business, we require our clients to deposit a minimum initial margin and if our clients are unable to repay the balance amount to us before the pay-in date, we, at times, extend credit at specified interest rates for the purchase of securities. In highly volatile markets or in the case of adverse movements in the prices of securities, our clients may not repay such debts, which may adversely affect our business. We follow internal risk management guidelines while extending credit, including limits on leverage, quality of collateral, diversification, predetermined margin call thresholds and predetermined thresholds to liquidate collateral. However, we are subject to risks inherent in extending credit, especially during periods of rapidly declining markets in which the value of the collateral held by us could fall significantly below the client's indebtedness. The occurrence of an unforeseen event resulting in an adverse movement in share prices could adversely affect our business if we are unable to successfully limit our losses caused by bad debts.

14. We are exposed to certain risks related to our commodities brokerage business.

We undertake trading in the commodities and wholesale debt markets on behalf of our clients. A decline in overall volumes in commodities and wholesale debt markets could affect the growth of revenues from our commodities and wholesale debt market businesses. Further, the commodity markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, congestion, disorderly markets, limitations on deliverable supplies, strikes by transporters, the activities of speculators, government regulation and intervention, technical, operational or system failures, nuclear accidents, terrorism, riots and natural catastrophes. For example, the Government of India ("GoI") has in the past banned trading in certain agricultural commodities, such as potatoes and soy oil, and may institute or extend bans on agricultural commodities in the future. In addition, commodity exchanges, including the MCX, NCDEX and NMCE, are relatively new and have regulations that limit the amount of fluctuation in futures contract prices that may occur during the course of a single business day. Limiting prices may have the effect of precluding trading in a particular contract or forcing the liquidation of contracts at disadvantageous times or prices, consequently affecting the value of the commodities traded and our results of operations. The occurrence of any of these risks related to our commodities brokerage business may adversely affect our business, financial condition and results of operations.

15. Our investment banking business may be adversely affected by adverse market or economic conditions.

In prior years, market and economic conditions have reduced the number and size of the transactions of investment banking services, including underwriting services, merger and acquisitions consulting and other services. Anticipated revenues from our planned investment banking ventures, in the form of financial advisory and underwriting fees, are directly related to the number and size of the transactions in which we can participate. Consequently, we may be adversely affected by any downturn in the securities markets. Additionally, any downturn in market conditions may lead to a decline in the volume of transactions that we are able to execute for our customers and, therefore, to a decline in the revenues that we would otherwise receive from commissions and spreads. Should these adverse financial and economic conditions exist for any significant period of time, we may experience a decline in transactions and revenues from commissions and spreads. For details in relation to our investment banking business and the revenues earned therefrom, see the Sections "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operation" on pages 64 and 402, respectively.

16. Poor investment performance may lead to loss of customers and a decline in assets under management and revenues in our asset management group.

Our ability to achieve investment returns for customers that meet or exceed investment returns for comparable asset classes and competing investment services is a key consideration when customers decide to keep their assets with us or invest additional assets, as well as a prospective client's decision to invest with us. Our inability to meet or exceed relevant investment benchmarks could result in redemptions or customers withdrawing assets

and in prospective customers choosing to invest with competitors. This could also result in lower investment management fees, including minimal or no performance-based fees, which could result in a decline in our revenues.

17. Our insurance business may incur losses for some years, which may adversely affect our business and financial condition.

Our life insurance business is currently being carried on by AEGON Religare Life Insurance Company Limited (“ARLICL”), a Joint Venture formed among our Company, AEGON N.V. and Bennett, Coleman & Company Limited (“BCCL”) with 44.0%, 26.0% and 30.0% of the equity share capital being held by the parties, respectively. As of March 31, 2011, we own 418,000,000 equity shares of ₹ 10 each of ARLICL representing approximately 44% of its paid-up share capital. While we are assured an IRR of 12%, backed by bank guarantees, our insurance business may involve high initial costs, operating expenses and reserve requirements. In addition, the IRDA has introduced guidelines modifying the charge structures and commissions that we can book out of selling certain insurance products and under IRDA guidelines, we may require prior approval from the IRDA before transferring our shareholding in ARLICL to a third party. These or other IRDA regulations and any losses related to our insurance business may adversely affect our business and our financial condition. For details in relation to ARLICL and our insurance business, see “Our Business” on page 64.

18. If we are unable to control the level of NPAs in our portfolio, our business may be adversely affected.

We have in the past experienced growth in our lending business. As our portfolio matures, we may face higher rates and amounts of default in loan or interest repayment. Consequently, our current NPA level or provisions may not be adequate and may not be comparable to loan portfolios of other banks and NBFCs with longer operating histories than us. Various factors, including a rise in unemployment, prolonged recessionary conditions, a sharp and sustained rise in interest rates, adverse developments in the Indian economy, movements in global commodity markets and exchange rates and global competition could cause an increase in the level of NPAs and may in turn have an adverse effect on the quality of our loan portfolio. We may experience a significant increase in NPAs where we are less able to control our portfolio quality and where economic difficulties are likely to affect our borrowers more severely. We may not be able to control or reduce the level of NPAs in our portfolio. We may not be successful in our efforts to improve collections and foreclose on existing NPAs. As of March 31, 2010, our gross NPAs constitute 0.35% of our total outstanding receivables, our net NPA constitutes 0.12% of or total outstanding receivables and we had a provision for NPAs in the aggregate amount of ₹ 95.79 million, which constituted 0.234% of our total outstanding receivables as on such date. In RFL, as of December 31, 2010, our gross NPAs constitute 0.08% of our total outstanding receivables, our net NPA constitutes 0.003% of or total outstanding receivables we had a provision for NPAs in the aggregate amount of ₹ 65.75 million, which constituted 0.074% of our total outstanding receivables as on such date. If we are unable to control or reduce the level of NPAs in our loan portfolio, the overall quality of our loan portfolio may deteriorate and our business may be adversely affected.

19. We may be exposed to several operational risks arising from Business Associates and employee misconduct and trading errors. Further, we are exposed to several operational risks, including the risk of fraud by employees or outsiders.

The operation of our business involves the possibility of exposure to risks arising from misconduct and trading errors by our Business Associates (the parties, including sub-brokers registered with SEBI, with whom we have entered into arrangements for certain services including the introduction of customers to our services) and employees. While our Business Associates’ clients are directly registered with us on a revenue sharing basis, our Business Associates are typically managed by independent entrepreneurs and not by our employees. As a result, we have significantly less control over the activities of our Business Associates than our employees. Misconduct by employees could include their binding us to transactions that exceed authorized limits or present high risk, hiding unauthorized or unsuccessful trading activities from us or the improper use of confidential information. Such acts of misconduct could result in business risks or losses to us including regulatory sanctions and harm to our reputation. The precautions we take to prevent and detect misconduct and trading errors may not be effective. For example, some of our clients place orders over the telephone. If Business Associate or employee misconduct or trading errors occur, our business, results of operations and reputation could be adversely affected.

Further, as with other financial intermediaries, we are exposed to various operational risks such as fraud or misconduct by our employees or by an outsider, unauthorized transactions by employees or third parties,

misreporting of and non-compliance with various statutory and legal requirements and operational errors. It may not always be possible to deter employees from or otherwise prevent misconduct or misappropriation of cash collections, and the precautions we take to detect and prevent these activities may not always be effective. Any instance of employee fraud or improper use or disclosure of confidential information could result in regulatory and legal proceedings, which, if unsuccessfully defended, could materially and adversely affect our business, future financial performance and results of operations.

20. Certain of our subsidiaries are exposed to risks attributable to derivatives trading by clients.

RSL, our Subsidiary, is a member of the NSE and the BSE and offers its clients the ability to trade in derivative instruments in the securities markets, as currently permitted in India. As these derivative instruments involve taking leveraged positions on the underlying assets, they involve a higher level of risk than many other financial instruments. RSL is exposed to greater risk in dealing with derivative instruments as it deals with such instruments on behalf of its clients. RSL may face financial losses if it fails to manage risks associated with its clients' dealings in derivative instruments, particularly due to price and market volatility. In addition, SEBI has permitted trading of long dated options. Our Company may incur liability on account of RSL acting as a trading member if one of our clients defaults in trading of the same. Any defaults by our clients may adversely affect our business, financial condition and results of operations.

RCL, our subsidiary, acts as a trading and clearing member on the MCX, NCDEX and NMCE and is also registered with the FMC as a commodity broker. Its primary business of commodity broking involves dealing in forward trading contracts on behalf of its clients and RCL is exposed to risks involved in dealing with derivative instruments, particularly due to price and market volatility. If a client of RCL defaults, our business and results of operations may be adversely affected.

21. We are highly dependent on our management team and key managerial personnel and our inability to attract and retain skilled personnel could adversely affect our business.

Our business and our success is dependent upon our core management team which oversees the day-to-day operations, strategy and growth of our business. If one or more members of our core management team are unable or unwilling to continue in their present positions, such persons would be difficult to replace and our business, financial condition and results of operations could be adversely affected.

Our ability to meet future business challenges depends on our ability to attract and recruit skilled personnel for our operations. We face strong competition to recruit and retain skilled and professionally qualified staff. The loss of key managerial personnel or any inability to manage the attrition levels in different employee categories could adversely impact our business, growth plans and control over various business functions. The loss of a registered representative or a trading or investment banking professional, particularly a senior professional with a broad range of acquaintances in a business could adversely affect our results of operations. Our business is dependent on the team of relationship managers ("RMs") who directly manage client relationships. If a significant number of RMs become ineffective or cease their employment with us, our client base could be adversely affected.

22. We operate in very competitive businesses and our ability to grow depends on our ability to compete effectively in each of these businesses.

The businesses in which we operate are very competitive. In FY 2010, we derived 31.54% and 25.30% of our total income from broking related operations and lending operations respectively, which constituted our two largest sources of income from operations. In the broking business, we have experienced intense price competition in recent years. Similarly, in the lending business, banks and other NBFCs have been providing very competitive lending rates. In addition, banks have access to lower cost funds by way of savings accounts and current accounts, which gives them a competitive advantage versus NBFCs such as us. In the investment banking business we face competition from established players including subsidiaries or affiliates of local brokerage houses, commercial banks and global bulge-bracket investment banks as well as some niche investment banks. Besides pricing their services aggressively, our competitors may be able to take advantage of factors such as established relationships, global connections with parent companies of clients or sector specialization which we may not be able to match. In the global asset management business, the companies we have acquired compete with established players who are often more reputed and operate at a significantly larger scale than us.

We believe we may experience competitive pressures in these and other areas as some of our competitors seek to increase their market share through price competition. As existing participants and other new entrants improve their customer service networks and technology platforms and expand their businesses, they may exert greater competitive pressure. In addition, we face pressure from larger competitors, which may be better able to offer a broader range of complementary products and services to clients. We cannot ascertain the impact of such competitive pressures on our business. If we are unable to compete effectively with our competitors in these businesses, our brokerage revenues may decline and our business, financial condition and results of operations may be adversely affected.

Our domestic and international competitors may have access to greater financial resources and may be better able to withstand pricing pressures arising out of market competition. Further, we have recently embarked on setting up our emerging markets investment banking business and global asset management business, and are proposing to enter into new businesses such as health insurance where we may be exposed to competition from more established entities. Increased competitive pressure may have an adverse effect on our business, financial condition and results of operations.

23. If we are unable to effectively manage our foreign currency exchange risks, our business and financial condition may be adversely affected.

We have recently acquired Landmark Partners, IPRO, Northgate Capital, LLC, Northgate Capital, LP, BMS, BJM and CJEL and have considerably expanded our overseas operations. Consequently, a significant portion of our revenues in the future may be denominated in foreign currencies. The exchange rates between the Indian Rupee and the other foreign currencies such as the Pound Sterling and the United States Dollar have changed substantially in recent years and may continue to fluctuate significantly in the future. Accordingly, our results of operations may be adversely affected by fluctuations in the exchange rates between the Indian Rupee and other foreign currencies. Any strengthening of the Indian Rupee against the United States Dollar, the Pound Sterling or other foreign currencies could adversely affect our financial condition and results of operations.

24. Our business is dependent on the effectiveness, security and availability of our information technology systems and any interruption in their successful and secure operation could adversely affect our business and results of operations.

Our businesses are highly dependent on our ability to process and monitor, on a daily basis, a very large number of transactions, many of which are highly complex. These transactions, along with other services we provide to clients that involve information technology, often must adhere to client specific guidelines, as well as legal and regulatory standards. Despite the existence of the information technology resiliency measures and facilities described below, our ability to conduct business may be adversely affected by a disruption in the infrastructure that supports our businesses and the communities in which we are located. This may include a disruption involving electrical, communications, internet, transportation or other services used by us or third parties with whom we conduct business. Our success also depends, in part, on our ability to make timely enhancements and additions to our technology in anticipation of client demand.

At the core of our online trading system is a software application based on very small aperture terminals (“VSAT”), which has a direct connection with the NSE and allows investors to trade securities online. The VSAT-based network allows us to provide investors with real-time market data such as streaming quotes from each market. In the event of failure of the VSAT or VPN network, while our branches can switch to a backup digital subscriber line (“DSL”) internet connection to connect to our data centre, this may involve a delay of a few minutes in establishing the connection. Further, DSL shall support lower load which may lead to delays in executing trades for our clients and curtail our ability to service our clients which could have an adverse effect on our business and client base.

We create online back ups of on our trading servers, archive the data on electronic devices on a daily basis and send copies of such records to locations that are geographically disparate from our data centre in the National Capital Region. However, any unforeseen events or circumstances beyond our control at our National Capital Region offices or any of the locations where the back ups are stored, could result in the loss of data. We currently do not have a disaster recovery system and as a result, our records will be fully exposed in the case of natural or man-made disasters. The loss of any of our records may adversely affect our results of operations.

We seek to protect our computer systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems caused by our increased internet connectivity. While we employ security

systems, including firewalls and password encryption to minimize the risk of security breaches, we cannot assure you that these security measures will be adequate. Breaches of our security measures could affect the security of the information stored in and transmitted through these computer systems and network infrastructure. Any failure in our security measures could have an adverse effect on our business and financial condition.

25. *If we are unable to manage our growth, our business could be adversely affected.*

Our consolidated income has grown from ₹ 8,965.11 million in FY 2008 to ₹ 16,752.21 million in FY 2010, constituting a compounded annual growth rate of 36.7% in this period. We cannot assure you that we will experience comparable levels of growth in the future or that we will be able to execute our strategy of growing our client base while maintaining the quality of our services to our clients. Any failure to adapt and expand our infrastructure, financial control, management capabilities or other components of our business to match the requirements of our growth could cause disruptions to our business and adversely affect our results of operations and financial condition. For details, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 402.

26. *If our services are not regarded as satisfactory by our clients and aggrieved third parties, our business and reputation may be adversely affected and we may be subject to legal liability.*

We depend to a large extent on our relationships with our clients, our reputation and professional services to attract and retain clients. As a result, if a client or affected third party is not satisfied with our services, it may be more damaging in our business than in other businesses.

Our activities may subject us to the risk of significant legal liabilities to our clients and aggrieved third parties, who could bring securities class actions against us. We believe that in recent years, the volume of claims and amount of damages claimed in litigation and regulatory proceedings against financial intermediaries has been increasing. These risks often may be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time. Our engagements typically include broad indemnities from our clients and provisions to limit our exposure to legal claims relating to our services, but these provisions may not protect us or may not be enforceable in all cases. As a result, we may incur significant legal expenses in defending against litigation brought about as a result of clients or aggrieved third parties being unsatisfied with our services. Significant legal liability or regulatory actions against us could have an adverse effect on our reputation, business, financial condition and results of operations.

27. *The assets on our balance sheet dated December 31, 2010, contain a substantial portion of goodwill, which may be impaired when the carrying amount of such goodwill exceeds its recoverable amount*

With effect from April 1, 2010, goodwill arising on consolidation is amortised over a period of 20 years. This amortisation starts after a cooling-off period of two years from the date of acquisition of the asset. As of December 31, 2010, after amortization, we had recorded ₹ 12,082.93 million of goodwill in our consolidated financial statements. While we conduct goodwill impairment tests each year as per the requirements of the Indian accounting standards, and shortfall, if any, is provided for, our goodwill may be impaired in the future if and when the carrying amount of goodwill exceeds its recoverable amount. Such goodwill impairment may adversely affect our financial condition. For details, see the Sections “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 105 and 402, respectively.

28. *Our insurance coverage may not adequately protect us against certain operating hazards, which may have an adverse effect on our business, financial condition and results of operations.*

We are exposed to a variety of operating hazards as well as potential liability risks that are inherent in the provision of financial services. In compliance with the requirements of the Stock Exchanges where our Subsidiaries are members or are registered, we maintain stock brokers’ indemnity policies that provide coverage against incomplete transactions and computer crimes. In addition, we maintain voluntary insurance coverage against risks including loss of money, loss of electronic equipment, burglary, general fire damage and flood damage. We also maintain a floating medical insurance policy for our employees, as well as a directors’ and officers’ liability insurance policy, which, however, does not provide coverage against certain risks including prior acts, prior and pending litigation, insolvency and money laundering. We cannot assure you that any claim under the insurance policies maintained by us will be honored in full, in part or in a timely manner. To the

extent that we suffer any loss or damage that is not covered by insurance or that exceeds our coverage amounts, our financial condition and results of operations may be adversely affected.

29. Our income and profit from our asset management business is largely dependent on the value and composition of assets under management, which may decline because of factors outside our control.

Performance of financial markets (both domestic and international), global economic conditions, industry trends, interest rates, inflation rates, tax regulation changes and other factors, that may not be under our control and may be difficult to predict, affect the mix, market value and level of assets under management. Investment advisory and services fees, the primary component of revenues from our asset management business are generally calculated as a percentage of the value of assets under management and vary with the type of account managed. Accordingly, fee income generally increases or decreases as assets under management increase or decrease, as the case may be, and is affected by market appreciation or depreciation, inflow of new client assets and outflow of client assets. In addition, changing market conditions and investment trends, particularly with respect to retirement savings, may reduce interest in certain of our investment products and may result in a reduction in assets under management, which may in turn adversely affect our business, financial performance and results of operations.

The credit markets, both globally and in India, have faced significant volatility, dislocation and liquidity constraints since the onset of the global financial crisis in Autumn 2007. In 2007, dramatic declines began in the housing market in the United States, as well as in a number of other countries including the United Kingdom, and such declines significantly worsened since September 2008. Falling house prices and increasing foreclosures and unemployment impacted the global credit markets, resulting in significant mark-to-market write-downs of asset values by financial institutions, including government-sponsored entities and major commercial and investment banks globally. These write-downs, initially, of mortgaged-backed securities, including CDOs, CLOs and securities held by SIVs, spread to credit default swaps and other derivative securities and other financial instruments such as syndicated loans, have caused many financial institutions to seek additional capital, to merge with large and stronger institutions and, in some cases, to fail, such as in the case of the U.S. investment bank, Lehman Brothers. Although, we did not suffer any major losses during the period described above, there can be no assurance that our profitability trends will continue, or that market conditions will not deteriorate again, which may have a material and adverse impact on our business, future financial performance and results of operations.

30. We may require additional funds to satisfy our capital needs, which we may not be able to procure.

Our growth is dependent on our having a strong balance sheet to support our activities. As of December 31, 2010, our indebtedness to banks, financial institutions and others was ₹104,417.75 million and our net debt to equity ratio was 3.40. Our leverage may constrain our ability to raise incremental financing on favorable terms, in a timely manner or at all.

We may need to raise additional capital from time to time, which we may not be able to procure. Additional capital requirements imposed due to changes in regulatory regimes, new guidelines or depletion in our existing capital base due may cause us to require additional financing. We may make further equity offerings in the future and any additional issue of shares or convertible securities would dilute existing holdings. Moreover, additional funds may not be available on favorable terms and conditions, in a timely manner or at all.

In addition, our ability to receive foreign investment in our Company is restricted to an amount not exceeding 30% of the paid-up capital of our Company, in accordance with the approval of the FIPB (Ref. No. FC.II: 98 (2007)/85(2007)) dated May 7, 2007 read along with its approval dated August 7, 2008 (Ref. No. FC.II: 98 (2007)/85(2007)-Amend). Foreign investment in our Company is also subject to certain other terms and conditions specified in such approvals.

Our ability to raise funds on acceptable terms and at competitive rates or at all continues to depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition.

Changes in economic and financial conditions or continuing lack of liquidity in the market, like in the global economic downturn of 2008 and 2009, could make it difficult for us to access funds at competitive rates or at all. As an NBFC, we also face certain restrictions on our ability to raise money from international markets

which may further constrain our ability to raise funds at attractive rates. Our inability to procure additional funds to support our activities could have an adverse effect on our results of operations.

31. Increase in interest rates could adversely affect our net interest margin and financial condition.

The funding requirement for our subsidiaries is typically met from a well diversified mix of inter-corporate deposits, borrowings from banks, issuance of commercial paper and debentures. In case of an increase in the interest rates on our borrowings, if we are not able to increase the yield on our interest-earning assets at the same time or to the same extent as the increase in our cost of funds, our net interest income and net interest margin would be adversely affected.

Further, in the event of rising interest rates, borrowers may not be willing to pay us correspondingly higher interest rates and may choose to repay their loans if they are able to switch to more competitively priced loans offered by our competition. Any inability on our part to retain customers as a result of rising interest rates may adversely affect our earnings in future periods, which could have an adverse effect on our business, financial condition and results of operations. Conversely, significant increases in the rates of interest charged on various loans in our loan portfolio would result in the extension of loan maturities and higher monthly installments due from borrowers, which could result in higher rates of default and in turn have an adverse effect on our financial condition and results of operations.

32. We have entered into unsecured loan agreements with our Promoter and certain Group Companies that are repayable on demand.

We have obtained unsecured debt from our Promoter and certain group companies that is repayable on demand, aggregating to ₹ 7,173.78 million as at December 31, 2010. In the event that our Promoter or such group companies demand repayment of these loans, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms, in a timely manner or at all. For details, see the “Financial Statements” on page 105.

33. If we are unable to effectively manage our liquidity risks, our business, financial condition and results of operations may be adversely affected.

We are exposed to liquidity risks in the course of our routine broking and lending activities. Our operations require us to monitor and ensure, on an intra-day basis, that we have sufficient cash balances to meet our debt repayments, fund new business originated and other general financial commitments. Most of these commitments are planned, and while we have put in place liquidity backup arrangements in the form of overdraft / cash credit facilities with banks and liquid investments, in case of tight liquidity conditions in the market and any large unforecasted payment, we may not be able to meet our funding commitments. For details, see “Management’s Discussion and Analysis of Financial Condition and Results of Operation” on page 402.

34. We have entered into agreements with certain banks and financial institutions for credit facilities and other borrowings that contain restrictive covenants.

We have entered into agreements with certain banks and financial institutions for short-term loans and long-term borrowings. Some of these agreements contain requirements to maintain certain security margins and financial ratios, and restrictive covenants, such as requiring lender consent for, among other things, the issuance of new shares, making any material changes to constitutional documents, incurring further indebtedness, creating further encumbrances on or disposing of our assets, undertaking guarantee obligations, acquiring another company or entering into a joint venture, declaring dividends or incurring capital expenditures beyond certain limits. We cannot assure you that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Any failure to obtain these consents could adversely affect our business and results of operations. Further, a default under one debt instrument may also trigger cross-defaults under our other debt instruments. An event of default under any debt instrument, if not cured or waived, could adversely affect our financial condition. Our level of existing debt and any debt that we incur in the future could, among other effects:

- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to fund future working capital, capital expenditures, and other general corporate requirements;

- require us to dedicate a substantial portion of our cash flows from operations to service our debt;
- limit our flexibility to react to changes in our business and the industry in which we operate;
- place us at a competitive disadvantage to any of our competitors that has less debt;
- require us to meet additional financial covenants;
- limit, along with other restrictive covenants, among other things, our ability to borrow additional funds; and
- result in an event of default under one or more loan agreements.

We cannot assure you that our business will generate revenues in amounts sufficient to enable us to service our debt obligations or to fund our other liquidity needs. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms, in a timely manner or at all. For details in relation to our indebtedness, see the Sections “Management’s Discussion and Analysis of Financial Condition and Results of Operation” and “Financial Statements” on pages 105 and 402, respectively.

35. We have invested in debt instruments that may carry interest at a lower rate than the prevailing market rate.

As of December 31, 2010, we had made investments aggregating to an amount of ₹ 4210.95 million on a consolidated basis, of which ₹ 2,231 million is in debt instruments, including in those issued by our Group Companies and members of our Promoter Group. While we believe that our debt investments carry interests at prevailing market rates, these rates can change due to various factors that may affect the value of our investments and consequently, at a particular point in time these instruments may carry interest at a lower rate than the prevailing market rate. For details, see the Sections “Financial Statements” and “Management’s Discussion and Analysis on Results of Operations and Financial Conditions” on pages 105 and 402, respectively.

36. We have entered into certain joint venture agreements that contain provisions which may provide for certain restrictions, including those in relation to transfers of shareholding of our Company.

We have entered into certain joint venture agreements that contain provisions which may provide for certain restrictions, including those in relation to transfer of shareholding of our Company. For instance, we have incorporated a 50:50 Joint Venture with Macquarie Equities Limited, Religare Macquarie Wealth Management Limited (“RMWML”), to undertake the business of providing wealth management services to high net-worth clients in India. Pursuant to the joint venture agreement dated October 18, 2007, we and Macquarie have agreed not to transfer the Joint Venture shares, or any right, title or interest therein for a period of five years. Subsequent to this lock-in period, the party proposing to transfer its shares in RMWML or a portion thereof will be required to first offer the same to the other party. From the date of the joint venture agreement, and for a period of 12 months after either we or Macquarie cease to be a shareholder, no party or its affiliates shall, directly or indirectly, engage in or facilitate certain prohibited business activities in India.

In respect of all such Joint Ventures with restrictive covenants, we are exposed to the risk of non-cooperation and disputes with the respective Joint Venture partners that may adversely affect our business and results of operations.

37. Servicing customers via the internet may require us to comply with the laws and regulations of each country in which we are deemed to conduct business. Failure to comply with such laws may adversely affect our results of operations.

As our services are available over the internet in foreign countries and we have customers residing in foreign countries, foreign jurisdictions may require us to qualify to do business in their country. We believe that the number of our customers residing outside of India will increase over time. We are required to comply with the laws and regulations of each country in which we conduct business, including laws and regulations currently in place or which may be enacted in relation to internet services available to their citizens from service providers located elsewhere. Any failure to develop effective compliance and reporting systems could result in regulatory

penalties in the applicable jurisdiction, which could have an adverse effect on our business, financial condition and results of operations.

38. We operate on leased premises and we may lose possession of leased properties, related buildings and other improvements.

Most of the offices through which we operate our business, including our Registered Office, are held by us pursuant to certain lease and license arrangements with third parties. We may in the future enter into further such arrangements with third parties. Any adverse impact on the title, ownership rights or development rights of the owners from whose premises we operate, or breaches of the contractual terms of such lease and license agreements including delay in payment of annual rent, usage of the property other than for the purpose for which it was allotted, or transfer or assignment of land without prior consent of the lessor, may impede our operations. In the event such leases or licenses are not renewed, our business and operations may be adversely affected.

39. Our title over some of the immovable properties from which we operate our offices may have irregularities, which may affect our business and results of operations.

For the use of immovable properties for our offices, we enter into lease or license agreements. Certain of these properties may not have been constructed or developed in accordance with local planning and building laws and other statutory requirements. In addition, there may be certain irregularities in title in relation to some of our leased properties. For example, some of the agreements for such arrangements may not have been duly executed or adequately stamped or registered in the land records of the local authorities. We cannot assure you that we will be able to continue our use of all such properties or enforce our rights under such agreements, which may adversely affect our results of operations.

40. We do not own the “Religare” trademark including its logos and the value of our intellectual property may be adversely affected by our inability or failure to protect the same.

We use the “Religare” trademark and service mark and its associated logos and invest certain resources and efforts to increase our brand value. Our Promoter Group Company, RHC Holding Private Limited (“RHC Holding”), has obtained certificates of registration for (a) the “Religare” trademark and service mark in India, the United States, European Union and Australia; (b) the “RELIGARE” (Stylized) trademark and service mark in India, Australia and the European Union; and (c) the “RELIGARE – Values that bind” trademark and design trademark and service mark in the European Union, Switzerland, Singapore, Hong Kong, Mauritius, Thailand and India.

We have an exclusive license to use the “Religare” trademark for our financial services business pursuant to a license user agreement dated January 4, 2006, as amended by an amendment agreement dated June 19, 2008 with RHC Holding and is valid till March 31, 2016. As a license holder, we do not enjoy the statutory protections accorded to the owner of a registered trademark and are subject to the risk of non-performance by the owner, such as RHC Holding’s obligation to obtain, on our Company’s behalf, trademark registration offshore under the license agreement, as well as other contractual risks. Further, we cannot assure you that the applications for registration of trademark by RHC Holding will be granted by the relevant authorities in a timely manner or at all.

41. Several of the trademarks that we use are not registered in our name and we have limited ability to protect our brands. We may be subject to third party claims in respect to certain of our brands and if we are unable to obtain intellectual property protection for some of our brands, our business could be adversely affected.

At present, we have certain trademark applications pending for registration under the provisions of the Trade Marks Act, 1999 before the Trade Marks Registry, New Delhi. These include applications for the trademarks “TORCH”, “FLAME”, “SPARK”, “RELIGARE FINMART”, “RELIGARE TECHNOVA”, “HAWK EYE”, composite marks “R –ACE (PRO)”, “R-ACE”, “R-ACE (LITE)”, which are crucial to the our business.

We cannot assure you that the registration of such trademarks by us and RHC Holding will be granted by the relevant authorities in a timely manner or at all. Our efforts to protect our intellectual property may not be adequate and any third party claim on any of our unprotected brands may adversely affect our business, brand and results of operations. We may need to enter into litigation in order to determine the validity of such claims

and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and we cannot guarantee a favorable outcome. We may not be able to detect all unauthorized use of or intellectual property or take appropriate and timely steps to enforce our rights, which may adversely affect our business and financial condition.

42. *We have entered into a number of related party transactions.*

We have entered into a number of related party transactions. Such transactions or any future transactions with related parties may involve conflicts of interest and impose certain liabilities on us. For details, see “Financial Statements – Related Party Transactions” and “Management’s Discussion and Analysis of Financial Condition and Results of Operation” on pages 270 and 402, respectively.

43. *There are potential conflicts of interest with our Group Companies and Promoter Group entities.*

Our Promoters, certain Group Companies and members of our Promoter Group have equity interests or other investments in other companies that offer services that are related to our business, such as Oscar Investments Limited (“OIL”), Vistas Realtors Private Limited (“VRPL”), Fortis Healthcare India Limited (“FHIL”), Malav Holdings Private Limited (“MHPL”), Shivi Holdings Private Limited (“SHPL”), Religare Voyages Limited (“RVL”), Vistas Complexes Private Limited (“VCPL”), Meadows Buildtech Private Limited (“MBPL”), RHC Holding, Greenview Buildtech Private Limited (“GBPL”), Impact Realty Developers Private Limited (“IRDPL”), HSJ Investments and Holdings Private Limited (“HSJ”), Impact Leasing Private Limited (“ILPL”), Impact Projects Private Limited (“IPPL”), ANR Securities Limited (“ANR”), Bindas Realtors Private Limited (“BRPL”) and RHC Finance Private Limited (formerly Whyteleaf Investments Private Limited) (“RHCFL”).

OIL is an investment company and is engaged in the business of investing, acquiring, holding, selling, buying or otherwise dealing in securities. HSJ is also an investment company. FHIL is engaged in the business of promoting, acquiring and holding investments in companies and firms engaged in the field of setting up, running, managing and administering of hospitals, medical care, and medical research centers. ILPL and RHCFL are engaged in the business of leasing, hire purchase, finance, and carry on the businesses of money lending and financing industrial enterprises, corporations and other persons. MHPL, SHPL and RVL are engaged in the business of investment companies. VRPL is engaged in selling, purchasing, developing and dealing in real estate and in the construction business. GBPL, MBPL, VCPL and BRPL are engaged in the business of selling, purchasing, developing and dealing in many kinds of properties. RHC Holding is engaged in the business of lending and advancing money. IRDPL is engaged in the business of real estate and properties, including, among other activities, the purchase, development and sale of land, plots, commercial plots, buildings, and residential houses. IPPL is engaged in the business of integrated township development involving the provision of many kinds of residential, educational, commercial, institutional and industrial buildings. ANR is engaged in the business of investment in, acquisition of or otherwise dealing in shares, stocks, debentures, bonds, obligations and securities issued or guaranteed by any government, sovereign, public body or authorities.

While OIL, FHIL, MHPL, SHPL, RVL, VCPL, MBPL, RHC Holding, VRPL and GBPL currently do not carry on any activities which conflict with our business, there may be conflicts of interest in addressing business opportunities and strategies in circumstances where our interests differ from other companies in which our Promoters or one or more Group Companies or members of our Promoter Group has an interest. Further, none of our Promoters or the members of our Promoter Group has undertaken to refrain from competing with our business. In addition, none of the Promoters or members of the Promoter Group is obligated to direct any opportunities in the financial services sector to us. In addition, new business opportunities may be directed to these affiliated companies instead of to us. Our Promoters, Group Companies and members of our Promoter Group may also keep us from entering into certain businesses related to our own, which may adversely affect the growth of our business.

44. *Certain of our Group Companies have not fully complied with the applicable provisions of the Takeover Code and the listing agreement entered into with the Stock Exchanges. In addition, the equity shares of OIL, a Group Company, have in the past been suspended from trading by the BSE.*

Certain of our Group Companies, OIL and Dion Global Solutions Limited (“DGS”), have in the past not fully complied with certain periodic disclosure requirements of the listing agreement entered into with the Stock Exchanges (“Listing Agreement”). OIL did not submit timely disclosures in relation to the requirements of Clauses 35, 49 and 51 of the Listing Agreement for the quarter ending September 2006 and Clause 47(c) for the six months ending September 2006. However, appropriate information in relation to these disclosures was

submitted to the Stock Exchanges by OIL on October 31, 2006. Furthermore, DGS has in the past not fully complied with the disclosure requirements under Clause 47(d) of the Listing Agreement. However, DGS has been compliant with these requirements since September 2006.

In addition, OIL had not submitted timely disclosures required pursuant to Regulations 6(2) and 6(4) of the Takeover Code as of February 20, 1997 and under Regulation 8(3) of the Takeover Code for the years 1998 to 2002 and 2006. However, the requisite disclosures under Regulations 6(2) and 6(4) of the Takeover Code have been submitted to the BSE through letters dated October 19, 2006. Furthermore, the requisite disclosures under Regulation 8(3) for the years 1998 through 2002 and 2006 have been submitted to the BSE through a letter dated October 31, 2006.

OIL received a notice dated April 2, 2004 from the BSE in relation to non-compliance with Clause 51 of the Listing Agreement by OIL. Subsequently, pursuant to a notice dated December 23, 2004, the BSE suspended trading in the securities of OIL with effect from December 21, 2004, until the completion by OIL of all the formalities for revocation of the suspension. The BSE revoked the suspension of the trading of the securities of OIL by its order dated November 16, 2006, which came into effect from November 22, 2006.

45. Our Company is a holding company with minimal revenue generating operations of its own.

Our Company is a holding company and conducts minimal business operations of its own beyond holding direct and indirect ownership interests in a number of Subsidiaries and Joint Ventures. We rely primarily on dividends from our Subsidiaries and Joint Ventures to meet our obligations for payment of interest and principal on outstanding debt obligations, dividends to stockholders and corporate expenses. The ability of our Subsidiaries and Joint Ventures to pay dividends and to make such other payments in the future will depend on their surplus, earnings and relevant regulatory restrictions. Except to the extent that we are a creditor with recognized claims against our Subsidiaries and Joint Ventures, claims of the creditors of our Subsidiaries and Joint Ventures have priority with respect to the assets and earnings of the Subsidiaries and Joint Ventures over the claims of our creditors. If any of our Subsidiaries and Joint Ventures should become insolvent, liquidate or otherwise reorganize, our creditors and stockholders will have no right to proceed against the assets of the relevant Subsidiaries or Joint Ventures or to cause the liquidation, bankruptcy or winding-up of the relevant Subsidiaries or Joint Ventures under applicable liquidation, bankruptcy or winding-up laws. If any of our Subsidiaries or Joint Ventures is unable to satisfy its creditors' claims, our ability to receive payments from such Subsidiary or Joint Venture may be adversely affected, which in turn may adversely affect our financial condition and results of operations.

46. We currently have negative cash flows from our investment and operating activities.

We currently have negative cash flows from our investing and operating activities for the nine month period ended December 31, 2010. We cannot assure you that our investing activities will ever generate positive cash flows or that, if ever generated, we will be able to sustain such positive cash flows in future. Our failure to generate positive cash flows from our investment activities may adversely affect our business, financial condition and results of operations.

47. Our ability to pay dividends in the future will depend, among other factors, upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

The declaration, payment and amount of any future dividends by us is subject to the discretion of the Directors, and will depend, among other factors, upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. We cannot assure you that we will pay a dividend in the future or that any dividend paid will be at a particular level. For more information on our dividend policy, see "Dividend Policy" on page 95.

48. Your holdings may be diluted by additional issuances of equity shares, the issue of or vesting of stock options under the existing or any future employee stock option scheme or sales by our principal shareholder which may adversely affect the market price of our equity shares.

The Board has approved the issuance of capital of up to ₹ 2,5000 million by its resolution dated February 14, 2011. Any future equity issuances by us, including a primary offering or the issuance of our equity shares pursuant to the exercise of stock options granted under existing or future stock options schemes may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sale of our Equity

Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by potential investors that such issuances or sale might occur could also affect the trading price of our Equity Shares.

49. *We make equity investments, which can be volatile and may not be recovered.*

We make investments in securities, and in particular, equity securities, which can be volatile and may not be recovered. As of December 31, 2010, 32.34% of our investments comprise equity and equity related securities which by nature are volatile and prone to price fluctuations on a daily basis. Further, there may be risks associated with trading volumes, settlement periods and transfer procedures that may restrict liquidity of investments in relation to such investments. In addition, we also invest in unlisted equity securities that present significant opportunities. Securities that are not quoted on the stock exchanges, are inherently illiquid in nature and are subject to significant liquidity risks in comparison to listed equity securities. Any mark to market write-downs to our portfolio of listed securities or failure to recover our investments made in illiquid securities may result in losses, which may in-turn affect our business, financial condition and results of operations.

50. *Failure to recover the expected value of collateral when borrowers default on their obligations to us may adversely affect our financial performance.*

As of December 31, 2010, 76.98% of our total loans to customers were secured by varied assets. An economic downturn or other sector specific risks could result in a fall in collateral values. Further, mark-to-market write downs of value of the equity shares that secure certain of our loans and advances to customers may also result in an erosion of our collaterals. Moreover, foreclosure of such collateral may require court or tribunal intervention that may involve protracted proceedings and the process of enforcing security interests against collateral can be difficult. Additionally, the realizable value of our collateral in liquidation may be lower than its book value.

51. *Our Promoters will continue to hold a significant number of our Equity Shares after the Issue and may therefore be able to influence the outcome of shareholder voting.*

After the completion of the Issue, our Promoters along with certain of our Promoter Group members will control, directly or indirectly, approximately [•] % of our outstanding Equity Shares.

As a result, our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. By exercising their control, our Promoters could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combinations involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

For further information, see Section titled “Capital Structure” and “Main Provisions of the Articles of Association” on pages 28 and 476, respectively.

52. *A significant portion of our disbursements comprise vehicle, housing and commercial property financing, and equipment financing. Any adverse developments in these sectors would adversely affect our results of operations.*

A significant portion of our disbursements comprise vehicle loans and equipment financing. The auto sector growth and growth in equipment financing for various industries depends on a number of factors including macroeconomic conditions in India. As at December 31, 2010, the vehicle and asset financing amounted to ₹ 12,185.44 million, which comprised 13.60% of the total loans granted by us. Further, as at December 31, 2010, the housing and commercial property financing amounted to ₹ 32,164.22 million in RFL.

Any deterioration in the auto sector or housing and commercial property market and in the demand for equipment financing may result in retarding the growth of our loan book, which in turn could result in a material adverse effect on our business, financial condition and results of operations.

53. *The small and medium scale enterprises to which we provide loans may not perform and we may not be able to control the non-performance of such companies.*

We provide loans to select growing small and medium scale enterprises against the assets owned and profits made by such companies. We do not manage, operate or control such companies and have no control over how their functions or operations. These investments will be subject to the risk that such companies may make business, financial or management decisions with which we do not agree, or that the majority shareholders or the management of such companies may take business decisions that may be adverse to, or otherwise act in a manner that does not serve, our interest. The repayment of the loans extended to such companies will depend to a significant extent on the specific management team of the relevant debtor company. The actions taken by the management of such investee companies may lead to significant losses, affecting their ability to repay our loans and consequently adversely affect our financial performance.

54. Our business is based on the trust and confidence of our customers; any damage to that trust and confidence may materially and adversely affect our business, future financial performance and results of operations.

We are dedicated to earning and maintaining the trust and confidence of our customers; and we believe that the good reputation created thereby, and inherent in the "Religare" brand name is essential to our business. As such, any damage to our reputation, or that of the "Religare" brand name, could substantially impair our ability to maintain or grow our business. In addition, any action on the part of any of the Religare group companies that negatively impact the "Religare" brand could have a material adverse effect on our business, future financial performance and results of operations. For risks relating to our brand name see "Risk Factors — We do not own the "Religare" trademark including its logos and the value of our intellectual property may be adversely affected by our inability or failure to protect the same" on page xxvii.

55. Governmental and statutory regulations, including the imposition of an interest-rate ceiling, may adversely affect our operating results and financial position.

As a non-deposit taking NBFC, we are subject to regulation by Indian governmental authorities, including the Reserve Bank of India, or RBI. These laws and regulations impose numerous requirements on us, including asset classifications and prescribed levels of capital adequacy, cash reserves and liquid assets. Further, on March 28, 2011, we applied for registration as a systemically important core investment company ("CIC-ND-SI"). If we are granted an approval for registration as a CIC-ND-SI, we may be subjected to certain additional compliances such as maintaining a certain level of investment both by way of debt and equity in our group companies. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect us. For instance, a number of states in India have enacted laws like the Bengal Money Lenders Act, 1940 and the Bombay Money Lenders Act, 1946 to regulate money lending transactions. These state laws establish maximum rates of interest that can be charged by a person lending money. For unsecured loans, these maximum rates typically range from 12.0% to 15.0% per annum. The RBI, however, has not established a ceiling on the rate of interest that can be charged by a NBFC like us. Currently, the RBI requires that the board of all NBFCs adopt an interest rate model taking into account relevant factors such as the cost of funds, margin and risk premium. It is unclear whether NBFCs are required to comply with the provisions of state money lending laws that establish ceilings on interest rates.

In the event that the government of any state in India requires us to comply with the provisions of their respective state money lending laws, or imposes any penalty against us, our Directors or our officers, including for prior non-compliance, our business, results of operations and financial condition may be adversely affected.

56. Our management will have significant flexibility in applying proceeds of the Issue. The funding requirement and deployment mentioned in the Section titled "Use of Proceeds" have not been appraised by any bank or financial institution.

We intend to use the net proceeds of the Issue for the purposes set out under the "Objects of the Issue" on page 38. The Objects of the Issue have not been appraised by any bank or financial institution. These are based on current conditions and are subject to changes in external circumstances or costs, or in other financial conditions, business or strategy, as discussed further below. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time, and consequently, our funding requirements may also change. Based on revisions in our business requirements, the utilization of the proceeds of the Issue may have to varied and that may have an adverse impact on our business, financial condition and results of operations.

Our Audit Committee will review the use of proceeds of the Issue in conjunction with our Board and will make recommendations to the Board on such use. Further, our Company shall be required to furnish a statement to the Stock Exchanges indicating material deviations, if any, in the use of proceeds of the Issue from the objects stated in this Draft Letter of Offer. The deployment of funds as stated in the Section titled “Objects of the Issue” on page 38 is entirely at the discretion of our Board and such usage is expected to be monitored by a monitoring agency. All the figures included under the Section titled “Objects of the Issue” are based on our own estimates.

57. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, regulations of our Board of Directors and Indian law govern our corporate affairs. Legal principles related to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a company in another jurisdiction.

58. Our business and activities will be regulated by the Competition Act, 2002 ("Competition Act") and any application of the Competition Act to us could have a material adverse effect on our business, financial condition and results of operations.

The Competition Act is designed to prevent business practices that have an appreciable adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement which directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, market or number of customers in the market is presumed to have an appreciable adverse effect on competition. Further, if it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and liable to be punished. For more information, see ‘Regulations and Policies’ on page 90.

The effect of the Competition Act on the business environment in India is unclear. If we are affected, directly or indirectly, by any provision of the Competition Act, or its application or interpretation, including any enforcement proceedings initiated by the Competition Commission and any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission, it may have a material adverse effect on our business, financial condition and results of operations.

59. We are exposed to foreign currency risk on account of dividend paid to the holding company, Religare Global Asset Management, by the various asset managers under the multi-boutique asset management business

Our global asset management business is operated by Religare Global Asset Management Inc. (“RGAM”), which is a holding company for our global asset management business. Through RGAM, we are in the process of creating a multi-boutique portfolio of eight to twelve asset managers across various asset classes and jurisdictions. For instance, RGAM holds a majority interest in Northgate Capital and Landmark Partners and a minority stake in Investment Professionals Limited. A significant part of RGAM’s earnings are derived from dividend paid by these asset managers located in various jurisdictions some or all of which may be subjected to withholding tax in such jurisdictions. Since such payments may be made in a currency different from the Indian currency, it subjects us to significant foreign currency risk owing to fluctuating exchange rates determined by factors of supply and demand in the international currency markets which, are influenced by macroeconomic factors, speculation, central bank and government intervention, or other political factors including the imposition of currency controls and impositions, and other such factors which may not be within our control. Such foreign currency and exchange risks may lead to significant depletion in our earnings, adversely affect our financial condition and results of operations.

60. Any downgrade of the credit ratings of our Subsidiaries would increase borrowing costs and constrain our access to capital and lending markets and, as a result, would negatively affect our net interest margin and our business.

The cost and availability of capital is also dependent on the short-term and long-term credit ratings of our Subsidiaries. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. A downgrade in our credit ratings may result in an increase in our borrowing costs and constrain our access to capital and lending markets, which may in-turn adversely affect our business, financial condition and results of operations.

External Risk Factors

61. The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.

We may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the Ministry of Corporate Affairs, GoI in January, 2010. The convergence of certain Indian Accounting Standards with IFRS was notified by the Ministry of Corporate Affairs on February 25, 2011. The date of implementing such converged Indian accounting standards has not yet been determined, and will be notified by the Ministry of Corporate Affairs in due course after various tax-related and other issues are resolved.

Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP. This may have a material adverse effect on the amount of income recognized during that period and in the corresponding period in the comparative period. In addition, in our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, our transition may be hampered by increasing competition and increased costs for the relatively small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements.

62. The continuation or recurrence of systemic events such as the recent global economic meltdown, instability of economic policies and the political situation in India or globally may adversely affect our performance.

Conditions outside India, such as continued slowdowns in the economic growth of other countries may adversely impact the growth of the Indian economy, and Government policy may change in response to such conditions. The consequent slowdown in the Indian economy may adversely affect our business, including our ability to implement our business strategy.

The current economic policies of the Government may change further to respond to the recent global economic meltdown or a recurrence thereof. Particularly, there may be changes to specific laws and policies affecting the industry and other policies affecting foreign investment in our business. Any significant shift or change in India's economic policies and regulations may disrupt economic conditions in India and this may in turn affect our business, financial condition and results of operations.

Unstable internal and international political environment may affect the economic performance of the financial services industry, including our Company, in the short and long term. Our business, and the market price and liquidity of our Equity Shares, may be affected by reactionary changes in interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India on account of any changes in the global economic changes.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries. Financial turmoil in Asia, the United States, Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. The recent global economic downturn had a severe effect on the Indian equity markets. The Indian stock exchanges experienced significant volatility, with the BSE index declining by almost 50.0% over the second half of 2008 and early part of 2009. A loss in investor confidence in the financial systems of other markets may increase volatility in Indian financial markets and, indirectly, in the Indian economy in general, thereby adversely affecting our business, financial condition and results of operations.

63. Political instability or changes in the government may delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which may impact our business, financial results and results of operations.

The Government has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian Governments have pursued policies of economic liberalization and financial sector reforms. The current Government, which came to power in May 2009, is headed by the Indian National Congress and is a coalition of several political parties. Although the current government has announced policies and taken initiatives that support the economic liberalization policies that have been pursued by previous governments, the rate of economic liberalization may change, and specific laws and policies affecting the financial services industry and other matters affecting investment in our securities may change as well. However, we cannot assure you that such policies will be continued. A change in the Government in future may result in a significant change in the Government's policies that may adversely affect business and economic conditions in India and may also adversely affect our business, financial condition and results of operations.

64. Our ability to raise foreign capital may be constrained by Indian law, which may have an adverse effect on our business and financial condition.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. These limitations on our ability to raise foreign capital may have an adverse effect on our business, financial condition and results of operations.

65. Terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, and adversely affect our business. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares.

India has also witnessed civil unrest including communal disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India may have a negative effect on us. Such incidents may also create a greater perception that investment in Indian companies involves a higher degree of risk and may have an adverse impact on our business and the price of our Equity Shares. Similarly, incidents of this nature could occur overseas where our foreign business operations and customers are located. Terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may adversely affect the financial markets and our business.

66. You will not be able to immediately sell any of our Equity Shares you purchase in the Issue on an Indian stock exchange.

The Equity Shares allotted pursuant to the Issue is expected to be listed on the NSE and the BSE. Pursuant to Indian regulations, certain actions are required to be completed before our Equity Shares can be listed and trading may commence. Investors' book entry, or "demat" accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. The Equity Shares are required to be listed within 12 working days of the closure of the Issue. We cannot assure you that such Equity Shares will be credited to investors' demat accounts, or that trading in our Equity Shares will commence, within the time periods specified above, or at all. Any failure or delay in obtaining the approval may restrict your ability to dispose of your Equity Shares allotted pursuant to the Issue.

67. Conditions in the securities markets may affect the price or liquidity of the Equity Shares.

The Stock Exchanges have in the past experienced substantial fluctuations in the prices of listed securities. The Stock Exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Stock Exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have

occurred on occasion between listed companies and the Stock Exchanges, and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar events occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

68. *Currency exchange rate fluctuations may affect the value of the Equity Shares.*

The exchange rate between the Indian Rupee and the United States Dollar has changed substantially in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the United States Dollar and the Indian Rupee may affect the value of your investment in the Equity Shares. Specifically, if there is a change in the relative value of the Indian Rupee to the United States Dollar, each of the following values would also be affected:

- the United States Dollar equivalent of the Indian Rupee trading price of our Equity Shares in India;
- the United States Dollar equivalent of the proceeds that you would receive upon the sale in India of any of our Equity Shares; and
- the United States Dollar equivalent of cash dividends, if any, on our Equity Shares, which will be paid only in Indian Rupees.

You may be unable to convert Indian Rupee proceeds into United States Dollars or any other currency or the rate at which any such conversion could occur could fluctuate. In addition, our market valuation could be seriously harmed by the devaluation of the Indian Rupee if United States investors analyze our value based on the United States Dollar equivalent of our financial condition and results of operations.

69. *Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of our Equity Shares.*

Foreign ownership of Indian securities is subject to Government regulation. Under foreign exchange regulations currently in effect in India, the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India if the sale does not meet the requirements of the relevant exchange control regulations and the RBI Circular dated October 4, 2004. The RBI must approve the conversion of the Indian Rupee proceeds from any such sale into foreign currency and repatriation of that foreign currency from India unless the sale is made on a stock exchange in India through a stock broker at the market price. As provided in the foreign exchange controls regulations currently in effect in India, the RBI will approve the price at which our Equity Shares are transferred based on a specified formula, and a higher price per share may not be permitted. The approval from the RBI or any other government agency may not be obtained on terms favorable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in our Equity Shares may be prevented from realizing gains during periods of price increases or limiting losses during periods of price declines.

70. *You may be subject to Indian taxes arising out of capital gains.*

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the Securities Transaction Tax ("STT") has been paid on the transaction. The STT will be levied on and collected by a domestic stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to capital gains tax in India. For more information, see "Statement of Tax Benefits" on page 43.

Capital gains arising from the sale of our Equity Shares will be exempt from tax in India in cases where such exemption is provided under the tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties, including those with the United States, do not limit India's ability to impose tax on capital gains. As a result, residents of countries such as the United States may be liable for tax in India, as well as in their own jurisdictions on gain upon a sale of our Equity Shares. For more information, see the Section "Statement of Tax Benefits" on page 43.

71. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.*

Subsequent to listing, we may be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on certain factors such as the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker, if imposed, would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there we cannot assure you of the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

Notes to Risk Factors

- Issue of [●] Equity Shares for cash at a price of ₹ [●] per Equity Share including a premium of ₹ [●] per Equity Share aggregating up to ₹ 8,000 million (pursuant to the resolution dated April 26, 2011 passed by the Board of Directors of the Company, the size of the Issue may be increased by up to 10%) to the Equity Shareholders on rights basis in the ratio of [●] Equity Shares for every [●] Equity Shares held on the Record Date *i.e.* [●] in terms of the Letter of Offer. The Issue Price is [●] times of the face value of the Equity Shares.
- The Net Worth of our Company as on December 31, 2010, on a consolidated basis was ₹ 30,242.79 million and on a stand alone basis was ₹ 31,313.49 million.
- For details of transactions in Equity Shares by our Promoters, members of our Promoter Group and Directors in the last six months, see the Section “Capital Structure” on page 28.
- The standalone value of related party transactions for FY ended 2010 was ₹ 69,710.42 million. The consolidated value of related party transactions for the Fiscal 2010 was ₹ 90,311.67.
- For further details pertaining to our related party transactions, refer to the notes on related party transactions in the Section “Financial Statements” on page 105.
- Our Promoter Group, Directors and their relatives have not financed the purchase by any other person of securities of our Company other than in the normal course of the business during the period of six months immediately preceding the date of filing this Draft Letter of Offer with SEBI.

SECTION III - INTRODUCTION

SUMMARY OF INDUSTRY

The information presented in this section has been obtained from publicly available documents from various sources including stock exchange and industry websites, from publications, and Government and Company estimates. Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry, market and Government data used in this Draft Letter of Offer is reliable and that website data is as current as practicable, these have not been independently verified. Similarly, internal Company estimates, which we believe to be reliable, have not been verified by any independent agencies. Certain data has been reclassified for the purpose of presentation and much of the available information is based on best estimates, and should therefore be regarded as indicative only and treated with appropriate caution. Certain financial and other numerical amounts specified in this section have been subject to rounding adjustments; figures shown as totals may not be the arithmetic aggregation of the figures which precede them.

Global Economic Conditions

As per the World Economic Outlook, April 2011, published by the International Monetary Fund, the world economy grew at 5% in 2010 as compared to a 0.5% decline in 2009. While the fear of an expected double-dip recession has not materialized, commodity prices have increased more than expected with oil prices having grown at 27.9% and non-fuel prices having grown at 26.3% in 2010. This reflects a combination of strong demand growth and supply shocks. In most economies, unemployment is high and low growth implies it will remain so for years to come. In the United States and Europe, unemployment rates are close to 9% and 10%, respectively. In many countries, especially the United States, the housing market is still depressed. The problems of the European Union arising out of the combined effects of low growth, fiscal woes and financial pressures remain acute. The recovery is broadly moving at two speeds, with large output gaps in advanced economies and closing or closed gaps in emerging and developing economies. In the developed economies, economic growth has been modest, especially considering the depth of the recession, reaching just 3% in 2010 (Source: IMF - World Economic Outlook, April 2011).

Emerging Markets

Emerging economies and developing economies have seen robust growth of more than 7% in 2010 and are generally associated with low unemployment rates. In a growing number of these economies, there is evidence of an increase in capacity constraints, and many face large food price increases, which present other social challenges (Source: IMF - World Economic Outlook, April 2011).

Global capital flows rebounded sharply following the collapse during the crisis, but they are still below pre-crisis averages in many economies. Accordingly, stock markets and credit in emerging market economies have rebounded unusually fast and, as a result, capital flows to some larger emerging market economies, for example, Brazil, China, India, Indonesia, Mexico, Peru, Poland, and Turkey, are all within the range of or above pre-crisis levels (Source: IMF - World Economic Outlook, April 2011). Furthermore, robust capital flows to key emerging market economies are expected to continue, although questions about macro-economic policies and geopolitical uncertainty could slow flows over the near term.

India

The Indian economy has rapidly emerged from the slowdown caused by the global financial crisis during the Financial Years 2007 to 2009. With growth in Financial Year 2010 now estimated at 8.0%, as per the Quick Estimates released on January 31, 2011, and 8.6% in Financial Year 2011, as per the Advance Estimates of the Central Statistics Office released on February 7, 2011, turnaround for the Indian economy has been fast and strong (Source: Economic Survey 2010-11). This has been facilitated by a rebound in agriculture and continued momentum in manufacturing, though there was a deceleration in services, caused mainly by a deceleration in community, social and personal services. India continues to be one of the fastest growing economies in the world with a rapidly expanding financial services sector. As per advance estimates, the real GDP growth percentage is expected to be at 8.6% for the Financial Year 2011 (Source: February 7, 2011 Notice: Ministry of Statistics and Programme Implementation). After adjustments for purchasing power parity, India's economy is the fourth largest in the world in terms of GDP, after the United States, China & Japan (Source: World Bank

website, “World databank – World Development Indicators & Global Development Finance”). In terms of market cap rankings, India is ranked 10th in the world with a market cap of \$670.860 million (*Source: Mint Money - April 26, 2011*).

Financial Services in India

General Overview

In the wake of steady reforms since 1991, India’s financial markets have continued to gain strength in recent years. This can be attributed to several factors including without limitation prudent regulations and institutions that have protected the economy from the recent global financial shocks, and the dynamic nature of India’s financial markets. Domestic capital markets performed well in 2010, of which, financing by way of primary market transactions reached record levels, including the largest-ever initial public offering by Coal India Limited, while secondary markets reached new highs. Record foreign inflows in the Financial Year 2011 helped and supported the market. Pensions and insurance gained, with life insurance premium growing nearly 26% and penetration more than doubling to 5.4% of GDP in the Financial Year 2009, from 2.3% in the Financial Year 2000, when insurance reforms started (*Source: Economic Survey 2010-11*).

Capital Markets

Primary equity market - Move towards robust growth

The primary segment of capital markets in India has grown due to strong fundamentals of the Indian economy, improved corporate results, a buoyant secondary market, structural reforms by the Government and an investor-friendly framework. In the Financial Year 2011, public offerings have, in general, received strong responses from FIIs, institutional and retail investors. The cumulative amount mobilised in the Financial Year 2011 through initial public offers, follow-on public offers and rights issues stood at ₹ 652,919 million as against ₹ 577,624 million during the Financial Year 2010 (*Source: Prime Database as on April 8, 2011*).

Secondary equity market - Option trading driving growth in equity market volumes, retail sentiment continues to remain subdued, evidenced by negligible growth in demat accounts

The Indian equity market remained largely flat with the BSE Sensex at 17,823.4 points on February 28, 2011, up from 17,527.8 points as on March 31, 2010. Equity market capitalisation increased by 3% on account of the strong growth in the primary market issuances (*Source: SEBI Bulletin – March 2011*).

Internet Trading

As of March 31, 2010, 363 members were permitted to allow investors web-based access to the NSE’s trading system. These members have registered 5,143,705 clients as of March 31, 2010. During the Financial Year 2010, 11.13% of the trading value in the Capital Market segment was routed and executed through the internet. (*Source: NSE Factbook 2010*).

Currency Trading

The exchange driven currency trading showed remarkable growth over the last few years. This is inspite of the regulatory constraints which restricts trading currency futures contracts to only four foreign currencies against the Indian Rupee.

Interest Rate Derivatives

Trading in interest rate futures started on NSE on August 31, 2009. For the period between April 1, 2010 and November 30, 2010, the NSE witnessed a total turnover of ₹ 530 million in this segment as compared to ₹ 29,750 million from the date of commencement until March 31, 2010.

Commodities Trading

Commodities play an important role in India’s economy. India has over 7,000 regulated agricultural markets, or *mandis*, and the majority of the nation’s agricultural production are consumed domestically, according to the Agricultural Marketing Information Network (*Source: Agricultural Marketing Information Network official*

website). India is the world's leading producer of several agricultural commodities. The agriculture sector accounted for approximately 12.3 % of India's GDP for the Financial Year 2010. India's GDP at current market prices for the Financial Year 2011 was estimated to be ₹ 78,779,470 million (Source: *Economic Survey 2010-11*). There are currently 21 commodity exchanges recognised by the FMC in India and offering trading in over 60 commodity futures with the approval of the FMC.

Mutual Funds

As of March 31, 2011, there were 43 individual registered mutual fund providers, with total average assets under management, for the quarter ending March 31, 2011, of ₹ 7,005,000 million excluding funds of funds (Source: *Association of Mutual Funds in India*). From 1963 to 1987, Unit Trust of India was the only mutual fund operating in the country. From 1987 onwards, several other public sector mutual funds entered this sector. These mutual funds were established by public sector banks, the Life Insurance Corporation of India and General Insurance Corporation of India. The mutual funds industry was opened up to the private sector in 1993. The industry is regulated by the SEBI (Mutual Fund) Regulations, 1996.

Corporate Bond Market

Economic growth, amongst others, has contributed to rapid growth in the equity markets in India. In parallel, the Government securities market has also evolved over the years and expanded due to the increasing borrowing requirements of the Government. In contrast, the corporate bond market has remained dormant, both in terms of market participation and structure. Non-banking finance companies are the main issuers of corporate bonds in India, and insignificant amounts of finance are raised by companies directly.

Corporate Debt Market Trading

According to SEBI, corporate bonds trading volumes have increased by 38% to ₹ 5,553,000 million, for the period between April 1, 2010 and February 28, 2011, as compared to ₹ 4,011,980 million, in the Financial Year 2010, on account of increasing FII and domestic financial institution participation.

Investment Banking

With the Indian economy maturing, Indian companies are also evaluating different means to raise capital in the equity and debt capital markets. We believe that the volume of activity in equity capital markets as well as the transaction advisory market has increased significantly. With the increase in activity levels and entry of foreign investment banks in India, competition is intensifying.

Transaction Advisory

There has been a significant increase in mergers and acquisitions involving Indian companies in recent years. This increase is evident in the inbound, outbound and domestic segments.

Equity Capital Markets

With the growth in various sectors of the Indian economy, Indian companies have been increasingly raising funds in both domestic and international equity capital market.

Credit Markets - The SME Opportunity

Worldwide, the micro, small and medium enterprises have been accepted as the engine of economic growth. The major advantage of the sector is its employment potential at low capital cost. The labour intensity of the MSME sector is much higher than that of the large enterprises. The MSMEs constitute over 90% of total enterprises in most of the economies and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports (Source: *Ministry of Micro, Small and Medium Enterprises, Annual Report 2010-2011*).

In India too, the MSMEs play a pivotal role in the overall industrial economy of the country. In recent years, the MSME sector has consistently registered higher growth rates as compared to the overall industrial sector. With its agility and dynamism, the sector has shown admirable innovativeness and adaptability to survive the recent economic downturn and recession.

Insurance

The insurance sector was opened for private participation with the enactment of the Insurance Regulatory and Development Authority Act, 1999. While permitting foreign participation in ventures set up by the private sector, the Government restricted participation of the foreign joint venture partner through the FDI route to 26% of the paid-up equity of the insurance company.

Since the opening up of the sector, the number of participants has gone up from six insurers (including Life Insurance Corporation of India, four public-sector general insurers, and the General Insurance Corporation of India as national reinsurer) in the year 2000 to 48 insurers operating in the life, non-life, and reinsurance segments (including specialised insurers, namely the Export Credit Guarantee Corporation and Agricultural Insurance Company).

Life Insurance

The post-liberalisation period has been witness to tremendous growth in the life insurance industry. During 2009, the life insurance premium in India grew by 10.1% (inflation adjusted). However, during the same period, the global life insurance premium had contracted by 2%. The share of Indian life insurance sector in global market was 2.45% during 2009, as against 1.98% in 2008 (*Source: IRDA Annual Report 2009-10*).

Recent Regulatory Changes

With effect from September 1, 2010, the IRDA has brought about a host of regulatory changes aimed at protecting customer interests. These changes have been made as an attempt to avoid mis-selling of insurance as a short term investment product. In the short term, these regulatory changes (lower commission payments, lower penalties on surrenders, and longer lock-ins) have put pressure on volume growth, and margins for the industry. However, long-term prospects for the insurance industry remain attractive on the back of favorable demographics, urbanisation and strong GDP growth.

General Insurance (P&C and Health Insurance)

India is the fifth largest general insurance market in Asia with annual premiums of approximately US\$ 8,300 million. India's second largest population in the world and an increasing middle class population presents significant opportunities for general insurance players. We believe that the market is currently underpenetrated with the premium to GDP ratio hovering around 0.6%, far lower than the developed markets, where this ratio is around 4-5% (*Source: IRDA Handbook on Indian Insurance Statistics 2009-10*).

Wealth Management

The wealth management industry in India is in an evolutionary phase of development. With the liberalisation of the Indian economy and subsequent growth and prosperity across sectors, the wealth management industry is poised to gain greater traction in an expanding market.

Emerging Markets Capital Flow

We believe that the emerging markets, driven by high economic growth rates, favourable demographics and deepening capital markets, are expected to deliver returns which are superior to those in developed markets in the medium and long term. As a result of this expectation that emerging markets will continue to grow at higher rates than the developed world. It is anticipated that over the next fifteen to twenty years, the collective economic output of the emerging markets will overtake that of the developed markets. We believe that of the emerging markets, the four large economies (*viz.* Brazil, Russia, India and China or "BRIC") will occupy centre-stage.

Investment Banking

The growth in emerging markets coupled with heightened interest from developed markets has created significant opportunities for financial intermediaries such as investment banks in areas such as cross border deal flows between emerging and developed markets, emerging markets institutional businesses, primary issuances

and placements, amongst others, and is expected to continue so long as emerging markets continue to enjoy superior rates of growth.

Asset Management

Emerging markets offer a vastly unexplored opportunity for the global asset management industry, which is generally indicated by the inflows in portfolio investment from FIIs in the emerging markets. We expect this shift of preference to accentuate further over the next two decades, leading to an even larger share of developed market funds being invested in emerging market assets.

SUMMARY OF BUSINESS

OUR BUSINESS, STRENGTHS AND STRATEGIES

Overview

We are an integrated financial services group with a network of 2,169 Business Locations across 571 cities in India. We also have a presence in several emerging markets and in key international financial centers including Singapore, Hong Kong, London and New York. We offer customer-centric financial products and services and have a presence across multiple customer segments including mass market, mass affluent, HNI, SME and mid and large corporate clients and institutional clients. In 2001, the current management took charge of our business and in a span of less than ten years, we have expanded our business which was primarily focused on equity broking into a diversified financial services conglomerate, operating through 10 Subsidiaries and two Joint Ventures in India and one Subsidiary outside India as of March 31, 2011. Our Promoters, Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh and their family, have a collective track record of three generations of entrepreneurship and value creation in sectors such as pharmaceuticals, healthcare delivery (including diagnostics) and financial services. The financial services sector is one of the two focus areas of our Promoters, who, as of the date of this Draft Letter of Offer, have invested over ₹ 27,000 million in our Company.

Our businesses operate around three pillars, comprising the following:

- Our Integrated Indian Financial Services Platform comprises equity and commodity broking, capital markets lending and asset finance, asset and wealth management and life insurance businesses. This broad based platform enables us to exploit growth opportunities in the financial services sector in India as the Indian economy grows, leading to an increase in the demand for financial products and services. Simultaneously, as the Indian market becomes more financially evolved, the need for sophisticated products and services, such as complex financial products available in the more developed economies, is expected to increase. As is self evident from the diversity of the businesses comprising financial products and services that we offer in India, we intend to cater to all of the financial services needs of our clients and provide a one stop shop for financial products and services to our clients in India and have developed a wide and effective distribution platform through our network. Dun & Bradstreet has in its report, “*India’s Leading Equity Broking Houses 2010*”, rated us as one of the top three retail equity brokerage houses in India (Source: <http://www.dnb.co.in/EquityBroking2010/default.asp>). Furthermore, our asset management business is the 13th largest in terms of average AUM for the quarter ended March 31, 2011 (Source: http://www.amfiindia.com/AUMReport_Rpt_Po.aspx?dtAUM=01-Jan2011&qt=January-March 2011&rpt=fwise). In addition to the above, secured and unsecured loans given by our Subsidiary, RFL, grew by 116.17% to ₹ 88,318.29 million as at December 31, 2010 from ₹ 40,855.90 million as at March 31, 2010. Our life insurance JV recorded new business premium of ₹ 1,470 million for the nine month period ended December 31, 2010 as against ₹ 744 million for the nine month period ended December 31, 2009, i.e. growth of 98%.
- Our Emerging Markets Institutional Equities and Investment Banking business is headquartered in London on the back of our acquisition of Hichens, Harrison & Co. Plc (now known as Religare Capital Markets Plc), in 2008. In addition, we have hubs in India, Singapore and Hong Kong as well as regional offices in the United States, Dubai and Australia. Our network has expanded both organically and inorganically through acquisitions and partnerships in the Financial Year 2011, which include acquisitions of CJEL (trading as Aviate Global), an institutional equities firm with a presence in Hong Kong, Singapore and Melbourne; a 50% interest in Bartleet Mallory Stockbrokers (Private) Limited, which offers financial services, including stock broking, investment advisory, equity research and online trading for the Sri Lankan market; BJM, an institutional equities firm, which primarily focuses on providing agency, broking and research on South African stocks to institutional clients in the United Kingdom. Further, on receipt of FINRA’s approval in December 2010, RCMPIC through its subsidiary, Religare Investment Holdings (UK) Limited, acquired 100% membership interest in BJM USA, with effect from January 25, 2011. BJM USA is a broker dealer and is regulated by FINRA of USA. For more details, see “– Business Strategy – Pursue strategic acquisitions and alliances”. This business is focused on developing a distinctive offering by creating strong research and trading capabilities that is focused on emerging markets opportunities, thereby enabling us to exploit the growing influence of emerging markets within the global economy.

- Our Global Asset Management Platform comprises fund management services spread across various asset classes and regions. This business aims to unlock value in western asset managers by acquiring controlling interests in asset management companies in the developed economies, and providing them institutional support by way of distribution and access to new pools of capital as well as investment opportunities in emerging markets, for the next phase of growth. Towards building this platform, we have undertaken several acquisitions in the Financial Year 2011, which have strengthened our global presence. These acquisitions include a 70% interest in Northgate Capital LLC and Northgate Capital LP, managers of private equity fund of funds with assets under management of approximately US\$ 3,000 million as of December 31, 2010; and a 55% interest in Landmark Partners, a private equity and real estate investment advisory company with approximately US\$ 8,500 million in committed capital across its 27 funds as of December 31, 2010.

We believe that our three pillar strategy is unique in the context of Indian financial services, thereby enabling us to capture growth opportunities, both in our home market India, and our chosen areas of operation across the emerging markets.

We have received recognition by way of several awards across our businesses. Some of them are listed below:

- Religare Capital Markets Limited has been awarded the Starmine award for the 'Best Brokerage Research House' by Thomson Reuters in March, 2011;
- Our Company was presented with the 'Best Retail Marketing Campaign of the Year, 2010' at Asia Retail Congress.
- Our Company was awarded the 'Master Brand Award' and 'Best Marketing Campaign of the Year' at the World Brand Congress, 2010 on November 22, 2010;
- Religare Securities Limited was awarded the 'Best Broking House with a Global Presence' by Dun and Bradstreet on September 30, 2010;
- Religare Tax Plan was awarded the first runner up award at the NDTV Mutual Fund Awards in the 'Equity Tax Plan' category by NDTV Profit in September, 2010;
- Religare Capital Markets Limited was awarded the 'Best Deal in the Health Care' category for Fortis Health Care Limited's acquisition of a stake in Parkway Holdings Limited by the M&A Advisor in September, 2010;
- Our Company was awarded the Greentech HR Excellence Awards in the following two categories: (i) Innovation in Recruitment and (ii) Technology Excellence in HR by Greentech Foundation on September 17, 2010.
- Mr. Sunil Godhwani, our Chairman and Managing Director, was conferred the Indian Business Leader of the Year award at the Global Indian Business Meeting hosted by IESE Business School, University of Navarra in June, 2010.

Our consolidated total income increased by 59.24%, from ₹ 11,436 million, for the nine month period ended December 31, 2009, to ₹ 18,210 million, for the nine month period ended December 31, 2010. Our consolidated total income increased from ₹ 11,945 million for the Financial Year 2009 to ₹ 16,752 million for the Financial Year 2010.

Our Competitive Strengths

Strong promoter commitment

Our Promoters, Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh, have businesses interests spanning various sectors including healthcare delivery and financial services. Our expansion has been supported by significant capital contributions by our Promoters. Since the listing of our Company in the year 2007, our

Promoters and Promoter Group contributed funds aggregating to ₹ 11,305 million by subscribing to equity shares of our Company offered on a rights basis in the Financial Year 2010, ₹ 2,500 million by subscribing to equity shares offered pursuant to a preferential allotment during the nine month period ended December 31, 2010 and ₹ 2,500 million by subscribing to equity shares of our Company issued pursuant to exercise of warrants in the Financial Year 2011. Furthermore, in the Financial Year 2011, our Promoter Group acquired 13.33 million Equity Shares of our Company from the open market, including by way of an open offer triggered under the provisions of the Takeover Code, for an aggregate consideration of ₹ 6,086 million.

Our Promoters, Mr. Shivinder Mohan Singh and Mr. Malvinder Mohan Singh on their behalf, and on behalf of the Promoter Group, have undertaken, by way of their letters dated May 6, 2011, to subscribe to the full extent of their Rights Entitlement in the Issue. Further, our Promoters have also confirmed that in addition to the subscription to the Equity Shares, as stated above, in the event of an undersubscription, the Promoters and/or Promoter Group shall subscribe to additional Equity Shares in the Issue such that at least 90% of the Issue is subscribed

Robust India platform, well positioned to exploit significant growth opportunities in the Indian financial services sector

We have an established and integrated Indian financial services business comprising equity and commodity broking, capital market lending and asset finance, asset and wealth management, and life insurance businesses.

We believe that we have one of the largest retail financial services networks in India consisting of 2,169 Business Locations spread across 571 cities as of December 31, 2010, which strengthens our reach and distribution network to retail investors. Our overall customer base as of December 31, 2010 comprised over 1.25 million customer accounts as compared to over 1.03 million customer accounts as of December 31, 2009.

We offer financial services and products to clients across segments. For example, we offer asset management, retail and insurance broking services to the mass market, lending, broking and insurance services to the mass affluent, wealth management services to HNIs and, lending and advisory services to SMEs, mid and large-size companies.

We offer complete broking services catering to retail customers including securities broking, depository participant services and portfolio management services as our major activities and offerings. Our equity broking services had more than 761,000 clients as of December 31, 2010, and based on the total value of trades published by the Stock Exchanges, our combined estimated market share of both 'NSE Cash and Futures Segment' trading and 'BSE Cash Segment' trading was approximately 3.60%, 3.59% and 3.90% for the Financial Years 2010, 2009 and 2008, respectively. RSL has also increased the number of trades on both the 'NSE Cash and Derivatives Segment' and the 'BSE Cash Segment' from 203,550 trades on the last trading day during the Financial Year 2007 to 485,156 trades on the last trading day of the Financial Year 2010.

In addition, secured and unsecured loans given by our Subsidiary, RFL, have grown significantly in the recent past, i.e. by 116.17% to ₹ 88,318.29 million as at December 31, 2010 from ₹ 40,855.90 million as at March 31, 2010. We provide various forms of credit, such as loans against securities, home loans, loans against property, loans for commercial assets, working capital, and plant and machinery loans to SMEs, personal finance services, promoter financing, employee stock option plan ("ESOP") financing and IPO financing, with a focus on secured debt financing. Our lending business had a distribution network of more than 30 branches spread across 12 states in India as of December 31, 2010.

Our life insurance business, operated through a joint venture with AEGON N.V., provides a wide range of protection and savings (both traditional and ULIP) plans. This business commenced in the Financial Year 2009 and, as of December 31, 2010, we had insured approximately 114,000 individuals. We also intend to commence our health insurance business in India in the near future, and our Subsidiary, RHIL, has obtained an R1 registration license from the IRDA and has applied for R2 registration.

Our asset management company offers various debt-oriented, equity-oriented and hybrid schemes as well as exchange-traded funds and also provides discretionary portfolio management services. For the quarter ended December 31, 2010, our average assets under management under various mutual fund schemes amounted to ₹ 104,107.64 million. We provide customised wealth management services to HNIs through our joint venture

with Macquarie. As of December 31, 2010, we provided advice in relation to total assets amounting to ₹ 20,650 million and our 186 relationship managers serviced 3,870 clients.

We believe our strong distribution capabilities, along with our manufacturing capabilities across multiple financial products and services, as described above, and structural capabilities together constitute a comprehensive suite of financial services that address various needs of our clients thereby creating a strong and sustainable platform for growth in the Indian market.

Wide institutional distribution network and client coverage through our investment banking and global asset management businesses

We have invested significantly in strengthening our investment banking platform by building an experienced management team and by widening our distribution network and client coverage through strategic acquisitions in the equities and asset management space. Our investment banking professionals maintain relationships with businesses, private equity firms, other financial institutions and high net worth individuals, and provide them with corporate finance and investment banking advice. Our investment banking services include executing public equity offerings, mergers and acquisitions advisory services, corporate restructuring services, placement of private debt and equity offerings and rendering general investment banking and transaction advisory services. Our institutional brokerage business is empanelled with 450 clients as of May 1, 2011, including FII's, mutual funds, banks and insurance companies across Asia, Europe and the United States. Religare Capital Markets Limited acquired CJEL and BJM in the Financial Year 2011 to augment its international presence. CJEL is an institutional equities firm focusing on mutual fund and hedge fund clients across the Asian and Australasian markets, including Japan. BJM, another institutional equities firm, primarily focuses on providing agency, broking and research on South African stocks to institutional clients in the United Kingdom and the United States.

RCM has an emerging markets focused institutional equities research team comprising 33 analysts covering more than 176 companies in 15 sectors as of December 31, 2010. In addition to quality primary research, RCM also publishes several in-depth and thematic reports for its clients.

The affiliates acquired by our Global Asset Management business have existing relationships with institutional investors, private equity funds, etc. and will continue to use these relationships to sell new products. In addition, RGAM intends to leverage on these relationships to distribute products from one affiliate to investors who have participated in other affiliates. RGAM also intends to utilise the distribution teams of RCM, particularly those in Japan, Dubai and Hong Kong, for providing a wider reach to its affiliates' products.

Diversified financial services products providing a balanced risk portfolio

Our diverse portfolio of products balances our risk between capital intensive fund-based products, such as capital market finance and asset finance, and the non-capital intensive fee based products, such as equity and commodity broking, investment banking, asset management and wealth management. Additionally, we expect that our long-term value creating businesses, such as insurance and asset management, will provide us with stable, annuity-based revenues, balancing out the transactional returns from our capital markets businesses, which have market driven and volatile cycles of growth.

Synergistic business segments in the financial services domain providing a one stop shop for clients and opportunities for cross-selling our products

We offer a diversified range of financial services and products across different platforms, including equity and commodity broking, lending, online trading, investment banking, institutional equities, private client brokerage, wealth management, asset management, portfolio management services, investment advisory services, insurance broking, life insurance, investment banking and wholesale financing, providing a one-stop solution to financial services needs across all classes of investors.

Our diversified service platform has been designed to allow us to leverage relationships across our various lines of businesses, thereby increasing our ability to cross-sell our products and services. For example, equity capital markets offerings advised upon by our investment banking group may be cross-sold to retail investors through our retail brokerage business and increases our retail product offerings; we are able to cross sell our mergers and

acquisitions and equity capital markets advisory services to asset management investees; our equity capital markets group can source private equity transactions for our asset management group; we can provide research-led investment ideas for our asset management business; and we can also cross-sell wealth management and wholesale financing alternatives to our investment banking clients.

Our global asset management business aims to acquire affiliates from various asset classes and regions to build scale and network effect. We expect to capitalise on the global platform to sell our India and emerging markets based asset management products globally.

Experienced and committed senior management team

We have a senior management team that is experienced in identifying and exploiting markets for new and innovative financial instruments. Our leadership team comprises experienced professionals who have previously worked at renowned financial institutions in India and abroad. For example, our Chairman and Managing Director, Sunil Godhwani has over two decades of experience in managing large businesses and is currently on the board of directors of several of our Group Companies including RMWML, ARLICL, amongst others; our group CEO, Shachindra Nath has over 16 years of experience and has been associated with us since 2000; our group CFO, Anil Saxena has over 20 years of experience in the financial services industry and has been associated with us since 2002; our group COO & Head of Strategy, Basab Mitra, has over 18 years experience and has worked with organizations such as GE Capital, McKinsey & Co. and Arcapita; the CEO of RCM, Martin Newson, has over 25 years of industry experience, including senior positions at Dresdner Kleinwort in London, Credit Suisse and Goldman Sachs in London; our head of Global Asset Management, Paresch Thakker, has over 18 years of industry experience, including positions at DSP Merrill Lynch, Infinity Ventures and Evolve India; the CEO of RSL, Gagan Randev, has over 19 years of industry experience, including senior positions at ABN AMRO, Citigroup and TATA AIG; and the CEO of RFL, Kavi Arora, has over 17 years of industry experience, including senior positions at ABN AMRO, Citi Financial and GE Capital.

We have implemented a co-ownership structure at the management level, whereby we have aligned our management's interests to those of our shareholders through equity-linked incentives for performance both at the subsidiary and the holding company levels. Furthermore, to encourage collaboration across various businesses, the senior management of our Subsidiaries have been granted stock options at the subsidiary level as well as at our Company level, and senior management personnel of our Company have been granted co-ownership at our Company level as well as at the subsidiary-level.

Governance complemented by alignment of management interest

Our Promoters, Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh, having nurtured our Company and built a strong professional management team, resigned from our Board, with effect from April, 2010, and our group CEO and group CFO were inducted on our Board. With a view to bring greater diversity and international experience on the Board, Ms. Kathryn Matthews and Mr. Stuart Pearce were appointed as Independent Directors on the Board of our Company in July, 2010. Ms. Kathryn Matthews and Mr. Stuart Pearce, collectively, have over 65 years of experience in the international financial services business. As set out above, we have implemented a co-ownership structure at the management level, whereby we have aligned our management's interests to those of our shareholders. On the recommendation of our shareholders, we have resolved to issue shares/ options to senior employees of our Company and its subsidiaries up to a maximum limit as set out in the table below:

Entity	Maximum shares/ options to be issued to employees (% of diluted capital)
Company	10%
RSL	7.50%
RAMCL	7.50%
RFL	7.50%
RHIL	10%

Entity	Maximum shares/ options to be issued to employees (% of diluted capital)
RGAM	7.50%
RCM	25%

Furthermore, to encourage collaboration across various businesses, the senior management of our Subsidiaries have been granted stock options at the subsidiary level as well as at our Company level, and senior management personnel of our Company have been granted co-ownership at our Company level as well as at the subsidiary-level. We are confident that a management team with such experience, bandwidth and aligned interests, complemented by strong governance practices, can execute our growth strategy.

Business Strategy

Develop a successful one stop financial services platform in India

We have focused on the Indian market, as we believe that the developing Indian economy and the growing disposable income of the Indian population have created a space for a diversified financial services company such as ours. The broadening of the Indian financial markets due to financial market reforms undertaken by Indian regulators, the introduction of innovative financial instruments and the entry of sophisticated domestic and international financial services participants, has significantly contributed to the growth of the Indian financial market. Financial services accounted for approximately 15% of India's total GDP in the Financial Year 2009. (Source: India Brand Equity Foundation). As per the Economic Survey 2010-11, India's real GDP, in the Financial Year 2012, is expected to grow at 9% (+/- 0.25%) and this has positive implications for growth in the financial services sector. (Source: www.indiabudget.nic.in)

We are ideally positioned to exploit India's growth opportunity through our network of 2,169 Business Locations spread across 571 cities in India. We have established a wide diversity of financial services businesses in India including equity and commodity broking, capital markets lending, lending and asset finance, asset and wealth management and life insurance. We also intend to commence our health insurance business in India in the near future, in which regard our Subsidiary, RHIL, has obtained an R1 registration license from the IRDA and has applied for R2 registration.

Part of our India business strategy is to continually improve our services offerings to our clients by investing in human resources and IT infrastructure, each of which, we believe, are key to success in the financial services sector. Further, our internal control systems and risk assessment procedures are strengthened by our investment in human resources and IT infrastructure, which in turn results in providing our clients with a reliable financial services platform catering to all their financial services requirements.

Capitalise on the growing importance of emerging markets to build an integrated emerging market focused investment bank

We believe that as economic growth in emerging markets continues to outpace that in the developed markets, the weight and importance of emerging markets in the global economic order will increase, which will, in turn, lead to a greater propensity on the part of developed market funds to own emerging market assets. As an outcome of such economic growth, we expect a surge in capital issuances by emerging market companies as well as secondary market purchases of emerging market equities by developed market funds as well as the generation of opportunities in the investment banking and institutional equities broking space for a sustained period of time. The strength of emerging market capital flows observed over the last few years can be explained by a number of factors including opportunity for global diversification, significant returns and the new found ability of investors to access emerging markets through liquid low cost indexed vehicles. Emerging markets focus is generally linked to multi-decade growth cycles.

As a result of the expectation that emerging markets will continue to grow at higher rates than the developed world, it is anticipated that over the next fifteen to twenty years, the collective economic output of the emerging markets will overtake that of the developed markets. We believe that of the emerging markets, the four large economies (viz. Brazil, Russia, India and China or "BRIC") will occupy centre-stage. For more details, please see "Industry – Emerging Markets".

Our Investment Banking business is being positioned to exploit this shift in capital by providing a platform for facilitating the flow of capital from developed to the emerging markets.

We have built and will continue to build strong research capabilities across emerging markets to deliver distinctive insights about companies and industries operating in the emerging markets, with research being carried out in India, Hong Kong, Singapore and the United Kingdom. Over the next few years, we intend to extend our research capabilities across certain additional emerging economies including Brazil, China, Indonesia, Malaysia and South Africa.

Our institutional research is backed by strong distribution in India and across global money centers, such as New York, London, Singapore, Hong Kong and Melbourne. As of May 1, 2011, we have 450 institutional empanelments obtained directly as well as through acquisitions. We believe our ability to bring distinctive, coherent and market spanning research across emerging markets to our institutional clients, supported by a robust global distribution platform, is a source of sustainable competitive advantage to us.

Our institutional equities business, through corporate access and distinctive insights, creates the platform for our investment banking franchise, which is focused on building a quality equity capital markets and advisory platform. Our strategy, with respect to both institutional equities and investment banking is to focus on the growing yet underserved mid and small cap segments, with strategic relationships with select large cap companies. We provide a wide range of products including public equity offerings, convertible bond offerings, mergers and acquisitions advisory services, corporate restructuring advisory services, placement of private fund raisings (including debt and equity), and other investment banking and transaction advisory services. In India, our focus is to build a distinctive full range investment banking franchise and we have built a superior team comprised of top talent in the Indian market place. We will continue to build and grow our equity capital markets and advisory capabilities in other markets in line with our rollout plan for RCM.

Exploit the growing and structural shift of capital to emerging markets to build the global asset management business

For western asset managers, one of the consequences of the changing global shift of capital and economic activity to emerging markets is the need to own emerging market assets. On account of the higher rates of growth expected in emerging markets compared to developed markets, emerging market equities are likely to deliver better returns as compared to developed market equities. As a result, asset managers in developed markets focusing on their respective home markets would be under pressure to improve the performance of their portfolios. Boutique asset managers in the west faced with this challenge are increasingly looking to extend their footprint into emerging markets, firstly, to develop emerging market products and secondly, over time, to raise capital. Our global asset management business is being developed to exploit this opportunity. Our multi-boutique asset management platform provides western asset managers the bridge to emerging markets.

We intend to create a multi-boutique asset management platform with a portfolio of eight to 12 distinctive asset managers that will provide us with a global presence with a significant emphasis on the emerging markets. Over the next three to four years, we intend to have assets of US\$ 70,000 – 100,000 million under management across diversified asset classes. In order to fully implement our objectives for a global asset management business, we intend to develop and build our in-house distribution team to achieve a global footprint by incentivising our team, leveraging existing relationships and augmenting our knowledge of the markets. We also intend to introduce a range of capital introduction services thereby catering to the varied needs of our clients. We also intend to roll-out our offices across geographies and institutionalise our marketing processes. In addition, our global asset management business expects to leverage cross selling opportunities arising out of our emerging markets investment banking business. Furthermore, we intend to utilise the distribution teams of RCM, particularly those in Japan, Dubai and Hong Kong, for providing a wider distribution reach.

We generally acquire majority interests (ranging from 51-75%) in our affiliates, keeping investment and operational control with the existing management team, with RGAM having broad oversight and providing strategic input. We provide operational independence to our affiliates and create alignment by way of equity incentivisation and succession planning. Our business model aims at providing value-add to all the stake holders involved. For selling shareholders, it provides an opportunity for monetisation of past efforts and continued sharing in future value creation. For investors in the affiliate's funds, it provides a stable and aligned

management team, unchanged investment process and improved product offering. We benefit from the sizeable effect of an aggregate platform and resultant multiple expansion. Additionally cross pollination of resources and relationships create a network effect. We have recently acquired a 70% interest in Northgate Capital, which has established relationships with venture capitalists and private equity firms in developed economies such as the United States and Western Europe. Additionally, we have acquired a 55% interest in Landmark Partners, a private equity and real estate investment advisory company that specialises in secondary market transactions. Landmark Partners was chosen as the “Best Secondaries Firm in North America” for the year 2009 and 2010 by Private Equity International.

Pursue strategic acquisitions and alliances

We will evaluate opportunities to expand into new business areas either organically or inorganically through acquisitions and alliances with entities providing financial services. We will continue to pursue strategic acquisitions and alliances to enhance our capabilities, address specific industry opportunities, further our industry and technical expertise, expand our operations geographically and benefit from an expanded client base.

Cross sell our products

The following table provides examples of our cross-selling activities carried out in accordance with applicable law:

Entity	Cross-selling Activities
RSL	Provides RCM’s investment banking business with a retail distribution channel for initial and follow-on public offerings, rights issues and public issues of bonds and debt securities. RCM’s investment banking business provides RSL with additional products for distribution to its retail client base.
	RSL, with its reach and client access, provides distribution impetus to our manufacturing businesses including domestic asset management and lending.
RFL	Provides RCM’s investment banking business with access to corporate relationships. RCM’s investment banking business cross-sells RFL’s products to its corporate clients.
RMWML	Provides RCM’s investment banking business with access to equity capital markets distribution and acts as a referral agency for life insurance policies issued by ARLICL. RCM’s investment banking business provides RMWML with access to RCM’s investment banking relationships.
RAMCL	RAMCL functions as a potential buyer of RCM investment banking products. RCM’s investment banking business provides RAMCL with access to investment banking relationships.
RGAM	RGAM/RCML to provide distribution services to RAMCL for its products.
	RGAM to benefit from RCM relationships.

Develop client relationships and continue to expand to new markets and product offerings

Our primary focus is to increase our client base by expanding our geographic presence within India and internationally. Towards this end, we continuously seek to open new offices in new cities and grow and train our sales force to provide improved and personalised customer service and offer multiple products to our clients when an opportunity presents itself. We have expanded our presence in the international markets through the acquisition of Landmark Partners, Northgate Capital, BJM, Bartleet, CJEL and RCMPlc (formerly Religare Hichens, Harrison & Co. Plc). We currently operate out of 17 international offices (one in London, two in Singapore, two in the United States, one in Japan, one in Hong Kong, one in Dubai, seven in Sri Lanka and two in Australia).

We intend to introduce new products that will provide our clients with access to a range of financial products and services to suit their varied needs. Since commencing our operations as a broking and depository services

company, we have expanded to offer investment banking, life insurance, asset management, wealth management, distribution and lending services, and are in the process of adding newer products such as health insurance.

Our diversified service platform allows us to leverage relationships across our businesses, and our industry and product knowledge by providing multi-channel delivery systems to our clients, thereby increasing our ability to cross-sell our services. We offer equity and derivatives broking, depositary services, mutual fund and equity distribution, commodities broking, insurance services and also extend secured and unsecured loans primarily to SMEs to fund their growth requirements. We believe that the dual strategy of continuous expansion of our client base and expansion in product offerings will enable us to increase our share of a client's total financial portfolio.

Recent Developments

Acquisition of Landmark Partners

We have acquired a 55% interest in Landmark Partners for US\$ 171.50 million on April 18, 2011. Landmark Partners was incorporated in the United States in 1989, and is a leading private equity and real estate investment advisory company with approximately US\$ 8.5 billion in committed capital across its 27 funds as of December 31, 2010. Landmark Partners was chosen as the "Best Secondaries Firm in North America" for the years 2009 and 2010 by Private Equity International.

Commencement of health insurance business

We intend to commence our health insurance business in India in the near future. Our Subsidiary, RHIL, has obtained an R1 approval bearing letter reference 150/Religare Health/ NL/10-11 dated January 6' 2011 from the IRDA and has applied for R2 registration by its application dated January 10, 2011.

Acquisition of minority stake in Investment Professionals Limited

We have acquired a minority stake in Investment Professionals Limited ("**IPRO**") in May, 2011. Founded in 1992, IPRO is an investment management services company based in Mauritius and Botswana. IPRO has in excess of US\$ 300 million of assets under management with a diversified client base. IPRO manages two Mauritius-listed funds: IPRO Growth Fund and P.O.L.I.C.Y Limited and has a team of 15 fund managers and analysts.

SUMMARY OF THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the Section –“Terms of the Issue” on page 455.

Equity Shares proposed to be issued by our Company	[●]
Rights Entitlement	[●]
Record Date	[●]
Face value per Equity Share (₹)	10
Issue Price per Equity Share	[●]
Equity Shares outstanding prior to this Issue	[●]
Equity Shares outstanding after this Issue*	[●]
Use of Issue Proceeds	See the Section “Objects of the Issue” on page 38
Terms of the Issue	See the Section “Terms of The Issue” on page 455

**assuming full subscription of Equity Shares in the Issue.*

Terms of Payment

The entire Issue Price will be paid on Application.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the financial statements of our Company on the consolidated and standalone financial statements as at and for the years ended March 31, 2009 and 2010 and their review report on the reviewed condensed consolidated and standalone financial statements as at and for the nine month periods ending December 31, 2010 and 2009, prepared in accordance with Indian GAAP.

The summary financial information of our Company presented below, is in Millions and should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in the section titled “Financial Statements” of this Letter of Offer.

RELIGARE ENTERPRISES LIMITED
Condensed Consolidated Balance Sheet as at December 31, 2010

	Schedule	As at	As at	As at	As at
		December 31, 2010	December 31, 2009	March 31, 2010	March 31, 2009
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
		Unaudited	Unaudited	Audited	Audited
SOURCES OF FUNDS:					
Shareholders' Funds:					
Share Capital	A	1,763,590,600	1,015,239,380	1,528,137,520	1,012,897,600
Share Application Money		-	18,000,000,000	1,779,400	18,001,615,180
Reserves and Surplus	B	30,288,459,655	7,189,135,622	24,595,591,258	6,568,705,953
		32,052,050,255	26,204,375,002	26,125,508,178	25,583,218,733
Loan Funds					
Secured Loans	C	46,856,558,588	14,114,380,940	15,755,494,079	4,955,546,562
Unsecured Loans	D	57,561,193,253	30,357,710,563	39,964,433,325	7,680,175,485
		104,418,000,000	44,472,091,503	55,719,927,404	12,635,722,047
Policy Holders' Fund		1,396,295,032	363,969,382	639,122,473	90,647,422
Minority Interest (Refer note 3 iv d of Schedule "S")		2,137,620,057	124,853,353	129,266,613	27,660,839
TOTAL		140,004,000,000	71,165,289,240	82,613,824,668	38,337,249,041
APPLICATION OF FUNDS:					
Fixed Assets	E				
Gross Block		18,503,971,795	10,577,518,033	10,474,928,332	8,814,399,042
Less : Depreciation		2,465,342,806	1,493,192,723	1,641,795,677	1,032,385,840
Net Block		16,038,628,989	9,084,325,310	8,833,132,655	7,782,013,202
Capital Work-in-Progress (including capital advances)		753,685,113	189,743,584	51,474,789	107,510,026
		16,792,314,102	9,274,068,894	8,884,607,444	7,889,523,228
Investments	F	4,210,952,981	5,809,982,291	8,730,439,893	2,559,322,856
Deferred Tax Assets (Net) (Refer Note No. 3 xiv of Schedule 'S')		191,024,332	78,030,333	14,190,948	21,257,525
Current Assets, Loans and Advances:					
Interest Accrued		843,294,826	402,588,051	474,027,889	403,465,618
Stock In Trade		8,587,281,917	5,110,657,832	6,865,038,758	70,434,177
Sundry Debtors	G	12,298,022,158	5,738,564,029	7,387,411,323	3,431,712,925
Cash and Bank Balances	H	24,674,956,556	19,204,533,212	18,924,738,829	12,572,492,210
Loans and Advances	I	94,547,627,041	39,152,624,221	45,818,507,384	20,015,661,067
		140,951,000,000	69,608,967,345	79,469,724,183	36,493,765,997
Less : Current Liabilities and Provisions:					
Current Liabilities	J	22,787,545,539	13,258,695,991	14,092,026,756	8,395,309,861
Provisions	K	668,893,970	347,063,632	393,111,044	231,310,704
		23,456,439,509	13,605,759,623	14,485,137,800	8,626,620,565
Net Current Assets		117,495,000,000	56,003,207,722	64,984,586,383	27,867,145,432

Debit Balance in Profit & Loss Account		1,387,577,089	-	-	-
Less: Balance in General Reserve (per-contra)		-72,894,308	-	-	-
		1,314,682,781	-	-	-
TOTAL		140,004,000,000	71,165,289,240	82,613,824,668	38,337,249,041
Notes to Condensed Consolidated Financial Statements	S				
Schedules referred to above form an integral part of the Condensed Consolidated Balance Sheet					

RELIGARE ENTERPRISES LIMITED
Condensed Consolidated Profit and Loss Account for the Year Ended December 31, 2010

	Schedule	For the Period from April 1, 2010 to December 31, 2010	For the Period from April 1, 2009 to December 31, 2009	For the Year Ended March 31, 2010	For the year ended March 31, 2009
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
		Unaudited	Unaudited	Audited	Audited
INCOME					
Income from Operations	L	15,337,228,197	9,721,018,887	14,559,465,973	9,718,223,137
Interest Income	M	92,018,578	93,119,632	135,010,582	1,285,453,853
Other Income	N	2,171,644,487	1,454,084,176	1,887,361,756	854,154,887
Sale of Shares, Bullions etc.		609,712,642	167,733,391	170,372,326	52,808,062
TOTAL		18,210,603,904	11,435,956,086	16,752,210,637	11,910,639,939
EXPENDITURE					
Cost of Shares / Bullions etc.		602,531,518	75,714,656	76,979,225	101,494,999
Operating Expenses	O	3,183,582,606	2,264,451,835	3,078,468,700	1,910,592,134
Personnel Expenses	P	6,168,296,532	3,361,921,796	5,190,952,223	3,678,285,095
Administrative and Other Expenses	Q	3,979,759,777	2,656,404,548	3,984,295,778	3,358,523,148
Interest and Finance Charges	R	5,358,345,038	1,852,579,148	2,797,465,904	3,091,815,940
Depreciation (Refer Note No. 3 ix of Schedule "S")		747,153,347	483,649,468	679,708,246	526,480,256
Less: Net Expenditure of Joint Venture Recoverable (Refer Note No. 3 viii of Schedule "S")		-944,151,733	-672,676,747	-1,029,817,759	-616,413,451
TOTAL		19,095,517,085	10,022,044,704	14,778,052,317	12,050,778,121
PROFIT / (LOSS) BEFORE TAX		-884,913,181	1,413,911,382	1,974,158,320	-140,138,182
Provision for Taxation					
- Current Tax					
- For the period / year		920,023,865	817,599,447	883,227,475	442,706,965
- For Earlier period / year		67,932,824	-29,640	2,473,360	17,256,046
- Wealth Tax		46,225	334,004	455,000	94,697
- Deferred tax (Net)		-174,530,859	-56,092,455	7,746,926	7,434,434
- Fringe Benefit Tax		-	-	-	44,411,236
- Dividend Distribution Tax		-	-	108,798,864	
PROFIT / (LOSS) BEFORE MINORITY INTEREST		-1,698,385,236	652,100,026	971,456,695	-652,041,560
Share of Minority Interest for the period / year		-22,587,679	-4,181,154	-2,219,783	
Add: Adjustment on account of changes in JV interest					16,239,524
PROFIT / (LOSS) AFTER TAX AFTER MINORITY INTEREST		-1,720,972,915	647,918,872	969,236,912	-635,802,036
Add : Balance brought forward		543,506,313	348,446,767	348,446,767	984,300,250
Less: Opening Balance of Statutory Reserve u/s 45IC of RBI Act			-220,989,321	-220,989,321	
Amount available for appropriation		-1,177,466,602	775,376,318	1,096,694,358	348,498,214

APPROPRIATIONS:					
Dividend on Preference Shares		-	-	48,371,370	-
Interim Dividend on Equity Shares		-	-	255,627,504	-
Final Dividend on Equity Shares					51,447
Transfer to Statutory Reserve Fund u/s 45IC of RBI Act		210,110,487	166,316,369	205,643,697	
Transfer to General Reserve		-	-	43,545,474	-
Balance Carried to Balance Sheet		-1,387,577,089	609,059,949	543,506,313	348,446,767
TOTAL		-1,177,466,602	775,376,318	1,096,694,358	348,498,214
EARNINGS PER SHARE (In Rupees)					
Basic		-13.42	7.92	11.25	-8.4
Diluted		-13.42	7.87	11.17	-8.4
(Refer Note No. 3 xiii of Schedule 'S')					
Notes to Consolidated Financial Statements	S				
Schedules referred to above form an integral part of the Condensed Consolidated Profit and Loss Account					

RELIGARE ENTERPRISES LIMITED
Condensed Consolidated Cash Flow Statement for the period from April 1, 2010 to December 31, 2010

	PARTICULARS	For the Period from April 1, 2010 to December 31, 2010	For the Period from April 1, 2009 to December 31, 2009	Year Ended March 31, 2010	For the Year Ended March 31, 2009
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
		Unaudited	Unaudited	Audited	Audited
A.	Cash flow from Operating Activities:				
	Net Profit/ (Loss) Before Tax	-884,913,181	1,413,911,382	1,974,158,320	-140,138,182
	Adjustments for:				
	Depreciation(Refer Note No. 3 ix of Schedule "S")	747,153,347	483,649,468	679,708,246	526,480,256
	Interest Expense	2,398,788,386	1,041,095,030	1,575,250,937	2,202,677,966
	Interest Income*	-1,228,420,133	-1,147,369,759	-1,449,817,468	-1,285,453,853
	Income from Investment - Dividends	-13,370,352	-17,665,538	-20,626,773	-45,271,561
	Loss on Fixed Assets sold (Net)	24,033,630	1,926,192	11,097,744	1,366,946
	(Profit) on sale of Investments (Net)	-351,651,545	-601,145,049	-637,036,974	-61,915,847
	Bad Debts & Provision for Doubtful Debts	264,332,312	515,202,377	531,682,521	563,080,352
	Provision for Non Performing Assets, General Provision on Standard Assets	221,086,358	76,358,885	101,534,079	70,829,583
	Provision for Gratuity and Leave Encashment	77,478,143	34,679,258	58,181,307	504,179
	TDS on operating income and STT	-879,469,429	-280,932,468	-730,333,983	-442,139,632
	Employee Stock Options Expenses	-462,438	788,847	898,735	2,364,261
	Provision for diminution in the value of Investments	12,573,051	6,258,661	34,612,147	74,250,052
	Change in valuation in respect of Life Policies	757,631,815	264,744,818	545,321,505	90,430,090
	Foreign Exchange Loss (Net)	288,019,176	30,156,730	48,346,796	159,852,244
	Change in Foreign Exchange Translation Reserve	91,764,958	-58,721,190	-296,047,994	-60,697,121
	Liability no longer required written back	-157,899,835	-929,396	-7,873,604	-40,740,104
	Discount on issue of Commercial Papers	2,817,947,312	707,684,925	1,090,321,958	733,752,745
	Cash generated from operating activities before working capital changes	4,184,621,575	2,469,693,173	3,509,377,499	2,349,232,374
	Adjustments for Changes in Working Capital :				
	- (Increase) in Sundry Debtors	-4,901,935,271	-2,819,344,115	-4,484,671,552	922,395,518
	- (Increase) in Other Receivables	-48,577,182,540	-19,160,677,210	-25,709,456,942	-1,593,359,908
	- (Increase) in Stock in Trade	-1,722,243,159	-5,040,223,655	-6,794,604,581	-61,029,338
	- Increase in Trade and Other Payables	8,501,825,304	5,019,409,916	5,293,318,296	985,300,420
	Cash used in Operations	-42,514,914,091	-19,531,141,891	-28,186,037,280	2,602,539,066
	- Taxes (Paid) / Received (Net of TDS)	-289,000,000	-289,292,785	-338,439,495	-279,535,854
	Net Cash used in/generated from Operating Activities	-42,803,914,091	-19,820,434,676	-28,524,476,775	2,323,003,212
B.	Cash Flow From Investing Activities:				
	Purchase of Fixed Assets (net)	-541,381,852	-1,703,640,233	-1,663,874,999	-7,044,311,314
	Proceeds from sale of Fixed Assets	86,519,563	27,970,506	35,279,252	21,180,935
	Capital Work in Progress	-702,210,324	-82,233,558	-56,035,237	16,223,831

	Purchase of Investments	-231,295,000,000	-7,789,287,405	-564,214,000,000	111,620,426,021
	Proceeds from sale of investments	235,401,000,000	4,654,964,475	558,278,000,000	105,676,074,310
	Interest Received (Revenue)	604,144,687	904,761,437	1,388,633,366	1,279,254,011
	Dividend Received	13,370,352	17,665,538	20,626,773	36,422,925
	Minority Interest Purchased	-14,234,234	-34,327,986	-27,953,355	-
	Amount Paid on Acquisition of subsidiaries	-7,330,399,667	-110,958,818	-110,958,818	-5,650,801,342
	Net Cash used in Investing Activities	-3,778,044,218	-4,115,086,044	-6,350,566,290	-5,397,679,243
C.	Cash Flow From Financing Activities:				
	Proceeds from fresh issue of Equity Share Capital (including securities premium)	5,041,529,690	31,169,740	170,421,268	28,826,140
	Proceeds from fresh issue of Preference Share Capital (including securities premium)	1,200,000,000	-	-	2,500,000,000
	Proceeds from fresh issue of Preference Share Capital by subsidiary company	2,000,000,000	-	-	
	Proceeds from Equity Share Application Money	-	-	1,779,400	18,001,615,180
	Proceeds/ Repayment for Short term Borrowings:-				
	- Inter Corporate Loans (Net)	7,511,505,530	1,692,096,989	-2,251,200,920	-905,569,109
	- Commercial Papers (Net)	13,412,547,550	17,948,293,350	30,008,179,590	-5,504,621,950
	- Cash Credits / Working Capital Loans (Net)	5,223,994,663	3,084,368,476	520,941,764	-5,642,493,602
	- Redeemable Non-Convertible Debentures (Net)	-5,570,000,000	2,550,000,000	3,820,000,000	-12,250,000,000
	-Compulsory-Convertible Debentures (Net)	-600,000,000	-400,000,000	-400,000,000	1,000,000,000
	-Public Deposits (Net)	31,861,815	99,325,000	92,350,000	-
	- Vehicle Loan	-137,396	-435,127	-567,697	-
	Proceeds/ Repayment for Long Term Borrowings:-				
	- Proceeds from Inter Corporate Loans (Net)	-	-	-135,000,000	135,300,000
	- Proceeds from Long Term Debentures	2,843,000,000	4,500,000,000	4,500,000,000	4,456,433,086
	- Proceeds from Term Loans	22,936,877,609	1,574,901,032	5,775,784,682	-
	Interest Paid	-2,222,527,576	-1,061,754,584	-1,410,773,879	-2,565,952,114
	Dividend Paid	-289,777,504	-	-14,221,370	-83,779,260
	Dividend Tax Paid				-22,027,024
	Net Cash Flow generated from/(used in) Financing Activities	51,518,874,381	30,017,964,876	40,677,692,838	-852,268,653
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	4,936,916,072	6,082,444,156	5,802,649,773	-3,926,944,684
	Add: Cash and Cash Equivalents at the beginning of the Period/ Year	18,924,738,829	12,572,492,210	12,572,492,210	16,330,928,473
	Add: Cash and Cash Equivalents on Acquisition of Subsidiaries	813,301,655	549,596,846	549,596,846	165,829,498
	Effect of Exchange difference on Translation of Foreign Currency Cash & Cash Equivalents				2,678,923
	Cash and Cash Equivalents at the end of the Period/ Year	24,674,956,556	19,204,533,212	18,924,738,829	12,572,492,210
	Cash and Cash Equivalents at the end of the Period/ Year Comprises of				
	Cash in Hand	8,708,900	8,117,114	10,303,412	9,596,643
	Cheques/Stamps on Hand	-	-	59,482,163	4,623,960
	Balances with Banks in Fixed Deposits Accounts (Refer note 3 d of Schedule S)	17,517,817,880	17,288,216,093	16,407,409,889	12,186,014,111

	Balances with Banks in Current Accounts	7,148,429,776	1,908,200,005	2,447,543,365	372,257,496
		24,674,956,556	19,204,533,212	18,924,738,829	12,572,492,210

* Interest income does not include interest income from lending operation of ₹6,676,178,505 (Previous Period Ended December 31, 2009 ₹, 2,801,922,082; Year Ended March 31, 2010 ₹4,238,611,354; Year Ended March 31, 2009 ₹ 2,882,678,214)

Notes:

The Cash flow statement has been prepared under the indirect method as set out in Accounting Standard -3 on Cash Flow Statement.

Figures in bracket indicate cash outgo/income

Previous year/ period (s) figures have been regrouped and rearranged wherever necessary to confirm to the current year classification.

GENERAL INFORMATION

Dear Equity Shareholder(s),

Pursuant to the resolution passed by our Board on April 26, 2011, it has been decided to make the following rights offer to the Equity Shareholders, with a right to renounce:

ISSUE OF [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (“EQUITY SHARES”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING UP TO ₹ 8,000* MILLION TO THE EQUITY SHAREHOLDERS OF THE COMPANY ON RIGHTS BASIS IN THE RATIO OF [●] EQUITY SHARES FOR EVERY [●] EQUITY SHARES HELD ON THE RECORD DATE, [●] (THE “ISSUE”). THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARE. THE ENTIRE ISSUE PRICE FOR THE EQUITY SHARES WILL BE PAID ON APPLICATION. FOR MORE DETAILS, SEE THE SECTION “TERMS OF THE ISSUE” ON PAGE 455.

** Pursuant to the resolution dated April 26, 2011 passed by the Board of Directors of the Company, the size of the Issue may be increased by up to 10%.*

Registered and Corporate Office

Religare Enterprises Limited

D3, P3B, District Centre, Saket,
New Delhi – 110 017, India.
Telephone: +91 (11) 3912 5000/ +91 (120) 339 1000
Facsimile: +91 (11) 3912 6505 / +91 (120) 339 4020 / 339 4109
Email: investorrights@religare.com
Website: www.religare.com

Registration No.: 55-146935

Corporate Identification Number: L74899DL1984PLC146935

For details regarding change in our Registered Office, see the Section “History and Certain Corporate Matters” on page 92.

Address of the Registrar of Companies

Registrar of Companies, NCT at New Delhi
4th Floor, IFCI Tower,
61, Nehru Place,
New Delhi 110 019, India.

The Equity Shares are listed on the Stock Exchanges.

Company Secretary and Compliance Officer

Our Company Secretary and Compliance Officer is Mr. Ravi Batra. His contact details are as follows:

Mr. Ravi Batra

D3, P3B, District Centre, Saket,
New Delhi - 110017, India.
Telephone: +91 (11) 3912 5000/ +91 (120) 339 1000
Facsimile: +91 (11) 3912 6505 / +91 (120) 339 4020 / 339 4109
Email: investorrights@religare.com

Note: Investors are advised to contact the Registrar to the Issue or the Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account

number and the Designated Branch of the SCSBs where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors.

Lead Managers to the Issue

Nomura Financial Advisory & Securities (India) Private Limited

Ceejay House, Level 11,
Dr. Annie Besant Road, Worli,
Mumbai 400 018, India
Telephone: +91 (22) 4037 4037
Facsimile: +91 (22) 4037 4111
Email: project.emerald-in@nomura.com
Investor grievance email: investor-grievances-in@nomura.com
Website: http://www.nomura.com/asia/services/capital_raising/equity.shtml
Contact Person: Harishwar Sukhthankar
SEBI Registration No. INM000011419

Religare Capital Markets Limited

4th floor, Plot No: C-12, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051, India
Telephone: +91(22) 6766 3400
Facsimile: +91 (22) 6766 3575
E-mail: rel.rights@religare.com
Investor Grievance email: grievance.ibd@religare.com
Website: www.religarecm.com
Contact Person: Maya Ganapathy
SEBI Registration No: INM000011062

Statement of inter se allocation of responsibilities among the Lead Managers for the Issue

Nomura and RCM* shall be responsible for and shall coordinate the following activities in relation to this Issue:

Sr. No.	Activity	Responsibility	Co-ordinator
1	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.	Nomura	Nomura
2	Due diligence of the Company's operations/ management/ business plan/ legal documents. Drafting and Design of the Offer Document and ensure compliance with stipulated requirements and completion of prescribed formalities (including finalization of Letter of Offer) with Stock Exchanges and SEBI. Liaison with stock exchanges and SEBI, including obtaining in-principle listing approval and completion of prescribed formalities with the Stock Exchanges and SEBI.	Nomura, RCM	Nomura
3	Drafting, Design and approval of Abridged Letter of Offer, CAF, all publicity material such as statutory and non-statutory advertisements / publicity material including newspaper advertisements, brochure, corporate film, etc.	Nomura	Nomura
4	Selection and appointment of intermediaries namely Registrar, printers, advertising agency, Banker(s) to the Issue, Monitoring Agency and review of agreement appointing these agencies.	Nomura	Nomura
5	Institutional marketing strategy which will cover, inter alia: • Finalising the list of institutional investors for one to one meetings; • Finalizing road show schedule and investor meeting schedules; • Preparation of Investor Presentation, FAQs and other marketing materials for road show.	Nomura, RCM	Nomura
6	Retail/Non-institutional marketing strategy which will cover, inter alia, preparation of publicity budget, arrangements for selection of (i) ad-media, (ii) collection centres, (iii) distribution of publicity and issue material including CAF and the Abridged Letter of Offer and the Draft Letter of Offer to the extent applicable.	Nomura, RCM	RCM

Sr. No.	Activity	Responsibility	Co-ordinator
7	The post-Issue activities including management of escrow accounts, co-ordination of allocation, finalisation of basis of allotment / weeding out of multiple applications, intimation of allocation and dispatch of refunds to bidders, dealing with the various agencies connected with the work such as Registrar to the Issue, bankers to the issue, Self Certified Syndicate Banks and bank handling refund business. Follow-up with Bankers to the Issue to get quick estimates of collection and advising the Issuer about closure of the issue, based on the correct figures. Even if many of these post-Issue activities would be handled by other intermediaries, the designated co-ordinating Lead Manager shall be responsible for ensuring that these intermediaries fulfill their functions and enable him to discharge this responsibility through suitable agreements with the Issuer.	Nomura	Nomura

** Religare Capital Markets Limited ("RCM") is a wholly owned subsidiary of our Company. As our Company directly exercises control over RCM and also there are common promoters (directly or indirectly) and common directors between RCM and us, RCM is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended ("Merchant Bankers Regulations"). Further, in relation to our stated objects of this Issue, RCM shall be one of the recipients of funds from the Issue proceeds. RCM has signed the due diligence certificate and accordingly been disclosed as a Lead Manager. Further, in compliance with the provision to Regulation 21A(1) and explanation to Regulation 21A(1) of the Merchant Bankers Regulations, RCM would be involved only in marketing of the Issue.*

The Lead Managers shall be responsible for ensuring compliance with the SEBI Regulations and other requirements and formalities specified by the SEBI and the Stock Exchanges.

Domestic Legal Counsel to the Issue

AZB & Partners

Plot No. A-8,
Sector – 4,
Noida 201 301, India,
Telephone: +91 (120) 4179 999
Facsimile: +91 (120) 4179 900
E-mail: emerald@azbpartners.com

International Legal Counsel to the Issue

Jones Day

29th Floor, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong
Telephone: +852 2526 6895
Facsimile: +852 2868 5871
E-mail: projectemeraldjd@jonesday.com

Auditor of our Company

M/s. Price Waterhouse

Chartered Accountants
252, Veer Savarkar Marg,
Shivaji Park, Dadar,
Mumbai 400 028, India
Telephone: +91 22 6669 1000
Facsimile: +91 22 6654 7800
Firm Registration No.: 301112E

Registrar to the Issue

Karvy Computershare Private Limited

Plot No 17-24,
Vittal Rao Nagar,
Madhapur, Hyderabad 500 081,
India.
Telephone: +91 40 2342 0815-0825
Facsimile: +91 40 2343 1551
Email: religare_rights@karvy.com
Website: www.karvy.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration No. : INR000000221

Monitoring Agency

[•]

Bankers to the Issue

[•]

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs are provided at <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on designated branches of SCSBs collecting the ASBA Form, please refer the above mentioned SEBI link.

Credit rating

This being a rights issue of Equity Shares, no credit rating is required.

Trustee

As this Issue is of Equity Shares, the appointment of trustee is not required.

Issue Grading

As the Issue is a rights offering, grading of this Issue is not required.

Expert

Except for the audit reports of the Auditor of our Company on the consolidated and standalone financial statements of the Company as at and for the years ended March 31, 2009 and 2010 and their review report on the reviewed condensed consolidated and standalone financial statements as at and for the nine month periods ending December 31, 2010 and 2009 and their report on Statement of Tax Benefits, we have not obtained any other expert opinion in relation to this Issue.

Project Appraisal

None of the purposes for which the Net Proceeds are proposed to be utilised have been financially appraised by any bank or financial institution.

Underwriting

The Issue is not underwritten and the Company has not entered into any underwriting arrangement with the Lead Manager in connection with the Issue.

Principal Terms of Loans and Assets charged as security as of December 31, 2010

For details of our loans and assets charged as security, please see our reviewed condensed consolidated financial statements as at and for the nine month period ended December 31, 2010, and in particular, Schedule S to such financial statements.

CAPITAL STRUCTURE

The share capital of our Company as of the date of this Draft Letter of Offer is set forth below:

(₹ millions, except per share data)

	Aggregate Value at nominal value	Aggregate Value at Issue Price
A) AUTHORISED SHARE CAPITAL^(a)		
200,000,000 Equity Shares	2,000.00	--
50,000,000 redeemable preference shares of ₹ 10 each.	500.00	--
B) ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE		
139,462,834 fully paid up Equity Shares	1,394.62	--
50,000,000 redeemable preference shares of ₹ 10 each.	500.0	--
C) PRESENT ISSUE BEING OFFERED THROUGH LETTER OF OFFER^(b)		
[•] Equity Shares	[•]	[•]
D) PAID-UP EQUITY CAPITAL AFTER THE ISSUE		
Equity Shares*	[•]	--
E) SECURITIES PREMIUM ACCOUNT		
Before this Issue	[•]	
After this Issue*	[•]	

* Assuming the Issue is fully subscribed.

(a) The initial authorised share capital of ₹ 100,000 comprising 10,000 Equity Shares was increased to ₹ 2,000,000 and the same was classified into 50,000 Equity Shares and 150,000, 10% non-cumulative (non-voting) redeemable preference shares of ₹ 10 each pursuant to a resolution of shareholders of our Company dated February 26, 1997.

The authorised share capital of our Company of ₹ 2,000,000 was re-classified into 50,000 Equity Shares and 125,000, 10% non-cumulative (non-voting) redeemable preference shares of ₹ 10 each and 2,500 14% non-cumulative (voting) redeemable preference shares of ₹ 100 each pursuant to a resolution of shareholders of our Company dated June 3, 1997.

The authorised share capital of our Company of ₹ 2,000,000 was increased to ₹ 5,000,000 and the same was further re-classified into 425,000 Equity Shares and 75,000 10% non-cumulative (non-voting) redeemable preference shares of ₹ 10 each pursuant to a resolution of shareholders of our Company dated March 10, 1999.

The authorised share capital of our Company was further increased from ₹ 5,000,000 to ₹ 150,000,000 divided and further reclassified into 15,000,000 Equity Shares pursuant to resolutions of shareholders of our Company dated January 6, 2005.

The authorised share capital of our Company was further increased from ₹ 150,000,000 to ₹ 500,000,000 divided into 50,000,000 Equity Shares pursuant to a resolution of shareholders of our Company dated August 17, 2005.

The authorised share capital was increased from ₹ 500,000,000 to ₹ 850,000,000 divided into 85,000,000 Equity Shares pursuant to a resolution of shareholders of our Company dated December 2, 2006.

The authorised share capital was increased from ₹ 850,000,000 to ₹ 1,600,000,000 divided into 110,000,000 Equity Shares and 50,000,000 redeemable preference shares of ₹ 10 each pursuant to a resolution of shareholders of our Company dated September 20, 2008.

The authorised share capital was increased from ₹ 1,600,000,000 to ₹ 2,500,000,000 divided into 200,000,000 Equity Shares and 50,000,000 redeemable preference shares of ₹ 10 each pursuant to a resolution of shareholders of our Company dated December 3, 2008.

(b) This Issue has been authorised by resolution of our Board dated April 26, 2011.

Notes to the Capital Structure

1. Outstanding Instruments

(a) Details of Options

(i) ESOS 2006

The Company, recognizing the need to reward and motivate the employees and to attract the best talent, implemented the "Religare Enterprises Limited Employee Stock Option Scheme 2006" ("ESOS 2006"). The

details of ESOS 2006 are as provided below:

ESOS scheme	Outstanding Options	Remarks
ESOS 2006	525,380*	The special resolution passed by the shareholders of our Company on November 6, 2006 approved the grant of options under the ESOS 2006. 2,000,000 options were granted on November 15, 2006. During the period between March 31, 2007 and November 17, 2007, 125,710 options were cancelled due to disassociation of employees. On November 17, 2007, 125,000 options were re-issued out of the above cancelled options. Further, on March 31, 2008, 69,940 options were cancelled due to disassociation of employees. During Fiscal 2009, 2010 and 2011, 17,500 options, 43,875 options and 12,472 options were cancelled, respectively, due to disassociation of employees.

Particulars	Details			
	Fiscal 2009	Fiscal 2010	Fiscal 2011	
No. of Options as at beginning of the relevant financial year	1,606,507	1,383,106	922,640	
Options granted	Nil	Nil	Nil	
Exercise price of options (₹)	140	140	140	
Total options vested* (includes options exercised)	612,708	590,879	22,168	
Options exercised	205,901	416,591	384,788	
Total number of Equity Shares arising as a result of full exercise of options already granted	1,383,106	922,640	525,380	
Options forfeited/ lapsed/ cancelled**	17,500	43,875	12,472	
Variations in terms of options	N.A.	N.A.	N.A.	
Money realised by exercise of options (in ₹)	28,826,140	58,322,740	53,870,320	
Options outstanding (in force)	1,383,106	922,640	525,380	
Person wise details of options granted to				
i) Directors and Key Managerial Personnel***	Name of employee	No. of options		
		Granted	Exercised	Outstanding
	Mr. Sunil Godhwani	120,750	Nil	120,750
	Mr. Shachindra Nath	80,000	Nil	80,000
	Mr. Anil Saxena	76,000	25,080	50,920
	Mr. Sunil Kumar Garg****	67,000	20,000	47,000
	Mr. Amit Sarup	31,000	10,230	20,770
	Mr. Chandan Kumar Sinha	25,000	25,000	Nil
	Mr. Ravi Batra	4,000	4,000	Nil
ii) Any other employee*** who received a grant in any one year of options amounting to 5% or more of the options granted during the year	The above options granted during Fiscal 2008, were granted out of the options cancelled due to disassociation of certain of our employees from our Company. No options have been granted in Fiscal 2009, 2010 and 2011.			
iii) Identified employees*** who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil			
Fully diluted EPS pursuant to issue of shares on exercise	Nil [#]			

Particulars	Details	
of options in accordance with the relevant accounting standard		
Vesting schedule	33% on expiry of 12 months from date of grant of options 33% on expiry of 24 months from date of grant of options 34% on expiry of 36 months from date of grant of options	
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and employee compensation cost calculated on the basis of fair value of stock options	For the period ended December 31, 2010 such difference was ₹ 13.43 million and for the year ended March 31, 2010 such difference was ₹ 0.77 million.	
Impact on the profits of our Company and on the EPS [#] arising due to difference in the accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	For the period ended December 31, 2010, the loss of the Company will be in excess by ₹ 13.43 million and for the year ended March 31, 2010 the profit of the company will be reduced by ₹ 0.77 million and Basic and Diluted EPS will be lower by ₹ 0.10 and ₹ 0.00 respectively.	
Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than market price of the stock	Weighted average exercise price: ₹ 140 Weighted average fair price of stock options: ₹ 68.08	
Method and significant assumptions used to estimate the fair value of stock options granted during the year:		
Method used	ESOS-2006 (For options granted in Fiscal 2007) "Black Scholes Option Pricing Method"	ESOS-2006 (For options granted in Fiscal 2008) "Black Scholes Option Pricing Method"
Risk free interest rate	7.85%	7.97%
Expected Life	6 years	6 years
Expected Volatility	59%	51%
Expected Dividends	0%	1%
Price of underlying shares in market at the time of grant of option	N.A.	N.A.

* On April 25, 2011, 28,340 Equity Shares were allotted to employees pursuant to exercise of vested options by them at an exercise price of ₹ 140.

** Cancelled on account of disassociation of employees.

*** represent our permanent employees as on date of this Draft Letter of Offer

**** On April 25, 2011, 14,000 Equity Shares were allotted to Mr. Sunil Kumar Garg.

[#] Our Company has followed the intrinsic value method for calculating employee compensation as per the ESOS and ESOS Guidelines. The intrinsic value per Equity Share was ₹ 111.47 whereas the exercise price was ₹ 140 per Equity Share. Since at the date of the grant of the stock options, the intrinsic value of the Equity Share was less than the exercise price of the Equity Share, there is no impact on the profitability and EPS of our Company.

There was an impact of ₹ (462,438) on the loss and EPS of our Company calculated on the basis of the Guidance Note on Employees Stock Options issued by the ICAI due to difference in intrinsic value of ₹ 185 and the exercise price of ₹ 140 per Equity Share spread over the vesting period of three years on 107,088 options (after cancellation of 47,656 options)

(ii) ESOS 2010 &/or ESOS 2010

We have instituted an employee stock option scheme to reward and help retain our employees and to enable them to participate in our future growth and financial success. We have adopted an Employee Stock Option Scheme – 2010 ("ESOS 2010") and Employee Stock Purchase Scheme - 2010 ("ESPS 2010") for the eligible employees/ Directors (other than Promoters) of the Company including the employees/ Directors (other than Promoters) of its subsidiaries in accordance with the ESOP & ESOS Guidelines by a shareholders resolution

dated August 11, 2010 as amended by a shareholders resolution dated March 12, 2011. In terms of the resolution passed by our shareholders on March 12, 2011, we may grant options/ shares in the ESOS 2010 and/or ESPS 2010 in respect of 15,551,319 Equity Shares, which represent upto 10% of the fully diluted equity share capital of our Company, after taking into account any other equity shares (including through convertible instruments) as may be issued by our Company during the currency of the ESOS 2010 and/or ESPS 2010. As of the date of the filing the Draft Letter of Offer with SEBI, we have only implemented ESOS 2010 and in this regard have granted options, in respect of 12,610,000 Equity Shares, which represent 9.04% of the pre-Issue fully diluted equity share capital of our Company to employees of our Company and its subsidiaries. The details of our ESOS 2010 are as provided below:

ESOS scheme	Outstanding Options	Remarks
ESOS 2010	12,590,000	The special resolution passed by the shareholders of our Company on August 11, 2010 approved the grant of options under the ESOS 2010, which was later modified by a shareholders resolution dated March 12, 2011. 6,573,000 options were granted on December 29, 2010 and 6,037,000 options were granted on March 18, 2011. During Fiscal 2011, 20,000 options were cancelled due to disassociation of employees.

Particulars	Details																																															
No. of Options as at beginning of the relevant financial year	Nil																																															
Options granted	The options were granted in two tranches (i) December 29, 2010 for 6,573,000 options (“Tranche I”) (ii) March 18, 2011 for 6,037,000 options (“Tranche II”)																																															
Exercise price of options (₹)	Tranche I at ₹ 481 and Tranche II at ₹ 480																																															
Total options vested (includes options exercised)	Nil																																															
Options exercised	Nil																																															
Total number of Equity Shares arising as a result of full exercise of options already granted	12,590,000																																															
Options forfeited/ lapsed/ cancelled**	20,000																																															
Variations in terms of options	N.A.																																															
Money realised by exercise of options (in ₹)	Nil																																															
Options outstanding (in force)	12,590,000																																															
Person wise details of options granted to																																																
i) Directors and Key Managerial Personnel*	<table><tr><th rowspan="2">Name of employee</th><th colspan="3">No. of options</th></tr><tr><th>Granted</th><th>Exercised</th><th>Outstanding</th></tr><tr><td>Mr. Sunil Godhwani</td><td>1,350,000</td><td>Nil</td><td>1,350,000</td></tr><tr><td>Mr. Shachindra Nath</td><td>700,000</td><td>Nil</td><td>700,000</td></tr><tr><td>Mr. Anil Saxena</td><td>700,000</td><td>Nil</td><td>700,000</td></tr><tr><td>Mr. Ravi Umesh Mehrotra</td><td>350,000</td><td>Nil</td><td>350,000</td></tr><tr><td>Mr. Kamlesh Dangi</td><td>350,000</td><td>Nil</td><td>350,000</td></tr><tr><td>Mr. Basab Mitra</td><td>350,000</td><td>Nil</td><td>350,000</td></tr><tr><td>Mr. Paresh Thakker</td><td>350,000</td><td>Nil</td><td>350,000</td></tr><tr><td>Mr. Sunil Kumar Garg</td><td>230,000</td><td>Nil</td><td>230,000</td></tr><tr><td>Mr. Rajesh Doshi</td><td>80,000</td><td>Nil</td><td>80,000</td></tr><tr><td>Mr. Ravi Batra</td><td>30,000</td><td>Nil</td><td>30,000</td></tr></table>	Name of employee	No. of options			Granted	Exercised	Outstanding	Mr. Sunil Godhwani	1,350,000	Nil	1,350,000	Mr. Shachindra Nath	700,000	Nil	700,000	Mr. Anil Saxena	700,000	Nil	700,000	Mr. Ravi Umesh Mehrotra	350,000	Nil	350,000	Mr. Kamlesh Dangi	350,000	Nil	350,000	Mr. Basab Mitra	350,000	Nil	350,000	Mr. Paresh Thakker	350,000	Nil	350,000	Mr. Sunil Kumar Garg	230,000	Nil	230,000	Mr. Rajesh Doshi	80,000	Nil	80,000	Mr. Ravi Batra	30,000	Nil	30,000
	Name of employee		No. of options																																													
		Granted	Exercised	Outstanding																																												
	Mr. Sunil Godhwani	1,350,000	Nil	1,350,000																																												
	Mr. Shachindra Nath	700,000	Nil	700,000																																												
	Mr. Anil Saxena	700,000	Nil	700,000																																												
	Mr. Ravi Umesh Mehrotra	350,000	Nil	350,000																																												
	Mr. Kamlesh Dangi	350,000	Nil	350,000																																												
	Mr. Basab Mitra	350,000	Nil	350,000																																												
	Mr. Paresh Thakker	350,000	Nil	350,000																																												
	Mr. Sunil Kumar Garg	230,000	Nil	230,000																																												
	Mr. Rajesh Doshi	80,000	Nil	80,000																																												
Mr. Ravi Batra	30,000	Nil	30,000																																													
ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	<table><tr><th rowspan="2">Name of employee</th><th colspan="2">Total options granted - 12,610,000</th></tr><tr><th>No. of options Granted</th><th>Percentage (%)</th></tr><tr><td>Mr. Sunil Godhwani</td><td>1,350,000</td><td>10.71</td></tr><tr><td>Mr. Shachindra Nath</td><td>700,000</td><td>5.55</td></tr><tr><td>Mr. Anil Saxena</td><td>700,000</td><td>5.55</td></tr></table>	Name of employee	Total options granted - 12,610,000		No. of options Granted	Percentage (%)	Mr. Sunil Godhwani	1,350,000	10.71	Mr. Shachindra Nath	700,000	5.55	Mr. Anil Saxena	700,000	5.55																																	
	Name of employee		Total options granted - 12,610,000																																													
		No. of options Granted	Percentage (%)																																													
	Mr. Sunil Godhwani	1,350,000	10.71																																													
	Mr. Shachindra Nath	700,000	5.55																																													
Mr. Anil Saxena	700,000	5.55																																														
iii) Identified employees	Nil																																															

Particulars	Details	
who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant		
Fully diluted EPS pursuant to issue of shares on exercise of options in accordance with the relevant accounting standard	Nil [#]	
Vesting schedule	33% on expiry of 12 months from grant date 33% on expiry of 24 months from grant date 34% on expiry of 36 months from grant date	
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and employee compensation cost calculated on the basis of fair value of stock options	For the period ended December 31, 2010 such difference was ₹ 2.86 millions.	
Impact on the profits of our Company and on the EPS arising due to difference in the accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	For the period ended December 31, 2010, the loss of the Company will be in excess by ₹ 2.86 million. In lieu of loss for the period ended December 31, 2010 the impact on EPS is anti-dilutive.	
Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than market price of the stock	Weighted average exercise price : ₹ 481 (Exercise price – Tranche – I - ₹ 481; Exercise price – Tranche – II - ₹ 480) Weighted average fair price of stock options : ₹ 158.69 (Option value Tranche – I - ₹ 158.88, Tranche – II – 158.48)	
Method and significant assumptions used to estimate the fair value of options granted during the year:		
Method used	ESOS-2010 (For options under Tranche-I) “Black Scholes Option Pricing Method”	ESOS-2010 (For options under Tranche-II) “Black Scholes Option Pricing Method”
Risk free interest rate	8.01%	8.01%
Expected Life	6 yrs	6 yrs
Expected Volatility	36.51	35.32
Expected Dividends	0%	0%
Price of underlying shares in market at the time of Option grant	481.00	480.00

* Represent's our permanent employees as on date of this Draft Letter of Offer.

** Cancelled on account of disassociation of employees.

[#] Our Company has followed the intrinsic value method for calculating employee compensation as per ESOS and ESOP Guidelines. The intrinsic value per Equity Share was ₹ 481 and the exercise price was also ₹ 481 per Equity Shares. Since at the date grant of the stock options the intrinsic value per Equity Share was equivalent to exercise price per Equity Share there is no impact on the profits and EPS of our Company.

Other than the stock options granted under the ESOS as mentioned above there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares.

Since the Draft Letter of Offer does not include financials for year ended March 31, 2011, disclosure/ impact on profits and EPS had not been mentioned hereabove.

Save as provided hereinabove, as on the date of the Draft Letter of Offer there are no outstanding other convertible securities of our Company.

2. Details of securities held by our Promoters and Promoter Group

The table below presents the details of the securities of our Company held by our Promoters and Promoter Group as on March 31, 2011 including details of pledge and/or encumbrance on such securities:

Sr No.	Name of the Shareholder	Total Equity Shares held		Equity Shares pledged or otherwise enumbered		
		Number of Shares	Shares as a percentage of Total Outstanding Equity Capital 139,434,494 shares	Number of Shares	As a percentage	% of Total Outstanding Equity Capital
Promoters						
1.	Malvinder Mohan Singh	19,187,400	13.76	6,825,000 (E)	35.57	4.89
2.	Shivinder Mohan Singh	19,187,400	13.76	6,825,000 (E)	35.57	4.89
Promoter Group						
1.	RHC Finance Private Limited	24,565,478	17.62	3,241,000 (P)	13.19	2.32
2.	Shivi Holdings Private Limited	14,082,306	10.10	5,600,000 (P)	39.77	4.02
3.	Malav Holdings Private Limited	14,082,306	10.10	5,600,000 (P)	39.77	4.02
4.	RHC Holding Private Limited	6,494,746	4.66	1,300,000 (P)	20.02	0.93
5.	Aditi Shivinder Singh	166	0.00	--	--	--
6.	Japna Malvinder Singh	166	0.00	--	--	--
7.	Abhishek Singh	50	0.00	--	--	--
Sub-Total		97,600,018	70.00	29,391,000	30.11	21.08

(P) Pledged

(E) Encumbered

3. Details of lock-in, pledge of and encumbrance on Equity Shares of the Promoters/Promoter Group

The details of Equity Shares of the Promoters/Promoter Group which are subject to pledge and / or encumbered as on March 31, 2011 are as follows:

Sr. No.	Name of the Promoter	Date on which pledge was created/last modified	Number of Equity Shares pledged or otherwise encumbered	Financial institution with which the shares are pledged
Promoters				
1.	Malvinder Mohan Singh	December 17, 2008	6,825,000 (E)	ICICI Bank Limited
2.	Shivinder Mohan Singh	December 15, 2008	6,825,000 (E)	ICICI Bank Limited
Promoter Group				
1.	RHC Finance Private Limited	March 9, 2011	941,000 (P)	Aditya Birla Money Limited
		March 9, 2011	2,300,000 (P)	Citicorp Finance India Limited
2.	Shivi Holdings Private Limited	September 20, 2010	2,700,000 (P)	Axis Trustee Services Limited
		December 29, 2010	2,900,000 (P)	IDBI Trusteeship Services Limited
3.	Malav Holdings Private Limited	September 20, 2010	2,700,000 (P)	Axis Trustee Services Limited
		December 29, 2010	2,900,000 (P)	IDBI Trusteeship

Sr. No.	Name of the Promoter	Date on which pledge was created/last modified	Number of Equity Shares pledged or otherwise encumbered	Financial institution with which the shares are pledged
				Services Limited
4	RHC Holding Private Limited	March 24, 2011	100,000 (P)	Morgan Stanley India Capital Private Limited
		December 23, 2010	600,000 (P)	Kotak Mahindra Prime Limited
		December 23, 2010	600,000 (P)	Kotak Mahindra Investments Limited

None of the shares held by our Promoters are subject to lock in. Further, the details of Equity Shares of the Promoter Group which are subject to lock-in as on March 31, 2011 are as follows:

Name of the Promoter/ Promoter Group Person/ Entity	No. of Equity Shares	Lock-in upto	Nature of Transaction
RHC Finance Private Limited	5,617,977	September 23, 2013	Preferential Allotment of Equity Shares
	5,617,977	November 29, 2013	Allotment of Equity Shares on conversion of Warrants

4. Transactions in Equity Shares by the Promoters and the Promoter Group in the last one year prior to the date of this Draft Letter of Offer:

Our Promoters have not undertaken any transactions in Equity Shares in the last one year. Further, the details of transactions undertaken by the Promoter Group in the last one year are as under:

Name of the Promoter/ Promoter Group Person/ Entity	Date of Transaction	Nature of Transaction	No. of Equity Shares	Average Price per Equity Share
RHC Finance Private Limited	August 24, 2010*	Acquired from secondary market	7,812,499	457.00
	September 23, 2010	Preferential allotment	5,617,977	445.00
	November 30, 2010	Conversion of warrants	5,617,977	445.00
	January 4, 2011	Acquired from secondary market	2,689,338	456.00
	January 5, 2011	Acquired from secondary market	2,691,453	456.00
	January 20, 2011**	Acquired under open offer	136,234	457.00

*shares were held in an escrow account established as per the escrow agreement dated August 24, 2010 entered into by RHC Finance Private Limited with Karvy Computershare Private Ltd (the "Escrow Agent"). Such shares remained in the escrow account until completion of the open offer being made by RHC Finance Private Limited (Acquirer) along with RHC Holding Private Limited (person acting in concert) 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 credited back in the account of RHC Finance Private Limited on January 28, 2011.

** The open offer was closed on January 17, 2011. All formalities were completed upto January 20, 2011. The shares were credited in RHC Finance Private Limited's account on January 21, 2011.

5. Shareholding pattern of our Company

The table below presents the shareholding pattern of our Company as per the latest filing with the recognized Stock Exchange, i.e. March 31, 2011 prior to this Issue:

Category code	Category of Shareholder	No. of shareholders	Total No. of shares	No. of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV) *100
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	*3	19,187,732	19,187,732	13.76	13.76	6,825,000(E)	35.57
(b)	Central Government / State Government (s)	--	--	--	--	--	--	--
(c)	Bodies Corporate	4	59,224,836	59,224,836	42.48	42.48	15,741,000 (P)	26.58
(d)	Financial Institutions / Banks	--	--	--	--	--	--	--
(e)	Any Other (specify)	--	--	--	--	--	--	--
	Sub-Total (A)(1)	7	78,412,568	78,412,568	56.24	56.24	22,566,000	28.78
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals) #	**2	19,187,450	19,187,450	13.76	13.76	6,825,000(E)	35.57
(b)	Bodies Corporate	--	--	--	--	--	--	--
(c)	Institutions	--	--	--	--	--	--	--
(d)	Any Other (specify)	--	--	--	--	--	--	--
	Sub-Total (A)(2)	2	19,187,450	19,187,450	13.76	13.76	6,825,000	35.57
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	9	97,600,018	97,600,018	70.00	70.00	29,391,000	30.11
(B)	Public Shareholding							
(1)	Institutions							
(a)	Mutual Funds / UTI	1	249,759	249,759	0.18	0.18	--	--
(b)	Financial Institutions / Banks	5	1,613,486	1,613,486	1.16	1.16	--	--
(c)	Central Government / State Government (s)	--	--	--	--	--	--	--
(d)	Veture Capital Funds	--	--	--	--	--	--	--
(e)	Insurance Companies	--	--	--	--	--	--	--
(f)	Foreign Institutional Investors	5	2,343,879	2,343,879	1.68	1.68	--	--
(g)	Foreign Venture Capital Investors	--	--	--	--	--	--	--
(h)	Any Other (specify)	--	--	--	--	--	--	--
	Sub-Total (B)(1)	11	4,207,124	4,207,124	3.02	3.02	NA	NA
(2)	Non-institutions							
(a)	Bodies Corporate	477	1,082,953	1,082,953	0.78	0.78	--	--
(b)	Individuals - (i) Individual shareholders holding nominal share capital up to ₹ 0.10 million.	34,262	1,901,627	1,898,911	1.36	1.36	--	--
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 0.10 million.	28	22,309,024	22,309,024	16.00	16.00	--	--
(c)	Any Other (specify)	--	--	--	--	--	--	--
	Non Resident Indians	255	4,986,271	4,986,271	3.58	3.58	--	--

Category code	Category of Shareholder	No. of shareholders	Total No. of shares	No. of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Shares	As a percentage
	HUF	1,152	499,495	499,495	0.36	0.36	--	--
	Directors & their relatives	9	1,741,681	1,741,681	1.25	1.25	--	--
	Trust	7	78,455	78,455	0.06	0.06	--	--
	Clearing Members	44	5,982	5,982	0.00	0.00	--	--
	Foreign Corporate Bodies	1	5,021,864	0	3.60	3.60	--	--
	Sub-Total (B)(2)	36,235	37,627,352	32,602,772	26.99	26.99	NA	NA
	Total Public Shareholding (B)=(B)(1)+(B)(2)	36,246	41,834,476	36,809,896	30.00	30.00		
	TOTAL (A)+(B)	36,255	139,434,494	134,409,914	100.00	100.00	29,391,000	21.08
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)**	36,255	139,434,494	134,409,914	100.00	100.00	29,391,000	21.08

* 4 Folios of Promoters have been clubbed into 3 folios.

** 3 Folios of Promoters have been clubbed into 2 folios.

***On April 25, 2011 28,340 Equity Shares were allotted to employees pursuant to exercise of vested options by them at an exercise price of ₹ 140.

The Company has been informed that Mr. Malvinder Mohan Singh has assumed the status of a "person resident outside India" for the purposes of Section 2(w) of the FEMA, and is now a non resident Indian in terms of the regulations under the FEMA. It is however clarified that the Equity Shares currently held by Mr. Malvinder Mohan Singh were acquired by him prior to the change in his residential status, as described above, i.e. when he was a "person resident in India" for the purposes of Section 2(v) of the FEMA."

(E) = Encumbered

(P) = Pledged

6. Shareholders holding more than 1% (one percent) of the share capital of our Company

Each person or entity known to our Company to beneficially own more than 1% (one percent) of our outstanding Equity Shares is listed below. Each shareholder listed below is both the holder on record and the beneficial owner with the sole power to vote and invest in our Equity Shares listed next to his name below. The following table sets out the persons and entities who beneficially own more than 1% (one percent) of our Equity Shares as at March 31, 2011:

S. No.	Shareholder	Total No. of Equity Shares Held	Pre Issue %
1.	RHC Finance Private Limited	24,565,478	17.62
2.	Shivi Holdings Private Limited	14,082,306	10.10
3.	Malav Holdings Private Limited	14,082,306	10.10
4.	Mr. Shivinder Mohan Singh	19,187,400	13.76
5.	Mr. Malvinder Mohan Singh	19,187,400	13.76
6.	Mr. Gurkirat Singh Dhillon	9,673,014	6.94
7.	Mr. Gurpreet Singh Dhillon	9,673,013	6.94
8.	RHC Holding Private Limited	6,494,746	4.66
9.	Hottinger & Cie	5,021,864	3.60
10.	Mr. Mahesh Udhav Buxani	3,379,215	2.42
11.	Mr. Sunil Godhwani	1,666,666	1.20
12.	Mr. Arun Sawhney	1,466,896	1.05

7. Promoters' Contribution and Lock-in for the present issue

This Issue being a rights issue, as per Regulation 34(c) of the SEBI Regulations, the requirements of Promoters' contribution and lock-in are not applicable.

8. Our Promoters, Mr. Shivinder Mohan Singh and Mr. Malvinder Mohan Singh on their behalf, and on behalf of the Promoter Group, have undertaken, by way of their letters dated May 6, 2011, to subscribe to the full extent of their Rights Entitlement in the Issue. The Promoters on their behalf, and on behalf of the Promoter Group, have also agreed to bring in, and/or procure from the Promoter Group, share application money up to the extent of their Rights Entitlement, and in any event, not exceeding ₹ 5,600 million after the date of the DLOF but prior to the filing of the LOF with the Stock Exchanges, and such share application money shall be adjusted towards their total Rights Entitlement. Subject to the aforementioned, our Promoters and/or Promoter Group reserve their right to subscribe to their respective Rights Entitlement, either by themselves or through their relatives or a combination of entities controlled by them. Our Promoters have also confirmed that in addition to the subscription to the Equity Shares, as stated above, in the event of an undersubscription, the Promoters and/or Promoter Group shall subscribe to additional Equity Shares in the Issue such that at least 90% of the Issue is subscribed. The Promoters and Promoter Group have confirmed that they do not have any intention to delist the Company, even if, as a result of allotments to our Promoters/Promoter Group, in this Issue, their shareholding in our Company exceeds their respective current shareholding. As a result of such subscription by our Promoters and/or Promoter Group to their Rights Entitlement and/or to any unsubscribed portion and consequent allotment, they may acquire Equity Shares over and above their Rights Entitlement in the Issue, which may result in an increase of their shareholding in our Company. Such subscription and acquisition of such additional Equity Shares by our Promoters and/or Promoter Group, if any, will not result in a change of control of the management of our Company and shall be exempt in terms of the proviso to Regulation 3(1)(b)(ii) of the Takeover Code. Allotment to our Promoters/Promoter Group of any unsubscribed portion of the Equity Shares, over and above our Promoters and/or Promoter Group's Rights Entitlement shall be done in compliance with the Listing Agreements and other applicable laws prevailing at that time relating to continuous listing requirements.
9. At any given time, there shall be only one denomination of the Equity Shares of our Company.
10. Pursuant to the resolution passed by the Board on February 14, 2011, the Company may, subject to applicable law, by way of preferential allotment or otherwise, offer, issue and allot [●] Further Securities (hereinafter defined), including equity shares of the Company and/or other specified securities as set out in the said resolution (the "**Further Securities**") for an amount of up to ₹ 25,000 million, and at such price as may be deemed appropriate by the Board. Such issuance and allotment, if any, will be completed before the filing of the Letter of Offer with the Stock Exchanges.
11. Except for stock options granted under our Company's employee stock option scheme, there are no other outstanding financial instruments or any other right that may entitle any person to receive any Equity Shares in our Company.
12. All the Equity Shares of our Company are fully paid up and the Equity Shares when issued shall be fully-paid up.

OBJECTS OF THE ISSUE

The Issue

We are a financial services group with many of our businesses in a build out/growth phase, which requires capital infusion from time to time depending on a number of factors including our growth, market conditions and regulatory requirements, some or all of which may not be within our control. The objects of the Issue are to augment the capital base of our Company, and our Subsidiary and joint ventures for meeting our growth objective, to satisfy capital adequacy/regulatory capital requirements, for funding the capital requirements for certain businesses as a whole as well as entities constituting these businesses, and for other general corporate purposes, including, meeting the expenses of the Issue.

We intend to utilise the Issue Proceeds after deduction of the Issue expenses (the “**Net Proceeds**”) towards funding the following objects:

1. Investment in our Subsidiary, RFL, to meet its capital adequacy requirements and other business requirements, in our Subsidiary, RCM, to support the future growth of its business and repayment of a part of its consolidated indebtedness, and our joint venture, ARLICL, to meet its capital commitments and growth requirements; and
2. For general corporate purposes.

The main objects of our Memorandum of Association and the objects incidental or ancillary to the main objects enable our Company to undertake its existing activities. The purpose for which the funds are being raised through the Issue fall within the main objects of our Memorandum of Association.

The details of the Issue Proceeds are summarised in the following table:

Description	Amount
	(₹ in million)
Issue Proceeds (upto).....	8,000
Issue expenses*	[•]
Net Proceeds	[•]

**To be finalised upon filing of the Letter of Offer and determination of the Issue Price.*

Requirement of funds

We intend to utilise the Net Proceeds for financing the objects set forth below:

Sr. No.	Expenditure Items	Total
		(₹ in million)
1.	Investment in our Subsidiaries including RFL, RCM and our joint venture, ARLICL	6,000
2.	General corporate purposes	[•]
3.	Total	[•]*

**Out of the above, our Promoters will bring in an amount upto their Rights Entitlement and in any case not exceeding ₹ 5,600 million by way of share application money towards part of their Rights Entitlement in the Issue after filing of this Draft Letter of Offer with SEBI but prior to the date of filing the Letter of Offer with the Stock Exchanges. This amount will be adjusted against the total amount payable by our Promoters.*

The fund requirements in the table above are based on our current business plan and estimates. In view of the dynamic and competitive business environment in which our Company and our Subsidiaries and joint ventures

operate, we may have to revise our capital infusion plans. This may include rescheduling of our investments or increasing or decreasing the capital allocation out of the Net Proceeds to our Subsidiaries and joint ventures, in line with the requirements of the business and at the discretion of our management. See “Risk factors—Our management will have significant flexibility in applying proceeds of the Issue. The funding requirement and deployment mentioned in the Section titled “Use of Proceeds” have not been appraised by any bank or financial institution”.

Our Promoters, Mr. Shivinder Mohan Singh and Mr. Malvinder Mohan Singh on their behalf, and on behalf of the Promoter Group, have undertaken, by way of their letters dated May 6, 2011, to subscribe to the full extent of their Rights Entitlement in the Issue. The Promoters on their behalf, and on behalf of the Promoter Group, have also agreed to bring in, and/or procure from the Promoter Group, share application money up to the extent of their Rights Entitlement, and in any event, not exceeding ₹ 5,600 million after the date of the DLOF but prior to the filing of the LOF with the Stock Exchanges, and such share application money shall be adjusted towards their total Rights Entitlement. Subject to the aforementioned, our Promoters and/or Promoter Group reserve their right to subscribe to their respective Rights Entitlement, either by themselves or through their relatives or a combination of entities controlled by them. Our Promoters have also confirmed that in addition to the subscription to the Equity Shares, as stated above, in the event of an undersubscription, the Promoters and/or Promoter Group shall subscribe to additional Equity Shares in the Issue such that at least 90% of the Issue is subscribed. The Promoters and Promoter Group have confirmed that they do not have any intention to delist the Company, even if, as a result of allotments to our Promoters/Promoter Group, in this Issue, their shareholding in our Company exceeds their respective current shareholding. As a result of such subscription by our Promoters and/or Promoter Group to their Rights Entitlement and/or to any unsubscribed portion and consequent allotment, they may acquire Equity Shares over and above their Rights Entitlement in the Issue, which may result in an increase of their shareholding in our Company. Such subscription and acquisition of such additional Equity Shares by our Promoters and/or Promoter Group, if any, will not result in a change of control of the management of our Company and shall be exempt in terms of the proviso to Regulation 3(1)(b)(ii) of the Takeover Code. Allotment to our Promoters/Promoter Group of any unsubscribed portion of the Equity Shares, over and above our Promoters and/or Promoter Group’s Rights Entitlement shall be done in compliance with the Listing Agreements and other applicable laws prevailing at that time relating to continuous listing requirements.

Details of the Objects of the Issue

1. *Investment in our Subsidiaries including RFL and RCM, and our joint venture, ARLICL*

We expect that additional capital would be required by our Company, and these Subsidiaries and joint ventures as set out below:

		(₹ in million)
Sr. No.	Expenditure Items	Total
1.	Subscription to equity shares and/or compulsorily convertible debentures issued by RFL	3,000
2.	Infusion of equity/preference capital in RCM.....	2,500
3.	Infusion of equity capital in ARLICL	500

Our Company and one of our Subsidiaries, RFL, are registered with the RBI as NBFC-ND-SI. The RBI guidelines, particularly, the Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended, contain detailed directions on prudential norms for an NBFC-ND-SI, including, amongst other things, capital adequacy requirements *i.e.* maintenance of a minimum ratio of capital to risk adjusted assets and off-balance sheet items. Our Company intends to subscribe to equity shares and/or compulsorily convertible debentures (the “CCDs”) so that RFL is able to meet its capital adequacy and other business requirements. The CCDs, if issued, shall bear interest at a rate of 11 % and is to be compulsorily converted into equity shares at the end of five years from the date of issue of the CCDs. The conversion of the CCDs into equity shares shall be undertaken at fair value of the equity shares as determined by an independent chartered accountant or a category I merchant banker.

Our Subsidiary, RCM, expects to use the funds invested for its ongoing growth including by way of inorganic acquisitions of targets that may be identified in the future, meeting its organic growth requirements and

repayment of its consolidated debt.

RCM's growth strategy is based on making inorganic acquisitions in various jurisdictions to leverage licenses in relation to financial services that are held by these entities, enhance our investment banking capabilities, address specific industry opportunities, further our industry and technical expertise, expand our operations geographically, and benefit from an expanded client base. For more details of our acquisition strategy, see "Business-Strategy-Pursue strategic acquisitions". In line with this strategy, we have acquired various entities in the past to extend our business including our acquisition of CJEL, BJM and Hitchens, Harrison & Co. Plc (now known as RCMPlc). While we have not reached an agreement as at the date of this Draft Letter of Offer, we continue to explore opportunities for inorganic growth in certain jurisdictions including South Africa and Indonesia, and make strategic investments as and when appropriate opportunities arise.

Further, RCM has also grown organically within India and in a number of jurisdictions in line with our emerging markets expansion strategy. Part of these growth costs is also attributable to costs relating to integration of our acquired businesses with RCM's existing business. These costs are generally of an administrative nature and shall arise as and when we make further acquisitions. Part of the Net Proceeds under this object may also be utilised in financing organic growth requirements as and when they arise. Such organic growth costs include, amongst others, costs relating to establishing offices in multiple jurisdictions, acquisition of personnel with existing client relationships at significant costs, amongst others.

RCM also intends to utilise a part of the Issue proceeds towards repaying a part of its consolidated indebtedness. RCM's subsidiaries have entered into financing arrangements with banks, financial institutions, and other corporate entities including entities within our group. Arrangements entered into by the subsidiaries, includes borrowings in the form of secured loans and unsecured loans.

RCM intends to capitalize its subsidiary, RCMIML, in order to repay in part the following indebtedness from its group entities:

No.	Maturity Date	Lender	Transaction Amount (U.S.\$)	Interest Rate
1	December 31, 2011	RHC Financial Services Mauritius Ltd	11,000,000	8.00%

We intend to utilize a part of the Net Proceeds to capitalize ARLICL. Pursuant to our capital commitments as set out in joint venture agreement dated June 19, 2007, we are required to infuse capital in ARLICL, amounting to ₹ 4,400 million over a period of seven years from the date of issuance of ARLICL's first life insurance policy. As at April 31, 2010, we had infused funds amounting to ₹ 4,180 million, and an amount of ₹ 220 million remains outstanding. We are going to utilize a part of the Net Proceeds in order to capitalize ARLICL to meet the capital requirements set out above as well as in order to fund its growth. ARLICL is currently in a growth phase and requires funds to sustain its growth. Since its inception, ARLICL has expanded to 118 locations within India, and is expected to further extend its business to other locations as well as expand within the regions that it currently operates. Further, ARLICL is currently at a growth phase and recorded a growth in new life insurance premium by 98%, i.e. to ₹ 1,470 million for the nine month period ended December 31, 2010 from ₹ 744 million for the nine month period ended December 31, 2009. The growth in life insurance premium results in certain additional expenses such as selling commissions which are incurred in the year in which the policies are sold. All of these factors result in a high capital requirement periodically.

Additionally, our Company has, by way of an application dated March 28, 2011, applied to the RBI for registration as a 'CIC-ND-SI' in accordance with the regulatory framework for Core Investment Companies, set out under the RBI circular no. RBI/2010-11/360 dated January 5, 2011.

In terms of this circular, our Company is required to, amongst other things, hold not less than 90% of our net assets in the form of investment in equity shares, preference shares, bonds, debentures, debt or loans in our group companies; and our investments in the equity shares of our group companies, including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue, shall constitute at least 60% of our net assets.

Neither our Company nor our Subsidiaries, RFL and RCM, and our joint venture, ARLICL have a stated dividend policy.

2. General corporate purposes

We will have flexibility in applying ₹ [●] million of the Net Proceeds for general corporate purposes, including (i) brand building and other marketing efforts; (ii) acquiring fixed assets including land, building, furniture and fixtures and vehicles; (iii) meeting any expense of our Company and its Subsidiaries and joint ventures, including salaries and wages, rent, administration, insurance, repairs and maintenance, payment of taxes and duties; (iv) repayment of loans; (v) meeting expenses incurred in the ordinary course of business; (vi) inorganic or other growth opportunities; (vii) infusion of funds in our Subsidiaries and joint ventures by way of share capital or debt; and (viii) any other purpose as may be approved by our Board of Directors or a duly appointed committee from time to time within the overall framework of applicable regulations.

Our management, in accordance with the policies of the Board, will have flexibility in utilising any amounts for general corporate purposes under the overall guidance and policies of our Board.

Issue related expenses

The expenses of this Issue include, among others, management fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated Issue expenses are as follows:

Activity	Expenses*	% of Issue Size*	% of Issue expenses*
(₹ in million)			
Lead management fees	[●]	[●]	[●]
Brokerage and selling commissions	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and distribution	[●]	[●]	[●]
Bankers to the Issue.....	[●]	[●]	[●]
Others (SCSBs' commission, Registrar's fee, legal fees, auditor fees, stamp duty, listing charge, etc.).....	[●]	[●]	[●]
Total.....	[●]	[●]	[●]

*To be finalised upon filing of the Letter of Offer and determination of the Issue Price.

Interim use of funds

The management of our Company, in accordance with the policies established by our Board from time to time and subject to the relevant regulations of RBI, will have flexibility in deploying the proceeds of the Issue. Pending utilisation for the purposes described above, we intend to invest the funds in inter corporate deposits with Group Companies and high quality interest bearing liquid instruments, including investments in short-term deposits with banks or financial institutions and other money market instruments.

Monitoring utilisation of funds from the Issue

Our Company has appointed [●] as the Monitoring Agency in relation to this Issue. Our Board and Audit Committee and the Monitoring Agency will monitor the utilisation of the Issue Proceeds. We will disclose the details of the utilisation of the Issue Proceeds, including interim use, under a separate head in our financial statements until the completion of utilisation of the Issue Proceeds, specifying the purpose for which such proceeds have been utilised or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges. We will indicate investments, if any, of unutilised Net Proceeds in our balance sheet. In connection with the utilisation of the Net Proceeds, our Company shall comply with the listing agreements with the Stock Exchanges, including Clauses 43A and 49, as amended from time to time.

Pursuant to Clause 49 of the listing agreements with the Stock Exchanges, our Company shall on a quarterly basis disclose to the Audit Committee, the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Letter of

Offer and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement will be certified by our statutory auditor. In addition, the report submitted by the monitoring agency will be placed before the Audit Committee of our Company, so as to enable the Audit Committee to make appropriate recommendations to the Board.

Our Company shall, in accordance with Clause 43A of the listing agreements with the Stock Exchanges, be required to inform material deviations in the utilisation of Net Proceeds to the Stock Exchanges and shall also be required to simultaneously make the material deviations and adverse comments of the Audit Committee or monitoring agency public through advertisements in newspapers.

SECTION IV- STATEMENT OF TAX BENEFITS

STATEMENT OF TAX BENEFITS

The Board of Directors,
Religare Enterprises Limited
D 3, P3B, District Centre,
Saket, New Delhi 110017

We hereby report that the enclosed statement, prepared by Religare Enterprises Limited (formerly known as Vajreshwari Cosmetics Private Limited and converted to a Public Limited Company on August 11, 2006) (hereinafter referred to as the “Issuer”), states the possible tax benefits available to the Issuer and its members under the provisions of the Income Tax Act, 1961 and the Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Issuer or its members fulfilling the conditions prescribed under the relevant provisions of the respective tax laws. Hence, the ability of the Issuer or its members to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Issuer may or may not choose to fulfill.

The benefits discussed in the Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Issuer's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- i) the Issuer or its members will continue to obtain these benefits in future; or
- ii) the conditions prescribed for availing the benefits, where applicable have been / would be met

The contents of the enclosed statement are based on the information, explanations and representations obtained from the Issuer and on the basis of the understanding of the business activities and operations of the Issuer and the interpretation of the current tax laws in force in India.

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Partha Ghosh
Partner
Membership Number F55913

Place: New Delhi
Date: May 3, 2011

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE ISSUER COMPANY AND ITS SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961

TAX BENEFITS TO THE ISSUER AND ITS SHAREHOLDERS

The tax benefits listed below are the possible benefits available under the Income Tax Act, 1961 and the Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Issuer or its members fulfilling the conditions prescribed under the relevant provisions of the respective tax laws. Hence, the ability of the Issuer or its members to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Issuer may or may not choose to fulfill.

The benefits discussed below are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consider in his / her own case the tax implications of an investment in the shares. Further each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

I. Tax Benefits available to the Issuer - under the Income Tax Act, 1961 (the Act)

A. Special Tax Benefits

The Issuer does not enjoy any special tax benefits

B. General Tax Benefits

1. Depreciation Benefits

Under Section 32 of the Act, the Issuer is entitled to claim depreciation at the prescribed rates on specified tangible and intangible assets used by the Issuer for the purposes of its business and subject to other conditions listed in the Act.

Unabsorbed depreciation, if any, for an assessment year can be carried forward & set off against income from any other source in the subsequent assessment years as per Section 32 subject to the provisions of Section 72(2) and Section 73(3) of the Act.

2. Minimum Alternate Tax (MAT) and Credit for the same

The Issuer would be required to pay tax on its book profits under the provisions of Section 115JB in case where tax on its “total income” (the term defined under Section 2(45) of the Act) is less than 18% (18.5% from AY 2012-13) of its “book profits” (the term defined under Section 115JB of the Act). Such tax is referred to as Minimum Alternate Tax (MAT).

The difference between the MAT paid for any assessment year commencing on or after April 1, 2006 and the tax on its total income payable for that assessment year shall be allowed to be carried forward as “MAT credit”. The MAT credit shall be utilised to be set off against taxes payable on the total income in the subsequent assessment years. However, it can be carried forward only upto 10 assessment years succeeding the assessment year in which such MAT was paid.

3. Exemption from Dividends and Income from units of Specified Mutual Funds

Section 10(34) of the Act provides an exemption in respect of any income by way of dividends referred to in Section 115O (whether interim or final). Dividends referred to in Section 115-O would cover dividends declared, distributed or paid by the domestic companies in respect of which the distributing company is liable to pay dividend distribution tax. Similarly, in terms of Section 10(35), the income received from units of a Mutual Fund specified under Section 10(23D) is exempt from tax. Such income distributed by the Mutual Fund would also be subject to applicable dividend distribution tax, except when the distribution is made by an open ended “equity oriented fund”. It may be pertinent to note that Section 14A of the Act restricts claim for deduction of expenses incurred in relation to exempt income.

4. Dividend Distribution tax

Dividends declared/distributed/paid by the Issuer is subject to dividend distribution tax @ 15% (plus applicable surcharge and education cess). As per Section 115O(1A), for the purpose of calculating dividend distribution tax, the aforesaid amount of dividend shall be reduced by (i) the amount received by the Issuer from its subsidiaries by way of dividend during the financial year provided the subsidiaries have paid dividend distribution tax on such dividend and the domestic Company (i.e. the issuer) is not a subsidiary of any other Company; and (ii) the amount of dividend paid to any person for, or on behalf of, the New Pension Scheme Trust referred to in Section 10(44) of the Act.

5. Capital Gains

- (a) Under Section 112 of the Act, long term capital gains (other than those covered u/s 10(38) are subject to tax at the rate of 20% (plus applicable surcharge and education cess). Such long term capital gains are to be computed by deducting from the sale consideration (i) expenditure incurred in connection with such transfer; and (ii) except in case of certain bonds and debentures the indexed cost of acquisition of the capital asset. As per Section 112 of the Act, the deduction under Chapter VI-A of the Act is allowed out of the gross total income after reducing such long term capital gains.

However, in respect of long term capital gains arising from transfer of listed securities, units or zero coupon bonds, the maximum tax payable on long term capital gains is restricted to 10% (plus applicable surcharge and education cess) of the capital gains calculated without indexation of the cost of acquisition.

Further, in terms of Section 10(38) of the Act, any long term capital gain arising to the Issuer on or after October 1, 2004, from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax ("STT"), is exempt from tax in the hands of the Issuer. However, long term capital gains earned by the Issuer is not allowed to be reduced in computing the book profits for the purposes of computation of MAT.

- (b) In terms of Section 111A of the Act any short term capital gains arising to the Issuer from the transfer of a short term capital asset being an equity share in a company or unit of an equity oriented fund, where such transaction is chargeable to STT, would be subject to tax only at a rate of 15% (plus applicable surcharge and education cess). In other cases, the short term capital gains would be chargeable to tax @ 30% (plus applicable surcharge and education cess). As per Section 111A of the Act, the deduction under Chapter VI-A of the Act is allowed out of the gross total income after reducing such short term capital gains.
- (c) As per Section 71 read with Section 74, Short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains for subsequent 8 years.
- (d) As per Section 71 read with Section 74, Long term capital loss arising during a year is allowed to be set-off only against long term capital gains of the said year. Balance loss, if any, should be carried forward and set-off against subsequent year's long term capital gains for subsequent 8 years.
- (e) As per the provisions of Section 54EC of the Act and subject to the conditions specified therein, long term capital gains arising to the Issuer [other than those exempt under Section 10(38)] shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced.

However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which such bonds are transferred or otherwise converted into money. The maximum investment permissible for the purposes of claiming the exemption in the above bonds by any person in a financial year is ₹ 0.5 crore.

II. Tax Benefits available to the Members of the Company under the Act

A. Special Tax Benefits

There are no special tax benefits available to the members of the Company.

B. General Tax Benefits

2.1 Resident Members

- a) Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under Section 64(1A) of the Act, will be exempt from tax to the extent of ₹ 1,500 per minor child (maximum 2 children), whose income is so included.
- b) The characterization of gains / losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the member and various other factors.
- c) Section 10(34) of the Act provides an exemption in respect of any income by way of dividends referred to in Section 115O (whether interim or final). Dividends referred to in Section 115-O would cover dividends declared, distributed or paid by the domestic companies in respect of which the distributing company is liable to pay dividend distribution tax. However, it may be pertinent to note that Section 14A of the Act restricts claim for deduction of expenses incurred in relation to exempt income
- d) Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, inter alia being an equity share in a company, which is subject to STT will be taxable @15% (plus applicable surcharge and educational cess). In other cases, the short term capital gains would be chargeable as part of the total income and the tax rates would depend on the income slab. As per Section 111A of the Act, the deduction under Chapter VI-A of the Act is allowed out of the gross total income after reducing such short term capital gains.
- e) Under Section 112 of the Act, long term capital gains (other than those covered u/s 10(38) are subject to tax at the rate of 20% (plus applicable surcharge and education cess). Such long term capital gains are to be computed by deducting from the sale consideration (i) expenditure incurred in connection with such transfer; and (ii) except in case of certain bonds and debentures the indexed cost of acquisition of the capital asset. As per Section 112 of the Act, the deduction under Chapter VI-A of the Act is allowed out of the gross total income after reducing such long term capital gains.

However, in respect of long term capital gains arising from transfer of listed securities, units or zero coupon bonds, the maximum tax payable on long term capital gains is restricted to 10% of the capital gains calculated without indexation of the cost of acquisition.

Further, in terms of Section 10(38) of the Act, any long term capital gain arising to the member on or after October 1, 2004, from the transfer of a long term capital asset being an equity share in a company, where such transaction is chargeable to securities transaction tax (STT), is exempt from tax in the hands of the member. However, long term capital gains earned by the member is not allowed to be reduced in computing the book profits for the purposes of computation of MAT.

- f) In terms of Section 36(xv) of the Act, the STT paid by the member in respect of the transactions entered into in the course of the business would be deductible while computing income chargeable under the head "Profits and Gains under Business or Profession" arising from taxable securities transactions.
- g) As per the provisions of Section 10(23D) of the Act, all mutual funds set up by public sector banks, public financial institutions or mutual funds registered under the Securities and Exchange Board of India (SEBI) or authorized by the Reserve Bank of India are eligible for exemption from income-tax, subject to the conditions specified therein, on their entire income including income from investment in the shares of the company.
- h) As per the provisions of Section 54EC of the Act and subject to the conditions specified therein, long term capital gains arising to the members [other than those exempt under Section 10(38)] shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six

months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced.

However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which such bonds are transferred or otherwise converted into money. The maximum investment permissible for the purposes of claiming the exemption in the above bonds by any person in a financial year is ₹ 0.5 crore.

- i) Under Section 54F of the Act, where in the case of an individual or HUF capital gain arise from transfer of long term capital assets [other than a residential house and those exempt under Section 10(38) of the Act] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilised, for purchase of residential house property within a period of one year before or two year from the date of transfer, or for construction of residential house property within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.

2.2 Non Resident Members other than Foreign Institutional Investors

- a) Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under Section 64(1A) of the Act, will be exempt from tax to the extent of ₹ 1,500 per minor child (maximum 2 children), whose income is so included.
- b) The characterization of gains / losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the member and various other factors.
- c) Section 10(34) of the Act provides an exemption in respect of any income by way of dividends referred to in Section 115O (whether interim or final). Dividends referred to in Section 115-O would cover dividends declared, distributed or paid by the domestic companies in respect of which the distributing company is liable to pay dividend distribution tax. However, it may be pertinent to note that Section 14A of the Act restricts claim for deduction of expenses incurred in relation to exempt income.
- d) Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, inter alia being an equity share in a company, which is subject to STT will be taxable @15% (plus applicable surcharge and educational cess). In other cases, the short term capital gains would be chargeable as part of the total income and the tax rates would depend on the income slab. As per Section 111A of the Act, the deduction under Chapter VI-A of the Act is allowed out of the gross total income after reducing such short term capital gains.
- e) Under Section 112 of the Act, long term capital gains would be subject to tax at the rate of 20% (plus applicable surcharge and education cess). Such long term capital gains are to be computed by deducting from the sale consideration (i) expenditure incurred in connection with such transfer; and (ii) the cost of acquisition of the capital asset from the sale consideration. However, there exists a special provision for non residents providing for adjustments to the cost of acquisition, in respect of exchange rate fluctuations, in computing the capital gains. As per Section 112 of the Act, the deduction under Chapter VI-A of the Act is allowed out of the gross total income after reducing such long term capital gains.

Further, in terms of Section 10(38) of the Act, any long term capital gain arising on or after October 1, 2004, from the transfer of a long term capital asset inter alia being an equity share in a company, where such transaction is chargeable to STT, is exempt from tax in the hands of the member. However, long term capital gains earned by the members is not allowed to be reduced in computing the book profits for the purposes of computation of MAT.

- f) In terms of Section 36(xv) of the Act, the STT paid by the member in respect of the transactions entered into in the course of the business would be deductible while computing income chargeable under the head “Profits and Gains under Business or Profession” arising from taxable securities transactions.

- g) As per the provisions of Section 54EC of the Act and subject to the conditions specified therein, long term capital gains arising to the members [other than those exempt under Section 10(38)] shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced.

However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which such bonds are transferred or otherwise converted into money. The maximum investment permissible for the purposes of claiming the exemption in the above bonds by any person in a financial year is ₹ 0.5 crore.

- h) Under Section 54F of the Act, where in the case of an individual or HUF capital gain arise from transfer of long term capital assets [other than a residential house and those exempt under Section 10(38) of the Act] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilised, for purchase of residential house property within a period of one year before or two year from the date of transfer, or for construction of residential house property within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.
- i) As per Section 90(2) of the Act, the provisions of the Act or the provisions of the applicable Double Tax Avoidance Agreement, whichever is more beneficial to the taxpayer / assessee, would apply.

2.3 Special optional provisions available to Non Resident Indians under the Act

- A Non Resident Indian (NRI) (i.e. an individual being a citizen of India or person of Indian origin who is not a resident) has an option to be governed by the special provisions contained in Chapter XII-A of the Act, i.e. “*Special Provisions relating to certain incomes of Non-Residents*”.
- Under Section 115E of the Act, where the NRI has subscribed the shares of the company in convertible foreign exchange, long term capital gains arising to the non resident on transfer of such shares [in cases not covered under Section 10(38) of the Act] be chargeable to tax at concessional flat rate of 10% (plus applicable surcharge and educational cess). In computing the capital gains for non residents, arising from transfer of shares or debentures of an Indian company, no indexation benefit is allowed. However, in such cases all the non residents have been provided with a protection against foreign exchange fluctuation under the first proviso to Section 48 of the Act.
- Under provisions of Section 115F of the Act, long term capital gains [not covered under Section 10(38) of the Act] arising to the NRI from the transfer of such shares shall be exempt from income tax if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or otherwise converted into money within three years from the date of their acquisition.
- Under provisions of Section 115G of the Act, it shall not be necessary for the NRI to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.
- Under Section 115-H of the Act, when a non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer alongwith his return of income for that year under Section 139 of the Act to the effect that provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
- Under Section 115-I of the Act, the NRI may elect not to be governed by the provisions of Chapter XII-A of the Act for any assessment year by furnishing his return of income under Section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so the provisions of this Chapter shall not apply to him. In such a case the tax on investment

income and long term capital gains would be computed as per normal provisions of the Act, in which case the above stated provisions from point (c) to (h) in Para 2.2 would be applicable.

- As per Section 90(2) of the Act, the provisions of the Act or the provisions of the applicable Double Tax Avoidance Agreement, whichever is more beneficial to the taxpayer / assessee, would apply.

2.4 Foreign Institutional Investors (FIIs)

- a) Section 10(34) of the Act provides an exemption in respect of any income by way of dividends referred to in Section 115-O (whether interim or final). Dividends referred to in Section 115-O would cover dividends declared, distributed or paid by the domestic companies in respect of which the distributing company is liable to pay dividend distribution tax.
- b) The characterization of gains / losses arising from sale of shares as capital gains or business income would generally depend on the nature of holding in the hands of the member and various other factors.
- c) Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, inter alia being an equity share in a company, which is subject to STT will be taxable @15% (plus applicable surcharge and educational cess). In other cases, the short term capital gains would be chargeable to tax @30% (plus applicable surcharge and education cess).
- d) Under Section 10(38) of the Act, any long term capital gain arising on or after October 1, 2004, from the transfer of a long term capital asset inter alia being an equity share in a company, where such transaction is chargeable to STT, is exempt from tax in the hands of the member. However, long term capital gains earned is not allowed to be reduced in computing the book profits for the purposes of computation of MAT.
- e) Section 115AD provides special provisions for taxability of various types of income of FIIs. Under Section 115AD long term capital gains arising from transfer of shares in a company [other than those mentioned in point (d) above], are taxed at the rate of 10% (plus applicable surcharge and education cess). Such capital gains would be computed without giving effect to the first and second proviso to Section 48 of the Act. In other words, the benefit of indexation or the adjustment in respect of foreign exchange fluctuation, as mentioned under the two proviso would not be allowed while computing the capital gains.
- f) As per the provisions of Section 54EC of the Act and subject to the conditions specified therein, long term capital gains arising to the investors / members [other than those exempt under Section 10(38)] shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced.

However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which such bonds are transferred or otherwise converted into money. The maximum investment permissible for the purposes of claiming the exemption in the above bonds by any person in a financial year is ₹ 0.5 crores.

- g) As per Section 90(2) of the Act, the provisions of the Act or the provisions of the applicable Double Tax Avoidance Agreement, whichever is more beneficial to the taxpayer / assessee, would apply.

2.5 Benefits available to Venture Capital Companies/ Funds

- a) Dividends (whether interim or final) received by a Venture Capital Company ('VCC')/ Venture Capital Funds ('VCF') from its investment in shares of another domestic company would be exempt in the hands of the VCC/ VCF as per the provisions of Section 10(34) read with Section 115-O of the Act.
- b) In case of a shareholder being a VCC/ VCF as per the provisions of Section 10(23FB) of the Act, any income of VCC/ VCF (registered with SEBI) from investment in venture capital undertaking, would be exempt from Income Tax, subject to the conditions specified in the said Section.

III. Tax Benefits under the Wealth Tax Act, 1957

Shares in a company held by a member will not be treated as an asset within the meaning of Section 2(ea) of Wealth-tax Act, 1957. Hence, wealth tax is not leviable on shares held in a company.

IV. Tax benefits in respect of Gifts

As per Section 56(2)(vii), where value of sum of money/ immovable property/ movable property received by an Individual / HUF without consideration or for inadequate consideration is in excess of ₹ 50,000/-, then the whole of the aggregate value of such sum will be chargeable to tax w.e.f. October 1, 2009.

As per recently introduced 56(2)(viia) of the Act, where value of shares of a company (other than a company in which public is substantially interested) received by a firm or a company without consideration (or for inadequate consideration) is in excess of ₹ 50,000/- the aggregate value of such shares will be chargeable to tax w.e.f. June 1, 2010.

SECTION V – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information presented in this section has been obtained from publicly available documents from various sources including stock exchange and industry websites, from publications, and Government and Company estimates. Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry, market and Government data used in this Draft Letter of Offer is reliable and that website data is as current as practicable, these have not been independently verified. Similarly, internal Company estimates, which we believe to be reliable, have not been verified by any independent agencies. Certain data has been reclassified for the purpose of presentation and much of the available information is based on best estimates, and should therefore be regarded as indicative only and treated with appropriate caution. Certain financial and other numerical amounts specified in this section have been subject to rounding adjustments; figures shown as totals may not be the arithmetic aggregation of the figures which precede them.

Global Economic Conditions

As per the World Economic Outlook, April 2011, published by the International Monetary Fund, the world economy grew at 5% in 2010 as compared to a 0.5% decline in 2009. While the fear of an expected double-dip recession has not materialized, commodity prices have increased more than expected with oil prices having grown at 27.9% and non-fuel prices having grown at 26.3% in 2010. This reflects a combination of strong demand growth and supply shocks. In most economies, unemployment is high and low growth implies it will remain so for years to come. In the United States and Europe, unemployment rates are close to 9% and 10%, respectively. In many countries, especially the United States, the housing market is still depressed. The problems of the European Union arising out of the combined effects of low growth, fiscal woes and financial pressures remain acute. The recovery is broadly moving at two speeds, with large output gaps in advanced economies and closing or closed gaps in emerging and developing economies. In the developed economies, economic growth has been modest, especially considering the depth of the recession, reaching just 3% in 2010 (Source: IMF - World Economic Outlook, April 2011).

Emerging Markets

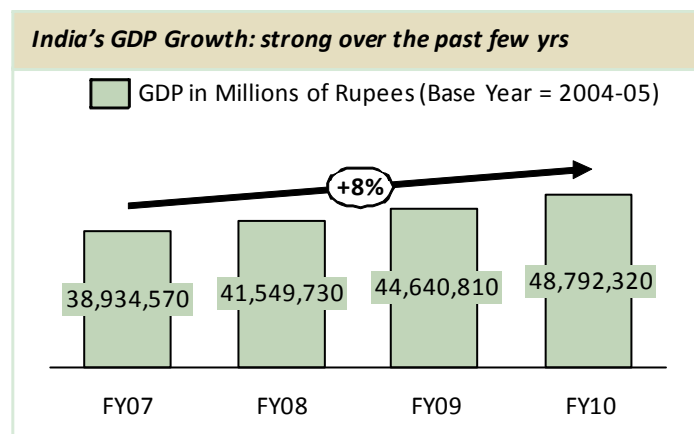
Emerging economies and developing economies have seen robust growth of more than 7% in 2010 and are generally associated with low unemployment rates. In a growing number of these economies, there is evidence of an increase in capacity constraints, and many face large food price increases, which present other social challenges (Source: IMF - World Economic Outlook, April 2011). Emerging markets are expected to experience significant growth as compared to developed markets.

Global capital flows rebounded sharply following the collapse during the crisis, but they are still below pre-crisis averages in many economies. Accordingly, stock markets and credit in emerging market economies have rebounded unusually fast and, as a result, capital flows to some larger emerging market economies, for example, Brazil, China, India, Indonesia, Mexico, Peru, Poland, and Turkey, are all within the range of or above pre-crisis levels (Source: IMF - World Economic Outlook, April 2011). Furthermore, robust capital flows to key emerging market economies are expected to continue, although questions about macro-economic policies and geopolitical uncertainty could slow flows over the near term.

India

The Indian economy has rapidly emerged from the slowdown caused by the global financial crisis during the Financial Years 2007 to 2009. With growth in Financial Year 2010 now estimated at 8.0%, as per the Quick Estimates released on January 31, 2011, and 8.6% in Financial Year 2011, as per the Advance Estimates of the Central Statistics Office released on February 7, 2011, turnaround for the Indian economy has been fast and strong (Source: Economic Survey 2010-11). This has been facilitated by a rebound in agriculture and continued momentum in manufacturing, though there was a deceleration in services, caused mainly by a deceleration in community, social and personal services. India continues to be one of the fastest growing economies in the world with a rapidly expanding financial services sector. As per advance estimates, the real GDP growth percentage is expected to be at 8.6% for the Financial Year 2011 (Source: February 7, 2011 Notice: Ministry of Statistics and Programme Implementation). After adjustments for purchasing power parity, India's economy is

the fourth largest in the world in terms of GDP, after the United States, China & Japan (*Source: World Bank website, "World databank – World Development Indicators & Global Development Finance"*). In terms of market cap rankings, India is ranked 10th in the world with a market cap of \$670,860 million (*Source: Mint Money - April 26, 2011*).



Note: For 2010, the GDP number is based on advance estimates provided by the Ministry of Statistics and Programme Implementation on February 7, 2011

Source: RBI's Handbook of Statistics on Indian Economy

Financial Services in India

General Overview

In the wake of steady reforms since 1991, India's financial markets have continued to gain strength in recent years. This can be attributed to several factors including without limitation prudent regulations and institutions that have protected the economy from the recent global financial shocks, and the dynamic nature of India's financial markets. Domestic capital markets performed well in 2010, of which, financing by way of primary market transactions reached record levels, including the largest-ever initial public offering by Coal India Limited, while secondary markets reached new highs. Record foreign inflows in the Financial Year 2011 helped and supported the market. Pensions and insurance gained, with life insurance premium growing nearly 26% and penetration more than doubling to 5.4% of GDP in the Financial Year 2009, from 2.3% in the Financial Year 2000, when insurance reforms started (*Source: Economic Survey 2010-11*).

Capital Markets

Primary equity market - Move towards robust growth

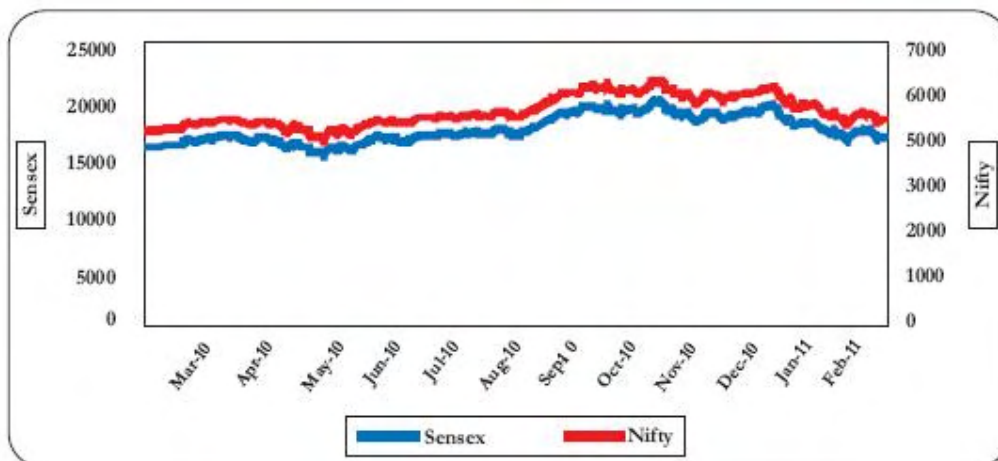
The primary segment of capital markets in India has grown due to strong fundamentals of the Indian economy, improved corporate results, a buoyant secondary market, structural reforms by the Government and an investor-friendly framework. In the Financial Year 2011, public offerings have, in general, received strong responses from FIIs, institutional and retail investors. The cumulative amount mobilised in the Financial Year 2011 through initial public offers, follow-on public offers and rights issues stood at ₹ 652,919 million as against ₹ 577,624 million during the Financial Year 2010. The following table illustrates the primary equity market issuances in India for the Financial Years 2011, 2010 and 2009:

Offerings	FY 2011	FY 2010	FY 2009
<i>Domestic Offerings:</i>			(₹ in million)
Public Issues	556,982	494,413	35,340
Rights Offerings	95,937	83,211	126,220
Total	652,919	577,624	161,560
<i>International Offerings:</i>			(US\$ million)
ADRs/GDRs	1,063	3,918	204

Source: Prime Database as on April 8, 2011

Secondary equity market - Option trading driving growth in equity market volumes, retail sentiment continues to remain subdued, evidenced by negligible growth in demat accounts

The Indian equity market remained largely flat with the BSE Sensex at 17,823.4 points on February 28, 2011, up from 17,527.8 points as on March 31, 2010. Equity market capitalisation increased by 3% on account of the strong growth in the primary market issuances.



Source: SEBI Bulletin – March 2011

Particulars	FY 2011*	FY 2010	FY 2009
Indices			
BSE Sensex	17,823.4	17,527.8	9,708.5
S&P CNX Nifty	5,333.3	5,249.1	3,021.0
S&P CNX 500	4,247.2	4,313.3	2,294.9
Market Capitalisation			
BSE	63,430,720	61,656,190	30,860,750
NSE	61,959,670	60,091,730	28,961,940

* Till February 28, 2011

Source: SEBI Bulletin – March 2011

Growth in market volumes was dominated by options trading which accounted for 58% of the total volumes between October and December 2010, a jump of 20% relative to last fiscal. As is evidenced by a marginal increase in new demat accounts over the Financial Years 2009 and 2010, and the nine month period ended December 31, 2010, we believe that retail sentiments largely remained subdued till December 2010. In the cash market segment, the total turnover of the BSE and NSE for the period between April 1, 2010 and February 28, 2011 stood at ₹ 10,325,700 million and ₹ 33,216,980 million, respectively, as compared to ₹ 13,788,090 million and ₹ 41,380,240 million, respectively, in the Financial Year 2010. In the equity derivative segment, NSE witnessed a total turnover of ₹ 263,703,210 million for the period between April 1, 2010 and February 28, 2011, as compared to ₹ 176,636,650 million during the Financial Year 2010. Similarly, the total turnover in the equity derivative segment of the BSE for the period between April 1, 2010 and February 28, 2011 stood at ₹ 1,290 million as compared to ₹ 2,340 million during the Financial Year 2010.

Market Turnover	FY 2011*	FY 2010	FY 2009
Cash			
BSE	10,325,700	13,788,090	11,000,740
NSE	33,216,980	41,380,240	27,520,230
Derivatives			
BSE	1,290	2,340	117,750
NSE	263,703,210	176,636,650	110,104,820

* Till February 28, 2011

Source: SEBI Bulletin – March 2011

Market Turnover	FY 2011*	FY2010	FY 2009
<i>Trading by Segment</i>			<i>(Percentage)</i>
Cash	11%	19%	20%
Options	58%	39%	29%
Futures	31%	42%	51%
			<i>(In million)</i>
No of Demat Accounts	18.7	17.2	15.2

* Till February 28, 2011
Source: NSE, BSE, NSDL & CDSL

FII's continued to remain net buyers with strong inflows in Q2-Q3 in FY11, while domestic institutional investors remained net sellers (in relation to equity). The following table sets out the investments by mutual funds and FIIs in India for the period between April 1, 2010 and February 28, 2011 and the Financial Years 2010, 2009 and 2008, respectively:

(₹ in million)

FY	Net Investment by Mutual Funds			Net Investment by FIIs		
	Equity	Debt	Total	Equity	Debt	Total
2011*	(195,480)	2,212,980	2,017,500	1,032,230	363,350	1,395,560
2010	(105,120)	1,805,880	1,700,760	1,102,200	324,380	1,426,580
2009	69,840	818,030	887,870	(477,060)	18,950	(458,110)
2008	163,060	73,790	900,650	534,040	127,750	661,790

*Till February 28, 2011

Source: SEBI, "Annual Report 2009-10" and SEBI Bulletin – March 2011

The market share of the top five brokers on NSE declined marginally from 15% in Financial Year 2010 to 14% in Financial Year 2011, while the market share of the top 100 brokers declined substantially by 12 percentage points i.e., from 75% to 63% during the same period. The market over the last year has seen the emergence of newer players and intensifying competition as evidenced by a fall in the share of Top 100 brokers. This increasing competition has resulted in falling brokerage commissions, which in turn adversely affects the profitability of brokers in the market (Source: <http://www.livemint.com/2011/04/13215147/Geojit-BNP-results-show-market.html?atype=tp>). The following table illustrates the trading volume on the NSE and the percentage traded by the top brokers for the Financial Years 2011, 2010, 2009, 2008, 2007 and 2006, respectively:

FY	% Volume by Top Brokers on the NSE				
	5	10	25	50	100
2011*	14%	24%	43%	58%	63%
2010	15%	25%	44%	60%	75%
2009	14%	24%	44%	61%	75%
2008	15%	26%	45%	60%	74%
2007	15%	24%	43%	57%	71%
2006	15%	23%	38%	53%	68%

* Monthly average

Source: NSE Website

Internet Trading

As of March 31, 2010, 363 members were permitted to allow investors web-based access to the NSE's trading system. These members have registered 5,143,705 clients as of March 31, 2010. During the Financial Year 2010, 11.13% of the trading value in the Capital Market segment was routed and executed through the internet. The following table illustrates the share of internet trading in the overall cash equities turnover:

FY	Enabled Members	Registered Clients	Trading Volume (₹ in million)	% of Total Trading Volume
2010	363	5,143,705	9,213,800	11.13%
2009	349	5,627,789	6,927,890	25.17%
2008	305	4,405,134	6,683,990	18.82%

FY	Enabled Members	Registered Clients	Trading Volume (₹ in million)	% of Total Trading Volume
2007	242	2,279,098	3,375,240	17.35%

Source: NSE Factbook 2010

Currency Trading

The exchange driven currency trading showed remarkable growth over the last few years. This is inspite of the regulatory constraints which restrict trading currency futures contracts to only four foreign currencies against the Indian Rupee.

The turnover at the MCX Stock Exchange (MCX-SX) in the currency derivatives segment stood at ₹ 288,944,500 million for the period between April 1, 2010 and November 30, 2010 as against ₹ 194,465,400 million in the Financial Year 2010. The NSE witnessed a turnover of ₹ 230,421,900 million for the period between April 1, 2010 and November 30, 2010 as against ₹ 178,260,800 million in the Financial Year 2010. Further, the USE, which began operations in the currency derivatives segment on September 20, 2010, witnessed a turnover of ₹ 53,783,600 million from the date of commencement until November 30, 2010.

Market Turnover	FY 2011*	FY 2010 (₹ in million)
NSE	230,421,900	178,260,800
MCX-SX	288,944,500	194,465,400
USE	53,783,600	N.A.

* Till November 30, 2010

Source: Economic Survey 2011

Interest Rate Derivatives

Trading in interest rate futures started on NSE on August 31, 2009. For the period between April 1, 2010 and November 30, 2010, the NSE witnessed a total turnover of ₹ 530 million in this segment as compared to ₹ 29,750 million from the date of commencement until March 31, 2010.

Commodities Trading

Commodities play an important role in India's economy. India has over 7,000 regulated agricultural markets, or *mandis*, and the majority of the nation's agricultural production are consumed domestically, according to the Agricultural Marketing Information Network (Source: *Agricultural Marketing Information Network official website*). India is the world's leading producer of several agricultural commodities. The agriculture sector accounted for approximately 12.3 % of India's GDP for the Financial Year 2010. India's GDP at current market prices for the Financial Year 2011 was estimated to be ₹ 78,779,470 million (Source: *Economic Survey 2010-11*). There are currently 21 commodity exchanges recognised by the FMC in India and offering trading in over 60 commodity futures with the approval of the FMC. In the Financial Years 2009 and 2010, and for the nine month period ended December 31, 2010, the total value of commodities traded on commodity futures exchanges in India was ₹ 52,489,568 million, ₹ 77,647,545 million and ₹ 82,708,783 million, respectively.

Exchange	Commodity Turnover FY2011*	FY2010	FY 2009 (₹ in million)
MCX	68,893,178	63,933,025	45,880,946
NCDEX	8,838,083	9,175,847	5,357,070
NMCE	1,251,063	2,279,015	614,566
ICEX	3,193,753	1,364,254	N.A. [#]
ACE	98,280 [@]	59,794	87,810
Others	434,426	835,610	549,176
Total	82,708,783	77,647,545	52,489,568

* Till December 31, 2010

[#] ICEX commenced its trading operations on November 27, 2009

[@] In October 2010, Ace Derivatives and Commodity Exchange (formerly Ahmedabad Commodity Exchange) transformed from a regional exchange to a national multi-commodity futures trading platform

Source: The data pertaining to MCX is sourced from the draft red herring prospectus dated March 31, 2011 filed with SEBI. The data pertaining to the other exchanges has been sourced from market data maintained by the FMC

Mutual Funds

As of March 31, 2011, there were 43 individual registered mutual fund providers, with total average assets under management, for the quarter ending March 31, 2011, of ₹ 7,005,000 million excluding funds of funds (Source: Association of Mutual Funds in India). From 1963 to 1987, Unit Trust of India was the only mutual fund operating in the country. From 1987 onwards, several other public sector mutual funds entered this sector. These mutual funds were established by public sector banks, the Life Insurance Corporation of India and General Insurance Corporation of India. The mutual funds industry was opened up to the private sector in 1993. The industry is regulated by the SEBI (Mutual Fund) Regulations, 1996.

The mutual fund sector can broadly be divided based on the nature of the schemes launched by mutual funds. The fixed income asset class, which comprises income, liquid, gilt and money market schemes, constitutes a major share of total funds under management. The other two asset classes are equity and balanced schemes, which have experienced significant growth recently on account of robust capital markets in India. The following table illustrates the assets under management by mutual funds as at the dates mentioned:

Indian Mutual Funds - AUM	As of March 31		
	2011	2010	2009
			(₹ in million)
Income	2,919,750	3,117,150	1,973,430
Equity	1,697,540	1,740,540	958,170
Balanced	184,450	172,460	106,290
Liquid/Money Market	736,660	780,940	905,940
Gilt	34,090	33,950	64,130
ELSS – Equity	255,690	240,660	124,270
Gold ETFs	44,000	15,900	7,360
Other ETFs	25,160	9,570	6,600
Fund of Funds Investing Overseas	25,160	28,620	26,810
Total	5,922,500	6,139,790	4,173,000

Source: AMFI Monthly March 2011, AMFI Monthly March 2010, AMFI Monthly March 2009

The following table illustrates the mobilisation of resources in the Indian mutual fund industry for the Financial Years 2009 to 2011:

Period	Gross Mobilisation				Redemption				Net Inflow/Outflow				Assets at the end of the period
	Pvt. Sector	UTI	Public Sector	Total	Pvt. Sector	UTI	Public Sector	Total	Pvt. Sector	UTI	Public Sector	Total	
FY09	42,927,510	4,231,310	7,104,720	54,263,540	43,267,680	4,267,900	7,010,920	54,546,500	(340,180)	(36,580)	93,800	(282,960)	4,173,000
FY10	76,984,830	8,818,510	14,386,880	100,190,220	76,435,550	8,661,980	14,261,890	99,359,420	549,280	156,530	124,990	830,800	6,139,790
FY11	63,138,600	7,232,450	10,843,230	81,214,280	62,314,930	7,231,100	10,887,790	80,433,820	823,670	1,350	(44,560)	780,460	5,922,500

Source: AMFI Monthly March 2011, AMFI Monthly March 2010, AMFI Monthly March 2009

With effect from August 1, 2009, SEBI has abolished the charging of entry load from investors purchasing units in mutual funds with the objective of removing the incentive for distributors to sell unsuitable products to investors. In the past, mutual funds would charge up to 2.25% of the funds invested in new schemes as entry load and this was paid out as commission to distributors of such mutual fund units. Upfront and trail (continuing) commissions to distributors are now required to be paid by the asset management companies out of their fund management fees. It was widely expected that the ban on entry loads and consequent reduction in distribution fees would make it unviable for many distributors to sell mutual fund products, but distributors have accepted the lower commission rates after an initial adjustment period. However, the ban on entry load has put pressure on the profitability of the asset management companies as distribution commissions are now paid out of fund management fees.

Corporate Bond Market

Economic growth, amongst others, has contributed to rapid growth in the equity markets in India. In parallel, the Government securities market has also evolved over the years and expanded due to the increasing borrowing requirements of the Government. In contrast, the corporate bond market has remained dormant, both in terms of market participation and structure. Non-banking finance companies are the main issuers of corporate bonds in India, and insignificant amounts of finance are raised by companies directly.

Private Placement of Corporate Bonds	FY 2011*	FY 2010	FY 2009 (₹ in million)
Amount Issued	1,474,000	2,126,350	1,732,810
No of Issues	929	1,278	1,041

* Till November 30, 2010

Source: Economic Survey 2010-11

The corporate bond market, as a result, is only about 14% of the total bond market in India and market liquidity and infrastructure remain constrained (Source: Economic Survey 2010-11). Pursuant to the announcement of the budget for the Financial Year 2006, the Finance Minister approved the constitution of a high level expert committee on corporate bonds and securitisation, which was chaired by Dr. R. H. Patil (the “Patil Committee”). The terms of reference of the Patil Committee included identifying the factors inhibiting the development of an active corporate debt market in India, recommending policy actions necessary to develop an appropriate market infrastructure for the development of the corporate bond market, identifying the different kind of intermediaries necessary for the bond market, recommend measures necessary for developing the participation of small investors in the debt markets including examination of any regulations that inhibit such participation, amongst others. The Patil Committee submitted its report on December 23, 2005 and made a number of recommendations relating to rationalising the primary issuance procedure, facilitating exchange trading, increasing the disclosure and transparency standards and strengthening the clearing and settlement mechanism in the secondary market. The recommendations have been accepted in principle by the Government, RBI and SEBI, and are under various stages of implementation. With the recommendations of the Patil Committee, the corporate bond market is slowly evolving. With banks unable to fund long term capital intensive infrastructure projects and little or no near term cash flow visibility on account of capital constraints in recent times, the need for further development of the corporate bond market has increased.

Comparing India with some of the emerging economies clearly demonstrates the under-penetration in the corporate bond market segment. The following table gives details of bond issuances in some of the emerging markets including India:

Countries	2009	2008	2007 US\$ in million
Argentina	500	100	3,400
Brazil	10,100	6,700	9,900
Hungary	3,000	5,300	4,100
Poland	10,200	3,800	4,100
Russia	10,800	22,100	30,200
China	3,300	2,100	2,100
India	2,200	1,400	7,500
Indonesia	5,500	4,200	1,800
Malaysia	100	400	900
Philippines	5,400	400	1,000
Thailand	-	500	800

Source: Economic Survey 2010-11

Corporate Debt Market Trading

Traded Value	FY 2011*	FY 2010	FY 2009 (₹ in million)
BSE	347,230	533,230	373,200
NSE	1,430,960	1,519,200	495,050
FIMMDA	3,774,810	1,959,550	615,350
Total	5,553,000	4,011,980	1,483,600

* Till February 28, 2011

Source: SEBI Bulletin – March 2011

According to SEBI, corporate bonds trading volumes have increased by 38% to ₹ 5,553,000 million, for the period between April 1, 2010 and February 28, 2011, as compared to ₹ 4,011,980 million, in the Financial Year 2010, on account of increasing FII and domestic financial institution participation.

Investment Banking

With the Indian economy maturing, Indian companies are also evaluating different means to raise capital in the equity and debt capital markets. We believe that the volume of activity in equity capital markets as well as the transaction advisory market has increased significantly. With the increase in activity levels and entry of foreign investment banks in India, competition is intensifying.

Transaction Advisory

There has been a significant increase in mergers and acquisitions involving Indian companies in recent years. This increase is evident in the inbound, outbound and domestic segments. The following table indicates the total volume of merger and acquisition activities in India for the last five years:

Indian Investment Banking	2011*	Year ended December 31			
		2010	2009	2008	2007 (US\$ in million)
Mergers & Acquisitions					
Total Volume	13,280	42,240	17,880	33,500	43,410
Total No. of Deals	143	615	597	745	824

* Till April 11, 2011

Source: Bloomberg as of April 11, 2011

Equity Capital Markets

With the growth in various sectors of the Indian economy, Indian companies have been increasingly raising funds in both domestic and international equity capital market. The following table indicates the total volume of equity activity in India for the last five years:

Indian Investment Banking	FY2011	FY2010	FY2009	FY2008	FY2007 (US\$ in million)
Equity & Equity-linked					
Total Volume	16,240	21,890	862	20,160	10,200
Total Issuances	118	115	30	133	129

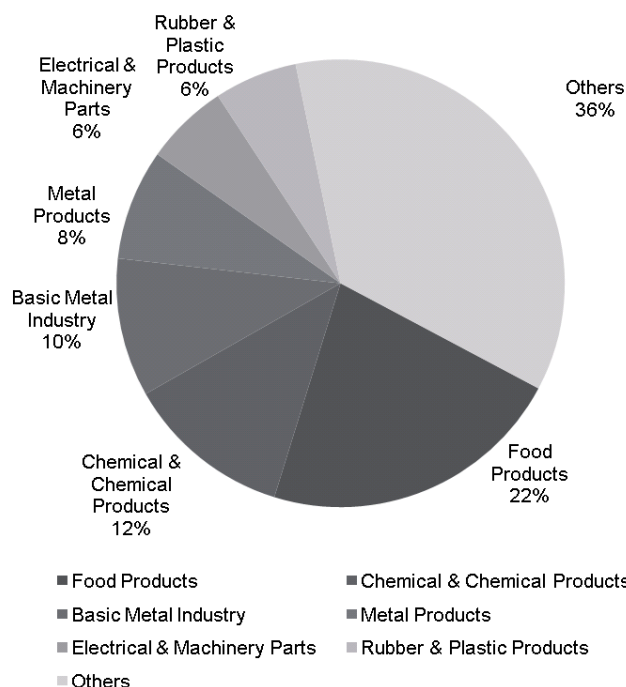
Source: Bloomberg as of April 11, 2011

Credit Markets - The SME Opportunity

Worldwide, the micro, small and medium enterprises have been accepted as the engine of economic growth. The major advantage of the sector is its employment potential at low capital cost. The labour intensity of the MSME sector is much higher than that of the large enterprises. The MSMEs constitute over 90% of total enterprises in most of the economies and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports (Source: Ministry of Micro, Small and Medium Enterprises, Annual Report 2010-2011).

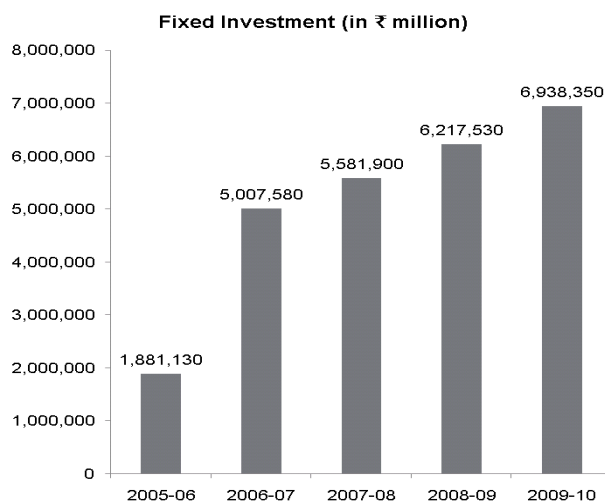
In India too, the MSMEs play a pivotal role in the overall industrial economy of the country. In recent years, the MSME sector has consistently registered higher growth rates as compared to the overall industrial sector. With its agility and dynamism, the sector has shown admirable innovativeness and adaptability to survive the recent economic downturn and recession. As per available statistics (4th Census of the MSME Sector), this sector employs an estimated 59.7 million persons spread over 26.1 million enterprises. It is estimated that in terms of value, MSME sector accounts for about 45% of the manufacturing output and around 40% of the total export of the country. There are over 6,000 products offered by MSMEs in India ranging from traditional to high-tech items (Source: Ministry of Micro, Small and Medium Enterprises, Annual Report 2010-2011).

Products of MSMEs



(Source: Ministry of Micro, Small and Medium Enterprises, Annual Report 2010-2011)

As per a study carried out by ASSOCHAM, SME's contribution to national GDP is projected to go up by a minimum of 5% and touch 22% share of India's GDP by the Financial Year 2012 (Source: www.assocham.org/prels/printnews.php?id=1696). The increase in fixed investments is also significant. The inability by MSMEs to avail credit facilities on favourable terms or at all is a major problem faced by the sector today. As per a press release issued by CRISIL on January 3, 2011, SMEs present a ₹ 500,000 million funding opportunity in India. The study also points out that Indian banks funded only about 60% of the incremental working capital requirements of MSMEs in India between 2006 - 2007 and 2008 - 2009. This is in contrast to the practice of funding up to 75% of an entity's working capital requirements (Source: *SMEs present a ₹ 500,000 million funding opportunity in India – CRISIL Press Release, January 3, 2011*).



Source: Ministry of Micro, Small and Medium Enterprises, Annual Report 2010-2011

Insurance

The insurance sector was opened for private participation with the enactment of the Insurance Regulatory and Development Authority Act, 1999. While permitting foreign participation in ventures set up by the private sector, the Government restricted participation of the foreign joint venture partner through the FDI route to 26% of the paid-up equity of the insurance company.

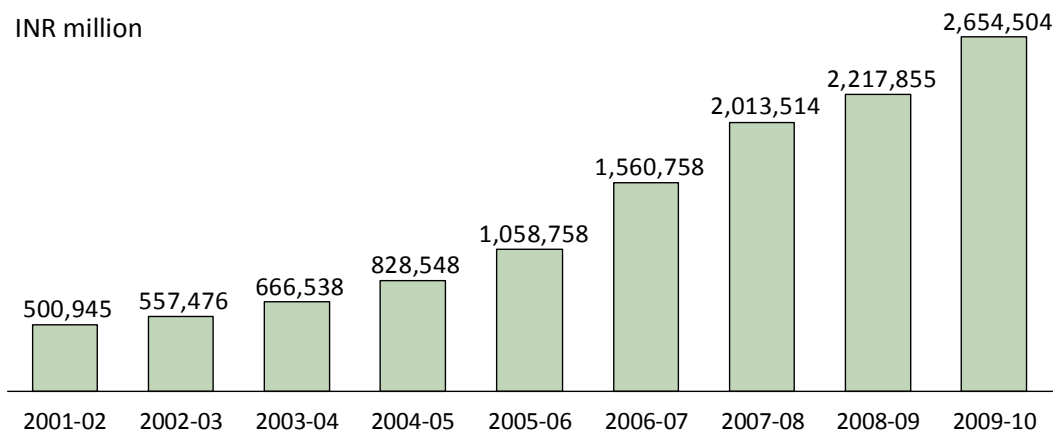
Since the opening up of the sector, the number of participants has gone up from six insurers (including Life Insurance Corporation of India, four public-sector general insurers, and the General Insurance Corporation of India as national reinsurer) in the year 2000 to 48 insurers operating in the life, non-life, and reinsurance segments (including specialised insurers, namely the Export Credit Guarantee Corporation and Agricultural Insurance Company).

Life Insurance

The post-liberalisation period has been witness to tremendous growth in the life insurance industry. During 2009, the life insurance premium in India grew by 10.1% (inflation adjusted). However, during the same period, the global life insurance premium had contracted by 2%. The share of Indian life insurance sector in global market was 2.45% during 2009, as against 1.98% in 2008 (Source: IRDA Annual Report 2009-10).

In the year 2000, when the life insurance sector was opened up to the private sector, life insurance penetration (ratio of premium underwritten in a given year to the GDP) was 1.77%, which increased to 4.73% in 2009. The life insurance space has grown at a CAGR of 23% from the Financial Year 2002 to the Financial Year 2010.

Life Insurance market in terms of premiums has grown at a CAGR of 23% from FY02 to FY10



Source: IRDA Handbook on Indian Insurance Statistics 2009-10

Post the financial meltdown, the life insurance segment saw an upward trend. The first-year premium, which is a measure of new business secured, underwritten by the life insurers during the Financial Year 2010 was ₹ 1,098,940.20 million as compared to ₹ 873,310.90 million in the Financial Year 2009, registering a growth of 25.84%. In terms of linked and non-linked business, during the Financial Year 2010, 54.53% of the first year's premium was underwritten in the linked segment while the remaining 45.47% was in the non-linked segment as against 51.13% and 48.87%, respectively, in the Financial Year 2009 (Source: Economic Survey 2010-11).

Recent Regulatory Changes

With effect from September 1, 2010, the IRDA has brought about a host of regulatory changes aimed at protecting customer interests. These changes have been made as an attempt to avoid mis-selling of insurance as a short term investment product. In the short term, these regulatory changes (lower commission payments, lower penalties on surrenders, and longer lock-ins) have put pressure on volume growth, and margins for the industry.

However, long-term prospects for the insurance industry remain attractive on the back of favorable demographics, urbanisation and strong GDP growth.

In January 2010, the IRDA finalised a standard on public disclosure by insurance companies in India, requiring increased disclosure beginning March 31, 2010. The disclosures pertain to financial statements, including the balance sheet and the profit and loss account, key analytical ratios and other statements on a quarterly basis. The SEBI board met on October 25, 2010 in Mumbai and decided that the SEBI (ICDR) Regulations, 2009, which are sector neutral, would also apply to insurance companies. The SEBI board also approved the requirement for additional disclosures, which are specific to insurance companies, including disclosure of risk factors specific to insurance companies, broad headings under which an overview of the insurance industry shall be disclosed, formats for financial information and glossary of terms used in the insurance sector.

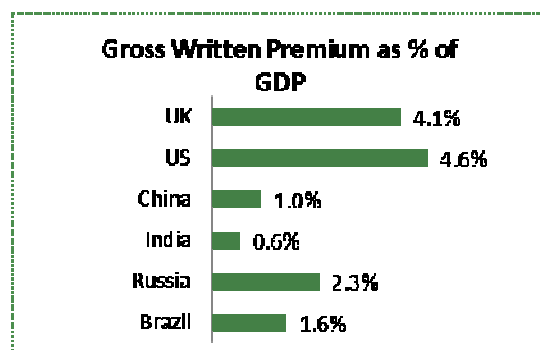
The SEBI board also approved two amendments to the ICDR Regulations, which introduces an exemption from appointment of a monitoring agency for issuers in the insurance sector and requires the disclosure of an IRDA disclaimer clause in the offering documents of insurance companies.

The measures listed above will enable the listing of insurance companies and it is expected that in the near future, profit-making insurance companies will be able to access the public markets to meet their incremental capital requirements.

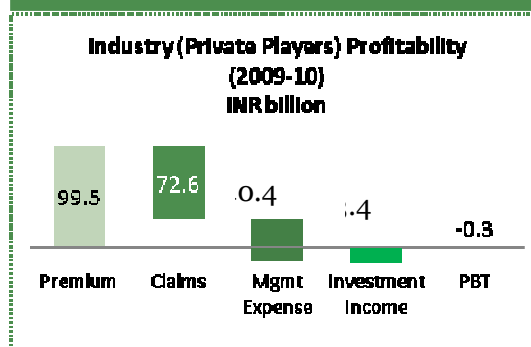
General Insurance (P&C and Health Insurance)

India is the fifth largest general insurance market in Asia with annual premiums of approximately US\$ 8,300 million. India's second largest population in the world and an increasing middle class population presents significant opportunities for general insurance players. We believe that the market is currently underpenetrated with the premium to GDP ratio hovering around 0.6%, far lower than the developed markets, where this ratio is around 4-5% (*Source: IRDA Handbook on Indian Insurance Statistics 2009-10*). The period 2000-2010 has seen market growth of 15% (CAGR) and arrival of key players in the market; the general insurance market has around 24 players currently.

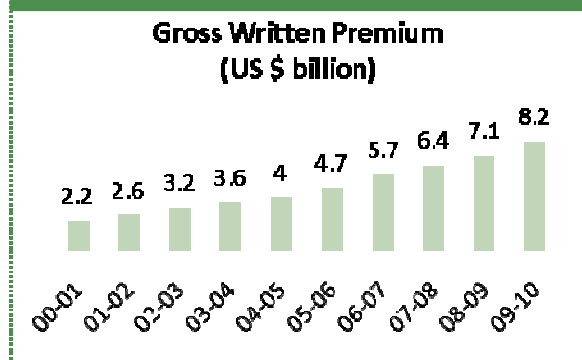
Market is largely underpenetrated



Underwriting profitability is negative, investment income accounts for positive returns



Market has grown at a CAGR of 15% in the past decade



Source: IRDA Handbook on Indian Insurance Statistics 2009-10

In terms of the product mix, motor and health constitute 65% of the aggregate general insurance premiums. Health insurance has been the fastest growing insurance segment for the Financial Years 2007 to 2010. The share of health insurance in total non-life insurance premiums has increased to 21% in the Financial Year 2010 from 11% in the Financial Year 2009 (Source: IRDA).

Share of health insurance policy premiums are expected to surpass the current dominant share of motor policy premiums. On the whole, while the short term scenario for the general insurance sector appears to be challenging primarily on account of the de-tariffed regulatory regime, the long term prospects appear to present opportunities for growth.

Wealth Management

The wealth management industry in India is in an evolutionary phase of development. With the liberalisation of the Indian economy and subsequent growth and prosperity across sectors, the wealth management industry is poised to gain greater traction in an expanding market.

Based on prevalent trends, we believe that both domestic and foreign banks, through their private banking and family office offerings, have targeted the HNI and UHNI segments whereas the IFAs, AMCs, stock brokers, retail banks *etc.* are targeting the mass affluent segment through innovative product offerings.

Post discovery of certain frauds in the wealth management space, the government is in the process of reviewing the regulatory issues regarding wealth management and private banking services. A sub-committee of the Financial Stability and Development Council has been constituted and is in the process of drafting these wealth management and private banking regulations.

Emerging Markets Capital Flow

We believe that the emerging markets, driven by high economic growth rates, favourable demographics and deepening capital markets, are expected to deliver returns which are superior to those in developed markets in the medium and long term. As a result of this expectation that emerging markets will continue to grow at higher rates than the developed world. It is anticipated that over the next fifteen to twenty years, the collective economic output of the emerging markets will overtake that of the developed markets. We believe that of the emerging markets, the four large economies (*viz.* Brazil, Russia, India and China or “BRIC”) will occupy centre-stage.

The strength of emerging market capital flows observed over the last few years can be explained by a number of factors including opportunity for global diversification, trailing returns and the new found ability of investors to access emerging markets through liquid, low cost, indexed vehicles.

Investment Banking

The growth in emerging markets coupled with heightened interest from developed markets has created significant opportunities for financial intermediaries such as investment banks in areas such as cross border deal flows between emerging and developed markets, emerging markets institutional businesses, primary issuances and placements, amongst others, and is expected to continue so long as emerging markets continue to enjoy superior rates of growth.

Asset Management

Emerging markets offer a vastly unexplored opportunity for the global asset management industry, which is generally indicated by the inflows in portfolio investment from FIIs in the emerging markets. We expect this shift of preference to accentuate further over the next two decades, leading to an even larger share of developed market funds being invested in emerging market assets.

Also, rapid growth, deepening of financial markets and high savings rates are likely to result in the institutionalisation of the emerging market savings pools with the emergence of local institutional funds.

OUR BUSINESS

Overview

We are an integrated financial services group with a network of 2,169 Business Locations across 571 cities in India. We also have a presence in several emerging markets and in key international financial centers including Singapore, Hong Kong, London and New York. We offer customer-centric financial products and services and have a presence across multiple customer segments including mass market, mass affluent, HNI, SME and mid and large corporate clients and institutional clients. In 2001, the current management took charge of our business and in a span of less than ten years, we have expanded our business which was primarily focused on equity broking into a diversified financial services conglomerate, operating through 10 Subsidiaries and two Joint Ventures in India and one Subsidiary outside India as of March 31, 2011. Our Promoters, Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh and their family, have a collective track record of three generations of entrepreneurship and value creation in sectors such as pharmaceuticals, healthcare delivery (including diagnostics) and financial services. The financial services sector is one of the two focus areas of our Promoters, who, as of the date of this Draft Letter of Offer, have invested over ₹ 27,000 million in our Company.

Our businesses operate around three pillars, comprising the following:

- Our Integrated Indian Financial Services Platform comprises equity and commodity broking, capital markets lending and asset finance, asset and wealth management and life insurance businesses. This broad based platform enables us to exploit growth opportunities in the financial services sector in India as the Indian economy grows, leading to an increase in the demand for financial products and services. Simultaneously, as the Indian market becomes more financially evolved, the need for sophisticated products and services, such as complex financial products available in the more developed economies, is expected to increase. As is self evident from the diversity of the businesses comprising financial products and services that we offer in India, we intend to cater to all of the financial services needs of our clients and provide a one stop shop for financial products and services to our clients in India and have developed a wide and effective distribution platform through our network. Dun & Bradstreet has in its report, “*India’s Leading Equity Broking Houses 2010*”, rated us as one of the top three retail equity brokerage houses in India (Source: <http://www.dnb.co.in/EquityBroking2010/default.asp>). Furthermore, our asset management business is the 13th largest in terms of average AUM for the quarter ended March 31, 2011 (Source: http://www.amfiindia.com/AUMReport_Rpt_Po.aspx?dtAUM=01-Jan2011&qt=January-March 2011&rpt=fwise). In addition to the above, secured and unsecured loans given by our Subsidiary, RFL, grew by 116.17% to ₹ 88,318.29 million as at December 31, 2010 from ₹ 40,855.90 million as at March 31, 2010. Our life insurance JV recorded new business premium of ₹ 1,470 million for the nine month period ended December 31, 2010 as against ₹ 744 million for the nine month period ended December 31, 2009, i.e. growth of 98%.
- Our Emerging Markets Institutional Equities and Investment Banking business is headquartered in London on the back of our acquisition of Hichens, Harrison & Co. Plc (now known as Religare Capital Markets Plc), in 2008. In addition, we have hubs in India, Singapore and Hong Kong as well as regional offices in the United States, Dubai and Australia. Our network has expanded both organically and inorganically through acquisitions and partnerships in the Financial Year 2011, which include acquisitions of CJEL (trading as Aviate Global), an institutional equities firm with a presence in Hong Kong, Singapore and Melbourne; a 50% interest in Bartleet Mallory Stockbrokers (Private) Limited, which offers financial services, including stock broking, investment advisory, equity research and online trading for the Sri Lankan market; BJM, an institutional equities firm, which primarily focuses on providing agency, broking and research on South African stocks to institutional clients in the United Kingdom. Further, on receipt of FINRA’s approval in December 2010, RCMPlc through its subsidiary, Religare Investment Holdings (UK) Limited, acquired 100% membership interest in BJM USA, with effect from January 25, 2011. BJM USA is a broker dealer and is regulated by FINRA of USA. For more details, see “– Business Strategy – Pursue strategic acquisitions and alliances”. This business is focused on developing a distinctive offering by creating strong research and trading capabilities that is focused on emerging markets opportunities, thereby enabling us to exploit the growing influence of emerging markets within the global economy.

- Our Global Asset Management Platform comprises fund management services spread across various asset classes and regions. This business aims to unlock value in western asset managers by acquiring controlling interests in asset management companies in the developed economies, and providing them institutional support by way of distribution and access to new pools of capital as well as investment opportunities in emerging markets, for the next phase of growth. Towards building this platform, we have undertaken several acquisitions in the Financial Year 2011, which have strengthened our global presence. These acquisitions include a 70% interest in Northgate Capital LLC and Northgate Capital LP, managers of private equity fund of funds with assets under management of approximately US\$ 3,000 million as of December 31, 2010; and a 55% interest in Landmark Partners, a private equity and real estate investment advisory company with approximately US\$ 8,500 million in committed capital across its 27 funds as of December 31, 2010.

We believe that our three pillar strategy is unique in the context of Indian financial services, thereby enabling us to capture growth opportunities, both in our home market India, and our chosen areas of operation across the emerging markets.

We have received recognition by way of several awards across our businesses. Some of them are listed below:

- Religare Capital Markets Limited has been awarded the Starmine award for the 'Best Brokerage Research House' by Thomson Reuters in March, 2011;
- Our Company was presented with the 'Best Retail Marketing Campaign of the Year, 2010' at Asia Retail Congress.
- Our Company was awarded the 'Master Brand Award' and 'Best Marketing Campaign of the Year' at the World Brand Congress, 2010 on November 22, 2010;
- Religare Securities Limited was awarded the 'Best Broking House with a Global Presence' by Dun and Bradstreet on September 30, 2010;
- Religare Tax Plan was awarded the first runner up award at the NDTV Mutual Fund Awards in the 'Equity Tax Plan' category by NDTV Profit in September, 2010;
- Religare Capital Markets Limited was awarded the 'Best Deal in the Health Care' category for Fortis Health Care Limited's acquisition of a stake in Parkway Holdings Limited by the M&A Advisor in September, 2010;
- Our Company was awarded the Greentech HR Excellence Awards in the following two categories: (i) Innovation in Recruitment and (ii) Technology Excellence in HR by Greentech Foundation on September 17, 2010.
- Mr. Sunil Godhwani, our Chairman and Managing Director, was conferred the Indian Business Leader of the Year award at the Global Indian Business Meeting hosted by IESE Business School, University of Navarra in June, 2010.

Our consolidated total income increased by 59.24%, from ₹ 11,436 million, for the nine month period ended December 31, 2009, to ₹ 18,210 million, for the nine month period ended December 31, 2010. Our consolidated total income increased from ₹ 11,945 million for the Financial Year 2009 to ₹ 16,752 million for the Financial Year 2010.

Our Competitive Strengths

Strong promoter commitment

Our Promoters, Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh, have businesses interests spanning various sectors including healthcare delivery and financial services. Our expansion has been supported by significant capital contributions by our Promoters. Since the listing of our Company in the year 2007, our Promoters and Promoter Group contributed funds aggregating to ₹ 11,305 million by subscribing to equity

shares of our Company offered on a rights basis in the Financial Year 2010, ₹ 2,500 million by subscribing to equity shares offered pursuant to a preferential allotment during the nine month period ended December 31, 2010 and ₹ 2,500 million by subscribing to equity shares of our Company issued pursuant to exercise of warrants in the Financial Year 2011. Furthermore, in the Financial Year 2011, our Promoter Group acquired 13.33 million Equity Shares of our Company from the open market, including by way of an open offer triggered under the provisions of the Takeover Code, for an aggregate consideration of ₹ 6,086 million.

Our Promoters, Mr. Shivinder Mohan Singh and Mr. Malvinder Mohan Singh on their behalf, and on behalf of the Promoter Group, have undertaken, by way of their letters dated May 6, 2011, to subscribe to the full extent of their Rights Entitlement in the Issue. Further, our Promoters have also confirmed that in addition to the subscription to the Equity Shares, as stated above, in the event of an undersubscription, the Promoters and/or Promoter Group shall subscribe to additional Equity Shares in the Issue such that at least 90% of the Issue is subscribed.

Robust India platform, well positioned to exploit significant growth opportunities in the Indian financial services sector

We have an established and integrated Indian financial services business comprising equity and commodity broking, capital market lending and asset finance, asset and wealth management, and life insurance businesses.

We believe that we have one of the largest retail financial services networks in India consisting of 2,169 Business Locations spread across 571 cities as of December 31, 2010, which strengthens our reach and distribution network to retail investors. Our overall customer base as of December 31, 2010 comprised over 1.25 million customer accounts as compared to over 1.03 million customer accounts as of December 31, 2009.

We offer financial services and products to clients across segments. For example, we offer asset management, retail and insurance broking services to the mass market, lending, broking and insurance services to the mass affluent, wealth management services to HNIs and, lending and advisory services to SMEs, mid and large-size companies.

We offer complete broking services catering to retail customers including securities broking, depository participant services and portfolio management services as our major activities and offerings. Our equity broking services had more than 761,000 clients as of December 31, 2010, and based on the total value of trades published by the Stock Exchanges, our combined estimated market share of both 'NSE Cash and Futures Segment' trading and 'BSE Cash Segment' trading was approximately 3.60%, 3.59% and 3.90% for the Financial Years 2010, 2009 and 2008, respectively. RSL has also increased the number of trades on both the 'NSE Cash and Derivatives Segment' and the 'BSE Cash Segment' from 203,550 trades on the last trading day during the Financial Year 2007 to 485,156 trades on the last trading day of the Financial Year 2010.

In addition, secured and unsecured loans given by our Subsidiary, RFL, have grown significantly in the recent past, i.e. by 116.17% to ₹ 88,318.29 million as at December 31, 2010 from ₹ 40,855.90 million as at March 31, 2010. We provide various forms of credit, such as loans against securities, home loans, loans against property, loans for commercial assets, working capital, and plant and machinery loans to SMEs, personal finance services, promoter financing, employee stock option plan ("ESOP") financing and IPO financing, with a focus on secured debt financing. Our lending business had a distribution network of more than 30 branches spread across 12 states in India as of December 31, 2010.

Our life insurance business, operated through a joint venture with AEGON N.V., provides a wide range of protection and savings (both traditional and ULIP) plans. This business commenced in the Financial Year 2009 and, as of December 31, 2010, we had insured approximately 114,000 individuals. We also intend to commence our health insurance business in India in the near future, and our Subsidiary, RHIL, has obtained an R1 registration license from the IRDA and has applied for R2 registration.

Our asset management company offers various debt-oriented, equity-oriented and hybrid schemes as well as exchange-traded funds and also provides discretionary portfolio management services. For the quarter ended December 31, 2010, our average assets under management under various mutual fund schemes amounted to ₹ 104,107.64 million. We provide customised wealth management services to HNIs through our joint venture with Macquarie. As of December 31, 2010, we provided advice in relation to total assets amounting to ₹ 20,650 million and our 186 relationship managers serviced 3,870 clients.

We believe our strong distribution capabilities, along with our manufacturing capabilities across multiple financial products and services, as described above, and structural capabilities together constitute a comprehensive suite of financial services that address various needs of our clients thereby creating a strong and sustainable platform for growth in the Indian market.

Wide institutional distribution network and client coverage through our investment banking and global asset management businesses

We have invested significantly in strengthening our investment banking platform by building an experienced management team and by widening our distribution network and client coverage through strategic acquisitions in the equities and asset management space. Our investment banking professionals maintain relationships with businesses, private equity firms, other financial institutions and high net worth individuals, and provide them with corporate finance and investment banking advice. Our investment banking services include executing public equity offerings, mergers and acquisitions advisory services, corporate restructuring services, placement of private debt and equity offerings and rendering general investment banking and transaction advisory services. Our institutional brokerage business is empanelled with 450 clients as of May 1, 2011, including FIIs, mutual funds, banks and insurance companies across Asia, Europe and the United States. Religare Capital Markets Limited acquired CJEL and BJM in the Financial Year 2011 to augment its international presence. CJEL is an institutional equities firm focusing on mutual fund and hedge fund clients across the Asian and Australasian markets, including Japan. BJM, another institutional equities firm, primarily focuses on providing agency, broking and research on South African stocks to institutional clients in the United Kingdom and the United States.

RCM has an emerging markets focused institutional equities research team comprising 33 analysts covering more than 176 companies in 15 sectors as of December 31, 2010. In addition to quality primary research, RCM also publishes several in-depth and thematic reports for its clients.

The affiliates acquired by our Global Asset Management business have existing relationships with institutional investors, private equity funds, etc. and will continue to use these relationships to sell new products. In addition, RGAM intends to leverage on these relationships to distribute products from one affiliate to investors who have participated in other affiliates. RGAM also intends to utilise the distribution teams of RCM, particularly those in Japan, Dubai and Hong Kong, for providing a wider reach to its affiliates' products.

Diversified financial services products providing a balanced risk portfolio

Our diverse portfolio of products balances our risk between capital intensive fund-based products, such as capital market finance and asset finance, and the non-capital intensive fee based products, such as equity and commodity broking, investment banking, asset management and wealth management. Additionally, we expect that our long-term value creating businesses, such as insurance and asset management, will provide us with stable, annuity-based revenues, balancing out the transactional returns from our capital markets businesses, which have market driven and volatile cycles of growth.

Synergistic business segments in the financial services domain providing a one stop shop for clients and opportunities for cross-selling our products

We offer a diversified range of financial services and products across different platforms, including equity and commodity broking, lending, online trading, investment banking, institutional equities, private client brokerage, wealth management, asset management, portfolio management services, investment advisory services, insurance broking, life insurance, investment banking and wholesale financing, providing a one-stop solution to financial services needs across all classes of investors.

Our diversified service platform has been designed to allow us to leverage relationships across our various lines of businesses, thereby increasing our ability to cross-sell our products and services. For example, equity capital markets offerings advised upon by our investment banking group may be cross-sold to retail investors through our retail brokerage business and increases our retail product offerings; we are able to cross sell our mergers and acquisitions and equity capital markets advisory services to asset management investees; our equity capital markets group can source private equity transactions for our asset management group; we can provide research-

led investment ideas for our asset management business; and we can also cross-sell wealth management and wholesale financing alternatives to our investment banking clients.

Our global asset management business aims to acquire affiliates from various asset classes and regions to build scale and network effect. We expect to capitalise on the global platform to sell our India and emerging markets based asset management products globally.

Experienced and committed senior management team

We have a senior management team that is experienced in identifying and exploiting markets for new and innovative financial instruments. Our leadership team comprises experienced professionals who have previously worked at renowned financial institutions in India and abroad. For example, our Chairman and Managing Director, Sunil Godhwani has over two decades of experience in managing large businesses and is currently on the board of directors of several of our Group Companies including RMWML, ARLICL, amongst others; our group CEO, Shachindra Nath has over 16 years of experience and has been associated with us since 2000; our group CFO, Anil Saxena has over 20 years of experience in the financial services industry and has been associated with us since 2002; our group COO & Head of Strategy, Basab Mitra, has over 18 years experience and has worked with organizations such as GE Capital, McKinsey & Co. and Arcapita; the CEO of RCM, Martin Newson, has over 25 years of industry experience, including senior positions at Dresdner Kleinwort in London, Credit Suisse and Goldman Sachs in London; our head of Global Asset Management, Paresh Thakker, has over 18 years of industry experience, including positions at DSP Merrill Lynch, Infinity Ventures and Evolve India; the CEO of RSL, Gagan Randev, has over 19 years of industry experience, including senior positions at ABN AMRO, Citigroup and TATA AIG; and the CEO of RFL, Kavi Arora, has over 17 years of industry experience, including senior positions at ABN AMRO, Citi Financial and GE Capital.

We have implemented a co-ownership structure at the management level, whereby we have aligned our management's interests to those of our shareholders through equity-linked incentives for performance both at the subsidiary and the holding company levels. Furthermore, to encourage collaboration across various businesses, the senior management of our Subsidiaries have been granted stock options at the subsidiary level as well as at our Company level, and senior management personnel of our Company have been granted co-ownership at our Company level as well as at the subsidiary-level.

Governance complemented by alignment of management interest

Our Promoters, Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh, having nurtured our Company and built a strong professional management team, resigned from our Board, with effect from April, 2010, and our group CEO and group CFO were inducted on our Board. With a view to bring greater diversity and international experience on the Board, Ms. Kathryn Matthews and Mr. Stuart Pearce were appointed as Independent Directors on the Board of our Company in July, 2010. Ms. Kathryn Matthews and Mr. Stuart Pearce, collectively, have over 65 years of experience in the international financial services business. As set out above, we have implemented a co-ownership structure at the management level, whereby we have aligned our management's interests to those of our shareholders. On the recommendation of our shareholders, we have resolved to issue shares/ options to senior employees of our Company and its subsidiaries up to a maximum limit as set out in the table below:

Entity	Maximum shares/ options to be issued to employees (% of diluted capital)
Company	10%
RSL	7.50%
RAMCL	7.50%
RFL	7.50%
RHIL	10%
RGAM	7.50%

Entity	Maximum shares/ options to be issued to employees (% of diluted capital)
RCM	25%

Furthermore, to encourage collaboration across various businesses, the senior management of our Subsidiaries have been granted stock options at the subsidiary level as well as at our Company level, and senior management personnel of our Company have been granted co-ownership at our Company level as well as at the subsidiary-level. We are confident that a management team with such experience, bandwidth and aligned interests, complemented by strong governance practices, can execute our growth strategy.

Business Strategy

Develop a successful one stop financial services platform in India

We have focused on the Indian market, as we believe that the developing Indian economy and the growing disposable income of the Indian population have created a space for a diversified financial services company such as ours. The broadening of the Indian financial markets due to financial market reforms undertaken by Indian regulators, the introduction of innovative financial instruments and the entry of sophisticated domestic and international financial services participants, has significantly contributed to the growth of the Indian financial market. Financial services accounted for approximately 15% of India's total GDP in the Financial Year 2009. (Source: India Brand Equity Foundation). As per the Economic Survey 2010-11, India's real GDP, in the Financial Year 2012, is expected to grow at 9% (+/- 0.25%) and this has positive implications for growth in the financial services sector. (Source: www.indiabudget.nic.in)

We are ideally positioned to exploit India's growth opportunity through our network of 2,169 Business Locations spread across 571 cities in India. We have established a wide diversity of financial services businesses in India including equity and commodity broking, capital markets lending, lending and asset finance, asset and wealth management and life insurance. We also intend to commence our health insurance business in India in the near future, in which regard our Subsidiary, RHIL, has obtained an R1 registration license from the IRDA and has applied for R2 registration.

Part of our India business strategy is to continually improve our services offerings to our clients by investing in human resources and IT infrastructure, each of which, we believe, are key to success in the financial services sector. Further, our internal control systems and risk assessment procedures are strengthened by our investment in human resources and IT infrastructure, which in turn results in providing our clients with a reliable financial services platform catering to all their financial services requirements.

Capitalise on the growing importance of emerging markets to build an integrated emerging market focused investment bank

We believe that as economic growth in emerging markets continues to outpace that in the developed markets, the weight and importance of emerging markets in the global economic order will increase, which will, in turn, lead to a greater propensity on the part of developed market funds to own emerging market assets. As an outcome of such economic growth, we expect a surge in capital issuances by emerging market companies as well as secondary market purchases of emerging market equities by developed market funds as well as the generation of opportunities in the investment banking and institutional equities broking space for a sustained period of time. The strength of emerging market capital flows observed over the last few years can be explained by a number of factors including opportunity for global diversification, significant returns and the new found ability of investors to access emerging markets through liquid low cost indexed vehicles. Emerging markets focus is generally linked to multi-decade growth cycles.

As a result of the expectation that emerging markets will continue to grow at higher rates than the developed world, it is anticipated that over the next fifteen to twenty years, the collective economic output of the emerging markets will overtake that of the developed markets. We believe that of the emerging markets, the four large economies (viz. Brazil, Russia, India and China or "BRIC") will occupy centre-stage. For more details, please see "Industry – Emerging Markets".

Our Investment Banking business is being positioned to exploit this shift in capital by providing a platform for facilitating the flow of capital from developed to the emerging markets.

We have built and will continue to build strong research capabilities across emerging markets to deliver distinctive insights about companies and industries operating in the emerging markets, with research being carried out in India, Hong Kong, Singapore and the United Kingdom. Over the next few years, we intend to extend our research capabilities across certain additional emerging economies including Brazil, China, Indonesia, Malaysia and South Africa.

Our institutional research is backed by strong distribution in India and across global money centers, such as New York, London, Singapore, Hong Kong and Melbourne. As of May 1, 2011, we have 450 institutional empanelments obtained directly as well as through acquisitions. We believe our ability to bring distinctive, coherent and market spanning research across emerging markets to our institutional clients, supported by a robust global distribution platform, is a source of sustainable competitive advantage to us.

Our institutional equities business, through corporate access and distinctive insights, creates the platform for our investment banking franchise, which is focused on building a quality equity capital markets and advisory platform. Our strategy, with respect to both institutional equities and investment banking is to focus on the growing yet underserved mid and small cap segments, with strategic relationships with select large cap companies. We provide a wide range of products including public equity offerings, convertible bond offerings, mergers and acquisitions advisory services, corporate restructuring advisory services, placement of private fund raisings (including debt and equity), and other investment banking and transaction advisory services. In India, our focus is to build a distinctive full range investment banking franchise and we have built a superior team comprised of top talent in the Indian market place. We will continue to build and grow our equity capital markets and advisory capabilities in other markets in line with our rollout plan for RCM.

Exploit the growing and structural shift of capital to emerging markets to build the global asset management business

For western asset managers, one of the consequences of the changing global shift of capital and economic activity to emerging markets is the need to own emerging market assets. On account of the higher rates of growth expected in emerging markets compared to developed markets, emerging market equities are likely to deliver better returns as compared to developed market equities. As a result, asset managers in developed markets focusing on their respective home markets would be under pressure to improve the performance of their portfolios. Boutique asset managers in the west faced with this challenge are increasingly looking to extend their footprint into emerging markets, firstly, to develop emerging market products and secondly, over time, to raise capital. Our global asset management business is being developed to exploit this opportunity. Our multi-boutique asset management platform provides western asset managers the bridge to emerging markets.

We intend to create a multi-boutique asset management platform with a portfolio of eight to 12 distinctive asset managers that will provide us with a global presence with a significant emphasis on the emerging markets. Over the next three to four years, we intend to have assets of US\$ 70,000 – 100,000 million under management across diversified asset classes. In order to fully implement our objectives for a global asset management business, we intend to develop and build our in-house distribution team to achieve a global footprint by incentivising our team, leveraging existing relationships and augmenting our knowledge of the markets. We also intend to introduce a range of capital introduction services thereby catering to the varied needs of our clients. We also intend to roll-out our offices across geographies and institutionalise our marketing processes. In addition, our global asset management business expects to leverage cross selling opportunities arising out of our emerging markets investment banking business. Furthermore, we intend to utilise the distribution teams of RCM, particularly those in Japan, Dubai and Hong Kong, for providing a wider distribution reach.

We generally acquire majority interests (ranging from 51-75%) in our affiliates, keeping investment and operational control with the existing management team, with RGAM having broad oversight and providing strategic input. We provide operational independence to our affiliates and create alignment by way of equity incentivisation and succession planning. Our business model aims at providing value-add to all the stake holders involved. For selling shareholders, it provides an opportunity for monetisation of past efforts and continued sharing in future value creation. For investors in the affiliate's funds, it provides a stable and aligned management team, unchanged investment process and improved product offering. We benefit from the sizeable

effect of an aggregate platform and resultant multiple expansion. Additionally cross pollination of resources and relationships create a network effect. We have recently acquired a 70% interest in Northgate Capital, which has established relationships with venture capitalists and private equity firms in developed economies such as the United States and Western Europe. Additionally, we have acquired a 55% interest in Landmark Partners, a private equity and real estate investment advisory company that specialises in secondary market transactions. Landmark Partners was chosen as the “Best Secondaries Firm in North America” for the year 2009 and 2010 by Private Equity International.

Pursue strategic acquisitions and alliances

We will evaluate opportunities to expand into new business areas either organically or inorganically through acquisitions and alliances with entities providing financial services. We will continue to pursue strategic acquisitions and alliances to enhance our capabilities, address specific industry opportunities, further our industry and technical expertise, expand our operations geographically and benefit from an expanded client base.

Cross sell our products

The following table provides examples of our cross-selling activities carried out in accordance with applicable law:

Entity	Cross-selling Activities
RSL	Provides RCM’s investment banking business with a retail distribution channel for initial and follow-on public offerings, rights issues and public issues of bonds and debt securities. RCM’s investment banking business provides RSL with additional products for distribution to its retail client base.
	RSL, with its reach and client access, provides distribution impetus to our manufacturing businesses including domestic asset management and lending.
RFL	Provides RCM’s investment banking business with access to corporate relationships. RCM’s investment banking business cross-sells RFL’s products to its corporate clients.
RMWML	Provides RCM’s investment banking business with access to equity capital markets distribution and acts as a referral agency for life insurance policies issued by ARLICL. RCM’s investment banking business provides RMWML with access to RCM’s investment banking relationships.
RAMCL	RAMCL functions as a potential buyer of RCM investment banking products. RCM’s investment banking business provides RAMCL with access to investment banking relationships.
RGAM	RGAM/RCML to provide distribution services to RAMCL for its products.
	RGAM to benefit from RCM relationships.

Develop client relationships and continue to expand to new markets and product offerings

Our primary focus is to increase our client base by expanding our geographic presence within India and internationally. Towards this end, we continuously seek to open new offices in new cities and grow and train our sales force to provide improved and personalised customer service and offer multiple products to our clients when an opportunity presents itself. We have expanded our presence in the international markets through the acquisition of Landmark Partners, Northgate Capital, BJM, Bartleet, CJEL and RCMPIC (formerly Religare Hichens, Harrison & Co. Plc). We currently operate out of 17 international offices (one in London, two in Singapore, two in the United States, one in Japan, one in Hong Kong, one in Dubai, seven in Sri Lanka and two in Australia).

We intend to introduce new products that will provide our clients with access to a range of financial products and services to suit their varied needs. Since commencing our operations as a broking and depository services company, we have expanded to offer investment banking, life insurance, asset management, wealth

management, distribution and lending services, and are in the process of adding newer products such as health insurance.

Our diversified service platform allows us to leverage relationships across our businesses, and our industry and product knowledge by providing multi-channel delivery systems to our clients, thereby increasing our ability to cross-sell our services. We offer equity and derivatives broking, depository services, mutual fund and equity distribution, commodities broking, insurance services and also extend secured and unsecured loans primarily to SMEs to fund their growth requirements. We believe that the dual strategy of continuous expansion of our client base and expansion in product offerings will enable us to increase our share of a client's total financial portfolio.

Corporate Structure

We operate all of our businesses through our various Subsidiaries and Joint Ventures. The following table provides a summary of our significant Subsidiaries and Joint Ventures as of March 31, 2011:

Company	Subsidiary / Joint Venture	Stake Held by REL	Area of Operation
Religare Finvest Limited	Subsidiary	100%	<ul style="list-style-type: none"> ■ Capital Market Financing ■ IPO Financing and ESOP Financing ■ Promoter Financing ■ Asset Financing
Religare Housing Development Finance Corporation Limited (through Religare Finvest Limited)	Subsidiary	87.5%	<ul style="list-style-type: none"> ■ Housing finance under licenses issued by National Housing Bank ■ Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interests
Religare Securities Limited	Subsidiary	100%	<ul style="list-style-type: none"> ■ Retail Equity Broking ■ Online Investment Portal ■ Portfolio Management Services ■ Depository Services
Religare Commodities Limited (through Religare Securities Limited)	Subsidiary	100%	<ul style="list-style-type: none"> ■ Retail Commodity Broking Business
Religare Macquarie Wealth Management Limited	Joint Venture	50%	<ul style="list-style-type: none"> ■ 50: 50 joint venture with Macquarie for wealth management business
Religare Asset Management Company Limited (through Religare Securities Limited)	Subsidiary	100%	<ul style="list-style-type: none"> ■ Asset Management Company which manages Religare Mutual Fund
Religare Insurance Broking Limited	Subsidiary	100%	<ul style="list-style-type: none"> ■ Life and Non Life Insurance Broking
AEGON Religare Life Insurance Company Limited	Joint Venture	44%	<ul style="list-style-type: none"> ■ Life Insurance Company, Joint Venture between REL (44%), AEGON N.V. (26%) and Bennet, Coleman & Company Limited (30%) for life insurance business in India
Religare Health Insurance Company Limited	Subsidiary	90%	<ul style="list-style-type: none"> ■ Health Insurance Company established with the objective of issuing health insurance and related products. R1 registration license has been received from the IRDA and the R2 registration license has been applied for.
Religare Capital Markets Limited	Subsidiary	100%	<ul style="list-style-type: none"> ■ Investment Banking - SEBI Registered Category I Merchant Banker ■ Corporate Finance ■ Institutional Equity Broking ■ Acquisition of Hichens, Harrison & Co. Plc

Company	Subsidiary / Joint Venture	Stake Held by REL	Area of Operation
			<p>(now known as Religare Capital Markets Plc) through an international arm</p> <ul style="list-style-type: none"> ○ Corporate Broking ○ Institutional Broking & Sales ○ Private Client Broking ○ Contracts for Differences ○ Research ■ Acquisition of CJEL through an international arm <ul style="list-style-type: none"> ○ Brokerage services to mutual fund and hedge fund clients across the Asian and Australasian markets, including Japan ■ Acquisition of 50% interest in Sri Lanka based Bartleet through an international arm <ul style="list-style-type: none"> ○ Stock broking ○ Investment advisory ○ Equity research ○ Online trading ■ Acquisition of the United States and United Kingdom operations and licenses of South Africa based BJM through an international arm <ul style="list-style-type: none"> ○ Agency broking and research on South African stocks to institutional clients in the United States and United Kingdom
Northgate Capital (through Religare Global Asset Management Inc.)	Foreign Subsidiary	70%	<ul style="list-style-type: none"> ■ Private equity fund of funds ■ Venture capital fund of funds ■ Emerging markets fund of funds
Landmark Partners (through Religare Global Asset Management Inc.)	Foreign Subsidiary	55%	<ul style="list-style-type: none"> ■ Private equity and real estate investment advisory company ■ Specialises in secondary market (buying stake of existing investors in established products)

Details of our Businesses

Broking

Our broking business encompasses retail equity broking, currency and futures broking, commodity broking and insurance broking.

Retail equity broking

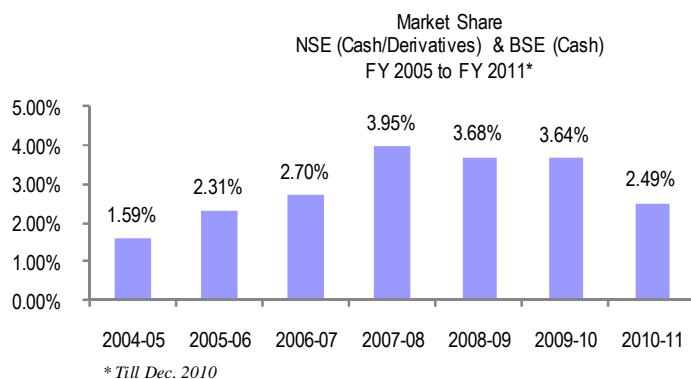
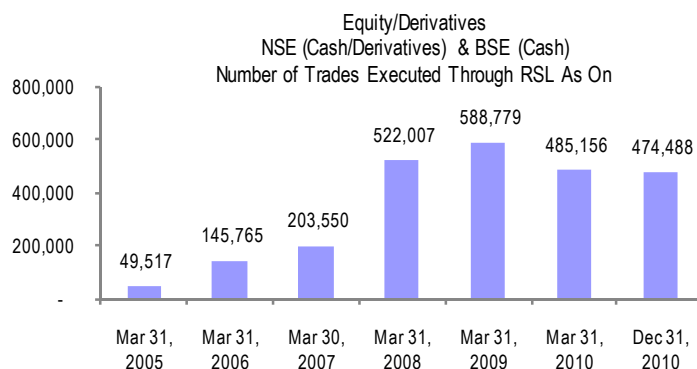
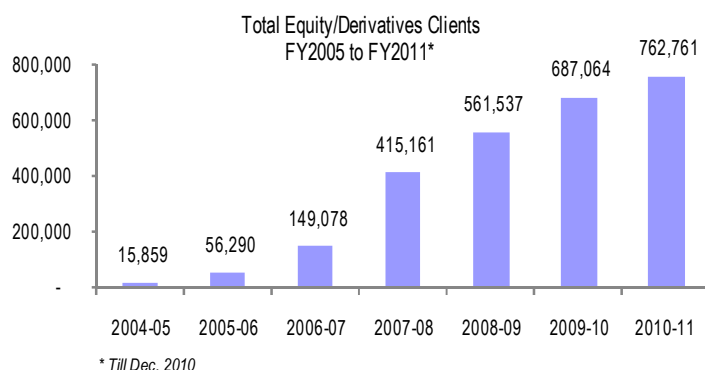
Our retail equity broking business is operated by RSL, our wholly owned subsidiary, which offers complete broking services catering to retail customers including equity broking in the cash and derivatives segments, currency futures and options broking and depository participant services as its major activities and offerings. RSL is a member of the NSE, the BSE and the MCX SEL, is a Depository Participant with NSDL and CDSL. CRISIL and ICRA, two of the leading rating agencies in India have assigned the ratings of 'P1+' and 'A1+', respectively, the highest credit quality ratings for short term debt, to RSL for its short term debt aggregating to ₹ 15,000 million.

The equity brokerage business in India is segregated into full service brokerage and discount brokerage, and RSL has a presence in both market segments. RSL's full service advisory brokerage business is conducted under the "R-ALLY" brand, where RSL offers both a physical and an online interface with clients, RSL's execution only discount brokerage is conducted under the "R-ACE" brand, where RSL offers an online interface only. RSL's equity broking services had more than 761,000 clients as of December 31, 2010. Based on the total value of trades published by the Stock Exchanges, RSL's combined estimated market share of both 'NSE Cash and Futures Segment' trading and 'BSE Cash Segment' trading was approximately 3.60%, 3.59% and 3.90% for the Financial Years 2010, 2009 and 2008 respectively. RSL has also increased the number of trades on both the

‘NSE Cash and Derivatives Segment’ and the ‘BSE Cash Segment’ from 203,550 trades on the last trading day during the Financial Year 2007 to 485,156 trades on the last trading day of the Financial Year 2010. The average number of trades for the nine months ended December 31, 2010 was 496,136.

RSL’s broking activities require it to maintain adequate margin with various stock exchanges to facilitate client trades. These margin requirements are primarily determined based on the aggregate daily turnover and volatility of the overall market, the specific securities or commodities our clients may be active in and other factors. We meet these requirements by deploying certain amounts by maintaining fixed deposit receipts or bank guarantees with these stock exchanges.

The following charts illustrate the growth in RSL’s equity and derivatives business since the Financial Year 2005:



For its equity trading services, RSL’s model combines dedicated relationship and dealing services for each client to ensure continuous growth of its services. While the dealing team regularly updates equity trading

clients with market information and executes their trades, the relationship team continues to deepen the relationship by cross-selling other financial products. The relationship team is also responsible for open market acquisition of new clients. As of December 31, 2010, RSL had 3,198 dedicated relationship managers and dealers and an acquisition team of 521 acquisition managers.

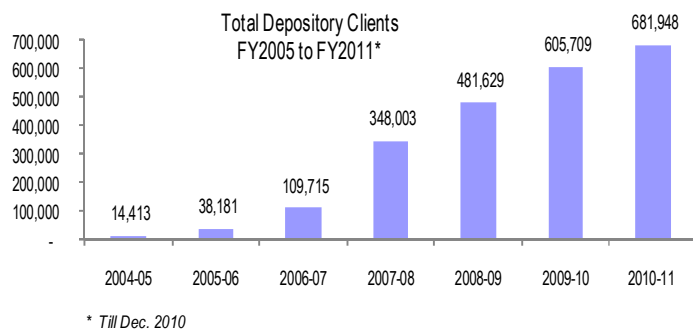
RSL's gross brokerage income for the nine months ended December 31, 2010 was ₹ 3,004 million compared to ₹ 3,087 million for the nine months ended December 31, 2009. As of December 31, 2010, RSL had a distribution network of 1,926 outlets across India for its equity trading and other financial services offered to retail investors, including 397 branches and 1529 franchisees. RSL supports these outlets with a trading platform and an operational back-office, as well as a team of dedicated channel managers, and regional and central support desks.

RSL's online investment portal, www.religareonline.com, provides a complete investment suite of equity broking, commodity broking and IPO and mutual fund subscription services. The online investment portal complements the equity trading services offered at RSL's outlets. As of March 31, 2010, the online investment portal had more than 144,400 accounts for equities and more than 30,400 accounts for commodities. As of December 31, 2010, the online portal had over 155,600 accounts for equities and over 32,400 for commodities. The internet trading volume accounted for approximately 8.22% of the market share of internet trading volume on the NSE during the nine months period ended December 31, 2010.

RSL has agreements with leading public and private banks to offer its equity trading services to their customers through the "BANCINVEST" program. As of May 1, 2011, we had nine partner banks. We continue to develop and invest in deepening these relationships with large private and public sector banks through our "BANCINVEST" channel to cater to a broader spectrum of investors nationally.

Depository services form part of RSL's diversified offering to its equity trading clients, who are able to use depository services to settle their trades through RSL. RSL provides depository services to investors as a Depository Participant with NSDL and CDSL. Total depository accounts held through RSL have increased from 109,715 as of March 31, 2007 to 605,709 as of March 31, 2010, and further to 681,948 as of December 31, 2010. The aggregate value of securities held in depository accounts held through RSL as of December 31, 2010 was ₹ 309,656.36 million.

The following chart illustrates RSL's client addition to its depository accounts since 2005:



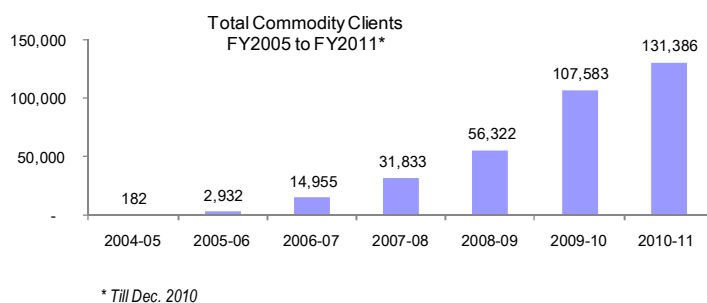
Currency broking

Currency broking provides an opportunity for clients to expand into other markets, diversify their portfolios and use currency futures and options to hedge their capital and trading exposure. Offerings include futures and options in four currency pairs, viz. US\$-Indian Rupee, Euro-Indian Rupee, Pound Sterling-Indian Rupee and Japanese Yen-Indian Rupee.

Commodity broking

Our commodity broking business is operated by RCL, which is registered with FMC and is a member of MCX, NCDEX, NSEL, NCDEX SEL and NMCE. As of December 31, 2010, RCL had a distribution network of 856 outlets across India, and an additional 47 'mandi' branches.

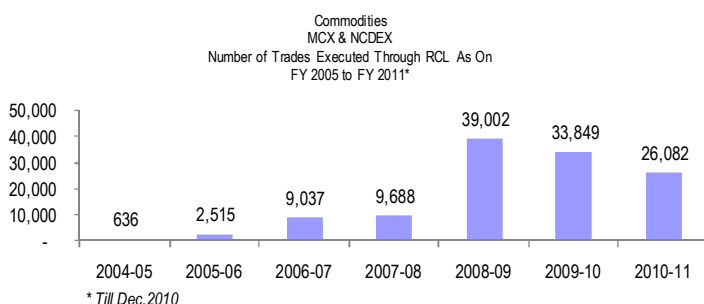
The following chart illustrates RCL's client addition since the Financial Year 2005:



Commodity broking provides investors and end-users with opportunities to hedge the risk of commodity market fluctuations. RCL targets our equity trading customers for investments in globally-traded commodities, such as bullion, oil and gas, metals and agricultural products. RCL had a base of approximately 14,955 clients as on March 31, 2007, which grew to approximately 131,386 as of December 31, 2010. In all Business Locations where commodity broking services are offered, RCL employs experienced commodities dealers, who support trading for existing commodity broking clients. In certain Business Locations where required, RCL also has dedicated commodity relationship managers who acquire new clients and deepen the client base. As of March 31, 2007, RCL had 301 dedicated commodity dealers and relationship managers, which increased to 776 as of December 31, 2010.

RCL's combined estimated market share of trading was approximately 4.78% for the Financial Year 2010, 4.63% for the Financial Year 2009 and 3.73% for the Financial Year 2008. RCL has also increased the number of trades on the MCX and NCDEX from 9,688 trades on the last trading day during the Financial Year 2008 to 33,849 trades on the last trading day of the Financial Year 2010. The average number of trades per day for the nine months ended December 31, 2010 was 36,760.

The following chart illustrates the number of trades that RCL has executed on the MCX and NCDEX since 2005:



Insurance broking

Our insurance broking business is operated by RIBL, which is registered with IRDA for acting as a composite broker. Through RIBL, we are able to distribute life and non-life insurance products and services. RIBL provides its customers access to all major insurance companies' products. As of December 31, 2010, RIBL is a broker to over 30 insurance companies. RIBL intends to provide insurance distribution services through its network of branches.

For the nine months ended December 31, 2010, RIBL's total revenues were ₹130 million.

Lending

Our lending business is operated by RFL, which is registered with RBI as an NBFC not accepting public deposits and provides various forms of credit, such as loans against securities, home loans, loans against property, loans for commercial assets, working capital and plant and machinery loans for SMEs, personal

finance services, promoter financing, ESOP financing and IPO financing. RFL had a distribution network of approximately 43 branches spread across 12 states in India as of December 31, 2010. We believe RFL's pan-India coverage will allow it to continue to grow its loan portfolio and that its in-house ability to appraise credit quality is the key to providing efficient credit decisions. ICRA, one of the leading rating agencies in India, has rated RFL with its ratings 'A1+' for the short term debt for ₹ 75,000 million and 'LAA-' for long term debt of ₹ 20,000 million and 'LAA-' for long term bank loans of ₹ 50,000 million. CARE has assigned a rating of 'CARE AA-' to RFL's long term debt for an amount up to ₹ 2,500 million and FITCH has assigned a rating of 'AA-(Ind)' to RFL's lower tier-II subordinate debt programme for an amount up to ₹ 2,500 million.

We expect our lending business to capitalise on the significant opportunity in the SME segment. As per a study carried out by ASSOCHAM, SME's contribution to national GDP is expected to go up by a minimum of 5% and touch 22% share of India's GDP by the Financial Year 2012 (*Source: www.assocham.org/prels/printnews.php?id=1696*).

RFL's employee strength stands at approximately 1,600 employees as of December 31, 2010. The secured and unsecured loans given by RFL increased from ₹ 17,114 million as of March 31, 2009 to ₹ 88,318.29 million as of December 31, 2010, and its customer base increased at a CAGR of 28% from 13,258 as of March 31, 2009 to 20,414 as of December 31, 2010.

We also offer capital markets financing through RFL, which provides loans against equity securities, mutual funds, structured products, promoter financing, ESOP financing and IPO financing.

The following table sets forth a summary of our loans classified by type of loan, security, yield and tenor:

Type of Loan	Security	Average Yield	Average Tenor
<i>Asset Financing</i>			
Mortgage Loans	Residential or commercial property	13.45%	127 months
SME Business Loans	<ul style="list-style-type: none"> Plant, machinery and equipment Unsecured working capital loans. 	17.78%	29 months
Loans Against Commercial Assets	Commercial vehicles and construction equipment	12.09%	42 months
<i>Capital Markets Financing</i>			
Loans Against Securities	Equity securities	13.50- 14.50 %	-
IPO Financing	Equity securities	10.50-11.50 %	10 days
Promoter Financing	Equity securities	11- 12%	6-12 months
ESOP Financing	Equity securities	10-11 %	3-6 months

Asset Financing

Mortgage - Loan against property: Our 'Loan against Property' product enables our customers to obtain loans against their residential or commercial property. Loans offered under this product may be utilised towards different purposes including business expansion and purchase of plant and machinery. This product was launched in December 2008 and the outstanding loans against property as on December 31, 2010 were ₹ 32,164.22 million with a customer base of 2,796 clients.

SME business loans: This product caters to working capital and other financial requirements of small and medium enterprises, self employed businessmen and professionals. Loans are granted post an in-depth and detailed financial analysis and credit underwriting of the clients. We offer both unsecured loans and loans against plant and machinery and equipment. The SME business loan product was launched in December 2008 and the outstanding loans as on December 31, 2010 amounted to ₹ 6,369 million with 3,134 clients.

Commercial assets - Loans against commercial vehicles/construction equipment: Commercial asset funding is extended by RFL to both priority sector small operators and high-end strategic operators both in 'commercial vehicles' (new or used) and 'construction equipment' (heavy or light) segments. The commercial asset loan product was started in December 2008 and the total outstanding loans, as on December 31, 2010, amounted to ₹ 12,188 million with 10,122 clients.

Capital Markets Financing

Loans against securities: Our loans against securities business involves offering loans secured by securities held by retail customers, which enables us to leverage our equity market positions to take increased exposure. RFL's loans against securities as of December 31, 2010 aggregated to ₹ 12,995 million distributed amongst 1,454 clients.

IPO financing: IPO financing is focused on the high net worth individual investor finance market in India and is engaged in offering secured loans to such high net worth customers who subscribe to shares of companies in domestic public offerings ("IPO Financing"). IPO Financing helps customers overcome the liquidity concerns by providing leverage to put in large size applications. RFL undertakes IPO Financing with minimal incremental costs due to its existing infrastructure and client base.

Promoter financing: Promoter financing entails lending to promoters of large, reputed corporates against shares held by them in their companies and other collateral, in order to augment the resources at the disposal of the promoters. RFL undertakes credit appraisal to establish the serviceability of the loans and also maintains a high margin of safety on the security. For further details please see "Our Business - Risk Management". This product was launched in April 2010 and targets the promoters of the top 1,000 companies in India. The outstanding loans for the promoter financing product, as on December 31, 2010, amounted to ₹ 9,484 million across 25 clients.

ESOP financing: ESOP financing allows employees who have been awarded company stock options under an ESOP to take a loan against vested stock options and shares allotted on exercise. Many corporates proactively facilitate the exercise of ESOP options by their employees through this mechanism. RFL's loans for ESOP financing as of December 31, 2010 aggregated to ₹ 248.98 million distributed to 105 clients.

Non-Performing Assets (NPAs)

Based on the existing RBI guidelines for asset classification, details of the classification of our gross NPAs as of December 31, 2010 and March 31, 2010, 2009 and 2008 are set forth below:

(₹ in million)

Asset Type	As of December 31, 2010	As of March 31, 2010	As of March 31, 2009
Secured Loans			
Sub-standard ¹	2.75	49.67	94.44
Doubtful ²	-	-	80.21
Loss ³	65.47	90.35	-
Gross NPA	68.22	140.02	174.65
Unsecured Loans			
Sub-standard ¹	-	4.70	35.26
Doubtful ²	-	-	-
Loss ³	-	-	-
Gross NPA	-	4.70	35.26

1. Sub-standard assets are assets which have been classified as an NPA for a period of 18 months or less, or where the terms of the agreement regarding interest and/or principal have been renegotiated or rescheduled or restructured after commencement of operations until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms.
2. Doubtful assets are assets which have been classified as an NPA for a period exceeding 18 months.
3. Loss assets mean (a) assets which have been identified as a loss asset by us or our internal or external auditor or by the RBI to the extent that they are not written-off by us; and (b) assets which are adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security, or due to any fraudulent act or omission on the part of the customer.

Provisioning policy

Our provisioning in respect of our NPA accounts is in accordance with the norms prescribed by the RBI, with emphasis on the realisable value of the security and the period of overdue payments.

Statutory provisions are required to be made in respect of sub-standard, doubtful and loss assets as per RBI directives. Set out below is a brief description of applicable RBI guidelines on provisioning and write-offs for loans, advances and other credit facilities including bills purchased and discounted:

Sub-standard assets: A general provision of 10% of the total outstanding assets is required to be made.

Doubtful assets: 100% provision to the extent to which the advance is not covered by the realisable value of the security to which the NBFC has a valid recourse is required to be made. The realisable value is to be estimated on a realistic basis. In addition to the foregoing, depending upon the period for which the asset has remained doubtful, provision is required to be made as follows:

- if the asset has been considered doubtful for up to one year, provision to the extent of 20% of the secured portion is required to be made;
- if the asset has been considered doubtful for one to three years, provision to the extent of 30% of the secured portion is required to be made; and
- if the asset has been considered doubtful for more than three years, provision to the extent of 50% of the secured portion is required to be made.

Loss assets: The entire asset is required to be written off. If the assets are permitted to remain in the books for any reason, 100% of the outstanding assets should be provided for.

For further information on RBI guidelines on provisioning and write-offs, please refer the section titled "Regulations and Policies" on page 90.

We have written off ₹ 149.89 million as of December 31, 2010. As per the provisioning norms prescribed by the RBI, as of December 31, 2010, we have made a total provision of ₹ 65.75 million, which constituted 96% of our NPAs.

Details of provisions and amounts written off as of December 31, 2010 and March 31, 2010, 2009 and 2008 are set out in the table below:

	<i>(₹ in million)</i>		
	As of December 31, 2010	As of March 31, 2010	As of March 31, 2009
Gross NPAs	68.22	144.72	209.91
Provisions	65.75	95.79	93.18
Net NPAs	2.48	48.93	116.73
Net loans	88,220.63	40,381.89	16,880.73

	As of December 31, 2010	As of March 31, 2010	As of March 31, 2009
Net NPAs/Net loans (%)	0.003	0.12	0.69
Amounts written off	149.89	474.02	232.81

Insurance

Life insurance

We operate our life insurance business through ARLICL, which is a joint venture amongst our Company, AEGON N.V. and Bennett, Coleman & Company Limited, with our Company holding a 44% share, AEGON N.V. holding 26% and Bennett, Coleman & Company Limited holding the balance 30%. ARLICL sold its first policy in July 2008.

ARLICL manages individual insurance and pension business through multiple distribution channels across India. The main distribution channels are the traditional agency channels, salaried sales force and third party distributors. As of December 31, 2010, ARLICL had over 118 Business Locations. ARLICL launched a completely on line term insurance product, *i-Term*, in India. Under its umbrella, ARLICL offers traditional participating products, traditional non-participating products, unit linked products and protection products.

Pursuant to this joint venture agreement amongst our Company, AEGON N.V. and Bennett, Coleman & Company Limited, we are assured an IRR of 12% backed by way of bank guarantees. For the Financial Year 2010, ARLICL sold over 50,000 new policies and received premium of ₹ 1,504 million in respect of new policies. During the nine months ended December 31, 2010, ARLICL sold approximately 51,000 new policies and received premium of ₹ 1,470 million in respect of new policies. For risks in relation to our life insurance business, see “Risk Factors - Our insurance business may incur losses for some years, which may adversely affect our business and financial condition” on page xx.

Health insurance

We intend to offer health insurance through our Subsidiary, RHIL, in which regard, RHIL, has obtained an R1 registration license from the IRDA and has applied for an R2 registration license. RHIL has been established with the objective of providing health insurance and related products. REL holds 90% stake in this venture, with the balance held equally by Corporation Bank and Union Bank of India, two leading public sector banks with a vast branch network across India.

RHIL has already recruited all key management personnel. We believe that the top management of RHIL comprises experienced and successful professionals from the industry. RHIL has already received R1 approval from IRDA and has applied for R2 approval on January 10, 2011 upon grant of which, the process in relation to the R3 approval may be completed. RHIL will be in a position to issue policies once R2 and R3 approvals are received. RHIL has already drawn up detailed plans for the launch of the products including for underwriting, marketing and distribution, and is in the process of working out arrangements with hospitals and other healthcare providers, which will enable it to rapidly launch products once all approvals are received from IRDA. Our Promoters have also promoted Fortis Healthcare (India) Limited, which is an Indian healthcare services provider; Super Religare Laboratories Limited, which is an Indian diagnostics company with 181 network laboratories and 888 collection centers; and Religare Wellness Limited, a pharmacy chain with 130 stores across India. We believe that our access to this healthcare delivery ecosystem confers a significant advantage to RHIL in designing innovative products and improves the ability to underwrite risk.

Investment Banking

We operate our investment banking business through RCM, which is registered as a Category I Merchant Banker with SEBI and as a multiple member in the ‘Cash Segment’ and as a ‘Self Clearing and Trading Member’ in the derivatives segment with the NSE. RCM is also registered with the BSE as a member in the

‘Cash Segment’. RCM also undertakes institutional broking and research. In the last one year, RCM has invested significantly in strengthening its investment banking platform by hiring key management personnel from bulge-bracket investment banks, and by acquiring several companies in the advisory and equities space.

RCM aims to provide integrated and best-fit solutions to its clients and endeavors to provide value added services through diverse financial solutions in areas such as public equity offerings, convertible bond offerings, mergers and acquisitions advisory services, corporate restructuring advisory services, placement of private fund raisings (including debt and equity), and other investment banking and transaction advisory services. RCM supports its investment banking clients internationally through its headquarters in London; hubs in India, Singapore and Hong Kong; and regional offices in the United States, Dubai and Australia.

RCM’s investment banking professionals maintain relationships with businesses, private equity firms, other financial institutions and high net worth individuals, and provide them with corporate finance and investment banking advice. We won an international award at the 8th Annual M&A awards held in New York for a deal in which REL was involved, namely the “*Ranbaxy-Daiichi*” deal, recognised as the “Best M&A Deal in the Health/Life Sciences Category”. Recently, RCM advised Fortis Healthcare (India) Limited and Fortis Global Healthcare Holdings Pte Limited on several M&A deals including the acquisition of Wockhardt Hospitals Limited, India for US\$ 189 million, Quality Healthcare, Hong Kong for US\$ 196 million, Dental Corporation, Australia for US\$ 131 million and also on the sale of stake in Parkway Hospitals, Singapore for US\$ 685 million.

For the nine months ended December 31, 2010, revenues from our investment banking operations contributed ₹ 702 million.

Institutional brokerage

Our institutional brokerage business provides research and sales and trading services to asset management companies, pension funds, insurance companies and hedge funds around the world, and includes the acquired business of RCMPlc as well as the more recently acquired businesses of CJEL, Bartleet and BJM, as further described below.

Institutional research

RCM has one the largest institutional research teams in India with 16 writing analysts providing comprehensive coverage of Indian markets. In addition to quality primary research, RCM also publishes several in-depth and thematic reports for its clients. Five of our writing analysts are rated by reputed institutions like Asiamoney and Institutional Investor. RCM engaged a team of 33 analysts, covering 176 companies in 15 sectors as of December 31, 2010.

International expansion of investment banking business through acquisitions

Religare Capital Markets Plc. RCM, through its Subsidiary, RCMIUKL, acquired RCMPlc (formerly Religare Hichens, Harrison & Co. Plc (“**RHH**”)), in the Financial Year 2009 for £55.5 million (equivalent to ₹ 4,682.81 million). RHH, incorporated in the year 1803, is believed to be one of the oldest stock broking firms in the City of London. RCMPlc is engaged in investment banking, corporate finance, institutional broking, “nominated advisor” services and main market sponsor activities.

RCMPlc is authorised and regulated by the Financial Services Authority in the United Kingdom, is a member of the London Stock Exchange and is a PLUS markets corporate adviser. RCMPlc also has a Dubai Financial Services Authority authorised branch office in Dubai with a Category 4 license to advise or arrange deals in key products for institutional investors. RCMPlc’s subsidiary, Religare Capital Markets (UK) Limited, is also authorised and regulated by the Financial Services Authority and is licensed by the London Stock Exchange as a nominated adviser for companies quoted on the Alternative Investment Market and a sponsor for companies with a primary market listing. RCMPlc’s subsidiary, Religare Hichens, Harrison (Pty) Limited, is licensed by the Financial Services Board of South Africa.

Barnard Jacobs Mellet (UK) Limited. RCM acquired BJM in December 2010 for £ 2,941,413 (equivalent to ₹ 213.52 million). BJM primarily focuses on providing agency broking and research on South African stocks to

institutional clients in the United Kingdom. BJM is now a subsidiary of RCMPlc, and as of November 17, 2010, was renamed Religare Capital Markets (EMEA) Limited. Further, on receipt of FINRA's approval in December 2010, RCMPlc through its subsidiary, Religare Investment Holdings (UK) Limited, acquired 100% membership interest in BJM USA with effect from January 25, 2011. BJM USA is a broker dealer and regulated by FINRA of USA

Further, on receipt of FINRA's approval in December 2010, RCMPlc through its subsidiary, Religare Investment Holdings (UK) Limited, acquired 100% membership interest in BJM USA (now known as Religare Capital Markets (USA) LLC) with effect from January 25, 2011.

BJM is authorised and regulated by the Financial Services Authority in the United Kingdom and is a member of the London Stock Exchange.

Central Joint Enterprises Limited. RCMPlc acquired CJEL in December 2010. CJEL was incorporated in the year 2008 by a group of experienced equities professionals in Hong Kong. CJEL's principal activities include brokerage services to mutual fund and hedge fund clients across the Asian and Australasian markets, including Japan. The Hong Kong and Singapore entities which form this business are now subsidiaries of RCMPlc and have been renamed Religare Capital Markets (Hong Kong) Limited and Religare Capital Markets (Singapore) Pte Limited, respectively.

CJEL has Type – 1 (dealing in securities) and Type – 4 (advising on securities) licenses in Hong Kong and a license granted by the Monetary Authority of Singapore to deal in securities. CJEL also has a branch in Australia. CJEL, now integrated within Religare Capital Markets plc, has an experienced team of 38 sales professionals across Hong Kong, Singapore, London and Melbourne as of December 31, 2010.

Bartleet Mallory Stockbrokers (Private) Limited. RCM acquired a 50% interest in Bartleet in the Financial Year 2011. Bartleet, incorporated in 1989, is also part of the Bartleet Group of companies, which is a renowned business house in Sri Lanka with interests in finance, plantations, and information and communication technology. Bartleet offers services including stock broking, investment advisory, equity research and online trading for the Sri Lankan market.

Bartleet had approximately 70 employees and 29 investment advisors responsible for generating client trades as of December 31, 2010.

Asset Management

Our asset management business comprises global asset management, domestic asset management and wealth management services and other investment advisory services.

Global Asset Management

Our global asset management business is operated by RGAM, which is a holding company for overseas asset managers acquired by us, and is registered with the United States Securities and Exchange Commission as an investment advisor. Through RGAM, we are in the process of creating a multi-boutique portfolio of eight to 12 asset managers across various asset classes and jurisdictions. We intend to bring the acquired asset managers on to a common governance and distribution platform, while preserving their investment and operational autonomy and unique culture. We intend to support the asset managers with a capital introduction program and to expand their distribution in emerging markets. Currently, RGAM holds a majority interest in Northgate Capital and Landmark Partners, and a minority interest in Investment Professionals Limited.

Northgate Capital. We acquired a majority interest in Northgate Capital, during the nine month period ended December 31, 2010, for an upfront payment of US\$ 84 million (equivalent to ₹ 3,903 million) plus a contingent performance-based payment. We believe that Northgate Capital is one of the leading managers of global private equity funds of funds with assets under management of approximately US\$ 3,000 million.

Northgate Capital focuses on investment into private equity funds and companies in the developed markets, including North America, Europe and Japan. It also focuses on investment into venture capital funds and companies in the developed markets, primarily North America and Europe. Additionally, Northgate Capital

invests in emerging market, private equity and venture capital funds, primarily in Asia, emerging Europe and Latin America.

Northgate Capital had over 400 institutional and HNWI clients as of December 31, 2010 and has offices in San Francisco and London. As of December 31, 2010, it had 23 professionals with strong educational and work experience. We believe that the Northgate Capital acquisition will provide us with the opportunity to enter and augment our global asset management business.

Landmark Partners. We have acquired a 55% interest in Landmark Partners for US\$ 171.50 million. Landmark Partners was incorporated in the United States in 1989, and is a leading private equity and real estate investment advisory company with approximately US\$ 8,500 million in committed capital across its 27 funds as of December 31, 2010. Landmark Partners was chosen as the “Best Secondaries Firm in North America” for the years 2009 and 2010 by Private Equity International.

Landmark Partners has funds focused on venture capital, buyout, mezzanine, and real estate partnerships. As of December 31, 2010, Landmark Partners’ has participated in approximately 1,200 partnerships that comprise approximately 14,000 underlying company and property investments. Landmark Partners has acquired a variety of interests inside and outside the United States, including companies or limited partnership interests in Europe, the Middle East, Latin America and Asia. Landmark Partners is headquartered in Simsbury, Connecticut, United States, and has offices in Boston and London.

As of December 31, 2010, Landmark Partners had 49 professionals experienced in all phases of investment origination, analysis, portfolio management, accounting, and reporting and the senior management team of Landmark Partners has an average of approximately 23 years of experience in their respective disciplines.

Investment Professionals Limited. In May 2011, we acquired a minority stake in IPRO. IPRO was founded in 1992 and is an investment management services company based in Mauritius and Botswana. It has in excess of US\$ 300 million of assets under management with a diversified client base. It manages two Mauritius-listed funds, IPRO Growth Fund and P.O.L.I.C.Y Limited, and has a team of 15 fund managers and analysts. It provides investors with access to investment opportunities in Mauritius, Africa and India.

Domestic asset management

We offer discretionary PMS through RAMCL, a wholly owned subsidiary of RSL, which in turn is a 100% Subsidiary of Religare Enterprises Limited. RAMCL manages the assets of Religare Mutual Fund pursuant to an investment management agreement dated April 27, 2006. Religare Mutual Fund is registered with SEBI as a Mutual Fund under SEBI (Mutual Funds) Regulations, 1996 by way of registration no. MF/052/05/01 dated July 24, 2006. It operates out of 57 Business Locations across 54 cities in India. As on December 31, 2010, RAMCL has 243,229 investor accounts and more than 14,900 distributors offering our product range.

With an average asset base of approximately ₹ 105,000 million (for the quarter ended December 31, 2010), RAMCL aims to serve investment needs of individual investors, corporates and institutions through mutual funds and sub-advised portfolios. Our product portfolio is managed by individually focused management teams. Our philosophy for managing fixed income assets revolves around safety, liquidity and consistency with the objective of building high quality portfolios, while our equity investment philosophy is centered on generating capital appreciation for the investor. We aim to undertake thorough research combined with a disciplined portfolio management approach.

RAMCL also provides non-binding, non-discretionary and non-exclusive advisory services to off-shore funds and discretionary portfolio management services for a variety of asset classes. RAMCL currently has seven major domestic PMS products: “Caterpillar”, “Panther”, “Tortoise”, “Elephant”, “Infrastructure”, “Leo” and “Structured Product”. These products are designed for varying preferences, objectives, risk tolerance and investment goals of customers. RAMCL’s PMS operates on a multi-fund manager approach, where each scheme is supported by a fund manager and a research analyst. Each scheme has its own operations, risk and customer support teams and is headed by the PMS Chief Investment Officer.

RAMCL is registered under the SEBI (Portfolio Managers) Regulations, 1993 to act as a Portfolio Manager, which is valid until November 30, 2011.

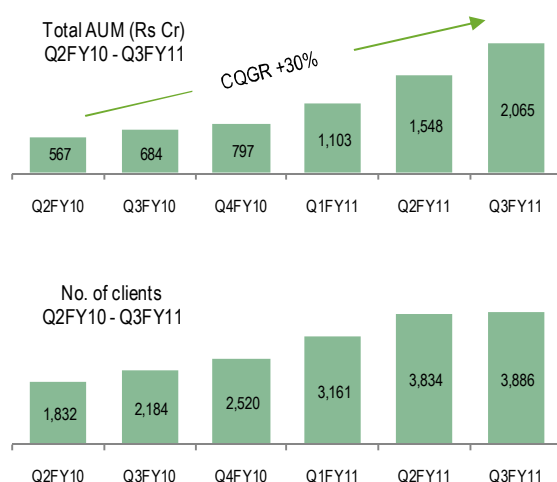
Wealth management services

We offer wealth management services to HNIs in India under the brand name 'Religare Macquarie Private Wealth' through RMWML, a 50:50 joint venture between our Company and Macquarie.

RMWML distributes financial products (including mutual funds, structured products, insurance products and loan products) and provides financial services (including equity trading services, commodity trading services and portfolio management services) to HNIs. It is largely focused on providing customised solutions and value added wealth management services to HNIs. RMWML is registered with AMFI as a Mutual Fund Advisor and with SEBI as a portfolio manager under the Portfolio Manager Regulations.

As of December 31, 2010, RMWML advised on over ₹ 20,650 million worth of total assets. RMWML won an award at the Private Banker International Global Wealth Awards 2009 for 'Most Exciting New Wealth Management Model, 2009'.

The following graphs illustrate RMWML's historical growth of total AUM and number of clients over the period indicated:



Investment advisory services

We offer investment advisory services through MRIAPL, a 50:50 joint venture between RVCL, a Subsidiary of our Company, and Milestone. MRIAPL provides investment advisory services to IBF 1, a scheme launched by MPEF. MPEF is a VCF registered with the SEBI, with primary focus on the healthcare and education sectors and a target size of ₹ 6,000 million.

RVCL, along with its affiliate, RHC Holding, has committed to contribute a total of ₹ 600 million to the Fund or 20% of the total capital commitment received at any point of time by the fund, whichever is lower. IBF 1 has an existing commitment of approximately ₹ 4,224.90 million.

We entered a 50:50 joint venture agreement with Vistaar Entertainment Ventures Private Limited on February 26, 2008 to jointly invest into VRCAL, with the purpose of launching Vistaar Religare Media Fund, an Indian corporate film fund. VRCAL was appointed as the investment manager for the fund. We subsequently acquired an additional 24% of VRCAL's total paid up share capital, pursuant to which we now hold 74% of VRCAL's total paid up share capital as at March 31, 2011. Vistaar Religare Media Fund is an initiative geared towards innovation and identifying new opportunities for creation and maximisation of wealth for its investors. It has obtained a certificate of registration as a VCF under the VCF Regulations and has been actively involved in promotion of certain films and documentaries.

Geographical Presence

As of December 31, 2010, we had a national presence through our 2,169 Business Locations in 571 cities and towns, covering seven regions in India. The locations of our offices are driven by the demand for our financial products and services, especially in smaller cities and towns which we believe will provide attractive growth opportunities in the future. The northern region has 429 Business Locations, including at Haryana, Uttar Pradesh, Uttaranchal, Punjab, Madhya Pradesh, Chandigarh and Rajasthan. The southern region has 551 Business Locations covering the states of Tamil Nadu, Karnataka, Kerala and Andhra Pradesh. The eastern region has 327 Business Locations and caters to clients in Orissa, Kolkata, Chhattisgarh, Jharkhand, Bihar and north eastern states. Our other 862 Business Locations are located in the four regions of Delhi and NCR, Mumbai, Maharashtra and Gujarat. We also have offices in Hong Kong, Australia, Singapore, Dubai, Tokyo, the United States and the United Kingdom.

The following map and table illustrate the geographic distribution of our Business Locations as of December 31, 2010:



Source: Company; Map not to scale.

North Region		South Region	
Chandigarh	21	Bangalore	106
Haryana	41	Chennai City	87
Madhya Pradesh	58	Andhra Pradesh	184
Rajasthan	75	Hyderabad	-
Punjab	48	Erode	15
U.P. & Uttaranchal	186	Karur	37
		Kerala	64
		Kochi	1
		Madurai	57
Total North	429	Total South	551

East Region		Maharashtra Region (excluding Mumbai)	
Bihar & Jharkhand	71	Goa	13
Kolkata	105	Nagpur	48
Orissa & Chhattisgarh and rest of east	110	Pune & rest of Maharashtra	211
North East	41		
Total East	327	Total Maharashtra	272

Gujarat Region		Mumbai Region	
Gujarat	226	Mumbai	178

Delhi & NCR Region	
Delhi & NCR	186

Risk Management

Our risk management limits the exposure and margins of each client whether they are serviced directly by us or through a Business Associate. We have deployed resources in terms of technology, people and processes to manage our risk management function. We believe that we have effective procedures for evaluating and managing the market, credit and other risks to which we are exposed, as well as protecting our reputation. To meet the need for a robust and efficient risk management system, we have created a risk management cell which is centrally controlled and administered by the head office. In order to mitigate business risk, risk management policies are decided by a risk management committee comprised of our senior officials. These policies are monitored, reviewed and revised periodically. As of December 31, 2010, we had 470 employees dedicated to risk management in India.

Risk management process: Risk management starts with identifying the area of risk. The major risks perceived are operational risk, credit risk, market risk and regulatory risk. We analyse the causes of risk on a periodic basis, plan for control of identified risks, decide on and implement appropriate risk management tools, and monitor policies and procedures with a view to continuously improving risk management processes.

Risk monitoring and mitigation: We use products from leading financial software companies such as Financial Technologies (India) Limited and Dion Global Solutions Limited along with multiple in-house software programs to monitor, among other things, client level margins and MTM losses. These software packages enable us to provide broking services through our remote branches, including online trading for various categories of clients.

Risk managers: We employ experienced personnel to manage risk and regulatory compliance and ensure implementation of our risk management policy. The risk management team is independent of marketing and

business development teams. All the international risk team members work under the direction and control of the central risk management team at our head office. Team reviews set monitoring parameters, suggest changes on the basis of regulatory and stock exchange requirements and share best practices.

Risk Management Levels

We carry out risk management at the client level, the scrip level and the company level:

Client-level risk management: This is carried out by using online surveillance and monitoring tools developed by professional software companies in the industry and with the help of our internal team. All the client's open positions across exchanges and market segments are monitored through trading software for margin and MTM losses. Client risk is validated regardless of whether the client is our direct client or has been introduced by a Business Associate. Procedures are developed to service multiple clients' requirements while ensuring control of overall risk. Trading parameters are set on a dynamic basis and are robust enough to incorporate changes required due to market conditions and clients' trading potential.

Scrip-level risk management: We use internal 'scrip-based margining', which is based on various parameters including impact cost, liquidity, volatility and share price fundamentals. We maintain scrip level, company level and segment level margins and limits. The scrip list with new margin rates is revised using established parameters on a periodic basis. We strictly follow exchange-defined derivative margining systems for our forward and options trading.

Company-level risk management: Technology is optimised internally to implement established risk policies, create and maintain support to end users and implement robust data and network backup plans so that we can reduce company-wide risk in our business.

Security and Disaster Recovery

We have a comprehensive information security policy and conduct periodic systems and network penetration tests to review the vulnerability of our infrastructure.

Compliance

We have a centralised compliance department, which reports to our Board and is headed by a senior member of our management. Our compliance department ensures that we operate in accordance with the laws and regulations of the exchanges and the regulators. The compliance department provides support, including advice on legal and regulatory matters, to each of our businesses.

We train our employees regularly on legal and regulatory compliance. Further, we also have in place a policy for prevention of insider trading, covering "Ethical Wall" procedures.

Technology and Network Support Systems

Our ongoing investment in technology is a key element in expanding our product and service offerings, enhancing our delivery systems, providing speedy and consistent client service, reducing processing costs, and facilitating our ability to handle significant increases in client activity without a corresponding rise in risk and staff. Our technology team is divided into three broad areas:

- Network and application management;
- Application development; and
- Support call center.

Our network and system has been developed to ensure maximum uptime at our central facility in the National Capital Region (NCR) and all remote sites. Our data centers are audited quarterly for security errors.

We have implemented a fully redundant virtual private network with the capability to provide well-controlled, centralised and scalable business operations. The key features of our technology platform are:

- Central data center located in the National Capital Region. We work with Financial Technologies (India) Limited and Dion Global Solutions Limited as technology partners for applications and solutions, and IBM India and HP for providing servers and desktops. All points of sale are connected to the central hub *via* this network with multiple connections to the securities exchanges. Bharti Televentures and Hughes Electronics Corporation are the service providers for the VSAT network with dedicated telecommunications backup.
- We have a hybrid network of leased line circuits connecting all branches, which facilitates the operations of back office and other business applications. This also enables us to continue with our business in the event of a breakdown in the satellite communications link.
- There is complete connectivity to the internet using multiple service providers, allowing all employees robust connectivity. For business information, we subscribe to services from leading international information syndicates, such as Reuters and Bloomberg.

Intellectual Property

We use the “Religare” trademark and service mark and its associated logos, and invest our resources in building the brand. We currently do not have any registered trademarks. However, we have the license to use the “Religare” trademark pursuant to a license user agreement dated January 4, 2006, amended on June 19, 2008, entered into with RHC Holding, our Promoter Group company, which has obtained certificates of registration for (a) the “Religare” trademark and service mark in the United States, India, the European Union and Australia (b) the “RELIGARE” (stylised) trademark and service mark in India, the European Union and Australia; and (c) the “RELIGARE – Values that bind” and the design trademark and service mark in India, Thailand, the European Union, Switzerland, Singapore, Hong Kong, Mauritius.

Marketing

We rely on an effective combination of print, television, cinema, and online and outdoor media coupled with the relationship managers and marketing associates to grow the business and develop new business lines. We also organise or sponsor specific events to reach out to our target audiences.

Our objective has been to promote our brand through product centric campaigns. We believe our marketing campaigns have been instrumental in optimising the growing reach and penetration of our brand. For example, we were associated with the broadcast of the ICC Cricket World Cup 2011 tournament.

Employees

We employed approximately 8,778 full time employees as of December 31, 2010. Our employees are broadly categorised into seven departments: sales, operations, technology, risk management, research, administration and support. The employees are not unionised or covered by collective bargaining agreements.

Insurance

In compliance with requirements of the Stock Exchanges, we maintain stock brokers’ indemnity policies that provide coverage against incomplete transactions and computer crimes. In addition, we maintain voluntary insurance coverage against risks including loss of money, loss of electronic equipment, burglary, general fire, damage and flood. We also maintain a floating medical insurance policy for our employees, as well as a directors’ and officers’ liability insurance policy, which, however, does not provide coverage against certain risks including prior acts, prior and pending litigation, insolvency and money laundering.

Competition

We face intense competition in all aspects of our business and compete directly with many other brokerage companies, lenders, insurance companies, investment banks and asset managers for clients. In recent years, international banks have also entered the markets we operate in. Some of our competitors have significantly greater financial, technical, marketing and other resources than those available to us.

With respect to our brokerage business, we also face competition from small traditional brokers and from pan-India brokers. In addition, a number of firms offer discount brokerage services to retail customers and generally effect transactions at substantially lower commission rates on an “execution only” basis, without offering other

services such as investment recommendations and research. Moreover, there is substantial commission discounting by full-service broker-dealers competing for institutional and retail brokerage business. A growing number of brokerage companies offer online trading which has further intensified the competition for brokerage customers. Other financial institutions, notably commercial banks and savings and loan associations, offer customers some of the same services and products presently provided by brokerage companies.

Our competitors for our asset finance business include domestic and international banks and NBFCs such as GE Money, Citi Financial Services, Indiabulls Financial Services Limited and Shriram Transport Finance Company Limited. A number of unregulated providers also operate in this sector.

The life insurance business in India is dominated by the Life Insurance Corporation of India, which has a 66% market share in terms of new business premium for the quarter ended December 31, 2010. There are 22 insurance companies that also operate in this space and these are generally either bank sponsored (e.g., ICICI Prudential Life Insurance Co. Limited, SBI Life Insurance Co. Limited) or industrial house-sponsored (e.g., Reliance Life Insurance Co. Limited, Birla Sun Life Insurance Co. Limited, Bajaj Allianz Life Insurance Co. Limited). The larger newer insurance companies have a foreign partner in the venture and thereby get access to technology, underwriting practices, *etc.* from abroad. Our insurance business ranks at number 20 in terms of new business premium for the quarter ended December 31, 2010, out of the total of 23 insurance companies in India.

The health insurance market in India was traditionally served by four subsidiaries of the General Insurance Corporation of India and with the licensing of newer general insurance companies, companies such as ICICI Lombard General Insurance Co. Limited, Bajaj Allianz General Insurance Co. Limited, *etc.*, have also been operating in the health insurance space. The last few years have seen the emergence of standalone health insurance companies such as Star Health Insurance Co. Limited, Apollo-Munich Health Insurance Co. Limited and Max-BUPA Health Insurance Co. Limited. Our health insurance business will compete against the public sector and private sector general insurance companies as also the standalone health insurance companies.

Various local broking houses (such as Motilal Oswal Financial Services and Edelweiss Capital) and subsidiaries of global bulge-bracket investment banks (such as Goldman Sachs, Morgan Stanley, UBS, *etc.*) provide investment banking services in the Indian market and our investment banking business competes against all of these. Besides, various commercial banks have formed subsidiaries to address this space (such as Kotak Mahindra Capital Company, ICICI Securities Limited, SBI Capital Markets Limited, *etc.*). Recently, Axis Bank Limited, a large private sector commercial bank, has acquired Enam Financial Services, a local investment bank. We also compete against certain niche investment banks such as Avendus.

There are 43 mutual funds in India as of March 31, 2011, which includes funds of various pedigrees, including UTI Asset Management, which was created to operate the NAV-based schemes of the Unit Trust of India, subsidiaries of global fund houses (such as Fidelity Fund Management, Principal Asset Management) subsidiaries of public sector banks (such as SBI Funds Management, Canara-Robeco Asset Management), subsidiaries of private sector banks (ICICI Prudential Asset Management, Kotak Mahindra Asset Management, *etc.*) and asset managers promoted by industrial houses (such as Reliance Capital Asset Management, Tata Asset Management). Our asset management business competes against all these companies.

With regard to our global asset management business some of our competitors are Affiliated Managers Group (AMG), Legg Mason, BNY Mellon, Old Mutual and F&C Investments, amongst others.

Properties

We operate our businesses, including our Registered Office and international offices, out of leased and rental properties.

REGULATIONS AND POLICIES

We offer varied financial services, including retail and institutional equity broking and research, commodities broking and research, depository services, lending services, mutual fund distribution services, risk analysis and distribution of life and non-life insurance products. Further, we have ventured into the activities of offering financial services such as wealth management services, portfolio management services, venture capital business and merchant banking.

The regulations set out below are not exhaustive, and are only intended to provide general information to Investors and is neither designed nor intended to be a substitute for professional legal advice. Taxation statutes such as the IT Act, Central Sales Tax Act, 1956 and applicable local sales tax statutes, and other miscellaneous regulations and statutes apply to us as they do to any other Indian company. The statements below are based on the current provisions of applicable Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals pending in relation to compliance with these regulations, see the Section "Government and Other Approvals" on page 444.

The following table briefly summarises certain laws, regulations and rules applicable to our Company and its Subsidiaries :

S. No.	Legislation/ Regulation	Entity
I	NBFC Regulations	
1	Reserve Bank of India Act, 1934	REL, RFL, RFL
2	RBI Notifications pertaining to Core Investment Companies	REL
II	Dealing in Securities	
3	SCRA	RSL, RCM
4	SEBI Act	RSL, RCM, VRMF and RFL
5	Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 as amended	RSL, RCM
6	SEBI (Intermediaries) Regulations, 2008 as amended	RSL, RCM and RFL
III	Depository Regulation	
7	Depositories Act, 1996 as amended	General/ Applicable to all companies
8	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended	RSL, RFL
IV	Merchant Banking	
9	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended	RCM
V	Mutual Funds	
10	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended	RFL and RSL,
VI	Venture Capital Funds	
11	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended	VRMF
VII	General Insurance, Life Insurance and Insurance Broking	
12	Insurance Act, 1938 as amended	RIBL and RHICL
13	Insurance Regulatory and Development Authority Act, 1999	RIBL and RHICL
14	Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2002 as amended	RIBL
VII	Commodities Regulation under FCRA	
15	Forward Contracts (Regulation) Act, 1952 as amended Forward Contracts (Regulation) Rules, 1954 as amended	RCL
VIII	Insider Trading	
16	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended	REL, RSL, RFL and RCM
IX	Miscellaneous	
17	Securities and Exchange Board of India (Foreign Institutional Investors)	REL

S. No.	Legislation/ Regulation	Entity
	Regulations, 1995 as amended	
X	Laws Regulating Transfer of Property	General/ Applicable to all
18.	Transfer of Property Act, 1888 as amended	
19.	Registration Act, 1908 as amended	
20	The Indian Stamp Act, 1899 as amended	
21	The Indian Easements Act, 1882 as amended	
XI	Labour related laws	General/ Applicable to all
22	Contract Labour (Regulation and Abolition) Act, 1970, as amended	
23	Minimum Wages Act, 1948, as amended	
24	Payment of Bonus Act, 1965, as amended	
25	Payment of Wages Act, 1936, as amended	
26	Payment of Gratuity Act, 1972, as amended	
27	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, as amended	
XII	Laws relating to Intellectual Property	General/ Applicable to all
28	The Trademarks Act, as amended	
29	The Patents Act, 1970, as amended	
30	The Copyright Act, 1957, as amended	
XIII	Housing Finance	
31	National Housing Bank Act, 1987, as amended	RHDFCL
32	Housing Finance Companies Directions, 2001, as amended	RHDFCL
XIV.	Competition Act, 2002	General/ Applicable to all
33	Competition Act, 2002, as amended	

* notification dated August 12, 2010 (No. DNBS (PD) CC.No. 197/03.10.001/2010-11) and four subsequent notifications, each dated January 5, 2011 (No. DNBS. (PD) CC. No. 206/03.10.001/2010-11; DNBS. (PD) 219/CGM(US)-2011; DNBS (PD) 220/CGM (US)-2011 and DNBS (PD) 221/CGM (US)-2011).

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as “Vajreshwari Cosmetics Private Limited” on January 30, 1984. The name of our Company was subsequently changed to “Religare Enterprises Private Limited” pursuant to a special resolution of our shareholders dated January 10, 2006 in order to insert the word “Religare”. In Latin “Religare” means “to tie fast” or “to bind” and its insertion in our name was done to reflect the ideology of our business. The fresh certificate of incorporation consequent to the change of name was granted to our Company on January 31, 2006, by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Jalandhar. The word private was deleted from the name of the Company by a special resolution of the members dated July 14, 2006. The fresh certificate of incorporation consequent to the change of name was granted to our Company on August 11, 2006, by the Registrar of Companies, NCT at New Delhi. For details see the Sections and “Our Management” on page 96.

The Equity Shares are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

Changes in our Registered Office

At the time of incorporation, the registered office of our Company was situated at House No. 1509, Phase – I, S.A.S. Nagar, Mohali, Punjab, India. Subsequently, our Registered Office has been shifted thrice, the significant details of which are provided below:

From	To	Date of resolution of Board/ Shareholders	Date of approval of RoC, NCT at New Delhi	Reason for change
House No. 1509, Phase - I, S.A.S. Nagar, Mohali, Punjab	House No. 92, Giani Zail Singh Nagar, Ropar, Punjab, India [#]	April 30, 1996	--	To conduct the business more conveniently
House No. 92, Giani Zail Singh Nagar, Ropar, Punjab	19, Nehru Place, New Delhi 110 019, India*	September 26, 2005	March 14, 2006	To carry on the business of our Company more economically and efficiently and with the objective of enlarging the area of operation of our Company
19, Nehru Place, New Delhi 110 019, India	D3, P3B, District Centre, Saket, New Delhi 110 017, India	January 19, 2010	--	The registered office was changed for administrative convenience.

[#] with effect from April 30, 1996.

* in response to an application filed by our Company on December 21, 2005 and pursuant to an order of the Company Law Board dated February 13, 2006, and with effect from February 21, 2006.

Key Events and Milestones

Following are the key events and milestones achieved by our Company and our Subsidiaries*:

Calendar Year	Event
1994	• RSL received registration as a stock broker (member of the NSE) in cash segment.
2000	• RSL received ‘trading and clearing’ membership of the NSE in derivative (F&O segment). • RSL received registration as Depository Participant with NSDL.
2001	• RFL received registration as a ‘non-banking financial institution not accepting public deposits’ with RBI.
2002	• RSL received registration as Portfolio Manager from SEBI**.
2003	• RSL received registration as a Depository Participant with CDSL.
2004	• RSL received registration as a stock broker (member of the BSE) in the cash segment.
2005	• RFL received enrolment as an AMFI registered mutual fund advisor.
2006	• Establishment of representative office in London. • RIBL received license from IRDA to act as composite insurance broker. • RSL received registration as ‘Merchant Banker’ in Category I from SEBI***. • REL received exemption from RBI from registration as an NBFC.

Calendar Year	Event
	<ul style="list-style-type: none"> Our Company entered into a share subscription agreement with Hottinger & Cie, and allotted 50,06,250 Equity Shares.
2007	<ul style="list-style-type: none"> RSL received membership of derivative segment of the BSE as 'trading-cum-clearing member'. RFL received registration as a DP with CDSL. Our Company entered into a share subscription agreement with Hottinger & Cie Banquiers, and allotted 15,614 Equity Shares. Indopark Holdings Limited acquired 3,788,050 Equity Shares of our Company by way of pre-IPO placement. Our Equity Shares were listed on the Stock Exchanges consequent to the IPO of our Company. Entered into JV Agreement with Macquarie for wealth management business.
2008	<ul style="list-style-type: none"> Entered into JV Agreement with Vistaar Entertainment Ventures Private Limited for launch of Film Fund. Acquired United Kingdom based Religare Hichens, Harrison Plc. (previously known as Hichens, Harrison & Co. Plc.). Vistaar Religare Media Fund registered as a 'Venture Capital Fund' with SEBI. Our Company, through RSL, acquired Lotus India Trustee Company Private Limited (now known as Religare Trustee Company Limited), pursuant to a sale and purchase agreement dated November 11, 2008. Our Company, through RSL, acquired the Lotus India Asset Management Company Private Limited (now known as Religare Asset Management Company Limited), pursuant to a sale and purchase agreement dated November 11, 2008.
2009	<ul style="list-style-type: none"> RVCL entered into a shareholders' agreement with Milestone Fincap Services Private Limited and Milestone Religare Investment Advisors Private Limited. Our Company acquired Religare Housing Development Finance Corporation Limited (earlier known as Maharishi Housing Development Finance Corporation Limited) pursuant to a share subscription and shareholders' agreement dated May 28, 2009. Our Company, through RVCL, acquired Evolvence Advisory Services Private Limited (now known as Religare Advisory Services Limited), pursuant to a share purchase agreement dated June 12, 2009. RFL received post facto permission for distribution of mutual fund products by the RBI. RFIL was registered with the RBI as an NBFC not accepting public deposits. RSL was registered as a participant of the Mutual Fund Service System with the NSE and as a participant of the BSE Star Mutual Fund with the BSE.
2010	<ul style="list-style-type: none"> REL was registered with the RBI as an NBFC not accepting public deposits. RCM has received certificates of registration from SEBI as a clearing member and trading member of the NSE for currency derivatives segment/ clearing corporation/ clearing house as trading/ clearing member for carrying on the activities of dealing in currency derivatives/ clearing and settlement of currency derivatives trades and for carrying on such other activities as are permitted by such exchanges/ segments/ clearing corporation/ clearing house. Our Company through RCM (and its subsidiaries) set up a wholly owned subsidiary in Australia namely Religare Securities Australia Pty Limited (previously known as Relsec Australia Pty Limited) to carry on stock broking operations. Our Company through RCM (and its subsidiaries) acquired 50% stake in Bartleet Mallory Stockbrokers (Private) Limited, a stock broking company regulated by the Securities and Exchange Commission of Sri Lanka and Colombo Stock Exchange. Our Company through RCM (and its subsidiaries) acquired 100% stake in Kyte Management Limited, acting through its operating subsidiaries namely Religare Capital Markets (Hong Kong) Limited (previously known as Central Joint Enterprises Limited) in Hong Kong and Religare Capital Markets (Singapore) Pte Limited (previously known as Central Joint Enterprises Pte Limited) in Singapore, respectively. Our Company through RCM (and its subsidiaries) acquired 100% stake in Religare Capital Markets (EMEA) Limited (formerly known as Barnard Jacobs Mellet (UK) Limited). Our Company acquired, through a wholly owned subsidiary Religare Global Asset Management Inc. 70% stake in Northgate Capital LLC and Northgate Capital LP.
2011	<ul style="list-style-type: none"> Our Company through RCM (and its subsidiaries) acquired 100% stake in Religare Capital Markets (USA) LLC (Formerly known as Barnard Jacobs Mellet (USA) LLC). Our Company through RGAM acquired 55% stake in Landmark Partners LLC of USA ("Landmark Partners"). Landmark Partners is engaged in the business of investment advisor and is regulated by FINRA and SEC. Religare Global Asset Management Inc has been registered as an Investment Advisor with SEC. Our Company through RGAM acquired 40% stake in Investment Professionals Limited ("I^{PRO}") based in Mauritius. I^{PRO} is engaged in the business of providing investment management services.

*Certain milestones were achieved by certain of our Subsidiaries at a time when they were not acquired by our Company.

** Subsequently, this has been transferred to RAMCL on December 21, 2009.

***Subsequently, this has been transferred to RCM on January 21, 2008.

Our Main Objects

At the time of incorporation, the main object of our Company was to purchase, sell, import, export, manufacture, pack, replace or otherwise deal in all types of tooth paste, tooth brush, face powder, face cream and other cosmetics.

Our main objects as presently contained in our Memorandum as follows:

- To carry on the business of an investment company and to buy, undertake, lease, invest in, acquire, hold shares, stocks, debentures, debenture stocks, bonds, obligations and securities of any kind issued or guaranteed by any company constituted or carrying on business in India or elsewhere and debentures, debenture stock, bonds, obligations sovereign, rulers, commissioners, public body or authority, supreme, municipal, local or otherwise, firm or person whether in India or elsewhere.
- To promote establish and undertake financial ventures of all kinds, not included in the aforesaid, and to carry out the said activities either on its own or in alliance with any other person/body/bodies corporate incorporated in India or overseas either under the strategic alliance or JV or any other arrangement.
- To promote, establish, acquire, participate in and finance, in India and abroad, the companies, association, JVs, partnerships, etc. for infrastructure development and for development, execution, restructuring, modernization, improvement, alteration, management of any undertaking, work, project or enterprise in the field of infrastructure development, power generation, healthcare etc. whether of a private or public character or any JV with any government or other authority in India or elsewhere under the system of complete ownership, built operate own and transfer (BOOT), built operate lease and transfer (BOLT) or any other system and to acquire and dispose of shares/securities in such companies, association, JVs, partnerships, etc.
- To promote, undertake, carry on, either on its own or to enter into agreements, contracts, partnership, alliance or any other arrangement for technical, financial and operational assistance or sharing of profits/losses with any person/ body/ bodies corporate incorporated in India or abroad either under a strategic alliance or JV or any other arrangement, the business of life insurance and annuity in relation to any or all kinds of insurance/ assurance, whether of a kind now known or hereafter devised, included life and annuity assurance, general insurance/ assurance and any kind of insurance or assurance or any contract of indemnity against loss of human life, dependant on human life or any assets and generally to carry on and transact any and every kind of insurance, which may legally be carried on or transacted, including that which is not comprised in any of the above descriptions of business.
- To render financial advisory services, investment advisory services and management consultancy services.

DIVIDEND POLICY

The Company does not have a stated dividend policy. However, interim dividends as and when decided by our Board are declared after considering the interim financial statement for the period for which interim dividends are declared. Interim financial statements are prepared considering the profit, depreciation for the full year, taxation including the deferred tax and any anticipated losses for the year. Final dividends as and when declared at the AGM of the shareholders are based on the recommendations by our Board. Under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous financial years subject to compliance of Companies (Declaration of Dividend out of Reserves) Rules, 1975, Companies (Transfer of Profits to Reserves) Rules, 1975 or out of both.

The table below sets forth the details of the dividends declared by the Company on its Equity Shares during the last five financial years:

Financial Year	No. of fully paid up Equity Shares entitled to dividend	Dividend per Equity Share (₹)	Total Amount of Dividend* (₹ in millions)
2010	127,813,752	2.00	255.63
2009	Nil	Nil	Nil
2008	76,148,185	1.10	83.73
	64,396,864	1.40 (Interim)	90.15
2007	50,000,000 (August 28, 2006)	0.30 (Interim)	15.00
	64,396,864 (January 31, 2007)	0.60 (Interim)+	30.93
	64,396,864 (March 31, 2007)	0.40 (Interim)+	21.45
2006	Nil	Nil	Nil

*excluding dividend tax where applicable.

+Pro rata basis

SEBI has by its letter no. SMDRP/NSDL/3254/00 dated February 18, 2000 issued a directive that shares issued by companies should rank *pari passu* in all respects with the existing equity shares of the company including rights in respect of dividends.

The amounts paid as dividends in the past are not necessarily indicative of the dividend amounts, if any, that may be payable in future. The form, frequency and amount of future dividends will depend on our revenues, cash flows, financial condition (including capital position), capital requirements, profit earned during the financial year, liquidity, future expansion plans and applicable taxes on dividend in hands of recipients including dividend distribution tax and other factors and shall be at the discretion of our Board and subject to the approval of our shareholders.

OUR MANAGEMENT

Board of Directors

Our Board of Directors are responsible for our overall management and supervision of the Company. Our Chairman and Managing Director and the Executive Directors are responsible for our day-to-day management under the supervision, direction and control of our Board of Directors.

Our Articles of Association provide that until otherwise determined by a general meeting and subject to Section 252 of the Companies Act, the number of Directors on our Board of Directors shall not be less than three and not more than 12. Clause 49 of our Listing Agreement requires that at least half of our Board should be Non-Executive Directors. In addition, clause 49 of our Listing Agreement also requires that if our chairman is an executive member, then at least half of our Board should be independent. Our Board of Directors currently consists of 11 Directors, including 7 independent Directors.

All of the Directors appointed by the shareholders, with the exception of the Managing Director, may be considered for retirement or re-election at each annual general meeting. Directors who have been on the Board of Directors for the longest period are the ones considered for retirement.

S. No.	Name of Director, Father's Name, Address, DIN, Occupation, Date of Expiration of Term	Age	Other Directorships
1.	Mr. Sunil Godhwani <i>S/o Mr. Naraindas Phatmal Godhwani</i> Address: A-2, Inayat Farm, Fatehpur Beri, P.O. Mehrauli, New Delhi 110 030, India Occupation: Service Term: Three years with effect from April 8, 2010 DIN: 00174831 Designation: Chairman & Managing Director	50	<ul style="list-style-type: none"> • Religare Securities Limited; • Religare Finvest Limited; • Religare Commodities Limited; • Religare Trustee Company Limited; • Religare Macquarie Wealth Management Limited; • Religare Health Insurance Company Limited; • Religare Voyages Limited; • Super Religare Laboratories Limited; • Vistaar Religare Capital Advisors Limited; • AEGON Religare Life Insurance Company Limited; • Fortis Healthcare (India) Limited; • Dion Global Solutions Limited; • Religare Technologies Limited • Milestone Religare Investment Advisors Private Limited; • Fortis Global Healthcare (Mauritius) Limited; • Fortis Healthcare Global Pte. Limited; • Fortis Asia Healthcare Pte. Limited; • Fortis Healthcare International Pte. Limited; • Fortis Healthcare India Holdings Pte. Limited; • Fortis Healthcare Singapore Pte. Limited; and • Lanka Hospitals Corporation PLC.
2.	Mr. Shachindra Nath <i>S/o Mr. Surendra Nath</i> Address: C-4, Sarai Khawaja, Green Valley Sector 41-42, Faridabad, 121 012, Haryana, India Occupation: Service Term: Three years with effect from April 6, 2010 DIN: 00510618 Designation: Director & Group Chief Executive Officer	39	<ul style="list-style-type: none"> • Religare Securities Limited; • Religare Commodities Limited; • Religare Capital Markets Limited; • Religare Health Insurance Company Limited; • Religare Asset Management Company Limited; • Religare Arts Investment Management Limited; • Religare Macquarie Wealth Management Limited; • Religare Aviation Limited; • Religare Bullion Limited; • Vistaar Religare Capital Advisors Limited; • Milestone Religare Investment Advisors Private Limited; • AEGON Religare Life Insurance Company Limited; • Dion Global Solutions Limited • Regius Overseas Holding Co Ltd; • Dion Global Solutions Pty. Limited; • Religare Capital Markets International (U.K.) Limited;

S.No.	Name of Director, Father's Name, Address, DIN, Occupation, Date of Expiration of Term	Age	Other Directorships
			<ul style="list-style-type: none"> Religare Capital Markets International (Mauritius) Limited; Religare Capital Markets Inc.; Reliagre Capital Markets Plc.; Super Religare Laboratories International Limited; MENA Healthcare Investment Company Limited; Super Religare Laboratories International FZ LLC; Tobler (Mauritius) Limited; Religare Investment Holdings (U.K.) Limited; Religare Global Asset Management Inc; and Bartleet Mallory Stockbrokers (Private) Limited.
3.	<p>Mr. Anil Saxena S/o Mr. Tej Bahadur Saxena</p> <p>Address: House No. 603, Aspire – 1, Supertech Emerald Court, Sector – 93A, Noida, 201 301, Uttar Pradesh, INDIA</p> <p>Occupation: Service</p> <p>Term: Three years with effect from April 6, 2010</p> <p>DIN:01555425</p> <p>Designation: Director & Group Chief Finance Officer</p>	42	<ul style="list-style-type: none"> Religare Finvest Limited; Religare Securities Limited; Religare Capital Markets Limited; Religare Macquarie Wealth Management Limited Religare Health Insurance Company Limited; Religare Travels (India) Limited; Religare Arts Initiative Limited; Religare Arts Investment Management Limited; Religare Housing Development Finance Corporation Limited; Religare Aviation Limited; AEGON Religare Life Insurance Company Limited Religare Trustee Company Limited; Religare Capital Markets International (U.K.) Limited.; Religare Capital Markets International (Mauritius) Limited; Religare Capital Markets Inc.; Religare Capital Markets Plc.; MENA Healthcare Investment Company Limited; Super Religare Laboratories International FZ LLC; Tobler (Mauritius) Limited; Regius Overseas Holding Co. Ltd; Religare Global Assets Management Japan Co. Limited; Religare Investment Holding (U.K.) Limited; Carnelian Mauritius Limited; and Religare Global Asset Management (UK) Limited.
4.	<p>Mr. Ravi Umesh Mehrotra S/o Late Mr. Umesh Mehrotra</p> <p>Address: Flt/Rm A Blk 1 Floor 40, Estoril Court, 55 Garden Road Mid-Levels, Hong Kong</p> <p>Term: Liable to Retire by Rotation</p> <p>Occupation: Professional</p> <p>DIN: 01355561</p> <p>Designation: Director</p>	50	<ul style="list-style-type: none"> Religare Asset Management Company Limited.
5.	<p>Mr. Harpal Singh S/o late Sardar Hardayal Singh</p> <p>Address: B-10, Anand Niketan, New Delhi 110 021, India</p> <p>Occupation: Business</p> <p>Term: Liable to Retire by Rotation</p> <p>DIN: 00078224</p>	61	<ul style="list-style-type: none"> Religare Technologies Limited Super Religare Laboratories Limited; Fortis Healthcare (India) Limited; Fortis Clinical Research Limited; Escorts Heart Institute & Research Centre Limited; Impact Agencies Private Limited; Impact Projects Private Limited; and Impact Realty Developers Private Limited

S.No.	Name of Director, Father's Name, Address, DIN, Occupation, Date of Expiration of Term	Age	Other Directorships
	Designation: (Director)		
6.	<p>Mr. Stuart D Pearce S/o Mr. Walter Pearce</p> <p>Address: C/O Qatar Financial Centre Auhortiy, PO Box 232 45, Doha, Qatar</p> <p>Term: Liable to Retire by Rotation</p> <p>Occupation: Professional</p> <p>DIN: 03167812</p> <p>Designation: Independent Director</p>	58	<ul style="list-style-type: none"> Qatar Financial Centre Authority; and Qatar Insurances Services
7.	<p>Ms. Kathryn Matthews D/o Mr. Gordon Board Matthews</p> <p>Address: 53, Aynhoe Road, London W14 0QA</p> <p>Term: Liable to Retire by Rotation</p> <p>Occupation: Professional</p> <p>DIN: 03143587</p> <p>Designation: Independent Director</p>	51	<ul style="list-style-type: none"> JP Morgan Chinese Investment Trust; Montanaro UK Smaller Companies Investment Trust; Rathbone Brothers Plc; Hermes Fund Managers Limited; Fidelity Asian Values Plc; Aperam S.A.; and Conversus Capital L.P.
8.	<p>Mr. Padam Bahl S/o Mr. Laxmi Narain Bahl</p> <p>Address: D-70, Ranjit Avenue, Amritsar 143 001, India</p> <p>Occupation: Practicing Chartered Accountant and income tax advisor</p> <p>Term: Liable to Retire by Rotation</p> <p>DIN: 01314395</p> <p>Designation: Independent Director</p>	59	<ul style="list-style-type: none"> Dion Global Solutions Limited; Religare Finvest Limited; Religare Insurance Broking Limited; Religare Commodities Limited; Religare Securities Limited; Religare Venture Capital Limited; Religare Arts Initiative Limited; Verne Developers Private Limited; Religare Technologies Limited; and Religare Capital Markets Limited
9.	<p>Mr. Deepak Ramchand Sabnani* S/o Mr. Ramchand Jhamatmal Sabnani</p> <p>Address: No. 5, Braga Circuit, Kadoorie Avenue, Kowloon, Hong Kong</p> <p>Occupation: Business</p> <p>Term: Liable to Retire by Rotation</p> <p>DIN: 01312836</p> <p>Designation: Independent Director</p>	55	<ul style="list-style-type: none"> Religare Securities Limited; Religare Insurance Broking Limited; Religare Venture Capital Limited; R Jhamatmal Sons Limited; RJS Limited; Safetech Limited; Regal Pacific Investments Limited; Free Investments Limited; Science of the Soul Study Centre International Limited; and Eagle Best Corp. Limited.
10.	<p>Mr. J.W. Balani** S/o Mr. Wadhmal Balani</p> <p>Address: Compas De La Victoria 3, 29012, Malaga, Spain</p> <p>Occupation: Business</p>	62	<ul style="list-style-type: none"> Religare Insurance Broking Limited; Religare Finvest Limited; Religare Securities Limited; Time Concepts S.L. Atari S.L.; and Religare Capital Markets Plc.

S.No.	Name of Director, Father's Name, Address, DIN, Occupation, Date of Expiration of Term	Age	Other Directorships
	Term: Liable to Retire by Rotation DIN: 01338053 Designation: Independent Director		
11	Dr. Sunita Naidoo D/o Mr. Hariram Bhojwani Address: 41, Pemberley Avenue, Bedford, MK40 2LE, Bedford, United Kingdom Occupation: Dentist Term: Liable to Retire by Rotation DIN: 02278137 Designation: Independent Director	46	<ul style="list-style-type: none"> Religare Voyages Limited; Super Religare Laboratoires Limited; and Shimal Research Laboratories Limited.
	Captain G.P.S. Bhalla S/o Late Mr. Diwan Singh Bhalla Address: 241, Sector 15A, Noida 201 301, India DIN: 01306166 Designation: Alternate Director to Mr. Deepak Ramchand Sabnani	79	<ul style="list-style-type: none"> EcotecPrivate Limited; International Meritime Institute Limited; International Maritime Institute; Religare Insurance Broking Limited; Religare Securities Limited; Religare Venture Capital Limited; Integrated Management College; Ankh Holding Company Private Limited Mithra Holding Company Private Limited Logos Holding Company Private Limited; and Religare Technologies Limited
	Mr. R.K. Shetty S/o late Mr. K.V. Shetty Address: D- 2, 166, Chartered Cottage, Langford Road, Bangalore 560 025, India DIN: 01521858 Designation: Alternate Director to Mr. J. W. Balani	63	<ul style="list-style-type: none"> Religare Finvest Limited; Religare Insurance Broking Limited; Religare Securities Limited; Dion Global Solutions Limited; and Religare Technologies Limited

* Captain G.P.S. Bhalla (Alternate Director to Mr. Deepak Ramchand Sabnani)

**Mr. R.K. Shetty (Alternate Director to Mr. J. W. Balani)

Brief Biographies of our Directors

Mr. Sunil Godhwani, aged 50 years, is the Chairman and Managing Director of the Company. He holds a B.Sc. degree in Chemical Engineering and a M.Sc. degree in Industrial Engineering and Finance from Polytechnic Institute of New York. He spearheads the Company's management and global operations, strategizing and directing it through its next phase of growth. He believes in nurturing a culture that is entrepreneurial, result oriented, customer focused and based on teamwork. He has given strategic direction to Company's growth since his joining in 2001. He has been instrumental in establishing Company's vast network and shaping the Company's strategies in India and abroad. He has been instrumental and endeavours to take the Company to new heights by managing various acquisitions, finding new partners for joint ventures and exploring new avenues for the business. He has a wide-ranging experience of over two decades in managing large scale businesses. Sunil has been awarded with many awards and accolades. He was recently awarded the "India Business Leader of the Year" award at the Global Indian Business Meeting hosted by Horasis, in Madrid, Spain and "CEO of the year Award" at CEO Clubs International Awards.

Mr. Shachindra Nath aged 39 years, is a Director and group Chief Executive Officer of our Company and

carries the overall responsibility for managing all pivotal operations of the group. He has been associated with Religare since the year 2000 and is part of the founding team of current businesses of Religare. Mr. Nath holds a Bachelor's degree in law from the Banaras Hindu University Varanasi. Additionally, he did a Post Graduate Diploma in Intellectual Property Rights from Amity Law College, New Delhi. Mr. Nath started his professional career immediately after his graduation at the age of 21 years and worked as Commercial Trainee with Garware Wall Ropes, after which alongside his legal studies worked as consultant to gain hands on experience in Finance, Costing and Taxation with R. D. & Company. He then moved to run a non-woven plant with a carpet export company called Obeetee Textiles Limited and worked with Abhipra Capital Limited. He has over 16 years of work experience. He joined our company on May 8, 2000 and was promoted to the Board on April 6, 2010.

Mr. Anil Saxena, aged 42 years, is a Director and group Chief Finance Officer of our Company. Mr. Saxena holds a Bachelor's degree in Commerce from the University of Delhi and is a member of the Institute of Chartered Accountants of India as well as the Institute of the Cost and Works Accountants of India. He carries the overall responsibility for management and supervision of finances, risk and audit of our businesses. Prior to joining us, he was associated with Kotak Securities Limited as Vice-President. In the past, he has also worked with Religare Technova Limited (formerly Fortis Financial Services Limited) and R. Singhanian & Co. He has over 20 years of experience in the financial services industry. He joined us on August 1, 2001 and was promoted to the Board on April 6, 2010.

Mr. Ravi Umesh Mehrotra aged 50 years, is a Director in our Company. Mr. Mehrotra holds a Bachelor's degree in Commerce from University of Mumbai and a PGDBM from XLRI, Jamshedpur. Mr. Mehrotra has more than 25 year experience in asset management and related financial services including companies like Bank of America, AIG Investments, Kothari Pioneer and Franklyn Templeton. He is also on board of our subsidiary namely Religare Asset Management Company Limited. He joined the Board of our Company on February 14, 2011.

Mr. Harpal Singh aged 61 years, is a Director in our Company. He holds a Bachelor's (honours) degree in Economics from St. Stephen's College, Delhi and holds a 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. Mr. Singh has had diverse experience of over 36 years in the corporate sector and has held senior positions in various companies including TATA group companies, Hindustan Motors Limited, Mahindra and Mahindra Limited and Shaw Wallace. Mr. Singh was in the past the Non-Executive Chairman of Ranbaxy Laboratories Limited and is the Mentor and Chairman Emeritus of Fortis Healthcare (India) Limited. Further, he is also associated at the board level with some of India's most renowned schools which include the Doon School, the Scindia School, the Yadavindra Public School and Salwan School where, he is Vice Chairman of the Trust. Mr. Singh is also a member of the National Round Table on School Education and is a member of the Board of Governors of IIT, Indore and NIIT University. He is also a member of India-UK Round Table, India-US Strategic Dialogue and of the Public Health Foundation of India. Further, he is Founder and Chairman Trustee of Nanhi Chhaan and Chronic Care Foundations. Mr. Singh is also the Chairman of INDIA800 Foundation, India Office. Mr. Singh is currently the Chairman of the Save the Children, India and is also a Director of the Global Board of Save the Children International.

Mr. Stuart D Pearce aged 58 years, is an Independent Director in our Company. Mr. Pearce holds a Bachelor's of Arts degree in Geography from Portsmouth Polytechnic, Portsmouth, Hampshire, UK. Mr. Pearce has over 35 years in international banking and financial services. Prior to joining our Company, Mr. Pearce was the Chief Executive Officer and Director General of the Qatar Financial Centre Authority ("QFC"). In the past Mr. Pearce has worked with Hong Kong & Shanghai Banking Corporation in various senior management positions including as the Chief Executive Officer of Investment Management, UK for a period of 31 years. He joined the Board of our Company on July 6, 2010.

Ms. Kathryn Matthews aged 51 years, is an Independent Director in our Company. Ms. Matthews holds a Bachelor degree of Science, Economics from Bristol University UK. She has experience of three decades in the international financial services business and has during this period held leadership positions in leading asset management firms globally including Baring Asset Management, Axa Investment Managers, William M Mercer and Fidelity. She joined the Board of our Company on July 6, 2010.

Mr. Padam Bahl aged 59 years, is an Independent Director in our Company. Mr. Bahl holds a Bachelor's degree in Commerce from the Kurukshetra University and a Bachelor's degree in Law from Guru Nanak Dev University, Amritsar. He is a fellow member of the Institute of Chartered Accountants of India. He has also

received a Diploma in Information System Audit from SSI, Amritsar. Mr. Bahl has been practicing as a Chartered Accountant and an income tax advisor since 1979 and has more than 30 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. Bahl joined our Board on April 9, 2007.

Mr. Deepak Ramchand Sabnani aged 55 years, is an Independent Director in our Company. He has received training in Business Management from Caritas Adult Education Centre, Hong Kong. Mr. Sabnani is engaged in the business of export and import of goods and has more than 31 years of work experience. Mr. Sabnani joined the Board of the Company on April 9, 2007.

Mr. J. W. Balani aged 62 years, is an Independent Director in our Company. Mr. Balani studied from Broadhembury College, Somerset, United Kingdom. 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. Mr. Balani joined the Board of our Company on April 9, 2007.

Dr. Sunita Naidoo aged 46 years, is an Independent Director in our Company. Dr. Naidoo specializes in orthodontics and has been practicing for the past 14 years. She has helped to set up and run a reputable practice at Clapham, Bedford seven years ago. She understands varied aspects of dentistry and is able to provide a range of treatment plans to suit the different requirements of patients. Dr. Naidoo joined our Board on June 26, 2008.

Captain G.P.S. Bhalla is a qualified master mariner certified by the Ministry of Transport, GOI, New Delhi. Mr. Bhalla has more than 59 years of work experience. Mr. Bhalla joined our Board on April 9, 2007 as an alternate director to Mr. Deepak Ramchand Sabnani.

Mr. R.K. Shetty holds a 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. 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 32 years of work experience. Mr. Shetty joined our Board on April 9, 2007 as an alternate director to Mr. J. W. Balani.

Past Directorship in Listed Companies

We confirm that none of our Directors is or was a director of any listed company during the last five years preceding the date of filing of this Draft Letter of Offer, whose shares have been or were suspended from being traded on the BSE or NSE or any other recognised stock exchange in India, during the term of their directorship in any such company. Further, none of our Directors is or was a director in any listed company which has been delisted from any stock exchange in India during the term of their directorship in such company.

Relationship with Other Directors

None of our Directors are related to one another.

Details of Service Contracts

There are no service contracts entered into with any Directors for provision of benefits or payments of any amount upon termination of employment.

Understanding with major shareholders pursuant to which Director(s) were appointed

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director or member of the senior management.

Remuneration details of our Directors

(a) Remuneration details of our Company's Chairman and Managing Director, Mr. Sunil Godhwani:

Mr. Sunil Godhwani was inducted on our Board by resolution of our Board dated July 13, 2006 and was

appointed as our Company's Chairman and Managing Director by resolution of our Board dated April 6, 2010. The remuneration payable to him has been determined, with effect from April 8, 2010, for a period of three years, by resolution of our shareholders dated August 11, 2010. The details of remuneration payable for Fiscal 2011 to him include the following:

Particulars	Remuneration*
Basic Salary	₹ 180,000 per month
House Rent Allowance	₹ 90,000 per month
Leave Travel Assistance	₹ 200,000 p.a.
Reimbursement of expenses towards car fuel	₹ 17,000 per month
Reimbursement of expenses towards payment to car driver	₹ 12,000 per month
Special Allowance	₹ 33,075 per month
Reimbursement of medical expenses	₹ 15,000 p.a.

* In addition to the above, Mr. Godhwani is entitled to the company's contribution to provident fund and payment of gratuity and these would not be included in the computation of ceiling on remuneration to the extent such benefits, either singly or put together, are not taxable under the IT Act.

The total remuneration paid to Mr. Sunil Godhwani for Fiscal 2010 was ₹ 3,999,900.

(b) Remuneration details of our Company's group CEO, Mr. Shachindra Nath:

Mr. Shachindra Nath was inducted on our Board by resolution of our Board dated April 6, 2010 and was appointed as our Company's group CEO by resolution of our Board dated April 26, 2010. The remuneration payable to him has been determined, with effect from April 6, 2010, for a period of three years, by resolution of our shareholders dated August 11, 2010. The details of remuneration payable for Fiscal 2011 to him include the following:

Particulars	Remuneration*
Basic Salary	₹ 160,000 per month
House Rent Allowance	₹ 80,000 per month
Leave Travel Assistance, Car Running Expenses and Medical Reimbursement	₹ 52,500 per month
Education Allowance	₹ 200 per month
Additional Allowance	₹ 62,369 per month

* In addition to the above, Mr. Nath is entitled to the company's contribution to provident fund and Superannuation or Annuity Fund, to the extent these, either singly or put together, are not taxable under the IT Act. Further, Mr. Nath is entitled to encashment of leave at the end of tenure of office.

The total remuneration paid to Mr. Shachindra Nath for Fiscal 2010 was ₹ 12,795,717. The said remuneration was paid to Mr. Shachindra Nath in his capacity as group COO.

(c) Remuneration details of our Company's group CFO, Mr. Anil Saxena:

Mr. Anil Saxena was inducted on our Board by resolution of our Board dated April 6, 2010 and was appointed as our Company's group CFO by resolution of our Board dated April 26, 2010. The remuneration payable to him has been determined, with effect from April 6, 2010, for a period of three years, by resolution of our shareholders dated August 11, 2010. The details of remuneration payable for Fiscal 2011 to him include the following:

Particulars	Remuneration*
Basic Salary	₹ 160,000 per month
House Rent Allowance	₹ 80,000 per month
Leave Travel Assistance, Car Running Expenses and and Medical Reimbursement	₹ 52,500 per month
Education Allowance	₹ 200 per month
Additional Allowance	₹ 88,100 per month

* In addition to the above, Mr. Saxena is entitled to the company's contribution to provident fund and Superannuation or Annuity Fund, to the extent these, either singly or put together, are not taxable under the IT Act. Further, Mr. Saxena is entitled to encashment of leave at the end of tenure of office.

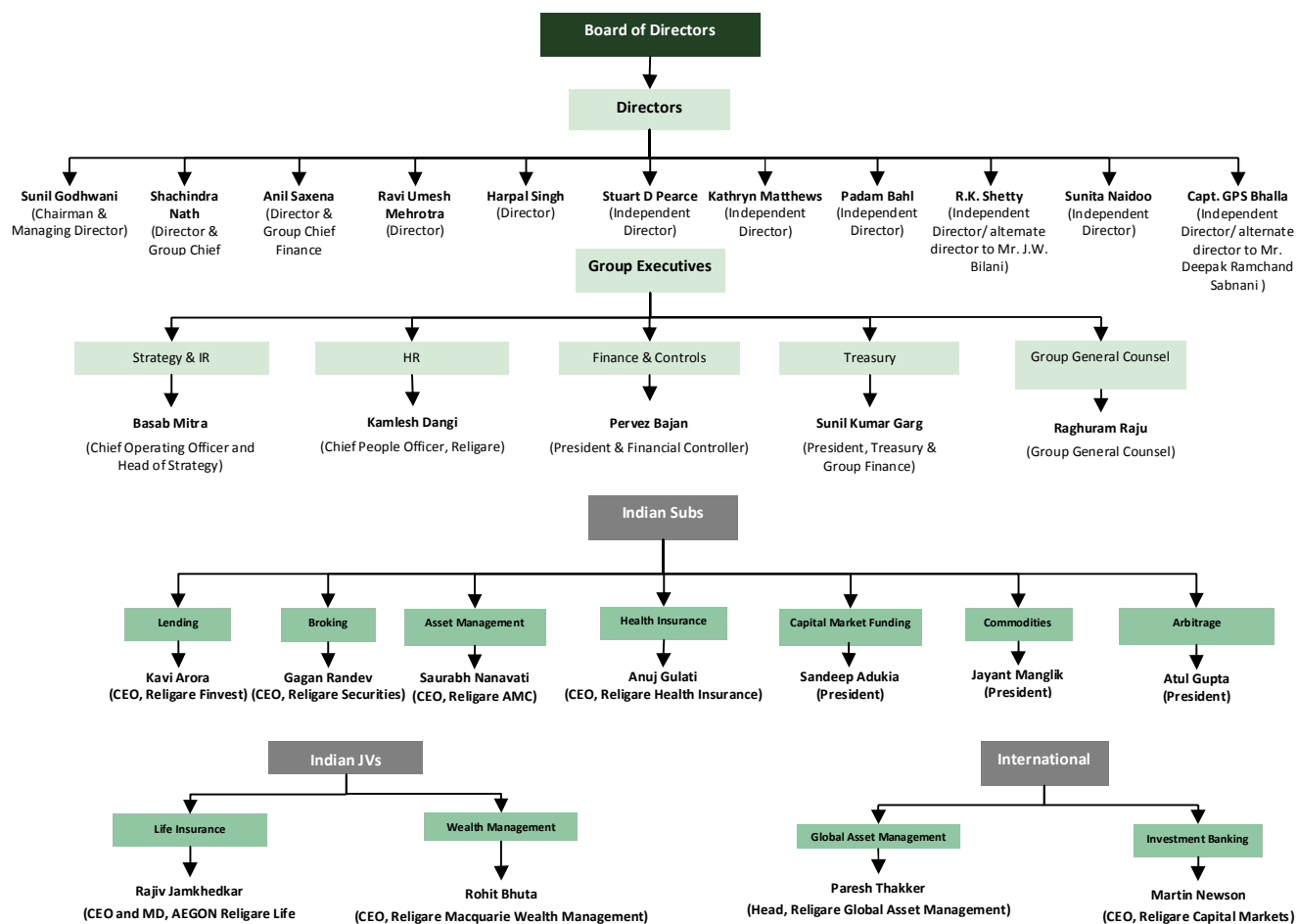
The total remuneration paid to Mr. Anil Saxena for Fiscal 2010 was ₹ 12,257,820. The said remuneration was paid to Mr. Anil Saxena in his capacity as group Chief Finance Officer.

(d) Remuneration details of our Non-executive and Independent Directors

All our non-executive Directors including, independent Directors are entitled to receive of ₹ 20,000 as the sitting fees for attending our Board meetings, as fixed by our Board resolution dated June 26, 2008, which is subject to the limits laid down in the Companies Act.

Apart from the above-mentioned sitting fee of ₹ 20,000, our non-executive and independent Directors do not receive any other remuneration from our Company.

Managerial Organizational Structure



SECTION V – FINANCIAL INFORMATION

INDEX FOR FINANCIALS

Sr. No	Particulars
Religare Enterprises Limited	
1	Audited Consolidated Financial Statements as of and for the year ended March 31, 2010.
2	Audited Consolidated Financial Statements as of and for the years ended March 31, 2009.
3	Unconsolidated Financial Statements as of and for the years ended March 31, 2010.
4	Unconsolidated Financial Statements as of and for the years ended March 31, 2009.
5	Reviewed Condensed Consolidated Financial Statements as of and for each of the nine month periods ended December 31, 2010 and December 31, 2009.
6	Reviewed Condensed Unconsolidated Financial Statements as of and for each of the nine month periods ended December 31, 2010 and December 31, 2009.
7	Accounting ratios

FINANCIAL STATEMENTS

Auditors' Report on the Consolidated Financial Statements of Religare Enterprises Limited

The Board of Directors of Religare Enterprises Limited

1. We have audited the attached consolidated balance sheet of Religare Enterprises Limited (the "Company") and its subsidiaries, its jointly controlled entities and; hereinafter referred to as the "Group" (refer Note [1(C)] on Schedule [S] to the attached consolidated financial statements) as at March 31, 2010, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries and jointly controlled entities included in the consolidated financial statements, which constitute total assets of ₹ 1,36,611.86 lacs and net assets of ₹ 64,003.8 lacs as at March 31, 2010, total revenue of ₹ 38,411.92 lacs, net loss of ₹ 4,110.51 lacs and net cash inflows amounting to ₹ 4,320.43 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures notified under subsection 3C of Section 211 of the Companies Act, 1956.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2010;
 - (b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Price Waterhouse
Firm Reg. No. 301112E
Chartered Accountants

Sd/-

PARTHA GHOSH
Partner
Membership No. F 55913

Place : Mumbai
Date : July 6, 2010

RELIGARE ENTERPRISES LIMITED
Consolidated Balance Sheet as at March 31, 2010

	Schedule	As at March 31, 2010	As at March 31, 2009
		Amount (Rs.)	Amount (Rs.)
SOURCES OF FUNDS:			
Shareholders' Funds:			
Share Capital	A	1,528,137,520	1,012,897,600
Share Application Money		1,779,400	18,001,615,180
Reserves and Surplus	B	24,595,591,258	6,568,705,953
		26,125,508,178	25,583,218,733
Loan Funds			
Secured Loans	C	15,755,494,079	4,955,546,562
Unsecured Loans	D	39,964,433,325	7,680,175,485
		55,719,927,404	12,635,722,047
Policy Holders Fund		639,122,473	90,647,422
Minority Interest		129,266,613	27,660,839
TOTAL		82,613,824,668	38,337,249,041
APPLICATION OF FUNDS:			
Fixed Assets	E		
Gross Block		10,474,928,332	8,814,399,042
Less : Depreciation		1,641,795,677	1,032,385,840
Net Block		8,833,132,655	7,782,013,202
Capital Work-in-Progress (including capital advances)		51,474,789	107,510,026
		8,884,607,444	7,889,523,228
Investments	F	8,730,439,893	2,559,322,856
Deferred Tax Assets (Net)		14,190,948	21,257,525
(Refer Note No. 3 (xxii) of Schedule 'S')			
Current Assets, Loans and Advances:			
Interest Accrued		474,027,889	403,465,618
Stock In Trade (Refer Note No. 3 (xvii) (d) of Schedule 'S')		6,865,038,758	70,434,177
Sundry Debtors	G	7,387,411,323	3,431,712,925
Cash and Bank Balances	H	18,924,738,829	12,572,492,210
Loans and Advances	I	45,818,507,384	20,015,661,067
		79,469,724,183	36,493,765,997
Less : Current Liabilities and Provisions:			
Current Liabilities	J	14,092,026,756	8,395,309,861
Provisions	K	393,111,044	231,310,704
		14,485,137,800	8,626,620,565
Net Current Assets		64,984,586,383	27,867,145,432
TOTAL		82,613,824,668	38,337,249,041
Notes to Consolidated Financial Statements	S		
Schedules referred to above form an integral part of the Consolidated Balance Sheet			

This is the Consolidated Balance Sheet referred to in our report of even date

For and on behalf of the Board of Directors

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

PARTHA GHOSH
Partner
Membership Number: F55913

SUNIL GODHWANI
Chairman & Managing Director
(DIN- 00174831)

SHACHINDRA NATH
Group Chief Executive Officer
(DIN-00510618)

ANIL SAXENA
Director
(DIN-01555425)

RAVI BATRA

Sr. Vice President & Company Secretary

Place : Mumbai
Date : July 6, 2010

Place : New Delhi
Date : July 6, 2010

RELIGARE ENTERPRISES LIMITED
Consolidated Profit and Loss Account for the Year Ended March 31, 2010

	Schedule	For the year ended March 31, 2010	For the year ended March 31, 2009
		Amount (Rs.)	Amount (Rs.)
INCOME			
Income from Operations	L	13,244,659,087	9,718,223,137
Interest Income	M	1,449,817,468	1,285,453,853
Other Income	N	1,887,361,756	854,154,887
Sale of Shares / etc.		170,372,326	52,808,062
TOTAL		16,752,210,637	11,910,639,939
EXPENDITURE			
Cost of Shares / etc. Sold		76,979,225	101,494,999
Operating Expenses	O	3,081,740,480	1,910,592,134
Personnel Expenses	P	5,190,952,223	3,678,285,095
Administrative and Other Expenses	Q	3,981,023,998	3,358,523,148
Interest and Finance Charges	R	2,797,465,904	3,091,815,940
Depreciation (Refer Note No. 3 (xii) of Schedule 'S')		679,708,246	526,480,256
Less: Net Expenditure of Joint Venture Recoverable (Refer Note No. 3 (xiv) of Schedule "S")		(1,029,817,759)	(616,413,451)
TOTAL		14,778,052,317	12,050,778,121
PROFIT / (LOSS) BEFORE TAX		1,974,158,320	(140,138,182)
Provision for Taxation			
- Current Tax			
- For the year		883,227,475	442,706,965
- For Earlier Years		2,473,360	17,256,046
- Wealth Tax		455,000	94,697
- Deferred tax (Net)		7,746,926	7,434,434
- Fringe Benefit Tax		-	44,411,236
- Dividend Distribution Tax		108,798,864	-
PROFIT / (LOSS) AFTER TAX BEFORE MINORITY INTEREST		971,456,695	(652,041,560)
Share of Minority Interest for the year		(2,219,783)	-
Add: Adjustment on account of changes in JV interest		-	16,239,524
PROFIT / (LOSS) AFTER TAX AFTER MINORITY INTEREST		969,236,912	(635,802,036)
Add : Balance brought forward		348,446,767	984,300,250
Amount available for appropriation		1,317,683,679	348,498,214
APPROPRIATIONS:			
Dividend on Preference Shares (Refer Note No. 3 (ix) of Schedule "S")		48,371,370	-
Interim Dividend on Equity Shares (Refer Note No. 3 (ix) of Schedule "S")		255,627,504	-
Final Dividend on Equity Shares		-	51,447
Transfer to General Reserve		43,545,474	-
Balance Carried to Balance Sheet		970,139,331	348,446,767
TOTAL		1,317,683,679	348,498,214
EARNINGS PER SHARE (In Rupees)			
Basic		11.25	(8.40)
Diluted		11.17	(8.40)
(Refer Note No. 3 (xxi) of Schedule 'S')			
Notes to Consolidated Financial Statements	S		
Schedules referred to above form an integral part of the Consolidated Profit & Loss Account			

This is the Consolidated Profit and Loss Account
referred to in our report of even date

For and on behalf of the Board of Directors

For Price Waterhouse
 Firm Registration Number: 301112E
 Chartered Accountants

PARTHA GHOSH

Partner

Membership Number: F55913

SUNIL GODHWANI

Chairman & Managing Director

(DIN- 00174831)

SHACHINDRA NATH

Group Chief Executive Officer

(DIN-00510618)

ANIL SAXENA

Director

(DIN-01555425)

RAVIBATRA

Sr. Vice President & Company Secretary

Place : Mumbai

Date : July 6, 2010

Place : New Delhi

Date : July 6, 2010

RELIGARE ENTERPRISES LIMITED
CONSOLIDATED CASH FLOW STATEMENT PREPARED FOR THE YEAR ENDED MARCH 31, 2010

	PARTICULARS	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
A	Cash flow from Operating Activities:		
	Net (Loss)/Profit Before Tax	1,974,158,320	(140,138,182)
	Adjustments for:		
	Depreciation	679,708,246	526,480,256
	Interest Expense	1,575,250,937	2,202,677,966
	Interest Income*	(1,449,817,468)	(1,285,453,853)
	Income from Investment - Dividends	(20,626,773)	(45,271,561)
	(Profit)/Loss on Fixed Assets sold (Net)	11,097,744	1,366,946
	(Profit)/Loss on sale of Investments (Net)	(637,036,974)	(61,915,847)
	Bad Debts & Provision for Doubtful Debts	532,919,300	563,080,352
	Provision for Gratuity and Leave Encashment	58,181,307	70,829,583
	Preliminary Expenses written off	-	504,179
	TDS on operating income and STT	(425,194,763)	(442,139,632)
	Employees Stock Option Expenses	898,735	2,364,261
	Provision for diminuation in the value of Investments	32,612,147	74,250,052
	Change in valuation in respect of Life Policies	545,321,504	90,430,090
	Foreign Exchange Loss (Net)	48,346,797	159,852,244
	Foreign Currency Translation Reserve	(296,047,994)	(60,697,121)
	Liability no longer required written back	(7,873,604)	(40,740,104)
	Discount on issue of Commercial Papers	1,090,321,958	733,752,745
	Operating Profit Before Working Capital Changes	3,712,219,419	2,349,232,374
	Adjustments for Changes in Working Capital :		
	- (Increase)/Decrease in Sundry Debtors	(4,485,908,331)	922,395,518
	- (Increase)/Decrease in Other Receivables	(25,699,758,269)	(1,593,359,908)
	- (Increase)/Decrease in Stock in Trade	(6,794,604,581)	(61,029,338)
	- Increase/(Decrease) in Trade and Other Payables	5,385,140,515	985,300,420
	Cash Used/ generated in/ from Operations	(27,882,911,247)	2,602,539,066
	- Taxes (Paid) / Received (Net of TDS)	(338,439,495)	(279,535,854)
	Net Cash Used in / generated from Operating Activities	(28,221,350,742)	2,323,003,212
B	Cash Flow From Investing Activities:		
	Purchase of Fixed Assets (net)	(1,663,874,999)	(7,044,311,314)
	Proceeds from sale of Fixed Assets	35,279,252	21,180,935
	Capital Work in Progress	(56,035,237)	16,223,831
	Proceeds from Sale of Investments	558,277,666,719	111,620,426,021
	Purchase of investments	(564,211,949,991)	(105,676,074,310)
	Interest Received (Revenue)	1,083,494,146	1,279,254,011
	Dividend Received	20,626,773	36,422,925
	Minority Interest Purchased	(27,953,355)	-
	Amount Paid on Acquisition of subsidiaries / joint ventures	(110,958,818)	(5,650,801,342)
	Net Cash Used In Investing Activities	(6,653,705,511)	(5,397,679,243)
C	Cash Flow From Financing Activities:		
	Proceeds from fresh issue of Equity Share Capital (including securities premium)	170,421,268	28,826,140
	Proceeds from fresh issue of Preference Share Capital (including securities premium)	-	2,500,000,000
	Proceeds from Share Application Money	1,779,400	18,001,615,180
	Proceeds/ Repayment for Short term Borrowings:-		
	- Inter Corporate Loans (Net)	3,935,981,615	(905,569,109)
	- Commercial Papers (Net)	30,008,179,590	(5,504,621,950)
	- Cash Credits / Working Capital Loans (Net)	520,941,764	(5,642,493,602)
	- Redeemable Non-Convertible Debentures (Net)	4,500,000,000	(12,250,000,000)
	-Compulsory-Convertible Debentures (Net)	(400,000,000)	1,000,000,000
	-Public Deposits	92,363,185	-
	- Vehicle Loan	(567,697)	-
	Proceeds/ Repayment for Long Term Borrowings:-		
	- Proceeds from Inter Corporate Loans (Net)	(135,300,000)	135,300,000
	- Proceeds from Cash Credits / Working Capital Loans (Net)	(2,366,882,535)	4,456,433,086
	- Proceeds from Term Loans	5,775,784,682	-
	Interest Paid	(1,410,773,879)	(2,565,952,114)
	Dividend Paid	(14,221,370)	(83,779,260)

	PARTICULARS	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
	Dividend Tax Paid	-	(22,027,024)
	Net Cash Used in / generated from Financing Activities	40,677,706,023	(852,268,653)
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	5,802,649,770	(3,926,944,684)
	Add: Cash and Cash Equivalents at the beginning of the Year	12,572,492,210	16,330,928,473
	Effect of Exchange difference on Translation of Foreign Currency Cash & Cash Equivalents	-	2,678,923
	Add: Cash and Cash Equivalents on Acquisition of Subsidiaries	549,596,849	165,829,498
	Cash and Cash Equivalents at the end of the Year	18,924,738,829	12,572,492,210
	Cash and Cash Equivalents at the end of the Year Comprises of		
	Cash in Hand	10,303,412	9,596,643
	Cheques/Stamps on Hand	59,482,163	4,623,960
	Balances with Banks in Fixed Deposits Accounts (Refer Note No 3 (iii) (c) of Schedule 'S')	16,407,409,889	12,186,014,111
	Balances with Banks in Current Accounts	2,447,543,365	372,257,496
		18,924,738,829	12,572,492,210

* Interest income does not include interest income from lending operation of Rs.4,238,611,354 (Previous Year Rs.2,882,678,214)

Notes:

- 1 The Cash flow statement has been prepared under the indirect method as set out in Accounting Standard -3 on Cash Flow Statement.
- 2 Figures in bracket indicate cash outgo/income
- 3 Previous year's figures have been regrouped and rearranged wherever necessary to confirm to the current year classification.

**This is the Consolidated Cash Flow Statement referred to in our
report of even date**

For and on behalf of the Board of Directors

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

PARTHA GHOSH
Partner
Membership Number: F55913

SUNIL GODHWANI
Chairman & Managing Director
(DIN- 00174831)

SHACHINDRA NATH
Group Chief Executive Officer
(DIN-00510618)

ANIL SAXENA
Director
(DIN-01555425)

RAVI BATRA
Sr. Vice President & Company
Secretary

Place : Mumbai
Date : July 6, 2010

Place : New Delhi
Date : July 6, 2010

RELIGARE ENTERPRISES LIMITED
Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

	As at March 31, 2010	As at March 31, 2009
	Amount (Rs.)	Amount (Rs.)
SCHEDULE 'A' : SHARE CAPITAL		
Authorised		
200,000,000 Equity Shares of Rs. 10 each	2,000,000,000	2,000,000,000
(Previous Year 200,000,000 Equity Shares of Rs. 10 each)		
50,000,000 Redeemable Preference Shares of Rs. 10 each	500,000,000	500,000,000
(Previous Year 50,000,000 Redeemable Preference Shares of Rs. 10 each)		
TOTAL	2,500,000,000	2,500,000,000
Issued, Subscribed and Paid Up		
127,813,752 Equity Shares of Rs. 10 each Fully Paid up (Previous Year 76,289,760 Equity Shares of Rs. 10 each Fully Paid Up)(Refer Note No 3 (v) of Schedule "S")	1,278,137,520	762,897,600
13.66% 2,50,00,000 Cumulative Redeemable Preference Shares of Rs. 10 each Fully Paid up) (Previous Year 2,50,00,000 13.66% Cumulative Redeemable Preference Shares of Rs. 10 each Fully Paid up) (Refer note 3 (iv) of Schedule "S")	250,000,000	250,000,000
TOTAL	1,528,137,520	1,012,897,600
SCHEDULE 'B' : RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	122,519,888	122,519,888
General Reserve		
Opening Balance	29,348,834	29,348,834
Transfer from Profit and Loss Account	43,545,474	-
	72,894,308	29,348,834
Capital Redemption Reserve	750,000	750,000
Securities Premium Account		
Opening Balance	6,203,230,379	3,926,463,249
Add: Received during the year on Equity Shares	17,688,951,485	26,767,130
Add: Received during the year on Preference Shares	-	2,250,000,000
Less: Expenses relating to Rights Issue (Refer note 3 (viii) of Schedule "S")	29,413,647	-
	23,862,768,217	6,203,230,379
Employee Stock Options Outstanding		
Opening Balance	5,568,750	5,568,750
Less: Employee Stock Options exercised as on balance sheet date	2,741,310	-
Additions / (Cancellation) during the year	(749,790)	(576,090)
Less: Deferred Employee Stock Compensation	305,532	1,377,965
Net Employee Stock Options Outstanding	1,772,118	3,614,695
Surplus as per Profit and Loss Account	970,139,331	348,446,767
Foreign Currency Translation Reserve	(435,252,604)	(139,204,610)
TOTAL	24,595,591,258	6,568,705,953
Note: Reserves and Surplus includes Rs.426,978,126 (Previous Year Rs. 220,989,321) being transfer made to Specific Reserve maintained u/s 451C of Reserve Bank of India Act, 1934 by the subsidiaries.		
SCHEDULE 'C' : SECURED LOANS		
Working Capital Loan and Overdraft from Banks (Secured against pledge of Fixed Deposits, hypothecation of	1,019,350,149	498,408,385

	As at March 31, 2010	As at March 31, 2009
	Amount (Rs.)	Amount (Rs.)
receivables and securities of third parties)		
Long Term Non Convertible Debentures (Refer Note No. 3 (xiii) (b) of Schedule 'S')	4,500,000,000	-
Term Loans from Bank (Refer Note No. 3 (iii) (b) of Schedule 'S')	10,232,217,768	4,456,433,086
Vehicle loan (Secured by hypothecation of vehicle)	137,394	705,091
Interest Accrued and due on Secured Loans	3,788,768	-
TOTAL	15,755,494,079	4,955,546,562
SCHEDULE 'D' :UNSECURED LOANS		
Inter Corporate Loans (Short Term)	215,008,765	2,581,891,300
Redeemable Non-Convertible Debentures(Refer Note No. 3 (xiii) (a) of Schedule 'S')	5,570,000,000	1,750,000,000
Compulsory Convertible Debentures (Refer Note No. 3 (vi) of Schedule 'S')	600,000,000	1,000,000,000
Commercial Paper (Refer Note No. 3 (xiii) (c) of Schedule 'S') (Maximum Outstanding Balance during the year Rs. 3,452 crores; Previous Year Rs. 810 crores)	33,442,459,409	2,343,957,861
Public Deposits	92,363,185	-
Interest accrued and due on Unsecured Loans	44,601,966	4,326,324
TOTAL	39,964,433,325	7,680,175,485

RELIGARE ENTERPRISES LIMITED

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

Schedule 'E': Fixed Assets

(Amount in Rs.)

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION/ AMORTISATION				NET BLOCK		
	As at April 01, 2009	Addition for the Year	Deletions/ Adjustments for the Year	As at Mar 31, 2010	As at April 01, 2009	Additions for the Year*	Pre Acquisition Depreciation	Deletions/ Adjustments for the Year	As at Mar 31, 2010	As at Mar 31, 2010	As at March 31, 2009
INTANGIBLE ASSETS											
GOODWILL (On consolidation)	5,535,729,954	114,132,459	701,265,476	4,948,596,937	184,702	-	-	-	184,702	4,948,412,235	5,535,545,252
COMPUTER SOFTWARE	344,395,077	303,096,331	5,148,015	642,343,393	94,135,805	138,596,263	-	2,153,587	230,578,481	411,764,912	250,259,272
Sub Total(a)	5,880,125,031	417,228,790	706,413,491	5,590,940,330	94,320,507	138,596,263	-	2,153,587	230,763,183	5,360,177,147	5,785,804,524
TANGIBLE ASSETS											
LAND	54,649,819	-	-	54,649,819	-	-	-	-	-	54,649,819	54,649,819
BUILDING	176,605,181	1,351,365,680	8,725,322	1,519,245,539	3,476,419	17,754,895	237,308	2,867,720	18,600,902	1,500,644,637	173,128,762
LEASE HOLD IMPROVEMENT	908,460,240	209,965,318	63,742,086	1,054,683,472	367,990,549	225,393,400	3,017,373	29,623,883	566,777,439	487,906,033	540,469,691
OFFICE EQUIPMENTS	571,561,239	143,553,170	43,230,261	671,884,148	186,613,390	87,471,027	1,409,160	15,492,751	260,000,826	411,883,322	384,947,849
DATA PROCESSING MACHINE	970,296,500	191,308,978	41,163,524	1,120,441,954	296,729,905	175,985,133	13,007,068	22,953,598	462,768,508	657,673,446	673,566,595
FURNITURE AND FIXTURE	165,300,335	52,961,854	20,259,548	198,002,641	74,180,877	16,114,209	5,568,513	16,645,793	79,217,806	118,784,835	91,119,458
VEHICLES	71,242,820	146,686,708	21,592,903	196,336,625	8,733,627	16,174,644	303,331	3,869,179	21,342,423	174,994,202	62,509,193
Sub Total (b)	2,918,116,134	2,095,841,708	198,713,644	4,815,244,198	937,724,767	538,893,308	23,542,753	91,452,924	1,408,707,904	3,406,536,294	1,980,391,367
LEASED ASSETS											
VEHICLES	16,157,877	53,543,587	957,660	68,743,804	340,566	2,218,675	-	234,651	2,324,590	66,419,214	15,817,311
Sub Total(c)	16,157,877	53,543,587	957,660	68,743,804	340,566	2,218,675	-	234,651	2,324,590	66,419,214	15,817,311
TOTAL(a + b + c)	8,814,399,042	2,566,614,085	906,084,795	10,474,928,332	1,032,385,840	679,708,246	23,542,753	93,841,162	1,641,795,677	8,833,132,655	7,782,013,202
Previous Year	1,789,901,717	7,092,653,466	68,156,141	8,814,399,042	427,047,248	526,480,256	116,027,736	37,169,400	1,032,385,840	7,782,013,202	1,362,854,469
Capital Work-in-Progress (including advances)										51,474,789	107,510,026
*Refer Note No. 3 (xii) of Schedule 'S'											

RELIGARE ENTERPRISES LIMITED
Schedules forming part of the Consolidated Balance Sheet As At March 31, 2010

	Face Value	As at March 31, 2010		As at March 31, 2009	
		No.	Rs.	No.	Rs.
SCHEDULE 'F' : INVESTMENTS					
Other Than Life Insurance Business					
Long Term - Other than Trade					
<u>Equity Shares (Fully Paid Up) (Quoted)</u>					
Karnataka Bank Limited	10	3,141,171	455,829,534	3,141,171	455,829,534
(Refer note 3 (iii) (a) on Schedule 'S')					
Hindalco Industries Limited	10	-	-	5,300,000	503,500,000
(Refer note 3 (iii) (a) on Schedule 'S')					
Saraswat Co-op Bank Limited	10	2,500	25,000	2,500	25,000
Ranbaxy Laboratories Limited	5	3,449	1,588,092	3,449	1,588,092
National Hydroelectric Power Corporation Ltd.	10	1,522,071	54,794,556	-	-
<u>Government Securities</u>					
7.50% Govt. Stock 2010	100	60	6,432	60	6,432
13.50% Maharashtra State Electricity Board Bonds		1	200,000	-	-
9% Govt. Stock, 2013	100	305	36,295	305	36,295
<u>National Saving Certificate VIII ISSUE</u>					
NSC VIII Issue	1,000	6	6,000	6	6,000
NSC VIII Issue	10,000	3	30,000	3	30,000
(Refer Note 1 below)					
<u>Share Application Money</u>					
Religare Aegon Asset Management Company (P) Limited	10	-	-	12,500,000	125,000,000
Religare Aegon Trustee Company (P) Limited	10	-	-	25,000	250,000
Equifax Credit Information Services pvt Ltd	10	5,000,000	50,000,000	-	-
Estee Advisors Pvt Ltd A/C Ind (PMS)		-	100,000,000	-	-
Gold Coin		4	37,641	-	-
<u>Contribution to Funds</u>					
Religare Art Fund			22,500,000		22,500,000
India Build Out-Fund-I		-	120,000,000	-	-
Vistaar Media Fund			200,000,000		140,000,000
Total (A)			1,005,053,550		1,248,771,353
Current Investments Other than Trade					
<u>Equity Shares (fully paid up) Quoted</u>					
High Road Capital		21,400,000	5,809,618	21,400,000	9,863,353
Biofutures International Plc		-	-	11,712,177	6,514,361
Panceltica Holdings Ltd		-	-	305,800	963,828
PAQ International Holdings Limited		1,000,000	237,543	1,416,667	556,117
XG Technology Inc.		-	-	38,816	2,028,623
Strategic Natural Resources Plc		1,000,000	9,671,385	2,583,332	22,031,829
Deuxmil Marine Plc		-	-	588,993	7,862,408
AEC Education Plc		-	-	40,000	400,467
ARH Leisure Investments Plc		20,500,000	7,737,108	20,500,000	6,081,165
Atlantic Coal Plc		13,000,000	4,167,599	18,930,884	6,631,513
Devilfish Gaming PLC		904,237	2,531,512	737,570	3,008,423
Fairholt Resource Investments PLC		-	-	2,500,000	741,606
Medi-Flex Ltd		-	-	150,000	256,009
Messaging Int		-	-	66,666	9,888
Oxeco Plc		-	-	525,000	486,679
PHSC PLC		87,000	1,180,927	87,000	1,290,394
Running River Plc		8,900,000	2,647,245	8,900,000	2,892,632
Rurelec Plc		250,000	1,357,387	-	-
Sky Postal, Inc.		855,395	2,668,762	855,395	6,705,768
Sound Oil PLC		-	-	1,500,000	259,117
Sweet China PLC		1,440,000	3,303,338	1,728,331	3,204,349
West End Ventures Plc		5,000,000	678,694	1,000,000	741,606
Kyrso Resources		300,000	2,036,081	-	-
Panceltica		-	-	100,800	317,704
Others (Commodities in Lots)		1	61,506,872	1	29,022,885
(UNQUOTED)					

	Face Value	As at March 31, 2010		As at March 31, 2009	
		No.	Rs.	No.	Rs.
Unicorn Asset Management Ltd		64,190	18,488,391	64,190	36,369,194
Oxford Advanced Surfaces (formerly Kanyon)		-	-	30,000	266,978
Hot Rocks Limited		18,000,000	6,719,067	18,000,000	7,341,894
CD Private Equity Natural resource Fund		250	8,000,723	250	9,270,069
Elite Real Estate (Mayfair) Plc		48,000	16,288,648	48,000	17,798,532
Latin Biofuels Limited		9,999	639,994	9,999	741,531
MENA		4,648	315,485	4,648	344,729
MN Speciality Steel Limited		283,040	8,732,007	283,040	10,117,374
Seven Hills Capital Partners		10,000	640,058	10,000	741,606
SMENA Holdings Limited		-	-	30,523	17,286,269
Scotty Group		33,057	471,149	33,057	931,584
Regency Mines		250,000	169,673	250,000	185,401
Cagney		312,500	91,199	312,500	214,370
Kleenair Systems International plc		21,859	2,002,826	-	-
The Core Business		1,080,000	175,917	1,080,000	280,327
Thor Mining		-	-	363,333	370,493
Louisiana Oil & Gas		1	1,710,308	1	1,868,846
Nostra Terra CLS		-	-	85,850	748,123
<u>OTHERS</u>					
INDIAN FUND S.A. India Convertible Bonds Fund		20,201	89,643,860	-	-
			-		-
<u>Investment in Mutual Funds</u>			-		-
LIC Liquid Growth	10	59,301,078	1,000,000,000	-	-
Kotak Gold ETF	1,000	45,000	75,169,245	-	-
Deutsche Mutual Fund		-	235,000,000	-	-
Religare Ultra Short Term Fund (InstitutionalGrowth)	10	1,136,705	14,329,573	-	-
Religare Mutual Fund	10	377,471,967	4,770,000,000	-	-
Religare Liquid Fund	10	499,272	5,000,555	-	-
Religare India Liquid Fund (formerly Lotus India Liquid fund)	10	-	-	5,330,548	63,426,100
(Super Institutional Growth)					
Religare Short Term Plan (Institutional Growth Option)	10	-	-	5,393,839	60,898,601
Religare Fixed Maturity Plan 375 (Series IX - Growth Option)	10	-	-	150,000	1,500,000
Religare Liquid Fund (InstitutionalGrowth)	10	-	-	132,522	791,389
Religare Ultra Short Term Fund	10	45,499	455,681	-	-
Religare Active Income Fund (formerly known as Lotus India Active Income Fund)	10	-	-	68,010,630	647,243,562
Religare Credit Opportunities Fund	10	32,497,589	331,768,401	-	-
Total (B)			6,691,346,831		990,607,696
<u>Life Insurance Business (Refer Note - 3)</u>					
<u>Investments - Policy Holders</u>					
Government Securities and Government guaranteed bonds including Treasury Bills			22,028,160		49,087,391
Debentures/ Bonds			2,453,440		
Investments in Infrastructure and Social Sector			35,517,680		
Investments in Infrastructure and Social Sector Debentures / Bonds			68,626,360		68,483,610
Other Securities			14,218,600		23,930,809
Mutual Funds			22,074,360		47,816,196
Government Securities and Government guaranteed bonds including Treasury Bills			58,131,920		-
Assets to cover Linked Liabilities			292,678,320		43,552,184
Government Securities and Government guaranteed bonds including Treasury Bills			21,023,200		
Investments in Infrastructure and Social Sector			6,688,440		6,176,287

	Face Value	As at March 31, 2010		As at March 31, 2009	
		No.	Rs.	No.	Rs.
Debentures/ Bonds			10,565,720		
Mutual Funds			18,167,600		35,167,489
Shares			396,110,000		39,597,719
Other Securities			65,755,712		6,132,122
Total (C)			1,034,039,512		319,943,807
Total (A + B + C)			8,730,439,893		2,559,322,856
Aggregate Value of Quoted Investments					
At Book Value			617,771,252		1,072,813,350
At Market Value			478,786,239		589,924,158
Aggregate Value of Unquoted Investments			8,112,668,641		1,486,509,506

Notes:

- (1) Held In the name of a Director of subsidiary company as nominee, Rs 33,000 (Previous Year Rs.33,000) and pledged with Gujarat and Rajasthan VAT Authorities
- (2) Investments purchased and sold during the year:
Quoted Equity Shares 53.00 Lacs, Cost Rs.5,035.00 Lacs (Previous year 64,531,113, Cost Rs.106.22 Lacs)
Units of Mutual Funds 403,928.22 units, Cost Rs.5,486,286.49 Lacs (Previous year 8,199,538,176 units, Cost Rs.1,035,845.89 Lacs)
Bonds 127,852 No's, Cost Rs. 8,113.42 Lacs (Previous year 430,726 No's, Cost Rs. 9,431.98 Lacs)
Debentures 6,000 No's, Cost Rs.60,036.62 Lacs (Previous Year 228 No's, Cost Rs.2,280.00 Lacs)
- (3) The investment represents 44% share of the total Investment of Joint Venture. For the purpose of including in consolidated investment schedule, the information is limited to the value of share of the Company without considering the unit/ scrip wise details.

RELIGARE ENTERPRISES LIMITED
Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

	As at March 31, 2010 Amount (Rs.)	As at March 31, 2009 Amount (Rs.)
SCHEDULE 'G': SUNDRY DEBTORS		
Sundry Debtors*		
Debtors outstanding for a period exceeding six months		
- considered good	304,769,881	119,740,367
- considered doubtful	35,453,219	23,142,238
Other Debts		
- considered good	7,082,641,442	3,311,972,558
- considered doubtful	11,958,550	112,577,683
Less: Provision for Doubtful debts	(47,411,769)	(135,719,921)
TOTAL	7,387,411,323	3,431,712,925
*Sundry Debtors includes secured debts Rs.5,191,703,544; (Previous Year Rs.1,361,119,663)		
SCHEDULE 'H' : CASH AND BANK BALANCES		
Cash in Hand	10,303,412	9,596,643
Cheques and Stamps in Hand	59,482,163	4,623,960
Balances with Banks in Current Account:		
With Non Scheduled Banks	1,505,457,180	36,021,500
With Scheduled Banks	942,086,185	336,235,996
In Fixed Deposit Accounts: (Refer Note No. 3 (iii) (c) of Schedule 'S')		
With Non Scheduled Banks	55,129,100	712,379,090
With Scheduled Banks	16,352,280,789	11,473,635,021
TOTAL	18,924,738,829	12,572,492,210
SCHEDULE 'I' : LOANS AND ADVANCES		
(Unsecured, Considered Good unless otherwise stated)		
Secured Loans		
Standard Assets	24,256,602,896	6,303,847,429
Sub - Standard Assets	52,624,333	94,440,685
Loss Assets	100,343,407	80,209,581
Unsecured Loans		
Standard Assets	16,766,979,446	10,021,521,824
Sub - Standard Assets	4,700,000	35,260,617
Inter Corporate Loans	244,064,882	553,722,488
<u>Advances recoverable in cash or in kind or for value to be received</u>		
-Prepaid Expenses	301,956,146	146,932,727
-Security Deposits with Stock Exchanges	90,375,000	125,008,272
-Security Deposits - Others	1,043,821,377	807,393,920
-Others	764,269,728	384,651,194
Advance to Religare Employee SAR Trust(Refer Note No. 3 (xvi) (b) of Schedule 'S')	109,752,966	177,452,445
Margin with Exchanges	6,868,610	162,410,601
Margin - Equity derivative instruments (Refer Note No.3 (xvii) of Schedule 'S')	126,107,810	-
Deposits - Equity derivative instruments	806,065,101	252,463,919
Asset acquired in satisfaction of debt	199,440,891	198,600,000
Advance Payment of Taxes and Tax deducted at source (Net of provision for Taxation Rs.2,488,755,497 ; Previous Year Rs. 1,563,279,085)	600,559,706	490,789,016
Balance with Service Tax Authorities	343,975,085	180,956,349
TOTAL	45,818,507,384	20,015,661,067

	As at March 31, 2010	As at March 31, 2009
	Amount (Rs.)	Amount (Rs.)
SCHEDULE 'J' : CURRENT LIABILITIES		
Sundry Creditors	7,104,752,027	5,083,675,019
Interest accrued but not due on Loans	305,572,505	185,159,855
Book Overdraft	3,201,497,389	1,293,694,237
Interim Dividend on Preference Shares	34,150,000	-
Interim Dividend on Equity Shares	255,627,504	-
Margin from Clients	538,713,863	395,335,714
Margin payable to Exchanges	1,142,714,353	541,600,000
Security Deposits	197,774,047	144,104,605
Advances from Clients/ Customer	123,540,634	120,293,109
Other Liabilities	1,187,684,434	631,447,322
TOTAL	14,092,026,756	8,395,309,861
SCHEDULE 'K' : PROVISIONS		
Gratuity	94,778,821	55,466,952
Leave Encashment	96,073,477	77,204,039
Non-Performing Assets	194,798,746	93,179,713
Diminution in value of Non -banking financial assets	5,460,000	5,460,000
Diminution in value of Investment	2,000,000	-
TOTAL	393,111,044	231,310,704

RELIGARE ENTERPRISES LIMITED

Schedules forming part of Consolidated Profit & Loss Account for the year ended March 31, 2010

	For the year ended March 31, 2010	For the year ended March 31, 2009
	Amount (Rs.)	Amount (Rs.)
SCHEDULE 'L' : INCOME FROM OPERATIONS		
Broking Related Operations (TDS Rs. 37,663,544; Previous Year Rs.11,134,674)	5,282,871,433	3,621,263,079
Income from Lending Activities (TDS Rs. 304,356,151; Previous Year Rs.145,132,906)	4,238,611,354	2,882,678,214
Interest on Delayed Payments (TDS Rs. 8,879,805; Previous Year Rs. 12,348,507)	547,008,870	427,773,173
Income from Financial Advisory Services (TDS Rs. 9,915,722; Previous Year Rs.81,142,676)	1,694,006,343	2,471,249,992
Support Service Fees	1,611,912	4,352,393
Investment Management Fees (TDS Rs.57,965,008; Previous Year Rs. 201,390)	622,056,481	38,376,822
Portfolio Management Services Fees (TDS Rs. Nil; Previous Year Rs.56,238)	39,920,982	39,024,392
Depository Operations (TDS Rs 171,468; Previous Year Rs. NIL)	93,497,134	90,242,082
Life Insurance Premium (Net of Premium on re-insurance ceded)	725,074,578	143,262,990
TOTAL	13,244,659,087	9,718,223,137
SCHEDULE 'M' : INTEREST INCOME		
Interest On:-		
Staff Loans	756,773	313,690
Fixed Deposits with Banks (TDS Rs. 1,59,536,711; Previous Year Rs. 252,421,491)	1,318,008,246	1,198,182,210
Interest Income On Debenture	5,122,666	-
Government Securities	5,316	4,812
Inter-Corporate Loans (TDS Rs. 3,722,446; Previous Year Rs. 1,658,258)	70,690,824	46,617,967
Others	55,233,643	40,335,174
TOTAL	1,449,817,468	1,285,453,853
SCHEDULE 'N' : OTHER INCOME		
Dividend		
-On Current Investments	81,520	8,848,636
-On Long Term Investments	20,545,253	36,422,925
Profit on Sale of Long Term Investments	256,316,619	816,099
Profit on Sale/Redemption of Short Term Investments (Net)	380,720,355	61,099,748
Income from Arbitrage and Trading of Securities and Derivatives (Net)	408,552,368	198,295,000
Balances Written Back (Net)	7,873,604	40,740,104
Recovery of Transaction Fees from clients	487,627,851	321,544,569
Transfer/Gain on revaluation/change in fair value	44,614,611	1,538,265
Rental Income	152,745,314	55,439,326
Income from Referral Fee (TDS Rs. 335,065; Previous Year Nil)	31,611,064	85,727,125
Reversal of Earlier Years provision for Doubtful Debts	1,588,608	-
Miscellaneous Income	95,084,589	43,683,090
TOTAL	1,887,361,756	854,154,887
SCHEDULE 'O' : OPERATING EXPENSES		
Commission and Brokerage	1,361,709,231	807,125,764
Transaction Charges	335,818,996	283,642,832
Custodial and Stamp Charges	114,546,916	115,175,898
Bad Debts written off	532,613,665	449,961,849
Provision for Non Performing Assets	103,534,080	91,835,405
Provision for doubtful debts	305,635	21,283,098
Gallery and Exhibition Expenses	2,182,421	1,270,310
Software License Expenses	53,383,337	28,521,419
Medical Fees	4,477,375	2,208,530
Membership and Subscription fees	27,847,320	19,136,939

	For the year ended March 31, 2010	For the year ended March 31, 2009
	Amount (Rs.)	Amount (Rs.)
Change in valuation of liability in respect of life policies	545,321,504	90,430,090
TOTAL	3,081,740,480	1,910,592,134
SCHEDULE 'P': PERSONNEL EXPENSES		
Salaries, Allowances and Bonus	4,467,786,120	3,113,439,345
Contribution to Employees' Provident and other funds	226,990,669	227,078,509
Gratuity	35,272,588	33,171,382
Leave Encashment	69,319,360	97,009,084
Training and Recruitment Expenses	268,614,431	71,075,618
Staff Welfare Expenses	122,969,055	136,511,157
TOTAL	5,190,952,223	3,678,285,095
SCHEDULE 'Q': ADMINISTRATIVE AND OTHER EXPENSES		
Rent, Rates & Taxes	1,096,969,645	759,327,609
Advertisement, Business Promotion and Entertainment	555,301,153	297,634,376
Insurance	26,299,386	20,665,875
Travelling and Conveyance	300,286,155	214,482,264
Communication Expenses	452,529,339	469,254,409
Postage and Courier	85,071,428	101,691,083
Office Expenses	85,325,949	79,322,472
Printing and Stationary	85,154,165	108,480,057
Electricity	188,207,676	153,344,413
Legal and Professional	696,741,539	631,556,916
Repairs and Maintenance		
-Building / Lease hold Improvement	8,325,378	7,865,354
-Others	150,837,446	129,275,064
Loss on account of Error Trades (net)	13,898,588	15,978,964
Auditors' Remuneration	8,129,275	32,665,880
Filing Fees	8,718,655	26,534,035
Provision for diminution in value of current investment (net)	32,612,147	74,250,052
Loss on Sale of Fixed Assets (net)	11,097,744	1,366,946
Foreign Exchange Loss(net)	48,346,797	159,852,244
Information technology and related expenses	58,481,266	20,204,668
Preliminary Expenses written off	-	504,179
Miscellaneous expenses	68,690,267	54,266,288
TOTAL	3,981,023,998	3,358,523,148
SCHEDULE 'R': INTEREST AND FINANCE CHARGES		
Interest on:		
- Inter Corporate Loans	237,648,181	377,366,686
- Debentures	773,834,027	1,003,765,379
- Commercial Paper	1,090,321,958	733,752,745
- Bank Overdrafts	174,049,324	470,698,287
-Client Margins	11,316,388	68,259,969
- Assignment of Receivables (net)	-	40,378,625
- Public Deposits	5,673,269	-
- Long term bank loans	190,411,762	216,566,664
- Others	104,498,461	25,642,356
Loan Processing Charges	77,819,525	57,983,051
Bank Guarantee Commission and Other Charges	131,893,009	97,402,178
TOTAL	2,797,465,904	3,091,815,940

RELIGARE ENTERPRISES LIMITED
SCHEDULE 'S' SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

1. PRINCIPLES OF CONSOLIDATION

- A. The consolidated financial statements relate to Religare Enterprises Limited ('the Company'), its subsidiaries and Joint Ventures ('the Group'). The consolidated financial statements have been prepared on the following basis:
- (i) In respect of Subsidiary companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after as far as possible eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard 21 - Consolidated Financial Statements notified under the Companies (Accounting Standards) Rules, 2006.
 - (ii) In respect of Joint Ventures, the financial statements have been consolidated as per Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures notified under the Companies (Accounting Standards) Rules, 2006.
 - (iii) The excess of cost over the Company's investment in a subsidiary Company and Joint Ventures is recognized in the consolidated financial statements as Goodwill. The excess of Company's share in equity and reserves of the subsidiary companies and Joint Ventures over the cost of acquisition is treated as Capital Reserve.
 - (iv) The share of Minority Interest in the net profit/ (loss) of subsidiaries for the period/year is identified and adjusted against the income of the group to arrive at the net income attributable to the Company.
 - (v) The share of Minority Interest in the net assets of subsidiaries is identified and presented as a liability in the consolidated financial Statements separately from the equity of the Company.
 - (vi) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- B. Investments other than investments in subsidiaries and joint ventures have been accounted as per Accounting Standard 13 on "Accounting for Investments" notified under the Companies (Accounting Standards) Rules, 2006.
- C. The subsidiaries enterprises and joint ventures considered in the consolidated financial statements are as under:

Name of the Entity	Proportion of ownership Interest 31-Mar-10	Proportion of ownership Interest 31-Mar-09	Country of Incorporation	Status
<u>Subsidiaries / Sub-Subsidiaries</u>				
Religare Finvest Limited	100.00%	100.00%	India	Trading
Religare Insurance Broking Limited	100.00%	100.00%	India	Trading
Religare Securities Limited	100.00%	100.00%	India	Trading
Religare Commodities Limited	100.00%	100.00%	India	Trading
Religare Venture Capital Limited	100.00%	100.00%	India	Trading
Religare Realty Limited	100.00%	100.00%	India	Trading
Religare Capital Markets Limited	100.00%	100.00%	India	Trading
Religare Arts Initiative Limited	100.00%	100.00%	India	Trading
Religare Finance Limited	100.00%	100.00%	India	Trading
Religare Health Insurance Company Limited (Formerly known as Religare General Insurance	100.00%	100.00%	India	Trading

Name of the Entity	Proportion of ownership Interest 31-Mar-10	Proportion of ownership Interest 31-Mar-09	Country of Incorporation	Status
Company Limited				
Religare United Soccer Limited (Subsidiary w.e.f. April 8, 2008)	100.00%	100.00%	India	Trading
Religare Arts Investment Management Limited (Subsidiary w.e.f. April 16, 2008)	100.00%	100.00%	India	Trading
Religare Asset Management Company Limited (Subsidiary w.e.f. December 4, 2008) (Formerly known as Lotus India Asset Management Company (P) Ltd)	100.00%	100.00%	India	Trading
Religare Trustee Company Limited (Subsidiary w.e.f. December 4, 2008) (Formerly known as Lotus India Trustee Company (P) Limited)	100.00%	100.00%	India	Trading
Vistaar Religare Capital Advisors Limited (JV up to April 16, 2009, Subsidiary w.e.f April 17, 2009)	74.00%	50.00%	India	Trading
Religare Advisory Services Limited (Subsidiary w.e.f. July 1, 2009)	100.00%	-	India	Trading
Maharishi Housing Development Finance Corporation Limited (Subsidiary w.e.f. June 15, 2009)	87.50%	-	India	Trading
Religare Capital Markets International(UK)Limited	100.00%	100.00%	United Kingdom	Trading
Religare Capital Markets Plc (Formerly Religare Hichens, Harrisons Plc)	100.00%	100.00%	United Kingdom	Trading
Religare Capital Markets (UK) Limited (Formerly Blomfield Corporate Finance Limited)*	100.00%	100.00%	United Kingdom	Trading
Hichens, Harrison (Derivatives) LLP*	99.00%	51.00%	United Kingdom	Dormant
Religare Hichens Harrison (Pty) Limited	100.00%	100.00%	South Africa	Ceased Trading
Hichens, Harrison (Africa) Ltd [#]	-	100.00%	United Kingdom	Discontinued
Religare Hichens Harrison Consultoria Internacional Ltda*	99.00%	99.00%	Brazil	Trading
Blamire Limited*	100.00%	100.00%	United Kingdom	Trading
Medserve (ME) Ltd ^S	-	100.00%	United Kingdom	Discontinued
Claridge House Services Limited*	100.00%	100.00%	United Kingdom	Dormant
ARM Corporate Finance Limited*	100.00%	100.00%	United Kingdom	Dormant
Blomfield Capital Limited [#]	-	100.00%	United Kingdom	Discontinued
Blomfield Investment Management Limited [#]	-	100.00%	United Kingdom	Discontinued
Blomfield Street Securities Limited*	100.00%	100.00%	United Kingdom	Dormant
HDIM Limited [#]	-	100.00%	United Kingdom	Discontinued
Hichens, Harrison (Asia) Ltd [#]	-	100.00%	United Kingdom	Discontinued
Hichens, Harrison (Middle East) Limited*	100.00%	100.00%	United Kingdom	Dormant
Hichens, Harrison (South America) Ltd ^S	-	100.00%	United Kingdom	Discontinued
Hichens, Harrison (Ventures) Limited*	100.00%	100.00%	United Kingdom	Nominee / Trading
London Wall Nominees Limited*	100.00%	100.00%	United	Nominee

Name of the Entity	Proportion of ownership Interest 31-Mar-10	Proportion of ownership Interest 31-Mar-09	Country of Incorporation	Status
			Kingdom	
African Bio Fuels Ltd [#]	-	100.00%	United Kingdom	Discontinued
Asian Bio Fuels Ltd [%]	-	100.00%	United Kingdom	Discontinued
African Wireless Ltd [#]	-	100.00%	United Kingdom	Discontinued
African Communication Services(Proprietary) Limited*	100.00%	100.00%	South Africa	Dormant
South American Wireless Ltd [#]	-	100.00%	United Kingdom	Discontinued
Student Accommodation Company (India) Ltd [#]	-	100.00%	United Kingdom	Discontinued
Charterpace Limited*	100.00%	39.00%	United Kingdom	Dormant
Vivaldi Corporate Finance Limited [#]	-	100.00%	United Kingdom	Discontinued
HH1803.com Limited*	100.00%	100.00%	United Kingdom	Dormant
Hichens Investment Management Ltd [#]	-	100.00%	United Kingdom	Discontinued
Hichens Harrison (Far East) Pte Ltd*	100.00%	100.00%	Singapore	Dormant
Religare Capital Markets Pte. Ltd. (Formerly Religare Hichens Harrison Pte Ltd.)*	100.00%	100.00%	Singapore	Trading
Religare Capital Markets Inc (Formerly Religare Hichens Harrison Inc)*	100.00%	100.00%	USA	Trading
Hichens Harrison Commodities Ltd [§]	-	100.00%	United Kingdom	Discontinued
Hichens Harrison (North America) Ltd [#]	-	100.00%	United Kingdom	Discontinued
Tobler (Mauritius) Limited*	100.00%	-	Mauritius	Trading
Tobler UK Limited*	100.00%	-	United Kingdom	Trading
Religare Investment Advisory (Mauritius)*	100.00%	-	Mauritius	Trading
Religare Global Asset Management Japan Co. Ltd.*	100.00%	-	Japan	Trading
Religare Investment Holdings (UK) Limited*	100.00%	-	United Kingdom	Trading
Joint Ventures				
Religare Macquarie Wealth Management Limited (Joint venture w.e.f. March 13, 2008)	50.00%	50.00%	India	
Aegon Religare Life Insurance Company Limited (Joint Venture w.e.f. May 29, 2008)	44.00%	44.00%	India	
Milestone Religare Investment Advisors Private Limited (Joint Venture w.e.f. April 8, 2009)	50.00%	-	India	
Milestone Religare Capital Management	50.00%	-	United Kingdom	

*Subsidiary of Religare Hichens, Harrisons Plc & Strike off w.e.f. 19 May 2009

Strike off w.e.f. 26 May 2009

% Strike off w.e.f. 16 June 2009

§ Strike off w.e.f. 16 Feb 2010

All the companies annotated as “Trading” in the above list are included in the consolidated financial statements. The other companies annotated as “Dormant” above have carried on no activities during the year and have made neither profit nor loss. All other companies annotated as “Discontinued” have been dissolved during the year.

- D. Reporting date of following subsidiaries companies is different from the reporting date of the Company i.e. March 31, 2010:-

Sr No.	Name of the subsidiary company	Reporting Date
1	Hichens, Harrison (Ventures) Limited	Dec 31, 2009
2	Religare Hichens Harrison Consultoria Internacional Ltda	Dec 31, 2009

There are no material transactions from Jan 1, 2010 to March 31, 2010 in respect of above subsidiaries.

- E. The amount of goodwill arising out of acquisitions / increase of shareholding of subsidiaries during the year is Rs 1,141.32 lacs (Previous year Rs 55,338.17 lacs).
- F. During the year ended March 31, 2010, the Company acquired 46,153 equity shares of Rs.10 each representing 24% of the total paid up share capital of Vistaar Religare Capital Advisors Limited (VRCAL) from Vistaar Entertainment Ventures (P) Limited (VEPL). Consequently, with effect from April 17, 2009, VRCAL became a subsidiary of the Company; the Company and VEPL are holding 74% and 26% of total paid up share capital of VRCAL respectively.
- G. During the year ended March 31, 2010:
- (i) Religare Venture Capital Limited (RVCL), a wholly owned subsidiary of the company entered into a joint venture agreement with Milestone Fincap Services (P) Limited, through formation of a joint Venture company namely "Milestone Religare Investment Advisors (P) Limited" with equal equity participation of 50% by each JV partners in the share capital of the JV entity for managing a Rs. 600 crore Healthcare and Education Fund to be raised domestically.
 - (ii) RVCL purchased 100% equity shareholding from the existing shareholders of Religare Advisory Services (P) Limited (RASL) (formerly known as Evolvence Advisory Services (P) Ltd) vide share purchase agreement dated June 12, 2009. RASL became a subsidiary of RVCL w.e.f. July 1, 2009. RASL has been converted into a public limited company w.e.f. October 5, 2009
 - (iii) The Company vide share purchase agreement dated May 28, 2009 agreed for acquisition of part holding from an existing share holder and subscription to additional share capital in Maharishi Housing Development Finance Corporation Limited ("MHDFC"). As at March 31, 2010, the Company has acquired/ subscribed to 34,998,250 equity shares at Rs. 96.58 Crores representing 87.50% of the total shareholding, thereby MHDFC became subsidiary of the Company. It is registered u/s 29A of National Housing Bank Act 1987 by National Housing Bank.
- H. The Company has signed a definitive agreement for acquisition of majority equity interest in Northgate's Management Company. The transaction is subject to regulatory approvals and is expected to close in the first half of 2010. Further, the company has committed up to USD 1 billion for Strategic Investment in diversified assets management businesses globally.

2. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31, 2010 FOR CONSOLIDATED FINANCIAL STATEMENTS

A. BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention and on accrual basis of accounting in accordance with generally accepted accounting principles in India and comply in material aspect with the measurement and recognition principals of Accounting Standards referred in Section 211 (3C) of the Companies Act, 1956 of India ("the Act") read with Companies (Accounting Standards) Rules 2006.

B. USE OF ESTIMATES

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of

revenue and expenses during the reporting period/ years. Difference between the actual results and estimates are recognized in the period/ year in which results are known / materialized.

C. REVENUE RECOGNITION

- (i) Revenue from broking activities is accounted for on the trade date of transaction.
- (ii) Interest income from financing activities, deposits, commission & brokerage are recognized on an accrual basis.
- (iii) Issue management and placement fees, underwriting commission, portfolio management fees and financial/investment advisory fees are accrued based on terms of the relevant agreements.
- (iv) Dividend from investments is accounted for as income when the right to receive dividend is established.
- (v) Depository Income is accounted for on an accrual basis.
- (vi) Revenue from fund/investment management fee is recognized on an accrual basis based on the average net assets of the scheme outstanding in each financial year.
- (vii) Rental cost and sublease income in respect of assets with lease management is recognized on an accrual basis as per terms of agreements.
- (viii) Provision for Non Performing Assets has been made as per prudential norms prescribed by Reserve Bank of India, NHB Directions wherever applicable.
- (ix) Income from Arbitrage and trading in securities and derivatives comprises Profit / loss on sale of securities/ commodities held as stock -in -trade and Profit/ loss on equity / commodity derivative instruments. Profit /loss on sale of securities/ commodities is determined based on weighted average cost of securities/ commodities sold. Profit/ loss on equity / commodity derivative transactions is accounted for on the following basis :-

Equity Index / Stock and Commodity – derivatives

- (a) “Initial margin” representing initial margin paid, and “Margin Deposits,” representing additional margin over and above initial margin, for entering into contracts for equity index / stock and Commodity futures, which are released on final settlement / squaring-up of underlying contracts, are disclosed as under loans and advances.
- (b) Equity index / stock and Commodity futures are marked – to – market on a daily basis. Debit or credit balance disclosed under loans and advances or current liabilities, respectively, in the “Mark – to – Market Margin – Equity Index / Stock and Commodity Futures Account”, represents the net amount paid or received on the basis of movement in the prices of index / stock and Commodity futures till the balance sheet date.
- (c) As on the balance sheet date, profit / loss on open positions in index / stock and Commodity futures are accounted for as follows:
 - i. Credit balance in the “Mark – to – Market Margin – Equity Index / Stock and Commodity Futures Account”, being anticipated profit, is ignored and no credit for the same is taken in the profit and loss account.
 - ii. Debit balance in the “Mark – to – Market Margin – Equity Index / Stock and Commodity Futures Account”, being anticipated loss is adjusted in the profit and loss account.
 - iii. On final settlement or squaring-up of contracts for equity index / stock and commodity futures, the profit or loss is calculated as the difference between settlement / squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled / squared-up contract in “Mark – to – Market Margin – Equity Index / Stock and Commodity Futures Account” is recognized in the profit and loss account. When more than one contract in respect of the relevant series of equity index futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit / loss on squaring-up.
- (x) Premium receipts in case of Life Insurance business (net of service tax) is recognized as income when due from policyholders. Premium on lapsed contracts are recognized on receipt basis.

For linked business, premium income is recognized when the associated units are allotted and Fund management charges, administration charges and mortality charge are recognized in accordance with terms and conditions of the policy.

- (xi) Net income from (profit less losses) matched risk less principal dealing is recognized on the trade date.
- (xii) Fee income from corporate broking and related activities are brought into account when the transactions have been completed and authorized by the client. Some of this revenue is taken in the form of shares, options or warrants in the client enterprise rather than cash. In the case of shares the amount taken to revenue will be the value of fee agreed with the client or, if no specific fee was agreed, then the fair value of the shares at the date of completion of the transaction. The shares are subsequently recognized as financial instruments held for trading. In the case of warrants and options the instruments are valued using the Black -Scholes valuation model.
- (xiii) Revenue excludes service tax

D. COMMERCIAL PAPER

In case of Subsidiaries, the difference between the redemption value and acquisition cost of Commercial Paper is amortized over the tenure of the instrument. The liability as at the Balance Sheet date in respect of such instruments is recognized at face value net of discount to be amortized.

E. FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation. Cost for this purpose includes purchase price, non refundable taxes or levies and other directly attributable costs of bringing the asset to its working condition for its intended use.

F. LEASED ASSETS

- (i) Assets acquired under leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating leases. The rentals and all other expenses of assets under operating lease are treated as revenue expenditure.
- (ii) Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Profit and Loss Account on straight – line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

G. 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.

Computer software which is not an integral part of the related hardware is classified as an intangible asset and is being amortized over the estimated useful life.

H. DEPRECIATION

Immovable assets at the leased premises including civil works, electrical items are capitalized as leasehold improvements and are amortized over the primary period of lease subject to maximum of 6 years.

Depreciation is provided on Straight Line Method, at the rates specified in Schedule XIV of the Companies Act, 1956 or the rates based on useful lives of the assets as estimated by the management, whichever are higher. Depreciation is provided for on a pro-rata basis on the assets acquired, sold or disposed off during the year. The annual depreciation rates are as under:

Assets Description	Depreciation Rate
Data Processing machine	16.21% to 33.33%
Office Equipment	Between 4.75% to 33.33%
Furniture and Fixtures	6.33% to 33.33%

Vehicle	9.50%
Building	1.63%
Intangible Assets-Software	16.21%

Individual assets costing up to Rs. 5,000 are fully depreciated in the year of acquisition.

I. STOCK-IN-TRADE

- (i) The securities acquired with the intention of short-term holding and trading positions are considered as stock – in – trade and disclosed as current assets.
- (ii) The securities held as stock – in – trade under current assets are valued at lower of weighted average cost and market value.

J. INVESTMENTS

Investments are classified into long term investments and current 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 cost or market / fair value, whichever is lower.

In respect of Life Insurance JV

Investments are made in accordance with the Insurance Act, 1938, the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, ('IRDA Investment Regulations') as amended and circulars/notifications issued by IRDA from time to time.

Investments are recorded on the trade date at cost, which includes brokerage and taxes, if any and excludes interest paid, if any, on purchase.

(i) Classification

Investments maturing within twelve months or intended to be held for a period of less than twelve months from the Balance Sheet date are classified as Short Term Investments. Investments other than Short Term are classified as Long Term Investments.

(ii) Valuation – Shareholders' investments and Non-Linked Policyholders' investments

All debt securities are considered as "held to maturity" and are stated at historical cost subject to amortization of premium or accretion of discount over the period of maturity / holding on a constant yield to maturity basis. Investments in mutual funds are stated at the net asset value (NAV) declared by the respective funds as at the Balance Sheet date. Listed equity securities are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the last quoted closing prices on the National Stock Exchange of India Ltd. ('NSE'), and in case the same is not available, then on Bombay Stock Exchange (BSE) Limited is considered. Unlisted equity securities, if any, are measured at historical cost.

In respect of investments in equity shares and mutual funds, the corresponding unrealized investment gains or losses are reported in the Balance Sheet under "Fair Value Change Account". In case of diminution, other than temporary, in the market value of investments as on the Balance Sheet date, the amount of diminution is recognized as an expense in the Revenue/Profit and Loss Account as the case may be.

(iii) Valuation – Linked Business (Assets held to cover linked liabilities)

Government securities are valued at prices obtained from Credit Rating Information Services of India Ltd. ('CRISIL'). Debt securities, other than Government securities, are valued on the basis of CRISIL Bond Valuer. Money market instruments are valued at Net amortized Cost. Fixed deposit, money at call and short notice are valued at cost. Listed equity securities are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the last quoted closing prices

on the National Stock Exchange of India Ltd. ('NSE'), and in case the same is not available, then on Bombay Stock Exchange (BSE) Limited is considered.

Unrealized gains and losses arising due to changes in fair value are attributed to unit holders and are recognized in the Revenue Account of the fund. Investments in mutual funds are stated at previous day's net asset value (NAV) declared by the respective funds.

(iv) Transfer of Investments

Any transfer of investments from Shareholder's Account to Policyholder's Account / Linked Funds is carried out at lower of book value (amortized cost) or market value. In case of debt securities, all transfers are carried out at the net amortized cost. Inter fund transfer of investments between Linked funds is done at market value on the date of transfer.

K. FOREIGN CURRENCY TRANSACTIONS

- (i) Transactions in foreign currencies are recorded at the rate of exchange in force at the time of occurrence of the transactions.
- (ii) Exchange differences arising on settlement of revenue transactions are recognized in the Profit and Loss account.
- (iii) 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.

L. EMPLOYEE BENEFITS

- (i) Provident Fund is a defined contribution scheme and the contributions as required by the statute are charged to the Profit and Loss Account as incurred.
- (ii) Gratuity Liability is a defined obligation and is wholly unfunded. The Company accounts for liability for future gratuity benefits based on an actuarial valuation as at the Balance Sheet date.
- (iii) 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 actuarial valuation as at the Balance Sheet date.
- (iv) Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Profit and Loss Account as income or expense.
- (v) The undiscounted amount of short - term employee benefits expected to be paid in exchange for services rendered by an employee is recognized during the period when the employee renders the service.
- (vi) Stock Appreciated Rights (SAR's) given to employees as incentive, proportionate to the vesting period as at the balance sheet date is recognized as an expense based on the fair value of equity shares as at the balance sheet date or the cost of acquisition of such shares where the same have been acquired by an Employee Trust formed for the purpose.
- (vii) Stock Options granted to eligible persons under the relevant Stock Option Schemes are accounted for at intrinsic value as per the accounting treatment prescribed by the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines 1999 issued by the Securities Exchange Board of India. Accordingly, the excess of average market price, determined as per guidelines of the underlying equity shares (market value) over the exercise price of the options is recognized as deferred stock option expense and is charged to Profit and Loss Account on a straight line basis over the vesting period of the options. The amortized portion of the cost is shown under reserve and surplus.

M. TAXES ON INCOME

- (i) Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- (ii) Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax asset, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- (iii) Provision for taxation for the year is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.

N. 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.

O. IMPAIRMENT OF ASSETS

Assets are reviewed for impairment at each balance sheet date. In case, events and circumstances indicate any impairment, the recoverable amount of these assets is determined. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which an asset is defined as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount and such loss either no longer exists or has decreased.

P. BORROWING COSTS

Ancillary costs incurred for arrangement of borrowings such as upfront fees / brokerages are period costs and amortized over the tenure of the borrowing as per terms of sanction / agreement.

Q. SCHEME EXPENSES

Recurring expenses relating to schemes of Religare Mutual Fund in excess of expense limits are borne by the company. The expenses limits are within the overall limits prescribed by SEBI (Mutual Fund) Regulations, 1996 or offer document of the respective schemes.

R. REINSURANCE PREMIUM

Premium ceded on reinsurance is accounted in accordance with the terms of the treaty.

S. CLAIMS/ BENEFITS

Claims by death are accounted when intimated. Claims by maturity / survival benefit are accounted on the policy maturity date. Annuity benefits are accounted when due. Surrenders are accounted on receipt of notification. Claims cost consist of the policy benefit amounts and claims settlements costs, where applicable. Withdrawals under linked policies are accounted in respective schemes along with cancellation of associated units.

Amount recoverable from Re-insurer are accounted for in the same period as the related claim.

T. POLICY LIABILITIES

Liabilities on life policies are determined by the Appointed Actuary using generally accepted actuarial practice in accordance with the standards and guidance notes established by the Institute of Actuaries, India, the requirement of the Insurance Act, 1938 and regulations issued by the IRDA.

The liabilities are calculated in a manner that together with estimated future premium income and Investment income, the Company can meet estimated future claims (including bonus entitlements to policy holders) and expenses.

3. NOTES ON ACCOUNTS

(i) Capital Commitment (net of advances): Rs. 983.71 lacs (Previous Year Rs. 1,053.43 lacs).

(ii) **Contingent Liabilities**

(Rs. in Lacs)			
Sr.No	Particulars	March 31, 2010	March 31, 2009
(a)	Financial and other guarantees issued by the Group to banks and stock exchanges and others	116,969.22	70,307.13
(b)	Underwriting commitments/obligations for Shares / debentures	29,000.00	-
(c)	Disputed Income Tax demands not provided for	1,053.44	-
(d)	Provident fund demand against employees provident fund dues from a subsidiary under appeal not provided for	119.11	-
(e)	Disputed demand for Service Tax Liability against a subsidiary not provided for	2129.12	-
(f)	Loan sanctioned but not disbursed by a subsidiary	16,629.16	1064.00
(g)	Claim against the Group not acknowledged as debts	2815.83	2311.13

(iii) Pledge of Equity Shares by the Group for

(a) Base Capital Requirement with Stock Exchanges

(Nos. in Lacs)			
Name of Scrips	Held By		
	Holding Company	Group Companies	Clients
Karnataka Bank Limited	17.41 (17.41)	14.00 (14.00)	- (-)
Hindalco Industries Limited	- (-)	- (66.47)	- (-)
S.Kumar Nationwide Limited	- (-)	- (-)	- (23.67)

(b) Funded and Non-Funded Credit Facilities from banks by the Group

Name of Scrip / Held by	Year Ended March 31,2010 (in Nos)	Period Ended March 31,2009 (in Nos)
	ICICI Bank UK Plc	ICICI Bank UK Plc
Religare Capital Markets International (UK) Limited	24,877,656	1
Religare Capital Markets International (Mauritius) Limited	1	1
Religare Capital Markets Plc (Formerly Religare Hichens, Harrison Plc)	19,468,773	19,468,773

(c) Fixed deposits under lien with banks / stock exchanges

(Rs. in Lacs)		
	March 31,2010	March 31,2009
Margin/deposit for guarantee & credit facility by bank*	48,171.35	21,283.57
For base capital requirement with stock exchanges	111,244.00	90,276.13
Government Authorities and Arbitrators	169.13	41.02

*An amount of Rs.155 lacs (Previous Year 1,014 lacs) pledged against Bank guarantee towards earnest money deposit by the company had been revoked subsequent to the Balance Sheet Date

(iv) The Company has issued during the previous year 13.66% 25,000,000 Cumulative Redeemable Preference Share of Rs. 10 each at a premium of Rs 90 per share aggregating to Rs. 250,000,000 to a promoter group entity. These Preference Shares are redeemable at a premium not exceeding Rs.150 per share at the end of 5 years or at an earlier date as per mutually agreed terms. It is intention of the Company that such premium payable will be paid out of utilization of the Securities Premium Account as permissible under the provisions of section 78 of the Companies Act, 1956.

(v) Pursuant to the Letter of Offer (LOF) dated January 19, 2010 the Company made right issue of 51,107,401 shares of Rs 10 each at a premium of Rs. 345 per share aggregating Rs. 181,431.27 lacs. The issue has been fully subscribed and the shares have been allotted on February 24, 2010 to the applicants and shares have been listed on the BSE and NSE.

As at balance sheet date, amount of Rs. 181,431.27 lacs has been fully deployed as per the objects of the issue.

(Rs. in Lacs)		
Sr. No	Particulars	Actual Utilization as on March 31,2010
1	Investment in Subsidiaries	
	Equity Shares (Fully Paid Up)	
	Religare Securities Limited	22,600.00
	Religare Realty Limited	2,170.00
	Religare Finvest Limited	96,830.00
	Religare Insurance Broking Limited	2,250.00
	Religare Art Initiative Limited	800.00
	Religare Venture Capital Limited	3000.00
	Total	127,650.00
2	Investments in Joint Ventures	
	Equity Shares (Fully Paid Up)	
	Aegon Religare Life Insurance Company Limited	4,400.00
	Total	4,400.00
3	Others	
	Repayment of Debts	49,087.13
	Right issue expenses	294.14
	Total	181,431.27

- (vi) The Company has given a commitment to the subscribers of 9.75% Compulsory Fully Convertible Unsecured Debentures (CCDs) of aggregating Rs 10,000 lacs issued by Religare Finvest Limited (RFL) in 2009. The said CCDs are convertible into equity shares in two tranches of Rs 4,000 lacs and Rs 6,000 lacs on or before July 23, 2009 and July 23, 2010 respectively.

During the current year the first tranche of Rs 4,000 lacs has been acquired by the company and converted into 20 lacs equity shares of Rs 200 per share (including premium of Rs 190 per share) based on valuation report.

- (vii) During the year, the Religare Assets Management Company Limited (one of the sub-subsidiary) had filed a petition with High Court for cancellation and extinguishing the Preference Share Capital against the accumulated losses. Accordingly, the Preference share capital has been cancelled and extinguished together with all rights, interests and benefits including dividend that may have accrued or may accrue to both the classes of Preference Shareholders in respect thereof vide order of the High Court dated 4 September 2009 and subsequent approval from Registrar of Companies through Certificate of Registration of order issued on 25 September 2009.

- (viii) The Company has adjusted the following expenses incurred towards the Rights Issue aggregating to Rs. 294.14 lacs against Securities Premium Account:

(Rs. in Lacs)	
Nature of Expenses	Amount
Fees to Lead Manager & Registrar of the Issue	64.71
Advertising & Marketing Expenses	20.86
Printing and Stationery	49.48
Others (Monitoring Agency fees, fees to legal counsels, Stamp duty etc.)	159.09
Total	294.14

- (ix) At the Board meeting held on March 19, 2010, the Board of Directors of the Company had declared an interim dividend of Rs. 2 per equity share aggregating Rs. 2,556.28 lacs out of profits of the Company for the period. The Company also declared dividend on Cumulative Preference Shares at 13.66% for the period from October 31, 2008 to March 31, 2010 aggregating Rs. 483.71 lacs.
- (x) During the year ended March 31, 2010, Religare Finvest Limited wholly owned subsidiary of the company had assigned certain loans portfolio at par aggregating Rs. 27,687.10 lacs and de-recognizing the assets in the books. The details of the loans assigned are as under:

(Rs. in Lacs)		
	For the year ended March 31, 2010	For the year ended March 31, 2009
Total number of contracts assigned	2	-

	For the year ended March 31, 2010	For the year ended March 31, 2009
Book Value of contract assigned	27,687.10	-
Sale consideration	27,687.10	-
Gain on assignment (Amortized over the tenure of corresponding loan)	1,012.84	-
Bank Deposit provided as collateral	1,595.62	-

The validity and continuity of the aforesaid assignment of loans is subject to verdict of the Supreme Court in the case of Kotak Mahindra Bank v/s O.L. of APS Star Ind. Limited.

(xi) During the year ended March 31, 2010, Religare Securities Limited wholly owned subsidiary of the company received the approval from Securities Exchange Board of India (SEBI) vide letter IMD/DOF-1/SKS/188159/2009 dated December 21, 2009 for transfer of its PMS business from Religare Securities Limited to Religare Asset Management Company Limited (RAMCL). Pursuant to this, the Certificate of Registration had been shifted to RAMCL.

(xii) Pursuant to change in estimated useful lives in respect of Office Equipment an additional depreciation amounting to Rs.Nil (Previous Year Rs.100.02 lacs) has been charged to Profit and Loss Account during the year.

(xiii) (a) One of the subsidiary (a NBFC) of the Company has privately placed unsecured redeemable Non-Convertible debentures of Rs 55,700 lacs (Previous year Rs 17,500 lacs) at varying coupon rate, redeemable within the next financial year.

(b) The said NBFC has issued privately placed secured redeemable Non-Convertible debentures aggregating to Rs 45,000 lacs (Previous year Nil) at varying coupon rate secured by pari passu mortgage over the company's immovable and first and exclusive charge over companies account receivables and the same has been subsequently listed on wholesale debt market of Bombay Stock Exchange (BSE).

In respect of above debentures, in point (a) and (b) above, no Debenture Redemption Reserve has been created as per legal opinion obtained and clarification issued by Ministry of Law Justice and Company Affairs by Circular No. 6/3/2001 – CL.V dated April 18, 2002.

(c) Certain subsidiaries of the company have issued the commercial papers to the banks / mutual funds / financial institutions at varying coupon rate and due dates. The aggregate amount outstanding is as below:-

	(Rs. in Lacs)	
	AS ON 31.03.2010	AS ON 31.03.2009
Total Outstanding Balance	345,200.00	25,000.00
Less: Future Interest Obligation	(10,775.41)	(1,560.42)
Net Outstanding Balance	334,424.59	23,439.58

(d) (i) In respect of loans given by a RFL, Classification of Loans and Advances and provision for Non-Performing Assets has been made in accordance with the Non- Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 issued by Reserve Bank of India after considering subsequent recoveries. The classification of loans into standard, sub-standard and loss assets have been disclosed at gross value and the corresponding provision against non-performing assets has been included under provisions in accordance with RBI guidelines. The Company maintains the general provision through time buckets to meet any foreseeable potential losses which are inherent in any portfolio but not yet identified and disclosed the same under "Current Liabilities and Provisions".

These loans are secured either against tradable and listed securities held by the subsidiary in its depositories accounts or by way of pledge of shares held in the depository account of the clients for which Power of Attorneys are held by the subsidiary.

Secured Loans given by the Company are secured by either tangible fixed assets like Vehicles,

Property and Plant & Equipments or tradable and listed securities held by the Company in its depositories accounts or by way of pledge of shares or book debts held in the depository account of the clients for which Power of Attorneys are held by the Company.

- (ii) In case of loans given by MHDFCL, the same have been classified in accordance with the Housing Finance Companies (NHB) Directions 2001 issued by National Housing Bank. The classification of loans into standard, sub-standard and doubtful assets have been disclosed at gross value and the corresponding provision against non-performing assets has been included under provisions in accordance with the Housing Finance Companies (NHB) Directions 2001 issued by National Housing Bank. The Company maintains the general provision through time buckets to meet any foreseeable potential losses which are inherent in any portfolio but not yet identified and disclosed the same under "Current Liabilities and Provisions".
 - (e) Religare Finance Limited (RFnL), a subsidiary of the Company, incorporated on February 15, 2007 made an application to the Reserve Bank of India (RBI) for carrying on activities of a Non-Banking Financial Company. RFnL has received the approval from RBI dated June 18, 2009.
 - (f) Pursuant to RBI circular no. DNBS (PD) CC No. 84/03.10.27/2006-07, application has been made to RBI, by Religare Finvest Limited (RFL), seeking approval for carrying on mutual fund distribution activity. The RFL has received the post facto permission for distribution of mutual fund products vide reference no. DNBS.ND.NO066/MSB-ND-SI/05.135/2008-09 dated January 29, 2009.
 - (g) Religare Arts Investment Management Limited (RAIML), a sub-subsidiary of the Company incorporated on April 16, 2008 made an application dated August 26, 2008 for registration to act as Collective Investment Management Company under SEBI (Collective Investment Scheme) Regulations, 1999, which is pending with SEBI.
 - (xiv) AEGON Religare Life Insurance Company Limited (ARLICL), a joint venture between AEGON N.V. and Religare Enterprises Limited, was incorporated on March 23, 2007 under the Companies Act, 1956 to undertake and carry on business of life insurance business in India. The company has obtained a license from the Insurance Regulatory and Development Authority (IRDA) dated June 27, 2008 for carrying on the business of life insurance and issue of Insurance policy during the period.
- Net expenditure of Joint Venture (JV) represents adjustment of Company's share of net loss for the year ended March 31, 2009 and 2010 in the JV Aegon Religare Life Insurance Company Limited pursuant to the capital protection clause as per terms of Joint Venture agreement and as per legal opinion obtained by the Company.
- (xv) Funds received by subsidiary of the Company, Religare Securities Limited, from portfolio customers for its portfolio management operations and corresponding investments made on their behalf are not forming part of these accounts.

(xvi) **Employee Stock Option Scheme / Employee Stock Appreciated Right Scheme**

(a) Employee Stock Option Scheme

In accordance with the 'Religare Enterprises Limited Employee Stock Option Scheme 2006' (the 'Scheme'), the Company has granted 2,000,000 options of the Equity Share Capital of the Company to the employees of the Group at an exercise price of Rs. 140 per share on Nov 15, 2006. Of the aforesaid options, these options vest uniformly over a period of 3 years and are exercisable within a period of 9 years from the date of vesting.

The Company further granted un-allotted / cancelled 1,25,000 options to the employees of group on the same terms as per original scheme.

Number of options outstanding at year end is as follows:

Particulars	(in Nos)	
	2009-10	2008-09
Options outstanding at the beginning of the year	1,383,106	1,606,507

Options cancelled due to resignations	43,875	17,500
Options exercised	416,591	205,901
Options outstanding at the end of the year*	922,640	1,383,106

* Options outstanding at the end of the year include options transferred between the group entities 139,517 (Previous Year 160,100)

Employee Compensation Cost

Employee Compensation Cost is accounted for as per intrinsic value method by amortizing the excess of fair market value over the exercise price over the vesting period.

Impact of Employee Compensation Cost for the above scheme is as follows:

Particulars	(Rs in lacs)	
	2009-10	2008-09
Gross Employee Compensation Cost	8.98	23.63
Less: Recovery from the Group Entities	8.23	22.57
Net Employee Compensation Cost charged to Profit & Loss account of the Company	0.75	1.06

As at March 31, 2010 total amount amortized (net of cancellation) is Rs 45.13 lacs (Previous Year Rs 36.15 lacs)

(b) Employee Stock Appreciated Right Scheme

In accordance with the Religare Employee Stock Appreciated Right (SAR) Scheme 2007, employees of the group are granted non-assignable share equivalent which entitles to receive appreciation in the market price of the equity share of the company from the base price of Rs 140 per share as on the exercise date. The SAR granted has been vested equally over a period of 3 years commencing on April 1, 2008.

To administer the above SAR scheme a private Trust has been formed for purchase and selling of equity shares of the company for the purpose of payment of appreciation in the price of equity shares to employees of the group. The total amount due from the trust to the group entities is Rs 1102.98 lacs (Previous Year Rs 1821.24 lacs)

Employee Compensation Cost

An amount of Rs 275.57 lacs (Previous Year Rs 695.45 lacs) has been charged to profit and loss account as Employee Compensation Cost being excess of market price over the exercise price of the equity shares of the company, over the vesting period.

(xvii) **Margin on Equity Derivative Instruments**

- The unexpired position of Equity index / Stock futures and options contracts entered into by the Company and outstanding as on March 31, 2010 Rs. 112,518.13 lacs (Year Ended March 31, 2009 is Rs. 255,114.66 lacs).
- Initial margin deposit of Rs. Nil (Previous Year Rs. 21,777.93 lacs) on Equity Derivative Instruments contracts has been paid in cash only.
- The open interest in commodity futures outstanding as March 31, 2010 is Rs. NIL (Previous year Rs. Nil) (Refer details of Stock in Trade below).
- Details of Stock in Trade:-

A. Equity Shares (Quoted)	31 st March 2010		31 st March 2009	
	Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
HINDALCO INDUSTRIES LIMITED	-	-	1,347,128	70,118,013
ACC LTD.	376	357,595	-	-
ADANI ENTERPRISED LTD.	400	187,880	-	-

	31 st March 2010		31st March 2009	
A. Equity Shares (Quoted)	Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
ALLAHABAD BANK	127,400	18,199,090	-	-
AMBUJA CEMENTS LTD.	41,240	4,942,614	-	-
ANDHRA BANK	50,600	5,474,920	-	-
APOLLO TYRES LTD.	499,800	35,435,820	-	-
AREVA T&D INDIA LTD.	272,250	83,036,250	-	-
ASHOK LEYLAND LTD.	506,150	28,243,170	-	-
AXIS BANK LTD.	47,250	55,199,813	-	-
BAJAJ HINDUSTAN LTD.	436,050	59,171,985	-	-
BALRAMPUR CHINI MILLS LTD.	57,600	5,313,600	-	-
BANK OF INDIA	243,200	82,748,800	-	-
BHARAT FORGE LTD.	50,000	12,717,500	-	-
BHARTI AIRTEL LTD.	22,500	7,032,375	-	-
BHARAT HEAVY ELECTRICALS LTD.	2,700	6,454,755	-	-
BHARAT PETROLIUM CORPORATION LTD.	17,600	9,117,680	-	-
CAIRN INDIA LTD.	28,750	8,787,438	-	-
CENTURY TEXTILES AND INDUSTRIES LTD.	848	431,547	-	-
CHAMBAL FERTILISERS AND CHEMICALS LTD.	486,450	29,892,353	-	-
CIPLA LTD.	53,750	18,186,313	-	-
DABUR INDIA LTD.	5,400	857,520	-	-
DENA BANK	336,000	26,308,800	-	-
DISH TV INDIA LTD.	36,050	1,321,233	-	-
DLF LTD.	198,400	61,285,760	-	-
ESSAR OIL LTD.	302,168	41,759,618	-	-
FINANCIAL TECH LTD.	4,650	7,293,990	-	-
FIRSTSOURCE SOLUTIONS LTD.	161,500	4,635,050	-	-
GLAXO INDIA LTD.	600	1,066,800	-	-
GMR INFRASTRUCTURE LTD.	282,500	17,712,750	-	-
GRASIM INDUSTRIES LTD.	528	1,486,241	-	-
GTL INFRASTRUCTURE LTD.	33,950	1,420,808	-	-
H D F C	110,550	300,386,460	-	-
H D F C BANK	63,600	122,970,600	-	-
HINDALCO INDUSTRIES LTD.	158,310	28,693,688	-	-
HINDUSTAN CONSTRUCTION CO. LTD.	4,200	563,220	-	-
HOTEL LEELA VENTURES LTD.	112,500	5,512,500	-	-
HOUSING DEVELOPMENT & INFRASTRUCTURE LTD.	362,232	103,725,133	-	-
HPCL	13,000	4,141,150	-	-
ICICI BANK LTD.	142,450	135,683,625	-	-
IDBI BANK LTD.	321,600	36,984,000	-	-
IFCI LTD.	2,939,240	146,521,114	-	-
ITC LTD.	371,250	97,657,313	-	-
IDEA CELLULAR LTD.	153,900	10,080,450	-	-
IDFC LTD.	274,350	44,156,633	-	-
INDIA CEMENTS LTD.	113,100	14,900,925	-	-
INDIA INFOLINE LTD.	5,000	570,750	-	-
INDIABULLS REAL ESTATE LTD.	730,600	111,453,030	-	-
INDIAN HOTELS CO. LTD.	15,192	1,553,382	-	-
INFOSYS TECHNOLOGIES LTD.	110,200	288,277,690	-	-
ISPAT INDUSTRIES LTD.	87,179	1,691,273	-	-
IVRCL INFRASTRUCTURES & PROJECTS LTD.	2,000	332,000	-	-
JAIPRAKASH ASSOCIATES LTD.	312,280	46,701,474	-	-
JAIPRAKASH POWER VENTURES LTD.	190,625	12,886,250	-	-
JINDAL SAW LTD.	415,000	88,146,000	-	-
JINDAL STEEL & POWER LTD.	187,200	131,620,320	-	-
JSW STEEL LTD.	55,208	68,170,838	-	-
KINGFISHER AIR LINES LTD.	136,000	6,364,800	-	-
KOTAK MAHINDRA BANK LTD.	3,850	2,880,378	-	-
LIC HOUSING FINANCE LTD.	136,425	118,901,209	-	-

	31 st March 2010		31st March 2009	
A. Equity Shares (Quoted)	Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
LANCO INFRATECH LTD.	236,060	12,310,529	-	-
LARSEN AND TOUBRO LTD.	232,200	378,683,370	-	-
MTNL	67,200	4,919,040	-	-
MAHINDRA & MAHINDRA LTD.	2,496	1,351,210	-	-
MARUTI UDYOG LTD.	48,000	68,061,600	-	-
MOSER BAER INDIA LTD.	227,700	16,622,100	-	-
MPHASIS LTD.	108,000	67,008,600	-	-
MUNDRA PORT AND SPECIAL ECONOMIC ZONE LTD.	27,300	21,556,080	-	-
NAGARJUNA FERTILIZERS AND CHEMICALS LTD.	220,500	6,780,375	-	-
NEYVELI LIGNITE CORPORATION LTD.	172,575	25,014,746	-	-
NATIONAL THERMAL POWER CORPORATION LTD.	133,250	27,616,063	-	-
OIL & NATURAL GAS CORPORATION	258,075	283,547,003	-	-
ONMOBILE GLOBAL LTD.	3,850	1,512,473	-	-
PATNI COMPUTERS LTD.	1,300	694,915	-	-
PETRONET LNG LTD.	39,600	3,011,580	-	-
POWER GRID CORPORATION OF INDIA LTD.	17,325	1,856,374	-	-
PRAJ INDUSTRIES LTD.	50,600	4,361,720	-	-
PUNJ LLOYD LTD.	1,090,500	193,345,650	-	-
PUNJAB NATIONAL BANK	81,900	82,944,225	-	-
RANBAXY LABORATORIES LTD.	54,400	25,861,760	-	-
RELIANCE CAPITAL LTD.	392,196	296,519,786	-	-
RELIANCE COMMUNICATIONS LTD.	564,200	95,885,790	-	-
RELIANCE INDUSTRIES LTD.	648,000	696,114,000	-	-
RELIANCE INFRASTRUCTURE LTD.	139,656	139,523,327	-	-
RELIANCE NATURAL RESOURCES LTD.	1,097,832	68,340,042	-	-
RELIANCE POWER LTD.	128,000	19,129,600	-	-
SHREE RENUKA SUGARS LTD.	705,000	50,266,500	-	-
ROLTA INDIA LTD.	160,200	28,667,790	-	-
RURAL ELECTRIFICATION CORPORATION LTD.	758,550	190,130,558	-	-
S A I L	37,800	9,546,390	-	-
STATE BANK OF INDIA	104,676	217,537,663	-	-
STERILITE INDUSTRIES (INDIA) LTD.	116,508	99,025,975	-	-
SUN PHARMACEUTICAL INDUSTRIES LTD.	225	403,200	-	-
SUZLON ENERGY LTD.	5,442,000	391,007,700	-	-
TATA CONSULTANCY SERVICES LTD.	166,285	129,810,385	-	-
TATA IRON & STEEL COMPANY LTD.	32,852	20,764,107	-	-
TATA MOTORS LTD. (RIGHT ISSUE)	213,350	97,255,598	-	-
TATA POWER COMPANY LTD.	27,000	37,088,550	-	-
TECH MAHINDRA LTD.	33,000	28,152,300	-	-
TRIVENI ENGINEERING AND INDUSTRIES LTD.	26,950	3,680,023	-	-
TULIP IT SERVICES LTD.	1,000	840,850	-	-
TV EIGHTEEN LTD.	5,475	415,553	-	-
UNITECH LTD.	2,880,000	211,968,000	-	-
UNITED PHOSPHORUS LTD.	61,600	9,190,720	-	-
UNITED SPIRITS LTD.	92,000	121,568,800	-	-
VIDEOCON INDUSTRIES LTD.	285,236	64,919,714	-	-
VIJAYA BANK	20,700	982,215	-	-
WELSPUN CORPORATION LTD.	128,000	34,969,600	-	-
OCL IRON AND STEEL	10,000	148,941	-	-
PAINTINGS	-	6,519,395	-	316,164
TOTAL	29,174,823	6,865,038,758	1,347,128	70,434,177

(xviii) **Information about business and geographical segments:**

Primary Segment

- (a) The business segment has been considered as the primary segment for disclosure. The Company's primary business comprises of 'Broking in securities and commodities', 'Interest on Loans', 'Financial Advisory Services', 'Custodial and Depository Operations', 'Portfolio Management Services', AMC JV and Life Insurance JV. The business segments have been identified considering the nature of services, the differing risks and returns, the organization structure and the internal financial reporting system.
- (b) Segment revenue, results, assets and liabilities have been accounted for on the basis of their relationship to the operating activities of the segment and amounts allocated on a reasonable basis.
- (c) Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses incurred on behalf of other segments and not directly identifiable to each reportable segment have been allocated to each segment on the basis of associated revenues of each segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.
- (d) Assets (including fixed assets) and liabilities that are directly attributable to segments are disclosed under each reportable segment. Common assets have been allocated to each segment on the basis of associated revenues of each segment. Common liabilities have been allocated to each segment on the basis of total segment expense. All other assets and liabilities are disclosed as unallocable.

If the segment result of a segment includes interest or dividend income, its segment assets include the related receivables, loans, investments, or other interest or dividend generating assets.

If the segment result of a segment includes interest expense, its segment liabilities include the related interest-bearing liabilities.

RELIGARE ENTERPRISES LIMITED

Schedule 'S' schedule annexed to and forming part of consolidated financial statement for the year ended March 31, 2010

INFORMATION ABOUT PRIMARY BUSINESS SEGMENT								(Rs in Lacs)
PARTICULARS	Investment and Finance Activities	Financial Advisory Services	Broking Related Activities	Custodial/Depository Operations	Life Insurance JV	AMC JV	Unallocated	TOTAL
(i) Segment Revenue								
External Revenue	52,361.89 (33,192.10)	25,650.96 (15,930.62)	64,761.97 (55,136.56)	934.97 (902.42)	7,514.87 (1,670.05)	- (19.77)	1,720.52 (12,648.63)	152,945.18 (119,500.91)
Inter –Segmental Revenue	- (-)	- (-)	(54.89) (49.20)	54.89 (-)	- (-)	- (-)	- (-)	- (49.20)
Balances Written Back	4.86 (-)	- (-)	73.85 (-)	- (-)	- (-)	- (-)	0.03 (-)	78.74 (-)
Total Revenue	52,366.75 (33,192.10)	25,650.96 (15,930.62)	64,780.93 (55,087.36)	989.86 (902.42)	7,514.87 (1,670.05)	- (19.77)	1,720.55 (12,648.63)	153,023.92 (119,451.71)
(ii) Segment Results	28,221.66 (5,449.35)	(3,215.70) (11,394.51)	8,507.27 (3,678.04)	458.60 (551.62)	- (-)	- (-196.58)	(753.76) (-9,650.86)	33,218.07 (11,226.17)
Less: Interest expense								(27,974.66) (-14,333.19)
Add: Interest/Dividend Income								14,498.17 (1,868.04)
Income Taxes (Current, Deferred and Fringe Benefit Tax)								(10,027.01)
Profit after tax								(-5,119.04) 9,714.57 (-6,358.02)
(iii) Segment Assets	643,424.34 (239,923.57)	58,397.13 (77,542.47)	225,737.49 (114,481.87)	480.80 (297.33)	32,378.67 (15,585.78)	- (124.92)	- (-)	960,418.43 (447,955.94)
Unallocated Corporate Assets	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	10,571.20 (21,682.75)	10,571.20 (21,682.75)
Total Assets	643,424.34 (239,923.57)	58,397.13 (77,542.47)	225,737.49 (114,481.87)	480.80 (297.33)	32,378.67 (15,585.78)	- (124.92)	10,571.20 (21,682.75)	970,989.63 (469,638.69)
(iv) Segment liabilities	475,000.58 (79,344.05)	50,897.45 (70,318.32)	166,250.08 (59,545.86)	101.14 (7.54)	9,504.66 (2,140.92)	- (39.96)	- (-)	701,753.91 (211,396.65)
Unallocated Corporate Liabilities	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	7,980.64 (4,909.86)	7,980.64 (4,909.86)
Total liabilities	475,000.58 (79,344.05)	50,897.45 (70,318.32)	166,250.08 (59,545.86)	101.14 (7.54)	9,504.66 (2,140.92)	- (39.96)	7,980.64 (4,909.86)	709,734.55 (216,306.51)
(v) Capital Expenditure	5,773.02 (1,027.54)	7,753.98 (347.97)	869.91 (58,366.16)	- (-)	617.99 (4,827.30)	- (39.27)	1,162.12 (4,325.21)	16,177.03 (68,933.45)
(vi) Depreciation/ Amortization	857.94 (226.30)	753.94 (38.21)	3,992.71 (3,366.71)	- (-)	1,098.12 (659.95)	- (113.93)	94.37 (859.69)	6,797.08 (5,264.79)
(vii) Non Cash Expenditure other than Depreciation	6,280.28 (4,233.76)	1,726.56 (72.56)	559.68 (3,282.99)	- (-)	16.78 (77.55)	- (-)	374.04 (1,606.78)	8,957.34 (9,273.64)

Previous Years figures are stated in brackets

Geographical Segment

The company reports its operations under the following geographical segments:

Domestic Operations comprises of activities having operations in India.

Foreign Operations comprises of activities outside India.

Geographical Segment results are given below:

(Rs. in lacs)		
Revenue	March 31, 2010	March 31, 2009
Domestic Operations	147,514.63	103,464.09
Foreign Operations	20,007.48	15,987.62
Total	167,522.11	119,451.71
Carrying Amount of Segment Assets		
Domestic Operations	881,468.17	399,228.78
Foreign Operations	89,521.46	70,409.92
Total	970,989.63	469,638.70

(xix) Disclosure as per Accounting Standard -Lease Accounting:

Operating Lease

Assets Taken on Lease

- The Company and its subsidiaries/joint ventures have taken office premises on operating lease at various locations. The agreements are executed for a period ranging from 1 year to 9 years except in one case which is for 21 years. There are no transactions in nature of sub-lease.
- The future minimum lease payments under non-cancelable operating lease – not later than one year is Rs. 4,566.75 lacs (Previous Year Rs. 302.64 Lacs), later than one year but not later five year is Rs. 15,762.51 lacs (Previous Year Rs. 7,144.86 Lacs) and later than five years is Rs. 2,254.71 lacs (Previous Year Rs.3,018.93 Lacs) for leases undertaken by the Company and its subsidiaries/joint ventures.
- Rent payments are recognized in the Profit and Loss Account under the head 'Rent' in Schedule "R" Administration and Other Expenses.

Assets Given on Lease

Religare Finvest Limited, one of the subsidiaries of the Company has given certain assets on lease, the details as required by the Accounting Standard 19 on 'Leases'.

- Details of Assets given on operating lease are:

(Rs. In lacs)		
	2009-10	2008-09
Gross Carrying Amount	632.73	31.30
Accumulated Depreciation	25.75	3.49
Depreciation recognized in Profit & Loss Account	24.61	2.76

- Maturity Pattern of Future Minimum Lease Payments is as below:

(Rs. in Lacs)		
	2009-10	2008-09
Less than 1 year	203.21	4.65
Later than 1 year but not later than 5 years	326.48	6.47
Later than 5 years	-	-

Finance Lease

Details of assets given under finance lease are as under:

(Rs. in Lacs)		
Particulars	2009-10	2008-09
Total of future minimum lease receipts	632.30	-

Present value of lease receipts	476.29	-
Un-matured finance charges	156.01	-
Maturity Profile of future minimum lease receipts :		
Within 1 year	157.37	-
Later than 1 year and not later than 5 years	474.93	-
Later than 5 years	-	-
Total	632.30	-
Maturity Profile of present value of lease receipts :		
Not later than 1 year	140.28	-
Later than 1 year and not later than 5 years	336.01	-
Later than 5 years	-	-
Total	476.29	-

(a) The subsidiary company has leased vehicles to the employees of group entities on operating lease terms.

(b) Initial direct costs are charged to Profit and Loss Account.

(xx) Joint Venture Information

Joint Venture as required by AS -27- "Financial Reporting of Interest in Joint Venture" are given below:

(a) Details of Joint Ventures

Name	Description of Interest	% of Interest
Religare Macquarie Wealth Management Limited	Equity Shareholding	50.00%
Aegon Religare Life Insurance Company Limited	Equity Shareholding	44.00%
Milestone Religare Investment Advisors (P) Limited	Equity Shareholding	50.00%
Milestone Religare Capital Management Limited	Equity Shareholding	50.00%

(b) Enterprise's interest in Joint Ventures

Particulars	(Rs. in Lacs)	
	As on March 31, 2010	As on March 31, 2009
Assets	23,850.30	10,358.80
Liabilities	3,949.98	1,625.77
Revenue*	9,991.65	1,974.83
Depreciation*	1,193.62	759.76
Other Expenses*	19,986.29	9,041.42
Capital Commitments	26.17	80.13
Contingent Liabilities	Nil	Nil

*Read with Note No. (xiv) above

(xxi) Earnings per share (EPS) calculation (basic and diluted):

In accordance with Accounting Standard on Earnings Per Share the following table reconciles the numerator and denominator used to calculate basic and diluted earnings per share:

Particulars	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
Profit available to Equity Shareholders		
- Profit after Taxation	969,236,912	(635,802,036)
Less: Dividend on Cumulative Preferences Share and Corporate Dividend Tax thereon	34,150,000	16,638,292
Net Profit after tax available for Equity Shareholders (A)	935,086,912	652,440,328

Number of Equity Shares		
- Weighted Number of equity shares outstanding during the year (B)	83,105,224	77,697,330
- Number of dilutive potential equity shares (C)	83,682,537	77,697,330
Basic earnings per share (A/B) (Rs.)	11.25	(8.40)
Dilutive earnings per share (A/C) (Rs.)	11.17	(8.40)
Nominal Value of an equity share (Rs.)	10	10

(xxii) The breakup of Net Deferred Tax Liability/Assets as on March 31, 2010 is as under:

(Rs in lacs)

Particulars	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
Deferred Tax Liabilities:		
Difference between book and tax depreciation	807.84	665.17
Prepaid Expenses	330.89	-
	1,138.73	665.17
Deferred Tax Assets:		
Provision for Gratuity	269.96	99.57
Provision for Leave Encashment	252.05	187.66
Provision for Bonus	6.51	-
Preliminary Expenses	0.09	0.10
Provision for Doubtful Debts	771.63	488.48
Unabsorbed Losses	2.99	-
Other Expenses (u/s 43 B)	(118.46)	83.38
Provision for Diminution in value of Stock in Trade	25.35	18.56
Deferred Income	70.52	-
	1,280.64	877.75
Net deferred tax (Liability)/Assets	141.91	212.58

(xxiii) Consequent upon withdrawal of exemption as Non banking Finance Company (NBFC) on April 09, 2009, Reserve Bank of India (RBI) has directed the Company to apply for registration as NBFC for continuing NBFI activity of investment in group and subsidiary companies. Pursuant to the application made, the Company obtained from RBI a Certificate of Registration (CoR) as NBFC on June 18, 2010. In the opinion of the management, prior to the registration as NBFC, the Company is outside the purview of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 and, accordingly, has not complied with the aforesaid directions.

(xxiv) **Related Party Disclosures:**

Nature of Relationship

- 1) Individuals owning directly or indirectly Interest in voting power that gives them Control

Name of Party

Mr. Malvinder Mohan Singh
Mr. Shivinder Mohan Singh

- 2) Joint Ventures
Of the Company

Religare Macquarie Wealth
Management
Limited*
Vistaar Religare Capital Advisors
Limited #
Aegon Religare Life Insurance
Company Limited
Milestone Religare Investment
Advisors (P) Limited (w.e.f. April 8,
2009)

Milestone Religare Capital
Management

**subsidiary up to March 12, 2008*
became subsidiary w.e.f. April 16, 2009

- | | |
|--|---|
| 3) Key Management personnel and Relatives | <p>Mr. Sunil Godhwani
Mr. Shachindra Nath
Mr. Anil Saxena
Mr. Atul Gupta (Subsidiary's Director)
Mr. Chandan Sinha (Subsidiary's Director)
Mr. J. S. Grewal
Mr. Ashu Madan (subsidiary's director)
Mr. Kavi Arora (subsidiary's director)
Mr. Jayant Manglik (subsidiary's director)
Mr. Anuj Gulati (subsidiary's director)
Mr. Srinivasan Seshadari (subsidiary's director)
Dr. Amit Verma (subsidiary's director)
Mr. Kiran Vaidya (subsidiary's director)
Mr. Sheetal Vinod Talwar (subsidiary's director)
Mr. Mukesh Panika (subsidiary's director)
Mrs. Radhika N Godhwani
Mr. Rochiram P Godhwani
Mr. Naraindas P Godhwani
Mr. Hari R Godhwani
Mr. Sameer Godhwani</p> |
| 4) Enterprises over which key management and Relatives are able to exercise significant and influence with whom transaction have taken place | <p>RHC Holding Company (P) Limited
(formerly Ranbaxy Holding Company
Solaris Finance (P) Limited)
RC Nursery (P) Limited
Malav Holdings (P) Limited
Trendy Exim (P) Limited
Luxury Farms (P) Limited
Oscar Investments Limited
Oscar Holdings (P) Limited
Religare Wellness Limited
Shivinder Mohan Singh (HUF)
Malvinder Mohan Singh (HUF)
Malvinder Mohan Singh, Trustee (Bhai
Hospital Trust)
Malvinder Mohan Singh, Trustee
(Ranbaxy Management Employees
Welfare Fund Trust)
Malvinder Mohan Singh, Trustee
(Ranbaxy Employees Welfare Fund
Trust)
Religare Art Fund
Shivi Holdings Private Limited
Religare Technova Limited
(formerly Fortis Financial Services
Limited)
Fortis HealthCare Limited
Fortis Health Care Holdings Limited
Religare Technova Global Solutions
Limited
(formerly Asian CERC Information
Technology Limited)
Religare Technova IT Services Limited
(formerly known Fortis Technologies</p> |

(P) Limited)
Religare Technova Business Intellect
Limited
(formerly Fortis Business Intellect
Limited)
Religare Technologies Limited (w.e.f.
22/05/2009)
(wholly owned Subsidiary of Religare
Technova Limited)
Fortis Healthcare Consultancy Limited
Religare Travels (India) Limited
Religare Voyages Limited
Religare Aviation Limited (formerly
Ran Air Services Limited)
International Hospital Limited
Super Religare Laboratories Limited
(formerly SRL Ranbaxy Limited)
Ranbaxy Laboratories Limited
(discontinued w.e.f. 24/05/2009)

Following transactions were carried out with related parties in the ordinary course of business

(Rs in lacs)

Nature of Transactions	Name of the Related Party	Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
FINANCE											
Inter Corporate Deposits Taken											
For Holding Company											
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company,Solaris Finance (P) Limited)	-	-	-	-	60,450.00	-	-	-	60,450.00	-
	Whyteleaf Investments Private Limited	-	-	-	-	3,000.00	-	-	-	3,000.00	-
	R.C. Nursery Private Limited	-	-	-	-	635.00	-	-	-	635.00	-
	Luxury Farms Private Limited	-	-	-	-	1,676.15	-	-	-	1,676.15	-
	Oscar Investment Limited	-	-	-	-	56,100.00	-	-	-	56,100.00	-
For Subsidiary Companies											
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company,Solaris Finance (P) Limited)	-	837.00	-	-	44,740.00	132,556.00	-	-	44,740.00	133,393.00
	Oscar Investment Limited	-	-	-	-	2,900.00	-	-	-	2,900.00	-
	R.C. Nursery Private Limited	-	-	-	-	420.20	315.00	-	-	420.20	315.00
	Religare Wellness Limited	-	-	-	-	-	300.00	-	-	-	300.00
	Luxury Farms (P) Limited	-	-	-	-	2,401.59	1,035.00	-	-	2,401.59	1,035.00
	International Hospital Limited	-	-	-	-	-	275.00	-	-	-	275.00
	Fortis Hospital Limited	-	-	-	-	-	275.00	-	-	-	275.00
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	389.40	-	389.40
	Fortis Health Care Limited	-	-	-	-	-	12,771.00	-	-	-	12,771.00
	Fortis Healthworld Limited	-	-	-	-	-	500.00	-	-	-	500.00
	Super Religare Laboratories Limited	-	-	-	-	-	9,090.00	-	-	-	9,090.00
	Trendy Exim Pvt Ltd	-	-	-	-	3.00	-	-	-	3.00	-
Inter Corporate Deposits Taken Total		-	837.00	-	-	172,325.94	157,117.00	-	389.40	172,325.94	158,343.40
Inter Corporate											

Nature of Transactions	Name of the Related Party	Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Deposits Repaid											
For Holding Company											
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company,Solaris Finance (P) Limited)	-	-	-	-	60,450.00	-	-	-	60,450.00	-
	Whyteleaf Investments Private Limited	-	-	-	-	3,000.00	-	-	-	3,000.00	-
	R.C. Nursery Private Limited	-	-	-	-	125.00	-	-	-	125.00	-
	Luxury Farms Private Limited	-	-	-	-	375.00	-	-	-	375.00	-
	Oscar Investments Limited	-	-	-	-	56,100.00	-	-	-	56,100.00	-
For Subsidiary Companies											
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company,Solaris Finance (P) Limited)	-	837.00	-	-	58,240.00	119,056.00	-	-	58,240.00	119,893.00
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	389.40	-	-	-	389.40
	International Hospital Limited	-	-	-	-	-	275.00	-	-	-	275.00
	Super Religare Laboratories Limited	-	-	-	-	-	9,090.00	-	-	-	9,090.00
	Oscar Investment Limited	-	-	-	-	2,900.00	-	-	-	2,900.00	-
	R.C. Nursery Private Limited	-	-	-	-	420.20	-	-	-	420.20	-
	Luxury Farms (P) Limited	-	-	-	-	2,401.59	-	-	-	2,401.59	-
	Fortis Health Care Limited	-	-	-	-	-	21,446.00	-	-	-	21,446.00
	Fortis Hospital Limited	-	-	-	-	-	275.00	-	-	-	275.00
	Trendy Exim (P) Limited	-	-	-	-	3.00	-	-	-	3.00	-
	Religare Wellness Limited	-	-	-	-	-	300.00	-	-	-	300.00
	Fortis Healthworld Limited	-	-	-	-	-	500.00	-	-	-	500.00
Inter Corporate Deposits Repaid Total		-	837.00	-	-	184,014.79	151,331.40	-	-	184,014.79	152,168.40
Interest Paid on Inter Corporate Deposits											
For Holding Company											
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding	-	-	-	-	1,231.37	-	-	-	1,231.37	-

Nature of Transactions	Name of the Related Party	Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
	Company,Solaris Finance (P) Limited)										
	Oscar Investment Limited	-	-	-	-	525.30	-	-	-	525.30	-
	Whyteleaf Investments Private Limited	-	-	-	-	26.96	-	-	-	26.96	-
	R.C. Nursery Private Limited	-	-	-	-	34.63	-	-	-	34.63	-
	Luxury Farms Private Limited	-	-	-	-	131.41	-	-	-	131.41	-
For Subsidiary Companies											
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company,Solaris Finance (P) Limited)	-	-	-	-	154.38	292.50	-	-	154.38	292.50
	Luxury Farms (P) Limited	-	-	-	-	51.19	52.70	-	-	51.19	52.70
	R.C. Nursery Private Limited	-	-	-	-	12.65	13.10	-	-	12.65	13.10
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	2.90	-	2.90
	Trendy Exim (P) Limited	-	-	-	-	0.04	-	-	-	0.04	-
	Religare Wellness Limited	-	-	-	-	-	1.40	-	-	-	1.40
	International Hospital Limited	-	-	-	-	-	0.30	-	-	-	0.30
	Super Religare Laboratories Limited	-	-	-	-	-	155.10	-	-	-	155.10
	Fortis Hospital Limited	-	-	-	-	-	0.30	-	-	-	0.30
	Fortis Healthworld Limited	-	-	-	-	-	4.00	-	-	-	4.00
	Fortis Health Care Limited	-	-	-	-	-	691.40	-	-	-	691.40
	Oscar Investment Limited	-	-	-	-	8.28	-	-	-	8.28	-
	Modland Wears (P) Limited	-	-	-	-	-	-	-	-	-	-
Interest Paid on Inter Corporate Deposits Total		-	-	-	-	2,176.21	1,210.80	-	2.90	2,176.21	1,213.70
Inter Corporate Deposits Given				-	-	-	-				
For Holding Company		-	-	-	-	-	-				
For Subsidiary Companies											
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding	-	8.60	-	-	-	-	-	-	-	8.60

Nature of Transactions	Name of the Related Party	Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
	Company,Solaris Finance (P) Limited)										
	Religare Technologies Limited	-	-	-	-	1,355.00	-	-	-	1,355.00	-
	Super Religare Laboratories Limited	-	-	-	-	6,970.00	-	-	-	6,970.00	-
	Regius Aviation Limited	-	-	-	-	76,340.99	7,848.00	-	-	76,340.99	7,848.00
	Vistaar Films Ltd.	-	-	-	-	-	27.00	-	-	-	27.00
	Vistaar Religare Media Ltd.	-	-	-	-	-	1,013.00	-	-	-	1,013.00
	Vistaar Religare Media Fund Trust	-	-	-	-	-	310.00	-	-	-	310.00
	Religare Technova IT Services Limited	-	-	-	-	17,420.00	4,919.90	-	-	17,420.00	4,919.90
	Religare Technova Business Intellect Limited	-	-	-	-	3,577.50	946.60	-	-	3,577.50	946.60
	Religare Voyages Limited	-	-	-	-	1,104.53	23,460.30	-	-	1,104.53	23,460.30
	Religare Travel (India) Limited	-	-	-	-	25.00	335.00	-	-	25.00	335.00
	Regius Info-tech Limited (merged with Religare Technova Global Solutions Limited)	-	-	-	-	-	2,970.00	-	-	-	2,970.00
	Religare Technova Global Solutions Limited	-	-	-	-	34,422.00	-	-	-	34,422.00	-
	Religare Wellness Limited	-	-	-	-	2,645.00	2,280.00	-	-	2,645.00	2,280.00
	Religare Technova Limited	-	-	-	-	22,440.07	6,332.80	-	-	22,440.07	6,332.80
	Oscar Investment Limited	-	-	-	-	12,760.00	12,760.00	-	-	12,760.00	12,760.00
Inter Corporate Deposits Given Total		-	8.60	-	-	179,060.09	63,202.60	-	-	179,060.09	63,211.20
Inter Corporate Deposits Received Back											
	Regius Info-tech Limited (merged with Religare Technova Global Solutions Limited)	-	-	-	-	29,962.00	2,970.00	-	-	29,962.00	2,970.00
	Religare Wellness Limited	-	-	-	-	1,275.00	2,280.00	-	-	1,275.00	2,280.00
	Religare Technova Limited	-	-	-	-	21,340.57	6,952.50	-	-	21,340.57	6,952.50
	Oscar Investment Limited	-	-	-	-	-	18,440.00	-	-	-	18,440.00
	Vistaar Religare Media Ltd.	-	-	-	-	-	350.00	-	-	-	350.00
	Vistaar Religare Media Fund Trust	-	-	-	-	-	310.00	-	-	-	310.00

Nature of Transactions	Name of the Related Party	Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
	Religare Technologies Limited	-	-	-	-	240.00	-	-	-	240.00	-
	Religare Technova IT Services Limited	-	-	-	-	19,029.00	4,292.77	-	-	19,029.00	4,292.77
	Religare Technova Business Intellect Limited	-	-	-	-	3,528.50	741.60	-	-	3,528.50	741.60
	Super Religare Laboratories Limited	-	-	-	-	3,421.81	-	-	-	3,421.81	-
	Religare Aviation Limited	-	-	-	-	63,118.84	9,400.00	-	-	63,118.84	9,400.00
	Religare Voyages Limited	-	-	-	-	1,000.00	20,658.02	-	-	1,000.00	20,658.02
	Religare Travel (India) Limited	-	-	-	-	152.00	455.00	-	-	152.00	455.00
Inter Corporate Deposits Received Back Total		-	-	-	-	143,067.72	66,849.89	-	-	143,067.72	66,849.89
Interest Received on Inter Corporate Deposits											
	Regius Aviation Limited	-	-	-	-	1,417.55	313.90	-	-	1,417.55	313.90
	Religare Technova Limited	-	-	-	-	228.75	54.10	-	-	228.75	54.10
	Vistaar Films Ltd.	-	-	-	-	-	0.60	-	-	-	0.60
	Vistaar Religare Media Ltd.	-	-	-	-	-	20.90	-	-	-	20.90
	Vistaar Religare Media Fund Trust	-	-	-	-	-	13.00	-	-	-	13.00
	Religare Technova IT Services Limited	-	-	-	-	392.11	157.20	-	-	392.11	157.20
	Religare Technova Business Intellect Limited	-	-	-	-	54.38	26.70	-	-	54.38	26.70
	Religare Voyages Limited	-	-	-	-	76.57	297.50	-	-	76.57	297.50
	Religare Travel (India) Limited	-	-	-	-	3.05	33.10	-	-	3.05	33.10
	Regius Info-tech Limited (merged with Religare Technova Global Solutions Limited)	-	-	-	-	143.11	37.20	-	-	143.11	37.20
	Super Religare Laboratories Limited	-	-	-	-	187.94	-	-	-	187.94	-
	Religare Wellness Limited	-	-	-	-	4.90	101.10	-	-	4.90	101.10
	Oscar Investment Limited	-	-	-	-	-	370.60	-	-	-	370.60
Interest Received on Inter Corporate Deposits Total		-	-	-	-	2,508.36	1,425.90	-	-	2,508.36	1,425.90

Nature of Transactions	Name of the Related Party	Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Dividend Received and Paid on Behalf	Oscar Investment Limited	-	-	-	-	-	115.24	-	-	-	115.24
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company,Solaris Finance (P) Limited)	-	-	-	-	-	168.36	-	-	-	168.36
Dividend Received and Paid on Behalf Total		-	-	-	-	-	283.60	-	-	-	283.60
Share Application Money Refunded	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company,Solaris Finance (P) Limited)	-	-	-	-	66,947.20	180,000.00	-	-	66,947.20	180,000.00
Share Application Money Refunded Total		-	-	-	-	66,947.20	180,000.00	-	-	66,947.20	180,000.00
Allotment of Equity Shares											
	Mr. Sunil Godhwani	-	-	2,366.66	-	-	-	-	-	2,366.66	-
	Mrs. Japna Malvinder Singh	0.23	-	-	-	-	-	-	-	0.23	-
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company,Solaris Finance (P) Limited)	-	-	-	-	23,052.80	-	-	-	23,052.80	-
	Malav Holdings Private Limited	-	-	-	-	45,000.00	-	-	-	45,000.00	-
	Shivi Holdings Private Limited	-	-	-	-	45,000.00	-	-	-	45,000.00	-
Allotment of Equity Shares Total		0.23	-	2,366.66	-	113,052.80	-	-	-	115,419.69	-
Allotment of Preference Shares *	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company,Solaris Finance (P) Limited)	-	-	-	-	-	25,000.00	-	-	-	25,000.00
* (Preferenceshares of Rs. 10 at a premium of Rs. 90 per share)											
Allotment of Preference Shares Total		-	-	-	-	-	25,000.00	-	-	-	25,000.00
Corporate Guarantee Given by Group											

Nature of Transactions	Name of the Related Party	Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Companies											
	Religare Aegon Assets Management Company (P) Limited	-	-	-	-	-	-	-	150.00	-	150.00
Corporate Guarantee Given Total		-	-	-	-	-	-	-	150.00	-	150.00
BROKING TRANSACTIONS (SECONDARY MARKET OPERATIONS)											
Secondary Market Transactions (Gross Basis)	International Hospital Limited	-	-	-	-	50.49	-	-	-	50.49	-
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company,Solaris Finance (P) Limited)	-	-	-	-	9,544.63	1,345.10	-	-	9,544.63	1,345.10
	Oscar Investment Limited	-	-	-	-	741.29	-	-	-	741.29	-
	Monica Madan	-	-	2,334.26	-	-	-	-	-	2,334.26	-
	Shashi Madan	-	-	1.06	-	-	-	-	-	1.06	-
	Sameer Godhwani	-	-	0.86	-	-	-	-	-	0.86	-
	Mr.Shivinder Mohan Singh	108.73	-	-	-	-	-	-	-	108.73	-
Trading Transactions Total		108.73	-	2,336.18	-	10,336.41	1,345.10	-	-	12,781.32	1,345.10
Interest on Margin	Oscar Investment Limited	-	433.00	-	-	-	119.30	-	-	-	552.30
	Fortis HealthCare Holding Limited	-	433.00	-	-	-	313.60	-	-	-	746.60
Interest on Margin total		-	866.00	-	-	-	432.90	-	-	-	1,298.90
Brokerage Earned											
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company,Solaris Finance (P) Limited)	-	-	-	-	7.15	0.40	-	-	7.15	0.40
	Religare Aviation Limited	-	-	-	-	0.03	-	-	-	0.03	-
	International Hospital Limited	-	-	-	-	0.15	-	-	-	0.15	-
	Fortis HealthCare Holding	-	-	-	-	-	0.20	-	-	-	0.20

Nature of Transactions	Name of the Related Party	Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
	Limited										
	Aegon Religare Life Insurance Company Limited	-	-	-	-	-	-	392.41	-	392.41	-
	Oscar Investment Limited	-	-	-	-	1.00	-	-	-	1.00	-
	Monica Madan	-	-	0.56	-	-	-	-	-	0.56	-
	Mr.Shivinder Mohan Singh	0.08	-	-	-	-	-	-	-	0.08	-
Brokerage Earned Total		0.08	-	0.56	-	8.33	0.60	392.41	-	401.38	0.60
INVESTMENT											
Purchase of Equity shares	Hospitalia Eastern Private Limited	-	-	-	-	-	1,252.50	-	-	-	1,252.50
Purchase of Equity shares Total		-	-	-	-	-	1,252.50	-	-	-	1,252.50
Sale of Investment	Religare Aegon Trustee Company (P) Limited	-	-	-	-	-	-	-	2.50	-	2.50
	Religare Aegon Assets Management Company (P) Limited	-	-	-	-	-	-	-	1,250.00	-	1,250.00
Sale of investment total						-	-	-	1,252.20	-	1,252.50
Subscription to Equity Shares											
	Milestone Religare Investment Advisors Pvt Limited	-	-	-	-	-	-	50.00	-	50.00	-
	Vistaar Religare Capital Advisors Limited	-	-	-	-	-	-	-	200.00	-	200.00
	Aegon Religare Life Insurance Co Limited	-	-	-	-	-	-	11,880.00	13,200.00	11,880.00	13,200.00
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	1,250.00	2,300.00	1,250.00	2,300.00
Subscription to Equity Shares Total		-	-	-	-	-	-	13,180.00	15,700.00	13,180.00	15,700.00
OTHER RECEIPTS AND PAYMENTS		-	-	-	-	-	-				
Purchase of Fixed Asset							-				
	OliveRays Innovations Private Limited	-	-	-	-	-	22.50	-	-	-	22.50
	Religare Wellness Limited	-	-	-	-	2.36	-	-	-	2.36	-

Nature of Transactions	Name of the Related Party	Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
	Religare Technova IT Services Limited	-	-	-	0.50	3,372.04	792.00	-	-	3,372.04	792.50
Purchase of Fixed Asset Total		-	-	-	0.50	3,374.40	814.50	-	-	3,374.40	815.00
Purchase of Services											
	Religare Technova Business Intellect Limited	-	-	-	-	311.52	3.40	-	-	311.52	3.40
	Religare Technova Limited	-	-	-	-	40.82	-	-	-	40.82	-
	Religare Technova IT services Limited	-	-	-	-	192.50	-	-	-	192.50	-
Purchase of Services Total		-	-	-	-	544.84	3.40	-	-	544.84	3.40
FBT Reimbursement	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	1.20	-	1.20
FBT Reimbursement Total		-	-	-	-	-	-	-	1.20	-	1.20
Insurance Premium/Claim Reimbursement	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	0.30	-	0.30
	Religare Technova Limited	-	-	-	-	-	0.90	-	-	-	0.90
	Religare Aegon Assets Management Company (P) Limited	-	-	-	-	-	-	-	5.20	-	5.20
Insurance Premium/Claim Reimbursement Total		-	-	-	-	-	0.90	-	5.50	-	6.40
Loan Given	Mr. Shachindra Nath	-	-	215.00	-	-	-	-	-	215.00	-
	Mr. Anuj Gulati	-	-	133.72	-	-	-	-	-	133.72	-
Loan Given Total		-	-	348.72	-	-	-	-	-	348.72	-
Lease Rentals Earned	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	43.65	-	43.65	-
	Super Religare Laboratories Ltd	-	-	-	-	32.02	-	-	-	32.02	-
	Religare Technova Limited	-	-	-	-	5.23	-	-	-	5.23	-
	Religare Technova Business Intellect Limited	-	-	-	-	81.19	-	-	-	81.19	-
	Religare Wellness Limited	-	-	-	-	23.80	-	-	-	23.80	-
Lease Rentals Earned		-	-	-	-	142.24	-	43.65	-	185.89	-

Nature of Transactions	Name of the Related Party	Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Total											
Commission Paid	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	386.13	251.20	386.13	251.20
Commission Paid Total		-	-	-	-	-	-	386.13	251.20	386.13	251.20
Other Expenses											
₹	Religare Macquarie Wealth Management Limited	-	-	-	-	-	0.30	-	-	-	0.30
HR Support Services	Religare Technova Business Intellect Limited	-	-	-	-	334.89	83.90	-	-	334.89	83.90
	Vistaar Religare Capital Advisors Limited	-	-	-	-	-	-	-	15.20	-	15.20
IT Service Expenses	Religare Technova IT Services Limited	-	-	-	-	222.41	116.00	-	-	222.41	116.00
	Religare Technova Limited	-	-	-	-	-	5.70	-	-	-	5.70
Call centre expenses	Religare Technova Business Intellect Limited	-	-	-	-	11.77	18.10	-	-	11.77	18.10
	Religare Technova Limited	-	-	-	-	47.18	4.30	-	-	47.18	4.30
Travelling Expenses	Religare Travel (India) Limited	-	-	-	-	1,112.61	136.40	-	-	1,112.61	136.40
Other Expenses Total		-	-	-	-	1,728.86	364.40	-	15.20	1,728.86	379.60
Depository Charges	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company,Solaris Finance (P) Limited)	-	-	-	-	0.04	1.00	-	-	0.04	1.00
	Ranbaxy Laboratories Limited	-	-	-	-	-	4.20	-	-	-	4.20
	Malav Holdings Private Limited	-	-	-	-	-	0.10	-	-	-	0.10
	Fortis HealthCare Holding Limited	-	-	-	-	-	0.02	-	-	-	0.02
	Religare Wellness Limited	-	-	-	-	-	0.01	-	-	-	0.01
	Shivi Holdings Private Limited	-	-	-	-	-	0.00	-	-	-	0.00
	Fortis Health Care Limited	-	-	-	-	-	0.01	-	-	-	0.01
Depository Charges Total		-	-	-	-	0.04	5.34	-	-	0.04	5.34
Income from Data Sharing	Aegon Religare Life Insurance Co Limited	-	-	-	-	-	-	362.45	-	362.45	-
Income from Data Sharing Total		-	-	-	-	-	-	362.45	-	362.45	-
Financial Advisory	Mr. Malvinder Mohan Singh	-	83.00	-	-	-	-	-	-	-	83.00

Nature of Transactions	Name of the Related Party	Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Fees											
	Mr.Shivinder Mohan Singh	-	65.80	-	-	-	-	-	-	-	65.80
	Japna Malvinder Singh	-	4.60	-	-	-	-	-	-	-	4.60
	Aditi Shivinder Singh	-	4.50	-	-	-	-	-	-	-	4.50
	Nimmi singh	-	43.70	-	-	-	-	-	-	-	43.70
	Religare wellness Limited	-	-	-	-	-	42.00	-	-	-	42.00
	Fortis Healthworld Limited	-	-	-	-	-	27.50	-	-	-	27.50
	Religare Technova Limited	-	-	-	-	-	260.00	-	-	-	260.00
	Religare Infotech Pty Ltd	-	-	-	-	104.55	-	-	-	104.55	-
	Religare Technologies Limited	-	-	-	-	115.95	-	-	-	115.95	-
	Fortis Global Healthcare(Mauritius) Ltd.	-	-	-	-	1,840.74	-	-	-	1,840.74	-
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company,Solaris Finance (P) Limited)	-	-	-	-	-	3,123.30	-	-	-	3,123.30
	Oscar Investment Limited	-	-	-	-	-	539.10	-	-	-	539.10
	Malav Holdings Private Limited	-	-	-	-	-	94.40	-	-	-	94.40
	Malvinder Mohan Singh (HUF)	-	-	-	-	-	1.00	-	-	-	1.00
	Shivinder Mohan Singh (HUF)	-	-	-	-	-	1.00	-	-	-	1.00
	Malvinder Mohan Singh,Trustee (Bhai Hospital Trust)	-	-	-	-	-	27.30	-	-	-	27.30
	Malvinder Mohan Singh,Trustee(Ranbaxy Management Employees Welfare Fund Trust)	-	-	-	-	-	13.60	-	-	-	13.60
	Malvinder Mohan Singh,Trustee (Ranbaxy Employees Welfare Fund Trust)	-	-	-	-	-	26.80	-	-	-	26.80
	Ranbaxy Laboratories Limited	-	-	-	-	-	2,254.00	-	-	-	2,254.00
Financial Advisory Fees Total		-	201.60	-	-	2,061.24	6,410.00	-	-	2,061.24	6,611.60
Income from Client referral & Fund Management Fees											
	Religare Asset Management CompanyLimited	-	-	-	-	-	2.20	-	-	-	2.20

Nature of Transactions	Name of the Related Party	Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
	Vistaar Investment Advisors Pvt. Ltd.	-	-	-	-	90.00	-	-	-	90.00	-
	Aegon Religare Life Insurance Co Limited	-	-	-	-	-	426.10	-	-	-	426.10
Income from Client referral Services Total						90.00	428.30			90.00	428.30
Communication Expenses											
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	1.60	-	-	-	1.60
Communication Expenses Total		-	-	-	-	-	1.60	-	-	-	1.60
Security Deposit Received											
	Religare Wellness Limited	-	-	-	-	-	7.50	-	-	-	7.50
Security Deposit Received Total		-	-	-	-	-	7.50	-	-	-	7.50
Subscription Charges											
	Religare Technova Global Solutions Limited	-	-	-	-	-	1.70	-	-	-	1.70
Subscription Charges Total		-	-	-	-	-	1.70	-	-	-	1.70
Support Services Fees	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	37.04	35.30	37.04	35.30
Support Services Fees Total		-	-	-	-	-	-	37.04	35.30	37.04	35.30
ALLOCATION OF EXPENSES BY OTHER COMPANIES											
Software Development charges	Religare Technova Global Solutions Limited	-	-	-	-	136.85	1.70	-	-	136.85	1.70
Software Development charges Total		-	-	-	-	136.85	1.70	-	-	136.85	1.70
IT Service											
	Religare Technova Business Intellect Limited	-	-	-	-	-	190.40	-	-	-	190.40
	Religare Technova IT Services	-	-	-	-	-	182.60	-	-	-	182.60

Nature of Transactions	Name of the Related Party	Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
	Limited										
	Religare Technova Limited	-	-	-	-	-	2.20	-	-	-	2.20
IT Service Total		-	-	-	-	-	375.20	-	-	-	375.20
Rent Expenses											
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	6.40	-	-	-	6.40
Rent Expenses Total		-	-	-	-	-	6.40	-	-	-	6.40
	Religare Travel (India) Limited	-	-	-	-	-	345.40	-	-	-	345.40
Electricity expenses Total		-	-	-	-	-	345.40	-	-	-	345.40
Director's Sitting Fees											
	Mr. Malvinder Mohan Singh	1.40	1.00	-	-	-	-	-	-	1.40	1.00
	Mr. Shivinder Mohan Singh	1.60	1.00	-	-	-	-	-	-	1.60	1.00
Director's Sitting Fees Total		3.00	2.00	-	-	-	-	-	-	3.00	2.00
ESOP Expenses	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	1.10	-	1.10
ESOP Expenses Total		-	-	-	-	-	-	-	1.10	-	1.10
Repair & Maintenance expenses	OliveRays Innovations Private Limited	-	-	-	-	9.93	-	-	-	9.93	-
	Religare Technova IT Services Limited	-	-	-	-	-	1.20	-	-	-	1.20
Repair & Maintenance expenses Total		-	-	-	-	9.93	1.20	-	-	9.93	1.20
Travelling Expenses	Religare Travel (India) Limited	-	-	-	-	-	87.30	-	-	87.30	-
Travelling Expenses Total		-	-	-	-	-	87.30	-	-	87.30	-
Legal & Professional Expenses											
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	0.70	-	-	-	0.70
	Religare Technova Business Intellect Limited	-	-	-	-	-	1.00	-	-	-	1.00
Legal & Professional Expenses Total		-	-	-	-	-	1.70	-	-	-	1.70
	Religare Technova IT Services Limited	-	-	-	-	319.49	3.60	-	-	319.49	3.60

Nature of Transactions	Name of the Related Party	Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Expense Reimbursement to other Companies Total		-	-	-	-	319.49	3.60	-	-	319.49	3.60
Expense Reimbursement by other Companies											
	Fortis Healthcare Limited	-	-	-	-	16.87	-	-	-	16.87	-
	Super Religare Laboratories Limited	-	-	-	-	145.95	-	-	-	145.95	-
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	7.20	20.12	86.80	20.12	94.00
	AEGON Religare Life Insurance Company Limited	-	-	-	-	-	-	0.11	-	0.11	-
	RHC Holding (P) LTD(formerly known as Ranbaxy Holding Company)	-	-	-	-	5.95	-	-	-	5.95	-
	Religare Aviation Limited	-	-	-	-	3.06	-	-	-	3.06	-
	Religare Technova Global Solutions Limited	-	-	-	-	67.58	-	-	-	67.58	-
	Religare Technova IT services Limited	-	-	-	-	1.94	-	-	-	1.94	-
	Religare Technova Limited	-	-	-	-	3.08	-	-	-	3.08	-
	Religare Infotech Pvt Limited (formerly Religare Media Pvt Limited)	-	-	-	-	26.90	-	-	-	26.90	-
	Religare Travels Limited	-	-	-	-	0.11	-	-	-	0.11	-
	Religare Voyages Limited	-	-	-	-	8.29	-	-	-	8.29	-
Expense Reimbursement by other Companies Total		-	-	-	-	279.73	7.20	20.23	86.80	299.96	94.00
Remuneration to Key Management Personnel	Mr. Sunil Godhwani	-	-	40.00	41.10	-	-	-	-	40.00	41.10
	Mr. J.S.Grewal	-	-	41.02	25.10	-	-	-	-	41.02	25.10
	Mr. Shachindra Nath	-	-	127.96	76.31	-	-	-	-	127.96	76.31
	Mr. Anil Saxena	-	-	122.58	125.43	-	-	-	-	122.58	125.43
	Mr. Jayant Manglik	-	-	52.73	-	-	-	-	-	52.73	-
	Mr. Srinivasan Seshadri	-	-	21.84	-	-	-	-	-	21.84	-
	Mr. Amit Varma	-	-	111.85	-	-	-	-	-	64.59	-

Nature of Transactions	Name of the Related Party	Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
	Mr. Kiran Vaidya	-	-	64.59	-	-	-	-	-	64.59	-
	Mr. Anuj Gulati	-	-	62.29	-	-	-	-	-	62.29	-
	Mr. Chandan Kumar Sinha	-	-	4.02	-	-	-	-	-	4.02	-
	Mr. Mukesh Panika	-	-	42.77	-	-	-	-	-	42.77	-
	Mr. Kavi Arora	-	-	132.20	-	-	-	-	-	132.20	-
	Mr. Atul Gupta	-	-	53.33	-	-	-	-	-	53.33	-
Remuneration to Key Management Personnel Total		-	-	877.18	267.94	-	-	-	-	877.18	267.94
Other Expenses (Lease Rentals)											
	Religare Technova Business Intellect Limited	-	-	-	-	-	1.20	-	-	-	1.20
	Religare Technova Limited	-	-	-	-	-	4.90	-	-	-	4.90
	RHC Holding (P) Ltd.	-	-	-	-	18.00	-	-	-	18.00	-
	Religare Technova IT services Limited	-	-	-	-	281.67	-	-	-	281.67	-
	Radhika N Godhwani	-	-	20.11	18.20	-	4.60	-	-	20.11	22.80
	Rochiram P Godhwani	-	-	20.28	16.80	-	-	-	-	20.28	16.80
	Naraindas P Godhwani	-	-	20.28	18.20	-	-	-	-	20.28	18.20
	Hari R Godhwani	-	-	20.28	16.80	-	-	-	-	20.28	16.80
Other Expenses (Lease Rental) Total		-	-	80.95	70.00	299.67	10.70	-	-	380.62	80.70
OUTSTANDING BALANCES											
Payables											
Unsecured Loan											
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company,Solaris Finance (P) Limited)	-	-	-	-	196.56	-	-	-	196.56	-
	Oscar Investments Limited	-	-	-	-	94.42	-	-	-	94.42	-
	R C Nursery Private Limited	-	-	-	-	520.02	-	-	-	520.02	-
	Luxury Farms Private Limited	-	-	-	-	1,338.14	-	-	-	1,338.14	-
Unsecured Loan Total		-	-	-	-	2,149.14	-	-	-	2,149.14	-
Payables (Interest on unsecured loan)											

Nature of Transactions	Name of the Related Party	Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company,Solaris Finance (P) Limited)	-	-	-	-	-	23.50	-	-	-	23.50
Payables (Interest on unsecured loan)		-	-	-	-	-	23.50	-	-	-	23.50
Other Payables											
	Religare Travel (India) Limited	-	-	-	-	2.11	8.60	-	-	2.11	8.60
	Fortis Health Care Limited	-	-	-	-	0.01	-	-	-	0.01	-
	Religare Aviation Limited	-	-	-	-	0.68	-	-	-	0.68	-
	Religare Technova Limited	-	-	-	-	4.21	0.40	-	-	4.21	0.40
	Religare Technova IT Services Limited	-	-	-	-	1,000.88	3.70	-	-	1,000.88	3.70
	Religare Travel (India) Limited	-	-	-	-	-	0.30	-	-	-	0.30
	Fortis HealthCare Holding Limited	-	-	-	-	-	86.30	-	-	-	86.30
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	28.40	-	28.40
	Oscar Investment Limited	-	-	-	-	4.69	-	-	-	4.69	-
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	0.32	-	0.32	-
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company,Solaris Finance (P) Limited)	-	-	-	-	0.41	0.20	-	-	0.41	0.20
	Sameer Godhwani	-	-	0.51	-	-	-	-	-	0.51	-
	Mr. Shivinder Mohan Singh	0.08	-	-	-	-	-	-	-	0.08	-
Other Payables Total		0.08	-	0.51	-	1,012.99	99.60	0.32	28.40	1,013.90	128.00
Other current account transaction											
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	73.80	-	-	-	73.80
Other current account transaction		-	-	-	-	-	73.80	-	-	-	73.80
Commission Payable	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	23.47	56.60	23.47	56.60
Commission Payable		-	-	-	-	-	-	23.47	56.60	23.47	56.60

Nature of Transactions	Name of the Related Party	Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Total											
Payable Total		0.08	-	0.51	-	1,012.99	196.90	23.79	85.00	3,186.51	281.90
Receivables											
Other Receivables											
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company,Solaris Finance (P) Limited)	-	-	-	-	4.76	-	-	-	4.76	-
	Super Religare Laboratories Limited	-	-	-	-	12.10	-	-	-	12.10	-
	Vistaar Religare Media Fund Trust	-	-	-	-	103.82	-	-	-	103.82	-
	R.C. Nursery Private Limited	-	-	-	-	-	320.70	-	-	-	320.70
	Luxury Farms (P) Limited	-	-	-	-	-	1,058.00	-	-	-	1,058.00
	Aegon Religare Life Insurance Company limited	-	-	-	-	-	-	102.11	-	102.11	-
	Fortis Health Care Limited	-	-	-	-	16.87	-	-	-	16.87	-
	Religare Wellness Limited	-	-	-	-	-	12.70	-	-	-	12.70
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	11.10	45.62	53.40	45.62	64.50
	Religare Technova Global Solutions Limited	-	-	-	-	109.16	-	-	-	109.16	-
	Religare Technova IT Services Limited	-	-	-	-	-	0.90	-	-	-	0.90
	Religare Technova Limited	-	-	-	-	-	21.90	-	-	-	21.90
Other Receivables Total		-	-	-	-	246.71	1,425.30	147.73	53.40	394.44	1,478.70
Unsecured Loan											
	Luxury Farms (P) Limited	-	-	-	-	-	23.00	-	-	-	23.00
	R.C. Nursery Private Limited	-	-	-	-	-	5.70	-	-	-	5.70
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company,Solaris Finance (P) Limited)	-	-	-	-	-	13,500.00	-	-	-	13,500.00
	Vistaar Films Ltd.	-	-	-	-	-	27.00	-	-	-	27.00

Nature of Transactions	Name of the Related Party	Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
	Vistaar Religare Media Ltd.	-	-	-	-	-	663.00	-	-	-	663.00
	Religare Travel (India) Limited	-	-	-	-	-	127.00	-	-	-	127.00
	Religare Voyages Limited	-	-	-	-	-	2,802.20	-	-	-	2,802.20
	Religare Technova Global Solutions Ltd	-	-	-	-	4,460.00	-	-	-	4,460.00	-
	Religare Technova IT Services Limited	-	-	-	-	415.00	2,024.00	-	-	415.00	2,024.00
	Religare Technova Business Intellect Limited	-	-	-	-	471.00	422.00	-	-	471.00	422.00
	Super Religare Laboratories Ltd	-	-	-	-	3,548.19	-	-	-	3,548.19	-
	Religare Technologies Limited	-	-	-	-	1,115.00	-	-	-	1,115.00	-
	Religare Technova Limited	-	-	-	-	1,135.00	35.50	-	-	1,135.00	35.50
	Religare Voyages Limited	-	-	-	-	712.53	-	-	-	712.53	-
	Religare Wellness Limited	-	-	-	-	1,370.00	-	-	-	1,370.00	-
	Regius Aviation Limited	-	-	-	-	16,834.33	608.00	-	-	16,834.33	608.00
Unsecured Loan		-	-	-	-	30,061.05	20,237.40	-	-	30,061.05	20,237.40
Receivables (Interest on unsecured loan)											
	Religare Technova Limited	-	-	-	-	-	3.40	-	-	-	3.40
	Vistaar Films Ltd.	-	-	-	-	-	0.60	-	-	-	0.60
	Vistaar Religare Media Ltd.	-	-	-	-	-	20.70	-	-	-	20.70
	Vistaar Religare Media Fund Trust	-	-	-	-	-	13.00	-	-	-	13.00
	Super Religare Laboratories Ltd	-	-	-	-	97.37	-	-	-	97.37	-
	Religare Technologies Limited	-	-	-	-	9.49	-	-	-	9.49	-
	Religare Technova Limited	-	-	-	-	56.01	-	-	-	56.01	-
	Religare Technova Global Solutions Ltd	-	-	-	-	127.56	-	-	-	127.56	-
	Religare Technova IT Services Limited	-	-	-	-	70.18	37.80	-	-	70.18	37.80
	Religare Technova Business Intellect Limited	-	-	-	-	21.58	6.60	-	-	21.58	6.60
	Religare Travel (India) Limited	-	-	-	-	-	2.90	-	-	-	2.90
	Religare Wellness Limited	-	-	-	-	40.20	63.40	-	-	40.20	63.40
	Religare Voyages Limited	-	-	-	-	28.15	68.00	-	-	28.15	68.00
	Regius Aviation Limited	-	-	-	-	524.70	63.80	-	-	524.70	63.80
Receivables (Interest on		-	-	-	-	975.24	280.20	-	-	975.24	280.20

Nature of Transactions	Name of the Related Party	Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
unsecured loan)											
Current Account Transaction											
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	73.84	-	73.84	-
Current Account Transaction		-	-	-	-	-	-	73.84	-	73.84	-
Security Deposit											
	Radhika N Godhwani	-	-	14.40	14.40	-	-	-	-	14.40	14.40
	Rochiram P Godhwani	-	-	14.40	14.40	-	-	-	-	14.40	14.40
	Naraindas P Godhwani	-	-	14.40	14.40	-	-	-	-	14.40	14.40
	Hari R Godhwani	-	-	14.40	14.40	-	-	-	-	14.40	14.40
Security Deposits Total		-	-	57.60	57.60	-	-	-	-	57.60	57.60
Receivables Total		-	-	57.60	57.60	31,283.00	21,942.90	221.57	53.40	31,562.17	22,053.90

(xxv) Figures for the previous year have been regrouped, rearranged and reclassified wherever necessary to conform to the current year's classification.

Signatures to Schedule A to S forming part of the Consolidated Financial Statements

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

For and on behalf of the Board of Directors

PARTHA GHOSH
Partner
Membership Number: F55913

SUNIL GODHWANI
Chairman & Managing Director
(DIN- 00174831)

SHACHINDRA NATH
Group Chief Executive Officer
(DIN-00510618)

ANIL SAXENA
Director
(DIN-01555425)

RAVI BATRA
Sr. Vice President & Company Secretary

Place : Mumbai
Date: July 06, 2010

Place: New Delhi
Date: July 06, 2010

Consolidated Auditors' Report

Auditors' Report to the Board of Directors of Religare Enterprises Limited on the Consolidated Financial Statements of Religare Enterprises Limited

1. We have audited the attached Consolidated Balance Sheet of Religare Enterprises Limited ('the Company') its subsidiaries and joint ventures ('the Group'), as at March 31, 2009, and the related Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose consolidated financial statements reflect the Group's share of total assets of Rs. 7,640,492,349 as at March 31, 2009 and the Group's share of total revenue of Rs. 1,663,539,468 and net cash inflow/outflow amounting to Rs. 624,399,815 for the year ended on that date as considered in the consolidated financial statements. These financial statements and other information of subsidiaries have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures issued by the Institute of Chartered Accountants of India.
5. On the basis of the information and explanations given to us and in our opinion, the attached consolidated financial statements, read together with notes thereon and attached thereto, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2009;
 - (b) in the case of the Consolidated Profit and Loss Account, of the loss for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
Price Waterhouse
Chartered Accountants

PARTHA GHOSH
Membership No. F 55913

Place : Mumbai
Date : June 24, 2009

RELIGARE ENTERPRISES LIMITED
Consolidated Balance Sheet as at March 31, 2009

	Schedule	As at March 31, 2009	As at March 31, 2008
		Amount (Rs.)	Amount (Rs.)
SOURCES OF FUNDS:			
Shareholders' Funds			
Share Capital	A	1,012,897,600	760,838,590
Share Application Money (Refer Note No. 8 of Schedule "S")		18,001,615,180	-
Reserves and Surplus	B	6,568,705,953	5,064,632,655
		25,583,218,733	5,825,471,245
Loan Funds			
Secured Loans	C	4,955,546,562	7,232,344,700
Unsecured Loans	D	7,680,175,485	23,412,080,296
		12,635,722,047	30,644,424,996
Policy Holders Fund		90,647,422	-
Minority Interest		27,660,839	-
TOTAL		38,337,249,041	36,469,896,241
APPLICATION OF FUNDS:			
Fixed Assets	E		
Gross Block		8,814,399,042	1,789,901,717
Less : Depreciation		1,032,385,840	427,047,248
Net Block		7,782,013,202	1,362,854,469
Capital Work-in-Progress (including capital advances)		107,510,026	123,733,857
		7,889,523,228	1,486,588,326
Investments	F	2,559,322,856	3,129,375,700
Deferred Tax Assets (Net) (Refer Note No. 22 of Schedule 'S')		21,257,525	28,691,958
Current Assets, Loans and Advances:			
Interest Accrued		403,465,618	647,844,152
Stock In Trade (Refer Note No.16 (iv) of Schedule 'S')		70,434,177	9,404,839
Sundry Debtors	G	3,431,712,925	4,166,477,896
Cash and Bank Balances	H	12,572,492,210	16,330,928,473
Loans and Advances	I	20,015,661,067	16,822,371,536
		36,493,765,997	37,977,026,896
Less : Current Liabilities and Provisions:			
Current Liabilities	J	8,395,309,861	5,948,754,614
Provisions	K	231,310,704	203,032,025
		8,626,620,565	6,151,786,639
Net Current Assets		27,867,145,432	31,825,240,257
TOTAL		38,337,249,041	36,469,896,241
Notes to Consolidated Financial Statements	S		
Schedules referred to above form an integral part of the Consolidated Balance Sheet			

This is the Consolidated Balance Sheet referred to in our report of even date

For and on behalf of the Board of Directors

For and on behalf of
Price Waterhouse
Chartered Accountants

PARTHA GHOSH
Partner

Membership No.F55913

Place : Mumbai
Date : June 24, 2009

SHIVINDER MOHAN SINGH
Director

SUNIL GODHWANI
CEO & Managing Director

RAVI BATRA
Sr. Vice President & Company Secretary

Place : New Delhi
Date : June 23, 2009

RELIGARE ENTERPRISES LIMITED
Consolidated Profit and Loss Account for the Year Ended March 31, 2009

	Schedule	For the year ended March 31, 2009	For the year ended March 31, 2008
		Amount (Rs.)	Amount (Rs.)
INCOME			
Income from Operations	L	9,718,223,137	7,482,429,878
Interest Income	M	1,285,453,853	818,988,147
Other Income	N	888,686,474	663,689,377
Sale of Shares etc.		52,808,062	-
TOTAL		11,945,171,526	8,965,107,402
EXPENDITURE			
Cost of Shares etc. sold		101,494,999	-
Operating Expenses	O	1,276,821,579	1,325,088,999
Personnel Expenses	P	3,677,893,973	1,901,259,618
Administrative and Other Expenses	Q	4,027,216,412	1,628,983,127
Interest and Finance Charges	R	3,091,815,940	2,290,930,789
Depreciation (Refer Note No. 9 of Schedule 'S')		526,480,256	259,235,853
Less: Net Expenditure of Joint Venture Recoverable/ Adjustable (Refer Note No. 12 of Schedule "S")		(616,413,451)	-
TOTAL		12,085,309,708	7,405,498,386
PROFIT / (LOSS) BEFORE TAX		(140,138,182)	1,559,609,016
Provision for Taxation			
- Current Tax			
- For the year		442,706,965	624,281,552
- For the Earlier Years		17,350,743	1,718,897
- Deferred tax (Net)		7,434,434	(57,022,518)
- Fringe Benefit Tax		44,411,236	20,943,674
- Dividend Distribution Tax		-	50,799,736
PROFIT / (LOSS) AFTER TAX BEFORE MINORITY INTEREST		(652,041,560)	918,887,675
Share of Minority Interest for the year		-	854,418
Add: Adjustment on account of changes in JV interest		16,239,524	-
PROFIT / (LOSS) AFTER TAX AFTER MINORITY INTEREST		(635,802,036)	919,742,093
Add : Balance brought forward		984,300,250	277,211,779
Amount available for appropriation		348,498,214	1,196,953,872
APPROPRIATIONS:			
Interim Dividend on Equity Shares Paid		-	90,155,610
Final Dividend on Equity Shares (Proposed) (Refer Note No. 6 of Schedule "S")		51,447	83,727,813
Tax on Distributed Profits on Interim Dividend		-	15,321,946
Transfer to General Reserve		-	23,448,253
Balance Carried to Balance Sheet		348,446,767	984,300,250
TOTAL		348,498,214	1,196,953,872
EARNINGS PER SHARE (In Rupees)			
Basic		(8.57)	13.31
Diluted		(8.57)	13.01
(Refer Note No. 21 of Schedule 'S')			
Notes to Consolidated Financial Statements	S		
Schedules referred to above form an integral part of the Consolidated Profit and Loss Account			

This is the Consolidated Profit and Loss referred to in our report of even date

For and on behalf of the Board of Directors

PARTHA GHOSH
Partner

SHIVINDER MOHAN SINGH
Director

SUNIL GODHWANI
CEO & Managing Director

Membership No.F55913
For and on behalf of
Price Waterhouse

Chartered Accountants

RAVI BATRA
Sr. Vice President & Company Secretary

Place : Mumbai
Date : June 24, 2009

Place : New Delhi
Date : June 23, 2009

RELIGARE ENTERPRISES LIMITED
CONSOLIDATED CASH FLOW STATEMENT PREPARED FOR THE YEAR ENDED MARCH 31, 2009

	PARTICULARS	Year Ended March 31, 2009	Year Ended March 31, 2008
A	Cash flow from Operating Activities:		
	Net (Loss)/Profit Before Tax	(140,138,182)	1,559,609,016
	Adjustments for:		
	Depreciation	526,480,256	259,235,853
	Interest Expense	2,202,677,966	1,821,667,817
	Interest Income*	(1,285,453,853)	(818,988,147)
	Income from Investment - Dividends	(45,271,561)	(12,284,642)
	(Profit)/Loss on Fixed Assets sold (Net)	1,366,946	1,864,467
	(Profit)/Loss on sale of Investments (Net)	(61,915,847)	(67,452,180)
	Bad Debts & Provision for Doubtful Debts	563,080,352	148,440,618
	Provision for Gratuity and Leave Encashment	70,829,583	43,816,003
	Preliminary Expenses written off	504,179	-
	TDS on operating income and STT	(442,139,632)	(273,701,494)
	Employees Stock Option Expenses	2,364,261	1,250,434
	Provision for diminution in the value of Investments	74,250,052	-
	Change in valuation in respect of Life Policies	90,430,090	-
	Exchange Foreign Exchange Loss (Net)	159,852,244	-
	Translation Reserve	(60,697,121)	-
	Liability no longer required written back	(40,740,104)	(702,849)
	Discount on issue of Commercial Papers	733,752,745	359,550,079
	Operating Profit Before Working Capital Changes	2,349,232,374	3,022,304,975
	Adjustments for Changes in Working Capital :		
	- (Increase)/Decrease in Sundry Debtors	922,395,518	(1,414,916,325)
	- (Increase)/Decrease in Other Receivables	(1,593,359,908)	(10,903,718,072)
	- (Increase)/Decrease in Stock in Trade	(61,029,338)	(9,404,839)
	- Increase/(Decrease) in Trade and Other Payables	985,300,420	2,734,258,494
	Cash Used/ generatedin/ fromOperations	2,602,539,066	(6,571,475,767)
	- Taxes (Paid) / Received (Net of TDS)	(279,535,854)	(226,683,125)
	Net Cash Used/ generated in/ from Operating Activities	2,323,003,212	(6,798,158,892)
B	Cash Flow From Investing Activities:		
	Purchase of Fixed Assets (net)	(7,044,311,314)	(935,023,114)
	Proceeds from sale of Fixed Assets	21,180,935	4,107,212
	Capital Work in Progress	16,223,831	(56,086,813)
	Proceeds/ Purchases from Sale of Investments (net)	111,620,426,021	128,311,390,369
	Purchase of investments	(105,676,074,310)	(130,515,674,618)
	Interest Received (Revenue)	1,279,254,011	23,423,981
	Dividend Received	36,422,925	11,014,497
	Minority Interest Purchased	-	(61,900,000)
	Amount Paid on Acquisition of subsidiaries / joint ventures	(5,650,801,342)	-
	Net Cash Used In Investing Activities	(5,397,679,243)	(3,218,748,486)
C	Cash Flow From Financing Activities:		
	Proceeds from fresh issue of Equity Share Capital (including securities premium)	28,826,140	1,883,803,599
	Proceeds from fresh issue of Preference Share Capital (including securities premium)	2,500,000,000	-
	Proceeds from Share Application Money	18,001,615,180	-
	Proceeds/ Repayment for Short term Borrowings:-		
	- Inter Corporate Loans (Net)	(905,569,109)	2,001,242,874
	- Commercial Papers (Net)	(5,504,621,950)	5,800,978,082
	- Cash Credits / Working Capital Loans (Net)	(5,642,493,602)	4,039,155,557
	- Redeemable Non-Convertible Debentures (Net)	(12,250,000,000)	11,600,000,000
	-Compulsory-Convertible Debentures (Net)	1,000,000,000	-
	Proceeds/ Repayment for Long Term Borrowings:-		
	- Proceeds from Inter Corporate Loans (Net)	135,300,000	-
	- Proceeds from Cash Credits / Working Capital Loans (Net)	4,456,433,086	-
	Proceeds from the Shares issued to Minority Shareholders	-	61,900,000
	Interest Paid	(2,565,952,114)	(1,303,733,971)
	Dividend Paid	(83,779,260)	(11,606,805)
	Dividend Tax Paid	(22,027,024)	(52,120,351)
	Net Cash Flow From Financing Activities	(852,268,653)	23,919,618,985
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(3,926,944,684)	13,902,711,607

	PARTICULARS	Year Ended March 31, 2009	Year Ended March 31, 2008
	Add: Cash and Cash Equivalents at the beginning of the Year	16,330,928,473	2,428,216,866
	Effect of Exchange difference on Translation of Foreign Currency	2,678,923	-
	Cash & Cash Equivalents		
	Add: Cash and Cash Equivalents on Acquisition of Subsidiaries	165,829,498	-
	Cash and Cash Equivalents at the end of the Year	12,572,492,210	16,330,928,473
	Cash and Cash Equivalents at the end of the Year Comprises of		
	Cash in Hand	9,596,643	3,958,504
	Cheques on Hand	4,623,960	101,536
	Balances with Banks in Fixed Deposits Accounts	12,186,014,111	14,287,183,309
	Balances with Banks in Current Accounts	372,257,496	2,039,685,124
		12,572,492,210	16,330,928,473

*** Interest income does not include interest income from lending operation of Rs.2,882,678,214 (Previous Year Rs.2,103,176,597)**

Notes:

- 1 The Cash flow statement has been prepared under the indirect method as set out in Accounting Standard -3 on Cash Flow Statement.
- 2 Figures in bracket indicate cash outgo/income
- 3 Previous year's figures have been regrouped and rearranged wherever necessary to confirm to the current year classification.
- 4 Fixed Deposits with Scheduled Banks includes Rs.11,407.88 Million (Previous Year Rs.13,185.87 Million) under lien in favour of or pledged with banks or other bodies

This is the Consolidated Cash Flow Statement referred to in our report of even date

PARTHA GHOSH

Partner

SHIVINDER MOHAN SINGH

Director

SUNIL GODHWANI

CEO & Managing Director

Membership No.F55913

For and on behalf of

Price Waterhouse

Chartered Accountants

RAVI BATRA

Sr. Vice President & Company Secretary

Place : Mumbai

Date : June 24, 2009

Place : New Delhi

Date : June 23, 2009

RELIGARE ENTERPRISES LIMITED
Schedules forming part of the Consolidated Balance Sheet as at March 31, 2009

	As at March 31, 2009	As at March 31, 2008
	Amount (Rs.)	Amount (Rs.)
SCHEDULE 'A' : SHARE CAPITAL		
Authorised		
200,000,000 Equity Shares of Rs. 10 each	2,000,000,000	850,000,000
(Previous Year 85,000,000 Equity Shares of Rs. 10 each)		
50,000,000 Redeemable Preference Share of Rs. 10 each	500,000,000	-
(Previous Year Nil)		
TOTAL	2,500,000,000	850,000,000
Issued, Subscribed and Paid Up		
76,289,760 Equity Shares of Rs. 10 each Fully Paid up	762,897,600	760,838,590
(Previous Year 76,083,859 Equity Shares of Rs. 10 each Fully Paid Up)		
13.66% 25,000,000 Cumulative Redeemable Preference Shares of Rs. 10 each Fully Paid up)	250,000,000	-
10 each Fully Paid up)(Previous Year Nil)		
TOTAL	1,012,897,600	760,838,590
SCHEDULE 'B' : RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	122,519,888	122,519,888
General Reserve		
Opening Balance	29,348,834	5,900,581
Transfer from Profit and Loss Account	-	23,448,253
	29,348,834	29,348,834
Capital Redemption Reserve	750,000	750,000
Securities Premium Account		
Opening Balance	3,926,463,249	2,159,529,600
Add: Received during the year on Equity Shares	26,767,130	1,935,994,940
Add: Received during the year on Preference Shares	2,250,000,000	-
Less: Expenses relating to Initial Public Offer	-	169,061,291
	6,203,230,379	3,926,463,249
Employee Stock Option Outstanding		
Opening Balance	5,568,750	
Add: Additions during the year	-	5,568,750
Additions / (Cancellation) during the year	(576,090)	
Less: Deferred Employee Stock Compensation	1,377,965	4,318,316
Net Employee Stock Option Outstanding	3,614,695	1,250,434
Surplus as per Profit and Loss Account	348,446,767	984,300,250
Foreign Currency Translation Reserve	(139,204,610)	-
TOTAL	6,568,705,953	5,064,632,655
Note: Surplus in Profit and Loss Account includes Rs.210,654,493 (Previous Year Rs.128,911,989) being transfer made to Specific Reserve maintained u/s 45IC of Reserve Bank of India Act, 1934 by one of the subsidiaries.		
SCHEDULE 'C' : SECURED LOANS		
Working Capital Loan and Overdraft from Banks	4,954,841,471	6,140,901,987
(Secured against pledge of Fixed Deposits, hypothecation of receivables and securities of third parties)	-	
Vehicle Loans from Saraswat Co-Op Bank Limited	705,091	-
(Secured by hypothecation of vehicle)		
Short Term Loans from Corporates	-	1,075,000,000
(Secured against pledge of securities from third parties)		
Interest Accrued and due on Secured Loans	-	16,442,713
TOTAL	4,955,546,562	7,232,344,700

	As at March 31, 2009	As at March 31, 2008
	Amount (Rs.)	Amount (Rs.)
SCHEDULE 'D' :UNSECURED LOANS		
Inter Corporate Loans (Short Term)	2,581,891,300	2,277,865,500
9.75% Redeemable Non-Convertible Debentures(Refer Note No. 13 a of Schedule 'S')	1,750,000,000	14,000,000,000
Compulsory Convertible Debentures	1,000,000,000	-
Commercial Paper (Refer Note No.13 b of Schedule 'S')	2,343,957,861	7,114,827,066
(Maximum Outstanding Balance during the year Rs.1,235 crores; Previous Year Rs. 810 crores)	-	
Interest accrued and due on Unsecured Loans	4,326,324	19,387,730
TOTAL	7,680,175,485	23,412,080,296

RELIGARE ENTERPRISES LIMITED
Schedules forming part of the Consolidated Balance Sheet as at March 31, 2009

Schedule 'E': Fixed Assets

(Amount in Rs.)

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION/ AMORTISATION					NET BLOCK	
	As at April 01, 2008	Addition for the Year	Deletions/ Adjustments for the Year	As at March 31, 2009	As at April 01, 2008	Additions for the Year*	Pre-acquisition depreciation	Deletions/ Adjustments for the Year	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008
INTANGIBLE ASSETS											
GOODWILL (On consolidation)	1,912,708	5,533,817,246	-	5,535,729,954	184,702	-	-	-	184,702	5,535,545,252	1,728,006
COMPUTER SOFTWARE	94,736,652	254,306,876	4,648,451	344,395,077	24,913,245	65,509,619	5,426,043	1,713,102	94,135,805	250,259,272	69,823,407
Sub Total(a)	96,649,360	5,788,124,122	4,648,451	5,880,125,031	25,097,947	65,509,619	5,426,043	1,713,102	94,320,507	5,785,804,524	71,551,413
TANGIBLE ASSETS											
LAND	54,649,819	-	-	54,649,819	-	-	-	-	-	54,649,819	54,649,819
BUILDING	176,605,181	-	-	176,605,181	597,755	2,878,664	-	-	3,476,419	173,128,761	176,007,426
LEASE HOLD IMPROVEMENT	471,661,504	483,145,410	46,346,674	908,460,240	183,217,566	197,859,185	15,256,473	28,342,675	367,990,549	540,469,691	288,443,938
OFFICE EQUIPMENTS	258,405,839	314,472,851	1,317,451	571,561,239	47,063,713	72,799,724	67,303,362	553,409	186,613,390	384,947,849	211,342,126
DATA PROCESSING MACHINE	596,335,479	376,296,824	2,335,803	970,296,500	134,180,638	147,065,275	16,449,428	965,436	296,729,905	673,566,595	462,154,841
FURNITURE AND FIXTURE	85,013,367	82,828,127	2,541,160	165,300,334	32,642,966	33,854,162	9,560,781	1,877,033	74,180,877	91,119,457	52,370,401
VEHICLES	35,066,976	47,142,447	10,966,603	71,242,820	4,181,670	6,238,054	2,031,648	3,717,745	8,733,627	62,509,193	30,885,306
Sub Total (b)	1,677,738,165	1,303,885,659	63,507,691	2,918,116,134	401,884,308	460,695,065	110,601,691	35,456,297	937,724,767	1,980,391,367	1,275,853,857
LEASED ASSETS											
VEHICLES	15,514,192	643,685	-	16,157,877	64,993	275,573	-	-	340,566	15,817,311	15,449,199
Sub Total(c)	15,514,192	643,685	-	16,157,877	64,993	275,573	-	-	340,566	15,817,311	15,449,199
TOTAL(a + b + c)	1,789,901,717	7,092,653,467	68,156,142	8,814,399,042	427,047,248	526,480,256	116,027,734	37,169,399	1,032,385,840	7,782,013,203	1,362,854,469
Previous Year	861,655,056	934,684,978	(6,438,317)	1,789,901,717	169,470,588	259,235,853	-	(1,659,193)	427,047,248	1,362,854,469	692,184,468
Capital Work-in-Progress (including advances)										213,085,632	123,733,857

*Refer Note No. 9 of Schedule 'S'

RELIGARE ENTERPRISES LIMITED
Schedules forming part of the Consolidated Balance Sheet As At March 31, 2009

	Face Value	As at March 31, 2009		As at March 31, 2008	
		No.	Rs.	No.	Rs.
SCHEDULE 'F' : INVESTMENTS					
Other Than Life Insurance Business					
Long Term - Other than Trade					
<u>Equity Shares (Fully Paid Up) (Quoted)</u>					
Karnataka Bank Limited	10	3,141,171	455,829,534	3,141,171.00	455,829,534
(Refer note 3 (ix) on Schedule 'S')					
Hindalco Industries Limited	10	5,300,000	503,500,000		-
(Refer note 3 (ix) on Schedule 'S')					
Saraswat Co-op Bank Limited	10	2,500	25,000		
Ranbaxy Laboratories Limited	5	3,449	1,588,092	6,400.00	2,946,800
<u>Government Securities</u>					
7.50% Govt. Stock 2010	100	60	6,432	60.00	6,432
9% Govt. Stock, 2013	100	305	36,295	305.00	36,295
<u>National Saving Certificate VIII ISSUE</u>			36,000		36,000
(Refer Note 1 below)					
<u>Share Application Money</u>					
Aegon Religare Life Insurance Company Limited			-		500,000,000
Vistaar Religare Capital Advisors Limited			-		2,500,000
<u>Others</u>					
Religare Aegon Asset Management Company (P) Limited	10	12,500,000	125,000,000	-	-
Religare Aegon Trustee Company (P) Limited	10	25,000	250,000	-	-
<u>Contribution to Funds</u>					
Religare Art Fund			22,500,000	-	22,500,000
Vistaar Media Fund			140,000,000	-	-
Total (A)			1,248,771,353		983,855,061
Current Investments Other than Trade					
<u>Equity Shares (fully paid up) Quoted</u>					
High Road Capital		21,400,000	9,863,353	-	-
Bio futures International Plc		11,712,177	6,514,361	-	-
Panceltica Holdings Ltd		305,800	963,828	-	-
PAQ International Holdings Limited		1,416,667	556,117	-	-
XG Technology Inc.		38,816	2,028,623	-	-
Strategic Natural Resources Plc		2,583,332	22,031,829	-	-
Deuxmil Marine Plc		588,993	7,862,408	-	-
AEC Education Plc		40,000	400,467	-	-
ARH Leisure Investments Plc		20,500,000	6,081,165	-	-
Atlantic Coal Plc		18,930,884	6,631,513	-	-
Devilfish Gaming PLC		737,570	3,008,423	-	-
Fairholt Resource Investments PLC		2,500,000	741,606	-	-
Medi-Flex Ltd		150,000	256,009	-	-
Messaging Int		66,666	9,888	-	-
Oxeco Plc		525,000	486,679	-	-
PHSC PLC		87,000	1,290,394	-	-
Running River Plc		8,900,000	2,892,632	-	-
Sky Postal, Inc.		855,395	6,705,768	-	-
Sound Oil PLC		1,500,000	259,117	-	-
Sweet China PLC		1,728,331	3,204,349	-	-
West End Ventures Plc		1,000,000	741,606	-	-
Panceltica		100,800	317,704	-	-
Commodities(in Lots)		1	29,022,885	-	-
<u>(UNQUOTED)</u>					
Unicorn Asset Management Ltd		64,190	36,369,194	-	-
Oxford Advanced Surfaces (formerly Kanyon)		30,000	266,978	-	-

	Face Value	As at March 31, 2009		As at March 31, 2008	
		No.	Rs.	No.	Rs.
Hot Rocks Limited		18,000,000	7,341,894	-	-
CD Private Equity Natural resource Fund		250	9,270,069	-	-
Elite Real Estate (Mayfair) Plc		48,000	17,798,532	-	-
Latin Biofuels Limited		9,999	741,531	-	-
MENA		4,648	344,729	-	-
MN Speciality Steel Limited		283,040	10,117,374	-	-
Seven Hills Capital Partners		10,000	741,606	-	-
SMENA Holdings Limited		30,523	17,286,269	-	-
Scotty Group		33,057	931,584	-	-
Regency Mines		250,000	185,401	-	-
Cagney		312,500	214,370	-	-
The Core Business		1,080,000	280,327	-	-
Thor Mining		363,333	370,493	-	-
Louisiana Oil & Gas		1	1,868,846	-	-
Nostra Terra CLS		85,850	748,123	-	-
Investment in Mutual Funds					
Birla Cash Plus	10	-	-	84,850,872.00	849,858,512
(Daily Dividend Reinvestment)					
Religare India Liquid Fund (formerly Lotus India Liquid fund)	10	5,330,548.25	63,426,100	89,996,040.00	1,000,000,000
(Super Institutional Growth)					
NFSG Canara Robeco Floating Rate Fund	10	-	-	1,610,773.00	20,000,000
(Short Term Growth)					
LIC MF Liquid Fund	10	-	-	3,111,252.00	44,391,972
(Growth Plan)					
HDFC MF-CMS Savings Plus	10	-	-	10,029,700.85	100,612,944
(Daily Dividend Re-Investment Option)					
Reliance MF-Liquid Plus	1,000	-	-	100,493.90	100,608,101
(Daily Dividend Re-Investment Option)					
Religare Short Term Plan	10	5,393,839.11	60,898,601	-	-
(Institutional Growth Option)					
Religare Fixed Maturity Plan 375	10	150,000.00	1,500,000	-	-
(Series IX - Growth Option)					
Religare Active Income Fund	10	58,010,629.78	654,819,946	-	-
(formerly known as Lotus India Active Income Fund)					
Less Provision for Diminution in value			(7,576,384)	-	-
			647,243,562	-	-
Religare Liquid Fund	10	132,522.18	791,389	-	-
(Institutional Growth)					
ICICI MF- Flexible Income Plus	10	-	-	2,841,925.59	30,049,100
(Daily Dividend Re-Investment Option)					
Total (B)			990,607,696		2,145,520,629
Life Insurance Business					
Investments - Policy Holders					
Government Securities and Government guaranteed bonds including Treasury Bills			49,087,391		-
Investments - Share Holders					
Investments in Infrastructure and Social Sector			68,483,610		-
Debentures / Bonds			23,930,809		-
Other Securities			47,816,196		-
Mutual Funds			-		-
Government Securities and Government guaranteed bonds including Treasury Bills			43,552,184		-
Assets to cover Linked Liabilities			-		
Investments in Infrastructure and Social Sector			6,176,287		

	Face Value	As at March 31, 2009		As at March 31, 2008	
		No.	Rs.	No.	Rs.
Mutual Funds			35,167,489		-
Shares			39,597,719		-
Other Securities			6,138,199		-
Less: Change in Fair Value			(6,077)		-
Total (C)			319,943,807		-
Total (A + B + C)			2,559,322,856		3,129,375,690
Aggregate Value of Quoted Investments					
At Book Value			1,072,813,350		458,776,334
At Market Value			589,924,158		631,826,173
Aggregate Value of Unquoted Investments			1,486,509,506		2,670,599,356

Notes:

- (1) Held In the name of a Director of subsidiary company as nominee, Rs 33,000 (Previous Year Rs.33,000) and pledged with Gujarat and Rajasthan VAT Authorities
- (2) Investments purchased and sold during the year:
 Quoted Equity Shares 64,531,113, Cost Rs.106.22 Lacs (Previous year 860,000 Cost Rs 1,375.14 Lacs)
 Units of Mutual Funds 8,199,538,176 units, Cost Rs.1,035,845.89 Lacs (Previous year 9,416,392,510 units, Cost Rs.1,321,241.19 lacs)
 Bonds 430,726 No's, Cost Rs. 9,431.98 Lacs (Previous year 21,153 No's, Cost Rs.2,696.72 lacs)
 Debentures 228 No's, Cost Rs.2,280.00 Lacs (Previous Year Rs. NIL)

	As at March 31, 2009 Amount (Rs.)	As at March 31, 2008 Amount (Rs.)
SCHEDULE 'G': SUNDRY DEBTORS		
Sundry Debtors*		
Debtors outstanding for a period exceeding six months		
- considered good	119,740,367	18,390,821
- considered doubtful	23,142,238	19,784,675
Other Debts		
- considered good	3,412,156,895	4,148,087,075
- considered doubtful	12,393,346	24,429,322
Less: Provision for Doubtful debts	(135,719,921)	(44,213,997)
TOTAL	3,431,712,925	4,166,477,896
*Sundry Debtors includes secured debts Rs.1,361,119,663; Previous Year Rs.3,528,284,997)		
SCHEDULE 'H' : CASH AND BANK BALANCES		
Cash in Hand	9,596,643	3,958,504
Cheques in Hand	4,623,960	101,536
Balances with Banks in Current Account:	-	
With Non Scheduled Banks	36,021,500	567,884
With Scheduled Banks	336,235,996	2,039,117,240
In Fixed Deposit Accounts:	-	
With Scheduled Banks (Refer Note No. 5 and 16 (ii) of Schedule 'S')	12,186,014,111	14,287,183,309
TOTAL	12,572,492,210	16,330,928,473
SCHEDULE 'T' : LOANS AND ADVANCES		
Secured Loans		
considered good	6,305,800,610	9,172,894,492
considered doubtful	174,650,266	3,168,930
Unsecured Loans		
considered good	10,021,521,824	5,969,848,075
considered doubtful	35,260,617	35,161,080
Inter Corporate Loans	553,722,488	308,347,009
Advances recoverable in cash or in kind or for value to be received		
-Prepaid Expenses	146,932,727	87,610,511
-Security Deposits with Stock Exchanges	125,008,272	53,725,000
-Security Deposits - Others	807,393,920	235,379,445
-Others	382,698,013	153,477,076
Advance to Religare Employee SAR Trust(Refer Note No. 15 b of Schedule 'S')	177,452,445	268,336,678
Margin with Exchanges	162,410,601	5,901,835
Margin - Equity derivative instruments (Refer Note No.6 and 14 of Schedule 'S')	-	396,900,000
Deposits - Equity derivative instruments	252,463,919	-
Asset acquired in satisfaction of debt	198,600,000	
Advance Payment of Taxes and Tax deducted at source	490,789,016	49,279,238
(Net of provision for Taxation Rs.1,563,279,085; Previous Year Rs. 1,025,658,147)		
Balance with Service Tax Authorities	180,956,349	82,342,167
TOTAL	20,015,661,067	16,822,371,536
SCHEDULE 'J' : CURRENT LIABILITIES		
Sundry Creditors	5,083,675,019	3,589,652,439
Interest accrued but not due on Loans	185,159,855	516,929,884
Book Overdraft	1,293,694,237	517,194,942
Margin from Clients	395,335,714	186,421,311
Margin payable to Exchanges	541,600,000	744,004,040
Security Deposits	144,104,605	89,234,675
Advances from Clients/ Customer	120,293,109	46,785,171
Other Liabilities	631,447,322	258,532,152

	As at March 31, 2009	As at March 31, 2008
	Amount (Rs.)	Amount (Rs.)
TOTAL	8,395,309,861	5,948,754,614
SCHEDULE 'K' : PROVISIONS		
Gratuity	55,466,952	19,007,539
Leave Encashment	77,204,039	42,833,869
Non-Performing Assets	93,179,713	35,435,780
Diminution in value of Non -banking financial assets	5,460,000	-
Final Dividend on Equity Shares (Proposed)	-	83,727,813
Tax on Distributed Profits	-	22,027,024
TOTAL	231,310,704	203,032,025

RELIGARE ENTERPRISES LIMITED

Schedules forming part of the Consolidated Profit and Loss Account for the Year Ended March 31, 2009

	For the Year ended March 31, 2009	For the Year ended March 31, 2008
	Amount (Rs.)	Amount (Rs.)
SCHEDULE 'L' : INCOME FROM OPERATIONS		
Broking Related Operations (TDS Rs.11,134,674; Previous Year Rs.14,120,241)	3,621,263,079	4,223,265,480
Income from Lending Activities (TDS Rs.145,132,906; Previous Year Rs.138,504,493)	2,882,678,214	2,103,176,597
Interest on Delayed Payments (TDS Rs. 12,348,507; Previous Year Rs.13,924,547)	427,773,173	850,582,387
Income from Financial Advisory Services (TDS Rs. 81,142,676; Previous Year Rs.7,164,264)	2,471,249,992	157,655,737
Support Service Fees	4,352,393	-
Investment Management Fees (TDS Rs.201,390; Previous Year Rs. Nil)	38,376,822	-
Portfolio Management Services Fees (TDS Rs.Nil; Previous Year Rs.56,238)	39,024,392	59,644,787
Depository Operations	90,242,082	88,104,890
Life Insurance Premium (Net of Premium on re-insurance ceded)	143,262,990	-
TOTAL	9,718,223,137	7,482,429,878
SCHEDULE 'M' : INTEREST INCOME ON		
Staff Loans	313,690	-
Fixed Deposits with Banks	1,198,182,210	808,074,098
Government Securities	4,812	-
Inter-Corporate Loans	46,617,967	10,461,982
Others	40,335,174	452,067
TOTAL	1,285,453,853	818,988,147
SCHEDULE 'N' : OTHER INCOME		
Dividend		
-On Current Investments	8,848,636	12,284,642
-On Long Term Investments	36,422,925	-
Profit on Sale of Long Term Investments	816,099	256,754
Profit on Sale/Redemption of Short Term Investments (Net)	95,631,335	67,229,136
Income from Arbitrage and Trading of Securities and Derivatives (Net)	198,295,000	109,757,213
Balances Written Back (Net)	40,740,104	702,849
Recovery of Transaction Fees from clients	321,544,569	389,637,959
Rental Income	55,439,326	23,314,427
Income from Referral Fee	85,727,125	-
Miscellaneous Income	45,221,355	60,506,397
TOTAL	888,686,474	663,689,377
SCHEDULE 'O' : OPERATING EXPENSES		
Commission and Brokerage	739,914,401	887,471,577
Transaction Charges	283,642,832	223,389,548
Custodial and Stamp Charges	115,175,898	203,207,350
Software License Expenses	28,521,419	-
Membership and Subscription fees	19,136,939	11,020,524
Change in valuation of liability in respect of life policies	90,430,090	-
TOTAL	1,276,821,579	1,325,088,999
SCHEDULE 'P' : PERSONNEL EXPENSES		
Salaries, Allowances and Bonus	3,110,839,693	1,648,286,964
Contribution to Employees' Provident and other funds	227,078,509	89,167,194
Gratuity	33,171,382	12,347,864
Leave Encashment	97,009,084	42,876,918
Training and Recruitment Expenses	71,075,618	27,844,823
Staff Welfare Expenses	138,719,687	80,735,855
TOTAL	3,677,893,973	1,901,259,618

	For the Year ended March 31, 2009	For the Year ended March 31, 2008
	Amount (Rs.)	Amount (Rs.)
SCHEDULE 'Q': ADMINISTRATIVE AND OTHER EXPENSES		
Rent, Rates & Taxes	729,157,148	272,596,251
Advertisement, Business Promotion and Entertainment	301,570,861	154,083,539
Insurance	20,665,875	8,557,284
Travelling and Conveyance	214,482,264	111,085,282
Communication Expenses	469,254,409	212,669,035
Postage and Courier	101,691,083	76,647,171
Office Expenses	79,322,472	37,392,339
Printing and Stationary	108,480,057	91,210,432
Electricity	153,344,413	76,384,741
Legal and Professional	631,556,916	196,554,524
Repairs and Maintenance		-
-Building / Lease hold Improvement	7,865,354	63,799,287
-Others	129,275,064	34,940,696
Loss on account of Error Trades (net)	15,978,964	14,561,936
Auditors' Remuneration	32,665,880	7,139,836
Filing Fees	26,534,035	5,061,240
Bad Debts / Loan written off	449,961,849	84,109,808
Provision for Non Performing Assets	91,835,405	33,417,080
Provision for Bad and Doubtful Debts	21,283,098	30,913,730
Provision for diminution in value of current investment	74,250,052	-
Commission and Brokerage Charges (Others)	67,211,363	101,795,449
Loss on Sale of Fixed Assets (net)	1,366,946	1,852,743
Loss on Sale of current Investments	34,531,587	-
Foreign Exchange Loss(net)	159,852,244	-
Irrecoverable VAT	30,170,461	-
Miscellaneous expenses	54,199,765	12,037,856
Information technology and related expenses	20,204,668	-
Preliminary Expenses written off	504,179	2,172,868
TOTAL	4,027,216,412	1,628,983,127
SCHEDULE 'R': INTEREST AND FINANCE CHARGES		
Interest on:		
- Inter Corporate Deposits	377,366,686	329,151,182
- Debentures	1,003,765,379	1,135,990,920
- Commercial Paper	733,752,745	359,550,079
- Bank Overdrafts	687,264,951	313,845,680
-Client Margins	68,259,969	-
- Assignment of Receivables (net)	40,378,625	-
- Others	25,642,356	42,690,234
Loan Processing Charges	57,983,051	9,333,953
Bank Guarantee Commission and Other Charges	97,402,178	100,368,741
TOTAL	3,091,815,940	2,290,930,789

RELIGARE ENTERPRISES LIMITED
SCHEDULE 'S' NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEAR ENDED MARCH 31, 2009

1. PRINCIPLES OF CONSOLIDATION

- A. The consolidated financial statements relate to Religare Enterprises Limited ('the Company'), its subsidiaries and Joint Ventures ('the Group'). The consolidated financial statements have been prepared on the following basis:
- (i) In respect of Subsidiary companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after as far as possible eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard 21 - Consolidated Financial Statements issued by the Institute of Chartered Accountants of India as prescribed by Companies (Accounting Standard) Rules, 2006.
 - (ii) In respect of Joint Ventures, the financial statements have consolidated as per Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures issued by the Institute of Chartered Accountants of India as prescribed by Companies (Accounting Standard) Rules, 2006.
 - (iii) The excess of cost over the Company's investment in a subsidiary Company and Joint Ventures is recognised in the consolidated financial statements as Goodwill. The excess of Company's share in equity and reserves of the subsidiary company and Joint Ventures over the cost of acquisition is treated as Capital Reserve.
 - (iv) The share of Minority Interest in the net profit/ (loss) of subsidiaries for the period/year is identified and adjusted against the income of the group to arrive at the net income attributable to the Company.
 - (v) The share of Minority Interest in the net assets of subsidiaries is identified and presented in the consolidated financial Statements separate from liabilities and the equity of the Company.
 - (vi) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- B. Investments other than in subsidiaries and joint ventures have been accounted as per Accounting Standard 13 on "Accounting for Investments" issued by the Institute of Chartered Accountants of India as prescribed by Companies (Accounting Standard) Rules, 2006.
- C. The subsidiaries enterprises, joint ventures and associates considered in the consolidated financial statements:

Name of the Entity	Country of Incorporation	Proportion of ownership Interest	Proportion of ownership Interest
		March 31, 2009	March 31, 2008
Subsidiaries/ Step Down Subsidiaries			
Religare Finvest Limited	India	100.00%	100.00%
Religare Insurance Broking Limited	India	100.00%	100.00%
Religare Securities Limited	India	100.00%	100.00%
Religare Commodities Limited	India	100.00%	100.00%
Religare Venture Capital Limited	India	100.00%	100.00%
Religare Realty Limited	India	100.00%	100.00%
Religare Capital Markets Limited	India	100.00%	100.00%
Religare Finance Limited	India	100.00%	100.00%
Religare Arts Initiative Limited	India	100.00%	100.00%
Religare General Insurance Company Limited	India	100.00%	100.00%
Religare United Soccer Limited*	India	100.00%	-

Name of the Entity	Country of Incorporation	Proportion of ownership Interest	Proportion of ownership Interest
		March 31, 2009	March 31, 2008
Religare Arts Investment Management Limited**	India	100.00%	-
Religare Asset Management Company (P) Limited \$ (formerly known as Lotus India Asset management (P) Limited)	India	100.00%	-
Religare Asset Management Trustee Company (P) Limited \$ (formerly known as Lotus India Trustee Company (P) Limited)	India	100.00%	-
Religare Capital Markets International (Mauritius) Limited*** (Formerly known as LM Capital Markets International (Mauritius) Limited)	Mauritius	100.00%	-
Religare Capital Markets International (UK) Limited**** (Formerly known as ENIGMACO LIMITED)	United Kingdom	100.00%	-
Religare Hichens, Harrison, PLC #	Great Britain	100.00%	-
Bloomfield Corporate Finance Limited #	Great Britain	100.00%	-
Blamire Limited #	Great Britain	100.00%	-
Medserve (ME) UK Limited #	Great Britain	100.00%	-
Hichens, Harrison (Africa) Pty Limited #	Africa	100.00%	-
Hichens, Harrison (Derivatives) LLP #	Great Britain	100.00%	-
Hichens Harrison Global Consultoria Internacional LTDA #	Brazil	99.00%	-
Hichens Harrisons (Far East) Pte Ltd	Singapore	100.00%	-
Religare Hichens Harrisons Inc.	Singapore	100.00%	-
Joint Ventures			
Religare Macquarie Wealth Management Limited ##	India	50.00%	50.00%
Vistaar Religare Capital Advisors Limited	India	50.00%	50.00%
Aegon Religare Life Insurance Company Limited	India	44.00%	50.00%

* Subsidiary w.e.f. April 8, 2008

** Subsidiary w.e.f. April 16, 2008

*** Subsidiary w.e.f. April 9, 2008

**** Subsidiary w.e.f. April 9, 2008

Subsidiary w.e.f. May 23, 2008

Subsidiary upto March 12, 2008, JV w.e.f. March 13, 2008

\$ Subsidiary w.e.f. December 4, 2008

D. The excess of cost over the Company's investment in a subsidiary Company and Joint Ventures is recognised in the consolidated financial statements as Goodwill. The excess of Company's share in equity and reserves of the subsidiary company over the cost of acquisition is treated as Capital Reserve.

E. Detail of Investment in subsidiaries / step down subsidiaries business by the Company and its subsidiaries/ step down subsidiaries during the year:

Name of the Company	Acquired/ Incorporated	Date on which the Company became subsidiary
Religare United Soccer Limited	Incorporated	April 8, 2008
Religare Arts Investment Management Limited	Incorporated	April 16, 2008
Religare Capital Markets International (Mauritius) Limited	Acquired	April 9, 2008
Religare Capital Markets International (UK) Limited	Acquired	April 9, 2008
Religare Hichens, Harrison, PLC	Acquired	May 23, 2008
Bloomfield Corporate Finance Limited	Acquired	May 23, 2008
Hichens, Harrison (Derivatives) LLP	Acquired	May 23, 2008
Hichens Harrison Global Consultoria Internacional Ltda.	Acquired	May 23, 2008

Name of the Company	Acquired/ Incorporated	Date on which the Company became subsidiary
Blamire Ltd	Acquired	May 23, 2008
Medserve (ME) UK Ltd	Acquired	May 23, 2008
Hichens, Harrison (Africa) Pty. Ltd.	Acquired	May 23, 2008
Religare Hichens Harrisons Pte Ltd	Incorporated	August 25, 2008
Religare Asset Management Company (P) Limited	Acquired	December 4, 2008
Religare Asset Management Trustee Company (P) Limited	Acquired	December 4, 2008

The operations of these subsidiaries/step down subsidiaries from the date of incorporation/acquisition upto March 31, 2009 have been incorporated in these consolidated financial statements.

During the year ended March 31, 2009, new wholly owned subsidiaries Religare United Soccer Limited and Religare Arts Investment Management Limited were incorporated. The operations of these subsidiaries subsequent from the date of incorporation upto March 31, 2009 have been incorporated in these consolidated financial statements.

- F. During the year ended March 31, 2008 the Company has entered into a Shareholders agreement (dated February 26, 2008) with Vistaar Entertainment Ventures Private Limited (VEPL), to launch Media funds, whereby parties agreed to subscribe and hold fifty percent each in the equity share capital of Vistaar Religare Capital Advisors Limited (VRCAL).

The Company has subscribed one equity share of VRCAL and also contributed Rs. 2,500,000 upto March 31, 2008 towards share application money (pending allotment) as on that date. Further amount of Rs. 17,499,408 was contributed by the Company on April 10, 2008. For the above contribution including share application money, the Company was allotted 96,152 number of equity shares of Rs. 10 each at a premium of Rs. 198 per share on June 11, 2008 as per terms of the agreement.

Subsequent to the Balance Sheet Date, the company acquired 46,153 equity shares of Rs.10 each representing 24% of the total paid up share capital of VRCAL from VEPL. Consequently with effect from April 17, 2009, VRCAL became a subsidiary of the company; the Company and VEPL are holding 74% and 26% of total paid up share capital VRCAL, respectively.

- G. During the year ended March 31, 2008, the Company has entered into a Joint Venture agreement (dated June 19, 2007) with Aegon India Holding B.V. to form Aegon Religare Life Insurance Company Limited (ARLICL), for the purpose of carrying on the business of life insurance business, in which the Company, Bennett, Coleman & Co. Ltd and Aegon India Holding B.V. shall hold forty four percent, thirty percent and twenty six percent respectively in the equity share capital of ARLICL. The JV entity ARLICL has obtained a license from the Insurance Regulatory and Development Authority (IRDA) dated June 27, 2008 for carrying on the business of life insurance and has commenced issue of Insurance policies during the period.

Accordingly operations of this joint venture from the date of it became joint venture i.e. May 29, 2008 till year ended March 31, 2009 has been considered in the Consolidated Financial Statements.

- H. The company and Aegon International N.V. ("Aegon") entered into a JV agreement on December 28, 2006 to participate in the India Mutual Fund Asset Management Business through a trustee company and an asset management company of a mutual fund. Pursuant to the terms of the Aegon JV agreement, Religare Aegon Asset Management Company (P) Limited ("RAAMCPL") and Religare Aegon Trustee Company (P) Limited ("RATCPL") were established as the asset management company and the trustee company respectively, Religare Aegon Mutual Fund.

The JV agreement between REL and Aegon N.V. in relation to RAMC was terminated pursuant to a Sale and Termination Agreement (STA) executed on February 25, 2009.

Pursuant to STA, the company (RSL) has agreed to sell, subject to receipt of necessary approvals, its entire stake in RAAMCPL consisting of 25,000,000 equity shares of Rs.10 each, to 'AEGON India Holding B.V. or its nominee' at par value and to 'Hospitalia Eastern (P) Limited', in an equal ratio. RSL has also agreed to sell its entire stake in RATCPL consisting of 25,000 equity shares of Rs.10 each to AEGON India Holding B.V. or its nominees at par value. Further RSL has transferred

12,500,000 (One crore Twenty Five Lacs) equity shares in RAAMCPL to Hospitalia Eastern (P) Limited at Rs.125,250,000.

- I. Pursuant to SEBI vide its letter number IMD/MS/145863/08 dated November 26, 2008 approving the acquisition of controlling interest by Religare Securities Ltd (RSL), a subsidiary of the Company has acquired 100% of the issued share capital of M/S Lotus India Asset Management Company Private Limited and Lotus India Company Private Limited (now known as Religare Asset Management Company Private Limited, “**RAMCPL**” and Religare Trustee Company Private Limited, “**RTCPL**” respectively) during the year. The said acquisition was completed on December 4, 2008 and accordingly both these companies became wholly owned subsidiaries of the Company through its subsidiary Religare Securities Limited.

The said letter also has approved the sale of shareholding of Religare Securities Limited in the Joint Venture Company viz, Religare Aegon Asset Management Company Private Limited and Religare Aegon Trustee Company Private Limited. As a result, there will not be any impact of loss of joint venture company in consolidated accounts of the company.

- J. During the year ended March 31, 2009, Religare Capital Markets Limited (RCML), a wholly owned subsidiary of the Company acquired Hichens, Harrisons & Co. Plc., United Kingdom. (Subsequently name changed to Religare Hichens, Harrisons Plc.) which was a listed entity on AIM, London stock exchange. The acquisition was made by way of an open offer by Religare Capital Markets International (UK) Limited (RCML UK) a wholly owned SPV company formed for the purpose by Religare Capital Markets International (Mauritius) Limited (RCML Mauritius) [Formerly LM Capital Markets International (Mauritius) Limited] which became a wholly owned subsidiary of RCML on April 9, 2008. The open offer given by RCML UK was declared unconditional on May 23, 2008 to all the existing shareholders of Hichens, Harrisons & Co. Plc. @ GBP 2.85 per share amounting to a total consideration of approximately GBP 555.00 lacs, equivalent to Rs 46,828.10 lacs (1 GBP= Rs 85.1422). As on March 31, 2009 the Company has acquired/ paid for 100% of the issued capital of Religare Hichens, Harrisons Plc. The name of company has change to Religare Hichens Harrison, PLC

K. Events Occuring after Balance Sheet Date

- (i) Religare Venture Capital Limited, a wholly owned subsidiary of the company entered into a joint venture agreement with Milestone Fincap Services Private Limited, through formation of a joint Venture company namely “Milestone Religare Investment Advisors Private Limited” with equal equity participation of 50% by each JV partners in the share capital of the JV entity for managing a Rs.600 crore Healthcare and Education Fund to be raised domestically.
- (ii) The Company vide share purchase agreement dated May 28, 2009 has agreed for acquisition of part holding from an existing share holder and subscription to additional share capital in Maharishi Housing Development Finance Corporation Limited ("MHDFC"), to the effect that total shareholding of the company will finally become 87.5 % of expanded equity capital of MHDFC and thereby MHDFC becomes subsidiary of the company.
- (iii) Religare Enterprises Limited ("Religare") and Swiss Reinsurance Company ("Swiss Re") have signed a non-binding agreement for formation of a Joint Venture health Insurance company in India. Whereby the company will hold 74% stake in JV company.

2. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31, 2009 FOR CONSOLIDATED FINANCIAL STATEMENTS

A. BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention and on accrual basis of accounting and comply with the accounting standards referred in Section 211 (3C) of the Companies Act, 1956 of India.

B. USE OF ESTIMATES

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

C. REVENUE RECOGNITION

- (i) Revenue from Broking activities is accounted for on the trade date of transaction.
- (ii) Interest income from financing activities is recognized on an accrual basis.
- (iii) Issue management and placement fees, underwriting commission and financial advisory fees are accrued based on stage of completion of assignments in accordance with terms of the relevant agreements.
- (iv) Dividend from investments is accounted for as income when the right to receive dividend is established.
- (v) Depository Income is accounted for on an accrual basis.
- (vi) Portfolio Management fees are accounted on an accrual basis as follows:
 - a) In case of fees based on fixed percentage of the corpus / fixed amount, income is accrued over the period of the agreement.
 - b) In case of fees based on the returns of the portfolio, income is accounted on the termination of the portfolio agreement / on each anniversary as per the terms of the agreement.
 - c) In case of an upfront non – refundable fee, income is accounted in the year of receipt.
- (vii) Interest on deposits and loans is recognized on an accrual basis.
- (viii) Income from commission on Insurance Broking activity is recognized on an accrual basis.
- (ix) Brokerage from Mutual Fund distribution activity is recognized on an accrual basis.
- (x) Revenue from fund management fee is recognized on an accrual basis based on the average net assets of the scheme outstanding in each financial year.
- (xi) Income from Securities transactions is recognized on an accrual basis.
- (xii) Rental cost and sublease income in respect of assets with lease management is recognized on an accrual basis as per terms of agreements.
- (xiii) Provision for Non Performing Assets has been made as per prudential norms prescribed by Reserve Bank of India, wherever applicable.
- (xiv) Income from Arbitrage and trading in securities and derivatives comprises Profit / loss on sale of securities/ commodities held as stock -in -trade and Profit/ loss on equity / commodity derivative instruments. Profit /loss on sale of securities/ commodities is determined based on weighted average cost of securities/ commodities sold. Profit/ loss on equity / commodity derivative transactions is accounted for based on the ‘Guidance Note on Accounting for Equity Index and Equity Stock Futures and Options’ issued by the Institute of Chartered Accountants of India which is more fully explained below:-

Equity Index / Stock and Commodity – derivatives

- (a) “Initial margin” representing initial margin paid, and “Margin Deposits,” representing additional margin over and above initial margin, for entering into contracts for equity index / stock and Commodity futures, which are released on final settlement / squaring-up of underlying contracts, are disclosed as under loans and advances.
- (b) Equity index / stock and Commodity futures are marked – to – market on a daily basis. Debit or credit balance disclosed under loans and advances or current liabilities, respectively, in the “Mark – to – Market Margin – Equity Index / Stock and Commodity Futures Account”, represents the net amount paid or received on the basis of movement in the prices of index / stock and Commodity futures till the balance sheet date.
- (c) As on the balance sheet date, profit / loss on open positions in index / stock and Commodity futures are accounted for as follows:
 - i. Credit balance in the “Mark – to – Market Margin – Equity Index / Stock and Commodity Futures Account”, being anticipated profit, is ignored and no credit for the same is taken in the profit and loss account.
 - ii. Debit balance in the “Mark – to – Market Margin – Equity Index / Stock and Commodity Futures Account”, being anticipated loss is adjusted in the profit and loss account.
 - iii. On final settlement or squaring-up of contracts for equity index / stock and commodity futures, the profit or loss is calculated as the difference between settlement / squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled /

squared-up contract in “Mark – to – Market Margin – Equity Index / Stock and Commodity Futures Account” is recognized in the profit and loss account. When more than one contract in respect of the relevant series of equity index futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit / loss on squaring-up.

- (xv) Investment management fee are recognized net of service tax on an accrual basis as a percentage of the average daily net assets of the mutual fund schemes (excluding investments made by the Company in the Schemes), such that it does not exceed the rates prescribed by the Securities and Exchange Board of India (SEBI) (Mutual Fund) Regulations 1996 (and any further amendments).
- (xvi) Investment advisory fees are recognized on accrual basis in accordance with the terms of contract with the customers
- (xvii) Revenue excludes service tax
- (xviii) **Income from Life Insurance JV**

Premium receipts in case of Life Insurance business (net of service tax) is recognized as income when due from policyholders. Premium on lapsed contracts are recognized on receipt basis.

For linked business, premium income is recognized when the associated units are allotted and Fund management charges, administration charges and mortality charge are recognized in accordance with terms and conditions of the policy.

(xix) **Income from Foreign Subsidiaries**

- i. Management fee and income from investment are accounted for on an accrual basis.
- ii. Net income from (profit less losses) matched risk less principal dealing is recognized on the trade date.
- iii. Fee income from corporate broking and related activities are brought into account when the transactions have been completed and authorized by the client. Some of this revenue is taken in the form of shares, options or warrants in the client enterprise rather than cash. In the case of shares the amount taken to revenue will be the value of fee agreed with the client or, if no specific fee was agreed, then the fair value of the shares at the date of completion of the transaction. The shares are subsequently recognized as financial instruments held for trading. In the case of warrants and options the instruments are valued using the Black Scholes valuation model.
- iv. Fee income from investment management and advisory services is recognized at the date on accrual basis.

D. COMMERCIAL PAPER

In case of Subsidiaries, the difference between the redemption value and acquisition cost of Commercial Paper is amortized over the tenure of the instrument. The liability as at the Balance Sheet date in respect of such instruments is recognized at face value net of discount to be amortized

E. FIXED ASSETS

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

F. LEASED ASSETS

Assets acquired under leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating leases. The rentals and all other expenses of assets under operating lease are treated as revenue expenditure.

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Profit and Loss Account on straight – line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

G. 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.

Computer software which is not an integral part of the related hardware is classified as an intangible asset and is being amortized over the estimated useful life

For Foreign Subsidiaries

Externally acquired intangible assets are initially recognized at cost and subsequently amortized on a straight line basis over their estimated useful economic lives. Intangible assets are recognized on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

The significant intangibles recognized by the group, their useful economic life and the method used to determine the costs of intangible acquired in business combinations are as follows:

Intangible Asset	Useful Economic Life	Valuation Method
Non Contractual Client Lists and relationships	6 years	Estimated discounted Cash flow
Licenses	4 years	Estimated Cost of obtaining a new license

While conversion of IFRS Financials of overseas subsidiaries to Indian GAAP the amortization impact is nullified to bring in line with accounting policy of the Company.

H. DEPRECIATION

Immovable assets at the leased premises including civil works, electrical items are capitalized as leasehold assets list improvements and are accordingly being amortized over the primary period of lease subject to maximum of 6 years

Depreciation is provided on Straight Line Method, at the rates specified in Schedule XIV of the Companies Act, 1956 or the rates based on useful lives of the assets as estimated by the management, whichever are higher. The depreciation is provided on a pro-rata basis on the assets acquired, sold or disposed of during the year. The annual depreciation rates are as under:

Assets Description	Depreciation Rate (%)
Data Processing machine	16.21% to 33.33%
Office Equipment	Between 4.75% to 33.33%
Furniture and Fixtures	6.33% to 33.33%
Vehicle	9.50%
Building	1.63%
Intangible Assets	16.21%

Individual assets costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

I. IMPAIRMENT OF FIXED ASSETS

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss account in the period/year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

J. STOCK-IN-TRADE

- i) The securities acquired with the intention of short-term holding and trading positions are considered as stock – in – trade and disclosed as current assets.
- ii) The securities held as stock – in – trade under current assets are valued at lower of weighted average cost and market value.

K. INVESTMENTS

Investments are classified into long term investments and current 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 cost or market / fair value, whichever is lower.

In respect of Life Insurance JV

Valuation – Shareholders' investments and Non-Linked Policyholders' investments

All debt securities are considered as “held to maturity” and are stated at historical cost subject to amortisation of premium or accretion of discount over the period of maturity / holding on a constant yield to maturity basis.

Investments in mutual funds are stated at the net asset value (NAV) declared by the respective funds as at the Balance Sheet date.

Listed equity securities are measured at fair value

on the Balance Sheet date. For the purpose of determining fair value, the last quoted closing prices on the National Stock Exchange of India Ltd. ('NSE') and incase the same is not available, then on Bombay Stock Exchange (BSE) Limited is considered. Unlisted equity securities are measured at historical cost.

In respect of investments in equity shares and mutual funds, the corresponding unrealised investment gains or losses are reported in the Balance Sheet under “Fair Value Change Account”. In case of diminution, other than temporary, in the market value of investments as on the Balance Sheet date, the amount of diminution is recognised as an expense in the Revenue/Profit and Loss Account as the case may be.

Valuation – Assets held to cover linked liabilities

Government securities are valued at prices obtained from Credit Rating Information Services of India Ltd. ('CRISIL'). Debt securities, other than Government securities, are valued on the basis of CRISIL Bond Valuer. Fixed deposit, money at call and short notice are valued at cost. Listed equity securities are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the last quoted closing prices on the National Stock Exchange of India Ltd. ('NSE') and incase the same is not available, then on Bombay Stock Exchange (BSE) Limited is considered. Unrealised gains and losses arising due to changes in fair value are attributed to unit holders and are recognised in the Revenue account of the fund. Investments in mutual funds are stated at previous day's net asset value (NAV) declared by the respective funds.

Transfer of Investments

Any transfer of investments from Shareholder's Account to Policyholder's Account is carried out at lower of book value (amortised cost) or market value. Inter fund transfer of investments, between Unit Linked funds is done at market value on the date of transfer.

L. FOREIGN CURRENCY TRANSACTIONS

- i. 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.
- ii. Monetary items denominated in a foreign currency are restated using the exchange rates prevailing at the date of balance sheet and the resulting net exchange difference is recognized in the profit and loss account.
- iii. The translation of financial statements of the foreign subsidiaries from the local currency to the functional currency of the Company is performed for balance sheet accounts using the exchange rate in effect at the balance sheet date and for revenue, expense and cash flow items using average rate for the respective periods and resulting difference is presented as Foreign Currency Translation Reserve included in "Reserve and Surplus".

M. EMPLOYEE BENEFITS

- i. Provident Fund is a defined contribution scheme and the contributions as required by the statute are charged to the Profit and Loss Account as incurred.
- ii. Gratuity Liability is a defined obligation and is wholly unfunded. The Company accounts for liability for future gratuity benefits based on an actuarial valuation as at the Balance Sheet date.
- iii. 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 actuarial valuation as at the Balance Sheet date.
- iv. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Profit and Loss Account as income or expense.
- v. The undiscounted amount of short - term employee benefits expected to be paid in exchange for services rendered by an employee is recognized during the period when the employee renders the service.
- vi. Stock Appreciated Rights (SAR's) are given as a part of employee retention strategy of the Company. The eligible employees are entitled to receive an incentive based on the price of the shares of the holding Company. The amount of such incentive, proportionate to the vesting period as at the balance sheet date is recognized as an expense based on the fair value of shares as at the balance sheet date or the cost of acquisition of such shares where the same have been acquired by an Employee Trust formed for the purpose.
- vii. Stock Options granted to eligible persons under the relevant Stock Option Schemes are accounted for at intrinsic value as per the accounting treatment prescribed by the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines 1999 issued by the Securities Exchange Board of India. Accordingly, the excess of average market price, determined as per guidelines of the underlying equity shares (market value) over the exercise price of the options is recognized as deferred stock option expense and is charged to Profit and Loss Account on a straight line basis over the vesting period of the options. The amortised portion of the cost is shown under reserve and surplus.

N. TAXES ON INCOME

- i. Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- ii. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax asset, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- iii. Provision for taxation for the year is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.

O. FRINGE BENEFIT TAX

The Fringe Benefit Tax has been calculated and accounted for in accordance with the provisions of the Income Tax Act, 1961, of India, and the Guidance note on Accounting for Fringe Benefits Tax issued by the Institute of Chartered Accountants of India.

P. 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.

Q. BORROWING COSTS

Ancillary costs incurred for arrangement of borrowings such as upfront fees / brokerages are period costs and amortized over the tenure of the borrowing as per terms of sanction / agreement.

R. SCHEME EXPENSES

Recurring expenses relating to schemes of Religare Mutual Fund in excess of expense limits are borne by the company. The expenses limits are within the overall limits prescribed by SEBI (Mutual Fund) Regulations, 1996 or offer document of the respective schemes.

S. REINSURANCE PREMIUM

Premium ceded on reinsurance is accounted in accordance with the terms of the treaty.

T. CLAIMS/ BENEFITS

Claims by death are accounted when intimated. Claims by maturity / survival benefit are accounted on the policy maturity date. Annuity benefits are accounted when due. Surrenders are accounted on receipt of notification. Claims cost consist of the policy benefit amounts and claims settlements costs, where applicable. Withdrawals under linked policies are accounted in respective schemes along with cancellation of associated units.

Amount recoverable from Re-insurer are accounted for in the same period as the related claim.

U. POLICY LIABILITIES

Liabilities on life policies are determined by the Appointed Actuary using generally accepted actuarial practice in accordance with the standards and guidance notes established by the Institute of Actuaries, India, the requirement of the Insurance Act, 1938 and regulations issued by the IRDA.

The liabilities are calculated in a manner that together with estimated future premium income and Investment income, the Company can meet estimated future claims (including bonus entitlements to policy holders) and expenses.

NOTES TO ACCOUNTS

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for: Rs. 1,053.43 lacs (Previous Year Rs. 1,251.06 lacs).

3. CONTINGENT LIABILITIES

- i. Claims against the Company and subsidiaries, not acknowledged as debts: Rs. 2,311.11 lacs (Previous Year Rs. 1,176.20 lacs)
- ii. Guarantees by the Company and subsidiaries in favor of banks, exchanges and others: Rs. 65,807.13 lacs for the credit facilities availed by certain subsidiaries (Previous Year Rs. 75,471 lacs).
- iii. The Company has also given corporate guarantee to the bankers of lessor of Rs. 5,500 lacs (Previous Year Rs. 5,500 lacs) for prompt payment of lease rentals by subsidiaries and joint ventures entities of the Company which are leases of the premises owned by lessor.
- iv. The Company is sponsor of Vistaar Religare Media Fund vide private placement memorandum dated April 2, 2008. The Company has made a commitment to contribute an amount of Rs. 2,000 lacs either by itself or through its subsidiaries to the fund. The amount of outstanding commitment net of contribution already made as on balance sheet date is Rs. 600 lacs.

- v. The company along with its affiliate group company has made a commitment to contribute an amount of Rs 60 crore or twenty percent (20%) of fund size, whichever is lower, to the fund (Milestone fund), being managed by JV company (Milestone Religare Investment Advisors (P) Limited).
- vi. Religare Enterprises Limited has accepted jointly and severally to act as a guarantor to ICICI Bank UK Plc “Finance Party”) under the loan facility to Religare Capital Markets International (UK) Limited, a step down subsidiary of the Company, for discharge of all of borrower’s obligation to the extent of Rs. 47,121.50 lacs equivalent to USD 90 millions. The draw down amount of the said facility is Rs.45,313.38 lacs equivalent to USD 86.85 millions.
- vii. During the year ended March 31, 2009, Religare Finvest Limited, a subsidiary of the Company has issued on private placement basis compulsory fully convertible unsecured debentures for the value of Rs. 100 crores convertible into equity shares of Religare Finvest Limited at a par share value to be determined based on value to be ascertained by a valuer at the time of conversion. These debentures are convertible in two tranches, first on or before July 23, 2009 and second on or before July 23, 2010. These debentures are issued at a coupon rate of 9.75% per annum payable half yearly. The Company has, along with promoters, given a commitment to buy the debentures and/or aforesaid shares arising out of conversion in the event the lender exercises his option to sell the shares at a value to be ascertained by the valuer at the time of transaction. The first trench of Rs 40 crores has been acquired by the company subsequent to the balance sheet but before the date of conversion.
- viii. Religare Securities Limited, a wholly owned subsidiary, has filed an appeal in Employee’s Provident Fund Appellate Tribunal; New Delhi (EPFAT) dated May 12, 2008 challenging the legality and validity of impugned order under Section 7A of the Employee’s Provident Fund and Miscellaneous Provisions Act 1952, against a demand of Rs.119.105 lacs. The said appeal has been admitted and the company Rs.20 lacs with the authorities under protest and included the same under loans and advances.

Pending outcome of the tribunal order, no provision has been made in accounts for the said demand.

- ix. Pledge of Equity shares by company and its subsidiaries for base capital requirements:

(No in lacs)

Name of Scrips	Holding Company	Subsidiary Companies	Other Group Companies	Clients	Own Shares
Karnataka Bank Limited	17.41 (17.41)	14.00 (28.05)	-	-	-
Hindalco Industries Limited	-	66.47	-	-	-
Ranbaxy Laboratories Limited	-	-	-	-	-
S.Kumar Nationwide Limited	-	-	(17.59)	-	(0.02)
	-	-	-	23.67	-

Further one of the subsidiary Company has pledged its investment in one share of USD 1 in Religare Capital Markets International (Mauritius) Limited which represents the controlling investment in the overseas sub-subsidiaries of the Company, with Morgan Walker Solicitors acting as security agents of ICICI Bank U.K. PLC for the purpose of availing the loan facility of USD 900 lacs.

4. Undisbursed sanctioned loans by a subsidiary Rs. 1,064 lacs (Previous Year Rs. 7,131 lacs)

5. Pledge of / Lien on Assets

Fixed deposits with banks include:

	2008-09 (Rs. In lacs)	2007-08 (Rs. In lacs)
i. Under lien in favor of banks as margin deposit for guarantees / credit facilities	21,283.57*	96,291.80
ii. Pledged with NSCCL / exchanges towards base capital	90,276.13	35,477.50

iii. Submitted for arbitration cases	33.97	13.91
iv. Submitted to VAT authorities/ others	13.10	75.50

**An amount of Rs.1,014 lacs pledged against Bank guarantee towards earnest money deposit by the company had been revoked subsequent to the Balance Sheet Date*

6. The Board of Directors of the Company vide their resolution dated June 26, 2008 had proposed a final dividend of Rs. 1.10 per equity share out of profits of the Company for the financial year 2007-08. Accordingly the Company made a payment of Rs. 83,779,290 to the members of the Company as appearing in the register of the member on book closure date i.e. August 20, 2008 as against proposed dividend appropriation of Rs. 82,727,813. The short appropriated of Rs. 51,477 being dividend paid to members who have exercised share options after March 31, 2008 has been appropriated during current financial year.
7. During the year ended March 31, 2009, the Company has increased the Authorised Share Capital from Rs. 850,000,000 divided into 85,000,000 Equity Share of Rs 10 each to Rs. 2,500,000,000 divided into 200,000,000 Equity Share of Rs.10 each and 50,000,000 Redeemable Preferences Share of Rs 10 each.

The Company has issued 13.66% 25,000,000 Cumulative Redeemable Preference Share of Rs. 10 each at a premium of Rs 90 per share aggregating to Rs. 250,000,000 to a promoter group entity. These Preference Shares are redeemable at a premium not exceeding Rs.150 per share at the end of 5 years or at an earlier date as per mutually agreed terms. It is intention of the Company that such premium payable will be paid out of utilization of the Securities Premium Account as permissible under the provisions of section 78 of the Companies Act, 1956.

8. On March 30, 2009, the company has filed its Draft Letter of Offer (DLOF) for right issue with SEBI for issue size of Rs.185,000 lacs. The company has received Rs.180,000 lacs as advance against share application money from a promoter group entity towards its firm commitment for subscription towards unsubscribed portion the proposed Right issue of the company. On completion of rights issue, after meeting the shortfall, if any, towards the unsubscribed portion would be refunded without interest, the excess monies received on completion of the Rights Issue

As at balance sheet date, out of the above share application money an amount of Rs.133,108 lacs has been deployed by the company as detailed herein as per the objects of the issue.

S.No	Particulars	Amount (Rs)
1	Investment in Subsidiaries	
	Equity Shares (Fully Paid Up)	
	Religare Securities Limited	20,000.00
	Religare Realty Limited	2,170.00
	Share Application Money	
	Religare Finvest Limited	94,330.00
	Religare Insurance Broking Limited	2,250.00
	Religare Art Initiative Limited	800.00
2	Investments in Joint Ventures	
	Equity Shares (Fully Paid Up)	
	AEGON Religare Life Insurance Company Ltd	2,200.00
3	Others	
	Repayment of Debts	11,358.00
	Total	133,108.00

9. Pursuant to change in estimated useful lives in respect of Office Equipment an additional depreciation amounting to Rs.100.02lacs (Previous Year Rs.186.11 lacs) has been charged to Profit and Loss Account during the year.
10. During the previous year ended March 31, 2008, the Company had raised Rs. 14,015.78 lacs through issue of 7,576,102 equity shares in initial public offer, excluding pre-IPO placement. As at March 31, 2009, the Company has fully utilized Rs. 14,015.78 lacs as per objects of the issue.
- 11.

- a. One of the subsidiaries of the Company, Religare Finvest Limited (RFL) has privately placed Unsecured redeemable Non-Convertible debentures the balance of which on at March 31, 2009 Rs. 17,500 lacs (Previous year Rs. 140,000 Lacs). These debentures carry varying coupon rates and are due for redemption within one year. As per terms of the trust deed security has been created for the said debentures. As these debentures are privately placed with Mutual Funds governed by Securities and Exchange Board of India, no Debenture Redemption Reserve is required to be made.
- b. In respect of loans given by a subsidiary, the classification of loans into standard, sub-standard and loss assets have been shown disclosed at gross value and the corresponding provision against non-performing assets has been included under provisions in accordance with RBI guidelines. These loans are secured either against tradable and listed securities held by the subsidiary in its depositories accounts or by way of pledge of shares held in the depository account of the clients for which Power of Attorneys are held by the subsidiary.
- c. Religare Finance Limited, a subsidiary of the Company incorporated on February 15, 2007 made an application to the Reserve Bank of India (RBI) for carrying on activities of a non-banking financial company. The Company got the approval from RBI dated June 18, 2009. During the year the Company has not commenced any commercial activity.

12. AEGON Religare Life Insurance Company Limited (ARLICL), a joint venture between AEGON N.V. and Religare Enterprises Limited, was incorporated on March 23, 2007 under the Companies Act, 1956 to undertake and carry on business of life insurance business in India. The company has obtained a license from the Insurance Regulatory and Development Authority (IRDA) dated June 27, 2008 for carrying on the business of life insurance and issue of Insurance policy during the period.

Net expenditure of Joint Venture (JV) represents adjustment of Company's share of net loss upto March 31, 2009 in the JV Aegon Religare Life Insurance Company Limited pursuant to the capital protection clause as per terms of Joint Venture agreement and as per legal opinion obtained by the Company.

13. Details of Privately Placed Unsecured Redeemable Non-Convertible Debentures and Commercial papers outstanding in subsidiaries of the Company as on March 31, 2009:

a. Outstanding Debentures as on March 31, 2009:

Rs in lacs						
S.No.	Coupon Rate	As on 31.03.2009	As on 31.03.2008	Date of Allotment	Earliest Redemption Due Date	Actual Redemption (as at March 31,2009)
1	Mibor + 700 BPS with 11.70% p.a. as floor and 11.75% p.a. as cap.	-	3,000	4-May-07	28-Apr-08	Redeemed on due date
2	Mibor + 800 BPS with 12.10% p.a. as floor and 12.15% p.a. as cap.	-	2,500	9-May-07	7-May-08	Redeemed on due date
3	11.00% p.a.	-	1,500	22-Jun-07	20-Jun-08	Redeemed on due date
4	Mibor+ 800 BPS with 10.50% p.a. as floor and 10.60% p.a. as cap.	-	5,000	6-Jul-07	27-Jun-08	Redeemed on due date
5	Mibor+ 800 BPS with 10.25% p.a. as floor and 10.30% p.a. as cap.	-	5,000	11-Jul-07	9-Jul-08	Redeemed on due date
6	10.40% p.a.	-	2,000	13-Jul-07	10-Apr-08	Redeemed on due date
7	Mibor+ 800 BPS with 10.25% p.a. as floor and 10.30% p.a. as cap.	-	5,000	18-Jul-07	16-Jul-08	Redeemed on due date
8	10.40% p.a.	-	1,500	26-Jul-07	24-Jul-08	Redeemed on due date
9	10.35 % p.a.	-	5,000	30-Jul-07	28-Jul-08	Redeemed on due date
10	10.95% p.a.	-	5,000	14-Sep-07	12-Sep-08	Redeemed on due date
11	10.75% p.a.	-	3,500	20-Sep-07	18-Sep-08	Redeemed on due date
12	Mibor (Overnight) + 800 BPS	-	7,500	28-Sep-07	26-Sep-08	Redeemed on due date

S.No.	Coupon Rate	As on 31.03.2009	As on 31.03.2008	Date of Allotment	Earliest Redemption Due Date	Actual Redemption (as at March 31,2009)
	with 10.05% p.a. as floor and 10.10% p.a. as cap.					date
13	Mibor (Overnight)+ 900 BPS with 9.20 % as Floor and 9.30 % Cap P.A.	-	10,000	5-Nov-07	3-Nov-08	Redeemed on due date
14	10.25% p.a.	-	2,500	2-Jan-08	30-Jun-08	Redeemed on due date
15	10.25% p.a.	-	2,500	2-Jan-08	18-Jun-08	Redeemed on due date
16	10.25% p.a.	-	2,500	3-Jan-08	17-Jun-08	Redeemed on due date
17	10.25% p.a.	-	2,500	3-Jan-08	1-Jul-08	Redeemed on due date
18	10.90% p.a.	-	1,500	3-Jan-08	29- Dec- 2008	Redeemed on due date
19	Mibor(Overnight)+ 900 BPS with 10.15 % p.a. as Floor and 10.25 % p.a. Cap P.A.	-	5,000	4-Jan-08	2-Jan-09	Redeemed on due date
20	Mibor(Overnight)+ 900 BPS with 10.15 % p.a. as Floor and 10.25 % p.a. Cap P.A.	-	5,000	4-Jan-08	2-Jan-09	Redeemed on due date
21	10.25% p.a.	-	2,000	9-Jan-08	7-Jul-08	Redeemed on due date
22	Mibor(Overnight)+ 900 BPS with 10.15 % p.a. as Floor and 10.25 % p.a. Cap P.A.	-	5,000	21-Jan-08	16-Jan-09	Redeemed on due date
23	11.00% p.a.	-	3,500	28-Jan-08	28-Apr-08	Redeemed on due date
24	10.00% p.a.	-	5,000	12-Feb-08	12-Jun-08	Redeemed on due date
25	10.15% p.a.	-	2,500	13-Feb-08	11-Aug-08	Redeemed on due date
26	10.15% p.a.	-	2,500	13-Feb-08	12-Aug-08	Redeemed on due date
27	9.75% p.a.	-	4,000	14-Feb-08	12-May-08	Redeemed on due date
28	9.75% p.a.	-	4,000	14-Feb-08	13-May-08	Redeemed on due date
29	9.75% p.a.	-	1,000	14-Feb-08	14-May-08	Redeemed on due date
30	10.25% p.a.	-	2,500	15-Feb-08	14-May-08	Redeemed on due date
31	Mibor(Overnight)+ 800 BPS with 9.90 % p.a. as Floor and 10.00 % p.a. as Cap.	-	5,000	18-Feb-08	14-Aug-08	Redeemed on due date
32	10.00% p.a.	-	2,500	19-Feb-08	20-May-08	Redeemed on due date
33	10.50% p.a.	-	2,500	3-Mar-08	30-May-08	Redeemed on due date
34	10.95% p.a.	-	2,000	7-Mar-08	8-Sep-08	Redeemed on due date
35	11.05% p.a.	-	3,000	7-Mar-08	26-Dec-08	Redeemed on due date
36	11.20% p.a.	-	5,000	10-Mar- 08	9-Apr-08	Redeemed on due date
37	11.55% p.a.	-	5,000	13-Mar- 08	15-Apr-08	Redeemed on due date
38	11.20% p.a.	-	5,000	17-Mar- 08	13-Jun-08	Redeemed on due date
39	Mibor (Overnight) + 800 BPS with 10.05% p.a as floor and 10.10% p.a as cap.	5,000	-	4-Apr-08	3-Apr-09	To be redeemed

S.No.	Coupon Rate	As on 31.03.2009	As on 31.03.2008	Date of Allotment	Earliest Redemption Due Date	Actual Redemption (as at March 31,2009)
40	Mibor (Overnight) + 150 BPS (daily compounding)	12,500	-	31-Mar-09	26-Jun-09	To be redeemed
	TOTAL	17,500	140,000			

b. Outstanding Commercial Papers as on March 31, 2009:

(Rs in lacs)

S.No.	Issued to	Due Date	As on 31.03.2009	As on 31.3.2008
1	JM Mutual Fund – 10.05%	May 13, 2008	-	5,000.00
2	HDFC Mutual Fund – 10.00%	May 13, 2008	-	5,000.00
3	ING Mutual Fund - 10.50%	May 14, 2008	-	2,900.00
4	ING Mutual Fund - 10.50%	May 14, 2008	-	600.00
5	ING Mutual Fund - 10.50%	May 20, 2008	-	5,000.00
6	ABN AMRO Mutual Fund – 11%	July 25, 2008	-	1,000.00
7	LIC Mutual Fund – 10%	August 14, 2008	-	5,000.00
8	LIC Mutual Fund – 10%	August 27, 2008	-	4,000.00
9	ING Mutual Fund – 10.90%	September 12, 2008	-	5,000.00
10	Allahabad Bank – 11%	October 28, 2008	-	1,000.00
11	LIC Mutual Fund – 9.20%	November 4, 2008	-	5,000.00
12	Lotus Mutual Fund – 11.10%	December 29, 2008	-	2,000.00
13	LIC Mutual Fund – 10.60%	January 13, 2009	-	3,000.00
14	LIC Mutual Fund – 10.60%	January 13, 2009	-	5,000.00
15	HDFC Mutual Fund – 11.40%	March 18, 2009	-	5,000.00
16	LIC Mutual Fund – 10.75%	March 24, 2009	-	5,000.00
17	LIC Mutual Fund – 10.75%	March 29, 2009	-	5,000.00
20	LIC Mutual Fund – 10.75%	April 8, 2009	5,000.00	-
21	HDFC Mutual Fund – 11.00%	December 8, 2008	-	1,000.00
22	SBI Magnum Insta Cash Fund-11.75%	March 13, 2009	-	2,500.00
23	SBI Short Horizon Fund – 11.75%	March 13, 2009	-	2,500.00
24	ABN AMRO Mutual Fund – 11.30%	March 12, 2009	-	5,000.00
25	LIC Mutual Fund – 10.35%	January 28, 2010	20,000.00	-
	TOTAL		25,000.00	75,500.00
	Less: Future Interest Obligation		(1,560.42)	(4,351.73)
	Net Outstanding as on March 31 2009		23,439.58	71,148.27

14. Funds received by subsidiary of the Company, Religare Securities Limited, from portfolio customers for its portfolio management operations and corresponding investments made on their behalf are not forming part of these accounts.

15. Employee Stock Option Plans

The Shareholders of the Company vide their resolution dated November 6, 2006 granted approval to 'Religare Enterprises Limited Employee Stock Option Scheme 2006' (the 'Scheme'). The grant date for the Options is November 15, 2006. Under the said Scheme, 2,000,000 options of the Equity Share Capital of the Company have been granted to the employees of the Company and its subsidiaries and joint ventures at an exercise price of Rs. 140 per share. Employees covered by the Scheme are granted option to purchase shares of the Company subject to the requirements of vesting. These options vest uniformly over a period of 3 years, whereby 33% of options vest on each vesting date as per vesting schedule at the end of first and second year and 34% of options vest at the vesting date as per vesting schedule at the end of third year. The same are exercisable within a period of 9 years from the First Vesting date. As the fair value of the shares at the date of grant of options is less than the exercise price no amount has been charged to the Profit and Loss Account. Of the options remaining unallotted/cancelled, the Company has issued further 125,000 options to the employees of the Company and its subsidiaries/joint ventures at an exercise price of Rs. 140 per share on November 17, 2007. These 125,000 options vest uniformly over a period of 3 years, whereby 33% of options vest on each vesting date as per vesting schedule at the end of first and second year and 34% of options vest at the vesting date as per vesting schedule at the end of third year.

- a. Total Options granted, transferred between group entities, cancelled and outstanding as on March 31, 2009 are as under:

Company Name	No. of Options outstanding as on April 1, 2008	Addition of Options due to transfer from other Group Entities	Reductions of Options due to transfer to other Group Companies	Cancellation of Options due to Resignations	Options Exercised upto March 31, 2009	Number of Options outstanding as on March 31, 2009
Religare Enterprises limited	363,160	-	-	-	16,320	346,840
Religare Securities Limited	967,251	16,000	139,340	2,000	148,661	693,250
Religare Finvest Limited	147,926	32,160	20,760	-	10,164	149,162
Religare Commodities Limited	29,360	-	-	-	-	29,360
Religare Insurance Broking Limited	24,750	16,750	-	-	10,890	30,610
Religare Capital Markets Limited	50,680	90,430	-	6,120	16,896	118,094
Religare Macquarie Wealth Management Limited (formerly Religare Wealth management Services Limited)	18,380	-	-	9,380	2,970	6,030
Religare Arts Initiative Limited	5,000	-	-	-	-	5,000
Religare Asset Management Company (P) Limited		4760	-	-	-	4,760
Total	1,606,507	160,100	160,100	17,500	205,901	1,383,106

Total Options granted, transferred between group entities, cancelled and outstanding on March 31, 2008 are as under:

Company Name	No. of Options outstanding as on April 1, 2007	Addition of Options due to transfer from other Group Entities	Reductions of Options due to transfer to other Group Companies	Cancellation of Options due to Resignations	Addition of Options granted on November 17, 2007	Options Exercised upto March 31, 2008	Number of Options outstanding as on 31, 2008
Religare Enterprises limited	67,000	332,750	-	-	4,000	40,590	363,160
Religare Securities Limited	1,674,440	-	353,750	176,790	73,000	249,649	967,251
Religare Finvest Limited	172,800	-	54,000	-	35,000	5,874	147,926
Religare Commodities Limited	48,900	-	-	7,000	-	12,540	29,360
Religare Insurance Broking Limited	28,890	-	-	3,890	8,000	8,250	24,750
Religare Capital Markets Limited	-	52,000	-	-	-	1,320	50,680
Religare Macquarie Wealth Services Limited (formerly Religare Wealth management Services Limited)	-	18,000	-	-	5,000	4,620	18,380
Religare Arts Initiative Limited	-	5,000	-	-	-	-	5,000
Total	1,992,030	407,750	407,750	187,680	125,000	322,843	1,606,507

- b. With an objective to motivate, reward and retain the performing employees, Religare Employee Stock Appreciated Right (SAR) Scheme 2007 was made effective from November 17, 2007. SAR means non-assignable share equivalent granted to employees to the employees of holding company i.e. Religare Enterprises Limited and employees of subsidiary/ joint venture companies which entitles employee to receive increase in market price of share from base price of Rs.140 per share as on the exercise date. 33% of SAR granted has been vested on April 1, 2008 and balance of 33% and 34% SAR will be vested on April 1, 2009 and April 1, 2010 respectively.

To administer the above SAR scheme a private Trust has been formed to acquire/ purchase of holding company's equity shares ("Shares") from the stock exchanges from time to time and on exercise of SAR by employees selling the shares and passing on the benefit of the appreciation in the price of shares to the Employees in accordance with the Scheme. For the year ended March 31, 2008 the trust has acquired 532,630 numbers of equity share vis-à-vis 523,630 number (net of cancellation), as on March 31, 2008, of SAR's at an aggregate consideration of Rs 2,683.37 lacs.

Number of SAR's outstanding as on March 31, 2009 in the Company and its subsidiaries/ joint venture companies are as under:

Name of the Company	No. of SAR outstanding as on April 1, 2008	SAR Exercised upto March 31, 2009	Addition of SAR due to transfer from other Group Entities	Reduction of SAR due to transfer to Other Group Entities	Cancellation of SAR due to Resignation	No. of SAR outstanding as on March 31, 2009
Religare Enterprises Limited	10,030	3,604	1,615	-	335	8,336
Religare Securities Limited	432,320	140,119	8,250	14,954	47,800	284,120
Religare Finvest Limited	36,860	10,740	4,849	4,635	4,768	26,334
Religare Macquarie Wealth Management Limited	19,630	6,475	-	-	4,966	13,155
Religare Commodities Limited	24,220	9,106	7,190	2,985	3,015	28,889
Religare Capital Markets Limited	-	-	670	-	335	670
Religare Reality Limited	-	-	335	335	-	-
TOTAL	523,060	170,044	22,909	22,909	61,219	361,504

Total Advance outstanding by the Company and its subsidiaries/ joint venture to Religare Employee SAR Trust as on March 31, 2009 is Rs. 1,821.24 lacs (Previous Year Rs. 2,683.37 lacs). The aforesaid advance includes advance aggregating to Rs. 308.42 lacs for cancelled SAR 61,219 Nos. (Previous Year Rs. 48.21 lacs for cancelled SAR 9,570 nos)

Employee Compensation Cost for SAR allocated is accounted by amortizing the excess of purchase price per share over the exercise price per share, over the vesting period. Accordingly, the company and its subsidiaries/ joint ventures have charged off an aggregate of Rs. 695.45 lacs (Previous Year Rs. 850.27 lacs) in the statement of Profit and Loss Account for the year ended March 31, 2009.

16. Margin on Equity Derivative Instruments

- The unexpired position of Equity index / Stock futures and options contracts entered into by the Company and outstanding as on March 31, 2009 Rs. 255,114.66 lacs (Year Ended March 31, 2008 is Rs. Nil).
- Initial margin deposit of Rs. 21,777.93 lacs (Previous Year Rs. 7,509 lacs) on Equity Derivative Instruments contracts has been paid in cash only.
- The open interest in commodity futures outstanding as March 31, 2009 is Rs. NIL (Previous year Rs. 66.10 lacs) (Refer details of Stock in Trade below).
- Details of Stock in Trade:-

A. Equity Shares (Quoted)	31st March 2009		31st March 2008	
	Quantity	Amount (Rs.)	Quantity	Amount (Rs.)

Hindalco Industries Limited	1,347,128	70,118,012	-	-
B. Commodity				
Turmeric	Nil	Nil	214	6,435,184
Yellow Red Maize	Nil	Nil	390	2,969,655
Painting	-	316,164	-	-
Total	1,347,128	70,434,177	604	9,404,839

17. In the opinion of the Management of the Company, the current assets, loans and advances have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated. The debtors, Loans and advances and creditors of the Group are subject to confirmations and reconciliations.

18. Information about business and geographical segments:

Primary Segment

- The business segment has been considered as the primary segment for disclosure. The Company's primary business comprises of 'Broking in securities and commodities', 'Interest on Loans', Financial Advisory Services', 'Custodial and Depository Operations', 'Portfolio Management Services', AMC JV and Life Insurance JV. The business segments have been identified considering the nature of services, the differing risks and returns, the organization structure and the internal financial reporting system.
- Segment revenue, results, assets and liabilities have been accounted for on the basis of their relationship to the operating activities of the segment and amounts allocated on a reasonable basis.

(Rupees in Lacs)

INFORMATION ABOUT PRIMARY BUSINESS SEGMENT								
PARTICULARS	Investment and Finance Activities	Financial Advisory Services	Broking Related Activities	Custodial /Depository Operations	Life Insurance JV	AMC JV	Unallocated	TOTAL
(i) Segment Revenue								
External Revenue	33,192.10 (22,927.04)	15,521.96 (2,173.01)	54,636.90 (54,727.21)	902.42 (881.05)	1,485.78 (-)	16.81 (-)	890.39 (731.15)	106,646.36 (81,439.46)
Inter -Segmental Revenue			49.20					49.20
Balances Written Back							-	-
							(7.03)	(7.03)
Total Revenue	33,192.10 (22,927.04)	15,521.96 (2,173.01)	54,587.70 (54,727.21)	902.42 (881.05)	1,485.78 (-)	16.81 (-)	890.39 (738.18)	106,597.16 (81,446.49)
(ii) Segment Results	4,648.77 (3,365.64)	11,394.51 (821.80)	(6,507.78) (13,540.23)	551.62 (444.47)	(6,271.56) (-)	(196.58) (-)	- (-)	3,618.98 (18,172.14)
Less: Unallocated Corporate Expenses (net)								(3,500.17)
Less: Interest expense								(3,441.70) (14,212.34) (7,337.97)
Add: Interest/Dividend Income								12,854.54
Income Taxes (Current, Deferred and Fringe Benefit Tax)								(8,203.59) (5,119.03)
Profit after tax								(6,407.21) (6,358.02) (9,188.88)
(iii) Segment Assets	246,087.70	9,300.04	182,724.31	297.33	9,421.64	124.92		447,955.94

INFORMATION ABOUT PRIMARY BUSINESS SEGMENT								
PARTICULARS	Investment and Finance Activities	Financial Advisory Services	Broking Related Activities	Custodial /Deposit ory Operations	Life Insurance JV	AMC JV	Unallocated	TOTAL
Unallocated Corporate Assets	(217,958.85)	(1,343.13)	(203,055.03)	(202.01)	(-)	(-)	21,682.75	(422,559.02) 21,682.75
Total Assets	246,087.70	9,300.04	182,724.31	297.33	9,421.64	124.92	(3,657.81) 21,682.75	(3,657.81) 469,638.69
(iv) Segment liabilities	(217,958.85) 195,425.01	(1,343.13) 1,250.58	(203,055.03) 67,679.40	(202.01) 7.54	(-) 2,140.92	(-) 39.96	(3,657.81)	(426,216.83) 266,543.41
Unallocated Corporate Liabilities	(187,346.02)	(351.69)	(177,554.36)	(163.51)	(-)	(-)	3,422.03	(365,415.58) 3,422.03
Total liabilities	195,425.01	1,250.58	67,679.40	7.54	2,140.92	39.96	2,546.54 3,422.03	(2,546.54) 269,965.44
(v) Capital Expenditure	(187,346.02) 1,322.09	(351.69) 581.09	(177,554.36) 58,105.12	(163.51) -	(-) 4,951.48	(-) 88.77	(2,546.54) 5,069.00	(367,962.12) 70,117.55
(vi) Depreciation/Amortisation	(2,863.30) 226.30	(38.39) 38.21	(6,826.59) 3,366.71	(14.93) -	659.95	113.93	(100.12) 859.69	(9,843.33) 5,264.79
(vii) Non Cash Expenditure other than Depreciation	(97.02) 3,596.53	(57.77) 75.88	(2,215.60) 4,227.60	(17.00) -	83.77	0.75	(204.98) 1,615.77	(2,592.37) 9,600.30
Previous Years figures are stated in brackets	(1,200.39)	(6.61)	(775.37)	(-)	(-)	(-)	(6.11)	(1,988.48)

Geographical Segment

The company reports its operations under the following geographical segments:

Domestic Operations comprises of activities having operations in India

Foreign Operations comprises of activities outside India

Geographical Segment results are given below:

	Year ended March 31, 2009 Amount (Rs. in lacs)
Revenue	
Domestic Operation	103,464.09
Foreign Operation	15,987.62
Total	119,451.72
Carrying Amount of Segment Assets	
Domestic Operation	399,228.78
Foreign Operation	70,409.92
Total	469,638.70

19. Disclosure as per Accounting Standard -Lease Accounting:

Operating Lease

Assets Taken on Lease

- i. The Company and its subsidiaries/joint ventures have taken office premises on operating lease at various locations. The agreements are executed for a period ranging from 1 year to 9 years except in one case which is for 21 years. There are no transactions in nature of sub-lease.
- ii. The future minimum lease payments under non-cancelable operating lease – not later than one year is Rs. 1,747.69 lacs (Previous Year Rs. 302.64 Lacs), later than one year but not later five year is Rs. 7,144.86 lacs (Previous Year Rs. 838.12 Lacs) and later than five years is Rs. 3,018.93 lacs (Previous Year Rs.163.66 Lacs) for leases undertaken by the Company and its subsidiaries/joint ventures.
- iii. Rent payments are recognized in the Profit and Loss Account under the head ‘Rent’ in Schedule “R” Administration and Other Expenses.

Assets Given on Lease

Religare Finvest Limited, one of the subsidiaries of the Company has given certain assets on lease, the details as required by the Accounting Standard 19 on ‘Leases’ issued by the Institute of Chartered Accountants of India.

- (i) Details of Assets given on operating lease are:

	(Rs.in Lacs)	
	2008-09	2007-08
Gross Carrying Amount	31.30	24.86
Accumulated Depreciation	3.49	0.75
Depreciation recognized in Profit & Loss Account	2.76	4.59

- (ii) Maturity Pattern of Future Minimum Lease Payments is as below:

	(Rs. in Lacs)	
	2008-09	2007-08
Less than 1 year	4.65	6.71
Later than 1 year but not later than 5 years	6.47	11.76
Later than 5 years	-	-

- (iii) The subsidiary company has leased vehicles to the employees of group entities on operating lease terms.

- (iv) Initial direct costs are charged to Profit and Loss Account.

20. Joint Venture Information

Joint Venture as required by AS -27- “Financial Reporting of Interest in Joint Venture” are given below:

- (i.) Details of Joint Ventures

Name	Description of Interest	% of Interest
Religare Macquarie Wealth Management Limited	Equity Shareholding	50.00%
Aegon Religare Life Insurance Company Limited	Equity Shareholding	44.00%
Vistaar Religare Capital Advisors Limited	Equity Shareholding	50.00%

- (ii.) Enterprise’s interest in Joint Ventures

Particulars	As on March 31, 2009 (Rupees in Lacs)	As on March 31, 2008 (Rupees in Lacs)
Assets	10,358.80	2,990.29
Liabilities	1,625.77	589.32
Revenue*	1,974.83	658.95
Depreciation*	759.76	5.47
Other Expenses*	9,041.42	929.82
Capital Commitments	80.13	47.04

Contingent Liabilities	Nil	Nil
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*Read with Note No. 12 above

21. Earnings per share (EPS) calculation (basic and diluted):

In accordance with Accounting Standard on Earnings Per Share the following table reconciles the numerator and denominator used to calculate basic and diluted earnings per share:

Particulars	For the Year Ended March 31, 2009	For the Year ended March 31, 2008
Profit available to Equity Shareholders		
- Profit after Taxation (A)	(635,802,036)	919,742,093
Less: Dividend on Cumulative Preferences Share and Corporate Dividend Tax thereon	16,638,292	-
Net Profit after tax available for Equity Shareholders	(652,440,328)	919,742,093
Number of Equity Shares		
- Weighted Number of equity shares outstanding during the year (B)	76,173,852	69,082,458
- Number of dilutive potential equity shares (C)	93,651,606	70,688,965
Basic earnings per share (A/B) (Rs.)	(8.57)	13.31
Dilutive earnings per share (A/C) (Rs.)	(8.57)	13.01
Nominal Value of an equity share (Rs.)	10	10

22. The break up of Net Deferred Tax Liability/Assets as on March 31, 2009 is as under:

(Amount in Rs.)		
Particulars	For the Year Ended March 31, 2009	For the Year ended March 31, 2008
Deferred Tax Liabilities:		
Difference between book and tax depreciation	66,516,937	64,608,018
Total	66,516,937	64,608,018
Deferred Tax Assets:		
Provision for Gratuity	9,957,210	6,337,868
Provision for Leave Encashment	18,766,244	14,283,420
Provision for Bonus	-	-
Preliminary Expenses	9,935	76,291
Provision for Doubtful Debts	48,847,849	30,213,395
Unabsorbed Losses		33,958,782
Other Expenses (u/s 43 B)	8,337,370	8,430,220
Provision for Diminution in value of Stock in Trade	1,855,854	-
	87,774,462	93,299,976
Net deferred tax (Liability)/Assets	21,257,525	28,691,958

23. Related Party Disclosures:

Nature of Relationship

- 1) Individuals owning directly or indirectly Interest in voting power that gives them Control

Name of Party

Mr. Malvinder Mohan Singh
Mr. Shivinder Mohan Singh

- 2) Joint Ventures
Of the Company

Religare Macquarie Wealth Management Limited*
Vistaar Religare Capital Advisors Limited
Aegon Religare Life Insurance Company Limited
Milestone Religare Investment Advisors(P) Limited
(w.e.f. April 8, 2009)

Of the Subsidiaries

Religare Aegon Asset Management Company (P) Limited**
Religare Aegon Trustee Company (P) Limited**

**subsidiary upto March 12, 2008*

*** discontinued pursuant to Sale Termination Agreement dated February 25, 2009*

3) Key Management personnel and
Relatives

Mr. Sunil Godhwani
Mr. Shachindra Nath
Mr. Anil Saxena
Mr. Sunil K Garg
Mr. Mukesh Manglik (resigned w.e.f
01/06/2009)
Mr. Atul Gupta (Subsidiary's Director)
Mr. Chandan Sinha (Subsidiary's
Director)
Mr. J. S. Grewal
Mr. Amit Swarup
Mr. Vikas Agnihotri
Mrs. Radhika N Godhwani
Mr. Rochiram P Godhwani
Mr. Naraindas P Godhwani
Mr. Hari R Godhwani
Mrs. Aditi Shivinder Singh
Mrs. Nimmi Singh
Master Udayveer Parvinder Singh
Master Anhad Parvinder Singh
Master Vivan Parvinder Singh
Master Kabir Parvinder Singh
Mrs. Harjit Grewal
Mrs. Japna Malvinder Singh
Baby Nimrita Parvinder Singh
Baby Nanki Parvinder Singh
Baby Nandini Parvinder Singh

4) Enterprises over which key management
and Relatives are able to exercise significant
influence with whom transactions have
taken place

RHC Holding Company (P) Limited
(formerly Ranbaxy Holding Company
and Solaris Finance (P) Limited)
RC Nursery (P) Limited
Malav Holdings (P) Limited
Trendy Exim (P) Limited
Luxury Farms (P) Limited
Oscar Investments Limited
Oscar Holdings (P) Limited
Religare Wellness Limited
Shivinder Mohan Singh (HUF)
Malvinder Mohan Singh (HUF)
Malvinder Mohan Singh, Trustee
(Bhai Hospital Trust)
Malvinder Mohan Singh, Trustee
(Ranbaxy Management Employees
Welfare Fund Trust)
Malvinder Mohan Singh, Trustee
(Ranbaxy Employees Welfare Fund
Trust)
Religare Art Fund
Shivi Holdings Private Limited
Religare Technova Limited
(formerly Fortis Financial Services
Limited)
Fortis HealthCare Limited
Fortis Health Care Holdings Limited
Religare Technova Global Solutions

Limited
(formerly Asian CERC Information
Technology Limited)
Religare Technova IT Services Limited
(formerly known Fortis Technologies
(P) Limited)
Religare Technova Business Intellect
Limited
(formerly Fortis Business Intellect
Limited)
Religare Technologies Limited (w.e.f.
22/05/2009)
(wholly owned Subsidiary of Religare
Technova Limited)
Fortis Healthcare Consultancy Limited
Religare Travels (India) Limited
Religare Voyages Limited
Ran Air Services Limited
International Hospital Limited
Super Religare Laboratories Limited
(formerly SRL Ranbaxy Limited)
Ranbaxy Laboratories Limited
(discontinued w.e.f.
24/05/2009)
OliveRays Innovations (P) Limited
Luxury Farms (P) Limited
Fortis Hopotel Ltd
Religare Aviation Limited

Following transactions were carried out with related parties in the ordinary course of business

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Managent Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
FINANCE													
Inter Corporate Deposits Taken													
<u>For Holding Company</u>													
	RHC Holding (P) Limited (formerly know as Ranbaxy Holding company, Solaries finance (P) Limited (formerly know as Ranbaxy Holding company, Solaries Finance (P) Limited)	-	-	-	-	-	-	-	2,245.0	-	-	-	2,245.0
<u>For Subsidiary Companies</u>		-	-	-	-	-	-	-	-	-	-	-	-
	RHC Holding (P) Limited (formerly know as Ranbaxy Holding company, Solaries Finance (P) Limited (formerly know as Ranbaxy Holding company, Solaries finance (P) Limited)	-	-	837.0	-	-	-	132,556.0	133,740.2	-	-	133,393.0	133,740.2
	Trendy Exim (P) Limited	-	-	-	-	-	-	-	379.0	-	-	-	379.0
	Modland Wears Pvt Ltd	-	-	-	-	-	-	-	16,385.0	-	-	-	16,385.0
	Oscar Investment Limited	-	-	-	-	-	-	-	4,000.0	-	-	-	4,000.0
	R.C. Nursery Private	-	-	-	-	-	-	315.0	-	-	-	315.0	-

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	Limited												-
	Religare Wellness Limited	-	-	-	-	-	-	300.0	-	-	-	300.0	-
	Religare Wellness Limited	-	-	-	-	-	-	500.0	-	-	-	500.0	-
	Luxury Farms (P) Limited	-	-	-	-	-	-	1,035.0	-	-	-	1,035.0	-
	International Hospital Limited	-	-	-	-	-	-	275.0	-	-	-	275.0	-
	Fortis Hospital LTD	-	-	-	-	-	-	275.0	-	-	-	275.0	-
	Fortis Health Care Limited	-	-	-	-	-	-	12,771.0	26,830.0	-	-	12,771.0	26,830.0
	Super Religare Laboratories Limited	-	-	-	-	-	-	9,090.0	-	-	-	9,090.0	-
Inter Corporate Deposits Taken Total		-	-	837.0	-	-	-	157,117.0	183,579.2	-	-	157,954.0	183,579.2
Inter Corporate Deposits Repaid		-	-	-	-	-	-	-	-	-	-	-	-
<u>For Holding Company</u>		-	-	-	-	-	-	-	-	-	-	-	-
	RHC Holding (P) Limited (formerly know as Ranbaxy Holding company, Solaris Finance (P) Limited (formerly know as Ranbaxy Holding company, Solaris finance (P) Limited)	-	-	-	-	-	-	-	2,295.0	-	-	-	2,295.0
<u>For Subsidiary Companies</u>		-	-	-	-	-	-	-	-	-	-	-	-
	RHC Holding (P) Limited (formerly know as Ranbaxy	-	-	837.0	-	-	-	119,056.0	135,890.2	-	-	119,893.0	135,890.2

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	Holding company, Solaries Finance (P) Limited (formerly know as Ranbaxy Holding company, Solaries finance (P) Limited)												
	Oscar Investment Limited	-	-	-	-	-	-	-	4,000.0	-	-	-	4,000.0
	International Hospital Limited	-	-	-	-	-	-	275.0	-	-	-	275.0	-
	Super Religare Laboratories Limited	-	-	-	-	-	-	9,090.0	-	-	-	9,090.0	-
	Fortis Health Care Limited	-	-	-	-	-	-	21,446.0	11,155.0	-	-	21,446.0	11,155.0
	Religare Wellness Limited	-	-	-	-	-	-	500.0	-	-	-	500.0	-
	Fortis Hospital Limited	-	-	-	-	-	-	275.0	-	-	-	275.0	-
	Trendy Exim (P) Limited	-	-	-	-	-	-	-	405.5	-	-	-	405.5
	Religare Wellness Limited	-	-	-	-	-	-	300.0	-	-	-	300.0	-
	Modland Wears Pvt Ltd	-	-	-	-	-	-	-	16,385.0	-	-	-	16,385.0
Inter Corporate Deposits Repaid Total		-	-	837.0	-	-	-	150,942.0	170,130.7	-	-	151,779.0	170,130.7
Interest Paid on Inter Corporate Deposits		-	-	-	-	-	-	-	-	-	-	-	-
For Holding Company		-	-	-	-	-	-	-	-	-	-	-	-
	RHC Holding (P) Limited (formerly know as Ranbaxy Holding company,	-	-	-	-	-	-	-	169.3	-	-	-	169.3

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	Solaries finance (P) limited												
For Subsidiary Companies		-	-	-	-	-	-	-	-	-	-	-	-
	RHC Holding (P) Limited (formerly know as Ranbaxy Holding company, Solaries finance (P) limited	-	-	-	-	-	-	292.5	982.9	-	-	292.5	982.9
	R.C. Nursery Private Limited	-	-	-	-	-	-	13.1	-	-	-	13.1	-
	Luxury Farms (P) Limited	-	-	-	-	-	-	52.7	-	-	-	52.7	-
	Trendy Exim (P) Limited	-	-	-	-	-	-	-	13.4	-	-	-	13.4
	International Hospital Limited	-	-	-	-	-	-	0.3	-	-	-	0.3	-
	Religare Wellness Limited	-	-	-	-	-	-	1.4	-	-	-	1.4	-
	Super Religare Laboratories Limited	-	-	-	-	-	-	155.1	-	-	-	155.1	-
	Fortis Hospital Limited	-	-	-	-	-	-	0.3	-	-	-	0.3	-
	Religare Wellness Limited	-	-	-	-	-	-	4.0	-	-	-	4.0	-
	Fortis Health Care Limited	-	-	-	-	-	-	691.4	1,081.7	-	-	691.4	1,081.7
	Oscar Investment Limited	-	-	-	-	-	-	-	138.7	-	-	-	138.7
	Modland Wears Pvt Ltd	-	-	-	-	-	-	-	135.2	-	-	-	135.2
Interest Paid on Inter Corporate Deposits Total		-	-	-	-	-	-	1,210.9	2,521.2	-	-	1,210.9	2,521.2
Inter Corporate Deposits Given		-	-	-	-	-	-	-	-	-	-	-	-

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
<u>For Subsidiary Companies</u>		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	-	-	280.5	-	280.5
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company)	-	-	8.6	-	-	-	-	-	-	-	8.6	-
	Regius Aviation Limited	-	-	-	-	-	-	7,848.0	-	-	-	7,848.0	-
	Vistaar Films Ltd.	-	-	-	-	-	-	27.0	-	-	-	27.0	-
	Vistaar Religare Media Ltd.	-	-	-	-	-	-	1,013.0	-	-	-	1,013.0	-
	Vistaar Religare Media Fund Trust	-	-	-	-	-	-	310.0	-	-	-	310.0	-
	Religare Technova IT services Limited	-	-	-	-	-	-	4,919.9	-	-	-	4,919.9	-
	Religare Technova Business Intellect Limited	-	-	-	-	-	-	946.6	-	-	-	946.6	-
	Religare Voyages Limited	-	-	-	-	-	-	23,460.2	-	-	-	23,460.2	-
	Religare Travels Limited	-	-	-	-	-	-	335.0	-	-	-	335.0	-
	Regius Info-tech Limited (merged with Religare Technova Global Solutions Limited)	-	-	-	-	-	-	2,970.0	-	-	-	2,970.0	-
	Religare Wellness Limited	-	-	-	-	-	-	2,280.0	-	-	-	2,280.0	-
	Religare Technova Limited	-	-	-	-	-	-	6,332.8	1,198.0	-	-	6,332.8	1,198.0
	Oscar Investment Limited	-	-	-	-	-	-	12,760.0	4,506.0	-	-	12,760.0	4,506.0

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Inter Corporate Deposits Given Total		-	-	8.6	-	-	-	63,202.5	5,704.0	-	280.5	63,211.2	5,984.5
Inter Corporate Deposits Received Back		-	-	-	-	-	-	-	-	-	-	-	-
	Vistaar Religare Media Ltd.	-	-	-	-	-	-	350.0	-	-	-	350.0	-
	Vistaar Religare Media Fund Trust	-	-	-	-	-	-	310.0	-	-	-	310.0	-
	Religare Technova IT services Limited	-	-	-	-	-	-	4,292.8	-	-	-	4,292.8	-
	Religare Technova Business Intellect Limited	-	-	-	-	-	-	741.6	-	-	-	741.6	-
	Religare Aviation Limited	-	-	-	-	-	-	9,400.0	-	-	-	9,400.0	-
	Religare Voyages Limited	-	-	-	-	-	-	20,658.0	-	-	-	20,658.0	-
	Religare Travels Limited	-	-	-	-	-	-	455.0	-	-	-	455.0	-
	Regius Info-tech Limited (merged with Religare Technova Global Solutions Limited)	-	-	-	-	-	-	2,970.0	-	-	-	2,970.0	-
	Religare Wellness Limited	-	-	-	-	-	-	2,280.0	-	-	-	2,280.0	-
	Religare Technova Limited	-	-	-	-	-	-	6,952.5	1,699.8	-	-	6,952.5	1,699.8
	Oscar Investment Limited	-	-	-	-	-	-	18,440.0	6,686.0	-	-	18,440.0	6,686.0
Inter Corporate Deposits Received Back Total		-	-	-	-	-	-	66,849.9	8,385.8	-	-	66,849.9	8,385.8
Inter Corporate Loan Given	Oscar Investment Limited	-	-	-	-	-	-	-	3,500.0	-	-	-	3,500.0

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Inter Corporate Loan Given Total		-	-	-	-	-	-	-	3,500.0	-	-	-	3,500.0
Interest Received on Inter Corporate Deposits		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	-	-	11.6	-	11.6
	Regius Aviation Limited	-	-	-	-	-	-	313.9	-	-	-	313.9	-
	Religare Technova Limited	-	-	-	-	-	-	54.1	105.4	-	-	54.1	105.4
	Vistaar Films Ltd.	-	-	-	-	-	-	0.6	-	-	-	0.6	-
	Vistaar Religare Media Ltd.	-	-	-	-	-	-	20.9	-	-	-	20.9	-
	Vistaar Religare Media Fund Trust	-	-	-	-	-	-	13.0	-	-	-	13.0	-
	Religare Technova IT services Limited	-	-	-	-	-	-	157.2	-	-	-	157.2	-
	Religare Technova Business Intellect Limited	-	-	-	-	-	-	26.7	-	-	-	26.7	-
	Religare Voyages Limited	-	-	-	-	-	-	297.4	-	-	-	297.4	-
	Religare Travels Limited	-	-	-	-	-	-	33.1	-	-	-	33.1	-
	Regius Info-tech Limited (merged with Religare Technova Global Solutions Limited)	-	-	-	-	-	-	37.2	-	-	-	37.2	-
	Religare Wellness Limited	-	-	-	-	-	-	101.1	-	-	-	101.1	-
	Oscar Investment Limited	-	-	-	-	-	-	370.6	151.0	-	-	370.6	151.0

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Interest Received on Inter Corporate Deposits Total		-	-	-	-	-	-	1,425.9	256.4	-	11.6	1,425.9	268.0
Dividend Received and Paid on Behalf	Oscar Investment Limited	-	-	-	-	-	-	115.2	39.3	-	-	115.2	39.3
	RHC Holding (P) Limited (formerly know as Ranbaxy Holding Company, Solaris Finance (P) Limited)	-	-	-	-	-	-	168.4	238.4	-	-	168.4	238.4
Dividend Received and Paid on Behalf Total		-	-	-	-	-	-	283.6	277.7	-	-	283.6	277.7
Allotment of Equity Shares		-	-	-	-	-	-	-	-	-	-	-	-
	RHC Holding (P) Limited (Formerly Know As Ranbaxy Holding Company, Solaris Finance (P) Limited)	-	-	-	-	-	-	-	1.5	-	-	-	1.5
	Oscar Investment Limited	-	-	-	-	-	-	-	1.5	-	-	-	1.5
	Macquarie Financial Services (Asia) Pvt. Limited	-	-	-	-	-	-	-	-	-	200.0	-	200.0
	Super Religare Laboratories Limited	-	-	-	-	-	-	-	176.0	-	-	-	176.0
	Ranbaxy Laboratories Limited	-	-	-	-	-	-	-	440.0	-	-	-	440.0
Allotment of Equity Shares Total		-	-	-	0.0	-	-	-	619.0	-	200.0	-	819.0
Allotment of	RHC Holding (P)	-	-	-	-	-	-	25,000.0	-	-	-	-	-

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Preference Shares *	Limited (formerly know as Ranbaxy Holding company, Solaris finance (P) limited											25,000.0	-
* (Preference shares of Rs. 10 at a premium of Rs. 90 per share)		-	-	-	-	-	-	-	-	-	-	-	-
Allotment of Preference Shares Total		-	-	-	-	-	-	25,000.0	-	-	-	25,000.0	-
Share Application Money Refunded		-	-	-	-	-	-	-	-	-	-	-	-
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company)	-	-	-	-	-	-	180,000.0	-	-	-	180,000.0	-
Share Application Money Refunded Total		-	-	-	-	-	-	180,000.0	-	-	-	180,000.0	-
Share Application Money	Ageon Religare Life Insurance Company Limited	-	-	-	-	-	-	-	-	-	2,500.0	-	2,500.0
	Vistaar Religare Capital Advisors Ltd.	-	-	-	-	-	-	-	-	-	25.0	-	25.0
Share Application Money Total		-	-	-	-	-	-	-	-	-	2,525.0	-	2,525.0
Dividend Paid / Payable		-	-	-	-	-	-	-	-	-	-	-	-
	Malav Holdings Private Limited	-	-	-	-	-	-	-	35.2	-	-	-	35.2
	Shivi Holdings Private Limited	-	-	-	-	-	-	-	35.2	-	-	-	35.2
	Mr. Sunil Godhwani	-	-	-	-	-	24.0	-	-	-	-	-	24.0
	Mr. Malvinder Mohan	-	-	-	479.7	-	-	-	-	-	-	-	-

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Managent Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	Singh												479.7
	Mr. Shivinder Mohan Singh	-	-	-	479.7	-	-	-	-	-	-	-	479.7
Dividend Paid / Payable Total		-	-	-	959.4	-	24.0	-	70.4	-	-	-	1,053.8
Commision Due	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	-	-	19.0	-	19.0
Commision Total		-	-	-	-	-	-	-	-	-	19.0	-	19.0
Corporate Guarantee Given by Group Companies		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Aegon Assets Management Company (P) Limited	-	-	-	-	-	-	-	-	1,500.0	-	1,500.0	-
Corporate Guarantee Given Total		-	-	-	-	-	-	-	-	1,500.0	-	1,500.0	-
BROKING TRANSACTIONS (SECONDARY MARKET OPERATIONS)		-	-	-	-	-	-	-	-	-	-	-	-
Secondary Market Transactions (Gross Basis)	Religare Technova Limited	-	-	-	-	-	-	-	0.5	-	-	-	0.5
	RHC Holding (P) Limited (formerly know as Ranbaxy Holding company, Solaries finance (P) limited	-	-	-	-	-	-	1,345.1	8,333.0	-	-	1,345.1	8,333.0
	Oscar Investment Limited	-	-	-	-	-	-	-	2,428.9	-	-	-	2,428.9

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	Malvinder Mohan Singh	-	-	-	99.9	-	-	-	-	-	-	-	99.9
	Shivinder Mohan Singh	-	-	-	99.9	-	-	-	-	-	-	-	99.9
Trading Transactions Total		-	-	-	199.8	-	-	1,345.1	10,762.4	-	-	1,345.1	10,962.2
Interest on Margin	Oscar Investment Limited	-	-	43.3	-	-	-	119.3	-	-	-	162.6	-
	Fortis HealthCare Holding Limited	-	-	43.3	-	-	-	313.6	-	-	-	356.9	-
Interest on Margin total		-	-	86.6	-	-	-	432.9	-	-	-	519.5	-
Security deposit given		-	-	-	-	-	-	-	-	-	-	-	-
	RHC Holding (P) Limited (formerly know as Ranbaxy Holding company, Solaris finance (P) limited	-	-	-	-	-	-	-	10.5	-	-	-	10.5
Security deposit given Total		-	-	-	-	-	-	-	10.5	-	-	-	10.5
Brokerage Earned		-	-	-	-	-	-	-	-	-	-	-	-
	RHC Holding (P) Limited (formerly know as Ranbaxy Holding company, Solaris finance (P) limited	-	-	-	-	-	-	0.4	-	-	-	0.4	-
	Fortis HealthCare Holding Limited	-	-	-	-	-	-	0.2	-	-	-	0.2	-
Brokerage Earned Total		-	-	-	-	-	-	0.6	-	-	-	0.6	-
Purchase of Equity Shares		-	-	-	-	-	-	-	-	-	-	-	-

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	Hospitalia Eastern Private Limited	-	-	-	-	-	-	1,252.5	-	-	-	1,252.5	-
Purchase of Equity Shares Total		-	-	-	-	-	-	1,252.5	-	-	-	1,252.5	-
INVESTMENT		-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Equity shares		-	-	-	-	-	-	-	-	-	-	-	-
	Super Religare Laboratories Limited	-	-	-	-	-	-	-	176.0	-	-	-	176.0
	Oscar Investment Limited	-	-	-	-	-	-	-	1.5	-	-	-	1.5
	Ranbaxy Laboratories Limited	-	-	-	-	-	-	-	440.0	-	-	-	440.0
	RHC Holding (P) Limited (formerly know as Ranbaxy Holding company, Solaris finance (P) limited	-	-	-	-	-	-	-	1.5	-	-	-	1.5
Purchase of Equity shares Total		-	-	-	0.0	-	0.0	-	619.0	-	-	-	619.0
Purchase of Preference Shares		-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Preference Shares Total		-	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Aegon Trustee Company (P) Limited	-	-	-	-	-	-	-	-	2.5	-	2.5	-
	Religare Aegon Asset Management Company (P) Limited	-	-	-	-	-	-	1,250.0	-	-	-	1,250.0	-

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Sale of Investment total	-	-	-	-	-	-	-	1,250.0	-	2.5	-	1,252.5	-
Subscription to Equity Shares		-	-	-	-	-	-	-	-	-	-	-	-
	Vistaar Religare Capital Advisors Ltd.	-	-	-	-	-	-	-	-	200.0	-	200.0	-
	Aegon Religare Life Insurance Company Limited	-	-	-	-	-	-	-	-	13,200.0	-	13,200.0	-
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	-	2,300.0	-	2,300.0	-
Subscription to Equity Shares Total		-	-	-	-	-	-	-	-	15,700.0	-	15,700.0	-
OTHER RECEIPTS AND PAYMENTS		-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Fixed Asset		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Technova Limited	-	-	-	-	-	-	-	19.7	-	-	-	19.7
	OliveRays Innovations Private Limited	-	-	-	-	-	-	22.5	-	-	-	22.5	-
	Religare Technova IT Services Limited	-	-	-	-	-	-	792.0	-	-	-	792.0	-
Purchase of Fixed Asset Total		-	-	-	-	-	-	814.5	19.7	-	-	814.5	19.7
Sale of Fixed Asset		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Technova Limited	-	-	-	-	-	-	-	34.6	-	-	-	34.6
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	-	-	0.2	-	0.2
Sale of Fixed Asset		-	-	-	-	-	-	-	34.6	-	0.2	-	34.8

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Purchase of Services		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Technova Business Intellect Limited	-	-	3.4	-	-	-	-	-	-	-	3.4	-
Purchase of Services Total		-	-	3.4	-	-	-	-	-	-	-	3.4	-
Insurance Premium/Claim Reimbursement	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	-	0.3	-	0.3	-
	Religare Technova Limited	-	-	-	-	-	-	0.9	-	-	-	0.9	-
	Religare Aegon Assets Management Company Limited	-	-	-	-	-	-	-	-	5.2	-	5.2	-
Insurance Premium/Claim Reimbursement Total		-	-	-	-	-	-	0.9	-	5.5	-	6.4	-
Lease Rentals Earned	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	-	-	14.6	-	14.6
Lease Rentals Earned Total		-	-	-	-	-	-	-	-	-	14.6	-	14.6
Commission Paid	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	-	262.1	154.3	262.1	154.3
Commission Paid Total		-	-	-	-	-	-	-	-	262.1	154.3	262.1	154.3
HR Support Services	Religare Technova Business Intellect Limited	-	-	-	-	-	-	83.9	-	-	-	83.9	-
	Vistaar Religare Capital Advisors Ltd	-	-	-	-	-	-	-	-	15.2	-	15.2	-
IT Service Expenses	Religare Technova IT Services Limited	-	-	-	-	-	-	116.0	-	-	-	116.0	-
	Religare Technova	-	-	-	-	-	-	5.7	-	-	-	5.7	-

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Managent Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	Limited												-
Call centre expenses	Religare Technova Business Intellect Limited	-	-	-	-	-	-	18.1	-	-	-	18.1	-
	Religare Technova Limited (formerly Fortis Financial Services Limited)	-	-	-	-	-	-	4.3	-	-	-	4.3	-
Travelling Expenses	Religare Travels (India) Limited	-	-	-	-	-	-	136.4	-	-	-	136.4	-
Other Expenses Total		-	-	-	-	-	-	364.4	-	15.2	-	379.6	-
Security Deposit		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Wellness Limited	-	-	-	-	-	-	7.5	-	-	-	7.5	-
Security Deposit Total		-	-	-	-	-	-	7.5	-	-	-	7.5	-
Subscription Charges		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Technova Global Solutions Limited	-	-	-	-	-	-	1.7	-	-	-	1.7	-
total		-	-	-	-	-	-	1.7	-	-	-	1.7	-
Depository Charges	RHC Holding (P) Limited (formerly know as Ranbaxy Holding company, Solaris finance (P) limited	-	-	-	-	-	-	1.0	0.3	-	-	1.0	0.3
	Ranbaxy Laboratories Limited	-	-	-	-	-	-	4.2	0.1	-	-	4.2	0.1
	Oscar Investments Limited	-	-	-	-	-	-	0.0	0.3	-	-	0.0	0.3
	Religare Technova Limited	-	-	-	-	-	-	-	0.4	-	-	-	0.4

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Depository Charges Total		-	-	-	-	-	-	5.3	1.1	-	-	5.3	1.1
Income from Data Sharing		-	-	-	-	-	-	-	-	-	-	-	-
Financial Advisory Fees		-	-	-	-	-	-	-	-	-	-	-	-
	Malvinder Mohan Singh	-	-	83.0	-	-	-	-	-	-	-	83.0	-
	Shivinder Mohan Singh	-	-	65.8	-	-	-	-	-	-	-	65.8	-
	Japna Malvinder Singh	-	-	4.6	-	-	-	-	-	-	-	4.6	-
	Aditi Shivinder Singh	-	-	4.5	-	-	-	-	-	-	-	4.5	-
	Religare wellness Limited	-	-	-	-	-	-	42.0	-	-	-	42.0	-
	Religare Wellness Limited	-	-	-	-	-	-	27.5	-	-	-	27.5	-
	Nimmi Singh	-	-	43.7	-	-	-	-	-	-	-	43.7	-
	RHC Holding (P) Limited (formerly know as Ranbaxy Holding company, Solaris finance (P) limited	-	-	-	-	-	-	3,123.3	-	-	-	3,123.3	-
	Oscar Investments Limited	-	-	-	-	-	-	539.1	-	-	-	539.1	-
	Malav Holdings Private Limited	-	-	-	-	-	-	94.4	-	-	-	94.4	-
	Religare Technova Limited	-	-	-	-	-	-	260.0	-	-	-	260.0	-
	Malvinder Mohan Singh (HUF)	-	-	-	-	-	-	1.0	-	-	-	1.0	-
	Shivinder Mohan Singh (HUF)	-	-	-	-	-	-	1.0	-	-	-	1.0	-
	Malvinder Mohan	-	-	-	-	-	-	27.3	-	-	-	27.3	-

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Managent Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	Singh, Trustee (Bhai Hospital Trust)												-
	Malvinder Mohan Singh, Trustee (Ranbaxy Management Employees Welfare Fund Trust)	-	-	-	-	-	-	13.6	-	-	-	13.6	-
	Malvinder Mohan Singh, Trustee (Ranbaxy Employees Welfare Fund Trust)	-	-	-	-	-	-	26.8	-	-	-	26.8	-
	Ranbaxy Laboratories Limited	-	-	-	-	-	-	2,254.0	-	-	-	2,254.0	-
	International Hospital Limited	-	-	-	-	-	-	-	112.4	-	-	-	112.4
Financial Advisory Fees Total		-	-	201.5	-	-	-	6,410.1	112.4	-	-	6,611.6	112.4
Interest Income		-	-	-	-	-	-	-	-	-	-	-	-
Interest Income Total		-	-	-	-	-	0.0	-	-	-	-	-	0.0
Income from Client referral & Fund Management Fees		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Asset Management Company Limited	-	-	-	-	-	-	2.2	-	-	-	2.2	-
	Aegon Religare Life Insurance Limited	-	-	-	-	-	-	426.2	-	-	-	426.2	-
Income from Client referral Services		-	-	-	-	-	-	428.3	-	-	-	428.3	-
IT Service Expenses		-	-	-	-	-	-	-	-	-	-	-	-

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Managent Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	Religare Technova Business Intellect Limited	-	-	-	-	-	-	190.4	-	-	-	190.4	-
IT Services Expenses Total		-	-	-	-	-	-	375.2	-	-	-	375.2	-
Communication Expenses		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	1.6	-	-	-	1.6	-
Communication Expenses Total		-	-	-	-	-	-	1.6	-	-	-	1.6	-
Lease rentals		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Technova Business Intellect Limited	-	-	-	-	-	-	1.2	-	-	-	1.2	-
	Religare Technova Limited	-	-	-	-	-	-	4.9	-	-	-	4.9	-
	Radhika N Godhwani	-	-	-	-	-	-	4.6	-	-	-	4.6	-
Lease rentals Total		-	-	-	-	-	-	10.7	-	-	-	10.7	-
Security Deposit Received		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	-	-	38.4	-	38.4
Security Deposit Received Total		-	-	-	-	-	-	-	-	-	38.4	-	38.4
Rental Income		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	-	-	32.5	-	32.5
	Religare Technova Business Intellect	-	-	-	-	-	-	-	109.6	-	-	-	109.6

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Managent Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	Limited												
Rental Income Total		-	-	-	-	-	-	-	109.6	-	32.5	-	142.1
Support Services Fees	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	-	43.8	-	43.8	-
Support Services Fees Total		-	-	-	-	-	-	-	-	43.8	-	43.8	-
Purchase of Cars		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Technova IT Services Ltd	-	-	-	-	-	-	0.5	-	-	-	0.5	-
Purchase of Fixed Assets Total		-	-	-	-	-	-	0.5	-	-	-	0.5	-
ALLOCATION OF EXPENSES BY OTHER COMPANIES		-	-	-	-	-	-	-	-	-	-	-	-
Advance for Computer Software	Religare Technova Global Solutions Limited	-	-	-	-	-	-	1.7	11.0	-	-	1.7	11.0
Advance for Computer Software Total		-	-	-	-	-	-	1.7	11.0	-	-	1.7	11.0
Rent Expenses		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	6.4	-	-	-	6.4	-
Rent Expenses Total		-	-	-	-	-	-	6.4	-	-	-	6.4	-
Electricity expenses		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Travel (India) Limited	-	-	-	-	-	-	159.2	-	-	-	159.2	-
	Religare Travels Limited	-	-	-	-	-	-	186.2	-	-	-	186.2	-

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Electricity expenses Total		-	-	-	-	-	-	345.4	-	-	-	345.4	-
Director's Sitting Fees		-	-	-	-	-	-	-	-	-	-	-	-
	Malvinder Mohan Singh	-	-	1.0	-	-	-	-	-	-	-	1.0	-
	Shivinder Mohan Singh	-	-	1.0	-	-	-	-	-	-	-	1.0	-
Director's Sitting Fees Total		-	-	2.0	-	-	-	-	-	-	-	2.0	-
Repair & Maintainance expenses		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Technova IT Services Limited	-	-	-	-	-	-	1.2	-	-	-	1.2	-
Repair & Maintainance expenses Total		-	-	-	-	-	-	1.2	-	-	-	1.2	-
Legal and professional Charges		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Technova Business Intellect Ltd	-	-	-	-	-	-	1.0	-	-	-	1.0	-
Legal and professional Charges Total		-	-	-	-	-	-	1.0	-	-	-	1.0	-
ESOPs Granted(In Numbers)	Mr. Sunil Godhwani	-	-	-	-	-	1.2	-	-	-	-	-	1.2
	Mr. Shachindra Nath	-	-	-	-	-	0.8	-	-	-	-	-	0.8
	Mr. Anil Saxena	-	-	-	-	-	0.8	-	-	-	-	-	0.8
	Mr. Sunil Garg	-	-	-	-	-	0.7	-	-	-	-	-	0.7
ESOPs Granted(In		-	-	-	-	-	3.5	-	-	-	-	-	3.5

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Managent Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Numbers) Total													
ESOPs Exercised(In Numbers)	Mr. Sunil Garg	-	-	-	-	0.2	-	-	-	-	-	0.2	-
	Mr. Anil Saxena	-	-	-	-	-	0.3	-	-	-	-	-	0.3
ESOPs Exercised(In Numbers) Total		-	-	-	-	0.2	0.3	-	-	-	-	0.2	0.3
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	-	1.2	-	1.2	-
Fringe Benefit Tax Reimbursement Total		-	-	-	-	-	-	-	-	1.2	-	1.2	-
Lease Rental Expenses		-	-	-	-	-	-	-	-	-	-	-	-
	Radhika N Godhwani	-	-	-	-	18.2	-	-	-	-	-	18.2	-
	Rochiram P Godhwani	-	-	-	-	16.8	-	-	-	-	-	16.8	-
	Naraindas P Godhwani	-	-	-	-	18.2	-	-	-	-	-	18.2	-
	Hari R Godhwani	-	-	-	-	16.8	-	-	-	-	-	16.8	-
Lease Rental Expenses Total		-	-	-	-	70.0	-	-	-	-	-	70.0	-
Travelling Expenses		-	-	-	-	-	-	-	-	-	-	-	-
	Travel Expenses	-	-	-	-	-	-	87.3	-	-	-	87.3	-
Travelling Expenses Total		-	-	-	-	-	-	87.3	-	-	-	87.3	-
Legal & Professional Expenses		-	-	-	-	-	-	-	-	-	-	-	-

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Managent Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	0.7	-	-	0.3	0.7	0.3
	Religare Technova Global Solutions Limited	-	-	-	-	-	-	-	6.3	-	-	-	6.3
Legal & Professional Expenses Total		-	-	-	-	-	-	0.7	6.3	-	0.3	0.7	6.6
Printing and stationery		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	-	-	0.1	-	0.1
Printing and stationery Total		-	-	-	-	-	-	-	-	-	0.1	-	0.1
Management Consultancy Charges		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Wealth Management Services Limited	-	-	-	-	-	-	-	-	-	4.8	-	4.8
Management Consultancy Charges Total		-	-	-	-	-	-	-	-	-	4.8	-	4.8
Advertising and Business Promotion		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	-	-	0.4	-	0.4
Advertising and Business Promotion Total		-	-	-	-	-	-	-	-	-	0.4	-	0.4
ESOP Expenses		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Macquarie	-	-	-	-	-	-	-	-	1.1	0.5	1.1	-

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Managent Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	Wealth Management Limited												0.5
ESOP Expenses Total		-	-	-	-	-	-	-	-	1.1	0.5	1.1	0.5
Advance received for Fixed Assets		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Technova Limited	-	-	-	-	-	-	-	4.1	-	-	-	4.1
	Religare Technova Global Solutions Limited	-	-	-	-	-	-	-	4.1	-	-	-	4.1
Advance received for Fixed Assets Total		-	-	-	-	-	-	-	8.2	-	-	-	8.2
Advance for Oracle Software	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	-	-	3.3	-	3.3
Advance received for Fixed Assets Total		-	-	-	-	-	-	-	-	-	3.3	-	3.3
Expense Reimbursement to other Companies		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Technova Limited	-	-	-	-	-	-	-	21.0	-	-	-	21.0
	Religare Technova IT Services Limited	-	-	-	-	-	-	3.6	-	-	-	3.6	-
	RHC Holding (P) Limited (formerly know as Ranbaxy Holding company, Solaris finance (P) limited	-	-	-	-	-	-	-	16.0	-	-	-	16.0
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	-	-	20.7	-	20.7
Expense		-	-	-	-	-	-	3.6	37.0	-	20.7	3.6	

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Reimbursement to other Companies Total													57.7
Expense Reimbursement by other Companies		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Technova Limited	-	-	-	-	-	-	-	0.8	-	-	-	0.8
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	7.2	-	86.8	13.4	94.0	13.4
Expense Reimbursement by other Companies Total		-	-	-	-	-	-	7.2	0.8	86.8	13.4	94.1	14.2
Remuneration to Key Management Personnel	Sunil Godhwani	-	-	-	-	41.1	190.8	-	-	-	-	41.1	190.8
	Mr. J.S.Grewal	-	-	-	-	25.1	15.4	-	-	-	-	25.1	15.4
	Mr. Shachindra Nath	-	-	-	-	76.3	66.3	-	-	-	-	76.3	66.3
	Mr. Anil Saxena	-	-	-	-	125.4	61.4	-	-	-	-	125.4	61.4
	Mr. Sunil Garg	-	-	-	-	37.5	37.4	-	-	-	-	37.5	37.4
	Mr. Mukesh Manglik	-	-	-	-	34.5	30.2	-	-	-	-	34.5	30.2
	Mr. Chandan Kumar Sinha	-	-	-	-	54.0	65.5	-	-	-	-	54.0	65.5
	Atul Gupta	-	-	-	-	-	46.6	-	-	-	-	-	46.6
Remuneration to Key Management Personnel Total		-	-	-	-	393.9	513.6	-	-	-	-	393.9	513.6
Other Expenses		-	-	-	-	-	-	-	-	-	-	-	-

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
(Lease Rentals Paid)													-
	RHC Holding (P) Limited (formerly know as Ranbaxy Holding company, Solaris finance (P) limited	-	-	-	-	-	-	-	25.0	-	-	-	25.0
	Ranbaxy Laboratories Limited	-	-	-	-	-	-	-	0.8	-	-	-	0.8
	Religare Technova Limited	-	-	-	-	-	-	-	3.0	-	-	-	3.0
	Modland Wears Pvt Ltd	-	-	-	-	-	-	-	16.6	-	-	-	16.6
	Radhika N Godhwani	-	-	-	-	10.4	18.0	-	-	-	-	10.4	18.0
	Rochiram P Godhwani	-	-	-	-	10.4	17.7	-	-	-	-	10.4	17.7
	Naraindas P Godhwani	-	-	-	-	-	18.0	-	-	-	-	-	18.0
	Hari R Godhwani	-	-	-	-	-	17.7	-	-	-	-	-	17.7
Other Expenses (Lease Rental Paid) Total		-	-	-	-	20.8	71.4	-	45.4	-	-	20.8	116.8
Receivables Inter Corporate Loan Given		-	-	-	-	-	-	-	-	-	-	-	-
	Oscar Investments Limited	-	-	-	-	-	-	-	3,500.0	-	-	-	3,500.0
Receivables Inter Corporate Loan Given Total		-	-	-	-	-	-	-	3,500.0	-	-	-	3,500.0
Other Expenses	RHC Holding (P) Limited (formerly know as Ranbaxy Holding company,	-	-	-	-	-	-	-	1.0	-	-	-	1.0

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	Solaries finance (P) limited												
Other Expenses Total		-	-	-	-	-	-	-	1.0	-	-	-	1.0
OUTSTANDING BALANCES		-	-	-	-	-	-	-	-	-	-	-	-
Payables		-	-	-	-	-	-	-	-	-	-	-	-
Unsecured Loan		-	-	-	-	-	-	-	-	-	-	-	-
	Fortis Health Care Limited	-	-	-	-	-	-	-	8,675.0	-	-	-	8,675.0
	Modland Wears Pvt Ltd	-	-	-	-	-	-	-	92.7	-	-	-	92.7
	Trendy Exim Pvt Ltd	-	-	-	-	-	-	-	12.3	-	-	-	12.3
Unsecured Loan Total		-	-	-	-	-	-	-	8,780.0	-	-	-	8,780.0
Payables (Interest on unsecured loan)		-	-	-	-	-	-	-	-	-	-	-	-
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company)	-	-	-	-	-	-	23.5	-	-	-	23.5	-
Payables (Interest on unsecured loan)		-	-	-	-	-	-	23.5	-	-	-	23.5	-
Other Payables		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Travels (India) Limited	-	-	-	-	-	-	8.6	-	-	-	8.6	-
	Mr. Shivinder Mohan Singh	-	-	-	-	-	-	0.1	-	-	-	0.1	-
	Religare Technova Limited	-	-	-	-	-	-	0.4	15.8	-	-	0.4	15.8
	Religare Technova IT	-	-	-	-	-	-	3.7	-	-	-	3.7	-

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Managent Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	Services Limited												-
	Religare Travels Limited	-	-	-	-	-	-	0.3	-	-	-	0.3	-
	Fortis Healthcare Holding Limited	-	-	-	-	-	-	86.4	-	-	-	86.4	-
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	-	28.4	-	28.4	-
	RHC Holding Company (P) Limited	-	-	-	-	-	-	0.2	-	-	-	0.2	-
	Fortis Health Care Limited	-	-	-	-	-	-	-	414.4	-	-	-	414.4
	RHC Holding (P) Limited (formerly know as Ranbaxy Holding company, Solaris finance (P) limited	-	-	-	-	-	-	-	39.1	-	-	-	39.1
Other Payables Total		-	-	-	-	-	-	99.6	469.3	28.4	-	128.0	469.3
Other current account transaction		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Technova Limited	-	-	-	-	-	-	-	32.9	-	-	-	32.9
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	73.8	-	-	42.2	73.8	42.2
Other current account transaction		-	-	-	-	-	-	73.8	32.9	-	42.2	73.8	75.1
Commission Payable	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	56.6	-	-	48.1	56.6	48.1
Commission Payable Total		-	-	-	-	-	-	56.6	-	-	48.1	56.6	48.1
Payable Total		-	-	-	-	-	-	253.5	9,282.2	28.4	90.3	281.9	

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
													9,372.4
Receivables		-	-	-	-	-	-	-	-	-	-	-	-
Other Receivables		-	-	-	-	-	-	-	-	-	-	-	-
	RHC Holding (P) Limited (formerly know as Ranbaxy Holding company, Solaris finance (P) limited	-	-	-	-	-	-	-	27.7	-	-	-	27.7
	R.C. Nursery Private Limited	-	-	-	-	-	-	320.7	-	-	-	320.7	-
	Luxury Farms (P) Limited	-	-	-	-	-	-	1,058.0	-	-	-	1,058.0	-
	Religare Wellness Limited	-	-	-	-	-	-	12.6	-	-	-	12.6	-
	Religare Technova IT Services Ltd	-	-	-	-	-	-	0.9	-	-	-	0.9	-
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	11.1	-	53.4	-	64.5	-
	Religare Technova Business Intellect Limited	-	-	-	-	-	-	-	84.8	-	-	-	84.8
	Religare Technova Limited	-	-	-	-	-	-	21.9	0.1	-	-	21.9	0.1
Other Receivables Total		-	-	-	-	-	-	1,425.3	112.8	53.4	-	1,478.7	112.8
Unsecured Loan		-	-	-	-	-	-	-	-	-	-	-	-
	Luxury Farms (P) Limited	-	-	-	-	-	-	23.0	-	-	-	23.0	-
	R.C. Nursery Private Limited	-	-	-	-	-	-	5.7	-	-	-	5.7	-
	RHC Holding (P) LTD (formerly known as	-	-	-	-	-	-	13,500.0	-	-	-	13,500.0	-

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	Ranbaxy Holding Company)												
	Vistaar Films Ltd.	-	-	-	-	-	-	27.0	-	-	-	27.0	-
	Vistaar Religare Media Ltd.	-	-	-	-	-	-	663.0	-	-	-	663.0	-
	Religare Travels Limited	-	-	-	-	-	-	127.0	-	-	-	127.0	-
	Religare Voyages Limited	-	-	-	-	-	-	2,802.2	-	-	-	2,802.2	-
	Religare Aregon Asset Management Company (P) Limited	-	-	-	-	-	-	-	-	-	306.9	-	306.9
	Religare Technova IT services Limited	-	-	-	-	-	-	2,024.0	-	-	-	2,024.0	-
	Religare Technova Business Intellect Limited	-	-	-	-	-	-	422.0	-	-	-	422.0	-
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	-	-	615.0	-	615.0
	Oscar Investments Limited	-	-	-	-	-	-	-	2,251.6	-	-	-	2,251.6
	Religare Technova Limited	-	-	-	-	-	-	35.5	-	-	-	35.5	-
	Regius Aviation Limited	-	-	-	-	-	-	608.0	-	-	-	608.0	-
	Religare Technova Limited	-	-	-	-	-	-	-	655.2	-	-	-	655.2
Unsecured Loan		-	-	-	-	-	-	20,237.4	2,906.8	-	921.9	20,237.4	3,828.7
Receivables (Interest on unsecured loan)		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Technova Limited	-	-	-	-	-	-	3.4	-	-	-	3.4	-
	Vistaar Films Ltd.	-	-	-	-	-	-	0.6	-	-	-	0.6	-

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
													-
	Vistaar Religare Media Ltd.	-	-	-	-	-	-	20.7	-	-	-	20.7	-
	Vistaar Religare Media Fund Trust	-	-	-	-	-	-	13.0	-	-	-	13.0	-
	Religare Technova IT services Limited	-	-	-	-	-	-	37.8	-	-	-	37.8	-
	Religare Technova Business Intellect Limited	-	-	-	-	-	-	6.6	-	-	-	6.6	-
	Religare Travels Limited	-	-	-	-	-	-	2.9	-	-	-	2.9	-
	Religare Wellness Limited	-	-	-	-	-	-	63.4	-	-	-	63.4	-
	Religare Voyages Limited	-	-	-	-	-	-	68.0	-	-	-	68.0	-
	Regius Aviation Limited	-	-	-	-	-	-	63.8	-	-	-	63.8	-
Receivables (Interest on unsecured loan)		-	-	-	-	-	-	280.2	-	-	-	280.2	-
Current Account Transaction		-	-	-	-	-	-	-	-	-	-	-	-
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	-	-	-	6.6	-	6.6
Current Account Transaction		-	-	-	-	-	-	-	-	-	6.6	-	6.6
Security Deposit		-	-	-	-	-	-	-	-	-	-	-	-
	Radhika N Godhwani	-	-	-	-	14.4	14.4	-	-	-	-	14.4	14.4
	Rochiram P Godhwani	-	-	-	-	14.4	14.4	-	-	-	-	14.4	14.4
	Naraindas P Godhwani	-	-	-	-	14.4	14.4	-	-	-	-	14.4	14.4
	Hari R Godhwani	-	-	-	-	14.4	14.4	-	-	-	-	14.4	-

Nature of Transactions	Name of the Related Party	Associates		Individual Owning Directly or Indirectly Interest and Voting Power that Gives Them Control		Key Management Personnel/ Relatives of Key Managent Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Joint Ventures		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
													14.4
Security Deposits Total		-	-	-	-	57.6	57.6	-	-	-	-	57.6	57.6
Receivables Total		-	-	-	-	57.6	57.6	21,942.9	3,019.6	53.4	928.5	22,053.9	4,005.7

24. Figures for the previous year have been regrouped, rearranged and reclassified wherever necessary to conform to the current year's classification.

**Signature to Schedule A to S forming part of the
Consolidated Financial Statements**

For and on behalf of the Board of Directors

PARTHA GHOSH
Partner

SHIVINDER MOHAN SINGH
Director

SUNIL GODHWANI
CEO & Managing Director

Membership No. F55913
For and on behalf of
Price Waterhouse
Chartered Accountants

RAVI BATRA
Sr. Vice President & Company Secretary

Place: Mumbai
Date: June 24, 2009

Place: New Delhi
Date: June 23, 2009

Auditors' Report

Auditors' Report to the Members of Religare Enterprises Limited

1. We have audited the attached Balance Sheet of Religare Enterprises Limited (the "Company") as at March 31, 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse

Firm Reg. No. 301112E Chartered Accountants

Sd/-

PARTHA GHOSH

Partner

Membership No. F 55913

Place : Mumbai

Date : July 6, 2010

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Religare Enterprises Limited on the financial statements for the year ended March 31, 2010

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. (a) The Company does not hold any inventories and therefore Clause 4 (ii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses (iii) (b) to (iii) (d) of paragraph 4 of the Order are not applicable to the Company for the current year.
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
6. The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is *generally* regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
10. The Company has no accumulated losses as at March 31, 2010 and it has not incurred any cash losses in the financial year ended on that date but it has incurred cash losses of Rs. 96,721,113 in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
16. The Company has not obtained any term loans.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are funds raised on a short-term basis amounting to Rs. 1,139,052,787 which have been used for long-term investment.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued debentures during the year. Accordingly, the question of creation of security or charge does not arise.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For Price Waterhouse

Firm Reg. No. 301112E

Chartered Accountants

Sd/-

PARTHA GHOSH

Partner

Membership No. F 55913

Place : Mumbai

Date : July 6, 2010

RELIGARE ENTERPRISES LIMITED

Balance Sheet as at March 31, 2010

	Schedule	As at March 31, 2010	As at March 31, 2009
		Amount (Rs.)	Amount (Rs.)
SOURCES OF FUNDS:			
Shareholders' Funds:			
Share Capital	A	1,528,137,520	1,012,897,600
Share Application Money		1,779,400	18,001,615,180
Reserves and Surplus	B	24,080,718,662	6,207,595,074
		25,610,635,582	25,222,107,854
Loan Funds:			
Unsecured Loans	C	222,155,758	-
		222,155,758	-
Deferred Tax Liability (Net)		22,948,201	234,318
TOTAL		25,855,739,541	25,222,342,172
APPLICATION OF FUNDS:			
Fixed Assets:	D		
Gross Block		256,651,333	37,302,927
Less: Depreciation		45,423,379	3,566,472
Net Block		211,227,954	33,736,455
Capital Work in Progress (including advances)		-	59,573
		211,227,954	33,796,028
Investments	E	26,538,460,415	20,235,465,231
Current Assets, Loans and Advances:			
Sundry Debtors	F	83,072,417	9,208,507
Cash and Bank Balances	G	283,511,135	4,732,006,822
Other Current Assets	H	316,256	109,391,143
Loans and Advances	I	504,749,744	113,444,954
		871,649,552	4,964,051,426
Less: Current Liabilities and Provisions:			
Current Liabilities	J	1,745,414,917	35,450,946
Provisions	K	20,183,463	11,256,525
		1,765,598,380	46,707,471
Net Current Assets		(893,948,828)	4,917,343,955
Debit Balance in Profit & Loss Account		-	35,736,958
TOTAL		25,855,739,541	25,222,342,172
Notes to Financial Statements	R		

Schedules referred to above form an integral part of the balance sheet.

This is the Balance Sheet referred to in our report of even date

For and on behalf of the Board of
Directors

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

PARTHA GHOSH

Partner

Membership Number: F55913

ANIL SAXENA

Director

(DIN-01555425)

SHACHINDRA NATH

Group Chief Executive
Officer

(DIN-00510618)

SUNIL GODHWANI

Chairman & Managing
Director

(DIN- 00174831)

RAVI BATRA

Sr. Vice President & Company Secretary

Place : Mumbai

Date: July 6, 2010

Place : New Delhi

Date: July 6, 2010

RELIGARE ENTERPRISES LIMITED
Profit and Loss Account for the Year Ended March 31, 2010

	Schedule	For the year ended March 31, 2010 Amount (Rs.)	For the year ended March 31, 2009 Amount (Rs.)
INCOME			
Income From Operations	L	365,291,425	116,723,646
Income From Investments	M	650,628,634	8,767,836
Other Income	N	341,035,057	148,956,826
TOTAL		1,356,955,116	274,448,308
EXPENDITURE			
Personnel Expenses	O	327,779,086	107,328,755
Administrative and Other Expenses	P	83,696,943	53,437,286
Interest and Finance Charges	Q	219,629,666	210,403,380
Depreciation	D	42,657,716	3,125,010
TOTAL		673,763,411	374,294,431
PROFIT/(LOSS) BEFORE TAX		683,191,705	(99,846,123)
Provision for Taxation			
-Current Tax			
For the Year		104,930,998	55,317,020
-Wealth Tax		382,665	94,697
-Deferred Tax (Net)		22,713,883	1,675,198
-Fringe Benefit Tax		-	2,664,742
PROFIT/(LOSS) AFTER TAX		555,164,159	(159,597,780)
Balance of Profit/(Loss) brought forward from previous Year		(65,085,792)	94,563,435
AMOUNT AVAILABLE FOR APPROPRIATION		490,078,367	(65,034,345)
APPROPRIATIONS			
Dividend on Preferences Share (Refer note 2(g) of Schedule "R")		48,371,370	
Interim Dividend on Equity Shares (Refer note 2(g) of Schedule "R")		255,627,504	
Final Dividend on Equity Shares			51,447
Transfer to General Reserve		43,545,473	-
Balance of Profit/(Loss) carried to Balance Sheet		142,534,020	(65,085,792)
		490,078,367	(65,034,345)
Earnings Per Share(In Rupees)			
Basic		6.27	(2.27)
Diluted		6.23	(2.27)
(Refer note 2(q) of Schedule "R")			
Notes to Financial Statements	R		

Schedule referred to above forms an integral part of the profit and loss account.

This is the Profit and Loss Account referred to in our report of even date

For and on behalf of the Board of Directors

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

PARTHA GHOSH

Partner

Membership Number: F55913

ANIL SAXENA

Director

(DIN-01555425)

SHACHINDRA NATH

Group Chief Executive
Officer

(DIN-00510618)

SUNIL GODHWANI

Chairman & Managing Director

(DIN- 00174831)

RAVI BATRA

Sr. Vice President & Company Secretary

Place : Mumbai

Date: July 6, 2010

Place : New Delhi

Date: July 6, 2010

RELIGARE ENTERPRISES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	Particulars	For the year ended March 31,2010 Amount (Rs.)	For the year ended March 31,2009 Amount (Rs.)
A.	Cash Flow From Operating Activities:		
	Net Profit / (Loss) Before Tax	683,191,705	(99,846,123)
	Adjustments for:		
	Loss on Sale of Fixed Assets (Net)	1,949,457	12,647
	Depreciation	42,657,716	3,125,010
	Interest Expense	219,629,666	201,687,990
	Interest Income	(334,787,878)	(148,933,509)
	Dividend Income	(650,628,634)	(8,705,855)
	Provision for Bad & Doubtful Debts	305,635	-
	Profit on sale of Investments in Mutual Funds	-	(61,981)
	Provision for Gratuity and Leave Encashment	8,926,938	6,284,557
	Employee Stock Option Outstanding	898,735	2,364,261
	Unrealised foreign exchange (gain) /loss	(6,247,179)	-
	Tax Deducted at Sources	(121,184,527)	(55,418,956)
	Operating Profit/ (Loss) before Working Capital changes	(155,288,366)	(99,491,959)
	Adjustments for changes in Working Capital :		
	- (Increase)/Decrease in Sundry Debtors	(74,169,551)	(8,572,316)
	- (Increase)/Decrease in Other Receivables	(334,071,302)	(50,731,861)
	- Increase/(Decrease) in Trade and Other Payables	1,326,345,325	18,735,862
	Cash Generated / Used In Operations	762,816,106	(140,060,274)
	- Taxes Paid Net of TDS	(41,362,624)	(977,583)
	Net Cash Generated from/ (Used in) Operating Activities	721,453,482	(141,037,857)
B.	Cash Flow From Investing Activities:		
	Purchase of Fixed Assets	(126,747,267)	(31,892,113)
	Capital Work in Progress	59,574	686,594
	Proceeds from Sale of fixed assets	4,736,917	150,001
	Proceeds from Sale of Investments / Redemption of Other Investments	-	20,000,000
	Purchase of Shares in Subsidiary Companies(Including Share Application Money)	(4,989,995,184)	(13,485,138,019)
	Purchase of Shares in Joint Ventures	(1,313,000,000)	(1,317,499,408)
	Dividend Received	650,628,634	138,314,707
	Interest Received	443,862,768	39,752,245
	Net Cash Used in Investing Activities	(5,330,454,558)	(14,635,625,993)
C.	Cash Flow From Financing Activities:		
	Proceeds from fresh issue of Equity Share Capital (including Securities Premium)	199,834,915	28,826,140
	Proceeds from fresh issue of Preference Share Capital (including Securities Premium)	-	2,500,000,000
	Expenses relating to Rights Issue	(29,413,647)	-
	Share Application Money Received	1,779,400	18,001,615,180
	Proceeds from Short Term Borrowings	189,934,892	(744,500,000)
	Interest Paid	(187,408,801)	(211,174,907)
	Dividend Paid	(14,221,370)	(83,779,260)
	Net Cash Generated From Financing Activities	160,505,389	19,490,987,153
	Net Increase/(Decrease) in Cash & Cash Equivalents	(4,448,495,687)	4,714,323,303
	Cash and Cash Equivalents at the Beginning of the Year	4,732,006,822	17,683,519
	Cash and Cash Equivalents at the end of the Year	283,511,135	4,732,006,822
	Cash and Cash Equivalents at the end of the Year		
	Cash, Cheques & Drafts (in hand)	525,282	155,537
	Balance with Scheduled Banks in Current Accounts	257,585,853	3,451,285

	Particulars	For the year ended March 31,2010 Amount (Rs.)	For the year ended March 31,2009 Amount (Rs.)
	Balance with Scheduled Banks in Fixed Deposits	25,400,000	4,728,400,000
		283,511,135	4,732,006,822

Notes:

- (1) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standards - 3 on Cash Flow Statement.
- (2) Fixed Deposit includes Rs 99 Lacs (Year Ended March 31, 2009 Rs 43,798 Lacs) which is under lien with Stock Exchange (Refer note 2 (c) of Schedule R).
- (3) Figures in the bracket indicate cash outgo / income.
- (4) Previous year's figures have been regrouped and rearranged wherever necessary to conform to the current year's classification.

This is the Cash Flow Statement referred to in our report of even date For and on behalf of the Board of Directors

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

PARTHA GHOSH
Partner

ANIL SAXENA
Director

SHACHINDRA NATH
Group Chief Executive
Officer
(DIN-00510618)

SUNIL GODHWANI
Chairman & Managing Director
(DIN- 00174831)

Membership Number: F55913

(DIN-01555425)

RAVI BATRA
Sr. Vice President & Company Secretary

Place : Mumbai
Date: July 6, 2010

Place : New Delhi
Date: July 6, 2010

RELIGARE ENTERPRISES LIMITED
Schedules forming part of Balance Sheet as at March 31, 2010

	As at March 31,2010	As at March 31,2009
	Amount (Rs.)	Amount (Rs.)
SCHEDULE 'A':SHARE CAPITAL		
Authorised		
200,000,000 Equity Shares of Rs. 10 each	2,000,000,000	2,000,000,000
(Previous Year 200,000,000Equity Shares of Rs. 10 each)		
50,000,000 Redeemable Preference Share of Rs. 10 each	500,000,000	500,000,000
(Previous Year 50,000,000 Redeemable Preference Share of Rs. 10 each)		
TOTAL	2,500,000,000	2,500,000,000
Issued and Subscribed		
127,813,752 Equity Shares of Rs. 10 each Fully Paid up	1,278,137,520	762,897,600
(Previous Year 76,289,760 Equity Shares of Rs. 10 each Fully Paid Up)(Refer note 2(e) of Schedule "R")		
13.66% 25,000,000 Cumulative Redeemable Preference Shares of Rs. 10 each Fully Paid up)	250,000,000	250,000,000
(Previous Year 25,000,000 13.66% Cumulative Redeemable Preference Shares of Rs. 10 each fully paid up)(Refer note 2(d) of Schedule "R")		
TOTAL	1,528,137,520	1,012,897,600
SCHEDULE 'B':RESERVES AND SURPLUS		
a: Capital Redemption Reserve	750,000	750,000
b: Securities Premium Account		
As per last Balance Sheet:	6,203,230,379	3,926,463,249
Add:Received during the year on Equity Shares	17,688,951,485	26,767,130
Add:Received during the year on Preference Shares		2,250,000,000
Less:Expenses relating to Rights Issue(Refer note 2(f) of Schedule "R")	29,413,647	-
	23,862,768,217	6,203,230,379
c: General Reserve		
As per last Balance Sheet	29,348,834	29,348,834
Add:Transfer from Profit and Loss Account	43,545,473	
	72,894,307	29,348,834
Less: Debit Balance in Profit and Loss Account (per-contra)		29,348,834
	72,894,307	-
d:Employee Stock Option Outstanding		
As per last Balance Sheet (Gross Amount)	5,568,750	5,568,750
Less: Employee Stock Option exercised as on balance sheet date	2,741,310	
Additions / (Cancellation) during the year	(749,790)	(576,090)
Less: Deferred Employee Stock Compensation	305,532	1,377,965
Net: Employee Stock Options Outstanding	1,772,118	3,614,695
e: Surplus as per Profit and Loss Account	142,534,020	-
TOTAL	24,080,718,662	6,207,595,074
SCHEDULE 'C':UNSECURED LOANS(Short Term)		
Intercompany Loans	189,934,893	-

	As at March 31,2010	As at March 31,2009
	Amount (Rs.)	Amount (Rs.)
Interest accrued and due on Unsecured Loans	32,220,865	-
TOTAL	222,155,758	-

RELIGARE ENTERPRISES LIMITED
Schedule forming part of the Balance Sheet as at March 31, 2010

SCHEDULE-D :- FIXED ASSETS

(Amount in Rs.)

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2009	Additions for the Year	Deletions/ Adjustments for the Year	As at March 31, 2010	As at April 1, 2009	Additions for the Year	Deletions/ Adjustments for the Year	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
INTANGIBLE ASSETS										
SOFTWARE-OTHERS	20,389,297	176,241,061	-	196,630,358	1,774,466	38,125,621	-	39,900,087	156,730,271	18,614,832
SUB-TOTAL	20,389,297	176,241,061	-	196,630,358	1,774,466	38,125,621	-	39,900,087	156,730,271	18,614,832
TANGIBLE ASSETS										
OFFICE EQUIPMENTS	931,813	2,359,121	-	3,290,934	192,610	678,064	-	870,674	2,420,260	770,763
FURNITURE AND FIXTURES	16,875	-	-	16,875	16,875	-	-	16,875	-	-
COMPUTER SYSTEMS AND PERIPHERALS	2,883,514	5,677,536	-	8,561,050	514,114	825,956	-	1,340,070	7,220,980	2,337,839
VEHICLES	13,081,428	41,846,871	7,487,183	47,441,116	1,068,407	2,904,609	800,809	3,172,207	44,268,909	12,013,021
LEASEHOLD IMPROVEMENT	-	711,000	-	711,000	-	123,466	-	123,466	587,534	-
SUB-TOTAL	16,913,630	50,594,528	7,487,183	60,020,975	1,792,006	4,532,095	800,809	5,523,292	54,497,683	15,121,623
TOTAL	37,302,927	226,835,589	7,487,183	256,651,333	3,566,472	42,657,716	800,809	45,423,379	211,227,954	33,736,455
PREVIOUS YEAR	5,595,052	31,892,114	184,238	37,302,927	463,052	3,125,010	21,590	3,566,472	33,736,455	5,132,000
Capital Works In Progress (including advances)									-	59,573

RELIGARE ENTERPRISES LIMITED

Schedules forming part of the Balance Sheet as at March 31, 2010

	Face Value	As at March 31,2010		As at March 31,2009	
		No.	Rs.	No.	Rs.
SCHEDULE 'E' : INVESTMENTS (At Cost)					
Long Term -Other than Trade					
Investment in Subsidiaries (Unquoted)					
<u>Equity Shares (Fully Paid Up)</u>					
Religare Securities Limited	10	39,492,800	3,283,996,000	38,192,800	3,023,996,000
Religare Finvest Limited	10	170,322,137	13,203,356,850	119,907,137	3,120,356,850
Religare Commodities Limited	10	2,000,000	37,500,000	2,000,000	37,500,000
Religare Insurance Broking Limited	10	48,000,000	915,000,000	19,000,000	190,000,000
Religare Venture Capital Limited	10	30,050,000	300,500,000	50,000	500,000
Religare Realty Limited	10	30,850,000	417,000,000	30,850,000	417,000,000
Religare Finance Limited	10	2,050,000	20,500,000	2,050,000	20,500,000
Religare Capital Markets Limited	10	81,550,000	3,855,500,000	35,550,000	1,555,500,000
Religare Health Insurance Company Limited (formerly known as Religare Insurance Holding Company Limited)	10	25,150,000	251,500,000	25,150,000	251,500,000
Religare Arts Initiative Limited	10	13,000,000	130,000,000	5,000,000	50,000,000
Religare United Soccer Limited	10	50,000	500,000	50,000	500,000
Maharishi Housing Development Finance Corporation Limited	10	34,998,250	965,840,160		
Vistaar Religare Capital Advisors Limited	10	153,105	31,845,642	96,152	19,999,418
<u>Share Application Money</u>					
Religare Finvest Limited			-		9,433,000,000
Religare Arts Initiative Limited			-		80,000,000
Religare Insurance Broking Limited			-		225,000,000
Vistaar Religare Capital Advisors Limited			2,308,800		-
		477,666,292	23,415,347,452	277,896,089	18,425,352,268
Investments in Joint Ventures (Unquoted)					
<u>Equity Shares (Fully Paid Up)</u>					
Religare Macquarie Wealth Management Limited	10	35,000,000	350,000,000	25,000,000	250,000,000
Aegon Religare Life Insurance Company Limited	10	250,800,000	2,508,000,000	132,000,000	1,320,000,000
<u>Preference Shares</u>					
Religare Macquarie Wealth Management Limited	10	2,500,000	25,000,000		
		288,300,000	2,883,000,000	157,000,000	1,570,000,000
Investments Other than in Subsidiaries and Joint Ventures (Fully Paid up)					
Karnataka Bank Limited (Quoted)	10	1,741,171	240,112,963	1,741,171	240,112,963
		1,741,171	240,112,963	1,741,171	240,112,963
TOTAL			26,538,460,415		20,235,465,231
Aggregate Value of Quoted Investments in shares					
At Book Value			240,112,963		240,112,963
At Market Value			208,940,520		112,827,881
Aggregate Value of Unquoted Investments			26,298,347,452		10,257,352,268

	Face Value	As at March 31,2010		As at March 31,2009	
		No.	Rs.	No.	Rs.
Share Application Money	-	-	-	-	9,738,000,000
* Joint Venture up to April 16, 2009					

	As at March 31,2010	As at March 31,2009
	Amount (Rs.)	Amount (Rs.)
SCHEDULE 'F':SUNDRY DEBTORS		
(Unsecured-Considered Good, Unless otherwise stated)		
Debts outstanding for a period exceeding Six Months		
Good	-	410,170
Doubtful	305,635	-
	305,635	410,170
Other Debts		
Good	83,072,417	8,798,337
	83,072,417	8,798,337
Less :-Provision for Doubtful debts	(305,635)	
TOTAL	83,072,417	9,208,507
(Refer note 2(t)of Schedule 'R')		
SCHEDULE 'G':CASH AND BANK BALANCES		
Cash in Hand	525,282	155,537
Balances with Scheduled Banks in:		
-Current Accounts	257,585,853	3,451,285
-Fixed Deposits(Refer note 2(c)of Schedule 'R')	25,400,000	4,728,400,000
TOTAL	283,511,135	4,732,006,822
SCHEDULE 'H':OTHER CURRENT ASSETS		
Interest Receivable	316,256	109,391,143
TOTAL	316,256	109,391,143
SCHEDULE 'T':LOANS AND ADVANCES		
(Unsecured-Considered Good)		
Advance to Religare Employees' SAR Trust (Refer note 2(k) of Schedule 'R')	2,300,836	4,199,642
Advances to Subsidiaries (Refer note 2(t)of Schedule 'R')	138,775,351	2,042,917
Advances recoverable in cash or in kind or for value to be received:		
-Prepaid Expenses	64,298,065	16,051,091
-Security Deposits	59,916,232	2,154,639
-Others	160,024,541	79,367,884
Advance Tax and Tax Deducted at Source	65,708,722	8,475,235
(Net of Provisions for Taxes of Rs.172,484,625 ; Previous Year Rs. 67,591,117)		
Balance with Service Tax Authorities	13,725,997	1,153,546
TOTAL	504,749,744	113,444,954
SCHEDULE 'J':CURRENT LIABILITIES		
Sundry Creditors(Other than Micro,Small and Medium Enterprises)	103,919,946	11,268,803
Book Overdraft	1,185,983,714	-
Interim Dividend on Preference Shares	34,150,000	-
Interim Dividend on Equity Shares	255,627,504	-
Other Liabilities	165,733,753	24,182,143
TOTAL	1,745,414,917	35,450,946
SCHEDULE 'K':PROVISIONS		
Gratuity	10,429,372	4,827,642
Leave Encashment	9,754,091	6,428,883
TOTAL	20,183,463	11,256,525

RELIGARE ENTERPRISES LIMITED

Schedules forming part of Profit and Loss Account for the Year ended March 31,2010

	For the year ended March 31,2010	For the year ended March 31,2009
	Amount (Rs.)	Amount (Rs.)
SCHEDULE 'L':INCOME FROM OPERATIONS		
Income from Financial Advisory Services	191,278	279,774
Support Service Fees	365,100,147	116,443,872
TOTAL	365,291,425	116,723,646
SCHEDULE 'M':INCOME FROM INVESTMENTS (Other than Trade)		
On Long Term Investments		
-Dividend From Subsidiaries	640,181,608	-
-Dividend From Others	10,447,026	8,705,855
On Short Term Investments		
-Profit on Sale / Redemption of Short Term Investment		61,981
TOTAL	650,628,634	8,767,836
SCHEDULE 'N':OTHER INCOME		
Interest on Fixed Deposits with Bank(TDS Rs.47,938,316;Previous Year Rs.39,542,365)	329,461,056	148,857,943
Interest Income On Debentures	5,122,666	-
Interest on Staff Loans	204,156	75,566
Foreign Exchange Gains (Net)	6,247,179	23,317
TOTAL	341,035,057	148,956,826
SCHEDULE 'O':PERSONNEL EXPENSES		
Salaries, Allowances and Bonus	232,674,425	89,501,565
Contribution to Employees Provident and Other Funds	9,143,872	3,984,889
Gratuity	5,601,730	3,345,939
Leave Encashment	5,465,404	4,036,625
Training and Recruitment Expenses	71,572,777	8,491,916
Staff Welfare Expenses	4,144,079	225,533
	328,602,287	109,586,467
Less: Expenses shared by Subsidiaries/Joint Ventures	823,201	2,257,712
(Refer note 2(s)of Schedule 'R')		
TOTAL	327,779,086	107,328,755
SCHEDULE 'P':ADMINISTRATIVE AND OTHER EXPENSES		
Rent	215,842,172	37,854,753
Advertisement and Business Promotion	73,083,886	8,954,653
Insurance Charges	1,458,404	602,211
Travelling and Conveyance	55,034,250	22,260,459
Telephone Expenses	5,892,181	3,068,902
License Fees	3,117,490	116,057
Printing and Stationery	4,304,065	3,505,853
Repairs and Maintenance		
Leasehold Improvement	2,459,254	3,111,464
Others	360,452	-
Legal and Professional Expenses	77,385,605	22,846,162
Membership and Subscription	6,553,424	3,895,437
Auditors' Remuneration	4,000,275	3,153,590
Filing Fees	221,991	10,264,022

	For the year ended March 31,2010	For the year ended March 31,2009
	Amount (Rs.)	Amount (Rs.)
Loss on sale of fixed assets (Net)	1,949,457	12,647
Provision for Doubtful Debts	305,635	-
Office Expenses	2,139,604	402,668
Miscellaneous Expenses	26,543,164	4,801,547
	480,651,309	124,850,425
Less: Expenses shared by Subsidiaries/Joint Ventures (Refer note 2(s) of Schedule 'R')	396,954,366	71,413,139
TOTAL	83,696,943	53,437,286
SCHEDULE 'Q':INTEREST AND FINANCE CHARGES		
Interest on Inter corporate Deposits/Loans	203,002,938	201,687,990
Bank Charges	16,626,728	8,715,390
TOTAL	219,629,666	210,403,380

RELIGARE ENTERPRISES LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31,
2010 AND PROFIT AND LOSS ACCOUNT FOR YEAR ENDED MARCH 31, 2010

SCHEDULE 'R': NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The Financial Information are prepared under the historical cost convention and on accrual basis of accounting and in accordance with generally accepted accounting principles in India and comply in material aspect with the measurement and recognition principals of Accounting Standards referred in Section 211 (3C) of the Companies Act, 1956 of India ("the Act") read with Companies (Accounting Standards) Rules 2006.

b) USE OF ESTIMATES

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

c) REVENUE RECOGNITION

- (i) Income from Financial Advisory Services is recognized on the basis of stage of completion of assignments in accordance with terms of the relevant agreement.
- (ii) Dividend from investments is accounted for as income when the right to receive dividend is established.
- (iii) Income from Interest on Fixed Deposits is recognized on accrual basis.
- (iv) Income from Support Services Fees for rendering of professional services to group companies is recognized on accrual basis.
- (v) Revenue excludes service tax.

d) FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation. Cost for this purpose includes purchase price, non refundable taxes or levies and other directly attributable costs of bringing the asset to its working condition for its intended use.

e) LEASED ASSETS

- (i) Assets acquired under Leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as Operating Leases. The rentals and all the other expenses of assets under operating lease for the period are treated as revenue expenditure.
- (ii) Assets given on operating leases are included in fixed assets. Lease income is recognized in the Profit and Loss Account on straight line basis over the lease term. Operating costs of leased assets, including depreciation are recognized as an expense in the Profit and Loss Account. Initial direct cost such as legal costs, brokerages etc. are charged to Profit and Loss as incurred.

f) 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. Intangible assets are recorded at cost and carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Computer software which is not an integral part of the related hardware is classified as an intangible asset and is being amortized over the estimated useful life.

g) DEPRECIATION

Depreciation is provided on Straight Line Method, pro-rata to the period of use, at the rates specified in Schedule XIV of the Act or the rates based on useful lives of the assets as estimated by the management, whichever are higher. The annual depreciation rates are as under :

Assets Description	Depreciation Rate (%)
Computers	16.21%
Office Equipment	Between 10% to 20%
Furniture and Fixtures	6.33%
Vehicle	9.50%

Leasehold Improvements are amortised over the period of the lease subject to maximum of 6 years.

Assets costing up to Rs.5,000 are fully depreciated in the year of acquisition.

h) INVESTMENTS

Investments are classified into long term investments and current 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 and fair value.

i) FOREIGN CURRENCY TRANSACTIONS

- (i) Transactions in foreign currencies are recorded at the rate of exchange in force at the time of occurrence of the transactions.
- (ii) Exchange differences arising on settlement of revenue transactions are recognized in the Profit and Loss account.
- (iii) 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.

j) EMPLOYEE BENEFITS

- (i) Provident Fund is a defined contribution scheme and the contributions as required by the Statute are charged to the Profit and Loss Account as incurred.
- (ii) Gratuity Liability is a defined obligation and is wholly unfunded. The Company accounts for liability for future gratuity benefits based on an actuarial valuation as at the end of the year.
- (iii) 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 end of the year.
- (iv) Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Profit and Loss Account as income or expense.
- (v) The undiscounted amount of short - term employee benefits expected to be paid in exchange for services rendered by an employee is recognized during the period when the employee renders the service.
- (vi) Stock Appreciated Rights (SARs) are given as a part of employee retention strategy of the Company. The eligible employees are entitled to receive an incentive based on the price of the shares of the Company. The amount of such incentive proportionate to the vesting period as at the balance sheet date is recognized as an expense based on the fair value of shares as at the balance sheet date or the cost of acquisition of such shares where the same have been acquired by an Employee Trust formed for the purpose.
- (vii) Stock Options granted to eligible persons under the relevant Stock Option Schemes are accounted for at intrinsic value as per the accounting treatment prescribed by the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines 1999 issued by the Securities Exchange Board of India. Accordingly, the excess of average market price, determined as per guidelines of the underlying equity shares (market value) over the exercise price of the options is recognized as deferred stock option

expense and is charged to Profit and Loss Account on a straight line basis over the vesting period of the options. The amortised portion of the cost is shown under reserves and surplus.

k) TAXES ON INCOME

- (i) Current tax is determined based on the amount of tax payable in respect of taxable income for the year.
- (ii) Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax asset, on timing differences, being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- (iii) Provision for taxation for the period is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.

l) 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.

m) IMPAIRMENT OF ASSETS

Assets are reviewed for impairment at each balance sheet date. In case, events and circumstances indicate any impairment, the recoverable amount of these assets is determined. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which an asset is defined as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount and such loss either no longer exists or has decreased.

2. NOTES ON ACCOUNTS

- a. **Capital Commitment:-** Estimated amount of contracts (net of advances) exclusive of taxes remaining to be executed on capital account and not provided for Rs NIL(Previous Year Rs NIL)
- b. **CONTINGENT LIABILITIES**

Claims against the Company not acknowledged as debts

- (i) Claims against the Company not acknowledged as debts Rs. 0.77 lacs. (Previous Year Rs.0.65 lacs).

Other money for which the Company is contingently liable:-

- (ii) In respect of margin requirements to be maintained with the Exchanges by the Subsidiary Companies, the Company has pledged the long term investments of 1,741,171 equity shares (Previous Year 1,741,171 equity shares) of Karnataka Bank Limited of the book value aggregating Rs. 2401.13 lacs (Previous Year Rs. 2401.13 lacs).
- (iii) Corporate Guarantees given to the bankers by the Company on behalf of the Subsidiary Companies in respect of credit facilities availed by the said entities, aggregating Rs.38,000 lacs (Previous Year Rs. 53,000 lacs).
- (iv) The Company has accepted jointly and severally to act as a guarantor to ICICI Bank UK Plc ("Finance Party") under the loan facility to Religare Capital Markets International (UK) Limited, a sub subsidiary of the Company, for discharge of all of borrower's obligation to the extent of Rs. 40,840.47 lacs equivalent to USD 90 million. The draw-down amount of the said facility is Rs. 35,175.13 lacs equivalent to USD 78.16 million.
- (v) The Company has made a commitment to contribute an amount of Rs. 3,000 lacs or Twenty percent (20%) of its share of the fund size, whichever is lower, to the fund (Milestone Fund), being managed by JV Company (Milestone Religare Investment Advisors (P) Limited).
- (vi) The Company has undertaken debenture underwriting obligation aggregating to Rs. 20,000 lac in respect of NCD's issued by one of its Subsidiary. The Company has outstanding debenture underwriting obligation aggregating to Rs. 6,000 lacs in respect of compulsory fully convertible unsecured debentures issued by one of its subsidiary.

- (vii) The Company has given performance guarantees amounting to Rs. 31,162 lacs (previous year Rs. 5,500 lacs) to the bankers of lessor for prompt payment of lease rental by the Company, its subsidiaries and joint venture entity. The Guarantees have been given in respect of certain premises owned by lessor which have been taken on operating leases by the Company/its subsidiaries/joint venture entity.
- (viii) Bank Guarantees given by the bankers on behalf of the Company in lieu of Security Deposit required to National Stock Exchange of India Limited amount of Rs 1514.31 lacs (Previous Year Rs. NIL lacs).
- c. Fixed Deposit with Scheduled banks includes Rs. 99 lacs (Previous Year Rs. 43,798 lacs) which is pledged with National Stock Exchange of India Limited and Bombay Stock Exchange of India Limited to meet base capital requirement of its subsidiaries and Rs. 155 lacs (Previous Year Rs.1,014 lacs) against bank guarantee towards earnest money deposit.
- d. The Company has issued during the previous year 13.66% 25,000,000 Cumulative Redeemable Preference Shares of Rs. 10 each at a premium of Rs. 90 per share aggregating to Rs. 2,500,000,000 to a promoter group entity. These Preference Shares are redeemable at a premium not exceeding Rs.150 per share at the end of 5 years or at an earlier date as per mutually agreed terms. It is intention of the Company that such premium payable will be paid by utilizing the Securities Premium Account as permissible under the provisions of section 78 of the Companies Act, 1956.
- e. Pursuant to the Letter of Offer (LOF) dated January 19, 2010 the Company made rights issue of 51,107,401 shares of Rs 10 each at a premium of Rs. 345 per share aggregating Rs. 181,431.27 lacs. The issue has been fully subscribed and the shares have been allotted on February 24, 2010 to the applicants and shares have been listed on the BSE and NSE.
As at balance sheet date, amount of Rs. 181,431.27 lacs has been fully deployed as per the objects of the issue.

Amount(Rs. Lacs)		
Sr.No	Particulars	Actual Utilization as on March 31,2010
1	Investment in Subsidiaries	
	Equity Shares (Fully Paid Up)	
	Religare Securities Limited	22,600.00
	Religare Realty Limited	2,170.00
	Religare Finvest Limited	96,830.00
	Religare Insurance Broking Limited	2,250.00
	Religare Art Initiative Limited	800.00
	Religare Venture Capital Limited	3,000.00
	Total	127,650.00
2	Investments in Joint Ventures	
	Equity Shares (Fully Paid Up)	
	Aegon Religare Life Insurance Company Limited	4,400.00
	Total	4,400.00
3	Others	
	Repayment of Debts	49,087.13
	Rights issue expenses	294.14
	Total	181,431.27

- f. The Company has adjusted the following expenses incurred towards the Rights Issue aggregating to Rs. 294.14 lacs against Securities Premium Account:

Nature of Expenses	Amount(Rs. Lacs)
Fees to Lead Manager & Registrar of the Issue	64.71
Advertising & Marketing Expenses	20.86
Printing and Stationery	49.48
Others (Monitoring Agency fees, fees to legal counsels, Stamp duty etc.)	159.09
Total	294.14

- g. At the Board meeting held on March 19, 2010, the Board of Directors of the Company had declared an interim dividend of Rs. 2 per equity share aggregating Rs. 2,556.28 lacs out of profits of the Company for the period. The Company also declared dividend on Cumulative Preference Shares at 13.66% for the period from October 31, 2008 to March 31, 2010 aggregating Rs. 483.71 lacs.
- h. Details of Investments in new Subsidiaries during the year:

Sr. No	Name of the Company	Date on which the Company became subsidiary		Amount (Rs.)	
		Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31, 2010	Year Ended March 31,2009
1	Religare United Soccer Limited	-	April 8,2008	-	500,000
2	Vistaar Religare Capital Advisors Limited(VRCAL)	April 17, 2009	-	14,155,024	19,999,418
3	Maharishi Housing Development Finance Corporation Limited	June 15, 2009	-	965,840,160	-

i. Details of Investment in Joint Ventures of the Company during the year:

Sr. No	Name of the Entity	% of Ownership	Amount (Rs.)	
			Year Ended March 31, 2010	Year Ended March 31,2009
1	Religare Macquarie Wealth Management Limited	50	125,000,000	250,000,000
2	Aegon Religare Life Insurance Company Limited	44	1,188,000,000	1320,000,000

Religare Enterprises Limited ('the holding company') had entered into a joint venture agreement with Milestone Fincap Services (P) Limited, through formation of a joint venture company namely "Milestone Religare Investment Advisors (P) Limited" with equal equity participation of 50% by each JV partners in the share capital of JV entity for managing a Rs.600 crore Healthcare and Education Fund to be raised domestically.

j. Employee Stock Option Plans

The Shareholders of the Company vide their resolution dated November 6, 2006 granted approval to 'Religare Enterprises Limited Employee Stock Option Scheme 2006' (the 'Scheme'). The grant date for the Options is November 15, 2006. Under the said Scheme, 2,000,000 options of the Equity Share Capital of the Company have been granted to the employees of the Company and its subsidiaries and joint ventures at an exercise price of Rs. 140 per share. Employees covered by the Scheme are granted option to purchase shares of the Company subject to the requirements of vesting. These options vest uniformly over a period of 3 years, whereby 33% of options vest on each vesting date as per vesting schedule at the end of first and second year and 34% of options vest at the vesting date as per vesting schedule at the end of third year. The same are exercisable within a period of 9 years from the First Vesting date. As the fair value of the shares at the date of grant of options is less than the exercise price no amount has been charged to the Profit and Loss Account. Of the options remaining unallotted /cancelled, the Company has issued further 125,000 options to the employees of the Company and its subsidiaries/joint ventures at an exercise price of Rs. 140 per share on November 17, 2007. These 125,000 options vest uniformly over a period of 3 years, whereby 33% of options vest on each vesting date as per vesting schedule at the end of first and second year and 34% of options vest at the vesting date as per vesting schedule at the end of third year.

i) Total Options granted to the employees, transferred between group entities, cancelled and outstanding on March 31, 2010 are as under:

Company Name	No. of Options outstanding as on April 1, 2009	Additions of Options due to transfer from other Group Entities	Reductions of Options due to transfer to other Group Entities	Cancellation of Options due to resignations	Options Exercised	Number of Options outstanding as on March 31, 2010
Religare Enterprises Limited	346,840	8,500	-	-	2,640	352,700
Religare Securities Limited	693,250		82,423	29,463	242,616	338,748
Religare Finvest	149,162	2,680	36,870	-	29,720	85,252

Company Name	No. of Options outstanding as on April 1, 2009	Additions of Options due to transfer from other Group Entities	Reductions of Options due to transfer to other Group Entities	Cancellation of Options due to resignations	Options Exercised	Number of Options outstanding as on March 31, 2010
Limited						
Religare Commodities Limited	29,360	1,343	-	-	16,703	14,000
Religare Insurance Broking Limited	30,610	4,710	11,180	2,680	-	21,460
Religare Capital Markets Limited	118,094	13,740	544	10,032	56,842	64,416
Religare Macquarie Wealth Management Limited	6,030	-	-	1,700	4,330	-
Religare Arts Initiative Limited	5,000	-	-	-	-	5,000
Religare Asset Management Company Limited	4,760	13,180	-	-	14,880	3,060
Religare Health Insurance Company Limited	-	40,660	8,500	-	-	32,160
Religare Venture Capital Limited	-	544	-	-	-	544
Religare Hichens, Harrison Plc	-	54,160	-	-	48,860	5,300
Total	1,383,106	139,517	139,517	43,875	416,591	922,640

ii) Total Options granted to the employees, transferred between group entities, cancelled and outstanding on March 31, 2009 are as under:

Company Name	No. of Options outstanding as on April 1, 2008	Addition of Options due to transfer from other Group Entities	Reductions of Options due to transfer to other Group Companies	Cancellation of Options due to Resignations	Options Exercised up to March 31, 2009	Number of Options outstanding as on March 31, 2009
Religare Enterprises limited	363,160	-	-	-	16,320	346,840
Religare Securities Limited	967,251	16,000	139,340	2,000	148,661	693,250
Religare Finvest Limited	147,926	32,160	20,760	-	10,164	149,162
Religare Commodities Limited	29,360	-	-	-	-	29,360
Religare Insurance Broking Limited	24,750	16,750	-	-	10,890	30,610
Religare Capital Markets Limited	50,680	90,430	-	6,120	16,896	118,094
Religare Macquarie Wealth Management Limited	18,380	-	-	9,380	2,970	6,030
Religare Arts Initiative Limited	5,000	-	-	-	-	5,000
Religare Asset Management Company Private Limited	-	4760	-	-	-	4,760
Total	1,606,507	160,100	160,100	17,500	205,901	1,383,106

Employee Compensation Cost is accounted for as per intrinsic value method by amortizing the excess of fair market value over the exercise price over the vesting period. As at March 31, 2010 total amount amortized Rs. 4,513,428 (previous year Rs. 3,614,695) (net of cancellation). Accordingly, the Company has charged to Profit & Loss Account towards Employee Compensation cost Rs 75,532/- and Rs. 106,549/- (net of recovery amounting to Rs 823,201 and Rs. 2,257,712 from subsidiaries / joint ventures) for the year ended March 31, 2010 and for the year ended March 31, 2009 respectively.

- k. With an objective to motivate, reward and retain the performing employees, Religare Employee Stock Appreciated Right (SAR) Scheme 2007 was made effective from November 17, 2007.

SAR means non-assignable share equivalent granted to the employees of the Company i.e. Religare Enterprises Limited and employees of subsidiary/joint venture companies which entitles employees to receive increase in market price of share from base price of Rs.140 per share as on the exercise date.

33% of SAR granted has been vested on April 1, 2008, 33% has been vested on April 1 2009 and 34% SAR will be vested on April 1, 2010 respectively.

To administer the above SAR scheme a private Trust has been formed to acquire / purchase the Company's equity shares ("Shares") from the stock exchanges from time to time and on exercise of SAR by employees these shares would be sold by the Trust, the benefit of the appreciation in the price of shares over and above Rs. 140 per equity share would accordingly be passed to the employees in accordance with the scheme.

As at March 31, 2010 total number of SAR outstanding 217,852 (Previous Year 291,797) (net of cancellation) at an aggregate advance given by the company to the trust of Rs. 1102.98 lacs (Previous Year Rs. 1,821.24 lacs).

Out of which SAR allocated and outstanding to the employees of the company as on March 31, 2010 are 4567 (Previous Year 8,001) and Advance given by the company in the regards to Religare Employee SAR Trust is Rs.23.00 lacs (Previous Year Rs. 41.99 lacs).

Employee Compensation Cost for SAR allocated is accounted for amortizing the excess of purchase price per share over the vesting period. Accordingly the company has charged off Rs. 6.68 lacs (Previous Year Rs. 16.23 lacs) in the statement of Profit and Loss Account for the current year.

1. Employees' Benefits – Gratuity and Leave Encashment

The following tables summarize the components of the net employee benefit expenses recognized in the profit and loss account, the fund status and amount recognized in the balance sheet for the gratuity and leave encashment for the year ended March 31, 2010.

Method: Projected Unit Credit Method

S. No.	Particulars	Leave Encashment	Gratuity	Leave Encashment	Gratuity
I		2009-10		2008-09	
	Assumptions as at 31st March, 2010				
	Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
	Discount Rate	8% p.a.	8% p.a.	8% p.a.	8% p.a.
	Rate of Increase in Compensation	6% p.a.	6% p.a.	6% p.a.	6% p.a.
	Rate of return(expected) on plan assets	N.A	N.A	N.A	N.A
	Withdrawal Rates	20% p.a to 2% p.a.	20% p.a to 2% p.a.	25% p.a to 2% p.a.	10% p.a to 2% p.a.
II	Expected Average Remaining Service	24	24	24	24
	Changes in present value of obligations	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
	PBO at beginning of period	49,89,353	48,27,642	34,90,265	14,81,703
	Interest Cost	3,99,148	3,86,211	2,79,221	1,18,536
	Short Term Service Cost	-	-	1,439,530	-

S. No.	Particulars	Leave Encashment	Gratuity	Leave Encashment	Gratuity
	Current Service Cost	24,51,079	33,09,829	13,30,812	15,78,522
	Benefits Paid	7,00,666	NIL	10,98,007	NIL
	Actuarial Gain/(Loss) on Obligation	(26,15,177)	(19,05,690)	(9,87,062)	(16,48,881)
	PBO at end of period	97,54,091	1,04,29,372	6,428,883	48,27,642
III	Changes in Fair Value of Plan Assets	N.A	N.A	N.A	N.A
	Fair Value of Plan Assets at beginning of period				
	Expected Return of Plan Assets				
	Contributions				
	Benefits paid				
	Actuarial Gain / (Loss) on Plan Assets				
	Fair Value of Plan Assets at end of period				
IV	Fair Value of Plan Assets	N.A	N.A	N.A	N.A
	Fair Value of Plan Assets at beginning of period				
	Actual Return of plan assets				
	Contributions				
	Benefit paid				
	Fair Value of Plan Assets at end of period				
	Funded Status				
	Excess of actual over estimated return on Plan Assets				
V	Actuarial Gain/(Loss) Recognized				
	Actuarial Gain/(Loss) for the period (Obligation)	(26,15,177)	(19,05,690)	(9,87,062)	(16,48,881)
	Actuarial Gain/(Loss) for the period (Plan Assets)	N.A	N.A	N.A	N.A
	Total Gain/(Loss) for the period	(26,15,177)	(19,05,690)	(9,87,062)	(16,48,881)
	Actuarial Gain/(loss) Recognized for the period	(26,15,177)	(19,05,690)	(9,87,062)	(16,48,881)
	Unrecognized Actuarial Gain /(Loss) at the end of period	NIL	NIL	NIL	NIL
VI	Amounts to be Recognized in the Balance Sheet				
	PBO at the end of period	97,54,091	1,04,29,372	6,428,883	48,27,642
	Fair Value of Plan Assets at end of period	N.A	N.A	N.A	N.A
	Funded Status	N.A	N.A	N.A	N.A
	Unrecognized Actuarial Gain /(Loss)	NIL	NIL	NIL	NIL
	Net (Asset)/Liability recognized in the Balance Sheet	97,54,091	1,04,29,372	6,428,883	48,27,642
VII	Expense Recognized				
	Current Service Cost	24,51,079	33,09,829	13,30,812	15,78,522
	Interest Cost	3,99,148	3,86,211	2,79,221	1,18,536
	Expected Return on Plan Assets	N.A	N.A	N.A	N.A
	Net Actuarial Gain /(Loss) recognized for the period	(26,15,177)	(19,05,690)	(9,87,062)	(16,48,881)
	Expense recognised in the statement of Profit & Loss A/c	54,65,404	56,01,730	25,97,095	33,45,939
VIII	Movements in the liability Recognized in Balance Sheet				
	Opening Net Liability	49,89,353	48,27,642	34,90,265	14,81,703
	Expenses as above	54,65,404	56,01,730	25,97,095	33,45,939
	Short Term Service Cost	-	-	1,439,530	-
	Contribution paid	(7,00,666)	-	(10,98,007)	-
	Closing Net Liability	97,54,091	1,04,29,372	6,428,883	48,27,642

- m. Managerial Remuneration under section 198 of the Companies Act, 1956 of India (included under Personnel Expenditure in Schedule)

(Amount in Rs.)

Particulars	2009-2010	2008-2009
Salary and Allowance	3,636,900	3,636,900
Perquisites	363,000	471,011
Provision for Gratuity	817,503	710,872
Provision for Leave Encashment	629,910	620,493
Total	5,447,313	5,439,276

As no commission is payable to Directors, the computation of the net profits in accordance with section 309(5) read with section 349 of the Companies Act, 1956 of India has not been given.

- n. Auditors' Remuneration (excluding service tax):

(Amount in Rs.)

Particulars	2009-2010	2008-2009
Audit	3,600,000	2,800,000
Tax Audit	100,000	100,000
Certification	140,000	40,000
Out of Pocket Expenses	160,275	213,590
Total	40,00,275	3,153,590

- o. Expenditure in Foreign Currencies during the year:

(Amount in Rs.)

Particulars	2009-2010	2008-09
(i) Travelling	24,651,179	1,817,865
(ii) Legal & Professional Charges	13,221,788	8,147,289
(iii) Advertising and Business Promotion	8,637,862	-
(iv) LC Charges	20,391,979	8,520,874
Total	66,902,808	18,486,028

- p. Remittance in foreign currency on account of dividends to non-resident shareholders:

Number of		Interim Dividend /Final Dividend	Amount Remitted (Rs.)	
Shareholders	Equity Shares		2009-10	2008-09
1	5021864	Final Dividend	-	5,524,050
		Total	-	5,524,050

- q. Earnings Per Share (EPS) calculation (basic and diluted):

	Particulars	2009-10	2008-09
(i)	Net Profit/(Loss) after tax (Rs.)	555,164,159	(159,597,780)
	Less:- Dividend on Cumulative Preferences Share	34,150,000	14,221,370
	Less:- Provision for Dividend distribution tax on Cumulative Preferences Shares Dividend	-	2,416,922
	Net Profit/(Loss) after tax available for equity shareholders (Rs.)	521,014,159	(176,236,072)
(ii)	Weighted average number of Equity Share		
	For Basic EPS (No.)	83,105,224	77,697,330
	For Diluted EPS (No.)	83,682,537	77,697,330
(iii)	Nominal Value of shares (Rs.)	10	10
(iv)	Earnings per Share (EPS)		
	Basic (Rs.)	6.27	(2.27)
	Diluted (Rs.)	6.23	(2.27)

r. Deferred Taxes:

Components of deferred tax balances as on March 31, 2010 are as under:

(Amount in Rs.)

Particulars	2009-10	2008-2009
A- Deferred Tax Assets:		
Provision for Gratuity	3,544,944	1,640,916
Provision for Leave Encashment	3,315,415	2,185,177
SAR Expenses	-	208,283
Total (A)	6,860,359	4,034,376
B-Deferred Tax Liability:		
Difference Between book and Tax Depreciation	(29,808,561)	(4,268,694)
Total (B)	(29,808,561)	(4,268,694)
Net Deferred Tax Assets/(Liabilities)(A-B)	(22,948,202)	(234,318)

- s. Recovery of Expenses in Schedule 'O' "Personnel Expenses" represents the amount of Rs 823,201 (Previous Year Rs 22,57,712) reimbursed by the Group Entities towards the ESOP compensation cost on the basis of share option exercised by the employees of respective companies and in schedule 'P' "Administrative and other Expenses" represents the amounts of Rs 396,954,366 (previous year Rs 71,413,139) reimbursed by the Group Entities towards the cost of shared common facilities.
- t. Details of dues/Payable from Companies under the same management within the meaning of Section 370(1B) of Companies Act, 1956.

Sr. No.	Particulars	Amount as at March 31, 2010	Amount as at March 31, 2009
1	Debtors		
	Religare Securities Limited	23,923,805	4,285,306
	Religare Finvest Limited	16,862,074	3,513,812
	Religare Commodities Limited	1,698,207	668,373
	Religare Insurance Broking Limited	2,471,389	-
	Religare Capital Markets Limited	3,489,809	330,845
	Religare Realty Limited	62,520	-
	Religare Health Insurance Company Limited	37,640	-
	Religare Advisory Services Limited	22,857	-
	Religare Arts Initiative Limited	17,718	-
	Religare Arts Investment Management Limited	1,672	-
	Religare Venture Capital Limited	86,096	-
2	Loans and Advances		
	Religare Securities Limited	68,439,116	9,759,140
	Religare Finvest Limited	49,045,644	1,337,835
	Religare Commodities Limited	4,418,264	73,733
	Religare Insurance Broking Limited	10,292,911	305,976
	Religare Capital Markets Limited	10,089,081	489,828
	Religare Realty Limited	(4,961,424)	(12,988,295)
	Religare Arts Initiative Limited	-	106,548

- u. The Company has signed a definitive agreement for acquisition of majority equity interest in Northgate's Management Company. The transaction is subject to regulatory approvals and is expected to close in the first half of 2010. Further, the Company has committed up to USD 1 billion for strategic investment in diversified assets management business globally.
- v. Disclosures of Transactions as required by Accounting Standard 19 on 'Leases'.

The Company has taken office premises at various locations and vehicles on operating lease and the lease rent in respect of the same have been charged under "Rent and Vehicle Maintenance and running expenses grouped under Miscellaneous expenses respectively" in Schedule 'P' to the Profit and Loss Account. The Agreements are executed for a period ranging between 1 to 5 years. There are no transactions in the nature

of sub-lease but the office premises are occupied by the subsidiaries of the Company as permitted under the lease agreements entered by the Company with various landlords.

The minimum lease rentals for non-cancellable leases outstanding as at March 31, 2010, are as under:

(Amount in Rs.)		
Minimum Lease Rental	As at 31.03.2010	As at 31.03.2009
Within 1 year	199,938,322	1,831,590
Later than 1 year but not more than 5 years	775,294,634	-
Later than 5 years	-	-

w. **Segment Reporting:**

1. **Business Segment:**

- (i) The business segment has been considered as the primary segment.
- (ii) The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.
- (iii) The Company's primary business comprises of three business segments viz., Investment Operations, Financial Advisory Services and Support Services.
- (iv) Segment revenue, results, assets and liabilities include amounts identifiable to each segments allocated on a reasonable basis.
- (v) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information as stated in (1) above.

Information about the primary segment

(Amount in Rs.)					
Particulars	Investment Operation	Financial Advisory Services	Support Services	Unallocated	Total
(i) Segment Revenue					
External Segment	985,212,356 (8,767,836)	191,278 (279,774)	365,100,147 (116,443,872)	6,451,335 (148,956,826)	1,356,955,116 (274,448,308)
Internal Segment	-	-	-	-	-
Total Revenue	985,212,356 (8,767,836)	191,278 (279,774)	365,100,147 (116,443,872)	6,451,335 (148,956,826)	1,356,955,116 (274,448,308)
(ii) Segment Results Profit / (Loss)	893,589,464 (-28,293,698)	(427,711) (-30,188)	54,884,927 (18,599,708)	(61,852,036) (111,566,044)	886,194,644 (101,841,866)
Less: Unallocated Expenses (net)					(203,002,939) (201,687,989)
Less: Income Taxes (Current, Deferred, Wealth and Fringe Benefit Tax)					(128,027,549) (59,751,657)
Profit / Loss After Tax					555,164,159 (-159,597,780)
(iii) Segment Assets	26,564,521,350 (20,237,320,752)	2,135,689 (2,553,579)	95,384,837 (23,567,900)	- (-)	26,662,041,876 (20,263,442,231)
Unallocated Corporate Assets				959,296,045 (-)	959,296,045 (4,969,870,454)
Total Assets	26,564,521,350 (20,237,320,752)	2,135,689 (2,553,579)	95,384,837 (23,567,900)	959,296,045 (4,969,870,454)	27,621,337,921 (25,233,312,685)

Particulars		Investment Operation	Financial Advisory Services	Support Services	Unallocated	Total
(iv)	Segment Liabilities	1,418,369,236 <i>(1,331,365)</i>	- <i>(-)</i>	9,953,697 <i>(9,925,160)</i>	- <i>(-)</i>	1,428,322,933 <i>(11,256,525)</i>
	Unallocated Corporate Liabilities	- <i>(-)</i>	- <i>(-)</i>	- <i>(-)</i>	582,379,406 <i>(35,685,264)</i>	582,379,406 <i>(35,685,264)</i>
	Total Liabilities	1,418,369,236 <i>(1,331,365)</i>	- <i>(-)</i>	9,953,697 <i>(9,925,160)</i>	582,379,406 <i>(35,685,264)</i>	2,010,702,339 <i>(46,941,789)</i>
(v)	Capital Expenditures				226,835,589	226,835,589
		<i>(-)</i>	<i>(-)</i>	<i>(-)</i>	<i>(31,892,114)</i>	<i>(31,892,114)</i>
(vi)	Depreciation	176,268	313,355	2,669,896	39,498,197	42,657,716
(vii)	Non Cash Expenditures other than Depreciation	(231,012) 2,526,219 <i>(-)</i>	(309,962) - <i>(-)</i>	(1,314,640) 8,286,692 <i>(7013436)</i>	(1,269,396) 254,223 <i>(369,128)</i>	(3,125,010) 11,067,134 <i>(7,382,564)</i>

Note: Figures in respect of previous year are stated in brackets in *Italics*.

2. Geographical Segment:

The Company operates in one Geographic segment namely “Within India” and hence, no separate information for Geographic segment wise disclosure is required.

- x. Consequent upon withdrawal of exemption as Non Banking Finance Company (NBFC) on April 09, 2009, Reserve Bank of India (RBI) has directed the Company to apply for registration as NBFC for continuing NBFI activity of investment in group and subsidiary companies. Pursuant to the application made, the Company obtained from RBI a Certificate of Registration (CoR) as NBFC on June 18, 2010. In the opinion of the management, prior to the registration as NBFC, the Company is outside the purview of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 and, accordingly, has not complied with the aforesaid directions.

y. Related Party Disclosures:

Nature of Relationship

- 1) Subsidiaries

Name of Party

Religare Securities Limited
Religare Finvest Limited
Religare Commodities Limited
Religare Insurance Broking Limited
Religare Venture Capital Limited
Religare Finance Limited
Religare Capital Markets Limited
Religare Realty Limited
Religare Arts Initiative Limited
Religare Health Insurance Company Limited
(Formerly Religare General Insurance Company Limited)
Religare United Soccer Limited (w.e.f. 08/04/2008)
Maharishi Housing Development Finance Corporation Limited (w.e.f. 15/06/2009)
Vistaar Religare Capital Advisors Limited (w.e.f. 17/04/2009)

- 2) Joint Ventures
- Religare Macquarie Wealth Management Limited
(formerly known as Religare Wealth Management Services Ltd) (w.e.f 13/03/2008)
Aegon Religare Life Insurance Co Limited (vide Joint Venture agreement dated 19/06/2007)
- 3) Subsidiaries of Subsidiary
- Religare Capital Markets International (Mauritius) Limited (w.e.f on 09/04/2008)
(formerly known as LM Capital Markets International (Mauritius) Limited)
Religare Capital Markets International (UK) Limited
(became subsidiary of Religare Capital Markets International (Mauritius) Limited) (w.e.f. 09/04/2008)
(formerly known as ENIGMACO Limited)
Religare Capital Markets Plc (formerly known as Religare Hichens, Harrison Plc. (RHH Plc.))(become subsidiary of Religare Capital Markets International (UK) Limited w.e.f. May 23, 2008)
Religare Arts Investment Management Limited
(become subsidiary of Religare Arts Initiative Limited w.e.f. 16/04/2008)
Religare Assets Management Company Limited
(become subsidiary of Religare Securities Limited w.e.f.05/12/2008)
(formerly Lotus India Assets Management Company Private Limited)*
Religare Trustee Company Limited
(w.e.f 05/12/2008)
(Trustee to Lotus India Mutual Fund)*
Religare Advisory Services Ltd.
(become subsidiary of Religare Venture Capital Limited)(w.e.f 01/07/2009)
Hichens Harrison Commodities Limited**(Dissolved w.e.f. February 16, 2010)
ARM Corporate Finance Limited**
(Previously Oakleigh Renown Ltd)
Blomfield Corporate Finance Limited**
Blomfield Capital Limited** (Dissolved w.e.f 26/05/2009)
Blomfield Investment Management Limited**
(Dissolved w.e.f 26/05/2009)
Blomfield Street Securities Limited**
Charterpace Limited**
Religare Capital Markets Pte Ltd. (Formerly known as Religare Hichens,Harrison Pte Ltd.)**
Religare Capital Markets Inc. (Formerly known as Religare Hichens Harrison Inc)**
HDIM Limited**(Dissolved w.e.f 26/05/2009)
Hichens, Harrison (Asia) Ltd**(Dissolved w.e.f 26/05/2009)
Religare Hichens, Harrison (Pty) Limited**
Hichens, Harrison (Middle East) Ltd**
Hichens, Harrison (South America) Ltd**(Dissolved w.e.f 16/06/09)
Hichens, Harrison (Ventures) Ltd**
Hichens, Harrison (Derivatives) LLP**
London Wall Nominees Limited **
African Bio Fuels Ltd**(Dissolved w.e.f 26/05/09)
Asian Bio Fuels Ltd**(Dissolved w.e.f 19/05/2009)

	<p>African Wireless Ltd**(Dissolved w.e.f 26/05/2009)</p> <p>South American Wireless Telecommunications Ltd**(Dissolved w.e.f 26/05/2009)</p> <p>Student Accommodation Company (India) Ltd**(Dissolved w.e.f 26/05/2009)</p> <p>Religare Hichens Harrison Consultoria Internacional Ltda**</p> <p>HH1803.Com Limited**</p> <p>Claridge House Services Limited**</p> <p>Hichens,Harrison(North America) Limited**(Dissolved w.e.f 26/05/2009)</p> <p>Hichens Investment Management Limited**(Dissolved w.e.f 26/05/2009)</p> <p>African Communications Services Proprietary Ltd**</p> <p>Blamire Ltd**</p> <p>Tobler (Mauritius) Limited** (wholly owned subsidiary of RHH Plc w.e.f June 4, 2009)</p> <p>Tobler UK Limited** (wholly owned subsidiary of RHH Plc w.e.f June 4, 2009)</p> <p>Vivaldi Corporate Finance Limited** (Dissolved w.e.f 26/05/2009)</p> <p>Hichens, Harrison (Africa) Limited**(Dissolved w.e.f 26/05/2009)</p> <p>Hichens, Harrison (Far East) Pte. Ltd**</p> <p>Medserve (ME) Limited**(Dissolved February 16, 2010)**</p> <p>Religare Investment Advisory (Mauritius) (Subsidiary of RCM Plc w.e.f. December 16, 2009)</p> <p>Religare Global Asset Management Japan Co. Ltd. (Subsidiary of RCM Plc w.e.f. December 15, 2009)</p> <p>Religare Investment Holdings (UK) Limited (Subsidiary of RCM Plc w.e.f. January 21, 2010)</p>
4) Joint Ventures of Subsidiaries	<p>Milestone Religare Investment Private Limited (w.e.f. 08.04.2009 as Joint Venture of Religare Venture Capital Limited)</p> <p>Milestone Religare Capital Management Limited (w.e.f. February 10, 2010)</p>
5) Individuals owning directly or indirectly Interest in voting power that gives them Control	<p>Mr. Malvinder Mohan Singh</p> <p>Mr. Shivinder Mohan Singh</p>
6) Key Management personnel	<p>Mr. Sunil Godhwani</p> <p>Mr. Shachindra Nath</p> <p>Mr. Anil Saxena</p>
7) Enterprises over which key (5) and (6) are able to exercise significant influence with whom transactions have taken place	<p>RHC Holding (P) Ltd (formerly Ranbaxy Holding Company, Solaris Finance(P) Limited)</p> <p>RC Nursery (P) Limited</p> <p>Shivi Holdings Private Limited</p> <p>Malav Holdings Private Limited.</p> <p>Oscar Investments Limited.</p> <p>Luxury Farms Private Limited</p> <p>Shivinder Mohan Singh (HUF)</p> <p>Malvinder Mohan Singh (HUF)</p> <p>Religare Technova Limited (formerly Fortis Financial Services Limited)</p>

Religare Technova Business Intellect Limited
 (formerly Fortis Business Intellect Limited)
 Religare Technova IT services Limited
 (formerly Fortis Technologies (P) Limited)
 Religare Technova Global Solutions Limited
 (formerly Asian CERC information Technology
 Limited)
 Religare Wellness Limited
 (formerly Fortis Health world Limited)
 Fortis Health Care Limited.
 Fortis Health Care Holdings Limited.
 International Hospital Limited.
 Religare Travel (India) Limited
 Super Religare Laboratories Limited
 Religare Aviation Limited (Formerly known as
 Ran Air Services Limited
 Ranbaxy Laboratories Limited (Discontinued
 w.e.f 24/05/2009)
 Religare Technologies Limited w.e.f 22/05/2009
 (wholly owned subsidiary of Religare Technova
 Limited)

*Investment is made by the company through its subsidiary-Religare Securities Limited.

**Subsidiary of Religare Hichens, Harrisons plc.

RELIGARE ENTERPRISES LIMITED
Related party transactions for the year ended March 31, 2010

Following transactions were carried out with related parties in the ordinary course of business

(Amount Rs. In Lacs)

Nature of Transactions	Name of Related Party	Subsidiary Companies / Sub Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31, 2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009
FINANCE													
Inter Corporate Deposit taken	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company)									60,450.00		60,450.00	-
	Whyteleaf Investments Private Limited									3,000.00		3,000.00	
	R C Nursery Private Limited									635.00		635.00	-
	Luxury Farms Private Limited									1,676.15		1,676.15	-
	Oscar Investments Limited									56,100.00		56,100.00	-
Inter Corporate Deposit taken Total		-	-	-	-	-	-	-	-	121,861.15	-	121,861.15	-
Inter Corporate Deposit repaid	RHC Holding (P) LTD(formerly known as Ranbaxy Holding Company)									60,450.00		60,450.00	-
	Whyteleaf Investments Private Limited									3,000.00		3,000.00	
	R C Nursery Private Limited									125.00		125.00	-
	Luxury Farms Private Limited									375.00		375.00	-
	Oscar Investments Limited									56,100.00		56,100.00	-
Inter Corporate Deposit repaid Total		-	-	-	-	-	-	-	-	120,050.00	-	120,050.00	-
Interest on Inter Corporate Deposit paid / payable	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company)									1,216.81		1,216.81	-
	Whyteleaf Investments									26.96		26.96	

Nature of Transactions	Name of Related Party	Subsidiary Companies / Sub Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31, 2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009
	Private Limited												
	R C Nursery Private Limited									34.63		34.63	-
	Luxury Farms Private Limited									131.41		131.41	-
	Oscar Investments Limited									525.30		525.30	-
Interest on Inter Corporate Deposit paid / payable Total		-	-	-	-	-	-	-	-	1,935.11	-	1,935.11	-
Share Application Money Received	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company)										90,000.00	-	90,000.00
	Malav Holdings Private Limited										45,000.00	-	45,000.00
	Shivi Holdings Private Limited										45,000.00	-	45,000.00
Share Application Money Received		-	-	-	-	-	-	-	-	-	180,000.00	-	180,000.00
Subscription of Right Issue	Mr. Sunil Godhwani							2,366.66				2,366.66	-
	Mrs. Japna Malvinder Singh					0.23						0.23	-
	Mrs. Aditi Shivinder Singh					0.23						0.23	-
	Mr. Tej Bahadur Saxena							0.11				0.11	-
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding Company)									23,052.80		23,052.80	-
	Malav Holdings Private Limited									45,000.00		45,000.00	-
	Shivi Holdings Private Limited									45,000.00		45,000.00	-
Subscription of Right Issue Total		-	-	-	-	0.46	-	2,366.77	-	113,052.80	-	115,420.03	-
Share Application Money Refund													
	RHC Holding (P) LTD									66,947.20		66,947.20	-

Nature of Transactions	Name of Related Party	Subsidiary Companies / Sub Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31, 2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009
	(formerly known as Ranbaxy Holding Company)												
Share Application Money Refund		-	-	-	-	-	-	-	-	66,947.20	-	66,947.20	-
Allotment of Preference Shares *													
	RHC Holding (P) LTD(formerly known as Ranbaxy Holding Company)										25,000.00		25,000.00
Allotment of Preference Shares Total		-	-	-	-	-	-	-	-	-	25,000.00	-	25,000.00
Dividend Received	Religare Securities Limited	2,369.57										2,369.57	-
	Religare Finvest Limited	3,832.25										3,832.25	-
	Religare Commodities Limited	200.00										200.00	-
Dividend Received Total		6,401.82	-	-	-	-	-	-	-	-	-	6,401.82	-
Corporate Guarantee Given													
	Religare Securities Limited	15,000.00	49,500.00									15,000.00	49,500.00
	Religare Finvest Limited	40,000.00										40,000.00	-
	Religare Commodities Limited	3,000.00	3,500.00									3,000.00	3,500.00
	Religare Capital Markets International (UK) Limited	35,175.13	47,121.50									35,175.13	47,121.50
Corporate Guarantee given Total		93,175.13	100,121.50	-	-	-	-	-	-	-	-	93,175.13	100,121.50
Pledge of Securities on behalf of Group Companies (In the form of FDRs)													
	Religare Securities Limited	-	30,000.00									-	30,000.00
	Religare Capital Markets Limited	99.00	13,798.00									99.00	13,798.00
Pledge of Securities on behalf of Group Companies Total		99.00	43,798.00	-	-	-	-	-	-	-	-	99.00	43,798.00

Nature of Transactions	Name of Related Party	Subsidiary Companies / Sub Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31, 2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009
Subscription/Investment to Equity Shares													
	Religare Securities Limited	2,600.00	20,000.00									2,600.00	20,000.00
	Religare Finvest Limited	100,830.00										100,830.00	-
	Religare Insurance Broking Limited	7,250.00										7,250.00	-
	Religare Realty Limited		2,170.00									-	2,170.00
	Religare Capital Markets Limited	23,000.00	15,000.00									23,000.00	15,000.00
	Religare Arts Initiative Limited	800.00	300.00									800.00	300.00
	Religare Venture Capital Limited	3,000.00										3,000.00	-
	Vistaar Religare Capital Advisors Limited	23.07			199.99							23.07	199.99
	Religare United Soccer Limited		5.00									-	5.00
	Aegon Religare Life Insurance Company Limited			11,880.00	13,200.00							11,880.00	13,200.00
	Religare Macquarie Wealth Management Limited(formerly known as Religare Wealth Management Services Limited)			1,250.00	2,300.00							1,250.00	2,300.00
	Maharishi Housing Development Finance Corporation Limited	9,308.40										9,308.40	-
Subscription to Equity Shares Total		146,811.47	37,475.00	13,130.00	15,699.99	-	-	-	-	-	-	159,941.47	53,174.99
Share Application Money Paid													
	Religare Finvest Limited		94,330.00									-	94,330.00
	Religare Arts Initiative Limited		800.00									-	800.00
	Religare Insurance Broking Limited		2,250.00									-	2,250.00

Nature of Transactions	Name of Related Party	Subsidiary Companies / Sub Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31, 2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009
	Religare Health Insurance Company Limited (formerly Religare General Insurance Company Limited)		50.00									-	50.00
	Vistaar Religare Capital Advisors Limited	23.09										23.09	-
Share Application Money Paid Total		23.09	97,430.00	-	-	-	-	-	-	-	-	23.09	97,430.00
Share Application Money Received Back													
	Religare Health Insurance Company Limited (formerly Religare General Insurance Company Limited)		53.00									-	53.00
Share Application Money Received Back Total		-	53.00	-	-	-	-	-	-	-	-	-	53.00
Lease Rental Paid	Religare Finvest Limited	14.41										14.41	-
Lease Rental Paid		14.41	-	-	-	-	-	-	-	-	-	14.41	-
Purchase of Art Work													
	Religare Arts Initiative Limited	7.11										7.11	-
Purchase of Art Work		7.11	-	-	-	-	-	-	-	-	-	7.11	-
Allocation of Expenses to Other Companies for rendering of services													
	Religare Securities Limited	1,872.31	634.23									1,872.31	634.23
	Religare Finvest Limited	1,185.71	268.80									1,185.71	268.80
	Religare Commodities Limited	134.28	59.98									134.28	59.98
	Religare Insurance Broking Limited	168.55	29.99									168.55	29.99
	Religare Capital Markets Limited	254.09	146.96									254.09	146.96

Nature of Transactions	Name of Related Party	Subsidiary Companies / Sub Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31, 2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009
	Religare Macquarie Wealth Management Limited (formerly known as Religare Wealth Management Services Limited)			31.78	35.31							31.78	35.31
Allocation of Expenses to other Companies for rendering of services Total		3,614.94	1,139.96	31.78	35.31	-	-	-	-	-	-	3,646.72	1,175.27
Allocation of Expenses by other Companies for rendering of services													
	Religare Realty Limited	266.88	350.83									266.88	350.83
	Religare Insurance Broking Limited	12.00										12.00	-
	Religare Travels India Limited									379.31	162.09	379.31	162.09
Allocation of Expenses by other Companies for rendering of services Total		278.88	350.83	-	-	-	-	-	-	379.31	162.09	658.19	512.92
Director's Sitting Fees													
	Malvinder Mohan Singh					1.40	1.00					1.40	1.00
	Shivinder Mohan Singh					1.60	1.00					1.60	1.00
Director's Sitting Fees Total		-	-	-	-	3.00	2.00	-	-	-	-	3.00	2.00
Expenses Reimbursement by Other Companies													
	Religare Securities Limited	2,110.12	744.40									2,110.12	744.40
	Religare Finvest Limited	1,078.41	276.61									1,078.41	276.61
	Religare Commodities Limited	260.15	79.71									260.15	79.71
	Religare Insurance Broking Limited	178.41	233.67									178.41	233.67

Nature of Transactions	Name of Related Party	Subsidiary Companies / Sub Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31, 2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009
	Religare Capital Markets Limited	183.64	41.77									183.64	41.77
	Religare Realty Limited	623.60	1.88									623.60	1.88
	Religare Arts Initiative Limited	1.32	1.76									1.32	1.76
	Maharishi Housing Development&Finance Corporation	1.06										1.06	-
	Religare Health Insurance Company Limited (formerly Religare General Insurance Company Limited)	2.35										2.35	-
	Religare Advisory Services Limited	1.05										1.05	-
	Religare Arts Investment Managemnet Limited	0.28										0.28	-
	Religare Asset Management Company	20.35										20.35	-
	Religare Venture Capital Limited	1.01										1.01	
	Religare Macquarie Wealth Management Limited			7.92	20.14							7.92	20.14
	Religare Technova Limited (formerly known as Fortis Financial Services Ltd.)										32.90	-	32.90
	Religare Technova IT Services Ltd(formerly known as Fortis Technologies (P)Ltd)									125.49	45.04	125.49	45.04
	RHC Holding (P) LTD(formerly known as Ranbaxy Holding Company)									1.00	1.00	1.00	1.00
Expenses Reimbursement by Other Companies Total		4,461.75	1,379.80	7.92	25.36	-	-	-	-	126.49	78.94	4,596.16	1,484.10

Nature of Transactions	Name of Related Party	Subsidiary Companies / Sub Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31, 2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009
Expenses Reimbursement to Other Companies													
	Religare Securities Limited	50.40	30.68									50.40	30.68
	Religare Finvest Limited	19.27	0.71									19.27	0.71
	Religare Commodities Limited	5.55	0.12									5.55	0.12
	Religare Insurance Broking Limited	38.33	0.03									38.33	0.03
	Religare Capital Markets Limited	0.43										0.43	-
	Religare Realty Limited	1.68										1.68	-
	Religare Technova Business Intellect Limited (formerly known as Fortis Business Intellact Ltd)									4.22	5.90	4.22	5.90
	Religare Macquarie Wealth Management Limited				14.92							-	14.92
Expenses Reimbursement to Other Companies Total		115.66	31.54	-	14.92	-	-	-	-	4.22	5.90	119.88	52.36
Purchase of Fixed Assets													
	Religare Technova IT Services Ltd(formerly known as Fortis Technologies (P)Ltd)									1,699.23		1,699.23	-
Purchase of Fixed Assets Total		-	-	-	-	-	-	-	-	1,699.23	-	1,699.23	-
Remuneration to Key Managerial Personnel #	Mr. Sunil Godhwani							40.00	41.08			40.00	41.08
	Mr. Shachindra Nath							127.96	76.31			127.96	76.31
	Mr. Anil Saxena							122.58	83.20			122.58	83.20
Remuneration to Key Managerial Personnel Total		-	-	-	-	-	-	290.54	200.59	-	-	290.54	200.59
Excludes provisions for													

Nature of Transactions	Name of Related Party	Subsidiary Companies / Sub Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31, 2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009
gratuity and leave encashment since values are based on actuarial valuation done on an overall company basis.													
Loan Given													
	Mr. Shachindra Nath							215.00				215.00	-
Loan Given Total		-	-	-	-	-	-	215.00	-	-	-	215.00	-
Unsecured Loans	RHC Holding (P) LTD(formerly known as Ranbaxy Holding Company)									196.56		196.56	-
	R C Nursery Private Limited									514.29		514.29	-
	Luxury Farms Private Limited									1,315.16		1,315.16	-
	Oscar Investments Limited									94.42		94.42	-
Unsecured Loans Total		-	-	-	-	-	-	-	-	2,120.43	-	2,120.43	-
Other Payables													
	Religare Securities Limited		18.70									-	18.70
	Religare Finvest Limited											-	-
	Religare Insurance Broking Limited		0.03									-	0.03
	Religare Realty Limited	49.63	129.88									49.63	129.88
	Religare Technova IT Services Ltd(formerly known as Fortis Technologies (P)Ltd)									1,000.88		1,000.88	-
Other Payables Total		49.63	148.61	-	-	-	-	-	-	1,000.88	-	1,050.51	148.61
Receivable													
	Religare Securities Limited	944.34	159.14									944.34	159.14
	Religare Finvest Limited	671.95	48.52									671.95	48.52
	Religare Commodities Limited	57.59	7.42									57.59	7.42
	Religare Arts Initiative Limited	0.01	1.07									0.01	1.07

Nature of Transactions	Name of Related Party	Subsidiary Companies / Sub Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31, 2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009	Year Ended March 31,2010	Year Ended March 31,2009
	Religare Insurance Broking Limited	84.44	3.09									84.44	3.09
	Religare Capital Markets Limited	132.83	8.22									132.83	8.22
	Religare Macquarie Wealth Management Limited(formerly known as Religare Wealth Management Services Limited)			41.83	20.14							41.83	20.14
Receivables Total		1,891.16	227.46	41.83	20.14	-	-	-	-	-	-	1,932.99	247.60

[#] Excludes provisions for gratuity and leave encashment since these are based on actuarial valuation done on an overall company basis.

RELIGARE ENTERPRISES LIMITED

Schedule annexed to and forming part of Balance sheet as on March 31, 2010 and Profit and Loss account for year ended March 31, 2010

- z. There are no transactions during the year ended March 31, 2010 with Micro, Small and Medium enterprises and as such there is no balance outstanding as at March 31, 2010.
- aa. Subsequent to the Balance Sheet Date, the Company had sold entire shareholding of Religare Commodities Limited to Religare Securities Limited.
- bb. The provision for Income Tax for year ended March 31, 2010 has been made on as estimated basis in accordance with the provision of Income Tax Act, 1961 of India. No provision has been made for Corporate Dividend Tax in view of Exemption u/s 115-O of Income Tax Act, 1961.
- cc. Figure for the previous year have been regrouped, rearranged and reclassified wherever necessary to conform to the current period's classification.

Signature to Schedule A to R forming part of the Financial Statements

For and on behalf of the Board of Directors

For **Price Waterhouse**
Firm Registration No. – 301112E
Chartered Accountants

PARTHA GHOSH
Partner

Membership No.F55913

ANIL SAXENA
Director

(DIN-01555425)

SHACHINDRA NATH
Chief Executive
Officer

(DIN-00510618)

SUNIL GODHWANI
Chairman &
Managing Director

(DIN-00174831)

RAVI BATRA

Sr.Vice President & Company Secretary

Place: Mumbai
Date: July 6, 2010

Place: New Delhi
Date: July 6, 2010

Auditors' Report

AUDITORS' REPORT TO THE MEMBERS OF RELIGARE ENTRPRISES LIMITED

1. We have audited the attached Balance Sheet of Religare Enterprises Limited (the "Company"), as at March 31, 2009, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on March 31, 2009 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
 - (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

PARTHA GHOSH

Partner

Membership No. F 55913

For and on behalf of

Price Waterhouse

Chartered Accountants

Date : June 24, 2009

Place : Mumbai

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Religare Enterprises Limited on the financial statements for the year ended March 31, 2009]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. The Company does not hold any inventories and therefore Clause 4 (ii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses (iii) (b) to (iii) (d) of paragraph 4 of the Order are not applicable to the Company for the current year.
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable to the Company for the current year.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, commenting on transactions made in pursuance of such contracts or arrangements does not arise.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
10. The Company has accumulated losses of Rs. 35,736,958 as at March 31, 2009 which is less than fifty percent of its net worth. The Company has incurred a cash losses of Rs. 96,721,113 for the financial year ended on March 31, 2009 and has not incurred any cash losses in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the Company.

14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
16. The Company has not obtained any term loans.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued debentures during the year. Accordingly, the question of creation of security or charge does not arise.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For and on behalf of
Price Waterhouse
Chartered Accountants

PARTHA GHOSH
Partner
Membership No. F 55913

Place : Mumbai
Date : June 24, 2009

RELIGARE ENTERPRISES LIMITED

Balance Sheet as at March 31, 2009

	Schedule	As at March 31,2009 Amount (Rs.)	As at March 31,2008 Amount (Rs.)
SOURCES OF FUNDS:			
Shareholders' Funds:			
Share Capital	A	1,012,897,600	760,838,590
Share Application Money		18,001,615,180	
Reserves and Surplus	B	6,207,595,074	4,052,375,952
		25,222,107,854	4,813,214,542
Loan Funds:			
Unsecured Loans	C	-	753,986,917
		-	753,986,917
Deferred Tax Liability (Refer note 2(s) of schedule 'R')		234,318	-
TOTAL		25,222,342,172	5,567,201,459
APPLICATION OF FUNDS:			
Fixed Assets:	D		
Gross Block		37,302,927	5,595,052
Less: Depreciation		3,566,472	463,052
Net Block		33,736,455	5,132,000
Capital Work in Progress (including advances)		59,573	746,166
		33,796,028	5,878,166
Investments	E	20,235,465,231	5,452,765,823
Deferred Tax Assets		-	1,440,880
Current Assets, Loans and Advances:			
Sundry Debtors	F	9,208,507	636,191
Cash and Bank Balances	G	4,732,006,822	17,683,519
Other Current Assets	H	109,391,143	129,818,731
Loans and Advances	I	113,444,954	64,393,014
		4,964,051,426	212,531,455
Less: Current Liabilities and Provisions:			
Current Liabilities	J	35,450,946	16,715,084
Provisions	K	11,256,525	88,699,781
		46,707,471	105,414,865
Net Current Assets		4,917,343,955	107,116,590
Debit Balance in Profit & Loss Account		65,085,792	
Less: Balance in General Reserve(per-contra)		(29,348,834)	
		35,736,958	
TOTAL		25,222,342,172	5,567,201,459
Notes to Financial Statements	R		

Schedules referred to above forms an integral part of the Balance Sheet

For and on behalf of the Board of Directors

This is the Balance Sheet referred to in our report of
even date

PARTHA GHOSH
Partner
Membership No.F55913

SHIVINDER MOHAN SINGH
Director

SUNIL GODHWANI
CEO & Managing Director

For and on behalf of
Price Waterhouse
Chartered Accountants

RAVI BATRA
Sr. Vice President & Company Secretary

Place: Mumbai
Date: June 24, 2009

Place: New Delhi
Date: June 23, 2009

RELIGARE ENTERPRISES LIMITED
Profit and Loss Account for the Year ended March 31, 2009

	Schedule	For the year ended on March 31, 2009	For the year ended on March 31, 2008
		Amount (Rs.)	Amount (Rs.)
INCOME			
Income From Operations	L	116,723,646	34,126,527
Income From Investments	M	8,767,836	307,286,286
Other Income	N	148,956,826	484,761
TOTAL		274,448,308	341,897,574
EXPENDITURE			
Personnel Expenses	O	107,328,755	44,641,958
Administrative and Other Expenses	P	62,152,676	23,409,542
Interest and Finance Charges	Q	201,687,990	40,314,560
Depreciation	D	3,125,010	455,632
TOTAL		374,294,431	108,821,692
PROFIT/(LOSS) BEFORE TAX		(99,846,123)	233,075,882
Provision for Taxation			
-Current Tax			
For the Year		55,317,020	-
For Earlier Years Short / (Excess)		-	(61,402)
-Wealth Tax		94,697	18,714
-Deferred Tax (Net)		1,675,198	(1,387,584)
-Fringe Benefit Tax (Includes Rs.492,692 for earlier Year)		2,664,742	23,626
PROFIT/(LOSS) AFTER TAX		(159,597,780)	234,482,528
Balance brought forward from previous Year		94,563,435	72,734,529
AMOUNT AVAILABLE FOR APPROPRIATION		(65,034,344)	307,217,057
APPROPRIATIONS			
Interim Dividend on Equity Shares Paid		-	90,155,610
Final Dividend on Equity Shares (Refer note 2(q) of Schedule 'R')		51,447	83,727,813
Tax on Distributed Profits on Interim Dividend		-	15,321,946
Transfer to General Reserve		-	23,448,253
Balance carried to Balance Sheet		(65,085,792)	94,563,435
		(65,034,345)	307,217,057
Earnings Per Share (In Rupees)			
Basic		(2.31)	3.39
Diluted		(2.31)	3.32
(Refer note 2(r) of Schedule "R")			
Notes to Financial Statements	R		

Schedules referred to above forms an integral part of the Profit and Loss Account

This is the Profit and Loss Account referred to in our
report of even date

For and on behalf of the Board of Directors

PARTHA GHOSH
Partner
Membership No.F55913
For and on behalf of
Price Waterhouse
Chartered Accountants

SHIVINDER MOHAN SINGH
Director

SUNIL GODHWANI
CEO & Managing Director

RAVI BATRA
Sr. Vice President & Company Secretary

Place : Mumbai
Date : June 24, 2009

Place : New Delhi
Date : June 23, 2009

RELIGARE ENTERPRISES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2009

	Particulars	March 31, 2009 Amount (Rs.)	March 31, 2008 Amount (Rs.)
A.	Cash Flow From Operating Activities:		
	Net Profit / (Loss) Before Tax	(99,846,123)	233,075,882
	Adjustments for:		
	Loss on Sale of Fixed Assets	12,647	-
	Depreciation	3,125,010	455,632
	Interest Expense	201,687,990	40,314,560
	Interest Income	(148,933,509)	(479,762)
	Dividend Income	(8,705,855)	(305,003,986)
	Profit on sale of Mutual Funds	(61,981)	(2,282,300)
	Provision for Gratuity and Leave Encashment	6,284,557	4,816,389
	Employee Stock Option Outstanding	2,364,261	1,250,434
	Tax Deducted at Sources	(55,418,956)	(6,499,368)
	Operating Profit/ (Loss) before Working Capital changes	(99,491,959)	(34,352,519)
	Adjustments for changes in Working Capital :		
	- (Increase)/Decrease in Sundry Debtors	(8,572,316)	1,289,784
	- (Increase)/Decrease in Other Receivables	(50,731,861)	(48,783,854)
	- Increase/(Decrease) in Trade and Other Payables	18,735,862	(16,858,171)
	Cash Used In Operations	(140,060,274)	(98,704,760)
	- Dividend Received	138,314,707	211,168,128
	- Taxes (Paid) / Received (Net of TDS)	(977,583)	(1,727,887)
	Net Cash Generated in/ (Used From) Operating Activities	(2,723,150)	110,735,481
B.	Cash Flow From Investing Activities:		
	Purchase of Fixed Assets	(31,892,113)	(5,512,390)
	Capital Work in Progress	686,594	(746,166)
	Proceeds from Sale of fixed assets	150,001	-
	Proceeds from Sale of Investments / Redemption of Other Investments	20,000,000	792,524,741
	Purchase of Shares in Subsidiary Companies	(13,485,138,019)	(2,522,156,850)
	Purchase of Shares in Joint Ventures	(1,317,499,408)	(272,500,010)
	Purchase of Other Investments	0	(550,242,441)
	Interest Received (Revenue)	39,752,245	172,916
	Net Cash Used in Investing Activities	(14,773,940,700)	(2,558,460,200)
C.	Cash Flow From Financing Activities:		
	Proceeds from fresh issue of Equity Share Capital (including Share Premium)	28,826,140	2,052,864,890
	Proceeds from fresh issue of Preference Share Capital (including Share Premium)	2,500,000,000	-
	Share Issue Expenses	-	(166,448,895)
	Share Application Money Received	18,001,615,180	-
	Proceeds from Short Term Borrowings	(744,500,000)	709,500,000
	Interest Paid	(211,174,907)	(30,827,643)
	Dividend Paid	(83,779,260)	(111,606,805)
	Dividend Tax Paid	-	(18,330,476)
	Net Cash Generated From Financing Activities	19,490,987,153	2,435,151,071
	Net Increase/(Decrease) in Cash & Cash Equivalents	4,714,323,303	(12,573,648)
	Cash and Cash Equivalents at the Beginning of the Year	17,683,519	30,257,167
	Cash and Cash Equivalents at the end of the Year	4,732,006,822	17,683,519
	Cash and Cash Equivalents at the end of the Year comprises of		
	Cash, Cheques & Drafts (in hand)	155,537	217,217
	Balance with Scheduled Banks in Current Accounts	3,451,285	10,456,302
	Balance with Scheduled Banks in Fixed Deposit	4,728,400,000	7,010,000
		4,732,006,822	17,683,519

Notes:

- (1) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standards - 3 on Cash Flow Statement.
- (2) Fixed Deposit includes Rs 43,798 Lacs (Previous year Rs 70.10 Lacs) which is under lien with Stock exchange. (Refer note 2 (c) of Schedule R)

- (3) Figures in the bracket indicate cash outgo / income.
(4) Previous year's figures have been regrouped and rearranged wherever necessary to conform to the current period classification.

**This is the Cash Flow Statement referred to in our
report of even date**

For and on behalf of the Board of Directors

PARTHA GHOSH
Partner
Membership No.F55913
For and on behalf of
Price Waterhouse
Chartered Accountants

SHIVINDER MOHAN SINGH
Director

SUNIL GODHWANI
CEO & Managing Director

RAVI BATRA

Sr. Vice President & Company Secretary

Place : Mumbai
Date : June 24, 2009

Place : New Delhi
Date : June 23, 2009

RELIGARE ENTERPRISES LIMITED
Schedules forming part of Balance Sheet as at March 31, 2009

	As at March 31,2009	As at March 31,2008
	Amount (Rs.)	Amount (Rs.)
SCHEDULE 'A':SHARE CAPITAL		
Authorised		
200,000,000 Equity Shares of Rs. 10 each	2,000,000,000	850,000,000
(Previous Year 85,000,000 Equity Shares of Rs. 10 each)		
50,000,000 Redeemable Preference Share of Rs. 10 each	500,000,000	-
(Previous Year Nil)		
TOTAL	2,500,000,000	850,000,000
Issued and Subscribed		
76,289,760 Equity Shares of Rs. 10 each Fully Paid up	762,897,600	760,838,590
(Previous Year 76,083,859 Equity Shares of Rs. 10 each Fully Paid Up)		
13.66% 2,50,00,000 Cumulative Redeemable Preference Shares of Rs. 10 each Fully Paid up)(Previous Year Nil)(Refer note 2(d) of Schedule "R")	250,000,000	-
TOTAL	1,012,897,600	760,838,590
SCHEDULE 'B':RESERVES AND SURPLUS		
a: Capital Redemption Reserve	750,000	750,000
b: Securities Premium Account		
As per last Balance Sheet:	3,926,463,249	2,159,529,600
Add: Received during the year on Equity Shares	26,767,130	1,935,994,940
Add: Received during the year on Preference Shares	2,250,000,000	-
Less: Expenses relating to Initial Public Offer	-	169,061,291
	6,203,230,379	3,926,463,249
c: General Reserve		
As per last Balance Sheet	29,348,834	5,900,581
Add: Transfer from Profit and Loss Account	-	23,448,253
	29,348,834	29,348,834
Less: Debit Balance in Profit and Loss Account (per-contra)	29,348,834	-
	-	29,348,834
d:Employee Stock Option Outstanding		
As per last Balance Sheet (Gross Amount)	5,568,750	-
Additions / (Cancellation) during the period/year	(576,090)	5,568,750
Less: Deferred Employee Stock Compensation	1,377,965	4,318,316
Net: Employee Stock Options Outstanding	3,614,695	1,250,434
e: Surplus as per Profit and Loss Account	-	94,563,435
TOTAL	6,207,595,074	4,052,375,952
SCHEDULE 'C':UNSECURED LOANS(Short Term)		
Intercompany Loans	-	744,500,000
Interest accrued and due on Unsecured Loans	-	9,486,917
TOTAL	-	753,986,917

RELIGARE ENTERPRISES LIMITED
Schedule forming part of the Balance Sheet as at March 31, 2009

SCHEDULE 'D':- FIXED ASSETS

(Amount in Rs.)

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2008	Additions for the Year	Deletions/ Adjustments for the Year	As at March 31, 2009	As at April 1, 2008	Additions for the Year	Deletions/ Adjustments for the Year	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008
<u>INTANGIBLE ASSETS</u>										
SOFTWARE-OTHERS	-	20,389,298	-	20,389,298	-	1,774,466	-	1,774,466	18,614,832	-
SUB-TOTAL	-	20,389,298	-	20,389,298	-	1,774,466	-	1,774,466	18,614,833	-
<u>TANGIBLE ASSETS</u>										
OFFICE EQUIPMENTS	438,416	524,957	-	963,373	48,792	143,818	-	192,610	770,763	389,624
FURNITURE AND FIXTURE	-	16,875	-	16,875	-	16,875	-	16,875	-	-
COMPUTER SYSTEMS AND PERIPHERALS	1,448,777	1,403,176	-	2,851,953	136,369	377,745	-	514,114	2,337,839	1,312,408
VEHICLES	3,707,859	9,557,808	184,239	13,081,428	277,891	812,106	21,590	1,068,407	12,013,021	3,429,968
SUB-TOTAL	5,595,052	11,502,816	184,239	16,913,629	463,052	1,350,544	21,590	1,792,006	15,121,623	5,132,000
TOTAL	5,595,052	31,892,114	184,239	37,302,927	463,052	3,125,010	21,590	3,566,472	33,736,455	5,132,000
PREVIOUS YEAR	82,662	5,512,390		5,595,052	7,420	455,632		463,052	5,132,000	
Capital Works In Progress (including advances)									59,573	746,166

RELIGARE ENTERPRISES LIMITED

Schedules forming part of the Balance Sheet as at March 31, 2009

	Face Value	As at March 31, 2009		As at March 31, 2008	
		No.	Rs.	No.	Rs.
SCHEDULE 'E' : INVESTMENTS (At Cost)					
Long Term -Other than Trade					
Investment in Subsidiaries (Unquoted)					
(Refer Note 2(g) of Schedule R)					
Equity Shares (Fully Paid Up)					
Religare Securities Limited	10	38,192,800	3,023,996,000	28,192,800	1,023,996,000
Religare Finvest Limited	10	119,907,137	3,120,356,850	119,907,137	3,120,356,850
Religare Commodities Limited	10	2,000,000	37,500,000	2,000,000	37,500,000
Religare Insurance Broking Limited	10	19,000,000	190,000,000	19,000,000	190,000,000
Religare Venture Capital Limited	10	50,000	500,000	50,000	500,000
Religare Realty Limited	10	30,850,000	417,000,000	20,000,000	200,000,000
Religare Finance Limited	10	2,050,000	20,500,000	2,050,000	20,500,000
Religare Capital Markets Limited	10	35,550,000	1,555,500,000	5,550,000	55,500,000
Religare General Insurance Company Limited	10	25,150,000	251,500,000	25,150,000	251,500,000
Religare Arts Initiative Limited	10	5,000,000	50,000,000	2,000,000	20,000,000
Religare United Soccer Limited	10	50,000	500,000	-	-
Share Application Money					
Religare General Insurance Company Limited				-	300,000
(formerly known as Religare Insurance Holding Company Limited)					
Religare Finvest Limited			9,433,000,000	-	-
Religare Arts Initiative Limited			80,000,000	-	-
Religare Insurance Broking Limited			225,000,000	-	-
		277,799,937	18,405,352,850	223,899,937	4,920,152,850
Investments in Joint Ventures (Unquoted)					
(Refer Note 2(h) of Schedule R)					
Equity Shares (Fully Paid Up)					
Religare Macquarie Wealth Management Limited	10	25,000,000	250,000,000	2,000,000	20,000,000
Vistaar Religare Capital Advisors Limited	10	96,152	19,999,418	1	10
Aegon Religare Life Insurance Company Ltd	10	132,000,000	1,320,000,000	-	-
Share Application Money					
Aegon Religare Life Insurance Company Ltd		-	-	-	250,000,000
Vistaar Religare Capital Advisors Limited		-	-	-	2,500,000
		157,096,152	1,589,999,418	2,000,001	272,500,010
Investments Other than in Subsidiaries and Joint Ventures (Fully Paid up)					
Karnataka Bank Limited (Quoted)	10	1,741,171	240,112,963	1,741,171	240,112,963
(Refer Note 2(b) of Schedule R)					
Current Investments other than Trade					
Mutual Funds					
NFSG Canra Robeco Floating Rate Short Term Growth Fund	10			1,610,773	20,000,000
		1,741,171	240,112,963	3,351,944	260,112,963
TOTAL			20,235,465,231		5,452,765,823
Aggregate Value of Quoted Investments in shares.					
At Book Value			240,112,963		240,112,963

	Face Value	As at March 31,2009		As at March 31,2008	
		No.	Rs.	No.	Rs.
At Market Value			112,827,881		348,669,493
Aggregate Value of Unquoted Investments			10,257,352,268		4,959,852,860
Share Application Money			9,738,000,000		252,800,000
Investment purchase and sold during the period					
Units of Mutual Fund 1,610,773 (Previous year 41,520,143.34)cost Rs20,000,000(Previous Year-Cost Rs. 530,242,441.05)					

	As at March 31,2009 Amount (Rs.)	As at March 31,2008 Amount (Rs.)
SCHEDULE 'F':SUNDRY DEBTORS		
(Unsecured-Considered Good)		
Debts outstanding for a period exceeding Six Months	410,170	103,055
Other Debts	8,798,337	533,136
TOTAL	9,208,507	636,191
SCHEDULE 'G':CASH AND BANK BALANCES		
Cash in Hand	155,537	217,217
Balances with Scheduled Banks in:		
-Current Accounts	3,451,285	10,456,302
-Fixed Deposit (Refer note 2(c) of Schedule R)	4,728,400,000	7,010,000
TOTAL	4,732,006,822	17,683,519
SCHEDULE 'H':OTHER CURRENT ASSETS		
Dividend Receivable	-	129,608,852
Interest Receivable	109,391,143	209,879
TOTAL	109,391,143	129,818,731
SCHEDULE 'T':LOANS AND ADVANCES		
(Unsecured-Considered Good)		
Advance to Religare Employees' SAR Trust (Refer note 2(j)of Schedule R)	4,199,642	5,053,070
Advances to Subsidiaries	2,042,917	33,698,708
Advances recoverable in cash or in kind or for value to be received:		
-Prepaid Expenses	16,051,091	236,439
-Security Deposits	2,154,639	9,068,434
-Others	79,367,884	5,028,213
Advance Tax and Tax Deducted at Source	8,475,234	10,155,155
(Net of Provisions for Taxes of Rs 67,591,117; Previous Year Rs. 9,213,422)		
Balance with Service Tax Authorities	1,153,546	1,152,995
TOTAL	113,444,954	64,393,014
SCHEDULE 'J':CURRENT LIABILITIES		
Sundry Creditors(Other than Micro, Small and Medium Enterprises*)	11,268,803	13,403,742
Other Liabilities	24,182,143	3,311,342
TOTAL	35,450,946	16,715,084
SCHEDULE 'K':PROVISIONS		
Final Dividend on Equity Shares (Proposed)	-	83,727,813
Gratuity	4,827,642	1,481,703
Leave Encashment	6,428,883	3,490,265
TOTAL	11,256,525	88,699,781

RELIGARE ENTERPRISES LIMITED

Schedules forming part of Profit and Loss Account for the year ended March 31,2009

	For the year ended March 31,2009	For the year ended March 31,2008
	Amount (Rs.)	Amount (Rs.)
SCHEDULE 'L':INCOME FROM OPERATIONS		
Income from Financial Advisory Services	279,774	11,262,937
Support Service Fees	116,443,872	22,863,590
TOTAL	116,723,646	34,126,527
SCHEDULE 'M':INCOME FROM INVESTMENTS		
On Long Term Investments		
-Dividend From Subsidiaries	-	298,909,887
-Dividend From Others	8,705,855	6,094,099
On Short Term Investments		
-Profit on sale / Redemption of short Term Investment	61,981	2,282,300
TOTAL	8,767,836	307,286,286
SCHEDULE 'N':OTHER INCOME		
Interest on Fixed Deposits with Bank (TDS Rs. 39,542,565 previous year Rs. 96,967)	148,857,943	470,715
Interest on Staff Loans	75,566	9,047
Foreign Exchange Gain	23,317	4,999
TOTAL	148,956,826	484,761
SCHEDULE 'O':PERSONNEL EXPENSES		
Salaries, Allowances and Bonus	89,501,565	35,369,973
Contribution to Employees Provident and Other Funds	3,984,889	1,470,829
Gratuity	3,345,939	1,408,569
Leave Encashment	4,036,625	3,415,737
Training and Recruitment Expenses	8,491,916	4,081,086
Staff Welfare Expenses	225,533	89,845
	109,586,467	45,836,039
Less: Expenses shared by Subsidiaries/Joint Venture (Refer note 2(t)of Schedule 'R')	2,257,712	1,194,081
TOTAL	107,328,755	44,641,958
SCHEDULE 'P':ADMINISTRATIVE AND OTHER EXPENSES		
Rent	37,854,753	8,338,005
Advertisement and Business Promotion	8,954,653	10,895,506
Insurance Charges	602,211	535,020
Travelling and Conveyance	22,260,459	13,850,174
Telephone Expenses	3,068,902	1,070,495
License Fees	116,057	100,000
Printing and Stationery	3,505,853	1,595,510
Repairs and Maintenance Building	3,111,464	960,048
Legal and Professional Expenses	22,846,162	7,464,976
Membership and Subscription	3,895,437	430,721
Auditors' Remuneration(Refer note 2(m) of Schedule 'R')	3,153,590	1,468,751
Filing Fees	10,264,022	16,443
Bank Charges	8,715,390	73,046
Loss on sale of fixed assets	12,647	-
Office Expenses	402,668	652,442
Miscellaneous Expenses	4,801,547	781,078
	133,565,815	48,232,215
Less: Expenses shared by Subsidiaries for use of common	71,413,139	24,822,673

	For the year ended March 31,2009	For the year ended March 31,2008
	Amount (Rs.)	Amount (Rs.)
facilities (Refer note 2(t) of Schedule 'R')		
TOTAL	62,152,676	23,409,542
SCHEDULE 'Q':INTEREST AND FINANCE CHARGES		
Interest on Intercompany Deposits/Loans	201,687,990	40,298,092
Interest in Overdraft from Banks	-	16,468
TOTAL	201,687,990	40,314,560

RELIGARE ENTERPRISES LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31,
2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 'R': NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The Financial Statements are prepared under the historical cost convention and on accrual basis of accounting and comply with the Accounting Standards referred in Section 211 (3C) of the Companies Act, 1956 of India.

b) USE OF ESTIMATES

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

c) REVENUE RECOGNITION

- (i) Income from Financial Advisory Services is accrued based on stage of completion of assignments in accordance with terms of the relevant agreement.
- (ii) Dividend from investments is accounted for as income when the right to receive dividend is established.
- (iii) Income from Interest on Fixed Deposits is recognized on accrual basis.
- (iv) Income from Support Services Fees is recognized on accrual basis for rendering of professional services to group companies
- (v) Revenue excludes service tax.

d) FIXED ASSETS

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

e) LEASED ASSETS:

- i. Assets acquired under Leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as Operating Leases. The rentals and all the other expenses of assets under operating lease are treated as revenue expenditure
- ii. Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Profit and Loss Account on straight line basis over the lease term. Operating costs of leased assets, including depreciation are recognized as an expense in the Profit and Loss Account. Initial direct cost such as legal costs, brokerages etc. are charged to Profit and Loss as incurred.

f) 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.

Computer software which is not an integral part of the related hardware is classified as an intangible asset and is being amortized over the estimated useful life

g) DEPRECIATION

Depreciation is provided on Straight Line Method, pro-rata to the period of use, at the rates specified in Schedule XIV of the Act or the rates based on useful lives of the assets as estimated by the

management, whichever are higher. The annual depreciation rates are as under

Assets Description	Depreciation Rate (%)
Computers	16.21%
Office Equipment	Between 10% to 20%
Furniture and Fixtures	6.33%
Vehicle	9.50%

Leasehold Improvements are amortised over the period of the lease subject to maximum of 6 years.

Assets costing less than Rs.5, 000 are fully depreciated in the year of acquisition.

h) INVESTMENTS

Investments are classified into long term investments and current 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 cost or market / fair value, whichever is lower.

i) FOREIGN CURRENCY TRANSACTIONS

- (i) Transactions in foreign currencies are recorded at the rate of exchange in force at the time of occurrence of the transactions.
- (ii) Exchange differences arising on settlement of revenue transactions are recognized in the Profit and Loss account.
- (iii) 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.

j) EMPLOYMEE BENEFITS

- (i) Provident Fund is a defined contribution scheme and the contributions as required by the statute are charged to the Profit and Loss Account as incurred.
- (ii) Gratuity Liability is a defined obligation and is wholly unfunded. The Company accounts for liability for future gratuity benefits based on an actuarial valuation as at the balance sheet date.
- (iii) 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.
- (iv) Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Profit and Loss Account as income or expense.
- (v) The undiscounted amount of short - term employee benefits expected to be paid in exchange for services rendered by an employee is recognized during the period when the employee renders the service.
- (vi) Stock Appreciated Rights (SARs) are given as a part of employee retention strategy of the Company. The eligible employees are entitled to receive an incentive based on the price of the shares of the Company. The amount of such incentive proportionate to the vesting period as at the balance sheet date is recognized as an expense based on the fair value of shares as at the balance sheet date or the cost of acquisition of such shares where the same have been acquired by an Employee Trust formed for the purpose.
- (vii) Stock Options granted to eligible persons under the relevant Stock Option Schemes are accounted for at intrinsic value as per the accounting treatment prescribed by the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines 1999 issued by the Securities Exchange Board of India. Accordingly, the excess of average market price, determined as per guidelines of the underlying equity shares (market value) over the exercise price of the options is recognized as deferred stock option expense and is charged to Profit and Loss Account on a straight line basis over the vesting period of the options. The amortised portion of the cost is shown under reserve and surplus.

k) TAXES ON INCOME

- (i) Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- (ii) Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax asset, on timing differences, being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- (iii) Provision for taxation for the year is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.

l) FRINGE BENEFIT TAX

The Fringe Benefit Tax has been calculated and accounted for in accordance with the provisions of the Income Tax Act, 1961 and the Guidance note on Accounting for Fringe Benefit Tax issued by the Institute of Chartered Accountants of India.

m) 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.

n) IMPAIRMENT OF ASSETS

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the year in which an asset is defined as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

2. NOTES ON ACCOUNTS

- a. Estimated amount of contracts (net of advances) exclusive of taxes remaining to be executed on capital account and not provided for Rs NIL-(Previous Year Rs 333,947)

b. CONTINGENT LIABILITIES

- (i) In respect of margin requirements to be maintained with the Exchanges by the Subsidiary Companies, the Company has pledged the long term investments of 1,741,171 equity shares (Previous Year 1,741,171 equity shares) of Karnataka Bank Limited of the book aggregating Rs. 240,112,963 (Previous Year Rs. 240,112,963).
- (ii) Corporate Guarantees given to the bankers by the Company on behalf of the Subsidiary Companies in respect of credit facilities availed by the said entities, aggregating Rs.530 crores (Previous Year Rs. 37 Crores).
- (iii) Corporate Guarantees given by the Company to the bankers of lessor of Rs 55 crores (previous year Rs. 55 crores) for prompt payment of lease rental by a subsidiary and joint venture entities of the Company which are lessees of the premises owned by lessor.
- (iv) The Company is sponsor of Vistar Religare Media Fund vide Private Placement Memorandum dated April 2, 2008. The company has made a commitment to contribute an amount of Rs 200,000,000 either by itself or through its subsidiaries to the fund. The amount of outstanding commitment net of contribution already made is Rs 60,000,000.
- (v) Claims against the Company not acknowledged as debts Rs. 65,000. (Previous Year Rs. Nil).
- (vi) Religare Enterprises Limited has accepted jointly and severally to act as a guarantor to ICICI Bank UK Plc ("Finance Party") under the loan facility to Religare Capital Markets International (UK) Limited, a step down subsidiary of the Company, for discharge of all of borrower's obligation to the extent of Rs. 4,7121.50 lacs equivalent to USD 90 million. The draw-down amount of the said facility is Rs. 4,5313.38 lacs equivalent to USD 86.85 million.
- (vii) During the year ended March 31, 2009, Religare Finvest Limited, a wholly owned subsidiary of the Company has issued on private placement basis compulsory fully convertible unsecured debentures for the value of Rs. 10,000 lacs convertible into equity shares of Religare Finvest Limited at a per share value to be determined based on value to be ascertained by a valuer at the

time of conversion. These debentures are convertible in two tranches, first on or before July 23, 2009 and second on or before July 23, 2010. Out of total size of issue, the first trench of Rs 4,000 lac has been acquired by the company subsequent to the balance sheet but before the date of conversion.

- (viii) The Company along with its affiliate group company has made a commitment to contribute an amount of Rs 60 Crores or Twenty percent (20%) of fund size, whichever is lower, to the fund (Milestone Fund), being managed by JV Company (Milestone Religare Investment Advisors (P) Limited).
- c.
- I. Fixed Deposit of Rs. NIL with a Scheduled Bank has been made to secure a guarantee in favour of National Stock Exchange of India Limited (Previous Year Rs. 70,10,000) in connection with the Initial Public Offering of Equity Shares of the Company.
 - II. Fixed Deposit with scheduled banks includes Rs 43798 lacs (Previous Year Rs. NIL) which is pledged with National Stock Exchange of India Limited and Bombay Stock Exchange of India to meet base capital requirement of its subsidiaries and Rs 1014 Lacs against bank guarantee towards earnest money deposit, which has been revoked subsequent to the Balance Sheet date.
- d. During the year ended March 31, 2009, the Company has increased the Authorised Share Capital from Rs. 850,000,000 divided into 85,000,000 Equity Share of Rs 10 each to Rs. 2,500,000,000 divided into 200,000,000 Equity Share of Rs.10 each and 50,000,000 Redeemable Preferences Share of Rs 10 each.

The Company has issued during the year 13.66% 25,000,000 Cumulative Redeemable Preference Share of Rs. 10 each at a premium of Rs 90 per share aggregating to Rs. 2,500,000,000 to a promoter group entity. These Preference Shares are redeemable at a premium not exceeding Rs.150 per share at the end of 5 years or at an earlier date as per mutually agreed terms. It is intention of the Company that such premium payable will be paid out of utilization of the Securities Premium Account as permissible under the provisions of section 78 of the Companies Act, 1956

- e. On March 30, 2009, the Company has filed the Draft Letter of Offer (DLOF) for rights issue with SEBI for issue size of Rs.185,000 lacs. The Company has received Rs.180,000 lacs as advance against share application money from promoter group entity towards its firm commitment for subscription towards unsubscribed portion of the proposed Right issue. On completion of the Rights Issue after meeting the shortfall the excess monies received, if any, towards the unsubscribed portion would be refunded without interest.

As at balance sheet date, out of the above share application money an amount of 133,108 lacs has been deployed by the company as detailed herein as per the objects of the issue.

S. No	Particulars	Amount (Lacs)
1	Investment in Subsidiaries	
	Equity Shares (Fully Paid Up)	
	Religare Securities Limited	20000
	Religare Realty Limited	2170
	Share Application Money	
	Religare Finvest Limited	94330
	Religare Insurance Broking Limited	2250
	Religare Art Initiative Limited	800
2	Investments in Joint Ventures	
	Equity Shares (Fully Paid Up)	
	AEGON Religare Life Insurance Company Ltd	2200
3	Others	
	Repayment of Debts	11358
	Total	133108

- f. During the Previous Year ended March 31, 2008 the Company raised Rs. 1,401,578,870(excluding amounts raised from pre-IPO placements) through its initial public offering (IPO) of 7,576,102 equity shares of Rs. 10/- each at a premium of Rs 175 per share. As of date the Company has fully utilized the amount raised through IPO as per the objects of the Issue.
- g. Details of Investments in new Subsidiaries during the year:

(1) Direct Investments

Sr. No	Name of the Company	Date on which the Company became subsidiary		Amount (Rs.)	
		Year Ended March 31,2009	Year Ended March 31,2008	As at March 31,2009	As at March 31,2008
1	Religare Arts Initiative Limited	-	August 13, 2007	130,000,000	20,000,000
2	Religare General Insurance Company Limited (formerly known as Religare Insurance Holding Company Limited)	-	June 7, 2007	-	251,500,000
3	Religare United Soccer Limited	April 8,2008	N/A	500,000	-

(2) Investments through subsidiaries

- a. Religare Capital Markets Limited (RCML), a wholly owned subsidiary of the Company acquired Hichens and Harrisons & Co. Plc., United Kingdom. (Subsequently name changed to Religare Hichens, Harrisons & Co. Plc.) Which was a listed entity on AIM, London, stock exchange. The acquisition was made by way of an open offer by Religare Capital Markets International (UK) Limited (RCML UK) a wholly owned SPV company formed for the purpose by Religare Capital Markets International (Mauritius) Limited (RCML Mauritius) which became a wholly owned subsidiary of RCML on April 9, 2008. The open offer given by RCML UK was declared unconditional on May 23,2008 to all the existing shareholders of Hichens, Harrisons & Co. Plc. Ltd @ GBP 2.85 per share amounting to a total consideration of approximate GBP 55.50 millions, equivalent to Rs 46,828.10 lacs (1 GBP= Rs 85.1422). As on March 31,2009, the Company has acquired/ paid for 100% of the issued capital of Religare Hichens, Harrisons & Co. Plc. The name of company has changed to Religare Hichens Harrison, Plc
- b. Pursuant to SEBI vide its letter number IMD/MS/145863/08 dated November 26, 2008 approving the acquisition of controlling interest by Religare Securities Ltd (RSL), a subsidiary of the Company has acquired 100% of the issued share capital of M/S Lotus India Asset Management Company Private Limited and Lotus India Company Private Limited (now known as Religare Asset Management Company Private Limited, “**RAMCPL**” and Religare Trustee Company Private Limited, “**RTCPL**” respectively) during the year. Consequently both the companies have become wholly owned subsidiary of the company as on Dec 4, 2008 of Religare Securities Limited.
- c. Religare Arts Investment Management Limited (RAIML) incorporate as April 16, 2008 as a subsidiary of Religare Arts Initiative Limited (RAIL), wholly owned subsidiary of the company, RAIML shall be engaged in the business of organizing, operating and managing collective investment schemes relating to the art, inter alia including paintings, sculptures, antiques, artistic value or any other intrinsic value.
- d. Subsequent to the Balance Sheet Date, Religare Venture Capital Limited, wholly owned subsidiary of the company entered into a joint venture agreement with Milestone Fincap Services Private Limited, through formation of a joint Venture company namely “Milestone Religare Investment Advisors Private Limited” with equal equity participation of 50% by each JV partners in the share capital of the JV entity for managing a Rs.600 crore Healthcare and Education Fund to be raised domestically.
- e. Subsequent to the Balance Sheet Date, Religare Enterprises Limited vide share purchase agreement dated May 28, 2009 has agreed for acquisition of part holding from an existing share holder and subscription to additional share capital in Maharishi Housing Development Finance Corporation Limited (“MHDFC”), to the effect that total share holding of the

company will finally become 87.5 % of expanded equity capital of MHDFC and thereby MHDFC becomes subsidiary of the company.

h. Details of Joint Ventures of the Company:

S.No.	Name of the Entity	% of Ownership	Amount (Rs.)	
			As at March 31,2009	As at March 31,2008
1	Religare Macquarie Wealth Management Limited	50	250000000	20,000,000
2	Vistaar Religare Capital Advisors Limited(VRCAL)	50	19,999,418	-
3	Aegon Religare Life Insurance Company Limited	44	1320000000	-

The Company has subscribed one equity share of VRCAL and also contributed Rs. 2,500,000 upto March 31, 2008 towards share application money (pending allotment) as on that date. Further amount of Rs. 17,499,408 was contributed by the Company on April 10, 2008. For the above contribution including share application money, the Company was allotted 96,152 number of equity shares of Rs. 10 each at a premium of Rs. 198 per share on June 11, 2008 as per terms of the agreement. Subsequent to the Balance Sheet Date, the company acquired 46,153 equity shares of Rs.10 each representing 24% of the total paid up share capital of VRCAL from VEPL. Consequently with effect from April 17, 2009, VRCAL became a subsidiary of the company; the Company and VEPL are holding 74% and 26% of total paid up share capital VRCAL, respectively.

- i) The company and Aegon International N.V. ("Aegon") entered into a JV agreement on December 28, 2008 to participate in the India Mutual Fund Asset Management Business through a trustee company and an asset management company of a mutual fund. Pursuant to the terms of the Aegon JV agreement, Religare Aegon Asset Management Company (P) Limited ("RAAMCPL") and Religare Aegon Trustee Company (P) Limited ("RATCPL") were established as the asset management company and the trustee company respectively, Religare Aegon Mutual Fund.

The JV agreement between our company and Aegon N.V. in relation to Religare Aegon Asset Management Company was terminated pursuant to a sale and termination agreement (STA) dated February 25, 2009. Pursuant to STA, RSL has agreed to sell, subject to receipt of necessary approvals, its entire stake in RAAMCPL consisting of 25,000,000 equity shares of Rs.10 each, to 'AEGON India Holding B.V. or its nominee' at par value and to 'Hospitalia Eastern (P) Limited', in an equal ratio. RSL has also agreed to sell its entire stake in RATCPL consisting of 25,000 equity shares of Rs.10 each to AEGON India Holding B.V. or its nominees at par value. At per the STA, the aggregate consideration agreed by RSL for the transfer to Aegon India Holding B.V. or its nominee is Rs.125,250,000.

- ii) Subsequent to the Balance Sheet Date, Religare Enterprises Limited ("Religare") and Swiss Reinsurance Company ("Swiss Re") have signed a non-binding agreement for formation of a Joint Venture health Insurance company in India. Whereby the company will hold 74% stake in JV company

i. **Employee Stock Option Plans**

The Shareholders of the Company vide their resolution dated November 6, 2006 granted approval to 'Religare Enterprises Limited Employee Stock Option Scheme 2006' (the 'Scheme'). The grant date for the Options is November 15, 2006. Under the said Scheme, 2,000,000 options of the Equity Share Capital of the Company have been granted to the employees of the Company and its subsidiaries and joint ventures at an exercise price of Rs. 140 per share. Employees covered by the Scheme are granted option to purchase shares of the Company subject to the requirements of vesting. These options vest uniformly over a period of 3 years, whereby 33% of options vest on each vesting date as per vesting schedule at the end of first and second year and 34% of options vest at the vesting date as per vesting schedule at the end of third year. The same are exercisable within a period of 9 years from the First Vesting date. As the fair value of the shares at the date of grant of options is less than the exercise price no amount has been charged to the Profit and Loss Account. Of the options remaining unallotted/cancelled, the Company has issued further 125,000 options to the employees of the Company

and its subsidiaries/joint ventures at an exercise price of Rs. 140 per share on November 17, 2007. These 125,000 options vest uniformly over a period of 3 years, whereby 33% of options vest on each vesting date as per vesting schedule at the end of first and second year and 34% of options vest at the vesting date as per vesting schedule at the end of third year.

- i) Total Options granted to the employees, transferred between group entities, cancelled and outstanding on March 31, 2009 are as under:

Company Name	No. of Options outstanding as on April 1, 2008	Addition of Options due to transfer from other Group Entities	Reductions of Options due to transfer to other Group Companies	Cancellation of Options due to Resignations	Options Exercised up to March 31, 2009	Number of Options outstanding as on March 31, 2009
Religare Enterprises limited	363,160	-	-	-	16,320	346,840
Religare Securities Limited	967,251	16,000	139,340	2,000	148,661	693,250
Religare Finvest Limited	147,926	32,160	20,760	-	10,164	149,162
Religare Commodities Limited	29,360	-	-	-	-	29,360
Religare Insurance Broking Limited	24,750	16,750	-	-	10,890	30,610
Religare Capital Markets Limited	50,680	90,430	-	6,120	16,896	118,094
Religare Macquarie Wealth Management Limited	18,380	-	-	9,380	2,970	6,030
Religare Arts Initiative Limited	5,000	-	-	-	-	5,000
Religare Asset Management Company Private Limited	-	4760	-	-	-	4,760
Total	1,606,507	160,100	160,100	17,500	205,901	1,383,106

- ii) Total Options granted to the employees, transferred between group entities, cancelled and outstanding on March 31, 2008 are as under:

Company Name	No. of Options outstanding as on April 1, 2007	Addition of Options due to transfer from other Group Entities	Reductions of Options due to transfer to other Group Companies	Cancellation of Options due to Resignations	Additional Options granted on November 17, 2007	Options Exercised up to March 31, 2008	Number of Options outstanding as on March 31, 2008
Religare Enterprises limited	67,000	332,750	-	-	4,000	40,590	363,160
Religare Securities Limited	1,674,440	-	353,750	176,790	73,000	249,649	967,251
Religare Finvest Limited	172,800	-	54,000	-	35,000	5,874	147,926
Religare Commodities Limited	48,900	-	-	7,000	-	12,540	29,360
Religare Insurance Broking Limited	28,890	-	-	3,890	8,000	8,250	24,750
Religare Capital Markets Limited	-	52,000	-	-	-	1,320	50,680
Religare Macquarie Wealth Management Limited	-	18,000	-	-	5,000	4,620	18,380

Company Name	No. of Options outstanding as on April 1, 2007	Addition of Options due to transfer from other Group Entities	Reductions of Options due to transfer to other Group Companies	Cancellation of Options due to Resignations	Addition of Options granted on November 17, 2007	Options exercised up to March 31, 2008	Number of Options outstanding as on March 31, 2008
Religare Arts Initiative Limited	-	5,000	-	-	-	-	5,000
Total	1,992,030	407,750	407,750	187,680	125,000	322,843	1,606,507

Employee Compensation Cost is accounted for as per intrinsic value method by amortizing the excess of fair market value over the exercise price over the vesting period. As at March 31, 2009 total amount amortized Rs. 3,614,695 (previous year Rs. 1250434) (net of cancellation). Accordingly, the Company has charged to Profit & Loss Account towards Employee Compensation cost Rs 106,549/- and Rs.40,434/- (net of recovery amounting to Rs 2,257,712 and Rs.1,210,000 from subsidiaries / joint ventures) for the year ended March 31, 2009 and for the year ended March 31, 2008 respectively.

- j. With an objective to motivate, reward and retain the performing employees, Religare Employee Stock Appreciated Right (SAR) Scheme 2007 was made effective from November 17, 2007.

SAR means non-assignable share equivalent granted to the employees of the Company i.e. Religare Enterprises Limited and employees of subsidiary/joint venture companies which entitles employees to receive increase in market price of share from base price of Rs.140 per share as on the exercise date.

33% of SAR granted has been vested on April 1, 2008 and balance of 33% and 34% SAR will be vested on April 1, 2009 and April 1, 2010 respectively.

To administer the above SAR scheme a private Trust has been formed to acquire / purchase the Company's equity shares ("Shares") from the stock exchanges from time to time and on exercise of SAR by employees these shares would be sold by the Trust, the benefit of the appreciation in the price of shares over and above Rs. 140 per equity share would accordingly be passed to the employees in accordance with the scheme.

As at March 31, 2009 total number of SAR outstanding 291,797 (Previous Year 523,060) (net of cancellation) at an aggregate advance given by the company to the trust of Rs.1,821.24 lacs (Previous Year Rs.2,683.37 lacs).

Out of which SAR allocated and outstanding to the employees of the company as on March 31, 2009 are 8,001 (Previous Year 10,030) and Advance given by the company in the regards to Religare Employee SAR Trust is Rs.41.99 lacs (Previous Year Rs.50.53 lacs).

Employee Compensation Cost for SAR allocated is accounted for amortizing the excess of purchase price per share over the vesting period. Accordingly the company has charged off Rs.16.23 lacs (Previous Year Rs.11.40 lacs) in the statement of Profit and Loss Account for the current year.

k. Employees' Benefits – Gratuity and Leave Encashment

The following tables summarize the components of the net employee benefit expenses recognized in the profit and loss account, the fund status and amount recognized in the balance sheet for the gratuity and leave encashment for the year ended March 31, 2009.

Method: Projected Unit Credit Method

S. No.	Particulars	Leave Encashment	Gratuity
I	Assumptions as at 31st March, 2009		
	Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
	Discount Rate	8% p.a.	8% p.a.
	Rate of Increase in Compensation	6% p.a.	6% p.a.
	Rate of return(expected) on plan assets	N.A	N.A

S. No.	Particulars	Leave Encashment	Gratuity
	Withdrawal Rates	25% p.a to 2% p.a.	10% p.a to 2% p.a.
	Expected Average Remaining Service	24	24
II	Changes in present value of obligations	(Amount in Rs.)	(Amount in Rs.)
	PBO at beginning of period	34,90,265	14,81,703
	Interest Cost	2,79,221	1,18,536
	Short Term Service Cost	1,439,530	
	Current Service Cost	13,30,812	15,78,522
	Benefits Paid	10,98,007	NIL
	Actuarial Gain/(Loss) on Obligation	(9,87,062)	(16,48,881)
	PBO at end of period	6,428,883	48,27,642
III	Changes in Fair Value of Plan Assets		
	Fair Value of Plan Assets at beginning of period	N.A	N.A
	Expected Return of Plan Assets		
	Contributions		
	Benefits paid		
	Actuarial Gain / (Loss) on Plan Assets		
	Fair Value of Plan Assets at end of period		
IV	Fair Value of Plan Assets		
	Fair Value of Plan Assets at beginning of period	N.A	N.A
	Actual Return of plan assets		
	Contributions		
	Benefit paid		
	Fair Value of Plan Assets at end of period		
	Funded Status		
	Excess of actual over estimated return on Plan Assets		
V	Actuarial Gain/(Loss) Recognized		
	Actuarial Gain/(Loss) for the period (Obligation)	(9,87,062)	(16,48,881)
	Actuarial Gain/(Loss) for the period (Plan Assets)	N.A	N.A
	Total Gain/(Loss) for the period	(9,87,062)	(16,48,881)
	Actuarial Gain/(Loss) Recognized for the period	(9,87,062)	(16,48,881)
	Unrecognized Actuarial Gain /(Loss) at the end of period	NIL	NIL
VI	Amounts to be Recognized in the Balance Sheet		
	PBO at the end of period	6,428,883	48,27,642
	Fair Value of Plan Assets at end of period	N.A	N.A
	Funded Status	N.A	N.A
	Unrecognized Actuarial Gain /(Loss)	NIL	NIL
	Net (Asset)/Liability recognized in the Balance Sheet	6,428,883	48,27,642
VII	Expense Recognized		
	Current Service Cost	13,30,812	15,78,522
	Interest Cost	2,79,221	1,18,536
	Expected Return on Plan Assets	N.A	N.A
	Net Actuarial Gain /(Loss) recognized for the period	(9,87,062)	(16,48,881)
	Expense recognised in the statement of Profit & Loss A/c	25,97,095	33,45,939
VIII	Movements in the liability Recognised in Balance Sheet		
	Opening Net Liability	34,90,265	14,81,703
	Expenses as above	25,97,095	33,45,939
	Short Term Service Cost	1,439,530	
	Contribution paid	(10,98,007)	-
	Closing Net Liability	6,428,883	48,27,642

1. Managerial Remuneration under section 198 of the Companies Act,1956 of India (included under Personnel Expenditure in Schedule)

(Amount in Rs.)		
Particulars	2008-2009	2007-2008
Salary and Allowance	3,636,900	3,660,460
Perquisites	471,011	187,000
Provision for Gratuity	710,872	258,311
Provision for Leave Encashment	620,493	560,627
Total	5,439,276	4,666,398

As no commission is payable to Directors, the computation of the net profits in accordance with

section 309(5) read with section 349 of the Companies Act, 1956 of India has not been given.

m. **Auditors' Remuneration (excluding service tax):**

(Amount in Rs.)

Particulars	2008-2009	2007-2008
Audit	28,00,000	1,200,000
Tax Audit	100,000	100,000
Certification	40,000	34,000
Out of Pocket Expenses	213590	134,751
Total	3,153,590	1,468,751

n. **Earnings in Foreign Exchange during the year:**

(Amount in Rs.)

Particulars	2008-09	2007-08
Financial Advisory Services Fees	-	411,259

o. **Expenditure in Foreign Currencies during the year:**

(Amount in Rs.)

Particulars	2008-09	2007-08
(i) Travelling	1,817,865	1,475,472
(ii) Staff Welfare	-	26,200
(iii) Hotel, Boarding & Lodging	-	26,406
(iv) Legal & Professional Charges	8,147,289	9,690,874
(v) Office Equipment	-	10,763
(vi) LC Charges	8,520,874	-

p. **Remittance in foreign currency on account of dividends to non-resident shareholders:**

Number of		Interim Dividend /Final Dividend	Amount Remitted (Rs.)	
Shareholders	Equity Shares		2008-09	2007-08
1	5021864	Final Dividend	5,524,050	-
1	5021864	Interim Dividend March 31, 2008	-	70,30,610
1	5021864	Interim Dividend March 31, 2007	-	505,989
		Total	5,524,050	7,536,599

- q. The Board of Directors of the Company vide their resolution dated June 26, 2008 had proposed a final dividend of Rs. 1.10 per equity share out of profits of the Company for the financial year 2007-08. Accordingly the Company made a payment of Rs. 83,779,290 to the members of the Company as appearing in the register of the member on book closure date i.e August 20, 2008 as against proposed dividend appropriation of Rs. 82,727,813. The short appropriated of Rs. 51,477 being dividend paid to members who have exercised share options after March 31, 2008 has been appropriated during current financial year.

r. **Earning Per Share (EPS) calculation (basic and diluted):**

	Particulars	2008-2009	2007-08
(i)	Net Profit/(Loss) after tax (Rs.)	(159,597,780)	234,482,528
	Less:- Dividend on Cumulative Preferences Share and Corporate Dividend Tax thereon	16,638,292	-
	Net Profit/(Loss) after tax available for equity shareholders (Rs.)	(176,236,072)	234,482,528
(ii)	Weighted average number of Equity Share For Basic EPS (No.)	76,173,852	69,082,458
	For Diluted EPS (No.)	93,651,606	70,688,965
(iii)	Nominal Value of shares (Rs.)	10	10
(iv)	Earning per Share (EPS)		

	Particulars	2008-2009	2007-08
	Basic (Rs.)	(2.31)	3.39
	Diluted (Rs.)	(2.31)	3.32

s. **Deferred Taxes:**

Components of deferred tax balances as on March 31, 2009 are as under:

(Amount in Rs.)		
Particulars	2008-2009	2007-2008
Deferred Tax Assets:		
Provision for Gratuity	1,640,916	503,631
Provision for Leave Encashment	2,185,177	1,186,341
Sar Expenses	208,283	19,452
	4,034,376	1,709,424
Deferred Tax Liability:		
Difference Between book and Tax Depreciation	(4,268,694)	268,544
	(4,268,694)	268,544
Net Deferred Tax Assets/(Liabilities)	(234,318)	1,440,880

- t. Recovery of Expenses in Schedule 'O' "Personnel Expenses" represents the amount of Rs 22,57,712 (Previous Year Rs 1,194,081) reimbursed by the Group Entities towards the ESOP compensation cost on the basis of share option exercised by the employees of respective companies and in schedule 'P' "Administrative and other Expenses" represents the amounts of Rs 71,413,139 (previous year Rs 24,822,673) reimbursed by the Group Entities towards the cost of shared common facilities.

- u. Disclosures of Transactions as required by Accounting Standard 19 on 'Leases'.
The Company has taken office premises at various locations and vehicles on operating lease and the lease rent in respect of the same have been charged under "Rent and Vehicle Maintenance and running expenses grouped under Miscellaneous expenses respectively" in Schedule 'P' to the Profit and Loss Account. The Agreements are executed for a period ranging between 1 to 5 years. There are no transactions in the nature of sub-lease but the office premises are occupied by the subsidiaries of the Company and this arrangement is permissible as per the lease agreements entered by the Company with various landlords.

The minimum lease rentals for non-cancellable leases outstanding as at March 31, 2009, are as under:

(Amount in Rs.)		
Minimum Lease Rental	As at 31.03.2009	As at 31.03.2008
Within 1 year	1,831,590	8,242,157
Later than 1 year but not more than 5 years	-	7,098,876
Later than 5 years	-	-

v. **Segment Reporting:**

1. **Business Segment:**

- The business segment has been considered as the primary segment.
- The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.
- The Company's primary business comprises of three business segments viz., Investment Operations, Financial Advisory Services and Support Services.
- Segment revenue, results, assets and liabilities include amounts identifiable to each segments allocated on a reasonable basis
- The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information as stated in (1) above

Information about the primary segment

(Amount in Rs.)

Particulars		Investment Operation	Financial Advisory Services	Support Services	Unallocated	Total
(i)	Segment Revenue					
	External Segment	8,767,836 <i>(307,286,286)</i>	279,774 <i>(11,262,937)</i>	116,443,872 <i>(22,863,590)</i>	148,956,826 <i>(484,761)</i>	274,448,308 <i>(341,897,574)</i>
	Internal Segment	-	-	-	-	-
	Total Revenue	8,767,836 <i>(307,286,286)</i>	279,774 <i>(11,262,937)</i>	116,443,872 <i>(22,863,590)</i>	148,956,826 <i>(484,761)</i>	274,448,308 <i>(341,897,574)</i>
(ii)	Segment Results Profit / (Loss)	(28,293,698) <i>(257,318,140)</i>	(30,188) <i>(-8,584,758)</i>	18,599,708 <i>-</i>	111,566,044 <i>-</i>	101,841,866 <i>(248,733,382)</i>
	Less: Unallocated Expenses (net)					201,687,989 <i>(15,657,501)</i>
	Less: Income Taxes (Current, Deferred, Wealth and Fringe Benefit Tax)					59,751,657 <i>(-1,406,646)</i>
	Profit / (Loss) After Tax					(159,597,780) <i>(234,482,528)</i>
(iii)	Segment Assets	20,237,320,752 <i>(5,661,680,979)</i>	2,553,579 <i>(4,382,940)</i>	23,567,900		20,263,442,231 <i>(5,666,063,919)</i>
	Unallocated Corporate Assets	-	-	-	4,969,870,455	4,969,870,455
	Total Assets	20,237,320,752 <i>(5,661,680,979)</i>	2,553,579 <i>(4,382,940)</i>	23,567,900	4,969,870,455 <i>(6,552,405)</i>	25,233,312,686 <i>(5,672,616,324)</i>
(iv)	Segment Liabilities	1,331,365 <i>(839,019,878)</i>	- <i>(4,183,139)</i>	9,925,160 <i>-</i>	- <i>-</i>	11,256,525 <i>(843,203,017)</i>
	Unallocated Corporate Liabilities	-	-	-	35,685,263	35,685,263
	Total Liabilities	1,331,365 <i>(839,019,878)</i>	- <i>(4,183,139)</i>	9,925,160	35,685,263 <i>(16,198,765)</i>	46,941,788 <i>(859,401,782)</i>
(v)	Capital Expenditures	- <i>(2,845,197)</i>	- <i>(2,215,343)</i>	-	31,892,114 <i>(451,850)</i>	31,892,114 <i>(5,512,390)</i>
(vi)	Depreciation	231,012 <i>(157,317)</i>	309,962 <i>(251,444)</i>	1,314,640 <i>-</i>	1,269,396 <i>(46,871)</i>	3,125,010 <i>(455,632)</i>
(vii)	Non Cash Expenditures other than Depreciation	- <i>(765,770)</i>	- <i>(1,102,355)</i>	701,343 <i>-</i>	369,128 <i>(2,988,698)</i>	7,382,564 <i>(4,856,823)</i>

Note: Figures in respect of previous year are stated in brackets in *Italics*.

2. Geographical Segment:

The Company operates in one Geographic segment namely “Within India” and hence no separate information for Geographic segment wise disclosure is required.

w. Related Party Disclosures:

Nature of Relationship

1) Subsidiaries

Name of Party

Religare Securities Limited
Religare Finvest Limited
Religare Commodities Limited
Religare Insurance Broking Limited

	<p>Religare Venture Capital Limited</p> <p>Religare Finance Limited</p> <p>Religare Capital Markets Limited</p> <p>Religare Realty Limited</p> <p>Religare Arts Initiative Limited</p> <p>Religare General Insurance Company Limited</p> <p>(Formerly Religare Insurance Holding Company Limited)</p> <p>Religare United Soccer Limited (w.e.f. 08/04/2008)</p> <p>Maharishi Housing Development Finance Corporation Limited (w.e.f. 28/05/2009)</p>
2) Joint Ventures	<p>Vistaar Religare Capital Advisors Limited. (Vide Shareholders Agreement dated 26/02/2008)</p> <p>Religare Macquarie Wealth Management Limited(formerly known as Religare Wealth Management Services Ltd)(w.e.f 13/03/2008)</p> <p>Aegon Religare Life Insurance Co Limited (vide Joint Venture agreement dated 19/06/2007)</p>
3) Subsidiaries of Subsidiary	<p>Religare Capital Markets International (Mauritius) Limited (w.e.f on 09/04/2008)</p> <p>(Formerly known as LM Capital Markets International (Mauritius) Limited)</p> <p>Religare Capital Markets International (UK) Limited (became subsidiary of Religare Capital Markets International (Mauritius) Limited) (w.e.f. 09/04/2008)(Formerly known as ENIGMACO LIMITED)</p> <p>Religare Hichens, Harrisons Plc. (become subsidiary of Religare Capital Markets International (UK) Limited w.e.f. May 23, 2008)</p> <p>Religare Arts Investment Management Limited (become subsidiary of Religare Arts Initiative Limited w.e.f. 16/04/2008)</p> <p>Religare Assets Management Company Private Limited</p> <p>(become subsidiary of Religare Securities Limited w.e.f.05/12/2008)</p> <p>(Formerly Lotus India Assets Management Company Private Limited)*</p> <p>Religare Trustee Company (Private) Limited (w.e.f 05/12/2008)</p> <p>(Trustee to Lotus India Mutual Fund)*</p> <p>Hichens Harrison Commodities Limited**</p>

ARM Corporate Finance Limited**
 (Previously Oakleigh Renown Ltd)
 Blomfield Corporate Finance Limited**
 Blomfield Capital Limited** (Dissolved
 w.e.f 26/05/2009)
 Blomfield Investment Management
 Limited** (Dissolved w.e.f 26/05/2009)
 Blomfield Street Securities Limited**
 Charterpace Limited**
 Religare Hichens, Harrison PTE
 Limited**
 Religare Hichens Harrison Inc**
 HDIM Limited** (Dissolved w.e.f
 26/05/2009)
 Hichens, Harrison (Asia) Ltd** (Dissolved
 w.e.f 26/05/2009)
 Hichens, Harrison (Africa) (Pty)
 Limited**
 Hichens, Harrison (Middle East) Ltd**
 Hichens, Harrison (South America)
 Ltd** (Dissolved w.e.f 16/06/09)
 Hichens, Harrison (Ventures) Ltd**
 Hichens, Harrison (Derivatives) LLP**
 London Wall Nominees Limited **
 African Bio Fuels Ltd** (Dissolved w.e.f
 19/05/09)
 Asian Bio Fuels Ltd** (Dissolved w.e.f
 26/05/2009)
 African Wireless Ltd** (Dissolved w.e.f
 26/05/2009)
 South American Wireless
 Telecommunications Ltd** (Dissolved
 w.e.f 26/05/2009)
 Student Accommodation Company
 (India) Ltd**
 Hichens Harrison Global Consultoria
 Internacional Ltda**
 HH1803.Com Limited**
 Claridge House Services Limited**
 Hichens, Harrison (North America)
 Limited** (Dissolved w.e.f 26/05/2009)
 Hichens Investment Management
 Limited** (Dissolved w.e.f 26/05/2009)
 African Communications Services
 Proprietary Ltd**
 Blamire Ltd**
 Religare Technologies Limited w.e.f
 22/05/2009 (wholly owned subsidiary of
 Religare Technova Limited)
 Tobler (Mauritius) Limited (Incorporated
 on 26/05/2009 as wholly owned
 subsidiary of RHH Plc)
 Tobler UK Limited (Incorporated on
 29/05/2009 as Tobler (Mauritius)
 Limited)

4) Joint Ventures of Subsidiaries

Religare AEGON Asset Management
 Company Private Limited (formed on
 13/02/2008) ***
 Religare AEGON Trustee Company

Private Limited (formed on 13/02/2008)

- | | |
|--|---|
| 5) Individuals owning directly or indirectly interest in voting power that gives them control | Mr. Malvinder Mohan Singh
Mr. Shivinder Mohan Singh |
| 6) Key Management personnel and Relatives | Mr. Sunil Godhwani
Mr. Shachindra Nath
Mr. Anil Saxena
Mr. Sunil Kumar Garg
Mr. Mukesh Manglik**** |
| 7) Enterprises over which key (5) and (6) are able to exercise significant influence with whom transactions have taken place | RHC Holding (P) Ltd
(formerly Ranbaxy Holding Company,
Solaris Finance(P) Limited)
RC Nursery (P) Limited
Shivi Holdings Private Limited
Malav Holdings Private Limited.
Trendy Exim (P) Limited
Oscar Holding (P) Limited
Oscar Investments Limited.
Shivinder Mohan Singh(HUF)
Malvinder Mohan Singh(HUF)
Religare Technova Limited
(formerly Fortis Financial Services Limited)
Religare Technova Business Intellect Limited
(formerly Fortis Business Intellect Limited)
Religare Technova IT services Limited
(formerly Fortis Technologies (P) Limited)
Religare Technova Global Solutions Limited
(formerly Asian CERC information Technology Limited)
Religare Wellness Limited
(formerly Fortis Health world Limited)
Fortis Healthcare Consultancy Limited
Fortis Health Care Limited.
Fortis Health Care Holdings Limited.
International Hospital Limited.
Religare Travel (India)Limited
Super Religare Laboratories Limited
Ran Air Services Limited
Ranbaxy Laboratories
Limited(Dissolved w.e.f 24/05/2009) |

*Investment is made by the company through its subsidiary-Religare Securities Limited.

**Subsidiary of Religare Hichens, Harrisons plc.

***Discontinued w.e.f dated February 25, 2009

****Resigned at June 1, 2009

RELIGARE ENTERPRISES LIMITED
Related Party Transaction for the year ended March 31, 2009

Following transactions were carried out with related parties in the ordinary course of business

Nature of Transactions	Name of Related Party	Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
FINANCE													
Inter Corporate Deposit taken	RHC Holding (P) LTD(formerly known as Ranbaxy Holding Company)										2,245.00	-	2,245.00
	(formerly known as Ranbaxy Holding Company)												
Inter Corporate Deposit taken Total		-	-	-	-	-	-	-	-	-	2,245.00	-	2,245.00
Inter Corporate Deposit repaid	RHC Holding (P) LTD(formerly known as Ranbaxy Holding Company)										2,295.00	-	2,295.00
	(formerly known as Ranbaxy Holding Company)												
Inter Corporate Deposit repaid Total		-	-	-	-	-	-	-	-	-	2,295.00	-	2,295.00
Interest on Inter Corporate Deposit	RHC Holding (P) LTD(formerly known as Ranbaxy Holding Company)										169.30	-	169.30
	(formerly known as Ranbaxy Holding Company)											-	-
Interest on Inter Corporate Deposit Total		-	-	-	-	-	-	-	-	-	169.30	-	169.30
Share Application Money Received	RHC Holding (P) LTD(formerly known									180,000.00		180,000.00	-

Nature of Transactions	Name of Related Party	Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
	as Ranbaxy Holding Company)												
Share Application Money Received		-	-	-	-	-	-	-	-	180,000.00	-	180,000.00	-
Allotment of Equity Shares *	Malav Holdings Private Limited											-	-
	Shivi Holdings Private Limited											-	-
	Mr. Malvinder Mohan Singh											-	-
	Mr. Shivinder Mohan Singh											-	-
* (equity shares of Rs. 10 at a premium of Rs. 150 per share)												-	-
Allotment of Equity Shares Total			-		-		-		-		-	-	-
Allotment of Preference Shares *													
	RHC Holding (P) LTD(formerly known as Ranbaxy Holding Company)									25,000.00		25,000.00	-
	(formerly known as Ranbaxy Holding Company)											-	-
* (Preferenceshares of Rs. 10 at a premium of Rs. 90 per share)													
Allotment of Preference Shares Total		-	-	-	-	-	-	-	-	25,000.00	-	25,000.00	-
Dividend Paid/Payable	Mr. Malvinder Mohan Singh						479.69					-	479.69
	Mr. Shivinder Mohan Singh						479.69					-	479.69
	Mr. Sunil Godhwani								25.00			-	25.00

Nature of Transactions	Name of Related Party	Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
	Malav Holdings Private Limited									35.16	-	35.16	
	Shivi Holdings Private Limited									35.16	-	35.16	
Dividend Paid/Payable Total		-	-	-	-	-	959.38	-	25.00	-	70.32	-	1,054.70
CORPORATE GUARANTEE GIVEN	Religare Securities Limited	49,500.00	33,500.00									49,500.00	33,500.00
	Religare Commodities Limited	3,500.00	3,500.00									3,500.00	3,500.00
	Religare Aegon Assets Management Company Limited			1,500.00								1,500.00	-
	Religare Capital Markets International (UK) Limited	47,121.50										47,121.50	-
Corporate Guarantee given Total		100,121.50	37,000.00	1500.00	-	-	-	-	-	-	-	100,621.50	37,000.00
Pledge of Securities on behalf of Group Companies	Religare Securities Limited	30,000.00	2,401.13									30,000.00	2,401.13
	Religare Capital Markets Limited	13,798.00										13,798.00	-
Pledge of Securities on behalf of Group Companies Total		43,798.00	2,401.13	-	-	-	-	-	-	-	-	43,798.00	2,401.13
INVESTMENT													
Purchase of Equity shares	Mr. Shivinder Mohan Singh						0.01					-	0.01
	Mr. Malvinder Mohan Singh						0.01					-	0.01
	Super Religare Laboratories Limited										176.00	-	176.00
	Oscar Investments Ltd										1.50	-	1.50
	Ranbaxy Laboratories										440.00	-	440.00

Nature of Transactions	Name of Related Party	Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
	Limited												
	Mr. Sunil Godhwani							0.01				-	0.01
	RHC Holding (P) LTD(formerly known as Ranbaxy Holding Company)									1.46		-	1.46
	(formerly known as Ranbaxy Holding Company)											-	-
Purchase of Equity shares Total		-	-	-	-	-	0.02	-	0.01	-	618.96	-	618.99
Subscription to Equity Shares	Religare Venture Capital Limited											-	-
	Religare Securities Limited	20,000.00	2,100.00									20,000.00	2,100.00
	Religare Finvest Limited		16,203.57									-	16,203.57
	Religare Commodities Limited		300.00									-	300.00
	Religare Finance Limited		5.00									-	5.00
	Religare Realty Limited	2,170.00	1,995.00									2,170.00	1,995.00
	Religare Capital Markets Limited	15,000.00	550.00									15,000.00	550.00
	Religare Insurance Broking Limited		1,650.00									-	1,650.00
	Religare Arts Initiative Limited	300.00	200.00									300.00	200.00
	Religare Insurance Holding Company Limited		1,896.00									-	1,896.00
	(formerly known as Religare Insurance Holding Company Limited)												

Nature of Transactions	Name of Related Party	Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
	Vistaar Religare Capital Advisors Ltd.			199.99								199.99	-
	Religare United Soccer Limited	5.00										5.00	-
	Aegon Religare Life Insurance Co Ltd			13,200.00								13,200.00	-
	Religare Macquarie Wealth Management Limited			2,300.00	200.00							2,300.00	200.00
	(formerly known as Religare Wealth Management Services Limited)											-	-
	(total investment amount including premium)											-	-
												-	-
Subscription to Equity Shares Total		37,475.00	24,899.57	15,699.99	200.00	-	-	-	-	-	-	53,174.99	25,099.57
												-	-
Share Application Money Paid												-	-
	Religare General Insurance Company Limited		3.00									-	3.00
	(formerly known as Religare Insurance Holding Company Limited)											-	-
	Religare Finvest Limited	94330										94,330.00	-
	Religare Arts Initiative Limited	800										800.00	-
	Religare Insurance Broking Limited	2250										2,250.00	-
	Aegon Religare Life Insurance Co Ltd				2,500.00							-	2,500.00

Nature of Transactions	Name of Related Party	Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
	Vistaar Religare Capital Advisors Ltd				25.00							-	25.00
Share Application Money Paid Total		97,380.00	3.00	-	2,525.00	-	-	-	-	-	-	97,380.00	2,528.00
Share Application Money Received Back	Religare General Insurance Company Limited	3.00										3.00	-
	Religare Finance Limited		5.00									-	5.00
Share Application Money Received Back Total		3.00	5.00	-	-	-	-	-	-	-	-	3.00	5.00
												-	-
Dividend Income on Equity Shares	Religare Securities Limited		1,886.51									-	1,886.51
	Religare Finvest Limited		1,102.59									-	1,102.59
Dividend Income on Equity Shares Total		-	2,989.10	-	-	-	-	-	-	-	-	-	2,989.10
OTHER RECEIPTS AND PAYMENTS													
Purchase of Fixed Assets													
Purchase of Cars	Religare Finvest Limited		8.86									-	8.86
Purchase of Office Equipments	Religare Securities Limited		0.44									-	0.44
Purchase of Fixed Assets Total		-	9.30	-	-	-	-	-	-	-	-	-	9.30
												-	-
Support Services Fees												-	-
	Religare Securities Limited	634.23										634.23	-
	Religare Finvest Limited	268.80										268.80	-
	Religare Commodities	59.98										59.98	-

Nature of Transactions	Name of Related Party	Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
	Limited												
	Religare Capital Markets Limited	146.96										146.96	-
	Religare Insurance Broking Limited	29.99										29.99	-
	Religare Macquarie Wealth Management Limited			35.31								35.31	-
	(formerly known as Religare Wealth Management Services Limited)											-	-
Support Services Fees Total		1,139.96	-	35.31	-	-	-	-	-	-	-	1,175.27	-
Financial Advisory Fees	Fortis Health Care Limited											-	-
	International Hospital Limited										112.36	-	112.36
Financial Advisory Fees Total		-	-	-	-	-	-	-	-	-	112.36	-	112.36
Fringe Benefit Tax Reimbursement													
	Religare Securities Limited	50.68	35.98									50.68	35.98
	Religare Commodities Limited		1.92									-	1.92
	Religare Insurance Broking Limited	0.80	1.26									0.80	1.26
	Religare Finvest Limited	0.66	4.42									0.66	4.42
	Religare Capital Markets Limited	11.03										11.03	-
	Religare Macquarie Wealth Management Limited			1.20	2.27							1.20	2.27
	(formerly known as Religare Wealth											-	-

Nature of Transactions	Name of Related Party	Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
	Management Services Limited)												
Fringe Benefit Tax Reimbursement Total		63.17	43.58	1.20	2.27	-	-	-	-	-	-	64.37	45.85
Premium/Claim Reimbursement	Religare Securities Limited	218.28	8.47									218.28	8.47
	Religare Commodities Limited	45.51	2.31									45.51	2.31
	Religare Insurance Broking Limited	214.64	2.38									214.64	2.38
	Religare Finvest Limited	97.72	3.04									97.72	3.04
	Religare Capital Markets Limited	10.16	0.02									10.16	0.02
	Religare Arts Initiative Limited	0.69										0.69	-
	Religar Realty Ltd	1.88										1.88	-
	Religare Macquarie Wealth Management Limited			19.07	0.13							19.07	0.13
	(formerly known as Religare Wealth Management Services Limited)											-	-
	Religare Aegon Assets Management Company Limited			5.22								5.22	-
	Religare Technova Limited (formerly known as Fortis Financial Services Ltd.)	-								32.90		32.90	-
	Religare Technova IT Services (P) Ltd (formerly known as Fortis Technologies (P) Ltd)	-								45.04		45.04	-
Premium Reimbursement		588.88	16.22	24.29	0.13	-	-	-	-	77.94	-	691.11	16.35

Nature of Transactions	Name of Related Party	Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
Total													
Transfer of Loan Accounts													
	Religare Securities Limited		3.18									-	3.18
Transfer of Loan Accounts Total		-	3.18	-	-	-	-	-	-	-	-	-	3.18
Other Expenditure													
Travelling Expenses	Religare Securities Limited	0.41										0.41	-
	Religare Finvest Limited	0.17										0.17	-
	Religare Commodities Limited	0.03										0.03	-
	Religare Insurance Broking Limited	0.02										0.02	-
	Religare Capital Markets Limited	0.02										0.02	-
	Religare Travels India Limited									162.09		162.09	-
HR Support Charges	Religare Technova Business Intellect Limited (formerly known as Fortis Business Intellect Ltd)									5.90		5.90	-
Licence Fees	RHC Holding (P) LTD(formerly known as Ranbaxy Holding Company)									1.00	1.00	1.00	1.00
	Religare Securities Limited	0.60										0.60	-
	Religare Finvest Limited	0.25										0.25	-
	Religare Commodities Limited	0.05										0.05	-
	Religare Insurance Broking Limited	0.03										0.03	-

Nature of Transactions	Name of Related Party	Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
	Religare Capital Markets Limited	0.03										0.03	-
Vehicle Lease Rental paid	Religare Securities Limited	0.07	1.02									0.07	1.02
	Religare Finvest Limited	0.03	0.64									0.03	0.64
	Religare Commodities Limited	0.01										0.01	-
	Religare Insurance Broking Limited	0.00										0.00	-
	Religare Capital Markets Limited	0.00										0.00	-
												-	-
Depository Charges	Religare Securities Limited		0.31									-	0.31
Other Expenses Total		1.72	1.97	-	-	-	-	-	-	168.99	1.00	170.71	2.97
ALLOCATION OF EXPENSES TO OTHER COMPANIES													
Rent Expense	Religare Securities Limited	244.18	82.45									244.18	82.45
	Religare Finvest Limited	83.62										83.62	-
	Religare Commodities Limited	16.72										16.72	-
	Religare Insurance Broking Limited	8.36										8.36	-
	Religare Capital Markets Limited	8.36										8.36	-
Rent Expense Total		361.24	82.45	-	-	-	-	-	-	-	-	361.24	82.45
Electricity Expenses	Religare Securities Limited											-	-
												-	-
Electricity Expenses Total			-		-		-		-		-	-	-
Repairs and Maintenance Expenses	Religare Securities Limited	20.18	16.08									20.18	16.08

Nature of Transactions	Name of Related Party	Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
	Religare Finvest Limited	2.98										2.98	-
	Religare Commodities Limited	0.60										0.60	-
	Religare Insurance Broking Limited	0.30										0.30	-
	Religare Capital Markets Limited	0.30										0.30	-
Repairs and Maintenance Expenses Total		24.36	16.08	-	-	-	-	-	-	-	-	24.36	16.08
Insurance Expenses	Religare Securities Limited	0.91	2.85									0.91	2.85
	Religare Finvest Limited	0.38	0.88									0.38	0.88
	Religare Commodities Limited	0.08	0.22									0.08	0.22
	Religare Insurance Broking Limited	0.04	0.11									0.04	0.11
	Religare Capital Markets Limited	0.04										0.04	-
	Religare Macquarie Wealth Management Limited				0.11							-	0.11
	(formerly known as Religare Wealth Management Services Limited)											-	-
Insurance Expenses Total		1.45	4.06	-	0.11	-	-	-	-	-	-	1.45	4.17
Legal & Professional Expenses	Religare Securities Limited	110.91	21.70									110.91	21.70
	Religare Finvest Limited	46.21	5.19									46.21	5.19
	Religare Commodities Limited	9.24	1.14									9.24	1.14
	Religare Insurance Broking Limited	4.62	0.65									4.62	0.65
	Religare Capital	4.62										4.62	-

Nature of Transactions	Name of Related Party	Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
	Markets Limited												
	Religare Arts Initiative Limited		0.07									-	0.07
Legal & Professional Fee	Religare Technova Global Solutions Limited (formerly known as Asian CERC information Technology Limited)									6.35		-	6.35
	Religare Macquarie Wealth Management Limited				0.50							-	0.50
	(formerly known as Religare Wealth Management Services Limited)											-	-
Legal & Professional Expenses Total		175.61	28.75	-	0.50	-	-	-	-	-	6.35	175.61	35.59
Printing and stationery												-	-
	Religare Securities Limited	0.48	8.96									0.48	8.96
	Religare Finvest Limited	0.20	2.76									0.20	2.76
	Religare Commodities Limited	0.04	0.69									0.04	0.69
	Religare Insurance Broking Limited	0.02	0.34									0.02	0.34
	Religare Capital Markets Limited	0.02										0.02	-
	Religare Macquarie Wealth Management Limited				0.34							-	0.34
	(formerly known as Religare Wealth Management Services Limited)											-	-
Printing and stationery Total		0.76	12.75	-	0.34	-	-	-	-	-	-	0.76	13.09

Nature of Transactions	Name of Related Party	Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
Management Consultancy Charges												-	-
	Religare Securities Limited		156.33									-	156.33
	Religare Finvest Limited		48.10									-	48.10
	Religare Commodities Limited		12.03									-	12.03
	Religare Insurance Broking Limited		6.01									-	6.01
	Religare Macquarie Wealth Management Limited				6.01							-	6.01
	(formerly known as Religare Wealth Management Services Limited)											-	-
Management Consultancy Charges Total		-	222.47	-	6.01	-	-	-	-	-	-	-	228.48
Advertising and Business Promotion													
	Religare Securities Limited	52.56	11.55									52.56	11.55
	Religare Finvest Limited	21.92	3.55									21.92	3.55
	Religare Commodities Limited	4.38	0.89									4.38	0.89
	Religare Insurance Broking Limited	2.19	0.44									2.19	0.44
	Religare Capital Markets Limited	2.19										2.19	-
	Religare Macquarie Wealth Management Limited		-		0.44							-	0.44
	(formerly known as Religare Wealth Management Services Limited)											-	-

Nature of Transactions	Name of Related Party	Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
Advertising and Business Promotion Total		83.23	16.43	-	0.44	-	-	-	-	-	-	83.23	16.87
Telephone													
	Religare Securities Limited	0.13										0.13	-
	Religare Finvest Limited	0.05										0.05	-
	Religare Commodities Limited	0.01										0.01	-
	Religare Insurance Broking Limited	0.01										0.01	-
	Religare Capital Markets Limited	0.01										0.01	-
Telephone Total		0.21	-	-	-	-	-	-	-	-	-	0.21	-
Membership & Subscription													
	Religare Securities Limited	19.95										19.95	-
	Religare Finvest Limited	8.31										8.31	-
	Religare Commodities Limited	1.66										1.66	-
	Religare Insurance Broking Limited	0.83										0.83	-
	Religare Capital Markets Limited	0.83										0.83	-
	Religare Arts Initiative Limited												-
Membership & Subscription Total		31.58	-	-	-	-	-	-	-	-	-	31.58	-
Director's Sitting Fees													
	Malvinder Mohan Singh					1.00						1.00	-
	Shivinder Mohan Singh					1.00						1.00	-
Director's Sitting Fees		-	-	-	-	2.00	-	-	-	-	-	2.00	-

Nature of Transactions	Name of Related Party	Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
Total													
ESOP Expenses													
	Religare Securities Limited	8.59	7.30									8.59	7.30
	Religare Finvest Limited	7.25	3.50									7.25	3.50
	Religare Commodities Limited	-										-	-
	Religare Insurance Broking Limited	1.13	0.80									1.13	0.80
	Religare Capital Markets Limited	3.48										3.48	-
	Religare Arts Initiative Limited	1.07										1.07	-
	Religare Macquarie Wealth Management Limited			1.07	0.50							1.07	0.50
	(formerly known as Religare Wealth Management Services Limited)											-	-
ESOP Expenses Total		21.52	11.60	1.07	0.50	-	-	-	-	-	-	22.59	12.10
Advance received for Fixed Assets													
Advance for Oracle Software												-	-
	Religare Securities Limited		42.22									-	42.22
	Religare Finvest Limited		23.17									-	23.17
	Religare Commodities Limited		5.79									-	5.79
	Religare Insurance Broking Limited		5.79									-	5.79
	Religare Capital Markets Limited		5.79									-	5.79

Nature of Transactions	Name of Related Party	Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
	Religare Macquarie Wealth Management Limited				11.59							-	11.59
	(formerly known as Religare Wealth Management Services Limited)											-	-
	Religare Realty Limited		5.79									-	5.79
	Religare Technova Limited (formerly known as Fortis Financial Services Ltd.)										4.12	-	4.12
	Religare Technova Global Solutions Limited (formerly known as Asian CERC Information Technology Ltd.)										4.12	-	4.12
Advance received for Fixed Assets Total		-	88.55	-	11.59	-	-	-	-	-	8.24	-	108.38
REIMBURSEMENT OF EXPENSES													
Expenses Reimbursement to Other Companies	Religare Securities Limited	30.68	18.91									30.68	18.91
	Religare Finvest Limited	0.71	0.36									0.71	0.36
	Religare Commodities Limited	0.12	0.00									0.12	0.00
	Religare Insurance Broking Limited	0.03										0.03	
	Religare Realty Limited	350.83										350.83	-
	RHC Holding (P) LTD (formerly known as Ranbaxy Holding										15.96	-	15.96

Nature of Transactions	Name of Related Party	Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
	Company)												
	Religare Macquarie Wealth Management Limited			14.92								14.92	
	(formerly known as Ranbaxy Holding Company)											-	-
Expenses Reimbursement to Other Companies Total		382.27	19.27	14.92	-	-	-	-	-	-	15.96	397.29	35.23
Miscellaneous expenses Reimbursement by Other Companies	Religare Securities Limited	16.48	61.95									16.48	61.95
	Religare Finvest Limited	6.87	18.21									6.87	18.21
	Religare Commodities Limited	1.37	4.55									1.37	4.55
	Religare Insurance Broking Limited	0.69	2.30									0.69	2.30
	Religare Capital Markets Limited	0.69	0.02									0.69	0.02
	Religare Realty Limited		0.01									-	0.01
	Religare Finance Limited		0.01									-	0.01
	(formerly known as Religare Wealth Management Services Limited)											-	-
	Religare Arts Initiative Limited		2.35									-	2.35
	Religare Macquarie Wealth Management Limited				0.17							-	0.17
Miscellaneous expenses Reimbursement by Other Companies Total		26.10	89.40	-	0.17	-	-	-	-	-	-	26.10	89.57

Nature of Transactions	Name of Related Party	Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
												-	-
Remuneration to Key Managerial Personnel	Mr. Sunil Godhwani							41.08	35.28			41.08	35.28
	Mr. Shachindra Nath							76.31	66.32			76.31	66.32
	Mr. Anil Saxena							83.20	61.36			83.20	61.36
	Mr. Sunil Garg							37.51	37.36			37.51	37.36
	Mr. Atul Mittal											-	-
	Mr. Mukesh Manglik							34.47	30.18			34.47	30.18
Remuneration to Key Managerial Personnel Total		-	-	-	-	-	-	272.57	230.50	-	-	272.57	230.50
*from April 9, 2007												-	-
** from May 1, 2007												-	-
*** from May 1, 2007												-	-
**** from August 1, 2006 to March 31, 2007												-	-
***** from April 1, 2006 to Jan 12, 2007												-	-
***** from December 18, 2006 to March 31, 2007												-	-
# Excludes provision for gratuity and leave encashment since these are based on actuarial valuations done on an overall Company basis												-	-
#Exclude provision for gratuity and leaveencashment since these are based on actuarial valuation done on an overall company bases.													
ESOPs Granted(In Numbers)	Mr. Sunil Godhwani								1.21			-	1.21
	Mr. Shachindra Nath								0.80			-	0.80
	Mr. Anil Saxena								0.76			-	0.76
	Mr. Sunil Garg								0.67			-	0.67

Nature of Transactions	Name of Related Party	Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
	Mr. Atul Mittal											-	-
	Mr. Mukesh Manglik								-			-	-
ESOPs Granted(In Numbers) Total		-	-	-	-	-	-	-	3.44	-	-	-	3.44
ESOPs Exercised(In Numbers)													
	Mr. Shachindra Nath											-	-
	Mr. Anil Saxena								0.25			-	0.25
	Mr. Sunil Garg							0.15				0.15	-
	Mr. Atul Mittal											-	-
	Mr. Mukesh Manglik											-	-
ESOPs Exercised(In Numbers) Total		-	-	-	-	-	-	0.15	0.25	-	-	0.15	0.25
OUTSTANDING BALANCES AS ON March 31, 2009													
Payable													
												-	-
Other Payables													
	Religare Securities Limited		0.30									-	0.30
	RHC Holding (P) LTD(formerly known as Ranbaxy Holding Company)									39.08		-	39.08
	(formerly known as Ranbaxy Holding Company)											-	-
	Religare Securities Limited	18.70										18.70	-
	Religare Finvest Limited	3.87										3.87	-
	Religare Insurance Broking Limited	0.03										0.03	-
	Religare Realty Limited	129.88										129.88	-
												-	-

Nature of Transactions	Name of Related Party	Subsidiary Companies		Joint Ventures		Individuals owning directly or indirectly interest in voting power that gives them control		Key Management Personnel and Relatives		Enterprises over which Key Management Personnel / Relatives thereof are able to exercise Significant Influence		Total	
		Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
Other Payables Total		152.48	0.30	-	-	-	-	-	-	-	39.08	152.48	39.38
Receivable													
Other Receivables	Religare Securities Limited	159.14	230.64									159.14	230.64
	Religare Finvest Limited	52.38	68.74									52.38	68.74
	Religare Commodities Limited	7.42	23.60									7.42	23.60
	Religare Arts Initiative Limited	1.07	0.06									1.07	0.06
	Religare Insurance Broking Limited	3.09	10.59									3.09	10.59
	Religare Capital Markets Limited	8.21	1.68									8.21	1.68
	Religare Realty Limited		1.67									-	1.67
	Religare Macquarie Wealth Management Limited			20.14	10.40							20.14	10.40
Other Receivables Total		231.31	336.98	20.14	10.40	-	-	-	-	-	-	251.45	347.38
Dividend Receivable	Religare Securities Limited		814.37									-	814.37
	Religare Finvest Limited		481.72									-	481.72
Dividend Receivable Total		-	1,296.09	-	-	-	-	-	-	-	-	-	1,296.09
Receivable Total		231.31	1,633.07	20.14	10.40	-	-	-	-	-	-	251.45	1,643.47

- x. There are no transactions during the year ended March 31, 2009 with Micro, Small and Medium enterprises and as such there is no balance outstanding as at March 31, 2009.
- y. The provision for Income Tax for year ended March 31, 2009 has been made on as estimated basis in accordance with the provision of Income Tax Act, 1961 of India.
- z. Figure for the previous year have been regrouped, rearranged and reclassified wherever necessary to conform to the current year's classification.

**Signature to Schedule A to R forming part of the
Financial Statements**

For and on behalf of the Board of Directors

PARTHA GHOSH
Partner
Membership No. F55913

SHIVINDER MOHAN SINGH
Director

SUNIL GODHWANI
CEO & Managing Director

For and on behalf of
Price Waterhouse
Chartered Accountants

RAVI BATRA
Sr.Vice President & Company Secretary

Place: Mumbai
Date: June 24, 2009

Place: New Delhi
Date: June 23, 2009

The Board of Directors
Religare Enterprises Limited
D3, P3B, District Centre, Saket,
New Delhi - 110017

1. We have reviewed the attached un-audited condensed consolidated Balance Sheet of Religare Enterprises Limited ('the Company'), its subsidiaries and its jointly controlled entities, hereinafter referred to as 'Group' (Refer Note 1(C) of Schedule S to the attached un-audited condensed consolidated financial statements) as at December 31, 2010 and December 31, 2009, the related un-audited condensed consolidated Profit and Loss Account and the un-audited condensed consolidated Cash Flow Statement (together referred to as 'un-audited condensed consolidated financial statements') for the nine months ended on December 31, 2010 and December 31, 2009 respectively, annexed thereto, which we have signed under reference to this report. These un-audited condensed consolidated financial statements are the responsibility of Company's Management. Our responsibility is to express an opinion on these un-audited condensed consolidated financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Engagements to Review Financial Statements" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.
3. A review is limited primarily to inquiries of group's personnel and analytical procedures applied to group's financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. We did not review the financial statements and other financial information of certain subsidiaries and jointly controlled entity included in these unaudited condensed consolidated financial statements, whose financial statements reflect total assets of Rs. 23,487.99 lacs as at December 31, 2010 (Rs. 16,848.58 lacs as at December 31, 2009) and net assets of Rs. 429.90 lacs as at December 31, 2010 (Rs. 12,638.06 lacs as at December 31, 2009), total revenue of Rs. 10,944.68 lacs (Rs. 7,174.92 lacs), net (loss)/profit before tax of Rs. (6143.63 lacs) (Rs. 3,063.69 lacs) and net cash inflows / (outflows) amounting to Rs. 5028.22 lacs (Rs. (422.79 lacs)) for the nine months then ended. These financial statements and other financial information have been reviewed by other auditors whose reports have been furnished to us, and our opinion on the condensed consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
5. We report that the un-audited condensed consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard 21 – 'Consolidated Financial Statements' and Accounting Standard 27 – 'Financial Reporting of Interests in Joint Ventures' notified under sub-section 3C of Section 211 of the Companies Act, 1956.
6. Based on our review conducted as above, consideration of reports of other auditors on separate financial statements and on other financial information of the components of the Group as referred above, nothing has come to our attention that causes us to believe that the un-audited condensed consolidated financial statements have not been prepared in all material respects in accordance with Accounting Standard 25 - Interim Financial Reporting notified pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and other recognised accounting practices and policies, or that it contains any material misstatement.
7. This report is intended solely for the use of the Company's management in connection with the proposed placement of equity shares of the Company pursuant to rights issue in India as per Chapter IV of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended, and should not be used for any other purposes except with our consent in writing.

For Price Waterhouse
Chartered Accountants
Firm Registration No. 301112E

Place: New Delhi
Date: May 3, 2011

Partha Ghosh
Partner
Membership No. F-55913

RELIGARE ENTERPRISES LIMITED
Condensed Consolidated Balance Sheet as at December 31, 2010

	Schedule	As at	As at	As at
		December 31, 2010	December 31, 2009	March 31, 2010
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
		Unaudited	Unaudited	Audited
SOURCES OF FUNDS:				
Shareholders' Funds:				
Share Capital	A	1,763,590,600	1,015,239,380	1,528,137,520
Share Application Money		-	18,000,000,000	1,779,400
Reserves and Surplus	B	30,288,459,655	7,189,135,622	24,595,591,258
		32,052,050,255	26,204,375,002	26,125,508,178
Loan Funds				
Secured Loans	C	46,856,558,588	14,114,380,940	15,755,494,079
Unsecured Loans	D	57,561,193,253	30,357,710,563	39,964,433,325
		104,417,751,841	44,472,091,503	55,719,927,404
Policy Holders' Fund		1,396,295,032	363,969,382	639,122,473
Minority Interest (Refer note 3 iv d of Schedule "S")		2,137,620,057	124,853,353	129,266,613
TOTAL		140,003,717,185	71,165,289,240	82,613,824,668
APPLICATION OF FUNDS:				
Fixed Assets	E			
Gross Block		18,503,971,795	10,577,518,033	10,474,928,332
Less : Depreciation		2,465,342,806	1,493,192,723	1,641,795,677
Net Block		16,038,628,989	9,084,325,310	8,833,132,655
Capital Work-in-Progress (including capital advances)		753,685,113	189,743,584	51,474,789
		16,792,314,102	9,274,068,894	8,884,607,444
Investments	F	4,210,952,981	5,809,982,291	8,730,439,893
Deferred Tax Assets (Net) (Refer Note No. 3 xiv of Schedule 'S')		191,024,332	78,030,333	14,190,948
Current Assets, Loans and Advances:				
Interest Accrued		843,294,826	402,588,051	474,027,889
Stock In Trade		8,587,281,917	5,110,657,832	6,865,038,758
Sundry Debtors	G	12,298,022,158	5,738,564,029	7,387,411,323
Cash and Bank Balances	H	24,674,956,556	19,204,533,212	18,924,738,829
Loans and Advances	I	94,547,627,041	39,152,624,221	45,818,507,384
		140,951,182,498	69,608,967,345	79,469,724,183
Less : Current Liabilities and Provisions:				
Current Liabilities	J	22,787,545,539	13,258,695,991	14,092,026,756
Provisions	K	668,893,970	347,063,632	393,111,044
		23,456,439,509	13,605,759,623	14,485,137,800
Net Current Assets		117,494,742,989	56,003,207,722	64,984,586,383
Debit Balance in Profit & Loss Account		1,387,577,089	-	-
Less: Balance in General Reserve (per-contra)		(72,894,308)	-	-
		1,314,682,781	-	-
TOTAL		140,003,717,185	71,165,289,240	82,613,824,668
Notes to Condensed Consolidated Financial Statements	S			
Schedules referred to above form an integral part of the Condensed Consolidated Balance Sheet				

This is the Condensed Consolidated Balance Sheet referred to in our report of even date

For and on behalf of the Board of Directors

For Price Waterhouse
Firm Registration No-301112E
Chartered Accountants

PARTHA GHOSH
Partner
Membership No: F55913

ANIL SAXENA
Director & Group Chief
Financial Officer
(DIN-01555425)

SHACHINDRA NATH
Group Chief Executive
Officer
(DIN-00510618)

RAVI BATRA
Sr.Vice President & Company Secretary

Place:New Delhi
Date: May 3, 2011

Place: New Delhi
Date: May 3, 2011

RELIGARE ENTERPRISES LIMITED

Condensed Consolidated Profit and Loss Account for the Period from April 1, 2010 to December 31, 2010

	Schedule	For the Period from April 1, 2010 to December 31, 2010	For the Period from April 1, 2009 to December 31, 2009	For the Year Ended March 31, 2010
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
		Unaudited	Unaudited	Audited
INCOME				
Income from Operations	L	15,337,228,197	9,721,018,887	14,559,465,973
Interest Income	M	92,018,578	93,119,632	135,010,582
Other Income	N	2,171,644,487	1,454,084,176	1,887,361,756
Sale of Shares, Bullions etc.		609,712,642	167,733,391	170,372,326
TOTAL		18,210,603,904	11,435,956,086	16,752,210,637
EXPENDITURE				
Cost of Shares / Bullions etc.		602,531,518	75,714,656	76,979,225
Operating Expenses	O	3,183,582,606	2,264,451,835	3,078,468,700
Personnel Expenses	P	6,168,296,532	3,361,921,796	5,190,952,223
Administrative and Other Expenses	Q	3,979,759,777	2,656,404,548	3,984,295,778
Interest and Finance Charges	R	5,358,345,038	1,852,579,148	2,797,465,904
Depreciation (Refer Note No. 3 ix of Schedule "S")		747,153,347	483,649,468	679,708,246
Less: Net Expenditure of Joint Venture Recoverable (Refer Note No. 3 viii of Schedule "S")		(944,151,733)	(672,676,747)	(1,029,817,759)
TOTAL		19,095,517,085	10,022,044,704	14,778,052,317
PROFIT / (LOSS) BEFORE TAX		(884,913,181)	1,413,911,382	1,974,158,320
Provision for Taxation				
- Current Tax				
- For the period / year		920,023,865	817,599,447	883,227,475
- For Earlier period / year		67,932,824	(29,640)	2,473,360
- Wealth Tax		46,225	334,004	455,000
- Deferred tax (Net)		(174,530,859)	(56,092,455)	7,746,926
- Dividend Distribution Tax		-	-	108,798,864
PROFIT / (LOSS) BEFORE MINORITY INTEREST		(1,698,385,236)	652,100,026	971,456,695
Share of Minority Interest for the period / year		(22,587,679)	(4,181,154)	(2,219,783)
PROFIT / (LOSS) AFTER TAX AFTER MINORITY INTEREST		(1,720,972,915)	647,918,872	969,236,912
Add : Balance brought forward		543,506,313	348,446,767	348,446,767
Less: Opening Balance of Statutory Reserve u/s 45IC of RBI Act			(220,989,321)	(220,989,321)
Amount available for appropriation		(1,177,466,602)	775,376,318	1,096,694,358
APPROPRIATIONS:				
Dividend on Preference Shares		-	-	48,371,370
Interim Dividend on Equity Shares		-	-	255,627,504
Transfer to Statutory Reserve Fund u/s 45IC of RBI Act		210,110,487	166,316,369	205,643,697
Transfer to General Reserve		-	-	43,545,474
Balance Carried to Balance Sheet		(1,387,577,089)	609,059,949	543,506,313
TOTAL		(1,177,466,602)	775,376,318	1,096,694,358
EARNINGS PER SHARE (In Rupees)				
Basic		(13.42)	7.92	11.25
Diluted		(13.42)	7.87	11.17
(Refer Note No. 3 xiii of Schedule 'S')				
Notes to Consolidated Financial Statements	S			
Schedules referred to above form an integral part of the Condensed Consolidated Profit and Loss Account				

This is the Condensed Consolidated Profit and Loss Account referred to in our report of even date

For and on behalf of the Board of Directors

For Price Waterhouse
Firm Registration No-301112E
Chartered Accountants

PARTHA GHOSH
Partner

ANIL SAXENA
Director & Chief Financial
Officer

SHACHINDRA NATH
Group Chief Executive
Officer

Membership No: F55913

(DIN-01555425)

(DIN-00510618)

RAVI BATRA

Sr. Vice President & Company Secretary

Place: New Delhi
Date: May 3, 2011

Place: New Delhi
Date: May 3, 2011

RELIGARE ENTERPRISES LIMITED
Condensed Consolidated Cash Flow Statement for the Period from April 1, 2010 to December 31, 2010

	PARTICULARS	For the Period from April 1, 2010 to December 31, 2010	For the Period from April 1, 2009 to December 31, 2009	Year Ended March 31, 2010
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
		Unaudited	Unaudited	Audited
A.	Cash flow from Operating Activities:			
	Net Profit/ (Loss) Before Tax	(884,913,181)	1,413,911,382	1,974,158,320
	Adjustments for:			
	Depreciation(Refer Note No. 3 ix of Schedule "S")	747,153,347	483,649,468	679,708,246
	Interest Expense	2,398,788,386	1,041,095,030	1,575,250,937
	Interest Income*	(1,228,420,133)	(1,147,369,759)	(1,449,817,468)
	Income from Investment - Dividends	(13,370,352)	(17,665,538)	(20,626,773)
	Loss on Fixed Assets sold (Net)	24,033,630	1,926,192	11,097,744
	(Profit) on sale of Investments (Net)	(351,651,545)	(601,145,049)	(637,036,974)
	Bad Debts & Provision for Doubtful Debts	264,332,312	515,202,377	531,682,521
	Provision for Non Performing Assets, General Provision on Standard Assets	221,086,358	76,358,885	101,534,079
	Provision for Gratuity and Leave Encashment	77,478,143	34,679,258	58,181,307
	TDS on operating income and STT	(879,469,429)	(280,932,468)	(730,333,983)
	Employee Stock Options Expenses	(462,438)	788,847	898,735
	Provision for diminution in the value of Investments	12,573,051	6,258,661	34,612,147
	Change in valuation in respect of Life Policies	757,631,815	264,744,818	545,321,505
	Foreign Exchange Loss (Net)	288,019,176	30,156,730	48,346,796
	Change in Foreign Exchange Translation Reserve	91,764,958	(58,721,190)	(296,047,994)
	Liability no longer required written back	(157,899,835)	(929,396)	(7,873,604)
	Discount on issue of Commercial Papers	2,817,947,312	707,684,925	1,090,321,958
	Cash generated from operating activities before working capital changes	4,184,621,575	2,469,693,173	3,509,377,499
	Adjustments for Changes in Working Capital :			
	- (Increase) in Sundry Debtors	(4,901,935,271)	(2,819,344,115)	(4,484,671,552)
	- (Increase) in Other Receivables	(48,577,182,540)	(19,160,677,210)	(25,709,456,942)
	- (Increase) in Stock in Trade	(1,722,243,159)	(5,040,223,655)	(6,794,604,581)
	- Increase in Trade and Other Payables	8,501,825,304	5,019,409,916	5,293,318,296
	Cash used in Operations	(42,514,914,091)	(19,531,141,891)	(28,186,037,280)
	- Taxes (Paid) / (Net of TDS)	(289,000,000)	(289,292,785)	(338,439,495)
	Net Cash used in Operating Activities	(42,803,914,091)	(19,820,434,676)	(28,524,476,775)
B.	Cash Flow From Investing Activities:			
	Purchase of Fixed Assets (net)	(541,381,852)	(1,703,640,233)	(1,663,874,999)
	Proceeds from sale of Fixed Assets	86,519,563	27,970,506	35,279,252
	Capital Work in Progress	(702,210,324)	(82,233,558)	(56,035,237)
	Purchase of Investments	(231,294,683,288)	(7,789,287,405)	(564,213,949,911)
	Proceeds from sale of investments	235,400,830,545	4,654,964,475	558,277,666,719
	Interest Received (Revenue)	604,144,687	904,761,437	1,388,633,366
	Dividend Received	13,370,352	17,665,538	20,626,773
	Minority Interest Purchased	(14,234,234)	(34,327,986)	(27,953,355)
	Amount Paid on Acquisition of subsidiaries	(7,330,399,667)	(110,958,818)	(110,958,818)
	Net Cash used in Investing Activities	(3,778,044,218)	(4,115,086,044)	(6,350,566,290)
C.	Cash Flow From Financing Activities:			
	Proceeds from fresh issue of Equity Share Capital (including securities premium)	5,041,529,690	31,169,740	170,421,268
	Proceeds from fresh issue of Preference Share Capital (including securities premium)	1,200,000,000	-	-
	Proceeds from fresh issue of Preference Share Capital by subsidiary company	2,000,000,000	-	-
	Proceeds from Equity Share Application Money	-	-	1,779,400
	Proceeds/ (Repayment) for Short term Borrowings:-			
	- Inter Corporate Loans (Net)	7,511,505,530	1,692,096,989	(2,251,200,920)
	- Commercial Papers (Net)	13,412,547,550	17,948,293,350	30,008,179,590
	- Cash Credits / Working Capital Loans (Net)	5,223,994,663	3,084,368,476	520,941,764
	- Redeemable Non-Convertible Debentures (Net)	(5,570,000,000)	2,550,000,000	3,820,000,000
	-Compulsory-Convertible Debentures (Net)	(600,000,000)	(400,000,000)	(400,000,000)
	-Public Deposits (Net)	31,861,815	99,325,000	92,350,000
	- Vehicle Loan	(137,396)	(435,127)	(567,697)
	Proceeds/ Repayment for Long Term Borrowings:-			
	- Inter Corporate Loans (Net)	-	-	(135,000,000)
	- Long Term Debentures	2,843,000,000	4,500,000,000	4,500,000,000
	- Term Loans	22,936,877,609	1,574,901,032	5,775,784,682
	Interest Paid	(2,222,527,576)	(1,061,754,584)	(1,410,773,879)

	PARTICULARS	For the Period from April 1, 2010 to December 31, 2010	For the Period from April 1, 2009 to December 31, 2009	Year Ended March 31, 2010
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
		Unaudited	Unaudited	Audited
	Dividend Paid	(289,777,504)	-	(14,221,370)
	Net Cash Flow generated from Financing Activities	51,518,874,381	30,017,964,876	40,677,692,838
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	4,936,916,072	6,082,444,156	5,802,649,773
	Add: Cash and Cash Equivalents at the beginning of the Period/ Year	18,924,738,829	12,572,492,210	12,572,492,210
	Add: Cash and Cash Equivalents on Acquisition of Subsidiaries	813,301,655	549,596,846	549,596,846
	Cash and Cash Equivalents at the end of the Period/ Year	24,674,956,556	19,204,533,212	18,924,738,829
	Cash and Cash Equivalents at the end of the Period/ Year Comprises of			
	Cash in Hand	8,708,900	8,117,114	10,303,412
	Cheques/Stamps on Hand	-	-	59,482,163
	Balances with Banks in Fixed Deposits Accounts (Refer note 3 d of Schedule S)	17,517,817,880	17,288,216,093	16,407,409,889
	Balances with Banks in Current Accounts	7,148,429,776	1,908,200,005	2,447,543,365
		24,674,956,556	19,204,533,212	18,924,738,829

* Interest income does not include interest income from lending operation of Rs.6,676,178,505 (Previous Period Ended December 31, 2009 Rs. 2,801,922,082; Year Ended March 31, 2010 Rs.4,238,611,354)

Notes:

- 1 The Cash flow statement has been prepared under the indirect method as set out in Accounting Standard -3 on Cash Flow Statement.
- 2 Figures in bracket indicate cash outgo/income
- 3 Previous year/ period (s) figures have been regrouped and rearranged wherever necessary to confirm to the current year classification.

This is the Condensed Consolidated Cash Flow Statement referred to in our report of even date

For and on behalf of the Board of Directors

**For Price Waterhouse
Firm Registration No-301112E
Chartered Accountants**

**PARTHA GHOSH
Partner**

Membership No: F55913

**ANIL SAXENA
Director & Chief Financial
Officer
(DIN-01555425)**

**SHACHINDRA NATH
Group Chief Executive
Officer
(DIN-00510618)**

**RAVI BATRA
Sr. Vice President & Company Secretary**

**Place: New Delhi
Date: May 3, 2011**

**Place: New Delhi
Date: May 3, 2011**

RELIGARE ENTERPRISES LIMITED
Schedules forming part of the Condensed Consolidated Balance Sheet as at December 31, 2010

	As at	As at	As at
	December 31, 2010	December 31, 2009	March 31, 2010
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
	Unaudited	Unaudited	Audited
SCHEDULE 'A' : SHARE CAPITAL			
Authorized			
200,000,000 Equity Shares of Rs. 10 each	2,000,000,000	2,000,000,000	2,000,000,000
(Previous Period 200,000,000 Equity Shares, Previous Year 200,000,000 Equity Shares of Rs. 10 each)			
50,000,000 Redeemable Preference Shares of Rs. 10 each	500,000,000	500,000,000	500,000,000
(Previous Period 50,000,000 Redeemable Preference Shares; Previous Year 50,000,000 Redeemable Preference Shares of Rs. 10 each)			
TOTAL	2,500,000,000	2,500,000,000	2,500,000,000
Issued, Subscribed and Paid Up			
139,359,060 Equity Shares of Rs. 10 each Fully Paid up	1,393,590,600	765,239,380	1,278,137,520
(Previous Period 76,523,938 Equity Shares of Rs. 10 each Fully Paid up; Previous Year 127,813,752 Equity Shares of Rs. 10 each Fully Paid up)(Refer note 3 iv a and 3 iv b of Schedule "S")			
3,70,00,000 13.66% Cumulative Redeemable Preference Shares of Rs. 10 each Fully Paid up)	370,000,000	250,000,000	250,000,000
(Previous Period 2,50,00,000 13.66% Cumulative Redeemable Preference Shares of Rs 10 each Fully Paid up; Previous Year 2,50,00,000 13.66% Cumulative Redeemable Preference Shares of Rs. 10 each Fully Paid up) (Refer note 3 iv c of Schedule "S")			
TOTAL	1,763,590,600	1,015,239,380	1,528,137,520
SCHEDULE 'B' : RESERVES AND SURPLUS			
Capital Reserve (As at last Balance Sheet)	122,519,888	122,519,888	122,519,888
General Reserve			
Opening Balance	72,894,308	29,348,834	29,348,834
Transfer from Profit and Loss Account	-	-	43,545,474
Less: Debit Balance in Profit and Loss Account (per-contra)	(72,894,308)	-	-
	-	29,348,834	72,894,308
Statutory Reserve Fund*			
Opening Balance	426,633,018	220,989,321	220,989,321
Transfer from Profit and Loss Account	210,110,487	166,316,369	205,643,697
*Created u/s 45-IC of the Reserve Bank of India Act, 1934 by the subsidiary	636,743,505	387,305,690	426,633,018
Capital Redemption Reserve	750,000	750,000	750,000
Securities Premium Account			
Opening Balance	23,862,768,217	6,203,230,379	6,203,230,379
Add: Received during the period/ year on Equity Shares (Refer Note 3 iv a and b of Schedule "S")	4,927,856,010	30,443,140	17,688,951,485
Add: Received during the period/ year on Preference Shares (Refer Note 3 iv c of Schedule "S")	1,080,000,000	-	-
Less: Expenses relating to Rights Issue (Refer Note 3 v of Schedule "S")	-	-	29,413,647
	29,870,624,227	6,233,673,519	23,862,768,217
Employee Stock Options Outstanding			
Opening Balance	1,772,118	5,568,750	5,568,750
Less: Employee Stock Options exercised as on balance sheet date	296,730	648,810	2,741,310
Additions / (Cancellation) during the period / year	(165,708)	(516,398)	(749,790)
Less: Deferred Employee Stock Compensation	-	-	305,532
Net Employee Stock Options Outstanding	1,309,680	4,403,542	1,772,118
Surplus as per Profit and Loss Account	-	609,059,949	543,506,313
Foreign Currency Translation Reserve	(343,487,645)	(197,925,800)	(435,252,604)
TOTAL	30,288,459,655	7,189,135,622	24,595,591,258
SCHEDULE 'C' : SECURED LOANS			
Working Capital Loan and Overdraft from Banks	6,335,161,598	3,582,776,861	1,019,350,149

	As at December 31, 2010	As at December 31, 2009	As at March 31, 2010
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
	Unaudited	Unaudited	Audited
(Secured against pledge of Fixed Deposits, hypothecation of receivables and securities of third parties)			
Long Term Non Convertible Debentures (Refer Note No. 3 vii (b) of Schedule 'S') (Repayable within 12 months Rs 5,170,000,000, Previous period Rs Nil, Previous Year Nil)	7,343,000,000	4,500,000,000	4,500,000,000
Term Loans from Banks (Refer Note No. 3 iii (c) of Schedule 'S') (Repayable within 12 months Rs 5,752,739,695, Previous period Rs Nil, Previous Year Nil)	33,169,095,378	6,031,334,115	10,232,217,768
Vehicle loan (Secured by hypothecation of vehicle)	-	269,964	137,394
Interest Accrued and due on Secured Loans	9,301,612	-	3,788,768
TOTAL	46,856,558,588	14,114,380,940	15,755,494,079
SCHEDULE 'D' : UNSECURED LOANS (short term unless otherwise stated)			
Inter Corporate Loans	7,734,030,554	4,283,630,353	206,188,872
Redeemable Non-Convertible Debentures (Refer Note No. 3 vii (a) of Schedule 'S')	-	4,300,000,000	5,570,000,000
Compulsory Convertible Debentures	-	600,000,000	600,000,000
Commercial Paper (Refer Note No. 3 vii(c) of Schedule 'S')	49,672,954,270	20,999,936,136	33,442,459,409
Public Deposits	124,225,000	99,325,000	92,363,185
Unsecured Loans (Others) –long term (Repayable within 1 year Rs.39.64 lacs, for the period ended December 31, 2009 Rs.35.66 lacs, for the year ended March 31, 2010 Rs.36.61 lacs)	6,110,203	9,676,321	8,819,893
Interest accrued and due on Unsecured Loans	23,873,226	65,142,753	44,601,966
TOTAL	57,561,193,253	30,357,710,563	39,964,433,325

RELIGARE ENTERPRISES LIMITED

Schedules forming part of the Condensed Consolidated Balance Sheet as at December 31, 2010

Schedule 'E': Fixed Assets

(Amount in Rs.)

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION/ AMORTISATION				NET BLOCK		
	As at	Addition for the Period	Deletions/ Adjustments for the Period	As at	As at	Additions for the Period	Pre Acquisition Depreciation	Deletions/ Adjustments # for the Period	As at	As at	As at
	April 1, 2010			December 31, 2010	April 1, 2010				December 31, 2010	December 31, 2010	March 31, 2010
INTANGIBLE ASSETS											
GOODWILL (On consolidation)*	4,948,596,937	7,314,925,452	-	12,263,522,389	184,702	181,091,075	-	684,228	180,591,549	12,082,930,840	4,948,412,235
COMPUTER SOFTWARE	642,343,393	208,998,133	-	851,341,526	230,578,481	120,005,707	-	-	350,584,188	500,757,338	411,764,912
Sub Total (a)	5,590,940,330	7,523,923,585	-	13,114,863,915	230,763,183	301,096,782	-	684,228	531,175,737	12,583,688,178	5,360,177,147
TANGIBLE ASSETS											
LAND	54,649,819	-	-	54,649,819	-	-	-	-	-	54,649,819	54,649,819
BUILDING	1,519,245,539	59,084,124	-	1,578,329,663	18,600,902	16,932,892	-	(507,679)	36,041,473	1,542,288,190	1,500,644,637
LEASE HOLD IMPROVEMENTS	1,054,683,472	107,036,759	9,741,531	1,151,978,700	566,777,439	148,579,999	21,698,429	(2,257,244)	739,313,111	412,665,589	487,906,033
OFFICE EQUIPMENTS	671,884,148	113,198,185	7,246,710	777,835,623	260,000,826	77,567,121	35,335,793	(11,057,706)	383,961,446	393,874,177	411,883,322
DATA PROCESSING MACHINE	1,120,441,954	118,538,734	6,301,214	1,232,679,474	462,768,508	153,182,039	16,258,996	3,581,990	628,627,553	604,051,921	657,673,446
FURNITURE AND FIXTURE	198,002,641	39,949,248	4,482,201	233,469,688	79,217,806	10,686,805	11,552,136	1,740,029	99,716,718	133,752,970	118,784,835
VEHICLES	196,336,625	123,661,891	28,876,708	291,121,808	21,342,423	24,173,618	5,411,287	6,882,373	44,044,955	247,076,853	174,994,202
Sub Total (b)	4,815,244,198	561,468,941	56,648,364	5,320,064,775	1,408,707,904	431,122,474	90,256,641	(1,618,237)	1,931,705,256	3,388,359,519	3,406,536,294
LEASED ASSETS											
VEHICLES	68,743,804	299,301	-	69,043,105	2,324,590	14,934,091	-	14,796,868	2,461,813	66,581,292	66,419,214
Sub Total (c)	68,743,804	299,301	-	69,043,105	2,324,590	14,934,091	-	14,796,868	2,461,813	66,581,292	66,419,214
TOTAL (a + b + c)	10,474,928,332	8,085,691,827	56,648,364	18,503,971,795	1,641,795,677	747,153,347	90,256,641	13,862,859	2,465,342,806	16,038,628,989	8,833,132,655
Previous Period (December 31, 2009)	8,814,399,042	2,376,110,692	612,991,701	10,577,518,033	1,032,385,840	483,649,468	23,542,753	46,385,338	1,493,192,723	9,084,325,310	7,782,013,202
Previous Year (March 31, 2010)	8,814,399,042	2,566,614,085	906,084,795	10,474,928,332	1,032,385,840	679,708,246	23,542,753	93,841,162	1,641,795,677	8,833,132,655	7,782,013,202
Capital Work-in-Progress (including advances) -December 31, 2010										753,685,113	
Capital Work-in-Progress (including advances) -December 31, 2009										189,743,584	
Capital Work-in-Progress (including advances) - March 31, 2010										51,474,789	
# adjustments includes Rs.3,744,146 on account of foreign exchange currency conversion											
*Refer Note No. 3 (ix) of Schedule 'S'											

RELIGARE ENTERPRISES LIMITED

Schedules forming part of the Condensed Consolidated Balance Sheet as at December 31, 2009

Schedule 'E': Fixed Assets

(Amount in Rs.)

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION/ AMORTISATION				NET BLOCK		
	As at April 1, 2009	Addition for the Period	Deletions/ Adjustments for the Period	As at December 31, 2009	As at April 1, 2009	Additions for the Period	Pre Acquisition Depreciation	Deletions/ Adjustments for the Period	As at December 31, 2009	As at December 31, 2009	As at March 31, 2009
INTANGIBLE ASSETS											
GOODWILL (On consolidation)	5,535,729,954	162,966,930	529,608,813	5,169,088,071	184,702	-	-	-	184,702	5,168,903,369	5,535,545,252
COMPUTER SOFTWARE	344,395,077	276,658,758	3,350,225	617,703,610	94,135,805	103,417,461	-	538,490	197,014,776	420,688,834	250,259,272
Sub Total (a)	5,880,125,031	439,625,688	532,959,038	5,786,791,681	94,320,507	103,417,461	-	538,490	197,199,478	5,589,592,203	5,785,804,524
TANGIBLE ASSETS											
LAND	54,649,819	-	-	54,649,819	-	-	-	-	-	54,649,819	54,649,819
BUILDING	176,605,181	1,487,018,647	8,725,322	1,654,898,506	3,476,419	2,168,857	237,308	526,536	5,356,048	1,649,542,458	173,128,762
LEASE HOLD IMPROVEMENTS	908,460,240	126,543,896	13,973,792	1,021,030,344	367,990,549	166,312,043	3,017,373	10,385,825	526,934,140	494,096,204	540,469,691
OFFICE EQUIPMENTS	571,561,239	69,439,785	11,235,027	629,765,997	186,613,390	63,937,493	1,409,160	7,619,443	244,340,600	385,425,397	384,947,849
DATA PROCESSING MACHINE	970,296,500	49,410,140	32,002,130	987,704,510	296,729,905	125,124,189	13,007,068	20,600,696	414,260,466	573,444,044	673,566,595
FURNITURE AND FIXTURE	165,300,335	17,541,700	13,474,984	169,367,051	74,180,877	11,688,361	5,568,513	6,506,487	84,931,264	84,435,787	91,119,458
VEHICLES	71,242,820	186,530,836	621,408	257,152,248	8,733,627	10,777,025	303,331	207,861	19,606,122	237,546,126	62,509,193
Sub Total (b)	2,918,116,134	1,936,485,004	80,032,663	4,774,568,475	937,724,767	380,007,968	23,542,753	45,846,848	1,295,428,640	3,479,139,835	1,980,391,367
LEASED ASSETS											
VEHICLES	16,157,877	-	-	16,157,877	340,566	224,039	-	-	564,605	15,593,272	15,817,311
Sub Total (c)	16,157,877	-	-	16,157,877	340,566	224,039	-	-	564,605	15,593,272	15,817,311
TOTAL (a + b + c)	8,814,399,042	2,376,110,692	612,991,701	10,577,518,033	1,032,385,840	483,649,468	23,542,753	46,385,338	1,493,192,723	9,084,325,310	7,782,013,202
Previous Year	1,789,901,717	7,092,653,466	68,156,141	8,814,399,042	427,047,248	526,480,256	116,027,736	37,169,400	1,032,385,840	7,782,013,202	
Capital Work-in-Progress (including advances) - December 31, 2009										189,743,584	

RELIGAREENTERPRISES LIMITED

Schedules forming part of the Condensed Consolidated Balance Sheet as at March 31, 2010

Schedule 'E': Fixed Assets

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION/ AMORTISATION				NET BLOCK		
	As at April 1, 2009	Addition for the Period	Deletions/ Adjustments for the Period	As at	As at April 1, 2009	Additions for the Year	Pre Acquisition Depreciation	Deletions/ Adjustments for the Year	As at	As at	As at
				March 31, 2010					March 31, 2010	March 31, 2009	
INTANGIBLE ASSETS											
GOODWILL (On consolidation)	5,535,729,954	114,132,459	701,265,476	4,948,596,937	184,702	-	-	-	184,702	4,948,412,235	5,535,545,252
COMPUTER SOFTWARE	344,395,077	303,096,331	5,148,015	642,343,393	94,135,805	138,596,263	-	2,153,587	230,578,481	411,764,912	250,259,272
Sub Total(a)	5,880,125,031	417,228,790	706,413,491	5,590,940,330	94,320,507	138,596,263	-	2,153,587	230,763,183	5,360,177,147	5,785,804,524
TANGIBLE ASSETS											
LAND	54,649,819	-	-	54,649,819	-	-	-	-	-	54,649,819	54,649,819
BUILDING	176,605,181	1,351,365,680	8,725,322	1,519,245,539	3,476,419	17,754,895	237,308	2,867,720	18,600,902	1,500,644,637	173,128,762
LEASE HOLD IMPROVEMENTS	908,460,240	209,965,318	63,742,086	1,054,683,472	367,990,549	225,393,400	3,017,373	29,623,883	566,777,439	487,906,033	540,469,691
OFFICE EQUIPMENTS	571,561,239	143,553,170	43,230,261	671,884,148	186,613,390	87,471,027	1,409,160	15,492,751	260,000,826	411,883,322	384,947,849
DATA PROCESSING MACHINE	970,296,500	191,308,978	41,163,524	1,120,441,954	296,729,905	175,985,133	13,007,068	22,953,598	462,768,508	657,673,446	673,566,595
FURNITURE AND FIXTURE	165,300,335	52,961,854	20,259,548	198,002,641	74,180,877	16,114,209	5,568,513	16,645,793	79,217,806	118,784,835	91,119,458
VEHICLES	71,242,820	146,686,708	21,592,903	196,336,625	8,733,627	16,174,644	303,331	3,869,179	21,342,423	174,994,202	62,509,193
Sub Total (b)	2,918,116,134	2,095,841,708	198,713,644	4,815,244,198	937,724,767	538,893,308	23,542,753	91,452,924	1,408,707,904	3,406,536,294	1,980,391,367
LEASED ASSETS											
VEHICLES	16,157,877	53,543,587	957,660	68,743,804	340,566	2,218,675	-	234,651	2,324,590	66,419,214	15,817,311
Sub Total(c)	16,157,877	53,543,587	957,660	68,743,804	340,566	2,218,675	-	234,651	2,324,590	66,419,214	15,817,311
TOTAL(a + b + c)	8,814,399,042	2,566,614,085	906,084,795	10,474,928,332	1,032,385,840	679,708,246	23,542,753	93,841,162	1,641,795,677	8,833,132,655	7,782,013,202
Previous Year	1,789,901,717	7,092,653,466	68,156,141	8,814,399,042	427,047,248	526,480,256	116,027,736	37,169,400	1,032,385,840	7,782,013,202	
Capital Work-in-Progress (including advances)										51,474,789	

RELIGARE ENTERPRISES LIMITED
Schedules forming part of the Consolidated Balance Sheet as at December 31, 2010

	Currency	Face Value	As at		As at		As at	
			December 31, 2010		December 31, 2009		March 31, 2010	
			No.	Rs.	No.	Rs.	No.	Rs.
SCHEDULE 'F' : INVESTMENTS								
Other Than Life Insurance Business								
Long Term - Other than Trade								
Equity Shares (Fully Paid Up) (Quoted)								
Karnataka Bank Limited	INR	10	1,400,000	215,716,571	3,141,171	455,829,534	3,141,171	455,829,534
(Refer note 3 (iii) (a) on Schedule 'S')								
Ranbaxy Laboratories Limited	INR	5	3,449	1,588,092	3,449	1,588,092	3,449	1,588,092
National Hydroelectric Power Corporation Ltd.	INR	10	1,522,071	54,794,556	1,522,071	54,794,556	1,522,071	54,794,556
Equity Shares (Fully Paid Up) (Unquoted)								
Saraswat Co-op Bank Limited	INR	10	2,500	25,000	2,500	25,000	2,500	25,000
Equifax Credit Information Services pvt Ltd	INR	10	5,000,000	50,000,000	5,000,000	50,000,000	5,000,000	50,000,000
Government Securities (Unquoted)								
7.50% Govt. Stock 2010	INR	100	-	-	60	6,432	60	6,432
13.50% Maharashtra State Electricity Board Bonds	INR		-	-	1	200,000	1	200,000
9% Govt. Stock, 2013	INR	100	305	36,295	305	36,295	305	36,295
National Saving Certificate VIII ISSUE (Unquoted)								
NSC VIII Issue	INR	1000	6	6,000	6	6,000	6	6,000
NSC VIII Issue	INR	10000	3	30,000	3	30,000	3	30,000
(Refer Note 1 below)								
Others								
Estee Advisors Pvt Ltd A/C Ind (PMS)			-	-	-	-	-	100,000,000
Gold Coins	INR		4	37,641	4	37,641	4	37,641
Contribution to Funds								
Religare Art Fund				22,500,000		22,500,000		22,500,000
India Build Out-Fund-I	INR	1000	300,000	180,000,000		120,000,000		120,000,000
Vistaar Media Fund	INR	100	2,000,000	200,000,000		200,000,000		200,000,000
Total (A)				724,734,155		905,053,550		1,005,053,550
Current Investments Other than Trade								
Equity Shares (fully paid up) Quoted								
High Road Capital	GBP	0.1	21,400,000	3,770,167	21,400,000	6,393,646	21,400,000	5,809,618
Biofutures International Plc	GBP	1	-	-	7,100,000	6,633,845	-	-
PAQ International Holdings Limited	GBP	6	1,000,000	193,794	1,000,000	261,422	1,000,000	237,543
XG Technology Inc.	GBP	1	-	-	26,816	385,967	-	-
Strategic Natural Resources Plc	GBP	1	-	-	1,000,000	6,886,606	1,000,000	9,671,385
Deuxmil Marine Plc	GBP	0.35	-	-	588,993	3,519,451	-	-
ARH Leisure Investments Plc	GBP	10	205,000	8,033,626	20,500,000	8,514,902	20,500,000	7,737,108
Atlantic Coal Plc	GBP	0.07	2,000,000	665,741	13,000,000	4,939,371	13,000,000	4,167,599
Devilfish Gaming PLC	GBP	1	525,000	1,063,663	904,237	3,376,969	904,237	2,531,512
PHSC PLC	GBP	10	-	-	87,000	1,267,152	87,000	1,180,927
Running River Plc	GBP	0.1	8,900,000	2,748,698	8,900,000	2,913,366	8,900,000	2,647,245
Rurelec Plc	GBP	2	-	-	750,000	4,481,528	250,000	1,357,387
Sky Postal, Inc.	GBP	0.01	855,395	2,417,753	855,395	3,974,037	855,395	2,668,762
Sound Oil PLC	GBP	0.1	-	-	1,000,000	1,050,968	-	-
Sweet China PLC	GBP	0.1	-	-	1,728,331	4,363,334	1,440,000	3,303,338
West End Ventures Plc	GBP	0.1	5,000,000	704,704	5,000,000	746,921	5,000,000	678,694
Kyrso Resources	GBP	0.5	300,000	2,114,112	-	-	300,000	2,036,081

	Currency	Face Value	As at		As at		As at	
			December 31, 2010		December 31, 2009		March 31, 2010	
			No.	Rs.	No.	Rs.	No.	Rs.
Abans Electricals Limited	LKR	10	1,000	104,816	-	-	-	-
ACL Cables Limited	LKR	10	20,000	690,553	-	-	-	-
Cargills (Ceylon) Limited	LKR	10	15,000	1,257,792	-	-	-	-
Connaissance De Ceylon Limited	LKR	10	13,500	433,938	-	-	-	-
DFCC Bank Limited	LKR	10	5,000	367,884	-	-	-	-
Distelaries Company of Sri Lanka Limited	LKR	1	50,000	3,077,686	-	-	-	-
Dankotuwa Porcelain Limited	LKR	10	32,000	641,227	-	-	-	-
Hayleys Limited	LKR	10	500	49,479	-	-	-	-
Kelani Cables Limited	LKR	10	20,000	1,076,933	-	-	-	-
John Keels Hotels Limited	LKR	10	50,000	616,565	-	-	-	-
L. B. Finance Limited	LKR	10	50,000	3,987,119	-	-	-	-
The Lion Bravery Ceylon Limited	LKR	10	30,500	1,598,444	-	-	-	-
Caltex Lubricants Lanka Limited	LKR	10	25,400	1,597,396	-	-	-	-
National Development Bank	LKR	10	55,000	7,256,968	-	-	-	-
Royal Ceramic Lanka Limited	LKR	10	28,000	3,498,800	-	-	-	-
Hotel Reefcomber Limited	LKR	10	2,500	3,905	-	-	-	-
Seylan Bank Limited	LKR	10	200,000	2,651,229	-	-	-	-
Sinhaputhra Finance Limited	LKR	10	600	19,064	-	-	-	-
Tokyo Cement Co. Lanka Limited	LKR	10	50,000	1,124,203	-	-	-	-
Vallibel Power Erathna Limited	LKR	1	200,000	637,117	-	-	-	-
Watawala Plantation Limited	LKR	10	40,000	3,452,763	-	-	-	-
Equity Shares (fully paid up) Unquoted								
Unicom Asset Management Ltd	GBP	1	-	-	64,190	32,688,171	64,190	18,488,391
Hot Rocks Limited	GBP	0.1	17,980,000	6,968,818	18,000,000	7,394,520	18,000,000	6,719,067
CD Private Equity Natural resource Fund			250	8,093,096	250	8,331,820	250	8,000,723
Elite Real Estate (Mayfair) Plc			48,000	16,912,897	48,000	17,926,110	48,000	16,288,648
Latin Biofuels Limited	GBP	100	9,999	647,383	9,999	666,479	9,999	639,994
MENA			4,648	327,575	4,648	347,200	4,648	315,485
MN Speciality Steel Limited	GBP	0.1	283,040	8,832,823	283,040	9,093,367	283,040	8,732,007
Seven Hills Capital Partners			10,000	647,448	10,000	666,546	10,000	640,058
SMENA Holdings Limited			-	-	30,523	15,536,679	-	-
Scotty Group	GBP	5	-	-	33,057	839,497	33,057	471,149
Regency Mines	GBP	0.1	-	-	250,000	186,730	250,000	169,673
Cagney	GBP	1	312,500	94,695	312,500	100,368	312,500	91,199
Kleenair Systems International plc	GBP	0.1	21,859	2,079,582	29,510	2,204,165	21,859	2,002,826
The Core Business	GBP	0.1	180	6,850	1,080,000	193,602	1,080,000	175,917
Thor Mining	GBP	0.3	-	-	363,333	271,381	-	-
Louisiana Oil & Gas	GBP	5	1	1,775,854	1	1,882,242	1	1,710,308
Softlogic Holdings Limited			140,000	4,143,315	-	-	-	-
Debentures-Seylan Bank PLC			-	452,148	-	-	-	-
Global Traders Consultoria Int Ltd			-	-	25,000	3,492,680	-	-
OTHERS - Unquoted								
INDIAN FUND S.A. India Convertible Bonds Fund			20,201	91,130,317	-	-	20,201	89,643,860
Investments In Repo			-	191,479,991	-	-	-	-
9.75% IFCI -2030	INR	1000000	100	101,710,822	-	-	-	-
9.50% Bajaj Auto Finance-2020	INR	1000000	40	41,050,630	-	-	-	-
8.87% IREDA-2020	INR	1000000	7	7,015,408	-	-	-	-
Others (Commodities in Lots)			1	22,998,021	1	106,006,162	1	61,506,872
Investment in Mutual Funds								
LIC Liquid Growth	INR	10	-	-	-	-	59,301,078	1,000,000,000
Franklin Templeton (Long term plan growth)			-	-	4,395,199	100,000,000	-	-
Kotak Gold ETF	INR	1000	-	-	-	-	45,000	75,169,245

	Currency	Face Value	As at		As at		As at	
			December 31, 2010		December 31, 2009		March 31, 2010	
			No.	Rs.	No.	Rs.	No.	Rs.
Deutsche Mutual Fund	INR	10	-	-	-	-	-	235,000,000
DWS ULTRA SHORT TERM FUND IP GRTH			-	-	186,855,778	2,000,253,736	-	-
SHINSEI TREASURY ADV GRTH			-	-	296,846	300,071,411	-	-
KOTAK GOLD ETF			-	-	45,000	74,241,207	-	-
Reliance Medium Term Fund (Retail Plan - Growth)	INR	10	879,464	17,336,420	350,902	6,552,207	-	-
HDFC Cash Management Fund (Treasury Advantage Plan)	INR	10	960,272	20,003,515	130,505	2,578,456	-	-
Religare Ultra Short Term Fund (Institutional Growth)	INR	10	1,464,039	18,885,508	169,585	2,105,746	1,136,705	14,329,573
			-	-	-	-		
Religare Mutual Fund	INR	10	56,827,653	750,000,000	-	-	377,471,967	4,770,000,000
LIQUID FUND SIP GROWTH OPTION			-	-	-	-		
Religare Liquid Fund (GILT FUND LONG DURATION PLAN - INSTITUTIONAL GROWTH)	INR	10	-	-	50,009,621	498,495,897	499,272	5,000,555
Religare Mutual Fund	INR	10	-	-	24,632,483	250,000,000	-	-
CREDIT OPPORTUNITIES INSTITUTIONAL GROWTH								
JM Mutual Fund	INR	10	-	-	29,432,263	299,364,374	-	-
ARBITRAGE ADVANTAGE FUND DIVIDEND PAYOUT								
Religare Short Term Plan (Institutional Growth)	INR	10	7,838,426	101,028,981	2,916,282	32,925,986		
Religare Liquid Fund (Institutional Growth)	INR	10	3,139,406	41,007,273	-	-	-	-
Religare Ultra Short Term Fund	INR	10	23,036	247,473	6,406,790	79,447,036	45,499	455,681
Regular Daily Dividend			-	-	-	-		-
Religare Credit Opportunities Fund	INR	10	128,440	1,344,582	32,464,039	330,000,000	32,497,589	331,768,401
Institutional Plan - Growth Option								
Total (B)				1,512,077,564		4,243,573,260		6,691,346,831
Life Insurance Business (Refer Note - 2)								
Investments - Policy Holders								
Government Securities and Government guaranteed bonds including Treasury Bills				37,845,739		5,796,019		22,028,160
Debentures/ Bonds				2,491,173		2,442,447		2,453,440
Investments in Infrastructure and Social Sector				90,203,540		29,337,190		35,517,680
Investments - Share Holders								
Investments in Infrastructure and Social Sector				109,507,699		52,834,517		68,626,360
Debentures / Bonds				101,483,644		15,265,578		14,218,600
Other Securities				36,519,340		41,486,557		22,074,360
Mutual Funds				27,911,315		30,313,924		58,131,920
Government Securities and Government guaranteed bonds including Treasury Bills				300,720,161		156,948,822		292,678,320
Assets to cover Linked Liabilities								
Government Securities and Government guaranteed bonds including Treasury Bills				101,834,002		25,385,524		21,023,200

	Currency	Face Value	As at		As at		As at	
			December 31, 2010		December 31, 2009		March 31, 2010	
			No.	Rs.	No.	Rs.	No.	Rs.
Investments in Infrastructure and Social Sector				34,660,349		6,407,164		6,688,440
Debentures/ Bonds				85,558,890		9,364,937		10,565,720
Mutual Funds				74,076,200		13,333,760		18,167,600
Equity Shares				932,811,625		232,244,291		396,110,000
Other Securities				38,517,585		40,194,751		65,755,712
Total (C)				1,974,141,262		661,355,481		1,034,039,512
Total (A + B + C)				4,210,952,981		5,809,982,291		8,730,439,893
Aggregate Value of Quoted Investments								
At Book Value				327,955,357		571,921,668		617,771,252
At Market Value				367,364,635		665,204,424		478,786,239
Aggregate Value of Unquoted Investments				3,882,997,623		5,238,060,623		8,112,668,641

Notes:

- (1) Held In the name of a Director of subsidiary company as nominee, Rs 33,000 (Previous Year Rs.33,000) and pledged with Gujarat and Rajasthan VAT Authorities
- (2) The investment represents 44% share of the total Investment of Joint Venture. For the purpose of including in consolidated investment schedule, the information is limited to the value of share of the Company without considering the unit/ scrip wise details.

SCHEDULE 'G' : SUNDRY DEBTORS			
Sundry Debtors			
Debtors outstanding for a period exceeding six months			
- considered good*	221703133	185,501,380	304,769,881
- considered doubtful	48,458,643	29,260,143	35,453,219
Other Debts			
- considered good*	12076319025	5,553,062,649	7,082,641,442
- considered doubtful	84,950,386	120,398,527	11,958,550
Less: Provision for Doubtful debts	(133,409,029)	(149,658,670)	(47,411,769)
TOTAL	12,298,022,158	5,738,564,029	7,387,411,323
*Sundry Debtors includes secured debts Rs. 4,825,637,694.; (Previous Period Ended December 31, 2009 Rs.3,389,930,125 Previous Year Ended March 31, 2010 Rs.5,194,339,876)			
SCHEDULE 'H' : CASH AND BANK BALANCES			
Cash in Hand	8,708,900	8,117,114	10,303,412
Cheques and Stamps in Hand	-	-	59,482,163
Balances with Banks:			
In Current Account:	7,148,429,776	1,908,200,005	2,447,543,365
In Fixed Deposit Accounts (Refer Note No. 3 iii (d) of Schedule 'S')	17,517,817,880	17,288,216,093	16,407,409,889
TOTAL	24,674,956,556	19,204,533,212	18,924,738,829
SCHEDULE 'I' : LOANS AND ADVANCES			
Secured Loans			
Standard Assets	68,840,230,751	17,240,463,386	24,256,602,896
Sub - Standard Assets	53,787,746	164,613,365	52,624,333
Loss Assets	88,151,570	91,956,347	100,343,407
Unsecured Loans			
Standard Assets	20,257,996,905	17,533,807,902	16,766,979,446
Sub - Standard Assets	-	15,235,617	4,700,000
Doubtful Debts	88,725		
Personal Loans	40,640,378	-	-
Inter Corporate Loans	326,903,677	507,341,660	244,064,882
Advances recoverable in cash or in kind or for value to be received (Unsecured, Considered Good Unless Otherwise Stated)			
-Prepaid Expenses	398,483,529	187,637,474	301,956,146
-Security Deposits with Stock Exchanges	70,630,150	70,399,243	90,375,000
-Security Deposits - Others	1,588,579,379	935,119,110	1,043,821,377
-Others	1,499,833,495	879,459,567	764,269,728
Advance to Religare Employee SAR Trust (Refer Note No. 3 xi (b) of Schedule 'S')	-	109,752,966	109,752,966
Margin with Exchanges	27,722,350	26,868,610	6,868,610
Margin - Equity derivative instruments	-	-	126,107,810
Deposits - Equity derivative instruments	66,112,371	286,115,339	806,065,101
Asset acquired in satisfaction of debt	198,940,891	200,555,751	199,440,891
Advance Payment of Taxes and Tax deducted at source (Net of provision for Taxation Rs.3,498,034,971; December 31, 2009 Rs.2,420,314,818 March 31, 2010 Rs.2,488,755,497)	586,823,817	432,431,235	600,559,706
Balance with Service Tax Authorities	502,701,307	470,866,649	343,975,085
TOTAL	94,547,627,041	39,152,624,221	45,818,507,384
SCHEDULE 'J' : CURRENT LIABILITIES			
Sundry Creditors	10,247,581,882	7,838,821,767	7,253,917,320
Interest accrued but not due on Loans	497,049,210	103,683,872	305,572,505
Book Overdraft	6,941,509,606	2,171,227,719	3,201,497,389
Interim Dividend on Preference Shares	-	-	34,150,000
Interim Dividend on Equity Shares	-	-	255,627,504
Margin from Clients	1,723,456,403	603,080,833	852,848,105
Margin payable to Exchanges	1,224,314,441	1,415,643,541	828,580,111
Security Deposits	270,469,091	197,256,163	197,774,047
Advances from Clients/ Customer	140,966,090	121,144,344	123,540,634
Other Liabilities	1,742,198,816	807,837,752	1,038,519,141
TOTAL	22,787,545,539	13,258,695,991	14,092,026,756
SCHEDULE 'K' : PROVISIONS			
Gratuity	132,133,065	79,712,966	94,778,821
Leave Encashment	136,197,376	87,637,283	96,073,477
Non-Performing Assets	88,009,746	174,253,383	194,798,746
General Provision on Standard Assets	84,409,255	-	-
Contingent Provision on Standard Assets	220,684,528	-	-

Diminution in value of Non -banking financial assets	5,460,000	5,460,000	5,460,000
Diminution in value of Long Term Investments	2,000,000	-	2,000,000
TOTAL	668,893,970	347,063,632	393,111,044

RELIGARE ENTERPRISES LIMITED

Schedules forming part of Condensed Profit and Loss Account for the period ended December 31, 2010

	For the period from April 01 2010, to December 31,2010	For the period from April 01 2009, to December 31,2009	For the Year Ended March 31, 2010
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
	Unaudited	Unaudited	Audited
SCHEDULE 'L' : INCOME FROM OPERATIONS			
Broking Related Operations	4,176,373,231	3,992,523,583	5,282,871,433
Income from Lending Activities	6,676,178,505	2,801,922,082	4,238,611,354
Interest on Delayed Payments	712,589,838	382,432,078	502,015,311
Interest on Fixed Deposits with Banks	1,112,155,722	1,084,305,409	1,359,800,445
Income from Financial Advisory Services	1,274,979,853	567,450,077	1,694,006,343
Support Service Fees	394,814	-	1,611,912
Investment Management Fees	367,034,629	444,633,404	622,056,481
Portfolio Management Services Fees	38,942,047	36,412,555	39,920,982
Depository Operations	101,615,855	55,797,405	93,497,134
Life Insurance Premium (Net of Premium on re-insurance ceded)	876,963,703	355,542,294	725,074,578
TOTAL	15,337,228,197	9,721,018,887	14,559,465,973
SCHEDULE 'M' : INTEREST INCOME			
Interest on:			
Staff Loans	628,938	551,835	756,773
Fixed Deposits with Banks	9,986,557	1,919,277	3,201,360
Interest Income on Debentures / Bonds	14,682,630	5,122,666	5,122,666
Government Securities	4,118	1,598	5,316
Inter-Corporate Loans	26,198,015	50,356,096	70,690,824
Others	40,518,320	35,168,160	55,233,643
TOTAL	92,018,578	93,119,632	135,010,582
SCHEDULE 'N' : OTHER INCOME			
Dividend			
-On Current Investments	303,640	63,512	81,520
-On Long Term Investments	13,066,712	17,602,026	20,545,253
Profit on Sale of Long Term Investments	105,574,768	244,339,696	256,316,619
Profit on Sale/Redemption of Short Term Investments (Net)	246,076,777	356,805,353	380,720,355
Profit on Assignment of Loans	42,451,139	-	-
Income from Arbitrage and Trading of Securities and Derivatives (Net)	812,545,082	196,303,384	408,552,368
Balances Written Back (Net)/ Bad Debt Recovered	157,899,835	929,396	7,873,604
Recovery of Transaction Fees from clients	406,064,069	374,621,444	487,627,851
Transfer/Gain on revaluation/change in fair value	88,359,368	49,417,741	44,614,611
Rental Income	215,873,756	114,576,967	152,745,314
Income from Referral Fee	933,399	7,089,773	31,611,064
Reversal of Earlier Years provision for Doubtful Debts	11,910,892	206,241	1,588,608
Miscellaneous Income	70,585,050	92,128,643	95,084,589
TOTAL	2,171,644,487	1,454,084,176	1,887,361,756
SCHEDULE 'O' : OPERATING EXPENSES			
Commission and Brokerage	1,452,412,317	999,114,065	1,361,709,231
Transaction Charges	275,268,575	253,125,607	335,818,996
Custodial and Stamp Charges	122,601,868	85,880,274	114,546,916
Bad Debts written off	157,138,201	430,755,914	531,376,886
Provision for Non Performing Assets	6,712,331	76,358,885	101,534,079
General Provision on Standard Assets	214,374,027	-	-
Provision for doubtful debts	107,194,111	84,446,463	305,635
Gallery and Exhibition Expenses	3,546,249	9,671,487	2,182,421
Software License Expenses	44,235,624	39,682,624	53,383,337
Medical Fees	10,194,409	-	4,477,375
Membership and Subscription fees	32,273,077	20,671,699	27,812,320
Change in valuation of liability in respect of life policies	757,631,817	264,744,817	545,321,504
TOTAL	3,183,582,606	2,264,451,835	3,078,468,700
SCHEDULE 'P': PERSONNEL EXPENSES			
Salaries, Allowances and Bonus	5,429,229,581	2,853,005,849	4,467,786,120

	For the period from April 01 2010, to December 31,2010	For the period from April 01 2009, to December 31,2009	For the Year Ended March 31, 2010
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
	Unaudited	Unaudited	Audited
Contribution to Employees' Provident and other funds	232,585,616	175,206,091	226,990,669
Gratuity	23,965,385	22,391,869	35,272,588
Leave Encashment	84,628,020	52,657,407	69,319,360
Training and Recruitment Expenses	286,156,863	149,653,207	268,614,431
Staff Welfare Expenses	111,731,067	109,007,373	122,969,055
TOTAL	6,168,296,532	3,361,921,796	5,190,952,223
SCHEDULE 'Q': ADMINISTRATIVE AND OTHER EXPENSES			
Rent, Rates & Taxes	1,125,236,548	802,776,440	1,096,969,645
Advertisement, Business Promotion and Entertainment	346,081,078	312,239,910	555,301,153
Insurance	18,848,744	18,490,602	26,299,386
Travelling and Conveyance	403,494,200	191,455,455	300,286,155
Communication Expenses	405,833,913	347,020,667	452,529,339
Postage and Courier	72,522,910	57,119,755	85,071,428
Office Expenses	89,619,398	71,418,513	85,325,949
Printing and Stationary	90,525,617	68,330,380	85,154,165
Electricity	141,854,665	143,364,725	188,207,676
Legal and Professional	193,461,605	177,152,498	311,046,997
Support Service Expenses	425,638,647	219,100,448	361,977,895
Repairs and Maintenance			
- Building / Lease hold Improvement	8,924,949	2,291,921	8,325,378
- Others	147,698,303	106,352,676	150,837,446
Loss on account of Error Trades (net)	4,376,066	2,163,633	13,938,734
Auditors' Remuneration	29,259,927	18,098,964	31,845,922
Filing Fees	7,723,272	10,641,968	8,718,655
Provision for diminution in value of current investment / bullion (net)	12,573,051	6,258,661	34,612,147
Loss on Sale of Fixed Assets (net)	24,033,630	1,926,192	11,097,744
Foreign Exchange Loss (net)	288,019,176	30,156,730	48,346,797
Information technology and related expenses	76,231,890	38,620,636	58,481,266
Miscellaneous expenses	67,802,188	31,423,774	69,921,901
TOTAL	3,979,759,777	2,656,404,548	3,984,295,778
SCHEDULE 'R': INTEREST AND FINANCE CHARGES			
Interest on:			
- Inter Corporate Loans	257,991,824	134,684,022	237,648,181
- Debentures	681,665,639	548,814,832	773,834,027
- Commercial Paper	2,817,947,312	707,684,925	1,090,321,958
- Bank Overdrafts	1,179,470,628	83,573,008	174,049,324
- Client Margins	51,704,752	5,077,641	11,316,388
- Public Deposits	11,563,871	5,673,269	5,673,269
- Long term bank loans	118,881,015	154,555,404	190,411,762
- Others	11,827,768	61,312,589	111,261,485
Premium on acquisition of portfolio	23,018,751	-	-
Loan Processing Charges	62,664,137	47,404,266	71,056,501
Bank Guarantee Commission and Other Charges	141,609,341	103,799,192	131,893,009
TOTAL	5,358,345,038	1,852,579,148	2,797,465,904

RELIGARE ENTERPRISES LIMITED
SCHEDULE 'S' SCHEDULES ANNEXED TO AND FORMING PART OF THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE PERIOD FROM APRIL 1, 2010 TO DECEMBER 31, 2010

BASIS OF PREPARATION

- (i) The condensed Interim financial statements are prepared under the historical cost convention and on accrual basis of accounting and in accordance with generally accepted accounting principles in India and comply in material aspect with the measurement and recognition principals of Accounting Standards referred in Section 211 (3C) of the Companies Act, 1956 of India ("the Act") read with Companies (Accounting Standard) Rules 2006 to the extent applicable.
- (ii) The condensed interim financial statements for the period from April 1, 2010 to December 31, 2010 and April 1, 2009 to December 31, 2009 have been prepared in accordance with the requirements of Accounting Standard (AS) 25 Interim Financial Reporting for inclusion in the Draft Letter of Offer being prepared for the purpose of rights issue, under Chapter IV of Securities Exchange Board of India (ICDR) Regulations 2010 and accordingly does not include all possible disclosures required by the Generally Accepted Accounting Principles in India and Schedule VI to the Companies Act, 1956 of India.

1. PRINCIPLES OF CONSOLIDATION

- A. The condensed consolidated financial statements relate to Religare Enterprises Limited ('the Company'), its subsidiaries and Joint Ventures ('the Group'). The condensed consolidated financial statements have been prepared on the following basis:
 - (i) In respect of Subsidiary companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after as far as possible eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard 21 - Consolidated Financial Statements notified under the Companies (Accounting Standards) Rules, 2006.
 - (ii) In respect of Joint Ventures, the financial statements have been consolidated as per Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures notified under the Companies (Accounting Standards) Rules, 2006.
 - (iii) The excess of cost over the Company's investment in a subsidiary Company and Joint Ventures is recognized in the condensed consolidated financial statements as Goodwill. The excess of Company's share in equity and reserves of the subsidiary companies and Joint Ventures over the cost of acquisition is treated as Capital Reserve.
 - (iv) The share of Minority Interest in the net profit/ (loss) of subsidiaries for the period/year is identified and adjusted against the income of the group to arrive at the net income attributable to the Company.
 - (v) The share of Minority Interest in the net assets of subsidiaries is identified and presented as a liability in the condensed consolidated financial Statements separately from the equity of the Company.
 - (vi) The condensed consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- B. Investments other than investments in subsidiaries and joint ventures have been accounted as per Accounting Standard 13 on "Accounting for Investments" notified under the Companies (Accounting Standards) Rules, 2006.
- C. The subsidiaries enterprises and joint ventures considered in the condensed consolidated financial statements are as under:

Name of the Entity	Proportion of ownership Interest 31-Dec-10	Proportion of ownership Interest 31-Dec-09	Proportion of ownership Interest 31-Mar-10	Country of Incorporation	Status
Subsidiaries / Sub-Subsidiaries					
Religare Finvest Limited	100.00%	100.00%	100.00%	India	Trading
Religare Insurance Broking Limited	100.00%	100.00%	100.00%	India	Trading
Religare Securities Limited	100.00%	100.00%	100.00%	India	Trading
Religare Commodities Limited (Became wholly owned subsidiary of Religare Securities Limited w.e.f. May 31, 2010)	100.00%	100.00%	100.00%	India	Trading
Religare Venture Capital Limited	100.00%	100.00%	100.00%	India	Trading
REL Infra facilities Limited (Name changed from Religare Realty Limited w.e.f. November 18,2010)	100.00%	100.00%	100.00%	India	Trading
Religare Capital Markets Limited	100.00%	100.00%	100.00%	India	Trading
Religare Arts Initiative Limited	100.00%	100.00%	100.00%	India	Trading
Religare Finance Limited	100.00%	100.00%	100.00%	India	Trading
Religare Health Insurance Company Limited (Formerly known as Religare General Insurance Company Limited)	100.00%	100.00%	100.00%	India	Trading
Religare Global Asset Management Inc (Became the wholly owned subsidiary of the Religare Enterprises Limited w.e.f. December 1, 2010)	100.00%	-	-	USA	Trading
Religare Bullion Limited (incorporated as wholly owned subsidiary of Religare Commodities Limited w.e.f June 24, 2010)	100.00%	-	-	India	Trading
Religare United Soccer Limited (ceased to be subsidiary w.e.f December 27, 2010)	-	100.00%	100.00%	India	Ceased to be subsidiary
Religare Arts Investment Management Limited	100.00%	100.00%	100.00%	India	Trading
Religare Asset Management Company Limited(Formerly known as Lotus India Asset Management Company (P) Ltd)	100.00%	100.00%	100.00%	India	Trading
Religare Trustee Company Limited (Formerly known as Lotus India Trustee Company (P) Limited)	100.00%	100.00%	100.00%	India	Trading
Vistaar Religare Capital Advisors Limited (JV up to April 16, 2009, Subsidiary w.e.f April 17, 2009)	74.00%	74.00%	74.00%	India	Trading
Religare Advisory Services Limited(Subsidiary w.e.f. July 1, 2009)	100.00%	100.00%	100.00%	India	Trading
Religare Housing Development Finance Corporation Limited (Name changed from Maharashi Housing Development Finance Corporation Limited w.e.f. September 7, 2010 and became direct subsidiary of Religare Finvest Limited w.e.f. December 3, 2010)	87.50%	87.50%	87.50%	India	Trading
Religare Share Brokers Limited (Incorporated as wholly owned subsidiary of Religare Securities Limited w.e.f. 18.11.2010)	100.00%	-	-	India	Trading
Religare Capital Markets International (Mauritius) Limited	100.00%	100.00%	100.00%	India	Trading
Religare Capital Markets International(UK)Limited	100.00%	100.00%	100.00%	United Kingdom	Trading
Religare Capital Markets Plc (Formerly Religare Hichens, Harrisons Plc)	100.00%	100.00%	100.00%	United Kingdom	Trading
Religare Capital Markets (UK) Limited (Formerly Blomfield Corporate Finance Limited)*	100.00%	100.00%	100.00%	United Kingdom	Trading
Hichens, Harrison (Derivatives) LLP*	-	51.00%	99.00%	United Kingdom	Discontinued
Religare Capital Markets (Pty) Limited (Name	100.00%	100.00%	100.00%	South Africa	Ceased

Name of the Entity	Proportion of ownership Interest 31-Dec-10	Proportion of ownership Interest 31-Dec-09	Proportion of ownership Interest 31-Mar-10	Country of Incorporation	Status
changed from Religare Hichens Harrison (Pty) Limited w.e.f. October 4, 2010)					Trading
Hichens, Harrison (Africa) Ltd [#]	-	100.00%	-	United Kingdom	Discontinued
Religare Hichens Harrison Consultoria International Ltda*	99.00%	99.00%	99.00%	Brazil	Trading
Blamire Limited*	100.00%	100.00%	100.00%	United Kingdom	Trading
Medserve (ME) Ltd ^b	-	100.00%	-	United Kingdom	Discontinued
Claridge House Services Limited*	-	100.00%	100.00%	United Kingdom	Discontinued
ARM Corporate Finance Limited*	-	100.00%	100.00%	United Kingdom	Discontinued
Blomfield Street Securities Limited*	-	100.00%	100.00%	United Kingdom	Discontinued
Hichens, Harrison (Middle East) Limited*	55.00%	55.00%	55.00%	United Kingdom	Dormant
Hichens, Harrison (Ventures) Limited*	100.00%	100.00%	100.00%	United Kingdom	Nominee
London Wall Nominees Limited*	100.00%	100.00%	100.00%	United Kingdom	Nominee
African Communication Services(Proprietary) Limited*	-	100.00%	100.00%	South Africa	Discontinued
Charterpace Limited*	39.00%	39.00%	39.00%	United Kingdom	Dormant
HH1803.com Limited*	100.00%	100.00%	100.00%	United Kingdom	Dormant
Hichens Harrison (Far East) Pte Ltd*	100.00%	100.00%	100.00%	Singapore	Dormant
Religare Capital Markets Advisors Pte. Ltd. (name changed from Religare Capital Markets Pte. Limited w.e.f. December 7, 2010)	100.00%	100.00%	100.00%	Singapore	Trading
Religare Capital Markets Inc (RCM Inc) (Formerly Religare Hichens Harrison Inc)*	100.00%	100.00%	100.00%	USA	Trading
Tobler (Mauritius) Limited*	100.00%	100.00%	100.00%	Mauritius	Trading
Tobler UK Limited*	100.00%	100.00%	100.00%	United Kingdom	Trading
Religare Investment Advisory (Mauritius)*	100.00%	100.00%	100.00%	Mauritius	Trading
Religare Global Asset Management Japan Co. Ltd.*	100.00%	100.00%	100.00%	Japan	Trading
Religare Investment Holdings (UK) Limited*	100.00%	100.00%	100.00%	United Kingdom	Trading
Blomfield Capital Limited [#]	-	-	-	United Kingdom	Discontinued
Blomfield Investment Management Limited [#]	-	-	-	United Kingdom	Discontinued
HDIM Limited [#]	-	-	-	United Kingdom	Discontinued
Hichens, Harrison (Asia) Ltd [#]	-	-	-	United Kingdom	Discontinued
Hichens, Harrison (South America) Ltd [%]	-	-	-	United Kingdom	Discontinued
African Bio Fuels Ltd [#]	-	-	-	United Kingdom	Discontinued
Asian Bio Fuels Ltd ^{&}	-	-	-	United Kingdom	Discontinued
African Wireless Ltd [#]	-	-	-	United Kingdom	Discontinued
South American Wireless Ltd [#]	-	-	-	United Kingdom	Discontinued

Name of the Entity	Proportion of ownership Interest 31-Dec-10	Proportion of ownership Interest 31-Dec-09	Proportion of ownership Interest 31-Mar-10	Country of Incorporation	Status
Student Accommodation Company (India) Ltd [#]	-	-	-	United Kingdom	Discontinued
Vivaldi Corporate Finance Limited [#]	-	-	-	United Kingdom	Discontinued
Hichens Investment Management Ltd [#]	-	-	-	United Kingdom	Discontinued
Hichens Harrison Commodities Ltd ^b	-	-	-	United Kingdom	Discontinued
Hichens Harrison (North America) Ltd [#]	-	-	-	United Kingdom	Discontinued
Religare Capital Markets (EMEA) Limited* (formerly Barnard Jacobs Mellet(UK) Limited	100.00%	-	-	United Kingdom	Trading
Kyte Management Limited(KML) (Religare Capital Markets Plc acquired 100% stake in KML w.e.f. 09.12.2010)	100.00%	-	-	BVI	Trading
Religare Capital Markets (HK) Limited* (formerly Central Joint Enterprises Limited, Hong Kong)	100.00%	-	-	Hong Kong	Trading
Religare Capital Markets (Singapore) Pte Limited* (formerly Central Joint Enterprises Pte Limited, Singapore)	100.00%	-	-	Singapore	Trading
Religare Global Asset Management (HK) Limited *[name changed from Religare Capital Markets (HK) Limited to Religare (Hong Kong) Limited w.e.f. December 02,2010 and subsequently from Religare (Hong Kong) Limited to Religare Global Asset Management (Hong Kong) Limited w.e.f. December 13,2010]	100.00%	-	-	Hong Kong	Trading
Bartleet Mallory Stock Brokers (Pvt) Limited (50% stake acquired by Religare Capital Markets International (Mauritius) Limited w.e.f. 04.11.2010)	50.00%	-	-	Sri Lanka	Trading
Bartleet Asset Management (Private)Limited (subsidiary of Bartleet Mallory Stock Brokers (Pvt) Limited	50.00%	-	-	Sri Lanka	Trading
Religare Securities Australia Pty Limited (Incorporated under the laws of Australia, has been made a wholly owned subsidiary of Religare Capital Markets International (Mauritius) Limited w.e.f. 12.10.2010)(also name changed from Relsec Australia Pty Limited w.e.f. 17.11.2010)	100.00%	-	-	Australia	Trading
Relsec Nominees No.1 Pty Limited (Incorporated as wholly owned subsidiary of Religare Securities Australia Pty Limited w.e.f. 30.11.2010)	100.00%	-	-	Australia	Dormant
Relsec Nominees No.2 Pty Limited (Incorporated as wholly owned subsidiary of Religare Securities Australia Pty Limited w.e.f. 30.11.2010)	100.00%	-	-	Australia	Dormant
Northgate Capital LLC (The Company through a wholly owned subsidiary i.e. Religare Global Asset Management Inc acquired 70% stake in Northgate Capital LLC w.e.f. 01.12.2010)	70.00%	-	-	USA	Trading
Northgate Capital LP (The reporting enterprise through a wholly owned subsidiary i.e. Religare Global Asset Management Inc acquired 70% stake in Northgate Capital LP	70.00%	-	-	USA	Trading

Name of the Entity	Proportion of ownership Interest 31-Dec-10	Proportion of ownership Interest 31-Dec-09	Proportion of ownership Interest 31-Mar-10	Country of Incorporation	Status
w.e.f. 01.12.2010)					
Joint Ventures					
Religare Macquarie Wealth Management Limited (Joint venture w.e.f. March 13, 2008)	50.00%	50.00%	50.00%	India	
AEGON Religare Life Insurance Company Limited (Joint Venture w.e.f. May 29, 2008)	44.00%	44.00%	44.00%	India	
Milestone Religare Investment Advisors Private Limited (Joint Venture w.e.f. April 8, 2009)	50.00%	50.00%	50.00%	India	
Milestone Religare Capital Management Limited	50.00%	50.00%	50.00%	United Kingdom	

*Subsidiary of Religare Capital Markets Plc

& Strike off w.e.f. 19 May 2009

Strike off w.e.f. 26 May 2009

% Strike off w.e.f. 16 June 2009

§ Strike off w.e.f. 16 Feb 2010

All the companies annotated as “Trading” in the above list are included in the condensed consolidated financial statements. The other companies annotated as “Dormant” above have carried on no activities during the year/period and have made neither profit nor loss. All other companies annotated as “Discontinued” have been dissolved during the year/period.

- D. For the year ended March 31, 2010, the reporting date of following subsidiaries companies is different from the reporting date of the Company:-

Sr No.	Name of the subsidiary company	Reporting Date
1	Hichens, Harrison (Ventures) Limited	Dec 31, 2009
2	Religare Hichens Harrison Consultoria International Ltda	Dec 31, 2009

There are no material transactions from Jan 1, 2010 to March 31, 2010 in respect of above subsidiaries.

- E. The amount of goodwill arising out of acquisitions / increase of shareholding of subsidiaries including effect of foreign exchange fluctuation during the period ended December 31, 2010 is Rs.73,149.25 Lacs (previous period December 31, 2009 is Rs.1,629.67 lacs and previous year March 31, 2010 is Rs 1,141.32 lacs).
- F. During the year ended March 31, 2010 the Company acquired 46,153 equity shares of Rs.10 each representing 24% of the total paid up share capital of Vistaar Religare Capital Advisors Limited (VRCAL) from Vistaar Entertainment Ventures (P) Limited (VEPL). Consequently, with effect from April 17, 2009, VRCAL became a subsidiary of the Company; the Company and VEPL are holding 74% and 26% of total paid up share capital of VRCAL respectively.
- G. Further, during the period from April 1, 2010 to December 31, 2010, the company transferred / disposed:
- 2,000,000 equity shares of Religare Commodities Limited (RCL) at a book value of Rs. 3,750 lacs to Religare Securities Limited (RSL), a wholly owned subsidiary of the Company on May 31, 2010. As a result, RCL became wholly owned subsidiary of RSL and step down subsidiary of the Company.
 - 34,998,250 equity shares of Religare Housing Development Finance Corporation Limited (formerly Maharishi Housing Development Finance Corporation Limited) ("RHDFCL") to Religare Finvest Limited (RFL), a wholly owned subsidiary of the Company at book value of Rs. 9,733.40 lacs. Accordingly RHDFCL became a wholly owned subsidiary of RFL w.e.f. December 3, 2010. As a result RHDFCL became subsidiary of RFL and step down subsidiary of the Company.
 - 50,000 equity shares of Religare United Soccer Limited (RUSL) in equal proportion to RHC

- Finance (P) Limited and Today Holdings (P) Limited. As a result RUSL ceases to be subsidiary of the Company.
- (iv) 1,741,171 equity shares of Karnataka Bank Limited of book value Rs.2,401.13 lacs at Rs.3,323.38 lacs (net of charges).

H. The new companies formed during the period April 1, 2010 to December 31, 2010 are:

Sr No.	Name of Company	Holding Company Name	Date of formation
1	Religare Share Brokers Limited	Religare Securities Limited	November 18, 2010
2	Religare Bullion Limited	Religare Commodities Limited	June 24, 2010

I. Acquisitions during the period April 1, 2010 to December 31, 2010 directly by the Company and through its subsidiaries :

a) Directly by the Company:

Sr No.	Name of Company	Holding Company	Country	Stake %	Date of Acquisition
1	Religare Global Asset Management Inc (RGAM)	Religare Enterprises Limited	USA	100	December 1, 2010

b) Acquisitions through subsidiary companies:

Sr No.	Name of Company	Holding Company	Country	Stake %	Date of Acquisition
1	Bartleet Mallory Stock Brokers (Pvt) Ltd	Religare Capital Markets International (Mauritius) Limited	Sri Lanka	50	November 4, 2010
2	Religare Securities Australia Pty Limited (formerly Relsec Australia Pty Limited)	Religare Capital Markets International (Mauritius) Limited	Australia	100	October 12, 2010
3	Kyte Management Limited	Religare Capital Markets Plc	BVI	70	December 9, 2010
4	Religare Capital Markets (EMEA) Limited (formerly Barnard Jacobs Mellet (UK) Limited/BJM UK)	Religare Capital Markets Plc	United Kingdom	100	December 14, 2010
5	Northgate Capital, LLC	Religare Global Asset Management Inc (RGAM)	USA	70	December 1, 2010
6	Northgate Capital LP	Religare Global Asset Management Inc (RGAM)	USA	70	December 1, 2010

Further, the Company has proposed to acquire 55% stake in LandMark Partners LLC in USA through RGAM subject to regulatory approvals.

2. SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED DECEMBER 31, 2010 FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

A. USE OF ESTIMATES

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

B. REVENUE RECOGNITION

- (i) Revenue from broking activities is accounted for on the trade date of transaction.

- (ii) Interest income from financing activities, deposits, commission & brokerage are recognized on an accrual basis.
- (iii) Issue management and placement fees, underwriting commission, portfolio management fees and financial/investment advisory fees are accrued based on terms of the relevant agreements.
- (iv) Dividend from investments is accounted for as income when the right to receive dividend is established.
- (v) Depository Income is accounted for on an accrual basis.
- (vi) Revenue from fund/investment management fee is recognized on an accrual basis based on the average net assets of the scheme outstanding in each financial year/period.
- (vii) Rental cost and sublease income in respect of assets with lease management is recognized on an accrual basis as per terms of agreements. Income from Arbitrage and trading in securities and derivatives comprises Profit / loss on sale of securities/ commodities held as stock -in -trade and Profit/ loss on equity / commodity derivative instruments. Profit /loss on sale of securities/ commodities are determined based on weighted average cost of securities/ commodities sold. Profit/ loss on equity / commodity derivative transactions is accounted for on the following basis :-

Equity Index / Stock and Commodity – derivatives

- (a) “Initial margin” representing initial margin paid, and “Margin Deposits,” representing additional margin over and above initial margin, for entering into contracts for equity index / stock and Commodity futures, which are released on final settlement / squaring-up of underlying contracts, are disclosed as under loans and advances.
 - (b) Equity index / stock and Commodity futures are marked – to – market on a daily basis. Debit or credit balance disclosed under loans and advances or current liabilities, respectively, in the “Mark – to – Market Margin – Equity Index / Stock and Commodity Futures Account”, represents the net amount paid or received on the basis of movement in the prices of index / stock and Commodity futures till the balance sheet date.
 - (c) As on the balance sheet date, profit / loss on open positions in index / stock and Commodity futures are accounted for as follows:
 - i. Credit balance in the “Mark – to – Market Margin – Equity Index / Stock and Commodity Futures Account”, being anticipated profit, is ignored and no credit for the same is taken in the profit and loss account.
 - ii. Debit balance in the “Mark – to – Market Margin – Equity Index / Stock and Commodity Futures Account”, being anticipated loss is adjusted in the profit and loss account.
 - iii. On final settlement or squaring-up of contracts for equity index / stock and commodity futures, the profit or loss is calculated as the difference between settlement / squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled / squared-up contract in “Mark – to – Market Margin – Equity Index / Stock and Commodity Futures Account” is recognized in the profit and loss account. When more than one contract in respect of the relevant series of equity index futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit / loss on squaring-up.
 - (viii) Premium receipts in case of Life Insurance business (net of service tax) is recognized as income when due from policyholders. Premium on lapsed contracts are recognized on receipt basis.
- For linked business, premium income is recognized when the associated units are allotted and Fund management charges, administration charges and mortality charge are recognized in accordance with terms and conditions of the policy.
- (ix) Net income (profit less losses) from matched risk less principal dealing is recognized on the trade date.
 - (x) Fee income from corporate broking and related activities are brought into account when the transactions have been completed and authorized by the client. Some of this revenue is taken in the form of shares, options or warrants in the client enterprise rather than cash. In the case of shares the amount taken to revenue will be the value of fee agreed with the client or, if no specific fee was agreed, then the fair value of the shares at the date of completion of the transaction. The shares are

subsequently recognized as financial instruments held for trading. In the case of warrants and options the instruments are valued using the Black -Scholes valuation model.

(xi) Revenue excludes service tax

C. COMMERCIAL PAPER

In case of Subsidiaries, the difference between the redemption value and acquisition cost of Commercial Paper is amortized over the tenure of the instrument. The liability as at the Balance Sheet date in respect of such instruments is recognized at face value net of discount to be amortized.

D. FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation. Cost for this purpose includes purchase price, non refundable taxes or levies and other directly attributable costs of bringing the asset to its working condition for its intended use.

E. LEASED ASSETS

- (i) Assets acquired under leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating leases. The rentals and all other expenses of assets under operating lease are treated as revenue expenditure.
- (ii) Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Profit and Loss Account on straight – line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

F. 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.

Computer software which is not an integral part of the related hardware is classified as an intangible asset and is being amortized over the estimated useful life.

G. DEPRECIATION

Immovable assets at the leased premises including civil works, electrical items are capitalized as leasehold improvements and are amortized over the primary period of lease subject to maximum of 6 years.

Depreciation is provided on Straight Line Method, at the rates specified in Schedule XIV of the Companies Act, 1956 or the rates based on useful lives of the assets as estimated by the management, whichever are higher. Depreciation is provided for on a pro-rata basis on the assets acquired, sold or disposed off during the year/period. The annual depreciation rates are as under:

Assets Description	Depreciation Rate
Data Processing machine	16.21% to 33.33%
Office Equipment	Between 4.75% to 33.33%
Furniture and Fixtures	6.33% to 33.33%
Vehicle	9.50%
Building	1.63%
Intangible Assets-Software	16.21%

Individual assets costing up to Rs. 5,000 are fully depreciated in the year/period of acquisition.

H. STOCK-IN-TRADE

- (i) The securities acquired with the intention of short-term holding and trading positions are considered as stock – in – trade and disclosed as current assets.
- (ii) The securities held as stock – in – trade under current assets are valued at lower of weighted average cost and market value.

I. INVESTMENTS

Investments are classified into long term investments and current 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 cost or market / fair value, whichever is lower.

In respect of Life Insurance JV

Investments are made in accordance with the Insurance Act, 1938, the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, ('IRDA Investment Regulations') as amended and circulars/notifications issued by IRDA from time to time.

Investments are recorded on the trade date at cost, which includes brokerage and taxes, if any and excludes interest paid, if any, on purchase.

(i) Classification

Investments maturing within twelve months or intended to be held for a period of less than twelve months from the Balance Sheet date are classified as Short Term Investments. Investments other than Short Term are classified as Long Term Investments.

(ii) Valuation – Shareholders' investments and Non-Linked Policyholders' investments

All debt securities are considered as "held to maturity" and are stated at historical cost subject to amortization of premium or accretion of discount over the period of maturity / holding on a constant yield to maturity basis. Investments in mutual funds are stated at the net asset value (NAV) declared by the respective funds as at the Balance Sheet date. Listed equity securities are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the last quoted closing prices on the National Stock Exchange of India Ltd. ('NSE'), and in case the same is not available, then on Bombay Stock Exchange (BSE) Limited is considered. Unlisted equity securities, if any, are measured at historical cost.

In respect of investments in equity shares and mutual funds, the corresponding unrealized investment gains or losses are reported in the Balance Sheet under "Fair Value Change Account". In case of diminution, other than temporary, in the market value of investments as on the Balance Sheet date, the amount of diminution is recognized as an expense in the Revenue/Profit and Loss Account as the case may be.

(iii) Valuation – Linked Business (Assets held to cover linked liabilities)

Government securities are valued at prices obtained from Credit Rating Information Services of India Ltd. ('CRISIL'). Debt securities, other than Government securities, are valued on the basis of CRISIL Bond Value. Money market instruments are valued at Net amortized Cost. Fixed deposit, money at call and short notice are valued at cost. Listed equity securities are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the last quoted closing prices on the National Stock Exchange of India Ltd. ('NSE'), and in case the same is not available, then on Bombay Stock Exchange (BSE) Limited is considered.

Unrealized gains and losses arising due to changes in fair value are attributed to unit holders and are recognized in the Revenue Account of the fund. Investments in mutual funds are stated at previous day's net asset value (NAV) declared by the respective funds.

(iv) Transfer of Investments

Any transfer of investments from Shareholder's Account to Policyholder's Account / Linked Funds is carried out at lower of book value (amortized cost) or market value. In case of debt securities, all transfers are carried out at the net amortized cost. Inter fund transfer of investments between Linked funds is done at market value on the date of transfer.

J. FOREIGN CURRENCY TRANSACTIONS

- (i) Transactions in foreign currencies are recorded at the rate of exchange in force at the time of occurrence of the transactions.
- (ii) Exchange differences arising on settlement of revenue transactions are recognized in the Profit and Loss account.
- (iii) 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.

K. EMPLOYEE BENEFITS

- (i) Provident Fund is a defined contribution scheme and the contributions as required by the statute are charged to the Profit and Loss Account as incurred.
- (ii) Gratuity Liability is a defined obligation and is wholly unfunded. The Company accounts for liability for future gratuity benefits based on an actuarial valuation as at the Balance Sheet date.
- (iii) 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 actuarial valuation as at the Balance Sheet date.
- (iv) Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Profit and Loss Account as income or expense.
- (v) The undiscounted amount of short - term employee benefits expected to be paid in exchange for services rendered by an employee is recognized during the period when the employee renders the service.
- (vi) Stock Appreciation Rights (SAR's) given to employees as incentive, proportionate to the vesting period as at the balance sheet date is recognized as an expense based on the fair value of equity shares as at the balance sheet date or the cost of acquisition of such shares where the same have been acquired by an Employee Trust formed for the purpose.
- (vii) Stock Options granted to eligible persons under the relevant Stock Option Schemes are accounted for at intrinsic value as per the accounting treatment prescribed by the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines 1999 issued by the Securities Exchange Board of India. Accordingly, the excess of average market price, determined as per guidelines of the underlying equity shares (market value) over the exercise price of the options is recognized as deferred stock option expense and is charged to Profit and Loss Account on a straight line basis over the vesting period of the options. The amortized portion of the cost is shown under reserve and surplus.

L. TAXES ON INCOME

- (i) Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- (ii) Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax asset, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- (iii) Provision for taxation for the period(s) is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.

M. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (i) 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.
- (ii) Provision for Non-Performing Assets/ Investment has been made as per prudential norms prescribed by Reserve Bank of India, NHB Directions wherever applicable.

N. IMPAIRMENT OF ASSETS

Assets are reviewed for impairment at each balance sheet date. In case, events and circumstances indicate any impairment, the recoverable amount of these assets is determined. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which an asset is defined as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount and such loss either no longer exists or has decreased.

With effect from April 1, 2010, Goodwill arising on consolidation is being amortised over a period of 20 years. The amortisation starts after a cooling period of 2 years from the date of acquisition. Self-generated goodwill is expensed out as incurred.

Further, goodwill is tested for impairment at the end of every financial year and any shortfall, if any, is provided for.

O. BORROWING COSTS

Ancillary costs incurred for arrangement of borrowings such as upfront fees / brokerages are period costs and amortized over the tenure of the borrowing as per terms of sanction / agreement.

P. SCHEME EXPENSES

Recurring expenses relating to schemes of Religare Mutual Fund in excess of expense limits are borne by the company. The expenses limits are within the overall limits prescribed by SEBI (Mutual Fund) Regulations, 1996 or offer document of the respective schemes.

Q. REINSURANCE PREMIUM

Premium ceded on reinsurance is accounted in accordance with the terms of the treaty.

R. CLAIMS/ BENEFITS

Claims by death are accounted when intimated. Claims by maturity / survival benefit are accounted on the policy maturity date. Annuity benefits are accounted when due. Surrenders are accounted on receipt of notification. Claims cost consist of the policy benefit amounts and claims settlements costs, where applicable. Withdrawals under linked policies are accounted in respective schemes along with cancellation of associated units.

Amount recoverable from Re-insurer are accounted for in the same period as the related claim.

S. POLICY LIABILITIES

Liabilities on life policies are determined by the Appointed Actuary using generally accepted actuarial practice in accordance with the standards and guidance notes established by the Institute of Actuaries, India, the requirement of the Insurance Act, 1938 and regulations issued by the IRDA.

The liabilities are calculated in a manner that together with estimated future premium income and Investment income, the Company can meet estimated future claims (including bonus entitlements to policy holders) and expenses.

3. NOTES ON ACCOUNTS

(i) Capital Commitment (net of advances): Rs 3,963.10 lacs (period ended December 31, 2009 is Rs 1076.95 lacs and for year ended March 31, 2010 Rs. 983.71 lacs).

(ii) **Contingent Liabilities**

(Rs. in Lacs)				
Sr. No	Particulars	December 31, 2010	December 31, 2009	March 31, 2010
(a)	Financial and other guarantees issued by the Banks/ Group to banks and stock exchanges and others*	96,155.64	73,923.59	94,039.88
(b)	Underwriting commitments/obligations for Shares / debentures**	45,379.20	29,000.00	29,000.00
(c)	Disputed Income Tax demands not provided for	1,854.64	1,003.81	1,053.44
(d)	Provident fund demand against employees provident fund dues from a subsidiary under appeal not provided for	-	119.11	119.11
(e)	Disputed demand for Service Tax Liability against a subsidiary not provided for	2,773.89	2,129.12	2,129.12
(f)	Loan sanctioned but not disbursed by a subsidiary	10,256.13	6,774.16	16,629.16
(g)	Claim against the Group not acknowledged as debts	4,290.92	2,151.99	2,815.83

*Certain guarantees have been disclosed at net outstanding value instead of face value.

**Includes a contingent commitment of USD 56 million (equivalent INR 25,379.48 lacs) on acquisition of Northgate Capital LLC and its subsidiaries.

Further there is a dispute with Lord Krishna Bank regarding escrow account in case of one of the subsidiaries Religare Housing Development Finance Corporation Limited (RHDFCL); the said dispute has not yet been resolved. RHDFCL has made an application to High Court for arbitration.

(iii) Pledge of Equity Shares/Assets by the Group for

- (a) Market Value of Shares pledged for Base Capital Requirement with Stock Exchanges are as below

(Rs in Lacs)			
Held By	Dec-10	Dec-09	Mar-10
Holding Company	-	2,247.98	2,866.56
Group Companies	31,449.50	2,291.12	2,305.10
Clients	11,533.73	-	-
Total	42,983.23	4,539.10	5,171.66

- (b) Funded and Non-Funded Credit Facilities from banks by the Group

Name of Scrip / Held by	Period Ended December 31, 2010 (in nos)	Period Ended December 31, 2009 (in Nos)	Year Ended March 31, 2010 (in Nos)
	ICICI Bank UK Plc	ICICI Bank UK Plc	ICICI Bank UK Plc
Religare Capital Markets International (UK) Limited	78,634,386	24,877,656	24,877,656
Religare Capital Markets International (Mauritius) Limited	1	1	1
Religare Capital Markets Plc (Formerly Religare Hitchens, Harrison Plc)	19,468,773	19,468,773	19,468,773

- (c) Religare Global Asset Management Inc, (RGAM) one of the subsidiaries of the Company entered into a facility agreement with Axis Bank on December 31, 2010 for a USD 60 million term loan. As per the loan agreement, the loan has been secured against following securities:

- Charge on 70% LLC interest and LP Interest of Northgate Companies.
- Negative lien on 100% of the total share capital of the Borrower.
- Irrevocable and unconditional joint and several personal guarantees of promoters of the Company.
- Escrow and charge on the cash flows of the Borrower pertaining to target companies

- (including any claims under the SPA, any distributions from the target companies) and all the payments under the Capitalization Agreement
- v. Assignment of rights under the Sale and Purchase Agreement, Services Agreements, Restrictive Covenants Agreements and the Capitalization Agreements.

Further for Northgate LLC, subsidiary of RGAM borrowings under the facilities totaled USD 6 million as at December 31, 2010. The amounts are collateralized by the assets of the Entity.

(d) Fixed deposits under lien with banks / stock exchanges

	(Rs. in Lacs)		
	December 31, 2010	December 31, 2009	March 31, 2010
Margin/deposit for guarantee & credit facility by bank*	54,416.47	83,714.83	48,171.35
For base capital requirement with stock exchanges	101,963.06	61,298.50	111,244.00
Government Authorities and Arbitrators	177.06	144.01	169.13

(iv) During the period ended December 31, 2010, the Company has on preferential basis:

- Issued and allotted 5,617,977 (Fifty Six lacs Seventeen thousand nine hundred and seventy seven equity shares) of Rs. 10 each at a price of Rs 445 per equity share including premium of Rs 435 per equity share for cash to a promoter group entity.
- Issued 5,617,977 optionally convertible warrants for the equal number of equity shares of Rs 10 each at a price of Rs 445 per equity share including premium of Rs 435 per equity share to a promoter group entity. The said warrants had been converted into fully paid up equity shares and the company has received full amount against the same.
- Issued 13.66% 120 lacs Cumulative Redeemable Preference Shares of Rs. 10 each at a premium of Rs. 90 per share aggregating to Rs. 12,000 lacs to a promoter group entity. These Preference Shares are redeemable at a premium not exceeding Rs.150 per share at the end of 5 years or at an earlier date as per mutually agreed terms. The premium payable on redemption of the aforesaid shares will be utilized from the Securities Premium Account as per the provisions of section 78 of the Companies Act, 1956.
- Further, the Religare Capital Market Limited, a wholly owned subsidiary of the company has issued and allotted on preferential basis 37,200,000 1% compulsorily convertible preference shares of Rs. 10 (Rupees Ten each) at a premium of Rs. 40 (Rupees Forty each) to Cresswell Investment Limited on September 2, 2010. The aforesaid preference share capital is included in Minority Interest in financial statement.

(v) During the year ended March 31, 2010, the Company pursuant to Letter of Offer (LOF) dated January 19, 2010 had made rights issue of 51,107,401 shares of Rs 10 each at a premium of Rs. 345 per share aggregating Rs. 181,431.27 lacs. The issue had been fully subscribed and the shares had been allotted and listed on the BSE and NSE. The total issue proceeds had been fully deployed as per the objects of the issue. The company had adjusted right issue expenses aggregating to Rs.294.14 lacs against Securities Premium Account

(vi) During the period ended December 31, 2010, Religare Finvest Limited wholly owned subsidiary of the company has assigned certain loans portfolio at par aggregating Rs 1,438.53 lacs (previous period ended December 31, 2009 Rs. 18,018.30 Lacs and previous year ended March 31, 2010 Rs. 27,687.10 and de-recognized the assets in the books. The details of the loans assigned are as under:

	For the period April 1, 2010 to December 31, 2010	For the period April 1, 2009 to December 31, 2009	For the year ended March 31, 2010
Total number of contracts assigned	5	2	2
Book Value of contract assigned	1,438.53	18,018.30	27,687.10
Sale consideration	1,438.53	18,018.30	27,687.10
Gain on assignment (Amortized over the tenure of corresponding loan)	-	-	1,012.84
Bank Deposit provided as collateral	-	-	1,595.62

The validity and continuity of the aforesaid assignment of loans is subject to verdict of the Supreme Court in the case of Kotak Mahindra Bank v/s O.L. of APS Star Ind. Limited.

- (vii)(a) Religare Finvest Limited (RFL), one of the subsidiaries of the Company has privately placed unsecured redeemable Non-Convertible debentures of Rs Nil (for period ended December 31, 2009 Rs 43,000 Lacs and for Year ended March 31, 2010 Rs 55,700 Lacs) at varying coupon rate, redeemable within the next financial year.
- (b) RFL has also issued privately placed secured redeemable Non-Convertible debentures aggregating to Rs. 73,430 Lacs (For period ended December 31, 2009 Rs. 45,000 Lacs and for Year ended March 31, 2010 Rs.45,000 Lacs) at varying coupon rate secured by pari pasu mortgage over RFL's immovable and first and exclusive charge over companies account receivables and the same has been subsequently listed on wholesale debt market of Bombay Stock Exchange (BSE).

In respect of above debentures, in point (a) and (b) above, no Debenture Redemption Reserve has been created as per legal opinion obtained and clarification issued by Ministry of Law Justice and Company Affairs by Circular No. 6/3/2001 – CL.V dated April 18, 2002.

- (c) Certain subsidiaries of the company have issued the commercial papers to the banks / mutual funds / financial institutions at varying coupon rate and due dates. The aggregate amount outstanding is as below:-

	(Rs. in Lacs)		
	AS ON 31.12.2010	AS ON 31.12.2009	AS ON 31.03.2010
Total Outstanding Balance	507,600.00	216,500.00	345,200.00
Less: Future Interest Obligation	(10,869.97)	(6,500.41)	(10,775.41)
Net Outstanding Balance	496,730.03	209,999.59	334,424.59

- (d) (i) In respect of loans given by REL and subsidiary company RFL, Classification of Loans / Investments and Advances and provision for Non-Performing Assets/ Investments has been made in accordance with the Non- Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 issued by Reserve Bank of India after considering subsequent recoveries and realizable value of investments respectively. The classification of loans into standard, sub-standard and loss assets and investments have been disclosed at gross value and the corresponding provision against non-performing assets/ investments has been included under provisions in accordance with RBI guidelines. The RFL maintains the general provision through time buckets to meet any foreseeable potential losses which are inherent in any portfolio but not yet identified and disclosed the same under "Current Liabilities and Provisions".

These loans are secured either against tradable and listed securities held by the Company and subsidiary in its depositories accounts or by way of pledge of shares held in the depository account of the clients for which Power of Attorneys are held by the subsidiary.

Secured Loans given by RFL are secured by either tangible fixed assets like Vehicles, Property and Plant & Equipments or tradable and listed securities held by RFL in its depositories accounts or by way of pledge of shares or book debts held in the depository account of the clients for which Power of Attorneys are held by RFL.

- (ii) General Provision on Standard Assets includes contingency provision of 25% of the outstanding standard assets, which is in compliance with RBI notification number RBI/2010-11/370 DNB.PD.CC No.207/03.02.2002/2010-11 dated January 17, 2011.
- (iii) In case of loans given by RHDFCL, the same have been classified in accordance with the Housing Finance Companies (NHB) Directions 2001 issued by National Housing Bank. The classification of loans into standard, sub-standard and doubtful assets have been disclosed at gross value and the corresponding provision against non-performing assets has been included under provisions in accordance with the Housing Finance Companies (NHB) Directions 2001 issued by National Housing Bank. RHDFCL maintains the general provision through time

buckets to meet any foreseeable potential losses which are inherent in any portfolio but not yet identified and disclosed the same under “Current Liabilities and Provisions”.

- (viii) AEGON Religare Life Insurance Company Limited (ARLICL), a joint venture between AEGON N.V. and Religare Enterprises Limited, was incorporated on March 23, 2007 under the Companies Act, 1956 to undertake and carry on business of life insurance business in India. The company has obtained a license from the Insurance Regulatory and Development Authority (IRDA) dated June 27, 2008 for carrying on the business of life insurance and issue of Insurance policy during the period.

Pursuant to the capital protection clause in AEGON Religare Life Insurance Joint Venture agreement (JV) and as per the legal opinion obtained by the Company, the Company's share of net loss has been shown as recovery of expenses from JV partner and the same has no impact on consolidated period/year ended December 31, 2010, December 31, 2009 and March 31, 2010 results.

- (ix) Pursuant to the accounting policy on Impairment of Assets (refer note 2(N) of Schedule S), adopted during the period from April 1, 2010 to December 31, 2010, an amount of Rs. 1810.91 Lacs (Previous Year Rs.Nil, Previous Period Rs.Nil) has been charged to Profit and Loss Account of the current period.

- (x) Funds received by subsidiaries of the Company, RSL and RAMCL, from portfolio customers for its portfolio management operations and corresponding investments made on their behalf are not forming part of these accounts.

(xi) Employee Stock Option Scheme / Employee Stock Appreciated Right Scheme

(a) Employee Stock Option Scheme

Type of Scheme	ESOP Scheme 2006 (Series -I)	ESOP Scheme 2006 (Series - II)	ESOP Scheme 2010
Date of grant	November 15, 2006	November 17, 2007	December 29, 2010
Number Granted	2,000,000	125,000	6,605,000
Contractual Life	3 yrs	3 yrs	3 yrs
Vesting Conditions	33% on expiry of 12 months from Grant Date 33% on expiry of 24 months from Grant Date 34% on expiry of 36 months from Grant Date	33% on expiry of 12 months from Grant Date 33% on expiry of 24 months from Grant Date 34% on expiry of 36 months from Grant Date	33% on expiry of 12 months from Grant Date 33% on expiry of 24 months from Grant Date 34% on expiry of 36 months from Grant Date
Method of Option Valuation	Black Scholes Option Pricing Method	Black Scholes Option Pricing Method	Black Scholes Option Pricing Method
Exercise Price	140.00	140.00	481.00
Estimated fair value of share granted	111.47	185.00	481.00

Scheme	No. of Options outstanding as on April 1, 2010	Issued During the period/ year	Cancellation of Options due to resignations	Options Exercised	Number of Options outstanding as on December 31, 2010	Exercisable as at December 31, 2010
Scheme 2006	922,640	-	10,472	309,354	602,814	602,814
Scheme 2010	-	6,573,000	-	-	6,573,000	-
TOTAL					7,175,814	
Range of Exercise Price						
ESOP Scheme 2006		140				
ESOP Scheme 2010		481				

Weighted Average exercise Price for ESOP Scheme 2006 (I& II) and ESOP Scheme 2010 is Rs.140 and Rs.481 per share respectively.

Employee Compensation Cost is accounted for as per intrinsic value method by amortizing the excess of fair market value over the exercise price over the vesting period. As at December 31, 2010 total amount amortized Rs.43.48 lacs (Previous Period Ended December 31, 2009 Rs.44.03 lacs, Year Ended March 31, 2010 Rs 45.13 lacs) (net of cancellation). Accordingly, the Company has charged to Profit & Loss Account towards Employee Compensation cost Rs -1.65 lacs (Previous Period Ended December 31, 2009 Rs. 0.36 lacs, Year Ended March 31, 2010 Rs.0.75 lacs) (net of recovery) for the period/ year ended December 31, 2010.

(b) Employee Stock Appreciation Right Scheme

Religare Enterprises Limited Employee Stock Appreciation Rights (SAR) Scheme 2007, was made effective from November 17, 2007. The Vesting of Stock Appreciation Rights (SARs) were due on April 1, 2008; April 1, 2009 and April 1, 2010, As at December 31, 2010, no rights were pending for exercise under the Scheme. The Company accounted for employee compensation cost for SARs allocated to the employees of the Company by amortising the excess of purchase price per share over the excess price per share over the period.

Accordingly, the Company has (credited)/charged off Rs. (35.78 lacs) (Period Ended December 31, 2009 Rs.183.70 lacs and for the year ended March 31, 2010 Rs.275.57 lacs) in the statement of Profit and Loss Account for the current period.

Number of SAR allocated and outstanding (net of transfers/ cancellations) to the employees of the company as on December 31, 2010 are Nil (Period Ended December 31, 2009 are 217,852 and for the year ended March 31, 2010 are 217,852. During the period ended Dec 31, 2010 the Company has settled the advance given to the Religare Employee SAR Trust and advances outstanding with SAR trust as on December 31, 2010 is NIL (As on December 31, 2009 is Rs.1,097.53 lacs and As on March 31,2010 is Rs.1,097.53 lacs).

(xii) Information about business and geographical segments:

Primary Segment

- (a) The business segment has been considered as the primary segment for disclosure. The Company's primary business comprises of 'Broking in securities and commodities', 'Interest on Loans', 'Financial Advisory Services', 'Custodial and Depository Operations', 'Portfolio Management Services', AMC JV and Life Insurance JV. The business segments have been identified considering the nature of services, the differing risks and returns, the organization structure and the internal financial reporting system.
- (b) Segment revenue, results, assets and liabilities have been accounted for on the basis of their relationship to the operating activities of the segment and amounts allocated on a reasonable basis.
- (c) Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses incurred on behalf of other segments and not directly identifiable to each reportable segment have been allocated to each segment on the basis of associated revenues of each segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.
- (d) Assets (including fixed assets) and liabilities that are directly attributable to segments are disclosed under each reportable segment. Common assets have been allocated to each segment on the basis of associated revenues of each segment. Common liabilities have been allocated to each segment on the basis of total segment expense. All other assets and liabilities are disclosed as unallocable.

If the segment result of a segment includes interest or dividend income, its segment assets include the related receivables, loans, investments, or other interest or dividend generating assets.

If the segment result of a segment includes interest expense, its segment liabilities include the related interest-bearing liabilities.

PARTICULARS	Investment Activities (1)			Financing Related Activities (2)			Financial Advisory Services (3)		
	Dec 10	Dec 09	Mar 10	Dec 10	Dec 09	Mar 10	Dec 10	Dec 09	Mar 10
(i) Segment Revenue									
External Revenue	19,148.20	11,731.31	13,931.13	69,336.50	28,793.91	42,605.66	13,858.44	8,632.51	19,767.44
Inter - Segmental Revenue									
Balances Written Back									
Total Revenue	19,148.20	11,731.31	13,931.13	69,336.50	28,793.91	42,605.66	13,858.44	8,632.51	19,767.44
(ii) Segment Results	(4,074.51)	2,186.54	(986.97)	15,359.22	7,445.34	10,004.02	(9,959.56)	(92.54)	1,541.49
Less: Interest expense									
Add: Interest/Dividend Income									
Income Taxes (Current, Deferred and Fringe Benefit Tax)									
(Loss)/Profit after tax									
(iii) Segment Assets	278,082.36	163,325.09	198,574.90	942,599.52	381,648.95	462,478.73	28,144.34	14,179.88	18,209.10
Unallocated Corporate Assets									
Total Assets	278,082.36	163,325.09	198,574.90	942,599.52	381,648.95	462,478.73	28,144.34	14,179.88	18,209.10
(iv) Segment liabilities	250,207.18	139,568.11	180,812.23	795,491.30	243,249.81	325,603.76	24,983.25	5,991.81	8,408.27
Unallocated Corporate Liabilities									
Total liabilities	250,207.18	139,568.11	180,812.23	795,491.30	243,249.81	325,603.76	24,983.25	5,991.81	8,408.27
(v) Capital Expenditure	477.89	388.91	1,283.78	863.43	1,024.07	2,362.72	727.46	3,143.18	3,833.92
(vi) Depreciation / Amortization	450.36	69.86	93.72	600.97	347.68	377.23	1,976.66	223.40	317.45
(vii) Non Cash Expenditure other than Depreciation	103.05	159.63	727.68	3,536.04	4,794.19	5,939.48	19.86	360.29	681.78

PARTICULARS	Broking Related Activities (4)			Custodial/ Depository Operations (5)			Insurance (6)		
	Dec 10	Dec 09	Mar 10	Dec 10	Dec 09	Mar 10	Dec 10	Dec 09	Mar 10
(i) Segment Revenue									
External Revenue	61,042.53	54,311.96	73,594.70	1,026.64	572.07	940.45	10,496.20	4,217.36	8,518.28
Inter - Segmental Revenue	(87.88)	(35.21)	(54.89)	87.88	35.21	54.89			
Balances Written Back	693.32	0.38	73.85						
Total Revenue	61,647.97	54,277.13	73,613.66	1,114.52	607.28	995.34	10,496.20	4,217.36	8,518.28
(ii) Segment Results	(3,180.15)	7,323.30	12,136.81	507.29	256.99	568.21	(553.09)	(140.52)	(364.62)
Less:									

PARTICULARS	Broking Related Activities (4)			Custodial/ Depository Operations (5)			Insurance (6)		
	Dec 10	Dec 09	Mar 10	Dec 10	Dec 09	Mar 10	Dec 10	Dec 09	Mar 10
Interest expense									
Add: Interest/Dividend Income									
Income Taxes (Current, Deferred and Fringe Benefit Tax)									
(Loss)/Profit after tax									
(iii) Segment Assets	246,195.35	233,447.05	228,394.28	875.17	571.16	389.72	55,525.01	28,827.58	37,194.62
Unallocated Corporate Assets									
Total Assets	246,195.35	233,447.05	228,394.28	875.17	571.16	389.72	55,525.01	28,827.58	37,194.62
(iv) Segment liabilities	172,335.79	172,214.89	164,716.38	157.32	143.23	10.06	17,241.68	5,701.70	9,469.81
Unallocated Corporate Liabilities									
Total liabilities	172,335.79	172,214.89	164,716.38	157.32	143.23	10.06	17,241.68	5,701.70	9,469.81
(v) Capital Expenditure	36,611.42	2,626.01	2,657.42	16.21	12.94	7.96	435.98	368.72	652.13
(vi) Depreciation / Amortization	2,438.92	2,360.62	3,594.75	13.31	13.42	20.30	919.64	792.88	1,098.41
(vii) Non Cash Expenditure other than Depreciation	1,632.15	1,314.49	1,185.72	2.61	1.48	20.30	28.87	72.26	15.05

PARTICULARS	AMC(7)			Unallocated (8)			TOTAL (1+2+3+4+5+6+7+8)		
	Dec 10	Dec 09	Mar 10	Dec 10	Dec 09	Mar 10	Dec 10	Dec 09	Mar 10
(i) Segment Revenue									
External Revenue	3,928.11	4,544.03	6,389.08	1,655.91	624.84	351.41	180,492.53	113,427.99	166,098.15
Inter -Segmental Revenue									
Balances Written Back							693.32	0.38	73.85
Total Revenue	3,928.11	4,544.03	6,389.08	1,655.91	624.84	351.41	181,185.85	113,428.37	166,172.00
(ii) Segment Results	(4,159.66)	(368.87)	(93.21)	(2,922.25)	(1,986.92)	(1,377.37)	(8,982.71)	14,623.32	21,428.36
Less: Interest expense							786.61	1,415.40	3,036.88
Add: Interest/Dividend Income							920.19	931.19	1,350.11
Income Taxes (Current, Deferred and							8,134.72	7,618.11	10,027.02

PARTICULARS	AMC(7)			Unallocated (8)			TOTAL (1+2+3+4+5+6+7+8)		
	Dec 10	Dec 09	Mar 10	Dec 10	Dec 09	Mar 10	Dec 10	Dec 09	Mar 10
Fringe Benefit Tax)									
(Loss)/Profit after tax							(16,983.85)	6,521.00	9,714.57
(iii) Segment Assets	52,363.41	3,707.96	6,848.08				1,603,785.16	825,707.67	952,089.43
Unallocated Corporate Assets				17,669.58	22,002.82	18,900.19	17,669.58	22,002.82	18,900.19
Total Assets	52,363.41	3,707.96	6,848.08	17,669.58	22,002.82	18,900.19	1,621,454.74	847,710.49	970,989.62
(iv) Segment liabilities	35,105.74	2,617.10	2,018.21				1,295,522.26	569,486.65	691,038.72
Unallocated Corporate Liabilities				18,558.80	16,180.09	18,695.82	18,558.80	16,180.09	18,695.82
Total liabilities	35,105.74	2,617.10	2,018.21	18,558.80	16,180.09	18,695.82	1,314,081.06	585,666.74	709,734.54
(v) Capital Expenditure	38,391.03	123.65	168.97	3,333.49	10,171.26	14,699.24	80,856.91	17,858.74	25,666.14
(vi) Depreciation / Amortization	235.61	241.84	320.48	836.06	786.79	974.74	7,471.53	4,836.49	6,797.08
(vii) Non Cash Expenditure other than Depreciation	576.41	37.57	59.33	480.76	303.84	328.00	6,379.75	7,043.75	8,957.34

Geographical Segment

The company reports its operations under the following geographical segments:

Domestic Operations comprises of activities having operations in India.

Foreign Operations comprises of activities outside India.

Geographical Segment results are given below:

	(Rs. in lacs)		
	December 31, 2010	December 31, 2009	March 31, 2010
Revenue			
Domestic Operations	171,067.22	104,226.87	147,514.63
Foreign Operations	11,038.82	10,132.69	20,007.48
Total	182,106.04	114,359.56	167,522.11
Carrying Amount of Segment Assets			
Domestic Operations	1,407,625.15	758,473.30	881,468.17
Foreign Operations	213,829.59	89,237.19	89,521.46
Total	1,621,454.74	847,710.49	970,989.63

(xiii) Earnings per share (EPS) calculation (basic and diluted) :

In accordance with Accounting Standard on Earnings Per Share the following table reconciles the numerator and denominator used to calculate basic and diluted earnings per share:

Particulars	For the Period Ended December 31, 2010	For the Period Ended December 31, 2009	For the Year Ended March 31, 2010
Profit available to Equity Shareholders			
- Profit after Taxation(Rs)	(1,720,972,915)	647,918,872	969,236,912
Less: Dividend on Cumulative Preferences Share and Corporate Dividend Tax thereon (Rs)	31,625,892	30,102,172	34,150,000
	(1,752,598,807)	617,816,700	935,086,912
Net Profit after tax available for Equity Shareholders (A) (Rs)			
Number of Equity Shares			
- Weighted Number of equity shares outstanding during the year (B)	130,630,531	77,992,505	83,105,224
- Number of dilutive potential equity shares (C)	130,809,067	78,479,848	83,682,537
Basic earnings per share (A/B) (Rs.)	(13.42)	7.92	11.25
Dilutive earnings per share (A/C) (Rs.)	(13.42)	7.87	11.17

Nominal Value of an equity share (Rs.)	10	10	10
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(xiv) The breakup of Net Deferred Tax Liability/Assets as on December 31, 2010 is as under

(Rs in lacs)			
Particulars	For the Period Ended December 31, 2010	For the Period Ended December 31, 2009	For the Year Ended March 31, 2010
Deferred Tax Liabilities:			
Difference between book and tax depreciation	463.43	723.95	807.84
Prepaid Expenses	-	-	330.89
	463.43	723.95	1,138.73
Deferred Tax Assets:			
Provision for Gratuity	327.88	201.10	269.96
Provision for Leave Encashment	363.77	257.99	252.05
Provision for Bonus	10.37	-	6.51
Preliminary Expenses	0.05	38.76	0.09
Provision for Doubtful Debts	1705.00	978.02	771.63
Unabsorbed Losses	0.75	-	2.99
Other Expenses (u/s 43 B)	(123.66)	9.81	(118.46)
Provision for Diminution in value of Stock in Trade	24.78	18.56	25.35
Deferred Income	64.73	-	70.52
	2,373.67	1,504.25	1,280.64
Net deferred tax (Liability)/Assets	1,910.24	780.30	141.91

(xv) During the period ended December 31, 2010, the Company has registered and obtained the Certificate of Registration (CoR) as Non Deposit Accepting Non-Banking Financial Company w.e.f. June 18, 2010 under section 45 IA of Reserve Bank of India Act, 1934. Based on the asset and income pattern the company has been classified as Investment Company.

Pursuant to the Regulatory Framework for Core Investment Companies (CICs) issued by RBI dated August 12, 2010 and January 5, 2011, the company has filed specified application to RBI for registration as CIC-ND-SI and same is pending for approval.

(xvi) There are no events subsequent to the Balance Sheet date which could have a material effect on these interim financial statements.

(xvii) Figures for the previous period/ year have been regrouped, rearranged and reclassified wherever necessary to conform to the current year's classification.

**Signatures to Schedule A to S forming part of the
Condensed Consolidated Financial Statements**

For and on behalf of Board of Directors

For Price Waterhouse
Firm Registration No-301112E
Chartered Accountants

PARTHA GHOSH
Partner

Membership No: F55913

ANIL SAXENA
Director & Chief Financial
Officer
(DIN-01555425)

SHACHINDRA NATH
Group Chief Executive
Officer
(DIN-00510618)

RAVIBATRA
Sr. Vice President & Company Secretary

Place: New Delhi
Date: May 3, 2011

Place: New Delhi
Date: May 3, 2011

The Board of Directors
Religare Enterprises Limited
D3, P3B, District Centre, Saket,
New Delhi - 110017

1. We have reviewed the attached un-audited Balance Sheet of Religare Enterprises Limited ('the Company') as at December 31, 2010 and December 31, 2009, the related un-audited Profit and Loss Account and the un-audited Cash Flow Statement (together referred to as 'un-audited financial statements') for the nine months ended on December 31, 2010 and December 31, 2009 respectively, annexed thereto, which we have signed under reference to this report. These un-audited financial statements are the responsibility of Company's Management. Our responsibility is to express an opinion on these un-audited financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Engagements to Review Financial Statements" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.
3. A review is limited primarily to inquiries of Company's personnel and analytical procedures applied to the Company's financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. Based on our review conducted as above nothing has come to our attention that causes us to believe that the un-audited financial statements have not been prepared in all material respects in accordance with Accounting Standard 25 - Interim Financial Reporting notified pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and other recognised accounting practices and policies, or that it contains any material misstatement.
5. This report is intended solely for the use of the Company's management in connection with the proposed placement of equity shares of the Company pursuant to rights issue in India as per Chapter IV of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended, and should not be used for any other purposes except with our consent in writing.

For Price Waterhouse
Chartered Accountants
Firm Registration No. 301112E

Place: New Delhi
Date: May 3, 2011

Partha Ghosh
Partner
Membership No. F-55913

RELIGARE ENTERPRISES LIMITED
Condensed Balance Sheet as at December 31, 2010

	Schedule	As at December 31, 2010	As at December 31, 2009	As at March 31, 2010
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
		Unaudited	Unaudited	Audited
SOURCES OF FUNDS:				
Shareholders' Funds:				
Share Capital	A	1,763,590,600	1,015,239,380	1,528,137,520
Share Application Money		-	18,000,000,000	1,779,400
Reserves and Surplus	B	29,921,964,013	6,238,827,061	24,080,718,662
		31,685,554,613	25,254,066,441	25,610,635,582
Loan Funds:				
Unsecured Loans	C	137,896,088	4,220,669,968	222,155,758
		137,896,088	4,220,669,968	222,155,758
Deferred Tax Liability(Net) (Refer Note No. 2 m of Schedule R')		18,077,483	16,363,724	22,948,201
TOTAL		31,841,528,184	29,491,100,133	25,855,739,541
APPLICATION OF FUNDS:				
Fixed Assets:	D			
Gross Block		296,760,074	259,290,464	256,651,333
Less: Depreciation		75,538,470	37,287,742	45,423,379
Net Block		221,221,604	222,002,722	211,227,954
Capital Work in Progress (including advances)		16,831,703	-	-
		238,053,307	222,002,722	211,227,954
Investments	E	28,439,598,566	24,863,004,115	26,538,460,415
Current Assets, Loans and Advances:				
Sundry Debtors	F	250,080,036	70,756,272	83,072,417
Cash and Bank Balances	G	2,853,491,069	4,241,201,528	283,511,135
Other Current Assets	H	-	25,120,854	316,256
Loans and Advances	I	482,607,098	273,126,072	504,749,744
		3,586,178,203	4,610,204,726	871,649,552
Less: Current Liabilities and Provisions:				
Current Liabilities	J	220,865,305	211,198,072	1,745,414,917
Provisions	K	201,436,587	18,253,838	20,183,463
		422,301,892	229,451,910	1,765,598,380
Net Current Assets		3,163,876,311	4,380,752,816	(893,948,828)
Debit Balance in Profit & Loss Account		-	54,689,314	-
Less: Balance in General Reserve (per-contra)		-	29,348,834	-
		-	25,340,480	-
TOTAL		31,841,528,184	29,491,100,133	25,855,739,541

Notes to Condensed Financial Statements

R

Schedules referred to above forms an integral part of the Condensed Balance Sheet

This is the Condensed Balance Sheet referred to in our report of even date

For and on behalf of the Board of Directors

For Price Waterhouse
Firm Registration No-301112E
Chartered Accountants

PARTHA GHOSH
Partner

ANIL SAXENA
Director & Group chief
Financial Officer

SHACHINDRA NATH
Director & Group Chief
Executive Officer

Membership No: F55913

(DIN-01555425)

(DIN-00510618)

RAVI BATRA
Sr. Vice President & Company Secretary

Place: New Delhi
Date: May 3, 2011

Place: New Delhi
Date: May 3, 2011

RELIGARE ENTERPRISES LIMITED
Condensed Profit and Loss Account for the Period From April 1, 2010 to December 31, 2010

	Schedule	For the Period from April 1, 2010 to December 31,2010	For the Period from April 1, 2009 to December 31,2009	For the Year Ended March 31,2010
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
		Unaudited	Unaudited	Audited
INCOME				
Income From Operations	L	591,071,409	193,261,354	365,291,425
Income From Investments	M	99,170,143	10,447,026	650,628,634
Other Income	N	33,260,464	306,784,117	341,035,057
TOTAL		723,502,016	510,492,497	1,356,955,116
EXPENDITURE				
Personnel Expenses	O	413,825,009	157,170,140	327,779,086
Administrative and Other Expenses	P	266,775,691	51,517,238	83,696,943
Interest and Finance Charges	Q	127,358,378	136,368,037	219,629,666
Depreciation	D	30,469,784	33,721,270	42,657,716
TOTAL		838,428,862	378,776,685	673,763,411
PROFIT/(LOSS) BEFORE TAX		(114,926,846)	131,715,812	683,191,705
Provision for Taxation				
-Current Tax				
For the Period/ Year		51,879,457	104,855,924	104,930,998
For Earlier Years Short / (Excess)		4,212,636	-	-
-Wealth Tax		-	334,004	382,665
-Deferred Tax(Net)		(4,870,718)	16,129,406	22,713,883
PROFIT/(LOSS) AFTER TAX		(166,148,221)	10,396,478	555,164,159
Balance brought forward from previous Year		142,534,020	(65,085,792)	(65,085,792)
AMOUNT AVAILABLE FOR APPROPRIATION		(23,614,201)	(54,689,314)	490,078,367
APPROPRIATIONS				
Dividend on Preferences Share		-	-	48,371,370
Interim Dividend on Equity Shares		-	-	255,627,504
Transfer to General Reserve		-	-	43,545,473
Balance carried to Balance Sheet		(23,614,201)	(54,689,314)	142,534,020
		(23,614,201)	(54,689,314)	490,078,367
Earnings Per Share(In Rupees)				
Basic		(1.51)	(0.25)	6.27
Diluted		(1.51)	(0.25)	6.23
(Refer note 2(l) of Schedule "R")				
Notes to Condensed Financial Statements	R			
Schedules referred to above forms an integral part of the Condensed Profit and Loss Account				

This is the Condensed Profit and Loss Account referred to in our report of even date

For and on behalf of the Board of Directors

For Price Waterhouse
Firm Registration No-301112E
Chartered Accountants

PARTHA GHOSH
Partner

Membership No: F55913

ANIL SAXENA
Director & Group chief
Financial Officer
(DIN-01555425)

SHACHINDRA NATH
Director & Group Chief
Executive Officer
(DIN-00510618)

RAVI BATRA
Sr.Vice President & Company Secretary

Place: New Delhi
Date: May 3, 2011

Place: New Delhi
Date: May 3, 2011

RELIGARE ENTERPRISES LIMITED
Condensed Cash Flow Statement For the Period from April 1, 2010 to December 31, 2010

	Particulars	For the Period from April 1, 2010 to December 31, 2010	For the Period from April 1, 2009 to December 31, 2009	For the Year Ended March 31, 2010
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
		Unaudited	Unaudited	Audited
A	Cash Flow From Operating Activities:			
.	Net Profit / (Loss) Before Tax	(114,926,846)	131,715,812	683,191,705
	<u>Adjustments for:</u>			
	Loss on Sale of Fixed Assets	673,009	-	1,949,457
	Depreciation	30,469,784	33,721,270	42,657,716
	Interest Expense	100,546,411	122,532,472	203,002,938
	Interest Income	(32,566,428)	(304,477,081)	(334,787,878)
	Dividend Income	(6,964,684)	(10,447,026)	(650,628,634)
	Profit on sale of Investments	(91,749,650)	-	-
	Provision for Bad & Doubtful Debts	-	-	305,635
	Profit on sale of Investment in Mutual Funds	(455,809)	-	-
	Provision for Gratuity and Leave Encashment	31,193,749	6,997,313	8,926,938
	Contingent Provision on Standard Assets	59,375	-	-
	Provision for diminution in the value of Long Term Investments	150,000,000	-	-
	Employee Stock Options Outstanding	(462,438)	788,847	898,735
	Unrealised Foreign Exchange (gain) /loss	2,793,611	-	(6,247,179)
	Tax Deducted at Sources	(84,293,615)	(81,533,544)	(121,184,527)
	Operating Profit/ (Loss) before Working Capital changes	(15,683,531)	(100,701,937)	(171,915,094)
	Adjustments for changes in Working Capital :			
	- (Increase)/Decrease in Sundry Debtors	(167,007,619)	(61,547,765)	(74,169,551)
	- (Increase)/Decrease in Other Receivables	50,837,165	(126,844,899)	(334,071,302)
	- Increase/(Decrease) in Trade and Other Payables	(1,243,812,897)	58,642,662	1,326,345,325
	Cash Used In Operations	(1,375,666,882)	(230,451,939)	746,189,378
	- Taxes (Paid) / Received (Net of TDS)	2,009,751	(39,476,464)	(41,362,624)
	Net Cash Generated From / (Used In) Operating Activities	(1,373,657,131)	(269,928,403)	704,826,754
B	Cash Flow From Investing Activities:			
.	Adjustments for changes in:			
	Purchase of Fixed Assets	(42,753,273)	(121,899,215)	(126,747,267)
	Capital Work in Progress	(16,831,703)	59,573	59,573
	Proceeds from Sale of fixed assets	1,616,829	-	4,736,918
	Proceeds from Sale of Equity Shares Investments in:			
	- subsidiary companies (Equity)	1,003,840,160	-	-
	- other than subsidiary companies (including units of mutual funds)	2,282,318,422	-	-
	Purchases of Equity/ Preference Shares Investments in:			
	-subsidiary Companies (Including Share Application Money)	(1,820,091,274)	(3,301,538,884)	(4,989,995,184)
	-joint Ventures	(1,325,000,000)	(468,000,000)	(1,313,000,000)
	- others (including units of mutual funds)	(1,950,000,000)	(858,000,000)	-
	Dividend Received	6,964,684	10,447,026	650,628,634
	Interest Received	32,882,685	388,747,371	443,862,768
	Net Cash Used in Investing Activities	(1,827,053,470)	(4,350,184,129)	(5,330,454,558)
C	Cash Flow From Financing Activities:			
.	Proceeds from fresh issue of Equity Share Capital (including Securities Premium)	5,041,529,690	32,784,920	199,834,915
	Proceeds from fresh issue of Preference Share Capital (including Securities Premium)	1,200,000,000	-	-

	Particulars	For the Period from April 1, 2010 to December 31, 2010	For the Period from April 1, 2009 to December 31, 2009	For the Year Ended March 31, 2010
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
		Unaudited	Unaudited	Audited
	Equity Share Application Money Received	-	(1,615,180)	1,779,400
	Inter Corporate Loans Given	(2,811,700,000)	-	-
	Inter Corporate Loans received back	2,811,700,000	-	-
	Expense related to Rights Issue	-	-	(29,413,647)
	Proceeds from Short Term Borrowings	(52,038,805)	4,153,176,321	189,934,892
	Interest Paid	(129,022,846)	(55,038,823)	(170,782,073)
	Dividend Paid	(289,777,504)	-	(14,221,370)
	Net Cash Generated From Financing Activities	5,770,690,535	4,129,307,238	177,132,117
	Net Increase/(Decrease) in Cash & Cash Equivalents	2,569,979,934	(490,805,294)	(4,448,495,687)
	Cash and Cash Equivalents at the Beginning of the Year/Period	283,511,135	4,732,006,822	4,732,006,822
	Cash and Cash Equivalents at the end of the Year/Period	2,853,491,069	4,241,201,528	283,511,135
	Cash and Cash Equivalents at the end of the Year/Period comprises of			
	Cash in hand	630,760	306,526	525,282
	Balance with Scheduled Banks in Current Accounts	2,852,860,309	4,534,486	257,585,853
	Balance with Scheduled Banks in Fixed Deposits	-	4,236,360,516	25,400,000
		2,853,491,069	4,241,201,528	283,511,135

Notes:

- (1) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standards - 3 on Cash Flow Statement.
- (2) Fixed Deposit includes Rs Nil (Previous Year period December 31, 2010 Rs.40,908 lacs Year Ended March 31, 2010 Rs. 254 Lacs) which is under lien with Banks/ Stock Exchange (Refer note 2 (d) of Schedule R).
- (3) Figures in the bracket indicate cash outgo / income.
- (4) Previous year's figures have been regrouped and rearranged wherever necessary to conform to the current period's classification.

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of the Board of Directors

For Price Waterhouse
Firm Registration No-301112E
Chartered Accountants

PARTHA GHOSH
Partner
 Membership No: F55913

ANIL SAXENA
 Director & Group chief
 Financial Officer
 (DIN-01555425)

SHACHINDRA NATH
 Director & Group Chief
 Executive Officer
 (DIN-00510618)

RAVI BATRA
 Sr.Vice President & Company Secretary

Place: New Delhi
Date: May 3, 2011

Place: New Delhi
Date: May 3, 2011

RELIGARE ENTERPRISES LIMITED
Schedules forming part of Condensed Balance sheet as at December 31, 2010

	As at December 31, 2010	As at December 31, 2009	As at March 31, 2010
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
	Unaudited	Unaudited	Audited
SCHEDULE 'A':SHARE CAPITAL			
Authorised			
200,000,000 Equity Shares of Rs. 10 each	2,000,000,000	2,000,000,000	2,000,000,000
(Previous Period 200,000,000 Equity Shares, Previous Year 200,000,000 Equity Shares of Rs. 10 each)			
50,000,000 Redeemable Preference Share of Rs. 10 each	500,000,000	500,000,000	500,000,000
(Previous Period 50,000,000 Redeemable Preference Shares; Previous Year 50,000,000 Redeemable Preference Shares of Rs. 10 each)			
TOTAL	2,500,000,000	2,500,000,000	2,500,000,000
Issued, Subscribed and Paid Up			
139,359,060 Equity Shares of Rs. 10 each Fully Paid up	1,393,590,600	765,239,380	1,278,137,520
(Previous Period 76,523,938 Equity Shares of Rs. 10 each Fully Paid Up; Previous Year 127,813,752 Equity Shares of Rs. 10 each Fully Paid Up)(Refer note 2(f)(a)(i) , 2(f)(a)(ii) and 2(j) of Schedule 'R')			
37,000,000 13.66% Cumulative Redeemable Preference Shares of Rs. 10 each Fully Paid up	370,000,000	250,000,000	250,000,000
(Previous Period 2,50,00,000 13.66% Cumulative Redeemable Preference Shares of Rs 10 each Fully Paid up; Previous Year 2,50,00,000 13.66% Cumulative Redeemable Preference Shares of Rs. 10 each Fully Paid up)(Refer note 2 (f) (a)(iii) of Schedule 'R')			
TOTAL	1,763,590,600	1,015,239,380	1,528,137,520
SCHEDULE 'B':RESERVES AND SURPLUS			
a: Capital Redemption Reserve - As per last Balance Sheet	750,000	750,000	750,000
b: Securities Premium Account			
As per last Balance Sheet:	23,862,768,217	6,203,230,379	6,203,230,379
Add: Received during the period/year on Equity (Refer note, 2(f)(a)(i) , 2(f)(a)(ii) and 2(j) of Schedule 'R')	4,927,856,010	30,443,140	17,688,951,485
Add: Received during the period/year on Preference Shares(Refer note 2 f (a) (iii) of Schedule 'R')	1,080,000,000	-	-
Less: Expenses relating to Rights Issue (Refer Note 2 (f) (b) of Schedule 'R')	-	-	29,413,647
	29,870,624,227	6,233,673,519	23,862,768,217
c: General Reserve			
As per last Balance Sheet	72,894,307	29,348,834	29,348,834
Add: Transfer from Profit and Loss Account		-	43,545,473
	72,894,307	29,348,834	72,894,307
Less: Debit Balance in Profit and Loss Account (per-contra)	(23,614,201)	(29,348,834)	-
	49,280,106	-	72,894,307
d:Employee Stock Option Outstanding			
As per last Balance Sheet (Gross Amount)	1,772,118	5,568,750	5,568,750
Less: Employee Stock Option exercised as on Balance Sheet date	296,730	-	2,741,310
Cancellation during the period/ year	(165,708)	(648,810)	(749,790)
Less: Deferred Employee Stock Compensation	-	516,398	305,532
Net: Employee Stock Options Outstanding	1,309,680	4,403,542	1,772,118
e: Surplus as per Profit and Loss Account	-	-	142,534,020

	As at December 31, 2010	As at December 31, 2009	As at March 31, 2010
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
	Unaudited	Unaudited	Audited
TOTAL	29,921,964,013	6,238,827,061	24,080,718,662
SCHEDULE 'C':UNSECURED LOANS(Short Term)			
Intercompany Loans	128,041,455	4,143,500,000	181,115,000
Unsecured Loans (Others)	6,110,203	9,676,321	8,819,893
Interest accrued and due on Unsecured Loans	3,744,430	67,493,647	32,220,865
TOTAL	137,896,088	4,220,669,968	222,155,758

RELIGARE ENTERPRISES LIMITED
Schedules forming part of the Condensed Balance Sheet as at December 31 2010

SCHEDULE-D: - FIXED ASSETS

(Amount in Rs.)

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2010	Additions for the Year/ Period	Deletions/ Adjustments for the Year/ Period	As at December 31, 2010	As at April 1, 2010	Additions for the Year/ Period	Deletions/ Adjustments for the Year/ Period	As at December 31, 2010	As at December 31, 2010	As at March 31, 2010
INTANGIBLE ASSETS										
SOFTWARE-OTHERS	196,630,358	16,050,716	-	212,681,074	39,900,087	24,289,416	-	64,189,503	148,491,571	156,730,271
SUB-TOTAL	196,630,358	16,050,716	-	212,681,074	39,900,087	24,289,416	-	64,189,503	148,491,571	156,730,271
TANGIBLE ASSETS										
OFFICE EQUIPMENTS	3,290,934	3,935,078	-	7,226,012	870,674	857,660	-	1,728,334	5,497,678	2,420,260
FURNITURE AND FIXTURES	16,875	1,183,448	-	1,200,323	16,875	60,518	-	77,393	1,122,930	-
COMPUTER SYSTEMS AND PERIPHERALS	8,561,050	5,378,024	103,480	13,835,594	1,340,070	1,485,331	16,223	2,809,178	11,026,416	7,220,980
VEHICLES	47,441,116	16,206,008	2,541,053	61,106,071	3,172,207	3,670,835	338,470	6,504,572	54,601,499	44,268,909
LEASEHOLD IMPROVEMENT	711,000	-	-	711,000	123,466	106,024	-	229,490	481,510	587,534
SUB-TOTAL	60,020,975	26,702,558	2,644,533	84,079,000	5,523,292	6,180,368	354,693	11,348,967	72,730,033	54,497,683
TOTAL	256,651,333	42,753,274	2,644,533	296,760,074	45,423,379	30,469,784	354,693	75,538,470	221,221,604	211,227,954
<i>Previous Period (December-2009)</i>	<i>37,302,927</i>	<i>221,987,537</i>	<i>-</i>	<i>259,290,464</i>	<i>3,566,472</i>	<i>33,721,270</i>	<i>-</i>	<i>37,287,742</i>	<i>222,002,722</i>	<i>33,736,455</i>
<i>Previous Year (March -2010)</i>	<i>37,302,927</i>	<i>226,835,589</i>	<i>7,487,183</i>	<i>256,651,333</i>	<i>3,566,472</i>	<i>42,657,716</i>	<i>800,809</i>	<i>45,423,379</i>	<i>211,227,954</i>	<i>33,736,455</i>
Capital Works In Progress (including advances)									16,831,703	-

RELIGARE ENTERPRISES LIMITED
Schedules forming part of the Condensed Balance Sheet as at December 31 2009

SCHEDULE-D :- FIXED ASSETS

(Amount in Rs.)

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2009	Additions for the Period	Deletions/ Adjustments for the Period	As at December 31, 2009	As at April 1, 2009	Additions for the Year/ Period	Deletions/ Adjustments for the Year/ Period	As at December 31, 2009	As at December 31, 2009	As at March 31, 2009
INTANGIBLE ASSETS										
SOFTWARE-OTHERS	20,389,297	176,138,690	-	196,527,987	1,774,466	30,894,367	-	32,668,833	163,859,154	18,614,831
SUB-TOTAL	20,389,297	176,138,690	-	196,527,987	1,774,466	30,894,367	-	32,668,833	163,859,154	18,614,831
TANGIBLE ASSETS										
OFFICE EQUIPMENTS	931,813	1,969,211	-	2,901,024	192,610	524,057	-	716,667	2,184,357	739,203
FURNITURE AND FIXTURES	16,875			16,875	16,875			16,875	-	-
COMPUTER SYSTEMS AND PERIPHERALS	2,883,514	2,485,668	-	5,369,182	514,114	471,566	-	985,680	4,383,502	2,369,400
VEHICLES	13,081,428	41,393,968	-	54,475,396	1,068,407	1,831,280	-	2,899,687	51,575,709	12,013,021
LEASEHOLD IMPROVEMENT	-	-	-	-	-	-	-	-	-	-
SUB-TOTAL	16,913,630	45,848,847	-	62,762,477	1,792,006	2,826,903	-	4,618,909	58,143,568	15,121,624
TOTAL	37,302,927	221,987,537	-	259,290,464	3,566,472	33,721,270	-	37,287,742	222,002,722	33,736,455
PREVIOUS YEAR	5,595,052	31,892,114	184,238	37,302,927	463,052	3,125,010	21,590	3,566,472	33,736,455	
Capital Works In Progress (including advances)									-	-

RELIGARE ENTERPRISES LIMITED
Schedules forming part of the Condensed Balance Sheet as at March 31, 2010

SCHEDULE-D :- FIXED ASSETS

(Amount in Rs.)

Description of Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at April 1, 2009	Additions for the Year	Deletions/ Adjustments for the Year	As at March 31, 2010	As at April 1, 2009	Additions for the Year	Deletions/ Adjustments for the Year	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
INTANGIBLE ASSETS										
SOFTWARE-OTHERS	20,389,297	176,241,061	-	196,630,358	1,774,466	38,125,621	-	39,900,087	156,730,271	18,614,832
SUB-TOTAL	20,389,297	176,241,061	-	196,630,358	1,774,466	38,125,621	-	39,900,087	156,730,271	18,614,832
TANGIBLE ASSETS										
OFFICE EQUIPMENTS	931,813	2,359,121	-	3,290,934	192,610	678,064	-	870,674	2,420,260	770,763
FURNITURE AND FIXTURES	16,875	-	-	16,875	16,875	-	-	16,875	-	-
COMPUTER SYSTEMS AND PERIPHERALS	2,883,514	5,677,536	-	8,561,050	514,114	825,956	-	1,340,070	7,220,980	2,337,839
VEHICLES	13,081,428	41,846,871	7,487,183	47,441,116	1,068,407	2,904,609	800,809	3,172,207	44,268,909	12,013,021
LEASEHOLD IMPROVEMENT	-	711,000	-	711,000	-	123,466	-	123,466	587,534	-
SUB-TOTAL	16,913,630	50,594,528	7,487,183	60,020,975	1,792,006	4,532,095	800,809	5,523,292	54,497,683	15,121,623
TOTAL	37,302,927	226,835,589	7,487,183	256,651,333	3,566,472	42,657,716	800,809	45,423,379	211,227,954	33,736,455
PREVIOUS YEAR	5,595,052	31,892,114	184,238	37,302,927	463,052	3,125,010	21,590	3,566,472	33,736,455	-
Capital Works In Progress (including advances)									-	59,573

RELIGARE ENTERPRISES LIMITED
Schedules forming part of the Condensed Balance Sheet as at December 31, 2010

	Face Value	As at December 31, 2010		As at December 31, 2009		As at March 31, 2010	
		No.	Rs.	No.	Rs.	No.	Rs.
		Unaudited		Unaudited		Audited	
SCHEDULE 'E' :							
INVESTMENTS (At Cost)							
Long Term -Other than Trade							
Investment in Subsidiaries (Unquoted)							
Equity Shares (Fully Paid Up)							
Religare Securities Limited	10	39,492,800	3,283,996,000	39,492,800	3,283,996,000	39,492,800	3,283,996,000
Religare Finvest Limited	10	173,322,137	13,803,356,850	169,072,137	12,953,356,850	170,322,137	13,203,356,850
Religare Commodities Limited	10	-	-	2,000,000	37,500,000	2,000,000	37,500,000
Religare Insurance Broking Limited	10	48,000,000	915,000,000	48,000,000	915,000,000	48,000,000	915,000,000
Religare Venture Capital Limited	10	30,050,000	300,500,000	50,000	500,000	30,050,000	300,500,000
REL Infrafacilities Limited (formerly known as Religare Realty Limited)	10	30,850,000	417,000,000	30,850,000	417,000,000	30,850,000	417,000,000
Religare Finance Limited	10	2,050,000	20,500,000	2,050,000	20,500,000	2,050,000	20,500,000
Religare Capital Markets Limited	10	81,550,000	3,855,500,000	75,550,000	3,555,500,000	81,550,000	3,855,500,000
Religare Global Asset Management Inc., USA	\$0.01	24,000	1,220,091,274	-	-	-	-
Religare Health Insurance Company Limited	10	25,150,000	251,500,000	25,150,000	251,500,000	25,150,000	251,500,000
(formerly known as Religare Insurance Holding Company Limited)							
Religare Arts Initiative Limited	10	13,000,000	130,000,000	5,000,000	50,000,000	13,000,000	130,000,000
Religare United Soccer Limited	10	-	-	50,000	500,000	50,000	500,000
Religare Housing Development Finance Corporation Limited	10	-	-	20,000,250	566,939,060	34,998,250	965,840,160
(formerly known as Maharishi Housing Development Finance Corporation Limited)							
Vistaar Religare Capital Advisors Limited *	10	153,105	31,845,642	142,305	29,599,242	153,105	31,845,642
Equity Share Application Money							
Religare Arts Initiative Limited		-	-	-	80,000,000	-	-
Religare Venture Capital Limited		-	-	-	65,000,000	-	-
Vistaar Religare Capital Advisors Limited *			2,308,800	-	-		2,308,800
		443,692,042	24,231,598,566	417,407,492	22,226,891,152	477,666,292	23,415,347,452
Investments in Joint Ventures (Unquoted)							
Equity Shares (Fully Paid Up)							
Religare Macquarie Wealth Management Limited	10	45,000,000	500,000,000	35,000,000	350,000,000	35,000,000	350,000,000
Aegon Religare Life Insurance Company Limited	10	360,800,000	3,608,000,000	204,600,000	2,046,000,000	250,800,000	2,508,000,000
Preference Shares (Fully Paid Up)							
Religare Macquarie Wealth Management Limited	10	7,500,000	100,000,000	-	-	2,500,000	25,000,000
		413,300,000	4,208,000,000	239,600,000	2,396,000,000	288,300,000	2,883,000,000
Investments Other than in							

	Face Value	As at December 31, 2010		As at December 31, 2009		As at March 31, 2010	
		No.	Rs.	No.	Rs.	No.	Rs.
		Unaudited		Unaudited		Audited	
Subsidiaries and Joint Ventures (Quoted)							
Equity Shares (Fully Paid-Up)							
Karnataka Bank Limited	10	-	-	1,741,171	240,112,963	1,741,171	240,112,963
		-	-	1,741,171	240,112,963	1,741,171	240,112,963
TOTAL			28,439,598,566		24,863,004,115		26,538,460,415
Aggregate value of quoted investment in shares							
At Book Value			-		240,112,963		240,112,963
At Market Value			-		224,872,235		208,940,520
Aggregate value of unquoted investments							
At Book Value			28,437,289,766		24,477,891,152		26,296,038,652
Share Application Money			2,308,800		145,000,000		2,308,800

	As at December 31, 2010	As at December 31, 2009	As at March 31, 2010
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
	Unaudited	Unaudited	Audited
SCHEDULE 'F':SUNDRY DEBTORS			
(Unsecured-Considered Good, Unless otherwise stated)			
Debts outstanding for a period exceeding Six Months			
Good	-	305,635	-
Doubtful	305,635	-	305,635
	305,635	305,635	305,635
Other Debts			
Good	250,080,036	70,450,637	83,072,417
	250,080,036	70,450,637	83,072,417
Total	250,385,671	70,756,272	83,378,052
Less :-Provision for Doubtful Debts	(305,635)	-	(305,635)
TOTAL	250,080,036	70,756,272	83,072,417
SCHEDULE 'G':CASH AND BANK BALANCES			
Cash in Hand	630,760	306,526	525,282
Balances with Scheduled Banks in:			
-Current Accounts	2,852,860,309	4,534,486	257,585,853
-Fixed Deposits	-	4,236,360,516	25,400,000
TOTAL	2,853,491,069	4,241,201,528	283,511,135
SCHEDULE 'H':OTHER CURRENT ASSETS			
Interest Receivable	-	25,120,854	316,256
TOTAL	-	25,120,854	316,256
SCHEDULE 'I':LOANS AND ADVANCES			
(Unsecured-Considered Good)			
Advances to Religare Employees' SAR Trust (Refer Note 2 k of Schedule 'R')	-	2,300,836	2,300,836
Advances to Subsidiaries/ Joint Ventures	39,075,055	119,501,460	138,775,351
Advances recoverable in cash or in kind or for value to be received:			
-Prepaid Expenses	32,304,072	25,016,818	64,298,065
-Security Deposits	30,606,732	1,326,445	59,916,232
-Others	239,105,371	85,341,858	160,024,541
Advance Tax and Tax Deducted at Source	94,403,239	36,169,014	65,708,722
(Net of Provisions for Taxes of Rs. 231,090,555; Previous Period Rs.174,341,748 ;Previous Year Rs.172,484,425)			
Balances with Service Tax Authorities	23,362,629	3,469,641	13,725,997
	458,857,098	273,126,072	504,749,744
Unsecured Loans - Standard Assets	23,750,000	-	-
TOTAL	482,607,098	273,126,072	504,749,744
SCHEDULE 'J':CURRENT LIABILITIES			
Sundry Creditors(Other than Micro, Small and Medium Enterprises)	177,985,645	167,915,984	253,085,239
Book Overdraft	-	30,204,675	1,185,983,714
Interim Dividend on Preference Shares	-	-	34,150,000
Interim Dividend on Equity Shares	-	-	255,627,504
Other Liabilities	42,879,660	13,077,413	16,568,460
TOTAL	220,865,305	211,198,072	1,745,414,917
SCHEDULE 'K':PROVISIONS			
Contingent Provision against Standard Assets	59,375	-	-
Gratuity	26,122,490	8,720,097	10,429,372
Leave Encashment	25,254,722	9,533,741	9,754,091
Provision for diminution in value of Long Term Investments	150,000,000	-	-
TOTAL	201,436,587	18,253,838	20,183,463

RELIGARE ENTERPRISES LIMITED

Schedules forming part of Condensed Profit and Loss Account for the period from April 1, 2010 to December 31, 2010

	For the period from April 1, 2010, to December 31, 2010	For the period from April 1, 2009, to December 31, 2009	For the period from April 1, 2009, to March 31, 2010
	Amount (Rs.) Unaudited	Amount (Rs.) Unaudited	Amount (Rs.) Audited
SCHEDULE 'L':INCOME FROM OPERATIONS			
Income from Financial Advisory Services	-	191,278	191,278
Support Service Fees	591,071,409	193,070,076	365,100,147
TOTAL	591,071,409	193,261,354	365,291,425
SCHEDULE 'M':INCOME FROM INVESTMENTS			
On Long Term Investments			
-Dividend From Subsidiaries	-	-	640,181,608
-Dividend From Others	6,964,684	10,447,026	10,447,026
-Profit on sale of Long Term Investments	91,749,650	-	-
On Short Term Investments			
-Profit on sale / Redemption of Short Term Investments	455,809	-	-
TOTAL	99,170,143	10,447,026	650,628,634
SCHEDULE 'N':OTHER INCOME			
Interest on Fixed Deposits with Bank	519,313	299,218,502	329,461,056
Interest Income on Debentures	7,684,000	5,122,666	5,122,666
Interest Income on Inter Corporate Loans given	24,191,452	-	-
Interest on Staff Loans	171,663	135,913	204,156
Other Income	694,036	-	-
Foreign Exchange Gains (Net)	-	2,307,036	6,247,179
TOTAL	33,260,464	306,784,117	341,035,057
SCHEDULE 'O':PERSONNEL EXPENSES			
Salaries, Allowances and Bonus	319,841,646	120,006,447	232,674,425
Contribution to Employees Provident and Other Funds	11,588,701	1,440,951	9,143,872
Gratuity	15,789,643	1,342,823	5,601,730
Leave Encashment	16,929,404	5,054,681	5,465,404
Training and Recruitment Expenses	48,780,328	28,725,324	71,572,777
Staff Welfare Expenses	8,757,114	1,353,211	4,144,079
	421,686,836	157,923,437	328,602,287
Less: Expenses shared by Subsidiaries/Joint Venture	7,861,827	753,297	823,201
TOTAL	413,825,009	157,170,140	327,779,086
SCHEDULE 'P':ADMINISTRATIVE AND OTHER EXPENSES			
Rent	204,839,454	130,746,283	215,842,172
Advertisement and Business Promotion	37,913,982	47,724,221	73,083,886
Insurance Charges	1,597,299	997,668	1,458,404
Travelling and Conveyance	92,980,370	31,003,381	55,034,250
Telephone Expenses	8,018,655	4,067,937	5,892,181
License Fees	4,786,625	89,000	3,117,490
Printing and Stationery	7,109,972	3,396,317	4,304,065
Repairs and Maintenance			
Leasehold Improvement	-	-	2,459,254
Others	1,605,042	2,358,623	360,452
Legal and Professional Expenses	76,651,199	38,124,457	77,385,605
Membership and Subscription	8,928,389	2,714,468	6,553,424
Auditors' Remuneration	4,050,000	2,797,523	4,000,275
Filing Fees	2,117,023	1,369,620	221,991
Fines & Penalties	2,567,404	-	-
Loss on sale of fixed assets (Net)	673,009	-	1,949,457
Provision for Doubtful Debts	-	-	305,635
Unrealised Foreign Exchange Loss (Net)	2,719,876	-	-

	For the period from April 1, 2010, to December 31, 2010	For the period from April 1, 2009, to December 31, 2009	For the period from April 1, 2009, to March 31, 2010
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
	Unaudited	Unaudited	Audited
Office Expenses	1,853,249	1,770,855	2,139,604
Contingent Provision on Standard Assets	59,375	-	-
Provision for Diminution in Value of Long Term Investments	150,000,000	-	-
Miscellaneous Expenses	23,707,733	15,682,745	26,543,164
	632,178,656	282,843,098	480,651,309
Less: Expenses shared by Subsidiaries for use of common facilities	365,402,965	231,325,860	396,954,366
TOTAL	266,775,691	51,517,238	83,696,943
SCHEDULE 'Q':INTEREST AND FINANCE CHARGES			
Interest on Inter corporate Loans	100,546,411	122,532,472	203,002,938
Bank Charges	26,811,967	13,835,565	16,626,728
TOTAL	127,358,378	136,368,037	219,629,666

RELIGARE ENTERPRISES LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF THE CONDENSED BALANCE SHEET AS
AT DECEMBER 31, 2010 AND CONDENSED PROFIT AND LOSS ACCOUNT FOR THE PERIOD
FROM APRIL 1, 2010 TO DECEMBER 31, 2010

SCHEDULE 'R': NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

- (i) The condensed Interim financial statements are prepared under the historical cost convention and on accrual basis of accounting and in accordance with generally accepted accounting principles in India and comply in material aspect with the measurement and recognition principals of Accounting Standards referred in Section 211 (3C) of the Companies Act, 1956 of India ("the Act") read with Companies (Accounting Standard) Rules 2006 to the extent applicable, the Reserve Bank of India Act 1934 (RBI) and Non-Banking Financial Companies (Reserve Bank) Directions 2008 read with Note No 2 (h).
- (ii) The condensed interim financial statements for the period from April 1, 2010 to December 31, 2010 and April 1, 2009 to December 31, 2009 have been prepared in accordance with the requirements of Accounting Standard (AS) 25 "Interim Financial Reporting" for the purpose of inclusion in the Draft Letter of Offer prepared for the purpose of rights issue of equity shares, under Chapter IV of Securities Exchange Board of India (ICDR) Regulations 2010 and accordingly do not include all possible disclosures required by the Generally Accepted Accounting Principles in India and Schedule VI to the Companies Act, 1956 of India.

b) USE OF ESTIMATES

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

c) REVENUE RECOGNITION

- (i) Interest income from financing activities is recognized on an accrual basis except in the case of non-performing assets, where it is recognised on realisation, as per the prudential norms of the RBI.
- (ii) Income from Financial Advisory Services is recognized on the basis of stage of completion of assignments in accordance with terms of the relevant agreement.
- (iii) Dividend from investments is accounted for as income when the right to receive dividend is established.
- (iv) Income from Interest on Fixed Deposits with banks is recognized on accrual basis.
- (v) Income from Support Services Fees for rendering of services to group companies is recognized on accrual basis.
- (vi) Revenue excludes service tax.

d) FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation. Cost for this purpose includes purchase price, non refundable taxes or levies and other directly attributable costs of bringing the asset to its working condition for its intended use.

e) LEASED ASSETS

- (i) Assets acquired under Leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as Operating Leases. The rentals and all the other expenses of assets under operating lease for the period are treated as revenue expenditure.
- (ii) Assets given on operating leases are included in fixed assets. Lease income is recognized in the Profit and Loss Account on straight line basis over the lease term. Operating costs of leased assets, including depreciation are recognized as an expense in the Profit and Loss Account. Initial direct cost such as legal costs, brokerages etc. are charged to Profit and Loss as incurred.

f) 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. Intangible assets are recorded at cost and carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Computer software which is not an integral part of the related hardware is classified as an intangible asset and is being amortized over the estimated useful life.

g) DEPRECIATION

Immovable assets at the leased premises including civil works, electrical items are capitalized as leasehold improvements and are amortized over the primary period of lease subject to maximum of 6 years.

Depreciation is provided on Straight Line Method, at the rates specified in Schedule XIV of the Companies Act, 1956 or the rates based on useful lives of the assets as estimated by the management, whichever are higher. Depreciation is provided for on a pro-rata basis on the assets acquired, sold or disposed off during the year/period. The annual depreciation rates are as under:

Assets Description	Depreciation Rate (%)
Computers	16.21%
Office Equipment	Between 10% to 20%
Furniture and Fixtures	6.33%
Vehicle	9.50%

Individual assets costing up to Rs. 5,000 are fully depreciated in the year/period of acquisition.

h) INVESTMENTS

Investments are classified into long term investments and current 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 and fair/ market value.

i) FOREIGN CURRENCY TRANSACTIONS

- (i) Transactions in foreign currencies are recorded at the rate of exchange in force at the time of occurrence of the transactions.
- (ii) Exchange differences arising on settlement of revenue transactions are recognized in the Profit and Loss account.
- (iii) 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.

j) EMPLOYEE BENEFITS

- (i) Provident Fund is a defined contribution scheme and the contributions as required by the Statute are charged to the Profit and Loss Account as incurred.
- (ii) Gratuity Liability is a defined obligation and is wholly unfunded. The Company accounts for liability for future gratuity benefits based on an actuarial valuation as at the balance sheet date.
- (iii) The employees of the Company are entitled to be compensated for 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.
- (iv) Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Profit and Loss Account as income or expense.
- (v) The undiscounted amount of short - term employee benefits expected to be paid in exchange for services rendered by an employee is recognized during the period when the employee renders the service.
- (vi) Stock Appreciation Rights (SARs) are given as a part of employee retention strategy of the Company. The eligible employees are entitled to receive an incentive based on the price of the shares of the Company. The amount of such incentive proportionate to the vesting period as at the balance sheet date is recognized as an expense based on the fair value of shares as at the balance sheet date or the cost of acquisition of such shares where the same have been acquired by an Employee Trust formed for the purpose.
- (vii) Stock Options granted to eligible persons under the relevant Stock Option Schemes are accounted for at intrinsic value as per the accounting treatment prescribed by the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines 1999 issued by the Securities and Exchange Board of India. Accordingly, the excess of average market price, determined as per guidelines of the underlying equity shares (market value) over the exercise price of the options is recognized as deferred stock option expense and is charged to Profit and Loss Account on a straight line basis over the vesting period of the options. The amortised portion of the cost is shown under reserves and surplus.

k) TAXES ON INCOME

- (i) Current tax is determined based on the amount of tax payable in respect of taxable income for the year/ period.
- (ii) Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax asset, on timing differences, being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- (iii) Provision for taxation for the period(s) is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.

l) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (i) 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.
- (ii) Provision for non-performing assets/investments and contingent provision against standard assets has been made as per prudential norms prescribed by Reserve Bank of India.

m) IMPAIRMENT OF ASSETS

Assets are reviewed for impairment at each balance sheet date. In case, events and circumstances indicate any impairment, the recoverable amount of these assets is determined. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which an asset is defined as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount and such loss either no longer exists or has decreased.

2. NOTES ON ACCOUNTS

a. Capital Commitments

(Rs in lacs)				
S No	Particulars	31-Dec-10	31-Dec-09	31-Mar-10
(a)	Capital Commitment/ consideration on account of acquisitions*	8,544.87	3,000.00	3,000.00
(b)	Estimated amount of contracts (net of advances) exclusive of taxes remaining to be executed	3.45	-	-
Total		8,548.32	3,000.00	3,000.00

* includes a contingent commitment of USD 14 million (equivalent INR 6,344.87 lacs) on acquisition of Northgate Capital LLC and its subsidiaries.

b. Contingent Liabilities

(Rs in lacs)				
S No	Particulars	31-Dec-10	31-Dec-09	31-Mar-10
(a)	Financial and other guarantees issued by the Company to banks and stock exchanges and others	69,594.33	57,690.03	88,587.44
(b)	Underwriting commitments/obligations for Shares/ debentures	13,400.00	26,000.00	26,000.00
(c)	Disputed Income Tax demands not provided for	5.04	-	-
(d)	Claim against the Group not acknowledged as debts	0.77	0.77	0.77
Total		83,000.14	83,690.80	114,588.21

c. Pledge of Shares by the Company (in respect of margin requirement by the subsidiary companies)

	Name of Scrip	31-Dec-10		31-Dec-09		31-Mar-10	
		No in lacs	Rs in lacs	No in lacs	Rs in lacs	No in lacs	Rs in lacs
	Karnataka Bank Limited	-	-	17.41	2,401.13	17.41	2,401.13
	TOTAL	-	-	17.41	2,401.13	17.41	2,401.13

d. Fixed Deposits under lien with Banks/ Stock Exchanges (on behalf of subsidiary companies)

(Rs in lacs)				
S No	Particulars	31-Dec-10	31-Dec-09	31-Mar-10
(a)	Margin/deposits for guarantees & credit facility by bank	-	40,908.00	99.00
(b)	For base capital requirement with stock exchanges	-	-	155.00
Total		-	40,908.00	254.00

- e. During the period ended December 31, 2010, the Company has registered and obtained the Certificate of Registration (CoR) as Non Deposit Accepting Non-Banking Financial Company w.e.f. June 18, 2010 under section 45 IA of Reserve Bank of India Act, 1934. Based on the asset and income pattern the company has been classified as Investment Company.

Pursuant to the Regulatory Framework for Core Investment Companies (CICs) issued by RBI dated August 12, 2010 and January 5, 2011, the company has filed specified application to RBI for registration as CIC-ND-SI and same is pending for approval.

- f. (a) During the period ended December 31, 2010 the Company, on preferential basis:

- Issued and allotted 5,617,977 (Fifty Six lacs Seventeen thousand nine hundred and seventy seven equity shares) of Rs. 10 each at a price of Rs 445 per equity share including premium of Rs 435 per equity share for cash to a promoter group entity.
- Issued 5,617,977 optionally convertible warrants for the equal number of equity shares of Rs 10 each at a price of Rs 445 per equity share including premium of Rs 435 per equity share to a promoter group entity. The said warrants had been converted into fully paid up equity shares and the company has received full amount against the same.
- Issued 12,000,000 13.66% Cumulative Redeemable Preference Shares of Rs. 10 each at a premium of Rs. 90 per share aggregating to Rs. 12,000 lacs to a promoter group entity. These Preference Shares are redeemable at a premium not exceeding Rs.150 per share at the end of 5 years or at an earlier date as per mutually agreed terms. The premium payable on redemption

of the aforesaid shares will be utilized from the Securities Premium Account as per the provisions of section 78 of the Companies Act, 1956.

- (b) During the year ended March 31, 2010, the Company pursuant to Letter of Offer (LOF) dated January 19, 2010 had made rights issue of 51,107,401 shares of Rs 10 each at a premium of Rs. 345 per share aggregating Rs. 181,431.27 lacs. The issue had been fully subscribed and the shares had been allotted and listed on the BSE and NSE. The total issue proceeds had been fully deployed as per the objects of the issue. The company had adjusted right issue expenses aggregating to Rs.294.14 lacs against Securities Premium Account
- g. During the year the company had transferred/ disposed :
- 2,000,000 equity shares of Religare Commodities Limited (RCL) at a book value of Rs.3,750 lacs to Religare Securities Limited (RSL), a wholly owned subsidiary of the Company. As a result, RCL became wholly owned subsidiary of RSL and step down subsidiary of the Company.
 - 34,998,250 equity shares at book value of Rs.9,733.40 lacs of Religare Housing Development Finance Corporation Limited (RHDFCL) to Religare Finvest Limited (RFL), a wholly owned subsidiary of the Company. As a result RHDFCL became subsidiary of RFL and step down subsidiary of the Company
 - 50,000 equity shares at book value of Rs.5 lacs of Religare United Soccer Limited (RUSL) in equal proportion each to RHCFL and Today Holdings Private Limited. As a result RUSL ceases to be subsidiary of the Company.
 - 1,741,171 equity shares of Karnataka Bank Limited of book value Rs.2,401.13 lacs at Rs.3, 323.38 lacs (net of charges).
- h. Disclosure of details as required by Para 5 of Reserve Bank of India Circular No. DNBS (PD), CC. No. 125/03.05.002/2008-09, dated 01-08-2008

I. Capital to Risk Asset Ratio (CRAR)

	Items	Period Ended December31, 2010	Period Ended December31, 2009 #	Year Ended March 31,2010 #
(i)	CRAR (%)	54.80	NA	NA
(ii)	CRAR - (Tier I Capital (%))	51.00	NA	NA
(iii)	CRAR - (Tier II Capital (%))	3.80	NA	NA

The company has been granted exemption from registration as NBFC by RBI

In respect of financial guarantees outstanding as on December 31, 2010, the risk weights have been computed on the outstanding balances as per the borrower's books instead of the face value of such guarantees

The company has committed for investment in Landmark group entities for USD 171.50 million, out of which initial investments is USD 162 million and contingent consideration/ payment of USD 9.50 million.

Further the company has committed for investment in IPRO USD 1.30 million as initial investment Subsequent to the period ended December 31, 2010 the Company has invested USD 42 million in Landmark Partners LLC.

Accordingly the same has not been considered for the purpose of computation of CRAR and capital commitment as at December 31, 2010

II Exposure to Real Estate Sector

	Category	Period Ended December31, 2010	Period Ended December31, 2009	Year Ended March 31,2010
(a)	Direct Exposures			
	(i) Residential Mortgages:-			
	(a) Individuals housing loans upto Rs.15 lacs	-	-	-
	(b) Individuals housing loans more than Rs.15 lacs	-	-	-

	Category	Period Ended December 31, 2010	Period Ended December 31, 2009	Year Ended March 31, 2010
	(ii) Commercial Real Estate	-	-	-
	(iii) Investments in Mortgage Backed Securities (MBS) and other Securitised exposures:-	-	-	-
	(a) Residential,	-	-	-
	(b) Commercial Real Estate.	-	-	-
(b)	Indirect Exposures *			
	Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Refer Note 2 below	Refer Note 1 below	Refer Note 1 below

Notes:

1. Religare Housing Development Finance Corporation Limited (RHDFCL) formerly Maharishi Housing Development Finance Corporation Limited, a company registered with NHB became the subsidiary of the company w.e.f. June 15, 2009 and value of investment Rs.9,658.40 lacs. The company has obtained Certificate of Registration (CoR) as NBFC w.e.f. June 18, 2010, accordingly the disclosure to real estate sector is not applicable for the period ended December 31, 2009 and year ended March 31, 2010.
2. The company has indirect exposure by way of equity capital in Religare Housing Development Finance Corporation Limited (RHDFCL) formerly Maharishi Housing Development Finance Corporation Limited from June 18, 2010 to December 3, 2010 (the date of transfer of shareholding to Religare Finvest Limited, a wholly owned subsidiary of the company). Accordingly, December 4, 2010 to December 31, 2010, the company has no exposure in Housing Finance Company

III Maturity pattern of certain items of assets and liabilities (At Book Value)

(Rs in lacs)									
Particulars	1 to 31 days	Over 1 month to 2 month	Over 2 month to 3 months	Over 3 Months upto 6 months	Over 6 m to 1 year	1 Year to 3 yrs	Over 3 yrs to 5 yrs	Over 5 years	Total
Liabilities									
Borrowing from Banks	-	-	-	-	-	-	-	-	-
Market Borrowings	1,378.96								1,378.96
Assets									
Advances	922.31	174.63	638.67	160.54	1,291.43	366.55	318.76	953.18	4,826.07
Investments						248,315.99		36,080.00	284,395.99

- i. Disclosures of details as required in terms of Paragraph 13 of Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007

(Rs in lacs)				
Liabilities Side:				
			Amount Outstanding	Amount Overdue
1)		Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
	a)	Debentures: Secured	-	-
		: Unsecured	-	-
		(other than falling within the meaning of Public deposits)		-
	b)	Deferred Credits	-	-
	c)	Term Loans	-	-
	d)	Inter-Corporate loans and borrowings	1,280.41	-
	e)	Commercial Paper	-	-
	f)	Other Loans (specify nature)	61.10	-
		a) Working Capital Loan from Banks		-
		b) Interest accrued and due on Unsecured Loans	37.44	-

Assets Side:		Amount Outstanding		
2)	Break-up of Loans and Advances including bills receivables (other than those included in (4) below):			
a)	Secured	-		
b)	Unsecured	237.50		
3)	Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities			
i)	Lease assets including lease rentals under sundry debtors:			
a)	Financial Lease	-		
b)	Operating Lease	-		
ii)	Stock on hire including hire charges under sundry debtors:			
a)	Assets on hire	-		
b)	Repossessed Assets	-		
iii)	Hypothecation loans counting towards EL/HP activities	-		
a)	Loans where assets have been repossessed	-		
b)	Loans other than (a) above	-		
4)	Break-up of Investments:			
1	Current Investments:			
	Quoted:			
i)	Shares:a) Equity	-		
b)	Preference	-		
ii)	Debentures and Bonds	-		
iii)	Units of mutual funds	-		
iv)	Government Securities	-		
v)	Others	-		
2	Unquoted:			
i)	Shares: a) Equity	-		
b)	Preference	-		
ii)	Debentures and Bonds	-		
iii)	Units of mutual funds	-		
iv)	Government Securities	-		
v)	Others	-		
1	Long Term Investments:			
	Quoted:			
i)	Shares:a) Equity			
b)	Preference			
ii)	Debentures and Bonds			
iii)	Units of mutual funds			
iv)	Government Securities			
v)	Others			
2	Unquoted:			
i)	Shares: a) Equity	283,372.90		
b)	Preference	1,000.00		
ii)	Debentures and Bonds			
iii)	Units of mutual funds			
iv)	Government Securities			
v)	Others(share application money)	23.09		
5)	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:			
Category		Amount net of Provisions		
		Secured	Unsecured	Total
1	Related Parties			
a)	Subsidiaries	-	-	-
b)	Companies in the same group	-	-	-
c)	Other related parties	-	-	-
2	Other than related parties	-	-	-
Total		-	-	-

6)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
	Category	Break-up Value	Book Value (Net of Provisions)
	1	Related Parties	

	(a) Subsidiaries	296,562.73	240,815.99
	(b) Companies in the same group	22,225.08	42,080.00
	(c) Other related parties	-	-
2	Other than related parties	-	-
	Total	318,787.81	282,895.99
7)	Other information		
	Particulars	Amount	
(i)	Gross Non-Performing Assets		
	(a) Related parties	-	
	(b) Other than related parties	-	
(ii)	Net Non-Performing Assets		
	(a) Related parties	-	
	(b) Other than related parties	-	
(iii)	Assets acquired in satisfaction of debt	-	

j. **Details of Employee Stock Option Plans issued by the company**

Type of Scheme	ESOP Scheme 2006 (Series -I)	ESOP Scheme 2006 (Series -II)	ESOP Scheme 2010
Date of grant	November 15, 2006	November 17, 2007	December 29, 2010
Number Granted	2,000,000	125,000	6,573,000
Contractual Life	3 yrs	3 yrs	3 yrs
Vesting Conditions	33% on expiry of 12 months from Grant Date 33% on expiry of 24 months from Grant Date 34% on expiry of 36 months from Grant Date	33% on expiry of 12 months from Grant Date 33% on expiry of 24 months from Grant Date 34% on expiry of 36 months from Grant Date	33% on expiry of 12 months from Grant Date 33% on expiry of 24 months from Grant Date 34% on expiry of 36 months from Grant Date
Method of Option Valuation	Black Scholes Option Pricing Method	Black Scholes Option Pricing Method	Black Scholes Option Pricing Method
Exercise Price	140.00	140.00	481.00
Estimated fair value of share granted	111.47	185.00	481.00

Scheme	No. of Options outstanding as on April 1, 2010	Issued During the period/ year	Cancellation of Options due to resignations	Options Exercised	Number of Options outstanding as on December 31, 2010	Exercisable as at December 31, 2010
Scheme 2006	922,640	-	10,472	309,354	602,814	602,814
Scheme 2010	-	6,573,000	-	-	6,573,000	-
TOTAL					7,175,814	
Range of Exercise Price						
ESOP Scheme 2006		140				
ESOP Scheme 2010		481				

Weighted Average exercise Price for ESOP Scheme 2006 (I& II) and ESOP Scheme 2010 is Rs.140 and Rs.481 per share respectively.

Employee Compensation Cost is accounted for as per intrinsic value method by amortizing the excess of fair market value over the exercise price over the vesting period. As at December 31, 2010 total amount amortized Rs.43.48 lacs (Previous Year Rs.44.03 lacs, Year Ended March 31, 2010 Rs 45.13 lacs) (net of cancellation). Accordingly, the Company has charged to Profit & Loss Account towards Employee Compensation cost Rs -1.65 lacs (Previous Year Rs. 0.36 lacs, Year Ended March 31, 2010 Rs.0.75 lacs) (net of recovery) for the period/ year ended December 31, 2010 and for the year ended March 31, 2010 respectively.

- k. Religare Enterprises Limited Employee Stock Appreciated Rights (SAR) Scheme 2007 was made effective from November 17, 2007. The Vesting of Stock Appreciation Rights (SARs) were due on April 1, 2008; April 1, 2009 and April 1, 2010, as at December 31, 2010, no rights were pending for exercise under the Scheme. The Company accounted for employee compensation cost for SARs allocated to the employees of the Company by amortising the excess of purchase price per share over the excess price per share over the period.

Accordingly, the Company has charged off Rs.4.56 lacs (Period Ended December 31, 2009 Rs.4.95 lacs and for the year ended March 31, 2010 Rs.6.68 lacs) in the statement of Profit and Loss Account for the current period.

Number of SAR allocated and outstanding (net of transfers/ cancellations) to the employees of the company as on December 31, 2010 are Nil (Period Ended December 31, 2009 are 4,567 and for the year ended March 31, 2010 are 4,567. During the period ended Dec 31, 2010 the Company has settled the advance given to the Religare Employee SAR Trust and advances outstanding with SAR trust as on December 31, 2010 is NIL (As on December 31, 2009 is Rs.23.00 lacs and As on March 31,2010 is Rs.23.00 lacs).

l. **Earnings Per Share (EPS) calculation (basic and diluted):**

	Particulars	Period Ended December 31, 2010	Period Ended December 31, 2009	Year Ended March 31, 2010
(i)	Net Profit/(Loss) after tax (Rs.)	(166,148,221)	10,396,478	555,164,159
	Less:- Dividend on Cumulative Preferences Share	(27,031,830)	(25,729,452)	(34,150,000)
	Less:- Provision for Dividend distribution tax on Cumulative Preferences Shares Dividend	(4,594,062)	(4,372,720)	-
	Net Profit/(Loss) after tax available for equity shareholders (Rs.)	(197,774,113)	(19,705,694)	521,014,159
(ii)	Weighted average number of Equity Share For Basic EPS (No.)	130,630,531	77,992,505	83,105,224
	For Diluted EPS (No.)	130,809,067	78,479,848	83,682,537
(iii)	Nominal Value of shares (Rs.)	10	10	10
(iv)	Earnings per Share (EPS)			
	Basic (Rs.)	(1.51)	(0.25)	6.27
	Diluted (Rs.)	(1.51)	(0.25)	6.23

m. **Deferred Taxes:**

Components of deferred tax balances as on period/ year end are as under:

	(Rs in lacs)		
Particulars	Period Ended December 31, 2010	Period Ended December 31, 2009	Year Ended March 31, 2010
A- Deferred Tax Assets:			
Provision for Gratuity	86.78	29.64	35.45
Provision for Leave Encashment	83.90	32.41	33.15
SAR Expenses	-	-	-
Total (A)	170.68	62.05	68.60
B-Deferred Tax Liability:			
Difference Between book and Tax Depreciation	(351.45)	(225.68)	(298.08)
Total (B)	(351.45)	(225.68)	(298.08)
Net Deferred Tax Asset/(Liability)(A-B)	(180.77)	(163.63)	(229.48)

n. **Segment Reporting:**

1. **Business Segment:**

- The business segment has been considered as the primary segment.
- The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.
- The Company's primary business comprises of three business segments viz., Investment Operations, Financial Advisory Services and Support Services.
- Segment revenue, results, assets and liabilities include amounts identifiable to each segments allocated on a reasonable basis.
- The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information as stated in (1) above.

2. **Geographical Segment:**

The Company operates in one Geographic segment namely "Within India" and hence, no separate information for Geographic segment wise disclosure is required.

Information about the primary segment																
Particulars		Investment & Financing			Financial Advisory Services			Support Services			Unallocated			Total		
		P/e Dec-31, 2010	P/e Dec-31, 2009	Y/e Mar-31, 2010	P/e Dec-31, 2010	P/e Dec-31, 2009	Y/e Mar-31, 2010	P/e Dec-31, 2010	P/e Dec-31, 2009	Y/e Mar-31, 2010	P/e Dec-31, 2010	P/e Dec-31, 2009	Y/e Mar-31, 2010	P/e Dec-31, 2010	P/e Dec-31, 2009	Y/e Mar-31, 2010
(i)	Segment Revenue															
	External Segment	1,315.65	3,147.88	9,852.12	-	1.91	1.92	5,910.71	1,930.70	3,651.00	8.66	24.43	64.51	7,235.02	5,104.92	13,569.55
	Internal Segment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Revenue	1,315.65	3,147.88	9,852.12	-	1.91	1.92	5,910.71	1,930.70	3,651.00	8.66	24.43	64.51	7,235.02	5,104.92	13,569.55
(ii)	Segment Results Profit / (Loss)	(1,965.83)	1,467.54	6,806.59	(0.06)	(2.62)	(14.85)	971.89	290.42	489.93	-	-	-	(994.00)	1,755.34	7,281.67
	Less: Unallocated Expenses (net)													155.27	438.19	449.75
	Less: Income Taxes (Current, Deferred, Wealth and Fringe Benefit Tax)													512.21	1,213.19	1,280.28
	Profit / (Loss) After Tax													(1,661.48)	103.96	5,551.64
(iii)	Segment Assets	316,954.35	293,766.59	269,695.82	1.27	33.06	55.45	4,175.21	2,214.34	5,328.57	-	-	-	321,130.83	296,013.99	275,079.84
	Unallocated Corporate Assets	-	-	-	-	-	-	-	-	-	1,507.48	1,191.54	1,133.53	1,507.48	1,191.54	1,133.53
	Total Assets	316,954.35	293,766.59	269,695.82	1.27	33.06	55.45	4,175.21	2,214.34	5,328.57	1,507.48	1,191.54	1,133.53	322,638.31	297,205.53	276,213.37
(iv)	Segment Liabilities	4,032.22	42,334.63	14,965.89	2.42	0.90	2.23	1,228.20	1,636.20	4,369.85	-	-	-	5,262.84	43,971.73	19,337.97
	Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	-	519.92	693.12	769.06	519.92	693.12	769.06
	Total Liabilities	4,032.22	42,334.63	14,965.89	2.42	0.90	2.23	1,228.20	1,636.20	4,369.85	519.92	693.12	769.06	5,782.76	44,664.85	20,107.03
(v)	Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(vi)	Depreciation	284.32	312.59	394.96	-	4.25	4.91	20.38	20.37	26.70	-	-	-	304.70	337.21	426.57
(vii)	Non Cash Expenditures other than Depreciation	1,535.16	17.25	25.26	-	-	-	33.09	10.58	82.87	0.05	0.13	2.54	1,568.30	27.96	110.67

- o. Classification of Loans and Advances, Investments and provision for Non-Performing Assets/ Investments has been made in accordance with the Non- Banking (Non-Deposit Accepting or Holding) Financial Companies Prudential Norms (Reserve Bank) Directions, 2007 issued by Reserve Bank of India after considering subsequent recoveries and realizable value of investments respectively.
- p. The classification of loans into standard, sub-standard and loss assets and investments have been disclosed at gross value and the corresponding provision against non-performing assets/ investments has been included under provisions in accordance with RBI guidelines.
- q. General Provision on Standard Assets includes contingency provision of 0.25% of the outstanding standard assets, which is in compliance with RBI notification number RBI/2010-11/370 DNB.PD.CC No.207/03.02.2002/2010-11 dated January 17, 2011.
- r. In view of loss during the period ended December 31, 2010, the company has not transferred any amount to Statutory Reserve as required u/s 45 IC of RBI Act, 1934.
- s. Figure for the previous period/ year have been regrouped, rearranged and reclassified wherever necessary to conform to the current period's classification.

**Signature to Schedule A to R forming part of the
Condensed Financial Statements**

For and on behalf of the Board of Directors

For Price Waterhouse
Firm Registration No-301112E
Chartered Accountants

PARTHA GHOSH
Partner
Membership No: F55913

ANIL SAXENA
Director & Group chief
Financial Officer
(DIN-01555425)

SHACHINDRA NATH
Director & Group Chief
Executive Officer
(DIN-00510618)

RAVI BATRA
Sr.Vice President & Company Secretary

Place: New Delhi
Date: May 3, 2011

Place: New Delhi
Date: May 3, 2011

Note: Accounting Ratio (Not forming part of audited/reviewed financials)

Consolidated	As at	As at	As at	As at
Other Key Accounting Ratios	December 31, 2010	December 31, 2009	March 31, 2010	March 31, 2009
Return on Net worth (excluding revaluation reserves) (%)	Nil	2.50%	3.75%	Nil
Net Asset Value (excluding revaluation reserves) (₹)	220.56	342.43	204.40	335.34

Standalone	As at	As at	As at	As at
Other Key Accounting Ratios	December 31, 2010	December 31, 2009	March 31, 2010	March 31, 2009
Return on Net worth (excluding revaluation reserves) (%)	Nil	0.04%	2.19%	Nil
Net Asset Value (excluding revaluation reserves) (₹)	227.37	329.68	200.37	330.14

Method of calculation of accounting ratios

Other Key Accounting Ratios	
Return on Net worth (excluding revaluation reserves)	Net profit after minority interest / Net worth excluding revaluation reserves
Net Asset Value (excluding revaluation reserves)	(Total value of assets – Total value of liabilities)/ Number of shares outstanding at the end of the accounting period

STOCK MARKET DATA FOR EQUITY SHARES

Our Equity Shares are listed on the Stock Exchanges with effect from November 21, 2007. Our Company's stock market data is been given separately for BSE (BSE Code: 532915) and NSE (NSE Code: RELIGARE) below.

- A. The details relating to the high and low of closing prices of our Equity Shares on the Stock Exchanges along with the volume of Equity Shares traded on such days and the average closing price of Equity Shares for last three years are stated below:

NSE

Year Ending Mar 31	High (₹ per share)	Date of High	Volume on date of high (no. of shares)	Low (₹ per share)	Date of Low	Volume on date of low (no. of shares)	Average price for the year (₹ per share)
2009	423.20	11-Jun-08	415,267	284.75	4-Dec-08	4,739	355.60
2010	491.55	4-Jun-09	201,640	314.85	6-May-09	8,588	382.03
2011	520.10	10-Nov-10	100,947	376.35	1-Apr-10	78,828	455.81

Source: www.nseindia.com

BSE

Year Ending Mar 31	High (₹ per share)	Date of High	Volume on date of high (no. of shares)	Low (₹ per share)	Date of Low	Volume on date of low (no. of shares)	Average price for the year (₹ per share)
2009	421.60	11-Jun-08	261,773	283.40	4-Dec-08	8,209	355.42
2010	493.15	4-Jun-09	113,537	314.00	4-May-09	1,804	382.15
2011	520.40	11-Nov-10	33,570	376.50	1-Apr-10	27,459	455.75

Source: www.bseindia.com

- B. The details relating to the high and low prices recorded on the Stock Exchanges for the six months preceding the date of filing this Draft Letter of Offer, the volume of Equity Shares traded on the days, the high and low prices were recorded, average price of our Equity Shares during each such month, the volume of Equity Shares traded during each month and the average number of Equity Shares traded during such trading days, are stated below:

NSE

Month	High (₹)	Date of High	Volume on date of high (no. of shares)	Low (₹)	Date of Low	Volume on date of low (no. of shares)	Average price for the month (₹)	Volume (no. of shares)	No. of Trading Days	Average no. of shares traded during trading days
Nov-10	520.10	10-Nov-10	100,947.0	483.90	29-Nov-10	57,874.0	501.08	1,988,736.0	21	94,701.7
Dec-10	501.05	2-Dec-10	82,208.0	467.25	9-Dec-10	25,629.0	479.79	1,102,223.0	22	50,101.0
Jan-11	485.20	27-Jan-11	58,204.0	456.05	4-Jan-11	1,439,612.0	466.86	3,791,795.0	20	189,589.8
Feb-11	503.55	14-Feb-11	24,329.0	464.75	24-Feb-11	14,463.0	485.23	520,634.0	20	26,031.7
Mar-11	499.50	4-Mar-11	23,669.0	479.25	17-Mar-11	7,752.0	488.92	511,185.0	22	23,235.7
Apr-11	485.85	4-Apr-11	31,375.0	464.80	29-Apr-11	40,581.0	479.53	620,360.0	18	34,464.4

Source: NSE website;

BSE

Month	High (₹)	Date of High	Volume on date of high (no. of shares)	Low (₹)	Date of Low	Volume on date of low (no. of shares)	Average price for the month (₹)	Volume (no. of shares)	No. of Trading Days	Average no. of shares traded during trading days
Nov-10	520.40	11-Nov-10	33,570.0	482.55	29-Nov-10	25,668.0	500.99	807,078.0	21	38,432.3
Dec-10	502.65	2-Dec-10	38,795.0	465.90	9-Dec-10	14,578.0	479.84	366,507.0	22	16,659.4
Jan-11	487.55	27-Jan-11	13,229.0	456.05	4-Jan-11	1,415,589.0	467.30	3,133,702.0	20	156,685.1
Feb-11	503.70	14-Feb-11	8,191.0	461.60	24-Feb-11	11,029.0	485.30	206,156.0	20	10,307.8
Mar-11	496.75	4-Mar-11	14,490.0	480.65	17-Mar-11	2,495.0	488.44	185,502.0	22	8,431.9
Apr-11	485.75	5-Apr-11	15,917.0	465.00	29-Apr-11	18,495.0	479.69	292,903.0	18	16,272.4

Source: BSE website;

C. The details relating to the week end prices of Equity Shares of the Company for the last four weeks on the Stock Exchanges are as below:

NSE

Week Ended on	Weekend Price (₹)	High Price (₹)	Date of High	Low price (₹)	Date of Low
8-Apr-11	479.45	485.85	4-Apr-11	479.45	8-Apr-11
15-Apr-11	478.05	478.25	11-Apr-11	478.05	15-Apr-11
21-Apr-11	481.45	484.20	20-Apr-11	475.50	18-Apr-11
29-Apr-11	464.80	482.45	25-Apr-11	464.80	29-Apr-11

Source: www.nseindia.com

BSE

Week Ended on	Weekend Price (₹)	High Price (₹)	Date of High	Low price (₹)	Date of Low
8-Apr-11	478.50	485.75	5-Apr-11	478.50	8-Apr-11
15-Apr-11	479.10	479.85	13-Apr-11	477.45	11-Apr-11
21-Apr-11	481.80	484.05	20-Apr-11	476.00	18-Apr-11
29-Apr-11	465.00	483.00	25-Apr-11	465.00	29-Apr-11

Source: www.bseindia.com

The market price was ₹ 480.40 on NSE on April 27, 2011, the trading day immediately following the days on which this Issue was approved by the Board.

The market price was ₹ 481.75 on BSE on April 27, 2011, the trading day immediately following the days on which this Issue was approved by the Board.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless otherwise stated, the following discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements. You should read "Risk Factors" and "Forward Looking Statements" which discuss a number of factors and contingencies that could impact our financial condition and results of operations. The financial statements in this Draft Letter of Offer are prepared in accordance with Indian GAAP and as such would differ materially with respect to presentation or reporting from those prepared under the US GAAP and IFRS.

Unless otherwise stated, "financial year" refers to the 12 month period ending March 31 of that year and "calendar year" refers to the 12 month period ending December 31 of that year. Our audited consolidated financial statements are prepared in accordance with Indian GAAP, the accounting standards prescribed by the ICAI and the relevant provisions of the Companies Act.

Overview

We are an integrated financial services group with a network of 2,169 Business Locations across 571 cities in India. We also have a presence in several emerging markets and in key international financial centers including Singapore, Hong Kong, London and New York. We offer customer-centric financial products and services and have a presence across multiple customer segments including mass market, mass affluent, HNI, SME and mid and large corporate clients and institutional clients. In 2001, the current management took charge of our business and in a span of less than ten years, we have expanded our business which was primarily focused on equity broking into a diversified financial services conglomerate, operating through 10 Subsidiaries and two Joint Ventures in India and one Subsidiary outside India as of March 31, 2011. Our Promoters, Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh and their family, have a collective track record of three generations of entrepreneurship and value creation in sectors such as pharmaceuticals, healthcare delivery (including diagnostics) and financial services. The financial services sector is one of the two focus areas of our Promoters, who, as of the date of this Draft Letter of Offer, have invested over ₹ 27,000 million in our Company.

Our businesses operate around three pillars, comprising the following:

- Our Integrated Indian Financial Services Platform comprises equity and commodity broking, capital markets lending and asset finance, asset and wealth management and life insurance businesses. This broad based platform enables us to exploit growth opportunities in the financial services sector in India as the Indian economy grows, leading to an increase in the demand for financial products and services. Simultaneously, as the Indian market becomes more financially evolved, the need for sophisticated products and services, such as complex financial products available in the more developed economies, is expected to increase. As is self evident from the diversity of the businesses comprising financial products and services that we offer in India, we intend to cater to all of the financial services needs of our clients and provide a one stop shop for financial products and services to our clients in India and have developed a wide and effective distribution platform through our network. Dun & Bradstreet has in its report, "*India's Leading Equity Broking Houses 2010*", rated us as one of the top three retail equity brokerage houses in India (Source: <http://www.dnb.co.in/EquityBroking2010/default.asp>). Furthermore, our asset management business is the 13th largest in terms of average AUM for the quarter ended March 31, 2011 (Source: http://www.amfiindia.com/AUMReport_Rpt_Po.aspx?dtAUM=01-Jan2011&qt=January-March2011&rpt=fwise). In addition to the above, secured and unsecured loans given by our Subsidiary, RFL, grew by 116.17% to ₹ 88,318.29 million as at December 31, 2010 from ₹ 40,855.90 million as at March 31, 2010. Our life insurance JV recorded new business premium of ₹ 1,470 million for the nine month period ended December 31, 2010 as against ₹ 744 million for the nine month period ended December 31, 2009, i.e. growth of 98%.
- Our Emerging Markets Institutional Equities and Investment Banking business is headquartered in London on the back of our acquisition of Hichens, Harrison & Co. Plc (now known as Religare Capital Markets Plc), in 2008. In addition, we have hubs in India, Singapore and Hong Kong as well as regional offices in the United States, Dubai and Australia. Our network has expanded both organically and inorganically through acquisitions and partnerships in the Financial Year 2011, which include acquisitions of CJEL

(trading as Aviate Global), an institutional equities firm with a presence in Hong Kong, Singapore and Melbourne; a 50% interest in Bartleet Mallory Stockbrokers (Private) Limited, which offers financial services, including stock broking, investment advisory, equity research and online trading for the Sri Lankan market; BJM, an institutional equities firm, which primarily focuses on providing agency, broking and research on South African stocks to institutional clients in the United Kingdom. Further, on receipt of FINRA's approval in December 2010, RCM Plc through its subsidiary, Religare Investment Holdings (UK) Limited, acquired 100% membership interest in BJM USA, with effect from January 25, 2011. BJM USA is a broker dealer and is regulated by FINRA of USA. For more details, see "– Business Strategy – Pursue strategic acquisitions and alliances". This business is focused on developing a distinctive offering by creating strong research and trading capabilities that is focused on emerging markets opportunities, thereby enabling us to exploit the growing influence of emerging markets within the global economy.

- Our Global Asset Management Platform comprises fund management services spread across various asset classes and regions. This business aims to unlock value in western asset managers by acquiring controlling interests in asset management companies in the developed economies, and providing them institutional support by way of distribution and access to new pools of capital as well as investment opportunities in emerging markets, for the next phase of growth. Towards building this platform, we have undertaken several acquisitions in the Financial Year 2011, which have strengthened our global presence. These acquisitions include a 70% interest in Northgate Capital LLC and Northgate Capital LP, managers of private equity fund of funds with assets under management of approximately US\$ 3,000 million as of December 31, 2010; and a 55% interest in Landmark Partners, a private equity and real estate investment advisory company with approximately US\$ 8,500 million in committed capital across its 27 funds as of December 31, 2010.

We believe that our three pillar strategy is unique in the context of Indian financial services, thereby enabling us to capture growth opportunities, both in our home market India, and our chosen areas of operation across the emerging markets.

We have received recognition by way of several awards across our businesses. Some of them are listed below:

- Religare Capital Markets Limited has been awarded the Starmine award for the 'Best Brokerage Research House' by Thomson Reuters in March, 2011;
- Our Company was presented with the 'Best Retail Marketing Campaign of the Year, 2010' at Asia Retail Congress.
- Our Company was awarded the 'Master Brand Award' and 'Best Marketing Campaign of the Year' at the World Brand Congress, 2010 on November 22, 2010;
- Religare Securities Limited was awarded the 'Best Broking House with a Global Presence' by Dun and Bradstreet on September 30, 2010;
- Religare Tax Plan was awarded the first runner up award at the NDTV Mutual Fund Awards in the 'Equity Tax Plan' category by NDTV Profit in September, 2010;
- Religare Capital Markets Limited was awarded the 'Best Deal in the Health Care' category for Fortis Health Care Limited's acquisition of a stake in Parkway Holdings Limited by the M&A Advisor in September, 2010;
- Our Company was awarded the Greentech HR Excellence Awards in the following two categories: (i) Innovation in Recruitment and (ii) Technology Excellence in HR by Greentech Foundation on September 17, 2010.
- Mr. Sunil Godhwani, our Chairman and Managing Director, was conferred the Indian Business Leader of the Year award at the Global Indian Business Meeting hosted by IESE Business School, University of Navarra in June, 2010.

Our consolidated total income increased by 59.24%, from ₹ 11,436 million, for the nine month period ended December 31, 2009, to ₹ 18,210 million, for the nine month period ended December 31, 2010. Our consolidated

total income increased from ₹ 11,945 million for the Financial Year 2009 to ₹ 16,752 million for the Financial Year 2010.

Basis of Presentation

Our consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS 21) on Consolidated Financial Statements and Accounting Standard 27 (AS 27) on Financial Reporting of Interests in Joint Ventures issued by the Institute of Chartered Accountants of India. See schedule 20 of our audited consolidated financial statements for a list of the companies we consolidate in our consolidated financial statements for the fiscal years, 2009 and 2010, as subsidiaries or joint ventures.

Our Critical Accounting Policies

Our financial statements have been prepared under the historical cost convention method on accrual basis of accounting, in accordance with Indian GAAP.

The preparation of financial statements in accordance with Indian GAAP requires our management to make judgments, estimates and assumptions that affect the reported amounts of our assets and liabilities, disclosures of contingent liabilities and the reported amounts of revenues and expenses. These judgments, assumptions and estimates are reflected in our accounting policies, which are more fully described in “Financial Statements – Significant Accounting Policies”.

Certain of our accounting policies are particularly important to the presentation of our financial position and results of operations. We refer to these accounting policies as our “critical accounting policies”. While we believe that all aspects of our financial statements should be studied and understood in assessing our current and expected financial condition and results of operations, we believe that the following critical accounting policies warrant particular attention.

Revenue Recognition

Revenue from broking activities is accounted for on the trade date of the transaction. Interest income from financing activities, deposits, commission and brokerage are recognized on an accrual basis. Issue management and placement fees, underwriting commission, portfolio management fees and financial/ investment advisory fees are accrued based on terms of the relevant agreements. Dividend from investments is accounted for as income when the right to receive dividend is established. Depository income is accounted for on an accrual basis. Revenue from fund/investment management fee is recognized on an accrual basis based on the average net assets of the scheme outstanding in each Financial Year. Rental cost and sublease income in respect of assets with lease management is recognized on an accrual basis as per the terms of agreements. Income from arbitrage and trading in securities and derivatives comprises profit/loss on sale of securities/ commodities held as stock - in -trade and profit/loss on equity/commodity derivative instruments. Profit/loss on sale of securities/commodities is determined based on weighted average cost of securities/commodities sold. Premium receipts in case of life insurance business (net of service tax) is recognized as income when due from policyholders. Premium on lapsed contracts are recognized on receipt basis. For linked business, premium income is recognized when the associated units are allotted and fund management charges, administration charges and mortality charge are recognized in accordance with terms and conditions of the policy. Net income (profit less losses) from matched risk less principal dealing is recognized on the trade date. Fee income from corporate broking and related activities are brought into account when the transactions have been completed and authorized by the client. Some of this revenue is taken in the form of shares, options or warrants in the client enterprise rather than cash. In the case of shares, the amount recognised as revenue will amount to the value of fee agreed with the client or, if no specific fee was agreed, then the fair value of the shares at the date of completion of the transaction. The shares are subsequently recognized as financial instruments held for trading. In the case of warrants and options the instruments are valued using the Black -Scholes valuation model. Revenue excludes service tax.

Leased Assets

Assets acquired under leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating leases. The rentals and all other expenses of assets under operating lease are treated as revenue expenditure. Assets subject to operating leases are included in fixed assets. Lease income is recognized in the profit and loss account on a straight - line basis over the lease term. Costs, including

depreciation, are recognized as an expense in the profit and loss account. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the profit and loss account.

Investments

Investments are classified into long term investments and current 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 cost or market/fair value, whichever is lower.

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.

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. Provision for non performing assets/investments has been made as per prudential norms prescribed by the RBI and NHB directions as applicable.

Impairment of Assets

Assets are reviewed for impairment at each balance sheet date. In case events and circumstances indicate any impairment, the recoverable amount of these assets is determined. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which an asset is defined as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount and such loss either no longer exists or has decreased.

With effect from April 1, 2010, goodwill arising on consolidation is to be amortised over a period of twenty years. The amortisation commences after a cooling period of two years from the date of acquisition of goodwill. Self-generated goodwill is expensed out as incurred. Further, goodwill is tested for impairment at the end of every Financial Year and shortfalls, if any, are provided for.

Commercial Paper

In case of Subsidiaries, the difference between the redemption value and acquisition cost of commercial paper is amortized over the tenure of the instrument. The liability as at the balance sheet date in respect of such instruments is recognized at face value net of discount to be amortized.

Use of Estimates

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

Factors Affecting Our Financial Condition and Results of Operations

Our business environment directly affects our results of operations. Our results of operations have been and will continue to be affected by many factors, including economic, political and market conditions, broad trends in the finance industry, changes in the level of trading activity in the broader marketplace, price levels and price volatility in the interest rates, equity, foreign exchange and commodity markets, legislative and regulatory

changes and competition, among other factors. In particular, our revenues are substantially dependent on the volume of client transactions we execute and clear and the volatility in the principal trading markets in which we operate, as well as prevailing interest rates.

Financial market trends

Our business is affected by conditions in the financial markets and economic conditions generally, both in India and elsewhere around the world. Our assets are held globally, and particularly, in India and other emerging and developed markets such as USA, UK, Japan, Australia, Singapore, South Africa and Sri Lanka. As a result, we are significantly influenced by Indian macroeconomic and microeconomic conditions. While there have been improvements in the recent years in the economic situation in India, the economy continues to display certain characteristics of an emerging market, including for instance a volatile securities market and relatively high inflation rates compared to more developed countries. See section “Risk Factors” on page xii.

Furthermore, many factors or events could lead to a downturn in the financial markets including war, acts of terrorism, natural catastrophes and sudden changes in economic and financial policies. Any of such events could affect confidence in the financial markets and affect our ability to function effectively. In addition, such events can reduce the value of our advisory and brokerage assets, thereby reducing our asset-based fee income. A significant portion of our revenues in recent years has been derived from our broking and lending operations and although we intend to continue to diversify our revenue sources, we expect these businesses to continue to account for a significant portion of our revenues in the foreseeable future. With regard to our capital markets businesses, any sustained decrease in the performance of investments related to our operations may affect our portfolio and consequently, our business and financial condition. Capital markets are exposed to additional risks, including liquidity, interest rate and foreign exchange related risks. Any downturn or disruption in the securities markets and the capital markets specifically could have an adverse effect on our results of operations.

Changes in interest and foreign exchange rates

Our lending activities are a significant part of our overall business, and any adverse change in prevailing interest rates may result in a decline in revenue from this business or lead to a decline in demand for loans. Additionally, adverse changes in prevailing interest rates can affect the attractiveness of India's capital markets to investors and the ability of clients to borrow. Our results of operations and earnings could be affected by adverse movements in interest rates.

Additionally, a significant portion of our revenues in the future may be denominated in foreign currencies due to our globally diversified asset portfolio. The exchange rate between the Rupee and the other foreign currencies such as the Pound Sterling and the U.S. Dollar has changed substantially in recent years and may continue to fluctuate significantly in the future. Accordingly, our operating results may be impacted by fluctuations in the exchange rate between the Indian Rupee and other foreign currencies.

New businesses and integration of our acquisitions in our operations

We have in the past initiated and integrated new lines of business. Our ability to identify and exploit new lines of business for future growth will depend on the performance of these businesses, such as consumer and retail finance, housing finance, arts initiative, asset management, life insurance, private equity fund management business and bullion trading. If we are not successful in scaling up our recently introduced businesses our earnings may be adversely affected. As part of our expansion strategy in investment banking and global asset management, we have acquired businesses in India as well as abroad and are currently in the process of integrating such businesses within our operations. Any acquisition requires a significant commitment of management time, capital investment and other resources. If we are unable to effectively execute our planned acquisitions or integrate any acquired businesses, our business, financial condition and results of operations may be adversely affected. For further details on our acquisitions, see “Risk Factors” and “Our Business”.

Ability to borrow at competitive rates

Our business requires a significant amount of working capital and it may need to incur additional indebtedness in the future to satisfy our working capital needs. Our working capital requirements are also affected by the credit lines that we extend to our customers, in line with industry practice. All of these factors have resulted, or may result, in increases in the amount of our borrowings from time to time. For further details on the risks

relating to our ability to borrow at competitive rates, see “Risk Factors — Internal Risk Factors —We may require additional funds to satisfy our capital needs, which we may not be able to procure” on page xxiv.

Changes in government policies and regulation

The financial services industry in India and overseas is subject to extensive regulation by government and other self-regulatory organizations. We are regulated in India by several regulatory authorities including the SEBI, the IRDA, the RBI, the FMC, the MCX, the NMCE and other Indian stock exchanges amongst others. Additionally, we are regulated in London by the Financial Services Authority, in Mauritius by the Financial Services Commission, in South Africa by the Financial Services Board of South Africa, in Hong Kong by the Securities and Futures Commission of Hong Kong, in Australia by the Australian Securities Investment Commission, in Singapore by the Monetary Authority of Singapore, in Japan by the Kanto Local Financial Bureau and Japan Securities Investment Advisers Association, in Sri Lanka by the Securities and Exchange Commission of Sri Lanka and in the United States by the FINRA and the United States Securities and Exchange Commission. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency. Some policy changes may be beneficial to our business, while others may have a negative impact. Changes to government and other regulatory policies could require changes to our systems and business operations and could involve additional costs and management time. From time to time, we are also subject to SEBI investigation or scrutiny in connection with our equity brokerage business, which may impact our overall business. Other general changes in economic and regulatory policy may also affect our business, as they affect the businesses, financial health and investment policies of our customers.

Competitive environment

The businesses that we are engaged in are highly competitive and we have competitors in each of our major business operations on a local, regional, national and international level. Although barriers to entry are high in a number of our businesses due to the costs associated with such entry, we continue to face competition from new entrants. Increased competition may reduce the growth in our customer base, reduce the profit margins and the market share that we currently enjoy, and result in higher selling and promotional expenses. With various brokerage houses, banks and corporations establishing operations in the financial services sector, our future results of operations will be affected by changes in the competitive environment. The degree to which competitive changes will affect us depends on the number and size of our competitors, their approach to commission structures and their hiring policies, including compensation levels for advisory and sales professionals. In recent years, international banks have entered markets we operate in. Some of these firms have greater resources and may have a more widely recognized brand than us, which may give them a competitive advantage.

Recent Developments

Acquisition of Landmark Partners

We have acquired a 55% interest in Landmark Partners for US\$ 171.50 million on April 18, 2011. Landmark Partners was incorporated in the United States in 1989, and is a leading private equity and real estate investment advisory company with approximately US\$ 8.5 billion in committed capital across its 27 funds as of December 31, 2010. Landmark Partners was chosen as the “Best Secondaries Firm in North America” for the years 2009 and 2010 by Private Equity International.

Commencement of health insurance business

We intend to commence our health insurance business in India in the near future. Our Subsidiary, RHIL, has obtained an R1 approval bearing letter reference 150/Religare Health/ NL/10-11 dated January 6 2011 from the IRDA and has applied for R2 registration by its application dated January 10, 2011.

Acquisition of minority stake in Investment Professionals Limited

We have acquired a minority stake in Investment Professionals Limited (“**I**PRO”) in May, 2011. Founded in 1992, IPRO is an investment management services company based in Mauritius and Botswana. IPRO has in excess of US\$ 300 million of assets under management with a diversified client base. IPRO manages two

Mauritius-listed funds: IPRO Growth Fund and P.O.L.I.C.Y Limited and has a team of 15 fund managers and analysts.

Description of Revenue and Expenditure

Income

Our income comprises income from our operations, interest income and other income, details of which are provided herein below.

Income from operations.

Income from operations primarily comprises commissions from securities and commodities trading, distribution of financial products such as insurance, mutual funds, bonds and retail subscriptions for public issues, income from our capital market financing facilities and asset financing activities, management fees received under our asset management services and fees received from our investment banking and financial advisory services. Fees for investment banking services are recognized based on the stage of completion of assignments and in accordance with relevant agreements with clients.

Broking related operations. Our brokerage business is one of our principal sources of income and comprises revenues earned from equities, derivatives and commodities traded on the exchanges and distribution of third party products such as mutual funds and insurance.

Lending Activities

Our lending activities primarily comprises the following:

Capital Market Financing. We obtain income from capital market financing activities where we provide securities-backed lending products and IPO financing facilities to our clients for which we charge interest.

Asset Financing:

Business Loan: We provide SME business loans for working capital and other financial requirements for small and medium enterprises, self employed businessmen and professionals. We offer both unsecured loans and loans against plant and machinery and equipment.

Loan against Property: Our 'Loan against Property' product enables our customers to obtain loan facilities against their residential or commercial property.

Commercial Asset Loan: We offer loans to both priority sector small operators and high end retail and strategic operators both for commercial vehicles (new or used) and construction equipments (heavy or light).

We charge interest to the clients on the loans being granted to them.

Interest on delayed payments. We charge a penal interest to our brokerage clients for delays in honoring their payments.

Income from financial advisory services. Income from financial advisory services primarily includes income from services offered: merchant banking, corporate finance, transaction advisory services and mergers and acquisitions.

Portfolio management services fees. The income from portfolio management services ("PMS") comprises management fees and performance fees.

Depository operations. Depository services are value added-services provided primarily to broking clients. We are a Depository Participant with each of CDSL and NSDL. Depository income comprises annual maintenance charges and transaction charges.

Interest income

Interest income is primarily interest income on inter corporate deposits and bank deposits other than fixed deposits maintained with stock exchanges for compliance with base capital requirements for our securities and commodities businesses. Other interest income includes interest on staff loans and interest on debentures.

Other income

Other income primarily includes recovery of transaction fees from clients, profit on sale or redemption of investments, dividend income, income from arbitrage and trading of securities and derivatives. Apart from brokerage income, we recover transaction charges and other service charges from our clients. We make short-term investments as part of our working capital management by deploying surplus funds in mutual funds. We also maintain investments in shares and also derive income from dividends and from corporate debt markets.

Expenditure

Our expenditure consists broadly of operating expenses, personnel expenses, administrative expenses and interest and finance charges.

Operating expenses

Our operating expenses primarily comprises commissions and brokerage paid to our Business Associates, provision for standard assets, provision for non performing assets, bad debts written off, change in valuation of liabilities in respect of life policies, expenditures relating to transaction charges and custodial and stamp duties, software licensing fees and membership and subscription fees. These expenses are generally based on the number and size of transactions carried out by us on behalf of our broking customers.

Commission and brokerage. We operate extensively through intermediary Business Associates, whereby gross revenue from a client introduced by a Business Associate is shared between us and the relevant Business Associate in accordance with a pre-determined ratio. As a result, significant payments have to be made to our Business Associates and such payments are principally linked to the trading volumes of clients introduced by these Business Associates.

Transaction charges. We incur various statutory, regulatory and other charges payable to stock exchanges and regulatory authorities as charges for investor protection and other charges which arise principally in connection with the transactions we undertake.

Custodial and stamp charges. We incur expenses towards statutory and regulatory charges payable to various authorities. As a Depository Participant with each of CDSL and NSDL, we pay custodial charges in connection with transactions undertaken by our depository clients. As a registered stock broker, we pay stamp duty on broking transactions we undertake.

Personnel expenses

Personnel expenses consist primarily of expenses incurred towards payment of salaries, allowances and bonuses, contributions to our 'Employee Provident Fund' and other welfare funds, gratuity and leave encashment and other miscellaneous staff welfare expenses. Our staff costs have grown and are expected to continue to grow substantially, primarily as a result of and the establishment of new teams at RCM for investment banking and institutional broking business.

Administrative and other expenses

Administrative and other expenses primarily include legal and professional expenses, rental expenses, expenses for advertising and business promotions, traveling and conveyance expenses, communication expenses, electricity charges, office, printing and stationary expenses, amongst others.

Interest and finance charges

Our interest and finance expenses consist of borrowing costs, including interest and charges payable on borrowings. Interest primarily includes interest paid to banks and financial institutions and corporate lenders on inter -corporate deposits. These borrowings are to address the following needs:

- working capital requirements arising out of pay-in obligations to the stock exchanges on behalf of clients who have not made these payments on time;
- placing margins with the exchanges;
- fixed deposits towards bank guarantees;
- capital market financing; and
- asset financing.

Interest and finance charges also include bank guarantee commissions paid to banks towards bank guarantees to meet margin requirements of the stock exchanges and discount on issue of commercial papers.

Our Results of Operation

	For the Nine Months Ended December 31, 2010		For the Nine Months Ended December 31, 2009		For the Fiscal Year 2010		For the Fiscal Year 2009	
	(₹ in Millions)	% of Total Income	(₹ in Millions)	% of Total Income	(₹ in Millions)	% of Total Income	(₹ in Millions)	% of Total Income
INCOME:								
Income from Operations	15,337.23	84.22	9,721.02	85.00	13,244.66	79.06	9,718.22	81.36
Interest Income	92.02	0.51	93.12	0.81	1,449.82	8.65	1,285.45	10.76
Other Income	2,171.64	11.92	1,454.08	12.72	1,887.36	11.27	888.69	7.44
Sale of Shares, bullion etc.	609.71	3.35	167.73	1.47	170.37	1.02	52.81	0.44
Total Income	18,210.60	100.00	11,435.95	100.00	16,752.21	100.00	11,945.17	100.00
EXPENDITURE:								
Cost of Shares, bullions etc. Sold	602.53	3.31	75.72	0.66	76.98	0.46	101.49	0.85
Operating Expenses	3,183.58	17.48	2,264.45	19.80	3,081.74	18.40	1,276.82	10.69
Personnel Expenses	6,168.30	33.87	3,361.92	29.40	5,190.95	30.99	3,677.89	30.79
Administrative and Other Expenses	3,979.76	21.85	2,656.40	23.23	3,981.02	23.76	4,027.22	33.71
Interest and Finance Charges	5,358.34	29.43	1,852.58	16.20	2,797.47	16.70	3,091.82	25.88
Depreciation	747.15	4.10	483.65	4.23	679.71	4.06	526.48	4.41
Less: Net Expenditure of Joint Venture Recoverable	(944.15)	-5.18	(672.68)	-5.88	(1,029.82)	(6.15)	(616.41)	(5.16)
Total Expenditure	19,095.51	104.86	10,022.04	87.64	14,778.05	88.22	12,085.31	101.17
Profit / (Loss) Before Tax ..	(884.91)	-4.86	1,413.91	12.36	1,974.16	11.78	(140.14)	(1.17)
Provision for Taxation:								
- Current Tax								
- For the year	920.02	5.06	817.60	7.15	883.23	5.27	442.71	3.71
- For the Earlier Years	67.93	0.37	(0.03)	0.00	2.47	0.02	17.35	0.15
- Wealth Tax	0.05	0.00	0.33	0.00	0.45	0.00	0.00	0.00
- Deferred Tax (Net)	(174.53)	-0.96	(56.09)	-0.49	7.75	0.05	7.43	0.06
- Fringe Benefit Tax	-	0.00	-	0.00	0.00	0.00	44.41	0.37
- Dividend Distribution Tax	-	0.00	-	0.00	108.80	0.65	-	0.00
Total Taxation	813.47	4.47	761.81	6.66	1,002.70	5.99	511.90	4.29
Profit / (Loss) After Tax Before Minority Interest	(1,698.38)	-9.33	652.10	5.70	971.46	5.79	(652.04)	(5.46)
Share of Minority Interest for the Year	(22.59)	-0.12	(4.18)	-0.03	(2.22)	(0.01)	-	0.00
Add: Adjustment on account of changes in JV interest	-	0.00	-	0.00	0.00	0.00	16.24	0.14
Profit / (Loss) After Tax After Minority Interest	(1,720.97)	-9.45	647.92	5.67	969.24	5.78	(635.80)	(5.32)

Nine months ended December 31, 2010 compared to nine months ended December 31, 2009

Our results of operations for the nine months ended December 31, 2010 were particularly influenced by the following factors:

Income

Our total income increased by 59.24% to ₹ 18,210.60 million for the nine months ended December 31, 2010 compared to ₹ 11,435.95 million for the nine months ended December 31, 2009.

The following table sets forth the main components of our income for the nine months ended December 31, 2010 and the nine months ended December 31, 2009:

	Nine months ended December 31, 2010		Nine months ended December 31, 2009	
	Amount (₹ in million)	% of total Income	Amount (₹ in million)	% of total Income
Income from operations	15,337.23	84.22	9,721.02	85
Interest income	92.02	0.51	93.12	0.81
Other income	2,171.64	11.92	1,454.08	12.72
Sale of shares, bullions etc.	609.71	3.35	167.73	1.47
Total income	18,210.60	100.00	11,435.95	100.00

Income from operations

Our income from operations increased by 57.77% to ₹ 15,337.23 million for the nine months ended December 31, 2010 from ₹ 9,721.02 million for the nine months ended December 31, 2009, primarily as a result of an increase in our income from asset financing activities, interest on delayed payments and an increase in the financial advisory fees and life insurance premium collected by us. The following table sets forth the main components of our income from operations for the nine months ended December 31, 2010 and the nine months ended December 31, 2009:

	Nine months ended December 31, 2010		Nine months ended December 31, 2009	
	Amount (₹ in million)	% of total Income	Amount (₹ in million)	% of total Income
Broking related operations	4,176.37	22.93	3,992.52	34.91
Lending activities	6,676.18	36.66	2,801.92	24.50
Interest on delayed payments	712.59	3.91	382.43	3.34
Fixed Deposits with Banks	1,112.16	6.11	1,084.31	9.48
Income from financial advisory services	1,274.98	7.00	567.45	4.96
Support service fees	0.39	0.00	-	0.00
Investment management fees	367.04	2.02	444.64	3.89
Portfolio management services fees	38.94	0.21	36.41	0.32
Depository operations	101.62	0.56	55.80	0.49
Life insurance premium (net of premium insurance ceded)	876.96	4.82	355.54	3.11
Total	15,337.23	84.22	9,721.02	85.00

Broking related operations.

Income from our broking related operations increased by 4.60% to ₹ 4,176.37 million for the nine months ended December 31, 2010 as compared to ₹ 3,992.52 million for the nine months ended December 31, 2009. The following table sets forth the main components of our income from broking related operations for the nine month periods ended December 31, 2010 and 2009.

	Nine months ended December 31, 2010		Nine months ended December 31, 2009	
	Amount (₹ in million)	% of total Income	Amount (₹ in million)	% of total Income
Equities	3,088.04	16.96	3,079.54	26.93
Commodities	516.88	2.84	418.33	3.66
Third party product distribution	-	-	-	-
Mutual funds	103.26	0.57	64.06	0.56
Insurance	109.81	0.60	136.39	1.19
Sub-total	213.07	1.17	200.45	1.75
Others	358.38	1.96	294.20	2.57
Total	4,176.37	22.93	3,992.52	34.91

While we have changed our product mix in relation to our equities related broking operations, our income from such operations remained flat for the periods under review as our significant increase in trading volumes in the

options segment for the nine months ended December 31, 2010 as compared to the nine months ended December 31, 2009, was partially offset by a decrease in the delivery segments during such periods.

Income from our commodities brokerage operations increased by 23.56% to ₹ 516.88 for the nine months ended December 31, 2010 from ₹ 418.33 million for the nine months ended December 31, 2009 primarily due to an increase in trading volumes as well as in the number of clients availing our broking services. Our daily commodity trades have increased from 23,817 trades as on December 31, 2009 to 26,082 trades as on December 31, 2010.

Income from our third party product distributions increased by 6.30% to ₹ 213.07 million for the nine months ended December 31, 2010 as compared to ₹ 200.45 million for the nine months ended December 31, 2009, primarily as a result of an increase in the commissions received from the distribution of mutual fund products.

Income from lending activities

Interest income from our lending activities, including from delayed payments, increased by 132.03% to ₹ 7,388.77 million for the nine months ended December 31, 2010 from ₹ 3,184.35 million for the nine months ended December 31, 2009 primarily as a result of an increase in capital deployment in the capital market lending and asset financing businesses. The following table sets forth the main components of our income from lending activities and interest from delayed payments for the nine months ended December 31, 2010 and 2009:

	Nine months ended December 31, 2010		Nine months ended December 31, 2009	
	Amount (₹ in million)	% of total Income	Amount (₹ in million)	% of total Income
Capital market financing				
Loan against Securities ("LAS")	1,850.62	10.16	897.68	7.85
IPO Financing	59.66	0.33	16.30	0.14
Sub-total	1,910.28	10.49	913.98	7.99
Asset Financing				
SME/Personal Loan	642.35	3.53	359.12	3.14
Loan against property	2,236.16	12.28	406.61	3.55
Commercial asset	650.41	3.57	183.62	1.61
Sub-total	3,528.92	19.38	949.35	8.30
Home Financing	123.80	0.68	35.60	0.31
Other loans	1,113.18	6.11	902.99	7.90
Interest on delayed payments	712.59	3.91	382.43	3.34
Total	7,388.77	40.57	3,184.35	27.84

Capital market financing: Interest income from our capital markets financing activities increased by 109.01% to ₹ 1,910.28 million for the nine months ended December 31, 2010 from ₹ 913.98 million for the nine months ended December 31, 2009 primarily due to an increase in the loans granted against securities, which increased to ₹ 22,728 million as at December 31, 2010 from approximately ₹ 8,345 million as at December 31, 2009 and an increase in our IPO financing activities.

Asset financing: Interest income from our asset financing activities increased by 271.72% to ₹ 3,528.92 million for the nine months ended December 31, 2010 from ₹ 949.35 million for the nine months ended December 31, 2009 primarily due to a significant increase in number of customers availing asset financing from us which in turn resulted in a significant increase in the aggregate amount loaned by us against assets during the periods under review. Our loans against assets outstanding as at December 31, 2010 was ₹ 50,718 million as compared to ₹ 12,455 million as at December 31, 2009.

Loan against property: Interest income from loans against property increased by 449.95% to ₹ 2,236.16 million for the nine months ended December 31, 2010 as compared to ₹ 406.61 million for the nine months ended December 31, 2009 due to an increase in the aggregate amount of loans against property to ₹ 32,164 million as on December 31, 2010 from ₹ 5,426.80 million as on December 31, 2009.

Commercial asset: Interest income from commercial assets loans increased by 254.22% to ₹ 650.41 million for the nine months ended December 31, 2010 as compared to ₹ 183.62 million for the nine months ended December 31, 2009 primarily due to an increase in the aggregate amount of commercial loans to ₹ 12,185 million as on December 31, 2010 as compared to ₹ 3,732 million as on December 31, 2009.

Interest on delayed payments

Interest from delayed payments increased by 86.33% to ₹ 712.59 million for the nine months ended December 31, 2010 from ₹ 382.43 million for the nine months ended December 31, 2009 as a result of an increase in delayed payments in relation to our capital markets financings.

Income from financial advisory services

Income from our financial advisory services increased by 124.69% to ₹ 1,274.98 million for the nine months ended December 31, 2010 compared to ₹ 567.45 million for the nine months ended December 31, 2009 due to RCM providing investment banking and financial advisory services on certain significant transactions.

Investment management fees

Income from our investment management activities decreased by 17.45% to ₹ 367.04 million for the nine months ended December 31, 2010 compared to ₹ 444.64 million for the nine months ended December 31, 2009 primarily on account of a decrease in our average assets under management to ₹ 105,201 million as on December 31, 2010 from ₹ 158,653 million as on December 31, 2009.

Portfolio management services fees

Income from our portfolio management services increased by 6.95% to ₹ 38.94 million for the nine months ended December 31, 2010 compared to ₹ 36.41 million for the nine months ended December 31, 2009.

Depository operations

Income from our depository operations increased by 82.11% to ₹ 101.62 million for the nine months ended December 31, 2010 compared to ₹ 55.80 million for the nine months ended December 31, 2009 due to an increase in our client base to 681,948 as on December 31, 2010 from 574,671 clients as on December 31, 2009.

Life insurance premium (net of premium on re-insurance ceded)

Income from our life insurance business increased by 146.66% to ₹ 876.96 million for the nine months ended December 31, 2010 compared to ₹ 355.54 million for the nine months ended December 31, 2009 as a result of an increase in the collection of premium in relation to new life insurance policies sold by the Company.

Interest Income

Our interest income decreased by 1.18% to ₹ 92.02 million for the nine months ended December 31, 2010 compared to ₹ 93.12 million for the nine months ended December 31, 2009. Interest rates for the periods under review remained flat as an increase in our interest income from debentures/bonds and fixed deposits was offset by a decrease primarily in interest income from inter-corporate loans granted by us during such periods.

The following table sets forth the main components of our interest income for the nine months ended December 31, 2010 and the nine months ended December 31, 2009:

	Nine months ended December 31, 2010		Nine months ended December 31, 2009	
	Amount (₹ in million)	% of total Income	Amount (₹ in million)	% of total Income
Staff loans	0.63	0.00	0.55	0.00
Fixed deposits	9.99	0.06	1.92	0.02
Interest income on debentures/bonds	14.68	0.08	5.12	0.04
Government securities	0.00	0.00	0.00	0.00
Inter corporate loans	26.20	0.14	50.36	0.44
Others	40.52	0.23	35.17	0.31
Total	92.02	0.51	93.12	0.81

Other income

Our other income increased by 49.35% to ₹ 2,171.64 million for the nine months ended December 31, 2010 compared to ₹ 1,454.08 million for the nine months ended December 31, 2009, primarily as a result of gains

from our securities trading portfolio including derivative securities. The following table sets forth the main components of our other income for the nine months ended December 31, 2010 and the nine months ended December 31, 2009:

	Nine months ended December 31, 2010		Nine months ended December 31, 2009	
	Amount (₹ in million)	% of total Income	Amount (₹ in million)	% of total Income
Dividend	13.37	0.07	17.66	0.15
Profit on sale of long term investments	105.57	0.58	244.34	2.14
Profit on sale/redemption of short term investments	246.08	1.35	356.80	3.12
Profit on assignment of loans	42.45	0.23	-	0.00
Income from arbitrage and trading of securities and derivatives	812.55	4.46	196.30	1.72
Balances written back (Net)/Bad debt recovered	157.90	0.87	0.93	0.01
Recovery of transaction fees from clients	406.06	2.23	374.62	3.28
Transfer/Gain on revaluation/change in fair value	88.36	0.48	49.42	0.43
Rental income	215.87	1.19	114.58	1.00
Income from referral fee	0.93	0.01	7.09	0.06
Reversal of earlier years provision for doubtful debts	11.91	0.06	0.21	0.00
Miscellaneous income	70.59	0.39	92.13	0.81
Total	2,171.64	11.92	1,454.08	12.72

Expenditure

Our total expenditure increased by 90.54% to ₹ 19,095.51 million for the nine months ended December 31, 2010 compared to ₹ 10,022.04 million for the nine months ended December 31, 2009.

The following table sets forth the main components of our expenditure for the nine months ended December 31, 2010 and the nine months ended December 31, 2009:

	Nine months ended December 31, 2010		Nine months ended December 31, 2009	
	Amount (₹ in million)	% of total income	Amount (₹ in million)	% of total income
Cost of Shares / etc. sold	602.53	3.31	75.72	0.66
Operating expenses	3,183.58	17.48	2,264.45	19.80
Personnel expenses	6,168.30	33.87	3,361.92	29.40
Administrative and other expenses	3,979.76	21.85	2,656.40	23.23
Interest and finance charges	5,358.34	29.43	1,852.58	16.20
Depreciation	747.15	4.10	483.65	4.23
Less: net expenditure of joint venture (recoverable)	(944.15)	-5.18	(672.68)	-5.88
Total expenditure	19,095.51	104.86	10,022.04	87.64

Operating expenses

Our operating expenses increased by 40.59% to ₹ 3,183.58 million for the nine months ended December 31, 2010 compared to ₹ 2,264.45 million for the nine months ended December 31, 2009 primarily as a result of an increase in payment of commission and brokerages, and a change in valuation of liabilities in respect of life insurance policies. The following table sets forth the main components of our operating expenses for the nine months ended December 31, 2010 and the nine months ended December 31, 2009:

	Nine months ended December 31, 2010		Nine months ended December 31, 2009	
	Amount (₹ in million)	% of total income	Amount (₹ in million)	% of total income
Commission and brokerage	1,452.41	7.97	999.11	8.74
Transaction charges	275.27	1.51	253.13	2.21
Custodial and stamp charges	122.60	0.67	85.88	0.75
Bad debts written off	157.14	0.86	430.76	3.77
Provision for non performing assets	6.71	0.04	76.36	0.67
General provision on standard assets	214.37	1.18	-	0.00
Provision for doubtful debts	107.19	0.59	84.45	0.74

	Nine months ended December 31, 2010		Nine months ended December 31, 2009	
	Amount (₹ in million)	% of total income	Amount (₹ in million)	% of total income
Gallery and exhibition expenses	3.55	0.02	9.67	0.08
Software license expenses	44.24	0.24	39.68	0.35
Medical fees	10.20	0.06	-	0.00
Membership and subscription fees	32.27	0.18	20.67	0.18
Change in valuation of liabilities in respect of life policies	757.63	4.16	264.74	2.31
Total	3,183.58	17.48	2,264.45	19.80

Commission and brokerage expenses

Our commission and brokerage expenses increased by 45.37% to ₹ 1,452.41 million for the nine months ended December 31, 2010 compared to ₹ 999.11 million for the nine months ended December 31, 2009 as a result of expenses in relation to the launch of new mutual funds schemes by RAMCL.

Transaction charges

Our transaction charges increased by 8.75% to ₹ 275.27 million for the nine months ended December 31, 2010 compared to ₹ 253.13 million for the nine months ended December 31, 2009, primarily as a result of an increase in our broking operations.

Change in valuation of liabilities in respect of life policies

The change in valuation of liabilities in respect of life policies increased by 186.18% to ₹ 757.63 million for the nine months ended December 31, 2010 compared to ₹ 264.74 million for the nine months ended December 31, 2009.

Personnel Expenses

Personnel expenses increased by 83.48% to ₹ 6,168.30 million for the nine months ended December 31, 2010 compared to ₹ 3,361.92 million for the nine months ended December 31, 2009, primarily as a result of the recruitment and establishment of new teams at RCM for investment banking and institutional broking businesses, and from costs attributed to an increase in personnel on account of our acquisitions. The increase is also on account of the payment of bonuses for the period ended December 31, 2010 in relation to the part fulfillment of pre-agreed bonus commitments made by us to our employees.

Administrative and other expenses

Our administrative and other expenses increased by 49.82% to ₹ 3,979.76 million for the nine months ended December 31, 2010 compared to ₹ 2,656.40 million for the nine months ended December 31, 2009, primarily as a result of an increase in expenses relating to rent and travel and foreign exchange losses.

Interest and Finance Charges

Our interest and finance charges increased by 189.24% to ₹ 5,358.34 million for the nine months ended December 31, 2010 compared to ₹ 1,852.58 million for the nine months ended December 31, 2009, primarily as a result of an increase in the charges in relation to commercial paper and bank overdraft facilities availed by us, which in turn can be attributed to our increased borrowings coupled with an increase in interest rates.

Profit before Tax

Our loss before tax was ₹ 884.91 million for the nine months ended December 31, 2010 compared to a profit before tax of ₹ 1,413.91 million for the nine months ended December 31, 2009.

Profit after tax after minority interest

Our loss after tax after minority interest was ₹ 1,720.97 million for the nine months ended December 31, 2010 compared to a profit after tax after minority interest of ₹ 647.92 million for the nine months ended December 31, 2009.

Financial Year 2010 compared to Financial Year 2009

Our results of operations for the Financial Year 2010 were particularly influenced by the following factors:

Income

Our total income increased by 40.24% to ₹ 16,752.21 million for the Financial Year 2010 compared to ₹ 11,945.17 million for the Financial Year 2009.

The following table sets forth the main components of our income for the Financial Year 2010 and the Financial Year 2009:

	FY 2010		FY 2009	
	Amount (₹ in million)	% of total Income	Amount (₹ in million)	% of total Income
Income from operations	13,244.66	79.06	9,718.22	81.36
Interest income	1449.82	8.65	1,285.45	10.76
Other income	1,887.36	11.27	888.69	7.44
Sale of shares, bullions etc.	170.37	1.02	52.81	0.44
Total income	16,752.21	100.00	11,945.17	100.00

Income from operations

Our income from operations increased by 36.29% to ₹ 13,244.66 million for the Financial Year 2010 compared to ₹ 9,718.22 million for the Financial Year 2009, primarily as a result of an increase in income from broking related operations, lending activities, investment management fees and life insurance premium. The following table sets forth the main components of our income from operations for the Financial Year 2010 and the Financial Year 2009:

	FY 2010		FY 2009	
	Amount (₹ in million)	% of total Income	Amount (₹ in million)	% of total Income
Broking related operations	5,282.87	31.54	3,621.26	30.32
Lending activities	4,238.61	25.30	2,882.68	24.13
Interest in delayed payments	547.01	3.27	427.77	3.58
Income from financial advisory services	1,694.01	10.10	2,471.25	20.69
Support service fees	1.61	0.01	4.36	0.04
Investment management fees	622.06	3.71	38.38	0.32
Portfolio management services fees	39.92	0.24	39.02	0.33
Depository operations	93.50	0.56	90.24	0.75
Life insurance premium (net of premium insurance ceded)	725.07	4.33	143.26	1.20
Total	13,244.66	79.06	9,718.22	81.36

Broking related operations

Income from our broking related operations increased by 45.88% to ₹ 5,282.87 million for the Financial Year 2010 compared to ₹ 3,621.26 million for the Financial Year 2009. The following table sets forth the main components of our income from broking related operations for the Financial Year 2010 and the Financial Year 2009:

	FY 2010		FY 2009	
	Amount (₹ in million)	% of total Income	Amount (₹ in million)	% of total Income
Equities	4,026.51	24.04	2,513.68	21.04
Commodities	581.28	3.47	426.29	3.57
Third party product distribution				
Mutual funds	89.33	0.53	43.49	0.37
Insurance	191.12	1.14	297.96	2.49
Sub Total	280.45	1.67	341.45	2.86
Others	394.63	2.36	339.84	2.85
Total	5,282.87	31.54	3,621.26	30.32

Income from our equities related broking operations increased by 60.18% to ₹ 4,026.51 million for the Financial Year 2010 compared to ₹ 2,513.68 million for the Financial Year 2009, primarily as a result of the revival in the global economy and the resultant increase in equities trading volumes.

Income from our commodities brokerage operations increased by 36.36% to ₹ 581.28 for the Financial Year 2010 compared to ₹ 426.29 million for the Financial Year 2009, primarily as a result of a significant increase in the number of our clients to approximately 107,570 as of March 31, 2010 compared to approximately 56,322 clients as of March 31, 2009 and as a result of increase in trading volumes.

Income from our third party product distributions decreased by 17.86% to ₹ 280.45 million for the Financial Year 2010 compared to ₹ 341.45 million for the Financial Year 2009.

Income from lending activities

Interest income from our lending activities, including from delayed payments increased by 44.56% to ₹ 4,785.62 million for the Financial Year 2010 from ₹ 3,310.45 million for the Financial Year 2009, primarily as a result of an increase in the capital deployment in the asset financing businesses. The following table sets forth the main components of our income from lending activities and interest from delayed payments for the Financial Year 2010 and the Financial Year 2009:

	FY 2010		FY 2009	
	Amount (₹ in million)	% of total Income	Amount (₹ in million)	% of total Income
Capital market financing				
Loan against Securities (LAS)	1,196.74	7.14	1,295.55	10.85
IPO Financing	16.95	0.10	-	0.00
Sub Total	1,213.69	7.24	1,295.55	10.85
Asset financing				
SME/Personal Loan	535.37	3.20	456.85	3.82
Loan against property	647.94	3.87	388.85	3.25
Commercial asset	320.64	1.91	0.75	0.01
Subtotal	1,503.95	8.98	846.45	7.08
Home Financing	58.31	0.35	-	-
Other loans	1,462.66	8.73	740.68	6.20
Interest on delayed payments	547.01	3.27	427.77	3.58
Total	4,785.62	28.57	3,310.45	27.71

Capital market financing: Interest income from our capital market financing activities decreased by 6.32% to ₹ 1,213.69 million for the Financial Year 2010 from ₹ 1,295.55 million for the Financial Year 2009 primarily as a result of a decrease in the interest income generated from loans against securities to ₹ 1,196.74 million for the Financial Year 2010 from ₹ 1,295.55 million for the Financial Year 2009, which was partially offset by an increase in interest income from IPO financing to ₹ 16.95 million for the Financial Year 2010 as compared to nil for the Financial Year 2009.

Asset financing: Interest income from our asset financing activities increased by 77.68% to ₹ 1,503.95 million for the Financial Year 2010 from ₹ 846.45 million for the Financial Year 2009 primarily due to a significant increase in the number of customers availing asset financing from us, which in turn resulted in a significant increase in the aggregate amount loaned by us against assets during the periods under review. Our loans against assets outstanding as at March 31, 2010 increased to ₹ 17,941 million as compared to ₹ 5,608.92 million as at March 31, 2009.

Interest on delayed payments

Interest from delayed payments increased by 27.87% to ₹ 547.01 million for the Financial Year 2010 from ₹ 427.77 million for the Financial Year 2009 as a result of an increase in delayed payments in relation to our capital markets financings.

Income from financial advisory services

Income from our financial advisory services decreased by 31.45% to ₹ 1,694.01 million for the Financial Year 2010 compared to ₹ 2,471.25 million for the Financial Year 2009 primarily due to RCML providing investment banking services in relation to certain high volume transaction in the Financial Year 2009.

Portfolio management services fees

Income from our portfolio management services increased by 2.31% to ₹ 39.92 million for the Financial Year 2010 compared to ₹ 39.02 million for the Financial Year 2009.

Life insurance premium (net of premium on re- insurance ceded)

Income from our life insurance business increased by 406.12% to ₹ 725.07 million for the Financial Year 2010 compared to ₹ 143.26 million for the Financial Year 2009 as a result of an increase in collection of premium in relation to new life insurance policies sold by the Company.

Interest Income

Our interest income increased by 12.79% to ₹ 1,449.82 million for the Financial Year 2010 compared to ₹ 1,285.45 million for the Financial Year 2009, primarily as a result of an increase in interest income from fixed deposits. The following table sets forth the main components of our interest income for the Financial Year 2010 and the Financial Year 2009:

	FY 2010		FY 2009	
	Amount (₹ in million)	% of total Income	Amount (₹ in million)	% of total Income
Staff loans	0.76	0.00	0.31	0.00
Fixed deposits	1,318.01	7.87	1,198.18	10.03
Interest income on debenture	5.12	0.03	-	0.00
Government securities	0.01	0.00	0.00	0.00
Inter corporate loans	70.69	0.42	46.62	0.39
Others	55.23	0.33	40.34	0.34
Total	1,449.82	8.65	1,285.45	10.76

Other income

Our other income increased by 112.38% to ₹ 1,887.36 million for the Financial Year 2010 compared to ₹ 888.69 million for the Financial Year 2009, primarily as a result of an increase in income from profit on sale of long term, investments, profit on sale/redemption of short term investments, arbitrage and trading of securities and derivatives, transfer/gain on revaluation / change in fair value and rental income for the Financial Year 2010. The following table sets forth the main components of our other income for the Financial Year 2010 and the Financial Year 2009:

	FY 2010		FY 2009	
	Amount (₹ in million)	% of total Income	Amount (₹ in million)	% of total Income
Dividend	20.63	0.12	45.27	0.37
Profit on sale of long term investments	256.32	1.53	0.82	0.01
Profit on sale/redemption of short term investments	380.72	2.27	95.63	0.80
Income from arbitrage and trading of securities and derivatives	408.55	2.44	198.30	1.66
Balances written back (Net)	7.87	0.05	40.74	0.34
Recovery of transaction fees from clients	487.63	2.91	321.54	2.69
Transfer/Gain on revaluation/change in fair value	44.61	0.27	-	0.00
Rental income	152.75	0.91	55.44	0.47
Income from referral fee	31.61	0.19	85.73	0.72
Reversal of earlier years provision for doubtful debts	1.59	0.01	-	0.00
Miscellaneous income	95.08	0.57	45.22	0.38
Total	1,887.36	11.27	888.69	7.44

Expenditure

Our total expenditure increased by 22.28% to ₹ 14,778.05 million for the Financial Year 2010 compared to ₹ 12,085.31 million for the Financial Year 2009.

The following table sets forth the main components of our expenditure for the Financial Year 2010 and the Financial Year 2009:

	FY 2010		FY 2009	
	Amount (₹ in million)	% of total income	Amount (₹ in million)	% of total income
Cost of Shares, Bullions etc.	76.98	0.46	101.49	0.85
Operating expenses	3,081.74	18.40	1,276.82	10.69
Personnel expenses	5,190.95	30.99	3,677.89	30.79
Administrative and other expenses	3,981.02	23.76	4,027.22	33.71
Interest and finance charges	2,797.47	16.70	3,091.82	25.88
Depreciation	679.71	4.06	526.48	4.41
Less: net expenditure of joint venture (recoverable)	(1,029.82)	-6.15	(616.41)	-5.16
Total expenditure	14,778.05	88.22	12,085.31	101.17

Operating expenses

Our operating expenses increased by 141.36% to ₹ 3,081.74 million for the Financial Year 2010 compared to ₹ 1,276.82 million for the Financial Year 2009 primarily as a result of an increase in expenses relating to commission and brokerage, and change in valuation of liability in respect of life policies. Further, bad debts written off, provision for non-performing assets and doubtful debts were reclassified from administrative expenses to operating expenses in the Financial Year 2010, which also resulted in an increase in operating expenses. The following table sets forth the main components of our operating expenses for the Financial Year 2010 and the Financial Year 2009:

	FY 2010		FY 2009	
	Amount (₹ in million)	% of total income	Amount (₹ in million)	% of total income
Commission and brokerage	1,361.71	8.13	739.91	6.19
Transaction charges	335.82	2.00	283.64	2.37
Custodial and stamp charges	114.55	0.68	115.18	0.97
Bad debts written off	532.61	3.18	-	0.00
Provision for non performing assets	103.53	0.62	-	0.00
Provision for doubtful debts	0.31	0.00	-	0.00
Gallery and exhibition expenses	2.18	0.01	-	0.00
Software license expenses	53.38	0.32	28.52	0.24
Medical fees	4.48	0.03	-	0.00
Membership and subscription fees	27.85	0.17	19.14	0.16
Change in valuation of liabilities in respect of life policies	545.32	3.26	90.43	0.76
Total	3,081.74	18.40	1,276.82	10.69

Commission and brokerage expenses

Our commission and brokerage expenses increased by 84.04% to ₹ 1,361.71 million for the Financial Year 2010 compared to ₹ 739.91 million for the Financial Year 2009, primarily as a result of the increase in our brokerage income for the Financial Year 2010 compared to the Financial Year 2009.

Transaction charges

Our transaction charges increased by 18.40% to ₹ 335.82 million for the Financial Year 2010 compared to ₹ 283.64 million for the Financial Year 2009, primarily as a result of the increase in transactions for the Financial Year 2010 compared to the Financial Year 2009.

Change in valuation of liabilities in respect of life policies

The change in valuation of liabilities in respect of life policies increased by 503.03% to ₹ 545.32 million for the Financial Year 2010 compared to ₹ 90.43 million for the Financial Year 2009, primarily as a result of increase in premium collection in relation to our life insurance products.

Personnel Expenses

Personnel expenses increased by 41.14% to ₹ 5,190.95 million for the Financial Year 2010 compared to ₹ 3,677.89 million for the Financial Year 2009, primarily as a result of recruitment of several senior level employees for our institutional broking, investment banking and equities research teams in India and overseas.

Administrative and other expenses

Our administrative and other expenses were ₹ 3,981.02 million for the Financial Year 2010 compared to ₹ 4,027.22 million for the Financial Year 2009, primarily as a result of the reclassification of bad debts written off, provision for non performing assets and doubtful debts from administrative and other expenses to operating expenses in the Financial Year 2010.

Interest and Finance Charges

Our interest and finance charges decreased by 9.52% to ₹ 2,797.47 million for the Financial Year 2010 compared to ₹ 3,091.82 million for the Financial Year 2009, primarily as a result of a decrease in interest paid on debentures, bank overdrafts and client margins which were off set by increases in interest on commercial paper, interest on long term bank loans, bank guarantee commission and other charges.

Profit before Tax

Our profit before tax was ₹ 1,974.16 million for the Financial Year 2010 compared to a loss before tax of ₹ 140.14 million for the Financial Year 2009.

Provision for taxation

Provision for taxation increased to ₹ 1,002.70 million for the Financial Year 2010 compared to ₹ 511.90 million for the Financial Year 2009, primarily as a result of an increase in current tax for the Financial Year 2010 compared to the Financial Year 2009 and providing for dividend distribution tax for the Financial Year 2010 compared to not providing for dividend distribution tax for the Financial Year 2009.

Profit after tax before minority interest

Our profit after tax before minority interest was ₹ 971.46 million for the Financial Year 2010 compared to a loss after tax before minority interest of ₹ 635.80 (after adjustment on account of changes in JV interest) million for the Financial Year 2009.

Profit after tax and minority interest

Our profit after tax and minority interest was ₹ 969.24 million for the Financial Year 2010 compared to a loss after tax after minority interest of ₹ 635.80 million for the Financial Year 2009.

Off Balance Sheet Arrangements

Our off balance sheet arrangements comprise the unexpired position of equity index / stock futures and options contracts entered into by the Company and outstanding as at December 31, 2010 amounting to ₹ 196,27.17 million.

Contingent liabilities

The following table sets out our contingent liabilities as at the dates mentioned below:

Sr. No.	Particulars	December 31, 2010 (₹ in millions)	March 31, 2010 (₹ in millions)
(a)	Financial and other guarantees issued by the Banks/ Group to banks and stock exchanges and others*	9615.56	9403.99
(b)	Underwriting commitments/obligations for Shares / debentures**	4537.92	2900.00

Sr. No.	Particulars	December 31, 2010 (₹ in millions)	March 31, 2010 (₹ in millions)
(c)	Disputed Income Tax demands not provided for	185.46	105.34
(d)	Provident fund demand against employees provident fund dues from a subsidiary under appeal not provided for	-	11.91
(e)	Disputed demand for Service Tax Liability against a subsidiary not provided for	277.39	212.91
(f)	Loan sanctioned but not disbursed by a subsidiary	1025.61	1662.92
(g)	Claim against the Group not acknowledged as debts	429.09	281.58

*Certain guarantees have been disclosed at net outstanding value instead of at face value.

**The contingent liabilities as at December 31, 2010 included an amount of US\$ 56 million (₹ 2537.95 million) on account of contingent commitments relating to the acquisition of Northgate Capital LLC and its subsidiaries.

Market Risk Management

Our business activities expose us to a variety of risks including liquidity risk and interest rate risk. Identification and management of these risks are essential to our success and financial soundness.

Liquidity Risk

Liquidity risk management refers to the way we manage the use and availability of various funding sources to meet our current and future operating needs. These needs are largely a result of asset growth and meeting debt maturities. We monitor our assets and liabilities profile on a continuous basis through a dedicated funds management group. The sources of our funds presently include funds generated from our operations, issuance of equity or other instruments convertible into equity and borrowings. We borrow through loan facilities from banks in the Indian market, corporate lenders and mutual funds.

Interest Rate Risk

The management of interest rate risk, or the risk that earnings will be diminished by changes in interest rates, is fundamental for financial institutions like ours. Like other financial institutions, we borrow money from other institutions, which we use to make loans to our customers and invest in earning assets. We earn interest on these loans and assets and pay interest on the money we borrow from the institutions. If the rate of interest we pay on our borrowings increases more than the rate of interest we earn on our assets, our net interest income, and therefore our earnings, will be diminished. Our earnings could also be negatively impacted if the interest rates we charge on our earning assets fall more quickly than the rates we pay on our borrowings. This can reduce the overall yield on our earning asset portfolio.

Foreign Exchange Risk

Due to our operations in various international markets, and in particular the emerging markets, a part of our cash flows are denominated in foreign exchange. As a result we are subjected to certain risks relating to foreign exchange fluctuations. For more details of such risks, see “Risk Factors - If we are unable to effectively manage our foreign currency exchange risks, our business and financial condition may be adversely affected” on page 464.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or, alleging criminal or economic offences or tax liabilities or any other offences against our Company and our Directors that would have a material adverse effect on our business in terms of the disclosure required under Part E of Schedule VIII of ICDR Regulations. No disciplinary action has been taken by the SEBI/ Stock Exchanges against our Company or our Directors. Further there are no defaults, non-payments or overdue of statutory dues, institutional/bank dues and dues payable to holders of debentures, bonds and arrears of cumulative preference shares that would have a material adverse effect on our business.

I. Matters which are pending or which have arisen in the immediately preceding ten years involving

- A. Issues of moral turpitude or criminal liability on the part of our Company– **None**
- B. Material violation of statutory regulations by our Company– **None**
- C. Economic offences, where proceedings have been initiated against our Company– **None**

II. Pending matters which, if they result in adverse outcome, would materially and adversely affect the operations or the financial position of our Company.

A. Our Company

Direct Tax proceedings

Assessment Year 2008-2009

1. The Additional Commissioner of Income Tax, Range-6, Mohali (“**Assessing Officer**”) by way of an assessment order, disallowed certain deductions and made additions of ₹ 1.48 million while computing the Company’s total income for the assessment year 2008-09. Accordingly the Assessing Officer assessed the total income of the Company at ₹ (-2.16) million thereby reducing the loss to be carried forward and issued a notice regarding the initiation of penalty proceedings against the Company. The Company has filed an appeal against the said assessment order before the Commissioner of Income Tax (Appeals), Chandigarh (“**CIT(A)**”). The matter is currently pending.
2. The Additional Commissioner of Income Tax, Range-6, Mohali (“**Assessing Officer**”) by way of an assessment order made additions to the total taxable value of fringe benefit under Section 115 WC and raised a demand of ₹ 0.017 million for the assessment year 2008-09 and issued a notice to the Company regarding the initiation of penalty proceedings. The Company has filed an appeal against the said assessment order before with Commissioner of Income Tax (Appeals), Chandigarh (“**CIT(A)**”). The matter is currently pending.

Indirect Tax

1. The Company has received a show cause notice from the Commissioner of Service Tax, New Delhi alleging non-payment of service tax on the – charges reimbursed to a third party and for non-payment on the legal and professional fees paid to an International Law Firm. A total demand of ₹ 3.26 million has been raised under the said show cause notice. The said amount does not include interest and penalty. The Company is in the process of filing a reply to the said show cause notice.

TDS Default

1. The Company received demands on a quarterly basis for financial years 2007-2008 and 2008-2009 respectively under Section 201(1) / 201(1A) of the IT Act, wherein demands were raised on account of short deduction of tax at source (“**TDS**”) and / or TDS deducted but not paid by the Company. These demands are primarily on account of mismatch in the online database of tax department with the returns/ challans filed by the Company. For the financial year 2007-2008, the Company received 4 demand notices for default aggregating to ₹ 136,170 and the Company has filed appeals against 3 such notices. For the financial year 2008-2009, the Company received 1 demand notice for default

aggregating to ₹ 133,960 and the Company has appealed against such notice. The proceedings arising from such demands are currently pending.

B. Litigation against our Subsidiaries

1. RELIGARE SECURITIES LIMITED (“RSL”)

Police Complaints against RSL

1. Various police complaints have been filed against RSL and others including the Chairman, Managing Director and employees of RSL by various individuals in police stations located in Kolhapur, Jalgaon, Mumbai, Pune in Maharashtra, New Delhi, Tuticorin and Periakulam in Tamil Nadu, Ahmedabad in Gujarat, Sri Ganganagar, Jaipur in Rajasthan, Ambala in Punjab, Gorakhpur, Modinagar, Gaziabad and Agra in Uttar Pradesh and Bangalore in Karnataka containing allegations such as conduct of trade without the consent of the complainant, the shares purchased from RSL were neither credited to the complainants demat account nor balance amount was received, irregularity in the transaction conducted by RSL, despite furnishing the amounts such amounts were not deposited and no transactions have been conducted in the complainant’s trading account, forcibly taking signed cheques from the complainant and presenting the same in a bank, conduct of trades in futures and options without the consent of the complainant etc. The complainants have also alleged that such alleged irregularities have caused loss to the complainants. RSL has joined in the investigation and provided the information and documents sought by respective investigating officers. The complaints are currently pending.
2. In addition to the complaints above, Mr. Miten Indulal Mehta has filed a complaint before the Magistrate under Section 156(3) of Criminal Procedure Code, 1973 and the complainant got an *ex-parte* order against RSL wherein the Court directed the police to register a first information report and investigate the allegations of trading without consent made by the complainant. RSL has filed an appeal against the said order before the High Court of Gujarat, which has stayed the order passed by the Magistrate’s Court. The matter is currently pending disposal before the Court.
3. Mr. Madhu Prabhat has filed a complaint RCC No. 273 Of 2009 before Judicial Magistrate First Class, Thane against RSL and employees of RSL under Sections 420, 467, 468, 504 and 506 of the Indian Penal Code wherein the complainant alleged that one of the employees of RSL had not deposited demand drafts issued by the complainant in the complainant’s trading account with RSL. One of the respondents (an employee of RSL) has filed a criminal writ petition (W.P. No. 2527 of 2010) before the High Court of Judicature at Mumbai, praying for quashing of summoning order by the Judicial Magistrate in Thane. The matter is currently pending.

Civil cases before courts against RSL

Sl. Nos.	Case Nos.	Names of Complainant	Courts	Brief Facts
1.	CA 226 of 2009	Mr. Gundesha Arvind Kumar	City Civil Court at Hyderabad	The appellant filed an appeal against the order of the Civil Judge challenging the dismissal of a suit for perpetual injunction against RSL, restraining it from selling certain of his shares held with RSL without his consent. The matter is currently pending.
2.	6564/2008	Mr. Pradeep Kumar Asthana	High Court of Judicature for Rajasthan, Jaipur	A civil writ petition was filed against the Union of India and others, including SEBI, NSE, RSL through its Managing Director, and RSL’s Jaipur branch manager, wherein the petitioner alleged that RSL does not have the right to demand margin money or the authority to control the account of client without the client’s authorization and instructions. The matter is currently pending.

Sl. Nos.	Case Nos.	Names of Complainant	Courts	Brief Facts
3.	220/2008	Mr. Mansurali Dawelsab Hanagi	Court of Civil Judge, Sangli	A suit was filed for injunction against RSL to restrain it from selling the shares in his account. The matter is currently pending.
4.	09/2008	Mr. Roshan Lal Bhatia	Court of the Sub Judge, Ranchi	A title eviction suit was filed against RSL and others whereby the petitioner prayed for a decree of eviction of the occupants from his premises and recovery of arrears of ₹ 6,000 from the respondents. The matter is currently pending.
5.	1734/2009	M/s. Wealth More Securities (India) Private Limited	Chief Judge, City Civil Court Hyderabad	A petition was filed under Section 9 of the Arbitration and Conciliation Act, for restraining RSL from unilaterally terminating the stock broker and sub-broker contract agreement entered into with the petitioner. Direction to maintain status quo was passed in the matter by the Court. The matter is currently pending.
6.	MR 4733 /10	Mr. Satpal Juneja	Court of Civil Judge, Senior Division, Panipat	A civil suit was filed against RSL wherein the petitioner alleged that RSL has not paid the requisite commission owed to him and that RSL refused to settle his accounts. The complainant shall make claim for the requisite amount after the true and final settlement of accounts along with an interest at the rate of 18% p.a. The matter is currently pending.
7.	SCOP No. 113/2010	Minor Vipul, Minor Sanjana, Minor Sonali, Vasanthi and Radhadevi	Principal Subordinate Judge, Erode, Kerala	A petition was filed under Section 372 of Indian Succession Act, against RSL and a third party. The petitioners have prayed for grant of succession certificate in their name so that they can withdraw the money from RSL which is lying in their deceased father's account with RSL. The matter is currently pending.
8.	I.A. No. 1648/2011 and O.S. 1046 of 2011	Mr. R. Vijay Kumar	Assistant City Civil Court, Chennai	A civil suit was filed whereby the petitioner prayed for interim injunction restraining the respondents from transferring, alienating or dealing with 3,970,070 shares belonging to him held in DP's name till disposal of suit. The court by its order has granted interim injunction. The matter is currently pending.

Arbitration petitions/Claims

Sl. Nos.	Case Nos.	Names of Complainant	Courts/ Authorities	Brief Facts
1.	OMP No. 112 of 2010	M/s C. S. B. Trading House Private	High Court of Delhi	A petition has been filed challenging the decision of the arbitral tribunal constituted by the NSE upholding the

SL. Nos.	Case Nos.	Names of Complainant	Courts/ Authorities	Brief Facts
		Limited		claim of RSL to recover ₹ 7.46 million and dismissing the counter-claim of the petitioner of ₹ 24.76 million. The petitioner has prayed to set aside the award passed by the arbitral tribunal and allow the petitioner's counter-claim. The matter is currently pending.
2.	O.M.P. No. 618/2010	M/s RSC Corporate Private Limited	High Court of Delhi	A petition has been filed challenging the decision of the arbitral tribunal constituted by the NSE, dismissing the claim of RSL to recover ₹ 1.56 million and the counter-claim of the petitioner of ₹ 12.73 million along with ₹ 0.02 million together with interest on the whole amount. The petitioner has prayed to set aside the award passed by the arbitral tribunal to the extent it rejected its counter-claim and allow the petitioner's counter-claim. The matter is currently pending.

Complaints- Registrar of Companies ("ROC")

SI. Nos.	Date of Letter	Names of Authority	Brief Facts
1.	Letter dated August 14, 2009	ROC	A letter was received from ROC, Delhi requiring RSL to offer explanations in respect of certain allegations, provide documentary proof and verify the facts and present status of a complaint filed against RSL and others with the Economic Offences Wing, failing which penal action would be initiated against RSL. The letter received from the ROC, Delhi enclosed a copy of a complaint addressed to the Economic Offences Wing, Delhi Police alleging commission of offences under Sections 403, 405, 406, 409, 418, 463, 465, 468, 469 and 120-B of the IPC by RSL, the Managing Director and another Director of REL and representatives of RSL. The complainant alleges that RSL misappropriated the securities and options lying in the account of the complainant by illegally squaring off the complainants F&O options and equity. Further, RSL has not received any notice from the authorities concerning the aforesaid complaint. RSL has replied to the said letter informing the ROC that an arbitration claim has been filed by RSL against the complainant which is pending. No further communication was received from ROC, Delhi in this regard.
2.	Letter dated February 20, 2009	ROC	A letter was received from ROC, Delhi enclosing a copy of a complaint against RSL alleging the non receipt of delivery of instruction slip and trading without the consent of the complainant and the same was replied to by RSL. The complainant filed its response which was also duly replied to by RSL vide response dated December 15, 2009 to ROC. Thereafter no further communication was received from ROC in this regard.
3.	Letter dated December 7, 2009 and August 10, 2010	ROC	Letters were received from ROC, Delhi enclosing a copy of a complaint against RSL alleging non settlement of the complainant's employment dues. RSL replied to the letter

Sl. Nos.	Date of Letter	Names of Authority	Brief Facts
			and thereafter, no further communication was received from ROC in this regard.
4.	Letter dated August 30, 2010	ROC	A letter was received from ROC, Delhi enclosing a copy of a complaint against RSL alleging that RSL has not opened the demat account for two months. The complainant has also alleged that the online trading account which was provided to him by RSL does not contain full features. The complainant has sought a refund of ₹ 5,500 paid by him to RSL towards opening of his trading account. RSL has replied to the said complaint and no further communication has been received from ROC in this regard.
5.	Letter dated September 31, 2010	ROC	A letter was received from ROC, Delhi enclosing a copy of a complaint against RSL alleging that RSL has cheated the complainant though the complaint did not specify any details. RSL has replied through its letter denying the allegations. No further communication was received from ROC, Delhi in this regard.
6.	Letter dated August 31, 2010	ROC	A letter was received from ROC, Delhi enclosing a copy of a complaint against RSL alleging that the complainant had not received his fixed deposit amount from RSL. RSL has replied to the said complaint and no further communication was received from ROC in this regard.

Labour law matters

Various individuals have filed 11 separate complaints against RSL and its employees and chairman and managing director before the Assistant Labour Commissioner; Additional Labour Commissioner; Deputy Labour Commissioner; Labour Officer; Judicial Magistrate, First Class, Labour Court; Labour Department; and the Labour Enforcement Officer in Indore, Jabalpur, Delhi, Ludhiana, Sonapat, Chattisgarh and in Uttar Pradesh. The complaints contains, allegation's which are of the nature such as maltreatment or harassment by supervisor, non-payment of salary, illegal termination of services, termination of services without any reason or written notice, recovery of amounts/arrears/dues, statutory obligations under the Minimum Wages Act, 1948, Equal Remuneration Act, 1976, Uttar Pradesh Minimum Wages Rules levy of penalty, non-maintenance of various service records as required under the Minimum Wages Act, 1948, etc. The matters are pending disposal before the respective Courts.

Shops and Establishment Acts Matters

Sl. Nos.	Date of Letter	Authority	Brief Facts
1.	Inspection memo dated November 27, 2009	Inspector, Shops and Establishment, Government of West Bengal,	An inspection memo was issued against certain directors of RSL and RSL for the violation of various provisions of the West Bengal Shops and Establishment Act, 1963. The noticee's were requested to remove/rectify the said deviations/ defects and relevant forms/ registers/ records/ documents before the Inspector, Shops and Establishment, Government of West Bengal. RSL has complied with the directions of the notice. No further communication has been received in this regard.
2.	Inspection memo dated November 13, 2009	Inspector, Shops and Establishment, Government of West Bengal	
3.	Notice dated December 2, 2009	Office of the Assistant Commissioner, Profession Tax, Kolkata, West	RSL was directed to produce/ furnish certain documents as per the notice. RSL has provided the required documents / information to the relevant authority.

Sl. Nos.	Date of Letter	Authority	Brief Facts
		Range, Kolkata	

Monopolies and Restrictive Trade Practice (“MRTP”) matters

Sl. Nos.	Authority	Complainant	Brief Facts
1.	MRTP Commission	Mr. Satish Chandra Pradhan	In both the complaints it has been alleged that RSL is engaged in unfair trade practices and has not transferred the shares purchased by the complainant in their demat account despite making full payments. MRTP issued notice of inquiry to RSL and investigation was carried out by Director General of Investigation. No further communication received in this matter.
2.		Mr. Shreeprakash Yadav	

Customer grievances

In the period starting from April 2008 a total number of 1,242 investor grievances involving claims aggregating to a total value of approximately ₹ 223.96 million have been received by RSL from various persons. These grievances include alleged unauthorised trading, sale without information, delay in receiving confirmation, non-deposit of cheque issued by a client, computation of interest and mistaken account statement, pay-outs in shares of Nissan Copper Limited, hacking of password, etc. These complaints have been directly filed by the aggrieved, through lawyers and various regulators on complaints by investors. In addition, RSL has received certain investor grievances through e-mail directly from clients, wherein the amount is not ascertainable.

Direct Tax proceedings

Assessment Year 2008-2009

1. The Assistant Commissioner of Income Tax, Circle-15 (1), New Delhi (“**Assessing Officer**”) by way of an assessment order, disallowed certain deductions on account of disallowance of securities appreciation rights expenses, disallowance of excess bad debts claimed, disallowance under Section 14A of the IT Act, and made additions of ₹ 155.10 million while computing RSL’s total income for the assessment year 2008-09. The Assessing Officer assessed the total income of the Company at ₹ 1,366.71 million, and raised a tax demand of ₹ 70.12 million and initiated penalty proceedings under Section 271(1) (c) of the IT Act against RSL. RSL has filed an appeal before the Commissioner of Income Tax (Appeals)-XVIII, New Delhi (“**CIT(A)**”) against the said assessment order. RSL has also filed a letter before the Assessing Officer requesting to keep the penalty proceedings in abeyance till the disposal of appeal. The matter is currently pending.

Indirect Tax proceedings

1. RSL has received demand cum show cause notices from the Commissioner of Service Tax for the period 2004-2005 to 2008-2009 on the ground that RSL has not charged service tax on certain services provided. The demand involved in these cases is ₹ 218.49 million. The Company has filed a reply and has not received any objection/order from the Service Tax department.
2. The Company has received from the Commissioner of Service Tax, New Delhi alleging non-payment of service tax on the advance on the subscription charges and for having availed excess CENVAT credit. The total amount demanded under the said show cause notice ₹ 10.23 million. The said amount does not include interest and penalty. The Company is in the process of filing a reply to the said show cause notice.

TDS Default

1. RSL received demands on a quarterly basis for financial years 2005-2006, 2007-2008 and 2008-2009 respectively, under Section 201(1) / 201(1A) of the IT Act, wherein demands were raised on account of

short deduction of tax at source (“TDS”) and / or TDS deducted but not paid by RSL. These demands are primarily on account of mismatch in the online database of tax department with the returns/ challans filed by RSL. For the financial year 2005-2006, RSL received 3 demand notices for default aggregating to ₹ 7,948,720 and RSL has filed appeals against such notices. For the financial year 2007-2008, RSL received 5 demand notices for default aggregating to ₹ 1,529,550 and RSL has filed appeals against 4 such notices. For the financial year 2008-2009, RSL received 5 demand notices for default aggregating to ₹ 628,240 and RSL has filed appeals against 3 such notices. The proceedings arising from such demands are currently pending.

Details of litigation/complaint filed by RSL:

RSL has filed 428 criminal complaints under Section 138 of the N.I. Act for dishonour of cheques, against the respective defaulters for recovery of an aggregate amount of ₹ 123.47 million. RSL has filed 216 claims aggregating to an amount of ₹ 119.78 million for recovery under Order XXXVII of the Code of Civil Procedure, 1908 for recovery of outstanding debit balance. RSL has also filed 8 arbitration claims aggregating to an amount of ₹ 1.61 million, before the arbitral tribunal at NSE for recovery of outstanding debit balance and filed 4 execution petitions aggregating to an amount of approximately ₹ 0.826 million, for recovery of arbitral claims awarded in favor of RSL. The matters in relation to the aforesaid complaints are currently pending.

Regulatory Proceedings

1. Proceedings instituted by SEBI

- (a) SEBI in the matters of IFSL Limited, Mega Corporation Limited, Karuna Cables Limited and Millenium Cybertech Limited, issued ad interim orders dated September 28, 2005, October 24, 2005, November 29, 2005 and January 24, 2006, respectively pending investigation, while observing a sharp increase in price and trading volume in respect of the scrips of the above mentioned companies. Pursuant to the said orders, SEBI has restrained RSL, among other stock brokers from buying, selling or dealing in the specified scrips of the companies mentioned above, directly or indirectly, on behalf of certain promoters, directors and clients specified by SEBI from the date of the respective orders, until the receipt of further orders from SEBI. Subsequently, SEBI has, pursuant to orders dated June 16, 2006, July 24, 2006, July 25, 2006 and September 26, 2006, in the matters of IFSL Limited, Mega Corporation Limited, Karuna Cables Limited and Millenium Cybertech Limited, respectively confirmed the ad interim orders. Subsequently, SEBI disposed off the proceedings against RSL in IFSL, by consent orders disposed of adjudication proceedings in relation to Mega Corporation Limited and Karuna Cables Limited and issued an administrative warning in the matter of Millenium Cybertech Limited and later on vacated the direction issued in relating to Millennium Cybertech Limited. The specific observations issued by SEBI in these matters are as follows:

S. No.	Specified Scrips	Directions/ Observations Issued
1.	IFSL Limited	SEBI in its ad interim, ex-parte order dated September 28, 2005 noted that RSL, among other brokers, being holders of more than 1% of the share capital of IFSL Limited, dealt significantly in the scrip of IFSL Limited on behalf of specified clients during the period when there was an increase in the share price and trading volume and off market transfers by the promoters to some entities took place. Subsequently, SEBI through letter dated March 24, 2006 summoned RSL to appear and provide information in connection with the investigations instituted by SEBI in the said matter. The information required by SEBI has been duly provided. Further, an order has been passed on June 16, 2006 by SEBI confirming the interim order. Further, SEBI vide its letter dated May 25, 2009 has appointed an adjudicating officer in this matter. The letter has been duly replied. Subsequently, RSL attended and made its submissions at a personal hearing called by SEBI on September 22, 2009 following which SEBI by its order dated November 23, 2009 disposed off the proceedings against RSL.
2.	Mega Corporation Limited	SEBI in its ad interim, ex-parte order dated October 24, 2005 observed that RSL, among other brokers being holders of more than 1% of the share capital of Mega Corporation Limited, contributed significant volume, i.e., up to

S. No.	Specified Scrips	Directions/ Observations Issued
		19.17% of net purchase, in the trading of shares of the company while dealing on behalf of the interconnected clients. RSL has complied with the summons and has provided the requisite comments and documents. Subsequently, SEBI has passed an order dated July 24, 2006 confirming the interim order. SEBI through its letter dated February 27, 2007 summoned RSL for production of documents in relation to the alleged aiding and abetting the connected group of clients in creating an artificial depth in the market to generate a buying interest in the scrip and influencing the price of the scrip. Further, SEBI has, vide its letter dated June 27, 2008, appointed an adjudicating officer in the matter. RSL has duly replied to the letter and also filed an application dated August 18, 2008 for obtaining a consent order in the matter. SEBI vide its letter dated March 6, 2009 has intimated that the independent High Powered Advisory Committee has accepted the application of consent order and recommended that the matter may be settled on a payment of ₹ 1.00 million within 15 days of issue of the said letter. RSL has duly remitted the said sum of ₹ 1.00 million. Subsequently, vide its consent order (CO/IVD-ID-1/936/AO/SD/15/2009) dated March 19, 2009, SEBI has disposed off the adjudication proceedings against RSL.
3.	Karuna Cables Limited	SEBI in its ad interim, ex-parte order dated November 29, 2005 observed that RSL had a concentration of around 14% in terms of gross purchases during the relevant period. RSL has complied with the summons and have provided the requisite comments and documents. Subsequently, SEBI has passed an order dated July 25, 2006 confirming the interim order. SEBI through its letter dated March 6, 2007 summoned RSL for explanation in relation to nature of transaction, which indicate involvement in manipulation in the market regarding this scrip. Further, SEBI has vide its letter dated June 27, 2008 appointed an adjudicating officer in the matter. RSL has duly replied to the letter and also filed an application dated August 18, 2008 for obtaining a consent order in the matter. SEBI vide its letter dated March 6, 2009 has intimated that the independent High Powered Advisory Committee has accepted the application of consent order and recommended that the matter may be settled on a payment of ₹ 1.00 million within 15 days of issue of the said letter. RSL has duly remitted the said sum of ₹ 1.00 million. Subsequently, vide its consent order (CO/IVD-ID-1/936/AO/SD/15/2009) dated March 19, 2009, SEBI has disposed off the adjudication proceedings against RSL.
4.	Millenium Cybertech Limited	SEBI in its ad interim, ex-parte order dated January 24, 2006 observed that RSL among other brokers, had entered into synchronised deals, which helped in matching buyers and seller thereby buyers getting desired sellers and <i>vice versa</i> . SEBI further observed that the promoters of Millenium Cybertech Limited offloaded their shareholding in the company in an alleged arrangement between interconnected clients, who have also appeared in the orders of SEBI relating to IFSL Limited, Mega Corporation Limited and Karuna Cables Limited to manipulate the shares of 'low cap' companies and that the same would not have been possible without being guided by a few brokers. Separately, in the same order, SEBI noted that RSL was among the few brokers who have also appeared in some of the orders passed by SEBI in the case of 'low cap' stocks. Subsequently, SEBI through its letter dated April 7, 2006 summoned RSL to appear and provide information in connection with the investigations instituted by SEBI in the said matter. The information required by SEBI has been duly provided. Further, an order has been passed on September 26, 2006 by SEBI confirming the interim order. Finally, SEBI, vide its letter dated May 22, 2007, has issued an administrative warning in the concerned matter. Further SEBI vide its order dated March 13, 2010 has vacated the directions issued vide its ad-interim ex parte Order dated January 24, 2006 against RSL.

(b) SEBI has, through its letter dated August 12, 2008, sought RSL's comments on the observations made

by SEBI during the course of an inspection of the depository division of RSL. Further, SEBI has also, through its letter dated March 3, 2008, sought RSL's comments on the observations made by SEBI during the course of an inspection of the broking division of RSL. SEBI has thereafter vide its letter dated November 30, 2009 initiated adjudicating proceedings against RSL following both of the previous letters for the alleged violation of SEBI Act, the Depositories Act, 1996, the Stock Broker Regulations, the Depository Regulations and certain SEBI circulars. RSL has replied to the said letters. Further SEBI vide its letter dated July 7, 2010 granted an opportunity to RSL to be heard and RSL attended the hearing. Thereafter, SEBI vide its order dated November 10, 2010 imposed total penalty of ₹ 0.3 million on certain alleged violations observed. RSL has filed an appeal dated January 17, 2011 with the Securities Appellate Tribunal against the said order of SEBI. The matter is currently pending.

- (c) Pursuant to an inspection of books and records of the PMS division of RSL for the period September 2004 to December 2005, SEBI has initiated an enquiry officer proceeding by its letter dated November 8, 2007. Pursuant to the notice hearing was conducted and upon hearing RSL, SEBI has issued a show cause notice dated October 22, 2009 under Regulation 28 of SEBI (Intermediaries) Regulations 2008 as to why penalty, as considered appropriate by the Designated Member, should not be imposed on RSL for the alleged violation of the Code of Advertisement and SEBI circulars no. 1(93-94) dated October 20, 1993 and no. IMD/PMS/CIR/1/21727/03. It was further stated that the Designated Member was of the view that RSL may be prohibited from taking up new assignments on behalf of new clients for a period of one month. RSL submitted its reply to the notice and was given an opportunity to attend a personal hearing on January 8, 2010 in relation to the above show cause. Since the certificate of registration under the Portfolio Manager Regulations was transferred to Religare Asset Management Company Limited ("RAMCL") from RSL, RAMCL made an application for consent order which was rejected by SEBI pursuant to the Internal Committee Meeting attended by chief operating officer of RAMCL. Pursuant to the application for consent order with revised terms of settlement and pursuant to the Internal Committee Meeting on July 15, 2010 of SEBI attended by chief operating officer of RAMCL, SEBI vide its consent order dated September 27, 2010 has disposed of the proceedings initiated vide Show Cause Notice dated October 22, 2009.

(d) Other SEBI Notices/Letters

1. RSL has received various communications such as letters, summons, observations and directions from SEBI seeking various clarifications, explanations and providing observations and requiring compliance of certain directions. The nature of contents of the letters received from SEBI are such as:
 - Intimation of investigation into the trading and dealing in the scripts of certain companies and direction to explain reasons for entering into transactions on behalf of certain clients, allegedly resulting in artificial increase in the market prices of the concerned script;
 - Direction to provide reasons for undertaking certain transactions in the futures and options segment during certain periods;
 - Being cautioned from carrying out transactions in the future and requiring reporting of steps taken to improve systems;
 - Seeking comments in respect of transactions of clients in the scripts of certain companies on behalf of clients. Also, seeking an explanation in respect of the trading pattern undertaken while dealing on behalf of certain clients in the scrips of certain companies;
 - Seeking explanation regarding rationale of certain clients mentioned in the communication from SEBI regarding entering into trades, which appear to be synchronized and requiring comments on the same;
 - Summoning information in connection with investigations instituted by SEBI in certain matters;
 - Placing certain orders in the scrips of companies on behalf of clients and trades at the behest of its clients and level of due diligence before placing the orders and seeking reasons in respect of orders put on behalf of clients at a higher price;
 - Relating to enquiries conducted by SEBI on the basis of certain complaints received from the investors;
 - Seeking explanations in respect of steps taken to ensure the system are not misused and necessary due diligence procedure required under the applicable regulations are in place;
 - Seeking explanations in respect of complaints received alleging violation of the Takeover Code, Insider Trading Regulations and the Securities and Exchange Board of India

(Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 and seeking explanation whether such client has made necessary disclosure to RSL and the stock exchanges as required under the Takeover Code and as required under Insider Trading Regulations; seeking reason in regard with delayed submissions of disclosures under the Takeover Code and seeking additional information with respect to details about disclosures made under the Takeover Code and margining procedure followed by the member;

- Seeking details in respect of whether sufficient margins have been maintained for and on behalf of clients who have dealt in certain scripts of companies;
- Direction to take corrective steps and improve systems;
- Summoning information in connection with the investigations instituted by SEBI in the case of dealings of certain clients;
- Seeking reasons regarding keeping shares of certain clients mentioned in RSL's beneficiary account;
- Seeking explanations in respect of the nature and motive of transactions on behalf of clients in the script of certain companies;
- Seeking explanation regarding the due diligence followed while registering and dealing on behalf of clients as mentioned in the communication;
- Warning RSL on the trading pattern of a client; and
- Seeking RSL's comments on the observations made by SEBI during the course of a limited purpose inspection of the books of accounts and records of RSL.

RSL has replied to and furnished information and explanations sought by SEBI in such letters and has taken necessary corrective action wherever required.

II. Proceedings initiated by the Stock Exchanges

1. Since April 2004, directions and aggregate penalties/fines of approximately ₹ 5.10 million have been imposed by the Stock Exchanges and the NSCCL, upon RSL such as:
 - The BSE has levied various penalties/ fines aggregating to approximately ₹ 0.40 million on RSL during the period from October 2004 until date for various reasons, including violation of trading limits in certain categories of scrips, entering into transaction on behalf of certain specified clients (which led to price rise), violation of intra-day trading limits, violation observed during inspection, violation of trading limits in Z group securities, bad delivery charges, incorrect punching of individual orders in institutional category late payouts, modification of client codes, etc.
 - The NSE and NSCCL have levied various penalties/ fines aggregating to ₹ 4.70 million on RSL during the period from April 2004 until date for various reasons, including reporting short collection of margins, violations observed during inspection, violation of exposure limits in the F&O segment dealt for and on behalf of various clients, trading in option segment of the NSE, violation of client level limit for trading in specified scripts, clearing shortage, non-submission of Unique Client Code details, delay in monthly disclosures and delayed uploading of computer to computer link terminal data.
2. In addition, the BSE, the NSE, NSCCL and MCX SX have issued to RSL various other communications some of which on multiple occasions, containing certain other directions or observations. The nature of the contents of letters received by RSL includes the following:
 - Directing compliance with bulk deal reporting requirements;
 - Seeking explanation for entering into specified transactions on behalf of clients;
 - Cautioning against placing orders for clients at unrealistic prices and direction to exercise due diligence while dealing for clients;
 - Imposition of certain warning RSL to desist from entering into, transactions on behalf of clients, in future and against placing orders for clients at unrealistic prices and direction to exercise due diligence while dealing for clients in cash segment;
 - Cautioning to ensure correct punching of individuals' order under institutional category;
 - Issuing warning for change in authorised capital and change of shareholding pattern of RSL without taking requisite approval;
 - Seeking explanation regarding the circumstances under which trades were executed for and on

- behalf of certain clients in the scrip of certain companies;
- Seeking explanation regarding the due diligence process adopted by RSL to satisfy itself of the financial status of its clients, monitor client trading *vis-à-vis* income declared by the clients, among other things;
- Requesting the trading status of certain clients;
- Seeking clarifications and imposition of penalty regarding client transactions in the future and option segment and cash segment which were *prima facie* carried out at prices significantly above or below the prevailing market prices, and further advised RSL to review the activity of the clients identified in the letter and to put systems and procedures in place to control reoccurrence of such activity and to report compliance;
- Regarding delayed reporting of details of computer to computer link and expiry of certification (NCFM) and delayed submission of the same;
- Seeking an explanation for failure to make delivery or shortage in delivery against sales made by clients;
- Imposing certain penalties, respectively in relation to matters of certain companies;
- Seeking clarifications on the observations made by the concerned stock exchange during the course of an inspection;
- Requiring ensuring compliance of the recommendation made in communications received from the stock exchanges and reporting the same to the stock exchanges;
- Seeking explanation regarding the circumstances under which orders were placed on behalf of specified clients;
- Advised to rectify as per observations given in the Internal Audit Report submitted with the stock exchange; and
- Advised for discrepancies in client account opening and warned for wrong reporting of margin.

RSL has replied to the communications received from BSE, NSE, NSCCL and MCX SX and provided the information and documents sought pursuant to such communications and have also confirmed compliance of the observations and directions made by them.

3. Certain show cause notices were received by RSL from BSE, NSE and MCX SX by RSL some of which on multiple occasions, containing certain other directions or observations and averments. The nature of the contents of show cause notices received by RSL includes the following:
 - Entering unrealistic prices in the order book. The exchange was informed that control on putting orders at a specific price is better administered through the trading mechanism and requested the exchange to have same filter as applicable on other scripts for the newly introduced scripts also. The concerned stock exchange advised RSL to exercise caution while placing orders at unrealistic prices and desist from entering into transactions of similar nature in future;
 - Seeking explanation for entering into transactions on behalf of a client, who has been debarred by SEBI from buying, selling, dealing or accessing the security market for a specified period. The exchange was duly informed that SEBI order was stayed by Securities Appellate Tribunal (“SAT”) and the client has requested for resuming the trading;
 - Late reporting of bulk deals;
 - Entering into transaction on behalf of certain clients in the option segment of the concerned stock exchange;
 - Various violations observed in the course of inspections and seeking explanation / comments for alleged violations;
 - Mismatching in CTCL data uploaded with the stock exchange;
 - Issuing advertisements without stock exchange prior approval;
 - Seeking explanation for executing trades in violation of requirements prescribed for institutional clients; and
 - Issuing warning for wrong reporting of client margin collection and advising in regard to issue related to contract notes not issued in prescribed manner and non maintenance of order book.

RSL has replied to the said show cause notices and provided the information/ confirmations sought in such show cause notices. No further communication has been received by RSL

In addition to the above, 28 letters have been issued by NSDL between July 12, 2004 and July 17, 2009 respectively, and seven letters have been issued by CDSL between April 5, 2006 and September 18,

2010, respectively, advising to report compliance with the observation made during the course of inspections. Further, NSDL has through certain letters levied penalties aggregating to ₹ 0.20 million and CDSL has levied a penalty of ₹ 3,000.

- 1A. We have included litigation details of Religare Commodities Limited, a subsidiary of RSL, as the cases mentioned below may materially and adversely affect the operations or the financial positions of RSL which may in turn materially and adversely affect the operations or the financial position of the Company.

Religare Commodities Limited (“RCL”)

Police Complaints

RCL is in receipt of 3 police complaints filed before police stations in New Delhi and Pune and before Chief Judicial Magistrate, Karnal containing allegations such as that trades were carried out without complainant instructions, incorrect details of complainant account were shown to them and due to which such complainants have suffered losses. The complaints are presently pending disposal.

Direct Tax proceedings

Assessment Year 2007-2008

1. The Assistant Commissioner of Income Tax, Circle-15 (1), New Delhi (“**Assessing Officer**”) by way of an assessment order disallowed depreciation deduction on account of excess depreciation charged by RCL and made additions while computing the total taxable income of RCL for the assessment year 2007-08. The Assessing Officer assessed the total income of RCL at ₹ 13.89 million and raised a tax demand of ₹ 0.06 million. RCL has filed an appeal before the Commissioner of Income Tax (Appeals)-XVIII, New Delhi (“**CIT(A)**”) against the demand. The matter is currently pending before the CIT(A).

Assessment Year 2008-2009

2. The Assistant Commissioner of Income Tax (OSD) CIT-V, New Delhi (“**Assessing Officer**”) by way of an assessment order, has disallowed deduction on account of securities appreciation rights expenses while computing the total income of RCL for the assessment year 2008-09. The Assessing Officer assessed the total income of RCL at ₹ 23.64 million and raised a tax demand of ₹ 0.39 million. RCL has filed an appeal before Commissioner of Income Tax (Appeals)-XVIII, New Delhi (“**CIT(A)**”) against the above order. The matter is currently pending before the CIT(A).

Indirect Tax Proceedings

For the financial year 2007-08 RCL has filed an appeal before Commercial Tax Tribunal, Moradabad against the order of Commissioner of Commercial Tax. Demand involved in this case is ₹ 0.95 million.

TDS Default

1. RCL received demands on a quarterly basis for financial years 2007-2008 and 2008-2009 respectively under Section 201(1) / 201(1A) of the IT Act, wherein demands were raised on account of short deduction of tax at source (“**TDS**”) and / or TDS deducted but not paid by RCL. These demands are primarily on account of mismatch in the online database of tax department with the returns/ challans filed by RCL. For the financial year 2007-2008, RCL received 4 demand notices for default aggregating to ₹ 760 and RCL has not filed any appeals against such notices. For the financial year 2008-2009, RCL received 1 demand notice for default aggregating to ₹ 30 and RCL has not filed any appeal against such notice. The proceedings arising from such demands are currently pending

Arbitration Cases:

1. Mrs. Geeta Lohiya has filed an arbitration claim (NCDEX/118/2010), before the National Commodity & Derivatives Exchange Limited (“**NCDEX**”). Mrs. Lohiya has alleged that she was assured fixed return of 18% per annum on her investment. However she was not paid the same and also trades in her account were done without her consent and has claimed ₹ 43.09 millions towards losses suffered by her. RCL in its reply has denied all allegations. The matter is currently pending.

Cases / Complaints under Labour Law(s):

1. Mr. Lokendra Singh Chauhan has filed a complaint (5507/2008), before the Assistant Labour Commissioner, Indore, under Section 10 of the Industrial Dispute Act, 1947 alleging that he was dismissed from the services of company without issuance of any show cause notice nor was he given an opportunity to give his explanation. The matter has been referred to the Labour Court as case no 40/09 I.D.R. A notice has been received in the name of the Director, RSL. Since Mr. Chauhan was an employee of RCL, a reply has been filed by and on behalf of RCL.

Penalties by Regulators

1. The NCDEX has levied various penalties/ fines aggregating to approximately ₹ 0.4 million on RCL during the period from October 2005 until date, for various reasons, including non-submission of UCC details, exceeding open interest position limit, delivery shortage, etc.
2. The MCX has levied various penalties/ fines aggregating to approximately ₹ 0.2 million on RCL during the period from August 2006 until date for various reasons, including non-submission of UCC details, exceeding open interest position limit, etc.

Proceedings initiated by Regulatory Authorities

Since 2006 NCDEX, MCX and NMCE has issued to RCL various communications containing certain directions, observations or seeking certain explanation in respect of certain trades executed on behalf of the clients of RCL. RCL has been advised to abstain from such practices in future or refrain from such trades in future or warned to ensure that non recurrence of such trades in future and has been advised to take all due precautions for complying with the rules and regulations of the aforesaid exchanges while organizing business operations and submit compliance report etc. RCL has responded to such letters and provided the documents and information sought by NCDEX, MCX and NMCE and no further communication has been received from them by RCL.

2. RELIGARE FINVEST LIMITED (“RFL”)**Civil proceedings – Injunction Cases**

Sl. Nos	Case Nos.	Names of Parties	Court	Brief Facts
1.	280/2008	Mr. T. Krishanmurthy	District Munsif Court Ambatur, Chennai	In all the cases the petitioners have prayed for injunction restraining RFL from sending men, agents, servants or any body authorized by it from collecting any amount due by each of them to RFL, except by due process of law. All the cases are pending disposal before the respective Courts.
2.	434/2008	Mr. J. Baskar	District Munsif Court Ambatur, Chennai	
3.	OS. 3589/2009	Mr. K. Mahadevan	City Civil Court at Chennai	
4.	O.S. No. 536/2009	Mr. R. Janarthanan	Additional Subordinate Judge, Coimbatore	
5.	9975/2009	Mr. Lakshmanan V	City Civil Assistant Judge Chennai	
6.	4379/ 2009	Mr. Dakshayani C.	39 th Additional City Civil and Session Judge, Bangalore	
7.	435/ 2009	Mr. B. Saravanan	District Munsif Court Coimbatore	
8.	1478/ 2009	Mr. Muthu Kumar	City Civil Court	

Sl. Nos	Case Nos.	Names of Parties	Court	Brief Facts
		Swami	at Chennai	
9.	3631/ 2009	Mr. Nanada Kumar	City Civil Court at Chennai	
10.	57 / 08	Mr. R. Muthumanickam	1 st Additional Subordinate Judge of Coimbatore	
11.	326/ 2009	Mr. S. Anandrajan	Madurai Munsif Court	
12.	5316/2009	Mr. G. Poomachander	City Civil Court, Chennai	
13.	OS No. 2503/ 2009 and IA No: 2558/2009	Mr. Parameswaran P	Principal District Munsif of Coimbatore	
14.	IA No: 357/2010 and OS No: 402/2010	Mr. Mohan M R C	Principal District Munsif, Madurai Town	
15.	IA No: 1605/2010 and OS No 1433/2010	Mr. Bhavanivenkataswamy L	District Munsif Court at Coimbatore	
16.	OS No 2581/2010	Mr. Ranganathan M	District Munsif Court at Coimbatore	
17.	IA No 1796/2010 and OS No. 1604/ 2010	Mr. Duraisamy N.	District Munsif Court of Coimbatore	
18.	OS No. 11469/ 2010	Ms. Meena Jain	Asst City Civil Court, Madras	
19.	IA NO 2008/2010 and OS No 1790/2010	Mr. Anandakumar L P	District Munsif Court, Coimbatore	
20.	IA No 2301/2010 and OS No 2702/2010	Mr. Mukesh T	District Munsif Court, Coimbatore	
21.	OS No 01/2010	Mr. P Mahalakshmi	Salem Court	
22.	7818/2008	Ms. R. Jayanthi	15 Assistant Civil Court, Chennai	
23.	OS No: 330/2010	Mr. Subramaniam M	Court of District Munsif, Madurai	
24.	OS No. 2275/ 2009	Mr. Rajendhran B	First Additional District Magistrate, Coimbatore	
25.	OS No. 2570/ 2009 and IA No: 3038/2009	Ms. Meenakumari S	Additional District Munsif Court, Coimbatore	

Sl. Nos	Case Nos.	Names of Parties	Court	Brief Facts
26.	I.A. No. 1648/2011 in civil suit bearing number O.S. 1046 of 2011	Mr. R. Vijay Kumar	Assistant City Civil Court at Chennai	The plaintiff has prayed for interim injunction restraining the respondents from transferring, alienating or dealing with 3,970,070 shares belonging to him held in DP name "Religare Finvest Limited" till disposal of suit. The court vide its order has granted interim injunction. The matter is currently pending.
27.	1014/09	Ms. Koyal Devi	Senior Civil Judge, Rohini, Delhi	In the suit for permanent injunction the plaintiff has alleged that the defendants are in illegal possession of the documents of the residential property of plaintiff. The matter is currently pending disposal before the Court.
28.	314/2008	Mr. V. Kanchana	Additional District Magistrate, Coimbatore	The plaintiff has prayed for injunction restraining the respondents from interfering with and disturbing in his peaceful possession and enjoyment of property. The matter is currently pending disposal before the Court.

Civil proceedings – Insolvency Cases

RFL has been impleaded as party to 38 insolvency petitions filed by various individuals and entities in various High Courts, Civil Courts, Additional Magistrate's Courts and District Munsif Courts in India. In all the cases the petitioners have filed the petition in order to declare himself/itself/herself as an insolvent. Each of the case the petitioners are creditors of RFL. All the cases are pending disposal before the respective Courts. The aggregate amounts which are due to RFL in the insolvency cases are approximately ₹ 8.30 million.

M/s. SKE Darma Clothing (India) Private Limited has filed a winding up petition (CP No. 186/2008 and CA 2220/08) before the High Court of Madras against a third party who is also a debtor to RFL and accordingly RFL has been impleaded as a party to the matter. The matter is currently pending. The High Court of Madras by its order appointed an official liquidator to take charge of the properties of such third party.

Civil Proceedings- Labour Cases

RFL has been impleaded as a party in 7 complaints filed by various individuals before Labor Inspector, Additional District Judge, Assistant Labour Commissioner, Court of Munsif, Labour Commissioner, Judge MACT and Court of Sub Divisional Magistrate in Chandigarh, New Delhi, Ernakulam, Uttar Pradesh, and Gangtok. In all the complaints, the allegation are of the nature such as maltreatment or harassment by supervisor, non-payment of salary, illegal termination of services, termination of services without any reason or written notice. The matters are pending disposal before the respective Courts.

Direct Tax proceedings

Assessment Year 2006-2007

1. The Additional Commissioner of Income Tax, Range-15, New Delhi ("Assessing Officer"), by way of an assessment order, disallowed commission/ syndicate fee paid by RFL to related parties under Section 40A of the IT Act and made additions of ₹ 6.86 million while computing the RFL's total income for the assessment year 2006-07. The Assessing Officer assessed the total income of RFL at ₹

175.68 million, and raised a tax demand of ₹ 30.08 million. RFL has filed an appeal against the said assessment order before the Commissioner of Income Tax (Appeals)-XVIII, New Delhi (“**CIT(A)**”). The CIT(A) by way of its order allowed the appeal filed by RFL. The income tax department has filed an appeal against the order of CIT(A) before the Income Tax Appellate Tribunal, New Delhi (“**ITAT**”).

2. Further, the Commissioner of Income Tax, Delhi-V issued a show cause notice under Section 263 of the IT Act and pursuant thereto had reconsidered the case, and by a fresh order held that the assessment order is erroneous and prejudicial to the interest of revenue to the extent of expenditure of ₹ 16.46 million allowed to RFL, and that the Assessing Officer should reconsider allowing such expenditure. RFL has filed an appeal before the Income Tax Appellate Tribunal, New Delhi (“**ITAT**”) against such order under Section 263 of the IT Act. The matter is currently pending before the ITAT.
3. The Assistant Commissioner of Income Tax, (OSD), CIT - V, New Delhi (“**Assessing Officer**”), by way of an assessment order, disallowed commission/syndicate fee paid by RFL to related parties under Section 40A of the IT Act and made additions of ₹ 82.12 million while computing RFL’s total income for the assessment year 2006-07. The Assessing Officer assessed the total income of RFL at ₹ 189.23 million, and raised a tax demand of ₹ 4.76 million and initiated penalty proceedings under Section 271(1) (c) of the IT Act against RFL. RFL has filed an appeal against the said assessment order before the Commissioner of Income Tax (Appeals)-XVIII, New Delhi (“**CIT(A)**”). RFL has also filed a letter before the Assessing Officer requesting to keep the penalty proceedings in abeyance till the disposal of appeal. The matter is currently pending before the CIT(A).

Assessment Year 2007-2008

1. The Additional Commissioner of Income Tax, Range-15, New Delhi (“**Assessing Officer**”) by way of an assessment order, made additions on account of disallowance under Section 14A, non deduction of tax on processing fee, addition on account of deemed dividend, disallowance under Section 40A of the IT Act resulting in a total addition of ₹ 143.28 million while computing the RFL’s total income for the assessment year 2007-08. The Assessing Officer assessed the total income of RFL at ₹ 426.67 million, and raised a demand of ₹ 65.14 million and initiated penalty proceedings under Section 271(1) (c) of the IT Act against RFL. RFL has filed an appeal before the Commissioner of Income Tax (Appeals)-XVIII, New Delhi (“**CIT(A)**”). RFL has also filed a letter before the Assessing Officer requesting to keep the penalty proceedings in abeyance till the disposal of appeal. The matter is currently pending.
2. The Additional Commissioner of Income Tax, Range-15, New Delhi (“**Assessing Officer**”) by way of an assessment order made addition under Section 115 WC of ₹ 0.10 million to the total taxable value of fringe benefit declared by RFL while computing the fringe benefit tax for the assessment year 2007-08. The Assessing Officer assessed the total taxable fringe benefit at ₹ 2.57 million and raised a tax demand of ₹ 0.03 million and initiated penalty proceedings under Section 271(1)(d) of the IT Act against RFL. RFL has filed an appeal before the Commissioner of Income Tax (Appeals)-XVIII, New Delhi (“**CIT(A)**”). RFL has also filed a letter before the Assessing Officer requesting to keep the penalty proceedings in abeyance till the disposal of Appeal. The matter is currently pending.

Assessment Year 2008-2009

1. The Assistant Commissioner of Income Tax, (OSD) CIT - V, New Delhi (“**Assessing Officer**”) by way of an assessment order has made certain additions on account of stock appreciation right related expenses, non deduction of tax on processing fees, payment of rent and other charges to group companies, disallowance under Section 14A of the IT Act and restriction of depreciation claimed on UPS to 15% and resulting in a total addition of ₹ 21.29 million while computing RFL’s total income for the assessment year 2008-09. The Assessing Officer assessed the total income of RFL at ₹ 603.23 million, and raised a tax demand of ₹ 9.70 million and initiated penalty proceedings under Section 271(1) (c) of the IT Act against RFL. RFL has filed an appeal before the Commissioner of Income Tax (Appeals)-XVIII, New Delhi (“**CIT(A)**”). RFL has also filed a letter before the Assessing Officer requesting to keep the penalty proceedings in abeyance till the disposal of Appeal. The matter is currently pending.

TDS Default

1. RFL received demands on a quarterly basis for financial years 2007-2008 and 2008-2009 respectively under Section 201(1) / 201(1A) of the IT Act, wherein demands were raised on account of short deduction of tax at source ("TDS") and / or TDS deducted but not paid by RFL. These demands are primarily on account of mismatch in the online database of tax department with the returns/ challans filed by RFL. For the financial year 2007-2008, RFL received 5 demand notices for default aggregating to ₹ 236,610 and RFL has filed appeals against such notices. For the financial year 2008-2009, RFL received 4 demand notices for default aggregating to ₹ 1,580,170 and RFL has filed appeals against such notices. The proceedings arising from such demands are currently pending.

Regulatory Proceedings

1. SEBI through its letter dated September 7, 2010 has sought adjudication proceedings against RFL for alleged violations of the Takeover Code and the Insider Trading Regulations in the scrip of a certain company. Pursuant to hearing RFL and on a review of additional information and documents the adjudication officer through his order dated March 17, 2011 levied a penalty of ₹ 0.1 million on RFL. The Company has paid the penalty levied by SEBI and has stated that payment of the said penalty should not be considered as admission of violation of any regulation and the said payment was made without prejudice of any rights against the said order.
2. RFL has received various letters and communications from the RBI, enclosing letters and complaints received from various customers of RFL. The nature of contents of these letters and complaints contain allegations which include charging of high interest rates; lack of transparency in the charging of interest rates; refusal to furnish statement of accounts in connection with the loan; harassment of the customer; violation of guidelines relating to collection of loans, directions laid down by the court and statutes; requesting for moratorium period in respect of loans availed by the customers; and requests for rescheduling and restructuring of loans. RFL has replied to such letters and complaints received and has taken necessary corrective action where considered necessary. RFL has not received any communication from the customers after replying to their complaints and letters.
3. A notice has been received by RFL from the Competition Commission of India, Director General (Investigation Wing of the Competition Commission) under Section 36(2) read with 41(2) of the Competition Act, 2002, objecting to the practice of charging pre-closure charges and requiring a period of 12 months as lock in period for the customer to foreclose the loan. RFL filed its reply and arguments have concluded in the matter. The matter is currently pending.
4. RFL has received various other communications from SEBI, CDSL and RBI seeking certain information and documents pertaining to off market trades, trading of scrips of certain companies and pertaining to reporting of compliance of the observations made during the course of inspections. RFL has provided the information and documents required by SEBI, CDSL and RBI from time to time and no further communication has been received by RFL in this regard from the said authorities/ entity.

Legal Notices

1. RFL received a legal notice from MGC & Co. on behalf of Desha Management and Consultants Private Limited, Bangalore wherein a winding-up notice was served upon RFL, on a claim of ₹ 1 million for outstanding payment. The notice was duly replied to, following which no further correspondence indicating initiation of further litigation has been received by RFL.
2. In 146 accounts, the defaulter clients have served legal notices as a counter to legal proceedings initiated by us wherein the amount claimed as compensation is approximately ₹ 2.65 million.

Details of litigation/complaint filed by the company:

RFL has initiated proceedings under Section 138 of the N.I. Act against 3,750 customers for dishonour of cheques, for recovery of an aggregate amount of ₹ 1,262.90 million. All such complaints are currently pending. Further, RFL has filed 1,179 arbitration claims aggregating to ₹ 752.60 million against defaulter clients.

- 2A. We have included litigation details of Religare Housing Development Finance Corporation Limited, a subsidiary of Religare Finvest Limited, as the cases mentioned below may materially and adversely affect

the operations or the financial positions of Religare Finvest Limited which may in turn materially and adversely affect the operations or the financial position of the Company.

Religare Housing Development Finance Corporation Limited (“RHDFCL”)

Writ Proceedings

1. Mr. Mirza Kadir Beg had filed a writ petition (4651/2008) against RHDFCL and others before the High Court of Madhya Pradesh at Indore, against the proceedings initiated by RHDFCL under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interests, 2002 (the “**Securitization Act**”). The High Court by its order directed that the matter be adjudicated within three months and accordingly returned the matter to the lower court. The amount payable by the customer is under dispute with RHDFCL wherein RHDFCL claims that the amount outstanding on the customer’s account is ₹ 0.62 million while the Customer has expressed willingness to only pay ₹ 0.1 million. The matter is currently pending.
2. Mr. Valmiki Mundkur had filed a writ petition (7/2011) at DRT, Jhandewalan Extension, New Delhi against the proceedings initiated by RHDFCL under the Securitization Act. The Court had passed a conditional order that the petitioner has to make a payment of ₹ 0.5 million within ten days from February 4, 2011 and ₹ 2 million within next 20 days. The matter is currently pending.

Tax Proceedings

Assessment Year 2008-2009

1. The Income Tax Officer, Company Ward 6(3), New Delhi (“**Assessing Officer**”) by way of an assessment order disallowed certain deductions on account of disallowance of excess depreciation on building, method adopted for computing deduction under Section 36(1)(viii) of the IT Act, disallowance of interest accrued on NPA not provided while computing the total taxable income of RHDFC for the assessment year 2008-09. The Assessing Officer assessed the total income of RHDFCL at ₹ 1.42 million, and raised a tax demand of ₹ 0.26 million and initiated penalty proceedings under Section 271(1) (c) of the IT Act. RHDFC has filed an appeal before the Commissioner of Income Tax (Appeals)-IX, New Delhi (“**CIT(A)**”) against the said assessment order. RHDFC has also filed a letter before the Assessing Officer requesting to keep the penalty proceedings in abeyance till the disposal of appeal. The matter is currently pending.

Assessment Year 2005-06

1. The Income Tax Officer, Company Ward 6(3), New Delhi (“**Assessing Officer**”), by way of an assessment order made additions relating to the method adopted by the Company for claiming deduction under Section 36(1)(viii) of the IT Act and on account of interest accrued on NPAs not provided, while computing the total taxable income of RHDFCL for the assessment year 2005-06. The Assessing Officer assessed the total income of RHDFCL at ₹ 0.64 million and raised a tax demand of ₹ 0.22 million. RHDFCL filed an appeal before the Commissioner of Income Tax (Appeals), New Delhi (“**CIT(A)**”) against the said assessment order and pursuant to the dismissal of the appeal by the CIT(A) RHDFC filed an appeal before the Income Tax Appellate Tribunal Delhi Bench ‘E’ (“**ITAT**”) against the order of the CIT (A). The ITAT vide its order dismissed RHDFCL’s appeal. RHDFCL has filed an appeal before the High Court of Delhi which has been admitted. The matter is currently pending before the High Court of Delhi.

Assessment Year 2004-05

1. The Income Tax Officer, Company Ward 6(3), New Delhi (“**Assessing Officer**”), by way of an assessment order made additions relating to the method adopted by the Company for claiming deduction under Section 36(1)(viii) of the IT Act and on account of interest accrued on NPAs not provided, while computing the total taxable income of RHDFC for the assessment year 2004-05. The Assessing Officer assessed the total income of RHDFCL at ₹ 5.98 million and raised a tax demand of ₹ 1.42 million. RHDFCL filed an appeal before the Commissioner of Income Tax (Appeals), New Delhi (“**CIT(A)**”) against the said assessment order and pursuant to the dismissal of the appeal by the CIT(A) RHDFCL filed an appeal before the Income Tax Appellate Tribunal Delhi Bench ‘E’ (“**ITAT**”) against

the order of the CIT (A). The ITAT vide its order dismissed RHDFCL's appeal. RHDFCL has now filed an appeal before the High Court of Delhi which has been admitted. The matter is currently pending before the High Court of Delhi.

Assessment Year 2003-04

1. The Income Tax Officer, Company Ward 6(3), New Delhi ("**Assessing Officer**"), by way of an assessment order made additions relating to the method adopted by the Company for claiming deduction under Section 36(1)(viii) of the IT Act and account of interest accrued on NPAs not provided, while computing the total taxable income of RHDFC for the assessment year 2003-04. The Assessing Officer assessed the total income of RHDFCL at ₹ 31.45 million and raised a tax demand of ₹ 7.1 million. RHDFC had filed an appeal before the Deputy Commissioner of Income Tax (Appeals), Circle 6(1) New Delhi ("**CIT(A)**") against the said assessment order and pursuant to dismissal of the appeal by CIT(A) RHDFC filed an appeal before the Income Tax Appellate Tribunal Delhi Bench 'E' ("**ITAT**") against the order of the CIT (A). The ITAT vide its order dismissed RHDFC's appeal. RHDFC has now filed an appeal before the High Court of Delhi which has been admitted. The matter is currently pending before the High Court of Delhi.

Assessment Year 2001-02

1. The Deputy Commissioner of Income Tax, Circle 6(1), New Delhi ("**Assessing Officer**"), by way of an assessment order disallowed certain deductions on account of disallowance of deduction under Section 36(1)(viii) of the IT Act, addition on account of interest on NPAs under Section 43D, excess claim of bad debts, disallowance under Section 40(a)(i) while computing the total taxable income of RHDFC for the assessment year 2001-02. Accordingly the Assessing Officer assessed the total income of RHDFCL at ₹ 0.24 million. The Deputy Commissioner of Income Tax, Circle 6(1) passed a penalty order and raised a penalty demand of ₹ 1.4 million. RHDFC had filed an appeal before the Assistant Commissioner of Income Tax (Appeals), Circle 6(1) New Delhi ("**CIT(A)**") against the said assessment order wherein the CIT(A) and pursuant to its dismissal, RHDFC filed an appeal before the Income Tax Appellate Tribunal Delhi Bench 'D' ("**ITAT**") against the order of the CIT (A), and against the penalty order. The ITAT vide its order dismissed RHDFC's appeal against the CIT(A)'s order and allowed the appeal against the penalty order. RHDFC has now filed an appeal dated before the High Court of Delhi which has been admitted. The matter is currently pending before the High Court of Delhi.

Civil Proceedings

1. Mr. D. Kantha has filed a case before the District Recovery Tribunal, Bangalore (07/2008) against RHDFCL alleging that RHDFCL assigned his account to ICICI Bank Limited without his prior intimation. The court by its order held that the petitioner is not liable to pay the amount on account of the assignment. RHDFCL filed an appeal against the aforesaid order before the High Court of Karnataka. The matter is to be listed before the High Court of Karnataka and is currently pending.

3. RELIGARE INSURANCE BROKING LIMITED ("RIBL**")**

Civil Proceedings- Labour Cases

Various individuals have filed 4 complaints against RIBL before Labour Commissioner, Assistant Labour Commissioner, Labour Enforcement Officer and the Labour Conciliation Officer in Bhopal, Alwar, Dehradun and Muzaffar Nagar. In all the complaints, the allegations are of the nature such as maltreatment or harassment by a supervisor, non-payment of salary, illegal termination of services, termination of services without providing any reason or written notice, non-payment of retrenchment compensation and for reinstatement with back wages etc. The matters are pending disposal before the respective Courts/Commissioners.

RIBL is also in receipt of a notice from Assistant Labour Commissioner, Guwahati, Assam pursuant to inspection under the provisions of the Assam Shops and Establishments Act, 1971 along with the Minimum Wages Act, 1948, Payment of Bonus Act, 1965 and rules framed under the respective statutes. The matter is currently pending.

Tax proceedings

Assessment Year 2007 – 2008

1. The Additional Commissioner of Income Tax, Range-15, New Delhi (“**Assessing Officer**”) by way of an assessment order disallowed certain deductions on account of disallowances of expenses under Section 40A while computing RIBL’s total income for the assessment year 2007-08. Accordingly the Assessing Officer assessed the total income of RIBL at ₹ -3.06 (loss) million thereby reducing the total loss to be carried forward and initiated penalty proceedings under Section 271(1) (c) of the IT Act against RIBL. RIBL has filed an appeal before the Commissioner of Income Tax (Appeals)-XVIII, New Delhi (“**CIT(A)**”) against the said assessment order. RIBL has filed a letter before the Assessing Officer requesting to keep the penalty proceedings in abeyance till the disposal of appeal. The matter is currently pending before the CIT(A).

Assessment Year 2008- 2009

1. The Assistant Commissioner of Income Tax, Circle 15(1), New Delhi (“**Assessing Officer**”) by way of an assessment order, disallowed a part of the depreciation deduction claimed by RIBL on account of excess depreciation and made additions of ₹ 0.02 million while computing RIBL’s total income for the assessment year 2008-09. The Assessing Officer assessed the total income of RIBL at ₹ -86.4 million (loss) thereby reducing the loss to be carried forward and initiated penalty proceedings under Section 271(1) (c) of the IT Act against RIBL. RIBL has filed an appeal before the Commissioner of Income Tax (Appeals)-XVIII, New Delhi (“**CIT(A)**”) against the above order. RIBL has also filed a letter before the Assessing Officer requesting to keep the penalty proceedings in abeyance till the disposal of appeal. The matter is currently pending.

TDS Default

1. RIBL received demands on a quarterly basis for financial years 2007-2008 and 2008-2009 respectively under Section 201(1) / 201(1A) of the IT Act, wherein demands were raised on account of short deduction of tax at source (“**TDS**”) and / or TDS deducted but not paid by RIBL. These demands are primarily on account of mismatch in the online database of tax department with the returns/ challans filed by RIBL. For the financial year 2007-2008, RIBL received 1 demand notice for default aggregating to ₹ 70,420 and RIBL has filed an appeal against such notice. For the financial year 2008-2009, RIBL received 2 demand notices for default aggregating to ₹ 149,210 and RIBL has filed an appeal against 1 such notice. The proceedings arising from such demands are currently pending.

Regulatory Proceedings

The Insurance Regulatory and Development Authority (the “**IRDA**”) vide its notice dated January 6, 2010 advised RIBL to show cause against the observations of not paying the annual fee for financial year 2008-09 in time and taking sum insured of professional indemnity insurance policy for a lesser amount (Regulation 24 of the IRDA (Insurance Brokers) Regulations, 2002). Notice was duly replied subsequent to which the IRDA by its letter (IRDA/CB341/06) dated January 13, 2010 issued a warning in relation to non-compliance of Regulation 24 as it was noticed for the first time in relation to non-payment of annual fees and imposed a penalty of ₹ 0.05 million.

4. RELIGARE VENTURE CAPITAL LIMITED

Nil

5. RELIGARE FINANCE LIMITED

Nil

6. RELIGARE CAPITAL MARKETS LIMITED (“RCM**”)**

Tax Proceedings

TDS Default

1. RCM received demands on a quarterly basis for financial year 2008-2009 under Section 201(1) /

201(1A) of the IT Act, wherein demands were raised on account of short deduction of tax at source (“TDS”) and / or TDS deducted but not paid by RCM. These demands are primarily on account of mismatch in the online database of tax department with the returns/ challans filed by RCM. For the financial year 2008-2009, RCM received 3 demand notices for default aggregating to ₹ 516,360 and RCM has filed an appeal against such notices. The proceedings arising from such demands are currently pending.

Regulatory Proceedings

1. Since January 2009, NSE has levied an aggregate penalty/fine of approximately ₹ 0.16 million on RCM, as charges for delay in submitting and uploading the ‘Unique Client Code’, ‘Computer To Computer Link’ related details, and late submissions of monthly disclosures and the BSE has levied an aggregate penalty/fine of approximately ₹ 0.17 million on RCM, as charges for delay in submitting and uploading the ‘Unique Client Code’, ‘IML’ related details, late submissions of monthly disclosures and client code modification.
2. RCM has received a letter from BSE dated June 16, 2009 warning RCM in relation to altering its share capital without taking the requisite approval and letter dated April 28, 2010 from National Securities Clearing Corporation Limited (“NSCCL”) seeking explanation for failure to make delivery or shortage in delivery against sales made by clients. RCM has duly replied to the letter received from NSCCL and no further communication has been received from the NSCCL or BSE in relation to any of these matters.

7. REL INFRAFACILITIES LIMITED

Nil

8. RELIGARE ARTS INITIATIVE LIMITED

Nil

9. RELIGARE HEALTH INSURANCE COMPANY LIMITED

Nil

10. VISTAAR RELIGARE CAPITAL ADVISORS LIMITED

Nil

11. RELIGARE GLOBAL ASSEST MANAGEMENT INC.

Nil

MATERIAL DEVELOPMENTS

Recent Developments

In accordance with circular no.F.2/5/SE/76 dated February 5, 1977 issued by the Ministry of Finance, Government of India, as amended by Ministry of Finance, GoI through its circular dated March 8, 1977 and in accordance with sub-item (B) of item X of Part E of the SEBI Regulations, the information required to be disclosed for the period between the last date of the financial statements provided to the shareholders and the date preceding one month from the date of Draft Letter of Offer is provided below:

1. Working results of the Company on a stand-alone basis for the period from January 1, 2011 to March 31, 2011

Sr. No.	Particulars	Amount (in ₹ Million)
(i)	Total Sales/ Turnover	-
(ii)	Other Operating Income	213.74
(iii)	Total Income	544.20
(iv)	PBDIT	231.49
(v)	Interest/ Finance charges (net)	23.94
(vi)	Provision for depreciation	10.73
(vii)	Provision for tax	4.91
(viii)	Profit after tax	191.91

2. Material changes and commitments, if any, affecting the financial position of the Company

Acquisition of Landmark Partners

We have acquired a 55% interest in Landmark Partners for US\$ 171.50 million on April 18, 2011. Landmark Partners was incorporated in the United States in 1989, and is a leading private equity and real estate investment advisory company with approximately US\$ 8.5 billion in committed capital across its 27 funds as of December 31, 2010. Landmark Partners was chosen as the “Best Secondaries Firm in North America” for the years 2009 and 2010 by Private Equity International.

Commencement of health insurance business

We intend to commence our health insurance business in India in the near future. Our Subsidiary, RHIL, has obtained an R1 approval bearing letter reference 150/Religare Health/ NL/10-11 dated January 6, 2011 from the IRDA and has applied for R2 registration by its application dated January 10, 2011.

Acquisition of minority stake in Investment Professionals Limited

We have acquired a minority stake in Investment Professionals Limited (“IPRO”) in May, 2011. Founded in 1992, IPRO is an investment management services company based in Mauritius and Botswana. IPRO has in excess of US\$ 300 million of assets under management with a diversified client base. IPRO manages two Mauritius-listed funds: IPRO Growth Fund and P.O.L.I.C.Y Limited and has a team of 15 fund managers and analysts.

3. Stock Market Data

For details please refer to section “Stock Market Data for Equity Shares” on page 400.

GOVERNMENT AND OTHER APPROVALS

The Company has received the necessary consents, licenses, permissions and approvals from the various Governmental agencies required for their present business and to undertake the Issue and no further material approvals are required for carrying on their present activities. In addition, except as mentioned in this Section “Government Approvals and Licensing Arrangements”, as on the date of the DLoF, there are no pending regulatory and government approvals and no pending material renewals of licenses or approvals in relation to the activities undertaken by the Company or in relation to the Issue.

Approvals for the Issue:

A. Board resolution dated April 26, 2011 approving the Issue.

B. In-principle approval from the BSE dated [●].

C. In-principle approval from the NSE dated [●].

Approvals/Licenses/ Permission received for the Company’s business:

The Company and its subsidiaries require various approvals/Licenses/Permission for it to carry on its business in India. Some of these have expired in the ordinary course of business and applications for their renewal have been submitted.

As on date of this Draft Letter of Offer the following applications are pending:

Mentioned below are the approvals applied for, but not obtained, by our Company

1. Our Company has through application dated March 28, 2011 applied for registration as a Systemically Important Non-deposit taking Core Investment Company (CIC–ND-SI) in terms of the revised Regulatory Framework for Core Investment Companies (“CIC”) issued by the RBI on January 5, 2011.
2. Our Company has made an application on December 4, 2009 before the Employee Provident Fund Commissioner for grant of exemptions under Section 17(1)(a) of the EPF and MP Act, 1952.

Mentioned below are the approvals applied for, but not obtained, by our Subsidiaries:

1. **Religare Capital Markets Limited** has made an application on October 16, 2009 before SEBI for registration as a ‘Custodian of Securities’ under the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996;
2. **Religare Securities Limited** has made an application on July 07, 2010 before the Delhi Stock Exchange Limited for registration as Trading cum Clearing membership of Capital Market segment;
3. **Religare Health Insurance Company Limited** has made an application on January 10, 2011 before the IRDA, seeking registration for R2 licence for approval from IRDA; and

Approvals pending in relation to Intellectual Property

Our Company and certain of our subsidiaries have filed the following applications with the Trademark Registry, GoI, for grant of certificates of registration of the following names and marks under the Fourth Schedule of the Trademark Rules, 2002, all of which are currently pending registration:

Our Company

S. No.	Description of application	Class	Date of application	Application No.
1.	“TORCH”	41	August 1, 2006	1476052
2.	“FLAME”	41	August 1, 2006	1476053
3.	“SPARK”	41	August 1, 2006	1476051
4.	“FIRE”	41	August 1, 2006	1476050

S. No.	Description of application	Class	Date of application	Application No.
5.	"RELIGARE FINMART"	36	May 7, 2008	1684442
6.	"VISTAAR RELIGARE"	9,36	May 9, 2008	1685545 & 1685547
7.	"RELIGARE TECHNOVA"	9,36,38,42	June 2, 2008	1693491-94

RSL

S. No.	Description of application	Class	Date of application	Application No.
1.	"ELEPHANT"	36	May 3, 2006	1450232
2.	"HAWK EYE"	36	May 3, 2006	1450233
3.	"CATERPILLAR"	36	May 3, 2006	1450234
4.	Composite mark "R-ACE (PRO)"	36	April 26, 2006	1448254
5.	Composite mark "R-ACE"	36	April 26, 2006	1448253
6.	Composite mark "R-ACE (LITE)"	36	April 26, 2006	1448255
7.	Femme Power	9,35,36	February 19, 2009	1787368-70
8.	www.religareonline.com along with phrase Your World Online	9,35,36,41	Feb 23, 2010	1926254-57
9.	ShareMart	35,36	April 6, 2010	1946217-18

RFL

S. No.	Description of application	Class	Date of application	Application No.
1.	Powering Your Dreams	36	23 Feb 2010	1926253

RIBL

S. No.	Description of application	Class	Date of application	Application No.
1.	"Insurance Mart" and the Design	9,35,36,41	February 24, 2009	1788577-1788580

RAIL

S. No.	Description of application	Class	Date of application	Application No.
1.	"The Connaught Place, The Why Not Place"	2,16	September 16, 2009	1863397 and 18633988
2.	Arts.i	2,16,35,36,42	23 Feb 2010	1926248-52

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Pursuant to the resolution passed by our Board of Directors at its meeting held on April 26, 2011, it has been decided to make the rights offer to the Equity Shareholders of our Company with a right to renounce under Section 81(1) of the Companies Act. The Board in its meeting held on [●] determined the Issue Price as [●] per Equity Shares and the Rights Entitlement as [●] Equity Share for every [●] fully paid up Equity Shares held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Managers.

Prohibition by SEBI, RBI or governmental authorities

Our Company, our Subsidiaries, our Directors, our Promoters and our Promoter Group operate in a highly regulated environment which is regulated by authorities and institutions such as SEBI, FMC, RBI, CDSL, NSDL, BSE, NSE, IRDA, MCX, NCDEX and NMCE pursuant to various applicable Indian laws and have received certain correspondences from time to time containing directions and observations from such authorities/ entities.

Certain correspondences have been issued to the Subsidiaries and the Directors of the Company who are also on the board of the Subsidiaries directing such persons to refrain from dealing with certain scrips, directing compliance with bulk deal reporting requirements, seeking explanation for entering into transactions on behalf of clients, directions to take corrective steps and improve systems, summoning information in connection with investigation instituted by SEBI in case of dealings of certain clients, etc. Such authorities have also levied certain penalties on such Subsidiaries. For detail refer to the Section “Outstanding Litigations and Defaults” on page 422.

Further neither the Company, its Subsidiaries, the Promoters, the Group Companies nor the relatives of the Promoters have been identified as willful defaulters by the RBI or any other authority and no violations of securities laws have been committed by them in the past and no proceedings in relation to such violations are currently pending against them.

Eligibility for the Issue

Our Company has and shall continue to be in compliance with the following conditions specified under Regulation 4(2) of the SEBI Regulations:

- None of our Company, our Promoters, the members of our Promoter Group, our Directors or persons in control of our Company are debarred from accessing the capital market by the SEBI;
- Our Directors, our Promoters and the persons in control of our Company were not and are not associated as directors or promoters or persons in control of any other company which is debarred from accessing the capital markets under any order or directions made by the SEBI;
- Our Company has applied to the NSE and the BSE for obtaining their in-principle listing approval for listing of our Equity Shares under this Issue and has received same from the NSE and the BSE pursuant to their respective letters dated [●]. For the purposes of this Issue, the NSE shall be the Designated Stock Exchange;
- Our Company has entered into agreements dated May 16, 2007 and May 18, 2007, with NSDL and CDSL, respectively, for dematerialisation of our Equity Shares;
- The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Letter of Offer; and
- We propose to meet all the requirement of funds for the objects as stated in “Objects of the Issue” entirely from the Net Proceeds and no amount is required to be raised through means other than this Issue for financing the same. Accordingly, the requirement of firm arrangements of finance through verifiable means for 75% of the stated means of finance excluding the Issue Proceeds does not arise.

Compliance with part E of schedule VIII of SEBI Regulations

The Company is an existing listed company registered under the Companies Act whose Equity Shares are listed on the BSE and the NSE. It is eligible to offer the Issue in terms of Chapter IV of the SEBI Regulations. The Company is in compliance with the provisions specified in Clause (1), Part E, Schedule VIII of the SEBI Regulations as explained below:

- a) the Company has been filing periodic reports, statements and information in compliance with the listing agreement for the last three years immediately preceding, the date of filing the draft letter of offer with the SEBI;
- (b) the reports, statements and information referred to in sub-clause (a) above are available on the website of any recognized stock exchange with nationwide trading terminals or on a common e-filing platform specified by SEBI;
- (c) the Company has investor grievance-handling mechanism which includes meeting of the Shareholders' or Investors' Grievance Committee at frequent intervals, appropriate delegation of power by the board of directors of the Company as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances;

Further, under clause (3) of Part E of Schedule VIII of the SEBI Regulations, our Company is not required to make disclosures under Part A of Schedule VIII as:

- (i) the Company's management has not undergone any change pursuant to acquisition of control in accordance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and is not making a rights issue of specified securities for the first time subsequent to such change; and
- (ii) the Company's securities have not been listed consequent to relaxation granted by the SEBI under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 for listing of its specified securities pursuant to a scheme sanctioned by a High Court under Sections 391 to 394 of the Companies Act, 1956 and is not making a rights issue of specified securities for the first time subsequent to such listing.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. THE LEAD MANAGERS, NOMURA FINANCIAL ADVISORY & SECURITIES (INDIA) PRIVATE LIMITED AND RELIGARE CAPITAL MARKETS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGERS, NOMURA FINANCIAL ADVISORY & SECURITIES (INDIA) PRIVATE LIMITED AND RELIGARE CAPITAL MARKETS LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED May 6, 2011 WHICH READS AS FOLLOWS:

- (1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO IN CONNECTION WITH THE FINALISATION OF THE DRAFT LETTER OF OFFER PERTAINING TO THE ISSUE;
- (2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

 - (a) THE DRAFT LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - (b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE GOVERNMENT OF INDIA AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - (c) THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
- (3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
- (4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE
- (5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS/DRAFT PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS/DRAFT PROSPECTUS – NOT APPLICABLE
- (6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS/DRAFT PROSPECTUS – NOT APPLICABLE
- (7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT

SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE

- (8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE OBJECTS LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
- (9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE
- (10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.
- (11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
- (12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:
 - (a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY AND
 - (b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
- (13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. - NOTED FOR COMPLIANCE
- (14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
- (15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCE AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THIS DRAFT LETTER OF OFFER.

Caution

Disclaimer clauses from the Company and the Lead Managers

The Company and the Lead Managers accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by the Company or by any other persons at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his own risk.

The Lead Managers and the Company shall make all information available to the Equity Shareholders and no selective or additional information would be available for a section of the Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer with SEBI.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this document. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date. Investors who invest in the Issue will be deemed to have been represented by the Company and Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice/ evaluation as to their ability and quantum of investment in this Issue.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian Laws and the applicable rules and regulations there under. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in New Delhi, India only.

The distribution of the Draft Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession the Draft Letter of Offer may come are required to inform themselves about and observe such restrictions. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in New Delhi, India only.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer will be filed with SEBI for observations and SEBI may give its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Letter of Offer may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Filing

The Draft Letter of Offer will be filed with SEBI, SEBI Bhavan, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India for its observations.

This Draft Letter of Offer would also be filed with the Designated Stock Exchange as per the provisions of the Companies Act.

United States Restrictions

NEITHER THE RIGHTS ENTITLEMENTS NOR THE EQUITY SHARES THAT MAY BE PURCHASED PURSUANT THERETO HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF (THE "UNITED STATES" OR THE "U.S.") OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, "US PERSONS" (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT ("REGULATIONS")), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS REFERRED TO IN THIS DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE ISSUE TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY SHARES OR RIGHTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SHARES OR RIGHTS. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. NEITHER THE COMPANY NOR ANY PERSON ACTING ON BEHALF OF THE COMPANY WILL ACCEPT SUBSCRIPTIONS FROM ANY PERSON, OR THE AGENT OF ANY PERSON, WHO APPEARS TO BE, OR WHO THE COMPANY OR ANY PERSON ACTING ON BEHALF OF THE COMPANY HAS REASON TO BELIEVE IS, A RESIDENT OF THE UNITED STATES AND TO WHOM AN OFFER, IF MADE, WOULD RESULT IN REQUIRING REGISTRATION OF THIS DRAFT LETTER OF OFFER WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. THE COMPANY IS INFORMED THAT THERE IS NO OBJECTION TO A UNITED STATES SHAREHOLDER SELLING ITS RIGHTS IN INDIA. RIGHTS MAY NOT BE TRANSFERRED OR SOLD TO ANY U.S. PERSON.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of this Issue will be the NSE.

Disclaimer Clause of the BSE

As required, a copy of this Draft Letter of Offer shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer.

Disclaimer Clause of the NSE

As required, a copy of this Draft Letter of Offer shall be submitted to the BSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer.

Dematerialised dealing

Our Company has entered into agreements dated May 16, 2007 and May 18, 2007 with NSDL and the CDSL, respectively, for its existing Equity Shares bearing the ISIN INE621H01010.

Listing

The existing Equity Shares are listed on the Stock Exchanges. Our Company has made applications to the Stock Exchanges for permission to deal in and for an official quotation in respect of the Equity Shares being offered in terms of the Draft Letter of Offer. Our Company has received in-principle approvals from the BSE and the NSE by letters dated [●]. Our Company will apply to the Stock Exchanges for listing of the Equity Shares to be issued pursuant to this Issue.

If the permission to deal in and for an official quotation of the securities is not granted by any of the Stock Exchanges mentioned above, within 15 days from the Issue Closing Date, our Company shall forthwith repay, without interest, all monies received from applicants in pursuance of this Draft Letter of Offer. If such money is not paid within eight days after our Company becomes liable to repay it, then our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the Section 73 of the Companies Act.

Consents

Consents in writing of the Company Secretary and Compliance Officer, Auditor, Directors, Lead Managers, domestic legal counsel to the Issue, international legal counsel to the Issue and Registrar to the Issue to act in their respective capacities have been obtained and filed with SEBI, along with a copy of the Draft Letter of Offer and such consents have not been withdrawn up to the time of delivery of this Draft Letter of Offer with the Stock Exchanges.

M/s. Price Waterhouse, Chartered Accountants, being the Auditors have given their written consent for the inclusion of their audit reports on the consolidated and standalone financial statements for the Fiscals 2009, 2010 and their review report on the consolidated and standalone unaudited condensed financial statements for the nine month periods ending December 31, 2010 and December 31, 2009 and for their report on the Statement of Tax Benefits, in the form and content as appearing in this Draft Letter of Offer and such consents and reports have not been withdrawn up to the time of delivery of this Draft Letter of Offer with the stock exchanges.

To the best of our knowledge there are no consents required for making this Issue other than those required to be obtained from the Bankers to the Issue and the monitoring agency, which shall be obtained at an appropriate stage. However, should the need arise, necessary consents shall be obtained by us.

Expert Opinion, if any

Except for the audit reports of the Auditor of our Company on the consolidated and standalone financial statements of the Company as at and for the years ended March 31, 2009 and 2010 and their review report on the reviewed condensed consolidated and standalone financial statements as at and for the nine month periods ending December 31, 2010 and 2009 and their report on Statement of Tax Benefits, we have not obtained any other expert opinion in relation to this Issue.

Expenses of this Issue

The expenses of this Issue payable by our Company including brokerage, fees and reimbursement to the Lead Managers, Auditors, Monitoring Agency, legal counsels, Registrar to the Issue, printing and distribution expenses, publicity, listing fees, stamp duty and other expenses are estimated at ₹ [●] (around [●]% of the total Issue size) and will be met out of the proceeds of this Issue.

Particulars	Estimated Expenses (₹ millions)	% of Estimated Issue size	% of Estimated Issue expenses
Fee of the Lead Manager	[●]	[●]	[●]
Bankers to the Issue			
Fees to SCSBs for ASBA applications	As may be applicable		
Fees of the Registrar to the Issue	[●]	[●]	[●]
Advisors (fees to legal counsels)			
Printing and stationery, distribution, postage, etc.	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others (Monitoring agency fees, stamp duty, etc.)	[●]	[●]	[●]
Total	[●]	[●]	[●]

Fees Payable to the Lead Managers to the Issue

The fees payable to the Lead Managers to the Issue are set out in the engagement letters issued by our Company to the Lead Managers and the Issue Agreement entered into by our Company with the Lead Managers, copies of which are available for inspection at our Corporate Office.

Fees Payable to the Registrar to the Issue

The fee payable to the Registrar to the Issue is as set out in the relevant documents, copies of which are available for inspection at our Corporate Office.

Previous Public/ Rights Issues by our Company

In 2007, our Company made an initial public offering of 75,76,102 Equity Shares for cash at a price of ₹ 185 per Equity Share (including a premium of ₹ 175 per Equity Share) aggregating to ₹ 1,401.6 million through a prospectus dated November 2, 2007. The IPO opened on October 29, 2007 and closed on November 1, 2007. The Equity Shares were listed on November 21, 2007 on the Stock Exchanges.

Subsequently, in 2010, our Company made a Rights Issue of 511,07,401 Equity Shares for cash at a price of ₹ 355 per Equity Share (including a premium of ₹ 345 per Equity Share) aggregating up to ₹ 1,8143.1 million to the Equity Shareholders of the company on rights basis in the ratio of two equity shares for every three equity shares through a Letter of offer dated January 19, 2010. The Rights Issue opened on February 1, 2010 and closed on February 15, 2010.

Investor Grievances arising out of this Issue

Our Company has a Shareholders/Investor Grievance Committee which meets as and when required, to deal and monitor redressal of complaints from shareholders. Generally, the investor grievances are dealt within seven Working Days of the receipt of the complaint. Our Company has adequate arrangements for redressal of Investor complaints. There is a well-arranged correspondence system developed for letters of routine nature. Letters are filed category wise after having attended to. Redressal norm for response time for all correspondence including shareholders complaints is 10 Working Days. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company's investor grievances arising out of this Issue will be handled by Mr. Ravi Batra, the Senior Vice President (Corporate Affairs), Company Secretary and Compliance Officer and Karvy, being the Registrar to the Issue. The Registrar to the Issue will have a separate team of personnel handling only our post-Issue correspondence.

The agreement between us and the Registrar to the Issue will provide for retention of records with the Registrar for a certain period from the last date of dispatch of Letter of Allotment/ share certificate / warrant/ refund order to enable the Registrar to the Issue to redress grievances of Investors.

All grievances relating to this Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact telephone / cell numbers, email id of the first applicant, number and type of shares applied for, CAF serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

We undertake to resolve the investor grievances in a time bound manner.

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-Issue or post-Issue related problems such as non-receipt of Letter of Offer, letter of Allotment, split application forms, share certificate(s) or Refund Orders. The address of the Compliance Officer is as follows:

Mr. Ravi Batra

D3, P3B, District Centre, Saket,

New Delhi - 110017, India.

Telephone: +91 11 3912 5000/ +91 120 339 1000

Facsimile: +91 11 3912 6505 / +91 120 339 4020 / 339 4109

Email: investorrights@religare.com

Status of Investor Complaints

As of March 31, 2011, there are no investor grievances pending against our Company.

Outstanding Debentures or Bonds or Preference Shares

Other than as described in the Section "Capital Structure" on page 28, our Company has no outstanding debentures or bonds or preference shares.

Option to Subscribe

Other than this Issue, our Company has not given any person any option to subscribe to the Equity Shares.

Important

- This Issue is being undertaken pursuant to the resolutions passed by our Board of Directors at its meetings held on April 26, 2011.
- This Issue is applicable to those Equity Shareholder whose names appear as beneficial owners as per the list to be furnished by the depositories in respect of the Equity Shares held in the electronic form and on the Register of Members of our Company at the close of business hours on the Record Date i.e. [●], after giving effect to the valid share transfers lodged with our Company upto the Record Date i.e. [●].
- Your attention is drawn to the Section “Risk Factors” on page xii of this Draft Letter of Offer.
- Please ensure that you have received the Composite Application Form (“CAF”) with the Draft Letter of Offer and Abridged Draft Letter of Offer.
- Please read the Draft Letter of Offer/Abridged Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are each an integral part of the Letter of Offer and must be carefully followed. An application is liable to be rejected for any non-compliance of the provisions contained in the Draft Letter of Offer or the CAF. An Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper. For further details, see the Section “Terms of the Issue – Application on Plain Paper” on page 464.
- ASBA Investors shall be required to indicate either in (i) Part A of the CAF, or (ii) a plain paper application, as to whether they desire to avail of the ASBA option. Please note that pursuant to the SEBI circular dated April 29, 2011, all applicants who are QIBs or are applying in this Issue for Equity Shares for an amount exceeding ₹ 200,000, shall mandatorily make use of ASBA facility.
- All enquiries in connection with the Draft Letter of Offer or CAF or SAF should be addressed to the Registrar to the Issue, quoting the Registered Folio number/ DP and Client ID number and the CAF number and the name of the first Equity Shareholder as mentioned on the CAF and superscribed “REL- Rights Issue” on the envelop.
- All information shall be made available to the Investors by the Lead Managers and our Company, and no selective or additional information would be available by them for any section of the Investors in any manner whatsoever including at presentations, in research or sales reports, etc.
- The Lead Managers and our Company shall update the Draft Letter of Offer and keep the Investors informed of any material changes till the listing and trading commences.

Issue Schedule

Issue Opening Date:	[●]
Last date for receiving requests for Split Application Forms:	[●]
Issue Closing Date:	[●]

Our Board may however decide to extend the Issue period as it may determine from time to time, but not exceeding 30 days from the Issue Opening Date.

Changes in Auditors during the last three years

There have been no changes in our statutory auditors over the last three years.

SECTION VII – OFFERING INFORMATION

TERMS OF THE ISSUE

The Equity Shares, now being issued, are subject to the terms and conditions contained in this Draft Letter of Offer, the enclosed Composite Application Form (“CAF”), FEMA, the Memorandum and Articles of Association of our Company, the provisions of the Companies Act, guidelines issued by SEBI, guidelines, notifications and regulations for issue of capital and for listing of securities issued by GOI and/or other statutory authorities and bodies from time to time, and the terms and conditions as stipulated in the allotment advice or Draft letter of allotment or security certificate and rules as may be applicable and introduced from time to time.

Basis for the Issue

The Equity Shares are being offered for subscription for cash to those existing Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the depositories in respect of the Equity Shares held in the electronic form and on the register of members of our Company in respect of Equity Shares held in the physical form at the close of business hours on the Record Date, i.e., [●] fixed in consultation with the Stock Exchanges.

Principal Terms and Conditions of the Issue

Face Value

Each Equity Share shall have the face value of ₹ 10.

Issue Price

Each Equity Share is being offered at a price of ₹ [●] (including a premium of ₹ [●]). The Issue Price will be arrived at after consultation between the Company and the Lead Managers.

Terms of payment

The full amount of ₹ [●] per Equity Share is payable on Application.

Where an applicant has applied for additional Equity Shares and is allotted lesser number of Equity Shares than applied for, the excess Application Money paid shall be refunded. The monies would be refunded within fifteen days from the closure of the Issue, and if there is a delay beyond eight days from the stipulated period, our Company will pay interest on the monies in terms of Section 73 of the Companies Act.

Rights Entitlement Ratio

As your name appears as beneficial owner in respect of Equity Shares held in the electronic form or appears in the register of members as an Equity Shareholder of our Company as on [●], i.e., the Record Date, you are entitled to the number of Equity Shares as set out in Part A of the CAF. An Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper. For further details, see the Section “Terms of the Issue – Application on Plain Paper” on page 464. In the event you are an ASBA Investor, you shall be required to indicate either in (i) Part A of the CAF, or (ii) a plain paper application, as to whether you desire to avail of the ASBA option. Please note that pursuant to the SEBI circular dated April 29, 2011, all applicants who are QIBs or are applying in this Issue for Equity Shares for an amount exceeding ₹ 200,000, shall mandatorily make use of ASBA facility.

The Equity Share are being offered on a rights basis to the existing Equity Shareholders of our Company in the ratio of [●] Equity Shares for every [●] Equity Shares held as on the Record Date.

Fractional Entitlements

The Equity Shares are being offered on a rights basis to the existing Equity Shareholders of our Company in the ratio of [●] Equity Shares for every [●] Equity Shares held as on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Equity Shareholders is equal to or less than [●] Equity Shares or is not in multiple of [●], the fractional entitlement of such Equity Shareholders shall

be ignored for computation of rights entitlement. However, Equity Shareholders whose fractional entitlements are ignored will be given preference in the allotment of one additional Equity Share each, if such Equity Shareholders have applied for additional Equity Shares, over and above their Rights Entitlement.

Those Equity Shareholders holding less than [●] Equity Shares and therefore entitled to zero Equity Shares under this Issue shall be dispatched a Composite Application Form (“CAF”) with zero entitlement. Such Equity Shareholders are entitled to apply for additional Equity Shares. However, they cannot renounce their entitlement to apply for additional Equity Shares in favour of any third party. CAF with zero entitlement will be non-negotiable /non-renunciability.

Ranking of Equity Shares

The Equity Shares shall be subject to the Memorandum and Articles of Association of our Company. The dividend payable on Equity Shares allotted in this Issue shall rank pari-passu with the existing Equity Shares for dividend. For further details see the Section “Main Provisions of the Articles of Association” on page 476.

Rights of the Equity Shareholders

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability of shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and our Memorandum and Articles of Association.

For a detailed description of the main provisions of our Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, see “Main Provisions of the Articles of Association” on page 476.

Market Lot

The market lot for the Equity Shares in dematerialised mode is one. In case of physical certificates, our Company would issue one certificate for the Equity Shares allotted to one folio (“Consolidated Certificate”). In respect of Consolidated Certificate, our Company will upon receipt of a request from the respective holder of Equity Shares, split such Consolidated Certificates into smaller denominations.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the issued amount, our Company shall forthwith refund the entire subscription amount received within 15 days from the date of closure of this Issue. If there is a delay beyond eight days after the date from which our Company becomes liable to pay the amount, our Company shall pay interest for the delayed period as prescribed under Section 73 of the Companies Act.

In the event of under-subscription, our Promoters intend to apply for additional Equity Shares, subject to obtaining necessary approvals under the applicable laws, if any, such that this Issue is fully subscribed. As a result of this subscription and consequent Allotment, our Promoters or Promoter Group may acquire Equity Shares over and above their Rights Entitlement in this Issue, which may result in an increase of their shareholding.

This subscription and acquisition of additional Equity Shares by our Promoters or Promoter Group, if any, will not result in change of control of the management of our Company and shall be exempt in terms of proviso to Regulation 3(1)(b)(ii) of the Takeover Code. In the event of the minimum public shareholding falling below the prescribed minimum, our Company will take the necessary steps in ensuring that the minimum public shareholding is restored in compliance with the SEBI Regulations.

As such, other than meeting the requirements indicated in the Section “Objects of the Issue” on page 38, there is no other intention/purpose for this Issue, including any intention to delist our Company, even if, as a result of Allotments to our Promoters or Promoter Group, in this Issue, the equity shareholding of our Promoters in our Company exceeds their current shareholding. Allotment to our Promoters or Promoter Group of any unsubscribed portion, over and above their Rights Entitlement shall be done in compliance with the Listing Agreement.

The above is subject to the terms mentioned under Section “Terms of the Issue- Basis of Allotment” on page 465.

Joint-Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint-holders with benefits of survivorship subject to provisions contained in the Articles of Association of our Company.

Nomination facility

In terms of Section 109A of the Companies Act, nomination facility is available in case of Equity Shares. The applicant can nominate any person who is not an excluded U. S. Person as defined in Regulation S under the U.S. Securities Act of 1933, as amended, by filling the relevant details in the CAF in the space provided for this purpose.

A sole Equity Shareholder or first Equity Shareholder, along with other joint Equity Shareholders being individual(s) may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Equity Shares. A Person, being a nominee, becoming entitled to the Equity Shares by reason of the death of the original Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Equity Shares. Where the nominee is a minor, the Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Share by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. When the Equity Share is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at our Registered Office or such other person at such addresses as may be notified by our Company. The applicant can make the nomination by filling in the relevant portion of the CAF.

Only one nomination would be applicable for one folio. Hence, in case the Shareholder(s) has already registered the nomination with our Company, no further nomination needs to be made for Equity Shares to be allotted in this Issue under the same folio. However, new nominations, if any, by the Equity Shareholder(s) shall operate in supersession of the previous nomination, if any.

In case the Allotment of Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with respective DP of the applicant would prevail. If the applicant requires to change the nomination, they are requested to inform their respective DP.

Offer to Non-Resident Equity Shareholders / Applicants

Applications received from NRIs and NRs for Allotment of Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the Foreign Exchange Management Act, 2000 (FEMA) in the matter of receipt and refund of Application Monies, Allotment of Equity Shares, issue of Draft letter of allotment / share certificates, payment of interest, dividends, etc. General permission has been granted to any person resident outside India to purchase shares offered on a rights basis by an Indian company in terms of FEMA and Regulation 6 of notification No. FEMA 20/2000-RB dated May 3, 2000. However, the general permission referred to in the sentence immediately above is subject to the restrictions described below under “No Offer in the United States”. The equity shares purchased on a rights basis by non-residents shall be subject to the same conditions including restrictions in regard to the repatriability as are applicable to the original equity shares against which equity shares are issued on a right basis.

Our Company had obtained an approval (Ref. No. FC.II: 98 (2007)/85(2007)) dated May 7, 2007 from the FIPB (“**FIPB Approval**”), for issue of up to 18,600,000 equity shares of ₹ 10 each (“**Equity Shares**”) or up to 22% of the post issue paid-up capital of our Company, to non-resident investors, such as FIIs, multilateral and bilateral development financial institutions and non-resident Indians. The approval was granted *inter alia* for making investments as a holding company in various activities that its subsidiaries are engaged in, subject to such activities being confined to only the approved 18 NBFC activities mentioned therein.

Subsequently, our Company has obtained the approval of the FIPB dated August 4, 2008 (Ref. No. FC.II: 98 (2007)/85(2007)-Amend) for seeking amendment to the terms of the FIPB Approval to include issuance of further shares and/or any instrument convertible into Equity Shares, including GDRs and FCCBs, up to 30% of the paid-up capital of our Company and increase the extent of foreign participation in our Company from 22% to 30% of the post-Issue paid-up capital under the terms of the FIPB Approval. The said approval has been granted subject to, *inter alia*, the following conditions:

- Our Company will have to fulfill minimum capitalization norms as applicable to the NBFC sector;
- Our Company will have to ensure compliance with Press Note 1 of 2005*;
- Foreign direct investment by our Company in life and non-life insurance company should not exceed 26% and will be subject to IRDA license/clearance; and
- Our Company shall confine its activities to only the approved 18 NBFC activities mentioned in the FIPB Approval.

** Pursuant to the Consolidated FDI Policy (effective from April 1, 2011) as issued by the Department of Industrial Policy and Promotion, Press Note 1 of 2005 is no more applicable.*

Hence, our Company can receive foreign investment up to 30% of the paid-up share capital of our Company. For further details in this regard, see the sections “Government and Other Approvals” and “Risk Factors” on pages 444 and xii, respectively.

By virtue of Circular No. 14 dated September 16, 2003 issued by the RBI, overseas corporate bodies (“OCBs”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, OCBs shall not be eligible to subscribe to the Equity Shares.

The Draft Letter of Offer and CAF shall only be dispatched to NR Equity Shareholders with registered addresses in India. The Draft Letter of Offer and CAF should not be forwarded to or transmitted in or into the United States of America or the territories or possessions thereof at any time or to, or for the account or benefit of, “U.S. Persons” (as defined in Regulation S under the United States Securities Act of 1933, as amended), except in a transaction exempt from the registration requirements of the Securities Act.

Application by FIIs

In accordance with the current regulations, the following restrictions are applicable for investment by FIIs:

The Issue of Equity Shares under this Issue to a single FII should not exceed 10% of the post-issue paid up capital of the Company. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts the investment on behalf of each sub-account shall not exceed 5% of the total paid up capital of the Company.

Application by NRIs

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.

Application by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with the SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

No Mutual Fund scheme may invest more than 10% of its net asset value in equity shares or equity related instruments of any company, provided that the limit of 10% will not apply to investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes may own more than 10% of any company's paid-up share capital carrying voting rights.

No Offer in the United States

The offer of Equity Shares pursuant to this Issue has not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any U.S. state securities laws and the Equity Shares may not be offered, sold, resold or otherwise transferred within the United States or to, or for the account or benefit of, "U.S. Persons" (as defined in Regulation S under the Securities Act), except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in this Draft Letter of Offer are being offered in India but not in the United States of America. This Issue to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in the United States of America, or the territories or possessions thereof, or as a solicitation therein of an offer to buy any of the said Equity Shares or rights. Accordingly, this Draft Letter of Offer should not be forwarded to or transmitted in or into the United States of America at any time except in a transaction exempt from the registration requirements of the Securities Act. Neither our Company nor any person acting on behalf of our Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is, a resident of the United States of America and to whom an offer, if made, would result in requiring registration of this Draft Letter of Offer with the United States Securities and Exchange Commission. Our Company is informed that there is no objection to a United States shareholder selling its rights in India. Rights may not be transferred or sold to any U.S. Person (as defined in Regulation S under the Securities Act).

Procedure for Application

The CAF would be printed in blue or black ink for all shareholders. Additional separate advise for NR shareholders will be provided. In case the original CAF is not received by the applicant or is misplaced by the applicant, the applicant may request the Registrar to the Issue, Karvy, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. For further details, see the section "Availability of Duplicate CAF" below on page 464. NR shareholders can obtain a copy of the CAF from the Registrar to the Issue, Karvy, by furnishing the registered folio number, DP ID number, Client ID number and their full name and address. Equity Shares offered to you may be renounced either in full or in part in favour of any other person or persons. In case the signature of the Equity Shareholder does not match with the specimen registered with the Company, the application is liable to be rejected. For further details, see the section "Renunciation" below on page 461.

Option to receive Equity Shares in Dematerialised Form

Applicants to the Equity Shares issued through this Issue shall be allotted the securities in dematerialised (electronic) form at the option of the applicant. Our Company signed a tripartite agreement with NSDL and the Registrar to the Issue on May 16, 2007 and with CDSL and the Registrar to the Issue on May 18, 2007, which enables the Investors to hold and trade in securities in a dematerialised form, instead of holding the securities in the form of physical certificates.

Utilisation of Issue Proceeds

The Board of Directors declares that:

- (i) The amount to be received from our Promoters towards advance subscription in the Issue may be deployed and utilised before the closure of the Issue, towards the objects of the Issue mentioned in the section titled "Objects of the Issue" of the DLOF and/ or in the interim, pending utilization of the proceeds for the purposes of objects of the Issue, be utilized towards the purposes mentioned under the heading "Interim use of Funds" in the section titled "Objects of the Issue" of the DLOF, and the same shall be adjusted towards their rights entitlement in the Issue, as per para (VII)(G)(2) of Part E of Schedule VIII of the SEBI ICDR Regulations;
- (ii) As per the provisions of sub-section (3) of Section 73 of the Companies Act, the funds received against this Issue, except as stated above, will be kept in a separate bank account and our Company will not have any

access to such funds unless it satisfies the Designated Stock Exchange with suitable documentary evidence that the minimum subscription of 90% of this Issue has been received by our Company

- (iii) Details of all monies utilized out of the Issue shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised; and
- (iv) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested.

Undertakings by our Company

- (a) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- (b) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the specified securities are to be listed will be taken within seven working days of finalization of basis of allotment.
- (c) The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed in the Draft Letter of Offer shall be made available to the Registrar to the Issue by our Company.
- (d) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicants within 15 days of closure of the Issue, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (e) The certificates of the securities/ refund orders to the NRIs shall be dispatched within the specified time.
- (f) That adequate arrangements shall be made to collect all ASBA applications and to consider them similar to non-ASBA applications while finalizing the basis of allotment.
- (g) Pursuant to the resolution passed by the Board on February 14, 2011, the Company may, subject to applicable law, by way of preferential allotment or otherwise, offer, issue and allot [●] Further Securities (hereinafter defined), including equity shares of the Company and/or other specified securities as set out in the said resolution (the “**Further Securities**”) for an amount of up to ₹ 25,000 million, and at such price as may be deemed appropriate by the Board. Such issuance and allotment, if any, will be completed before the filing of the Letter of Offer with the Stock Exchanges.
- (h) We shall comply with disclosure and accounting norms specified by SEBI from time to time.
- (i) Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

How to Apply?

Resident Equity Shareholders

Applications should be made only on the enclosed CAF provided by our Company. The enclosed CAF should be completed in all respects, as explained in the instructions indicated in the CAF. An Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper. For further details, see the section “Terms of the Issue – Application on Plain Paper” on page 464. Applications will not be accepted by the Lead Managers or by the Registrar to the Issue or by our Company at any offices except in the case of postal applications as per instructions given in the Draft Letter of Offer. ASBA Investors shall be required to indicate either in (i) Part A of the CAF, or (ii) a plain paper application, as to whether they desire to avail of the ASBA option. Please note that pursuant to the SEBI circular dated April 29, 2011, all applicants who are QIBs or are applying in this Issue for Equity Shares for an amount exceeding ₹ 200,000, shall mandatorily make use of ASBA facility.

Non-resident Equity Shareholders

Applications received from the NR Equity Shareholders for the Allotment of Equity Shares shall, inter alia, be subject to the conditions as may be imposed from time to time by the RBI, in the matter of refund of Application Moneys, Allotment of Equity Shares, issue of letters of allotment/ certificates/ payment of dividends etc.

NR Equity Shareholders will be required to represent, inter alia, that they are not excluded U.S. Persons as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended.

Acceptance of the Issue

The CAF consists of four parts:

- Part A: Form for accepting the Equity Shares offered and for applying for additional Equity Shares;
- Part B: Form for renunciation;
- Part C: Form for application for renounees; and
- Part D: Form for request for split application forms (“SAF”).

You may accept the Issue and apply for the Equity Shares offered, either in full or in part by filling of Part A of the enclosed CAF and submit the same along with the Application Money payable to the Bankers to the Issue at any of the branches as mentioned on the reverse of the CAF before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board thereof in this regard. Resident applicants residing at places other than places where the bank collection centres have been opened by the Company for collecting CAFs, are requested to send their CAFs together with demand draft for the full application amount, net of bank and postal charges favouring the Bankers to the Issue, crossed “A/c Payee only” and marked “REL- Rights Issue”, payable at Hyderabad directly to the Registrar to the Issue by registered post/speed post so as to reach them on or before the closure of the Issue i.e. [●]. The Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected.

Option available to the Equity Shareholders

The Equity Shareholders will be having the following five options:

- (a) Apply for his entitlement in part;
- (b) Apply for his entitlement in part and renounce the other part;
- (c) Renounce his entire entitlement;
- (d) Apply for his entitlement in full; or
- (e) Apply for his entitlement in full and apply for additional Equity Shares

Renunciation

Any renunciation by or in favour of Non-Residents is subject to the renouncer (s)/Renounee(s) obtaining the approval of the FIPB and/or necessary permission of the RBI under the FEMA and such permissions should be attached to the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.

As an Equity Shareholder, you have the right to renounce your entitlement for the Equity Shares in full or in part in favour of one or more person(s) being Indian nationals/ limited companies incorporated under and governed by the Companies Act. Your attention is drawn to the fact that our Company shall not allot and/or register any Equity Shares in favour of:

- FIIs / NRs (unless the copy of the RBI permission / FIPB approval is enclosed along with the application);
- Residents (in cases where renunciation has been made by an NR, unless the copy of the RBI permission / FIPB approval is enclosed along with the application);
- More than three persons including joint holders;
- Partnership firm(s) or their nominee(s);
- Minors (unless it is through their legal guardian);
- Hindu Undivided Family;
- Any Trust or Society (unless the same is registered under the Societies Registration Act, 1860 or Indian Trust Act, 1882 or any other applicable trust laws and is authorised under its constitutions or bye laws to hold Equity Shares); or
- Any person situated or having jurisdiction where the offering in terms of this Draft Letter of Offer could be illegal or require compliance with securities laws.

The right of renunciation is subject to the express condition that our Board or a committee thereof shall be entitled in its absolute discretion to reject the request for allotment to Renounee(s) without assigning any reason thereof.

The procedure for renunciation is as follows:

To renounce the whole offer in favour of one Renouncee

If you wish to renounce the offer indicated in Part A, in whole, please complete Part B of the CAF. In case of joint holding, all joint holders must sign Part B of the CAF. The person in whose favour renunciation has been made should complete and sign Part C of the CAF. In case of joint Renouncees, all joint Renouncees must sign this part of the CAF.

Renouncee(s) shall not be entitled to further renounce the entitlement in favour of any other person.

To renounce in part/or renounce the whole to more than one person(s)

If you wish to either accept this offer in part and renounce the balance or renounce the entire offer in favour of two or more Renouncees, the CAF must be first split into requisite number of forms.

Please indicate your requirement of split forms in the space provided for this purpose in Part D of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for split forms. On receipt of the required number of split forms from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Equity Shareholder(s), who has renounced the Equity Shares, does not match with the specimen registered with our Company, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Equity Shares are renounced, should fill in and sign Part C of the CAF and submit the entire CAF to the Bankers to the Issue on or before the Issue Closing Date along with the Application Money in full.

Change and/ or introduction of additional holders

If you wish to apply for Equity Shares jointly with any other person(s), not more than three, who is/are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that our Board of Directors shall be entitled in its absolute discretion to reject the request for allotment from the Renouncee(s) without assigning any reason thereof.

Additional Equity Shares

You are eligible to apply for additional Equity Shares over and above the number of Equity Shares you are entitled to, provided that you have applied for all the Equity Shares offered without renouncing them in whole or in part in favor of any other person(s). Applications for additional Equity Shares shall be considered and Allotment shall be in the manner prescribed under the Section "Terms of the Issue- Basis of Allotment" on page 465. The Renouncees applying for all the Equity Shares renounced in their favor may also apply for additional Equity Shares.

In case of applications for additional Equity Shares by NR Equity Shareholders, the Allotment of additional securities will be subject to the permission of the RBI/FIPB.

Where the number of additional Equity Shares applied for exceeds the number available for allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

The summary of options available to the Equity Shareholder is presented below. You may exercise any of the following options with regard to the Equity Shares offered, using the enclosed CAF:

Option Available	Action Required
Accept whole or part of your entitlement without renouncing the balance.	Fill in and sign Part A (<i>All joint holders must sign</i>)
Accept your entitlement in full and apply for additional Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares (<i>All joint holders must sign</i>)
Renounce your entitlement in full to one person (<i>Joint Renouncees are considered as one</i>).	Fill in and sign Part B (<i>all joint holders must sign</i>) indicating the number of Equity Shares renounced and hand it over to the Renouncee. The Renouncees must fill in and sign Part C (<i>All joint Renouncees must sign</i>)
Accept a part of your entitlement and renounce the balance to one or more Renouncee(s)	Fill in and sign Part D (<i>all joint holders must sign</i>) requesting for SAFs. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for Split Forms. Splitting will be permitted only once.
OR	
Renounce your entitlement to all the Equity Shares offered to you to more than one Renouncee	On receipt of the Split Form take action as indicated below. For the Equity Shares you wish to accept, if any, fill in and sign Part A. For the Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renouncees. Each of the Renouncees should fill in and sign Part C for the Equity Shares accepted by them.
Introduce a joint holder or change the sequence of joint holders	This will be treated as a renunciation. Fill in and sign Part B and the Renouncees must fill in and sign Part C.

Please note that:

- Part A of the CAF must not be used by any person(s) other than the Equity Shareholder to whom the Letter of Offer is addressed. If used, this will render the application invalid.
- Request for split form should be made for a minimum of [•] Equity Shares or in multiples thereof and one SAF for the balance Equity Shares, if any.
- Request by the Equity Shareholder(s) for the SAF should reach our Company on or before [•].
- Only the person to whom the Letter of Offer and/or Abridged Letter of Offer has been addressed to and not the Renouncee(s) shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split again.
- Split form(s) will be sent to the applicant(s) by post at the applicant's risk.

For applicants residing at places other than designated Bank Collecting branches

Investors residing at places other than places where the bank collection centres have been opened by the Company for collecting CAFs, are requested to send their CAFs together with demand draft for the full application amount, net of bank and postal charges favouring the Bankers to the Issue, crossed "A/c Payee only" and marked "REL- Rights Issue", payable at Hyderabad directly to the Registrar to the Issue by registered post/ speed post so as to reach them on or before the closure of the Issue i.e. [•]. The Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

NR applicants applying on a non-repatriation basis are requested to send their CAFs together with demand draft for the full application amount, net of bank and postal charges favouring the Bankers to the Issue, crossed "A/c Payee only" and marked "REL- Rights Issue", payable at Hyderabad directly to the Registrar to the Issue by registered post/ speed post so as to reach them on or before the closure of the Issue i.e. [•]. The Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

NR investors, who are not excluded U. S. Persons as defined in Regulation S under the U.S. Securities Act of 1933, as amended, (a "U.S. Person"), applying on a repatriation basis are requested to send their CAFs together with demand draft for the full application amount, net of bank and postal charges favouring the Bankers to the Issue, crossed "A/c Payee only" and marked "REL- Rights Issue", payable at Hyderabad directly to the Registrar to the Issue by registered post/ speed post so as to reach them on or before the closure of the Issue i.e. [•]. The Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

Our Company will not be liable for any postal delays and applications received through mail after the closure of the Issue are liable to be rejected and returned to the applicants. Applications by mail should not be sent in any other manner except as mentioned below.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the applicant, the Registrar to the Issue will issue a duplicate CAF on the request of the applicant who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue within [•] days from the Issue opening date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received / found subsequently. If the applicant violates any of these requirements, he / she shall face the risk of rejection of both the applications.

Application on Plain Paper

ASBA Investors may indicate in a plain paper application, as to whether they desire to avail of the ASBA option. Please note that pursuant to the SEBI circular dated April 29, 2011, all applicants who are QIBs or are applying in this Issue for Equity Shares for an amount exceeding ₹ 200,000, shall mandatorily make use of ASBA facility.

A resident Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with demand draft for the full application amount, net of bank and postal charges favouring the Bankers to the Issue, crossed “A/c Payee only” and marked “REL- Rights Issue”, payable at Hyderabad directly to the Registrar to the Issue by registered post/ speed post so as to reach them on or before the closure of the Issue i.e. [•]. The Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

NR Equity Shareholders, who are not excluded U.S. Persons as defined in Regulation S under the U.S. Securities Act of 1933, as amended, (a “U.S. Person”), applying on non-repatriation basis who have neither received the original CAF nor are in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with demand draft for the full application amount, net of bank and postal charges favouring the Bankers to the Issue, crossed “A/c Payee only” and marked “REL- Rights Issue”, payable at Hyderabad directly to the Registrar to the Issue by registered post/ speed post so as to reach them on or before the closure of the Issue i.e. [•]. The Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

NR Equity Shareholders, who are not excluded U.S. Persons as defined in Regulation S under the U.S. Securities Act of 1933, as amended, (a “U.S. Person”), applying on a repatriation basis who have neither received the original CAF nor are in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with demand draft for the full application amount, net of bank and postal charges favouring the Bankers to the Issue, crossed “A/c Payee only” and marked “REL- Rights Issue”, payable at Hyderabad directly to the Registrar to the Issue by registered post/ speed post so as to reach them on or before the closure of the Issue i.e. [•]. The Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

The application on plain paper, duly signed by the applicants including joint holders, in the same order as per specimen recorded with our Company, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of Company, being “Religare Enterprises Limited”;
- Name and address of the Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Number of Equity Shares entitled as per Rights Entitlement;
- Number of Equity Shares applied for as per Rights Entitlement;
- Number of additional Equity Shares applied for, if any;
- Total number of Equity Shares applied for;
- Total amount paid at the rate of ₹ [•] per Equity Share;
- Particulars of cheque/draft;

- Savings/Current Account Number and name and address of the bank where the Equity Shareholder will be depositing the refund order;
- Details of PAN;
- Include the representation in writing that "I/We understand that the rights entitlements and the Equity Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any United States state securities laws and may not be offered, sold, resold or otherwise transferred within the United States or to, or for the account or benefit of, "U.S. Persons" (as defined in Regulation S under the Securities Act (a "U.S. Person")), except in a transaction exempt from the registration requirements of the U.S. Securities Act, and I/we confirm that I/we am/are not a U.S. Person and am/are not applying for these Equity Shares for the account or benefit of a U.S. Person. There are no restrictions under the laws of my/our local jurisdiction that prevent or prohibit me/us from applying for the Equity Shares." In addition, residents of the European Economic Area must confirm that "I/We satisfy the requirements relating to the EEA in the Draft Letter of Offer."; and
- Signature of Equity Shareholders to appear in the same sequence and order as they appear in the records of our Company.

Please note that those who are making the application other than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the applicant violates any of these requirements, he/she shall face the risk of rejection of both the applications as well as forfeiture of amounts remitted along with the applications.

For applicants residing at places where the bank collection centres have been opened, CAFs duly completed together with cheque/demand draft payable at par or drawn on local banks in those centers, for the Application Money must be submitted before the close of the subscription list to the Bankers to the Issue named herein or to any of its branches mentioned on the reverse of the CAF. The CAF alongwith application money must not be sent to our Company or the Lead Managers to the Issue or the Registrar to the Issue.

Investors residing at places other than places where the bank collection centres have been opened by the Company for collecting CAFs, are requested to send their CAFs together with demand draft for the full application amount, net of bank and postal charges favouring the Bankers to the Issue, crossed "A/c Payee only" and marked "REL- Rights Issue", payable at Hyderabad directly to the Registrar to the Issue by registered post/ speed post so as to reach them on or before the closure of the Issue i.e. [●]. The Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

The applicants are requested to strictly adhere to these instructions. Failure to do so could result in the application being liable to be rejected with our Company, the Lead Managers and the Registrar not having any liabilities to such applicants.

Last date of Application

The last date for submission of the duly filled in CAF or the plain paper application is [●]. Our Board or any committee thereof will have the right to extend the said date for such period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date.

If the CAF, or the plain paper application together with the amount payable is not received by the Bankers to the Issue/ Registrar to the Issue, as the case may be, on or before the close of banking hours on the aforesaid last date or such date as may be extended by our Board or a committee thereof, the offer contained in this Draft Letter of Offer shall be deemed to have been declined and our Board / Issue Committee shall be at liberty to dispose off the Equity Shares hereby offered, as provided under the Section "Terms of the Issue- Basis of Allotment" on page 465.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES ISSUED PURSUANT TO THIS ISSUE CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the

following order of priority:

- (a) Full allotment to those Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Equity Shares renounced in their favour, in full or in part.
- (b) For Equity Shares being offered under this Issue, if the shareholding of any of the Equity Shareholders is less than [•] Equity Shares or not in the multiple of [•] as on the Record Date, the fractional entitlement of such Equity Shareholders shall be ignored. Equity Shareholders whose fractional entitlements are ignored would be given preference in allotment of one additional share each if they apply for additional Equity Shares.
- (c) Allotment to the Equity Shareholders who having applied for all the Equity Shares offered to them as part of the Issue and have also applied for additional Equity Shares, the Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there is an under subscribed portion after making full allotment in (a) and (b) above. The allotment of such Equity Shares will be at the sole discretion of the Board or a committee thereof in consultation with the Designated Stock Exchange, as a part of the Issue.
- (d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be at the sole discretion of the Board or a committee thereof in consultation with the Designated Stock Exchange, as a part of the Issue.
- (e) Allotment to any other person as the Board may in its absolute discretion deem fit provided there is surplus available after making full Allotment under (a), (b) (c) and (d) above.

After taking into account Allotment to be made under (a) and (b) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of regulation 3(1)(b) of the Takeover Code which would be available for allocation under (c), (d) and (e) above.

After considering the above Allotment, any additional Equity Shares shall be disposed off by our Board or a committee thereof, in such manner as they think most beneficial to our Company and the decision of our Board or a committee thereof in this regard shall be final and binding. In the event of oversubscription, Allotment will be made within the overall size of the issue. Our Company shall retain no oversubscription.

Our Company expects to complete the allotment of Equity Shares within a period of 15 days from the date of closure of the Issue in accordance with the Listing Agreement with the Stock Exchanges.

Underwriting

Our Company has not currently entered into any standby underwriting agreements. However, it may enter into such an agreement for the purpose of this Issue at an appropriate time and on such terms and conditions as it may deem fit. In the event our Company enters into such an arrangement prior to the filing of the Letter of Offer with a Designated Stock Exchange, the Letter of Offer will be updated to reflect the same.

Allotment / Refund

Our Company will issue and dispatch letters of allotment/ share certificates/ demat credit and/or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within a period of 15 days from the date of closure of this Issue. If such money is not repaid within eight days from the day our Company becomes liable to pay it, our Company shall pay that money with interest as stipulated under Section 73 of the Companies Act.

Applicants residing at 68 centers where clearing houses are notified by the RBI, will get refunds through ECS only except where applicants are otherwise disclosed as applicable/eligible to get refunds through direct credit and RTGS.

In case of those applicants who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and advise regarding their credit of the Equity Shares shall be

given separately. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 working days of closure of Issue.

In case of those applicants who have opted to receive their Rights Entitlement in physical form and our Company issues Letter of Allotment, the corresponding share certificates will be kept ready within three months from the Allotment Date thereof or such extended time as may be approved by the Companies Law Board under Section 113 of the Companies Act or other applicable provisions, if any. Allottees are requested to preserve such letters of allotment, which would be exchanged later for the share certificates. For more information please refer to the section 'Letters of Allotment/ Share Certificates/Demat Credit' on page 469.

The letter of allotment / refund orders would be sent by registered post/speed post to the sole/first applicant's registered address. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole/first applicant.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes:

1. **NECS** – Payment of refund would be done through NECS for applicants having an account at any of the centres specified by RBI where such facility has been made available.
2. **NEFT** – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.
3. **Direct Credit** – applicants having bank accounts with the Refund Banker(s), shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.
4. **RTGS** – applicants having a bank account at any of the centres specified by RBI where such facility has been made available and whose refund amount exceeds ₹ 0.2 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

For all other applicants, except for whom the payment of refund is possible through the four options specified above, the refund orders will be dispatched through speed post/ registered post for refund orders. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of sole/ first applicant and will be payable at par. Adequate funds would be made available to the Registrar to the Issue for this purpose.

INFORMATION FOR ASBA INVESTORS

This section is only to facilitate better understanding of aspects of the procedure for participating in this Issue, which is specific to ASBA Investors. ASBA Investors should nonetheless read this Draft Letter of Offer in entirety.

Please note that pursuant to the SEBI circular dated April 29, 2011, all applicants who are QIBs or are applying in this Issue for Equity Shares for an amount exceeding ₹ 200,000, shall mandatorily make use of ASBA facility.

Our Company and the Lead Managers are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. ASBA Investors are advised to make their independent investigations and to ensure that the CAF (Part A thereof), or the plain paper application, as the case may be, is correctly filled up, as described in this section.

The list of banks who have been notified by SEBI to act as SCSBs for the ASBA process are provided at <http://www.sebi.gov.in/pmd/scsb.html>. For details on designated branches of SCSB collecting the ASBA Form, please refer to the aforesaid link.

ASBA Process

Please note that pursuant to the SEBI circular dated April 29, 2011, all applicants who are QIBs or are applying in this Issue for Equity Shares for an amount exceeding ₹ 200,000, shall mandatorily make use of ASBA facility.

An Equity Shareholder holding the Equity Shares in dematerialized form as on the Record Date may participate in this Issue through the ASBA process by indicating in Part A of the CAF or in a plain paper application, as to whether such Equity Shareholder desires to avail the ASBA option. The CAF or the plain paper application shall be required to be submitted to the SCSB with whom the bank account of the ASBA Investor or bank account utilised by the ASBA Investor (“**ASBA Account**”) is maintained. The SCSB shall block an amount equal to the Issue Price in the ASBA Account specified in the CAF (Part A thereof), or the plain paper application, as the case may be, on the basis of an authorisation to this effect given by the account holder at the time of submitting the said CAF or the plain paper application. The ASBA data shall thereafter be uploaded by the SCSB in the electronic system of the Stock Exchanges. The Issue Price shall remain blocked in the aforesaid ASBA Account until finalisation of the ‘Basis of Allotment’ and consequent transfer of the Issue Price against the allocated Equity Shares to the designated account, or until withdrawal/failure of this Issue or until withdrawal/rejection of the ASBA, as the case may be. Once the ‘Basis of Allotment’ is finalized, the Registrar to the Issue shall send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Investor to the designated account. In case of withdrawal/failure of this Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Who can apply under the ASBA Process

In order to be eligible to participate under the ASBA process, an Equity Shareholder has to satisfy the following conditions:

1. The Equity Investor should hold shares of the Company in dematerialized form as on the Record Date;
2. The Equity Shareholder should not renounce his/her Rights Entitlements in full or in part;
3. The Equity Shareholder should not be a Renouncee in this Issue;
4. The Equity Shareholder should apply through a bank account maintained with an SCSB.

Electronic Registration of applications

Upon receipt of the CAF, or the plain paper applications, as the case may be, the Designated Branch of the SCSBs shall register and upload the applications using the online facilities of the Stock Exchanges. **The Lead Managers, our Company and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the Issue Price has been blocked in the relevant ASBA Account.**

At the time of registering each application, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:

- Name of the Equity Shareholder(s);
- Application Number;

- PAN;
- Depository Participant identification number; and
- Client identification number of the ASBA Investor's beneficiary account.

A system generated TRS will be given to the ASBA Investor upon request as proof of the registration of the application. **It is the ASBA Investor's responsibility to obtain the TRS from the relevant Designated Branch.** The registration of the application by the Designated Branch of the SCSB does not guarantee that the Equity Shares applied for shall be allocated to the ASBA Investor. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

The Stock Exchanges offer a screen-based facility for registering applications for this Issue which will be available on the terminals of Designated Branches during the Issue period. The Designated Branches can also set up facilities for offline electronic registration of applications subject to the condition that they will subsequently upload the offline data file into the online facilities on a regular basis.

Unblocking of ASBA Account

Once the 'Basis of Allotment' is finalized, the Registrar to the Issue shall send an appropriate request to the SCSBs for unblocking the ASBA Accounts and for the transfer of requisite amount to the designated account. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Investor to the designated account and shall unblock excess amount, if any in the ASBA Account. However, the Issue Price may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the relevant Controlling Branch regarding finalisation of the 'Basis of Allotment', in the event of withdrawal or failure of this Issue or withdrawal or rejection of the ASBA application, as the case may be.

Interest in Case of Delay in Dispatch of Allotment letters/ Refund Orders or Instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, our Company undertakes that:

1. Allotment shall be made only in dematerialised form within 15 (fifteen) days from the date of the closure of the Issue and instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful applications shall be made within 15 (fifteen) days of the date of closure of the Issue failing which our Company shall pay interest on the monies in terms of Section 73 of the Companies Act.
2. Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Letters of Allotment / Share Certificates / Demat Credit

Letter(s) of allotment/ share certificates/ demat credit or letters of regret will be dispatched to the registered address of the first named applicant or respective beneficiary accounts will be credited within 15 days, from the date of closure of the Issue. In case our Company issues letters of allotment, the relative share certificates will be dispatched within three months from the Allotment Date. Allottees are requested to preserve such letters of allotment (if any) to be exchanged later for share certificates. Export of letters of allotment (if any)/ share certificates/ demat credit to NR allottees will be subject to the approval of RBI.

Option to receive Equity Shares in Dematerialized Form

Applicants to the Equity Shares issued through this Issue shall be allotted the securities in dematerialised (electronic) form at the option of the applicant. Our Company signed a tripartite agreement with NSDL on May 16, 2007 and with CDSL and the Registrar to the Issue on May 18, 2007 which enables the Investors to hold and trade in securities in a dematerialised form, instead of holding the securities in the form of physical certificates.

In this Issue, the Allottees who have opted for Equity Shares in dematerialised form will receive their Equity Shares in the form of an electronic credit to their beneficiary account with a DP. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Applications, which do not accurately contain this information, will be given the securities in physical form. No separate applications for securities in

physical and/or dematerialized form should be made. If such applications are made, the application for physical securities will be treated as multiple applications and is liable to be rejected. In case of partial allotment, allotment will be done in demat option for the shares sought in demat and balance, if any, may be allotted in physical shares.

The Equity Shares will be listed on the Stock Exchanges.

Procedure for availing the facility for Allotment of Equity Shares in this Issue in the electronic form is as under:

- Open a beneficiary account with any DP (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is exhibited in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as with our Company). In case of investors having various folios in our Company with different joint holders, the investors will have to open separate accounts for such holdings. *Those Equity Shareholders who have already opened such beneficiary account(s) need not adhere to this step.*
- For Equity Shareholders already holding Equity Shares in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Equity Shares pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Equity Shares arising out of this Issue may be made in dematerialized form even if the original Equity Shares are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Equity Shareholders and the names are in the same order as in the records of our Company.
- Responsibility for correctness of information (including applicant's age and other details) filled in the CAF vis-à-vis such information with the applicant's DP, would rest with the applicant. Applicants should ensure that the names of the applicants and the order in which they appear in CAF should be the same as registered with the applicant's DP.
- Applicants must necessarily fill in the details (including the beneficiary account number or client ID number) appearing in the CAF under the heading 'Request for Shares in Electronic Form'. If incomplete/incorrect details are given under the heading 'Request for Shares in Electronic Form' in the CAF, the applicant will get Equity Shares in physical form.
- Equity Share allotted to an applicant in the electronic account form will be credited directly to the applicant's respective beneficiary account(s) with the DP.
- Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar to the Issue.
- Renouncees can also exercise the option to receive Equity Shares in the demat form by indicating in the relevant block and providing the necessary details about their beneficiary account.
- It may be noted that Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL.
- Dividend or other benefits with respect to the Equity Shares held in dematerialised form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the DP to our Company as on the date of the book closure.
- The Equity Shares pursuant to this Issue allotted to investors opting for dematerialized form would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the applicant's DP will provide to him the confirmation of the credit of such Equity Shares to the applicant's depository account.
- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment in this Issue. In case these details are incomplete or incorrect, the Renouncees will get Equity Shares in physical form.

General instructions for applicants

Please read the instructions printed on the enclosed CAF carefully.

1. Application should be made on the printed CAF, provided by our Company or a plain paper and should be completed in all respects. ASBA Investors may indicate as to whether they desire to avail of the ASBA option. The CAF found incomplete with regard to any of the particulars required to be given therein, and / or which are not completed in conformity with the terms of this Draft Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the applicants, details of occupation, address, father's / husband's name must be filled in block letters.
2. The CAF together with cheque / demand draft should be sent to the Bankers to the Issue / Collecting Bank or to the Registrar to the Issue, as the case may be, and not to our Company and the Lead Managers to the Issue. Resident applicants residing at places other than places where the bank collection centres have been opened by the Company for collecting CAFs, are requested to send their CAFs together with demand draft for the full application amount, net of bank and postal charges favouring the Bankers to the Issue, crossed "A/c Payee only" and marked "REL- Rights Issue", payable at Hyderabad directly to the Registrar to the Issue by registered post/ speed post so as to reach them on or before the closure of the Issue i.e. [●]. The Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any. **If any portion of the CAF is / are detached or separated, such application is liable to be rejected.**
3. Each of the applicants should mention his/ her PAN allotted under the IT Act along with the application for the purpose of verification of the number. **CAFs without the PAN details will be considered incomplete and are liable to be rejected. In case of joint application, each of the Investor should provide his PAN. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be — "suspended credit" and no allotment and credit of Equity Shares pursuant to the Issue shall be made into the accounts of such Investors.**
4. Applicants are advised to provide information as to their savings/current account number, 9 digit MICR number and the name of the Bank, branch with whom such account is held in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees.
5. The payment against the application should not be effected in cash. In case payment is effected in contravention of this, the application may be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
6. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Equity Shareholders must sign the CAF or the plain paper application as per the specimen signature recorded with the Company.
7. In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the memorandum and articles of association and/or bye-laws of such body corporate or society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF. In case these papers are sent to any other entity besides the Registrar to the Issue or are sent after the Issue Closing Date, then the application is liable to be rejected.
8. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company. Further, in case of joint applicants who are Renouncees, the number of applicants should not exceed three. In case of joint applicants, reference, if any, will be made in the first applicant's name and all communication will be addressed to the first applicant.
9. Application(s) received from NRs/NRIs, or persons of Indian origin residing abroad for allotment of Equity Shares shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of Application Money, allotment of Equity Shares, subsequent issue and

allotment of Equity Shares, interest, export of share certificates, etc. In case a NR or NRI Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF.

10. All communication in connection with application for the Equity Shares, including any change in address of the Equity Shareholders should be addressed to the Registrar to the Issue prior to the Allotment Date quoting the name of the first / sole applicant, folio numbers and CAF number. Please note that any intimation for change of address of Equity Shareholders, after the Allotment Date, should be sent to the Registrar and transfer agent of our Company, Karvy, in the case of Equity Shares held in physical form and to the respective DP, in case of Equity Shares held in dematerialized form.
11. Split forms cannot be re-split.
12. Only the person or persons to whom Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain split forms.
13. Applicants must write their CAF number at the back of the cheque / demand draft.
14. Only one mode of payment per application should be used. The payment must be made by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the Bankers Clearing House located at the centre indicated on the reverse of the CAF where the application is to be submitted.
15. A separate cheque / draft must accompany each CAF. Outstation cheques / demand drafts or post-dated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash.
16. Please note that pursuant to the SEBI circular dated April 29, 2011, all applicants who are QIBs or are applying in this Issue for Equity Shares for an amount exceeding ₹ 200,000, shall mandatorily make use of ASBA facility.
17. No receipt will be issued for Application Money received. The Bankers to the Issue / Collecting Bank / Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.

Grounds for Technical Rejections

Applicants are advised to note that applications are liable to be rejected on technical grounds, including the following:

- Amount paid does not tally with the amount payable for;
- Bank account details (for refund) are not given;
- Age of first applicant not given;
- PAN details not given;
- PAN in CAF not matching the PAN in the DP ID;
- In case of Application under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not submitted;
- If the signature of the existing shareholder does not match with the one given on the CAF and for Renouncees if the signature does not match with the records available with their depositories;
- If the applicant desires to have Equity Shares in electronic form, but the CAF does not have the applicant's depository account details;
- CAFs are not submitted by the applicants within the time prescribed as per the CAF and the Draft Letter of Offer;
- Applications not duly signed by the sole/joint applicants;
- Applications by OCBs;
- Applications accompanied by Stockinvest;

- In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity;
- Applications by persons in United States of America;
- Applications which have evidence of being dispatched from United States of America;
- Applications by ineligible Non-residents (including on account of restriction or prohibition under applicable local laws) and where last available address in India has not been provided;
- Multiple Applications;
- Duplicate Applications;
- Applications where our Company believes that the CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements;
- Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, including minors; and
- In case the GIR number is submitted instead of the PAN.

Mode of payment for Resident Equity Shareholders/ Applicants

1. Applicants who are resident in centers with the bank collection centres shall draw cheques / drafts on local banks in those centers unless payable at par at the collection centre, accompanying the CAF, crossed account payee only and marked "REL-Rights Issue".
2. Resident applicants residing at places other than places where the bank collection centres have been opened by the Company for collecting CAFs, are requested to send their CAFs together with demand draft for the full application amount, net of bank and postal charges favouring the Bankers to the Issue, crossed "A/c Payee only" and marked "REL- Rights Issue", payable at Hyderabad directly to the Registrar to the Issue by registered post/ speed post so as to reach them on or before the closure of the Issue i.e. [●]. The Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.
3. Please note that pursuant to the SEBI circular dated April 29, 2011, all applicants who are QIBs or are applying in this Issue for Equity Shares for an amount exceeding ₹ 200,000, shall mandatorily make use of ASBA facility.

Mode of payment for Non-Resident Equity Shareholders/ Applicants

Please note that pursuant to the SEBI circular dated April 29, 2011, all applicants who are QIBs or are applying in this Issue for Equity Shares for an amount exceeding ₹ 200,000, shall mandatorily make use of ASBA facility.

Non-resident applicants who are permitted to subscribe for Equity Shares by applicable local securities laws can obtain application forms from the following address:

Karvy Computershare Private Limited

Plot Nos.17-24, Vittal Rao Nagar,
Madhapur, Hyderabad – 500 081
India.

Tel: +91 (40) 2342 0815-0825

Fax: +91 (40) 2343 1551

Email: religarerights@karvy.com

Website: www.karvy.com

Contact Person: Mr. M. Murali Krishna

As regards the application by NR Equity Shareholders, the following further conditions shall apply:

Payment by NRs must be made by demand draft payable at New Delhi/ cheque payable drawn on a bank account maintained at New Delhi or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

- By Indian Rupee drafts purchased from abroad and payable at New Delhi or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate); or

- By cheque / draft on a Non-Resident External Account (NRE) or FCNR Account maintained in New Delhi; or
- By Rupee draft purchased by debit to NRE/ FCNR Account maintained elsewhere in India and payable in New Delhi; or FIIs registered with SEBI must remit funds from special non-resident rupee deposit account.
- NR investors applying with repatriation benefits should draw cheques/drafts in favour of the Bankers to the Issue and marked 'REL-Rights Issue NR' payable at New Delhi and must be crossed 'account payee only' for the full application amount.

Application without repatriation benefits

As far as non-residents holding shares on non-repatriation basis is concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in New Delhi or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at New Delhi. In such cases, the Allotment of Equity Shares will be on non-repatriation basis.

All cheques/drafts submitted by non-residents applying on a non-repatriation basis should be drawn in favour of the Bankers to the Issue and marked 'REL-Rights Issue' payable at New Delhi and must be crossed 'account payee only' for the full application amount. The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAF before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

Applicants may note that where payment is made by drafts purchased from NRE/ FCNR/ NRO accounts as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.

New demat account shall be opened for holders who have had a change in status from resident Indian to NRI.

Note:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to IT Act.
- In case Equity Shares are allotted on non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
- The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAF before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- In case of an application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

Impersonation

As a matter of abundant caution, attention of the applicants is specifically drawn to the provisions of sub-Section (1) of Section 68A of the Companies Act which is reproduced below:

“Any person who makes in a fictitious name an application to a Company for acquiring, or subscribing for, any shares therein, or otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years”

Payment by Stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the Stockinvest Scheme has been withdrawn with immediate effect. Hence, payment through Stockinvest would not be accepted in this Issue.

Disposal of application and Application Money

No acknowledgment will be issued for the Application Moneys received by our Company. However, the

Bankers to the Issue / Registrar to the Issue receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

Our Board reserves its right to accept or reject any application, in whole or in part, in cases where such application is detrimental or prejudicial to the interest of the Company or is liable to be rejected on technical grounds and the like.

In case an application is rejected in full, the whole of the Application Money received will be refunded. Wherever an application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares allotted, will be refunded to the applicant within 15 days from the close of the Issue. If such money is not paid within eight days after our Company becomes liable to repay it, then our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the Section 73 of the Companies Act.

For further instruction, please read the CAF carefully.

SECTION VIII- MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalized/defined terms herein have the same meaning given to them in the Articles of Association.

SHARE CAPITAL

6. The authorised Share capital of the Company shall be such as given in the clause V of the Memorandum of Association or altered from time to time there at, payable in the manner as may be determined by the Directors, with powers to increase or reduce the Share capital and to divide the Shares in the capital for the time being into several classes and to attach thereto respectively such preferential or such rights, privileges, or conditions as may be determined in accordance with the regulations of the Company and to vary, modify, abrogate any such right, privilege or condition in such manner as may, for the time being, be provided by the regulations of the Company, and to consolidate or subdivide the Shares and issue Shares of higher or lower denomination.
7. The Company shall cause to be kept a Register of Members, an Index of Members, a Register and Index of Debenture holders.
8. Subject to the provisions of Section 80 of the Companies Act, 1956, the Company may issue preference shares, which are or at the option of the Company are liable to be redeemed and/or converted into equity share capital, on such terms and in such manner and time, as the resolution authorizing such issue shall prescribe.

SHARES

9. Subject to the provisions of directions/guidelines, if any, issued by the Central Government or other statutory body, the Board of Directors of the Company shall have the power to issue, offer and allot to or for the benefit of such person or persons as are in the permanent employment and the Directors (including Whole Time Directors) of the Company at any time equity Shares of the Company and or warrants with an option exercisable by the holder of such options to subscribe for equity Shares / equity linked securities and / or bonds, Debentures, preference Shares or other securities convertible into equity Shares at such price in such manner, during such period and/or on such terms and conditions under any Employees Stock Option Scheme / Plan as may be decided by the Board prior to the issue and offer thereof subject, however, to 10% of the aggregate of the number of issued equity Shares of the Company or subject to such ceiling limits as may be prescribed from time to time by or under such directions/guidelines.
10. Subject to the provisions of These presents, the shares shall be under the control of the Board who may allot or otherwise dispose of the same to such person, on such terms and conditions, at such times, either at par or at a premium and for such consideration as the Board thinks fit.
18. Subject to the provisions of the Act and any statutory amendments or re-enactments thereof and compliance of the provisions thereof by the Company, the Company is authorised to purchase its own Shares or other specified securities.
53. Subject to the provisions of Section 81 of the Act and These presents, the Shares in the capital of the Company for the time being shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Board think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in a General Meeting.

INCREASE AND REDUCTION OF CAPITAL

19. (1) Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares, either out of un-issued capital or out of the increased Share capital then:
- (a) such further Shares shall be offered to the persons who at the date of the offer, are holders of the equity Shares of the Company, in proportion as nearly as circumstances admit, to the capital paid-up on these Shares at that date;
 - (b) such offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined;
 - (c) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. PROVIDED THAT the Directors may decline, without assigning any reason to allot any Shares to any person in whose favour any Member may renounce the Shares offered to him;
 - (d) after the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose off them in such manner and to such person(s) as they may think, in their sole discretion, fit.
- (2) Notwithstanding anything contained in the preceding sub-clause (1), the further Shares aforesaid may be offered to any person (whether or not those persons include the persons referred to in sub-clause (1) (a) hereof) in any manner whatsoever.
- (a) If a Special Resolution to that effect is passed by the Company in General Meeting, or
 - (b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the General Meeting (including the casting vote, if any, of the Chairman) by the Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied, on an application made by the Board in this behalf that the proposal is most beneficial to the Company.
- (3) Nothing in sub-clause (1) (c) hereof shall be deemed:
- (a) to extend the time within which the offer should be accepted; or
 - (b) to authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.
- (4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debenture issued or loans raised by the Company.
- (a) to convert such Debentures or loans into Shares in the Company; or
 - (b) to subscribe for Shares in the Company (whether such option is conferred in These Articles or otherwise)

PROVIDED THAT the terms of issue of such Debentures or the terms of such loans include a term providing for such option and such term-

- (a) either has been approved by the Central Government before the issue of the Debentures or the raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf; and
 - (b) in the case of Debentures or loans other than Debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in General Meeting before the issue of the Debentures or raising of the loans.
- 20. The Company in a General Meeting may, from time to time, by an Ordinary Resolution increase the Share capital of the Company by the creation of new Shares by such sum, to be divided into Shares of such amount as may be deemed expedient.

ALTERATION OF SHARE CAPITAL

- 26. The Company, by an Ordinary Resolution may, from time to time:
 - (a) Consolidate and divide all or any of its Share capital into Shares of larger amount than its existing Shares.
 - (b) Sub-divide its Shares or any of them into Shares of smaller amount than is fixed by the Memorandum of Association so, however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived.
 - (c) Cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its Share capital by the amount of Share so cancelled.

VARIATION OF SHARE HOLDER'S RIGHTS

- 28. If at any time the Share capital is divided into different classes of Shares, all or any of the rights and privileges attached to any class (unless otherwise prohibited by the terms of issue of the Shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act, whether or not the Company is being wound up, be modified, commuted, affected, abrogated, varied or dealt with by the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of three fourths of the issued shares of that class. To every such separate meeting the provisions of these regulations relating to General Meeting shall mutatis mutandis apply but so that necessary quorum shall be five members or all the members holding or represented by proxy of the entire issued shares of the class in the question.

SHARE CERTIFICATES

- 29. The certificate of title to Shares shall be issued within three months of allotment. In the case of transfer of Shares the Share certificates shall be issued within one month after the application for registration of transfer is made.
- 30.
 - a. Every person whose name is entered as a Member in the Register shall be entitled to receive within three months after allotment, one or more certificates for all the Shares registered in his name, or if the Directors so approve, to several certificates each for one or more of such Shares.
 - b. Every certificate shall be under the Seal and shall specify the Shares to which it relates and the amount paid up thereon.
 - c. In respect of any Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to the first person named in the Register shall be sufficient evidence of delivery to all such holders.

The provisions of this Article shall *mutatis mutandis* apply to debentures of the Company. Nothing contained herein shall apply to transfer of a security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of a Depository.

NOMINATION OF SHARES

34. Every holder of shares in, or holder of debentures of, a Company may, at any time, nominate, in the prescribed manner, a person to whom his shares in, or debentures of, the Company shall vest in the event of his death.
35. Where the shares in, or debentures of, a company are held by more than one person jointly, the joint holders may together nominate, in the prescribed form, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.
36. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary otherwise, in respect of such shares in, or debentures of, the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in, or debentures of, the Company, the nominee shall, on the death of the shareholder or holder of debentures of, the Company or as the case may be, on the death of the joint holders, become entitled to all the rights in the shares or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
37. Where the nominee is a minor, it shall be lawful for the holders of the shares, or holder of debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in, or debentures of, the Company, in the event of his death, during the minority.

DECLARATION BY PERSON NOT HOLDING BENEFICIAL INTEREST

38. Notwithstanding anything herein contained, a person whose name is at any time entered in the Register of Members of the Company as the holder of a share in the Company, but who does not hold the beneficial interest in such a share, shall, within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such share in the manner provided in Section 187 C of the Act.
39. A person who holds a beneficial interest in a share or a class of shares of the Company shall, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in section 187 C of the Act.
41. Notwithstanding anything contained in These presents, where any declaration referred to above is made to the Company, the Company shall make a note of such declaration in the Register of Members and file, within the time prescribed from the date of declaration, a return in the prescribed form with the Registrar with regard to such declaration.

CALLS ON SHARES

42. The Board may, from time to time, subject to terms on which any Shares may have been issued and subject to the provisions of Section 91 of the Act, make such calls as the Board thinks fit upon the Members in respect of all moneys unpaid on Shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times.
43. Each Member shall pay the amount of every call so made on him to the persons and the times and places appointed by the Board, provided that option or right to make call on Shares shall not be given to any person except with the sanction of the Company in a General Meeting. A call may be made payable by installment and be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at a meeting of Board.
44. No call shall exceed one fourth of the nominal amount of a Share or be made payable at less than one month from date fixed for the payment of the last preceding call. Not less than fourteen days' notice of any

call shall be given specifying the time and place of payment and the person or persons to whom such call, shall be paid. Provided that, before the time for payment of such call the Directors, may, by notice in writing to the Members, revoke the same or extend the time for payment thereof.

45. If by the terms of issue of any Share or otherwise any amount is made payable at any fixed time or by installments at fixed times, whether on account of the nominal amount of the Share or by way of premium, every such amount or installment shall be payable as if it were call duly made by the Board and of which due notice has been given and all the provisions herein contained in respect of calls or otherwise shall relate to such amount or installment accordingly.
46. If the sum payable of any call or installment be not paid on or before the day appointed for payment, the holder for the time being of the Shares in respect of which the call shall have been made or the installment shall be due, shall pay interest for the same at the rate of 18 % (Eighteen Percent) p.a. from the day appointed for the payment thereof to the time of the actual payment or at such other rate as the Directors may determine from time to time. The Directors may in their absolute discretion waive the payment of interest, wholly or in part in the case of any person liable to pay such call or installment.
47. The Board may, if it thinks fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest provided that money paid in advance shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The Company may pay interest at such rate not exceeding 18 % (Eighteen Percent) or as determined by the Board from time to time unless the Company in the General Meeting shall otherwise direct.

The provisions of These presents will *mutatis mutandis* apply to the calls on the Debentures of the Company.

FORFEITURE OF SHARES

54. If a Member fails to pay any sum payable in respect of any call or any installment of a call on or before the day appointed for payment thereof, the Board may at any time there after during such time as any part of the said call or installment remains unpaid, serve a notice on such Member requiring payment of so much of the call or installment as is unpaid together with any interest which may have accrued and all expenses that they may have been incurred by the Company by reason of such non-payment.
55. The notice aforesaid shall name a further day not being earlier than the expiry of 30 (thirty days) from the date of service of notice, on or before which such call or payment required by notice, is to be made and a place at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall state that in the event of non-payment, on or before the date so named the Shares in respect of which such call or installment was payable shall be liable to be forfeited.
56. If the requirements of any such notice as aforesaid are not complied with, any Shares in respect of which such notice has been given may at any time thereafter, before the payment of calls or installment, interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture, subject to Section 205 A of the Act.
57. When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof shall forthwith be made in the Register of members but no forfeiture shall in any manner be invalidated by any omission or failure to give such notice or to make such entry as aforesaid.
58. Any Share so forfeited shall be deemed to be property of the Company, and may be sold or otherwise disposed off on such terms and in such manner as the Board thinks fit.
59. The Board may at any time before any Share so forfeited shall have been sold or otherwise disposed off, annul the forfeiture upon such terms and conditions, as it thinks fit.

- (a) A person whose Shares have been forfeited shall cease to be Member in respect of forfeited Shares, but shall not withstanding the forfeiture remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the Shares.
- (b) The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the Shares.
- (c) The forfeiture of a Share shall involve the extinction of all interest in and also for all claims and demands against the Company in respect of the Shares and all other rights, incidental to the Share except any such of those rights as by These presents are expressly saved.

COMPANY'S LIEN ON SHARES

- 66. The Company shall have a first and paramount lien upon all the Shares (other than fully paid up Shares) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares and no equitable interest in any Shares shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all Dividends and bonus from time to time declared in respect of such Shares. Subject to Section 205A of the Act, unless otherwise agreed the registration of a transfer of Shares shall operate as a waiver of the Company's lien if any, on the Shares. The Directors may, at any time declare any Share wholly or in part to be exempt from the provisions of this clause.
- 67. For the purpose of enforcing such lien the Board may sell the Shares in such manner as it thinks fit, but no sale shall be made unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such Member, his executor or administrator or other legal representative as the case may be and default shall have been made by him or them in payment of the sum payable as aforesaid in respect of such Share for 14 (fourteen) days after the date of such notice.
- 68. The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon Share before the sale) be paid to the person entitled to the Share at the date of the sale.
- 69. Upon any sale after forfeiture or surrender or for enforcing a lien purported in exercise of the powers herein conferred, the Board may appoint some person to execute the instrument of transfer of the Share sold and cause the purchaser's name to be entered in the Register in respect of the Share sold and the purchaser shall not be bound to see to the regularity of the proceedings nor to the application of the purchase money. After his name has been entered into the Register in respect of such Share the validity of the sale shall not be impeached by any person on any ground whatsoever and the remedy of any person aggrieved by such sale shall be in damages only and against the Company exclusively.

CONVERSION OF SHARES INTO STOCK

- 64. The Company may, by an Ordinary Resolution:
 - i). Convert any paid-up Shares into stock; and
 - ii). Reconvert any stock into paid-up Shares of any denomination.
- 65. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the Shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the Shares from which the stock arose.

TERM OF ISSUE OF DEBENTURE

70. Any debentures, debentures stock or other securities may be issued at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special resolution.

TRANSFER AND TRANSMISSION OF SHARES

74. Every instrument of transfer of shares shall be in the form prescribed under the Act or as near thereto as the circumstances may admit and shall be in accordance with the provisions of Section 108 of the Act, from time to time
71. Save as provided in Section 108 of the Act, no transfer of Share shall be registered unless a proper instrument duly stamped and executed by or on behalf of the transferor and by or on behalf of transferee and specifying the name, address and occupation of the transferee has been delivered to the Company along with the certificate relating to the Shares or if no such certificate is in existence along with the letter of allotment of the Shares, in accordance with the provisions of Section 108 of the Act. The transferor shall be deemed to remain a Member in respect of such Share until the name of the transferee is entered in the Register in respect thereof. The signature of one credible witness who shall add his address shall duly attest each signature to such transfer. Provided, that, where on application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as the Board may think fit so as to indemnify the Company.
72. Application for the registration of the transfer of a Share may be made either by the transferor or the transferee, provided that, where such application is made by the transferor, no registration shall, in the case of the partly paid Share, be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act, and subject to the provisions of These presents, the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.
73. Subject to the provisions of Sections 111A of the Act the Directors may, at its own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of Shares whether fully paid or not and the right of refusal shall not be affected by the circumstances that the proposed transferee is already a Member of the Company but in such cases the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer provided that registration of a transfer alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has lien on the shares, transfer of Shares/ Debentures in whatever lot shall not be refused.
81. The executor or administrators of a deceased Member (not being one of several joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Member. In case of the death of any one or more of the joint holders of any registered Shares, the survivors shall be the only person recognized by the Company as having any title to or interest in such Shares. But nothing herein contained shall be taken to release Board may require him to obtain a Grant of Probate or letters of Administration or other legal representation as the case may be from some competent court. Provided nevertheless that in any case where the Board in its absolute discretion think fit, it shall be lawful for the Board to dispense with the production of probatory letters of administration or such other legal representation upon such terms as to indemnify or otherwise as the Board in its absolute discretion may consider necessary.
82. Any committee or guardian of a lunatic or infant Member or any person becoming entitled to transfer of Shares in consequence of the death, bankruptcy, insolvency of any Member, upon producing such evidence that he sustains the character in respect of which he proposes to act under the Articles or of the title as the Board thinks sufficient, may with consent of the Board (which it shall not be under any obligation to give)

be registered as a Member in respect of such Shares or any subject to the regulations as to transfer herein before contained. (The Article is hereinafter referred to as The Transmission Article).

84. a) If the person becoming entitled to Shares shall elect to be registered as Member in respect of the Share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
 - b) If the person aforesaid shall elect to transfer the Shares, he shall testify his election by execution of an instrument of transfer of Shares.
 - c) All the limitations, restrictions and provisions of These presents relating to the right to transfer and the registration of transfer of Share shall be applicable to any such notice or transfer as aforesaid as if the death, insanity, bankruptcy or insolvency of the Member had not occurred and the notice of transfer were a transfer signed by that Member.
2. A person so becoming entitled under the Transmission Article to a Share by reason of death, lunacy, bankruptcy or insolvency of a Member shall, subject to the provision of the Articles or Section 206 of the Act, be entitled to the same Dividend and other advantages to which he would be entitled if he was the Member registered in respect of the Share except that he shall not before being registered as a Member in respect of the Share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all Dividends, Bonuses or other money payable in respect of the Share, until the requirements of the notice have been complied with.

BORROWING POWERS

87. The Board of Directors may from time to time subject to the Section 58A, 292 and 293 of the Act, at their discretion raise or borrow any sum or sums of money for the purpose of the Company and subject to the applicable provisions of the Act may secure payment or repayment of same in such manner and upon such terms and conditions in all respect as may be prescribed by the Board, in particular by the creation of any mortgage or charge or other encumbrances on any of the immovable properties of the Company or hypothecation, pledge or charge on and over the Company's stocks, book debts and other movable properties.
88. The Board of Directors may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions as they think fit and in particular, by the issue of bonds, perpetual or redeemable Debentures or any mortgage, charge or other security on the undertaking of the whole or any part of the property of the Company both present and future including its uncalled capital for the time being or by giving, accepting or endorsing on behalf of the Company any promissory notes, bills of exchange or other negotiable instruments and no Debenture shall carry any voting right whether generally or in respect of any particular class or classes of business.

PROCEEDINGS AT GENERAL MEETING

97. In addition to any other meetings, a General Meeting of the Company shall be held within such interval as specified in Section 166 (1) of the Act, and subject to the provisions of Section 166 (2) of the Act, at such time and place as may be determined by the Board. Each such General Meeting shall be called an 'Annual General Meeting' and shall be specified as such in the notice convening the meeting. Any other meeting of the Company shall be called an Extraordinary General Meeting.
98. The Board may, whenever it thinks fit, call an Extraordinary General Meeting. If at any time there are not within India Directors capable of acting who are sufficient in number to form a quorum, the Directors present in India may call an Extraordinary General Meeting, in the same manner and as nearly as possible as that in which such a meeting may be called by the Board.
100. No business shall be transacted at General Meeting of the Company unless a quorum of Members is present at the time when the meeting proceeds to business. Five Members present in person shall be the quorum for

the meeting of the Company. No business shall be transacted at any General Meeting unless the requisite quorum shall be present throughout the meeting.

- 104.a) Every question submitted to a meeting shall be decided, in the first instance by a show of hands and in the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a second or casting vote in addition to the vote to which he may be entitled as a Member.
- b) A declaration by the Chairman that a resolution has on a show of hands been carried unanimously or by a particular majority or lost and an entry to that effect in the minutes shall be conclusive evidence of the fact without further proof.

VOTES OF MEMBERS

108. Subject to any rights or restrictions for the time being attached to any class or classes of Shares:

- a. On a show of hands, every Member present in person, shall have one vote, and
- b. On a poll, the voting rights of Members shall be as laid down in Section 87 of the Act.

109. Except as conferred by Section 87 of the Act the holders of preference Shares shall have no voting right. Where the holder of any preference Share has a right to vote on any resolution in accordance with the provisions of Sub-section (2) of Section 87 of the Act, his voting right on a poll as the holder of such Share shall subject to the provision of Section 89 and Sub-section (2) of Section 92 of the Act be in the same proportion as the capital paid in respect of the preference Share bears to the total paid up equity capital of the Company.

110. Where a Company or body corporate (hereinafter called "**Member Company**") is a Member of the Company, a person duly appointed by resolution in accordance with Section 187 of the Act to represent such Member Company at a meeting of the Company shall not by reason of such appointment, be deemed to be a Proxy and the production at the meeting of the copy of such resolution duly signed by one Director of such Member Company and certified by him as true copy of the resolution shall, on production thereof at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by Proxy on behalf of the same Member Company or body corporate which he represents, as that Member Company or body corporate could exercise if it were an individual Member.

111. Where there are joint registered holders of any Shares any one of such persons may vote at any meeting either personally or by Proxy in respect of such Shares as if he were solely entitled thereto and if more than one of the said persons so present whose name stands first in the Register in respect of such Shares shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any Share stands shall for the purposes of this Article be deemed joint-holders thereof.

112. If any Member were of unsound mind he may vote whether on a show of hands or at a poll by his committee curator bonus or other legal curator and such last mentioned persons may give their vote by Proxy on a poll. If any Member is a minor, his guardian may give the vote in respect of his share. If more than one person claim to exercise the right of vote under this clause, the Chairman of the meeting may select in his absolute discretion any one person and will accept his vote.

114. On a poll, votes may be given either personally or by Proxy or in the case of a company, by a representative duly authorised as aforesaid.

116. The instrument appointing a Proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if such appointer is a body corporate under its common seal or under the hand of its attorney duly authorised.

117. The instrument appointing a Proxy and the power of attorney or other authority (if any) under which it is signed or a notarial certified copy of that power or authority shall be deposited at the office not less than 48 (Forty Eight) hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default, the instrument of Proxy shall not be treated as valid.

118. A vote given in accordance with the terms of an instrument of Proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of proxy or of the authority under which the proxy was executed or transfer of the Shares in respect of which the proxy is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Chairman at the office before the meeting provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of Proxy and that the same has not been revoked.

DIRECTORS

122. The number of Directors of the Company shall not be less than three and not more than twelve.
123. The management of the Company shall vest in the Board of Directors.
124. Not less than two-thirds of total number of Directors of the Company shall:
- (a). be persons whose period of office is liable to determination by retirement of Directors by rotation; and
 - (b). save as otherwise expressly provided in the Act or These presents, be appointed by the Company in a General Meeting.
126. The Directors shall have powers at any time and from time to time to appoint any other person as a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by These presents. Any Director so appointed shall hold office only until the conclusion of the next following Annual General Meeting of the Company but shall be eligible for re-election at such Meeting.

PROCEEDINGS OF DIRECTORS MEETINGS

138. a). The Directors may meet together for the dispatch of business and may adjourn and otherwise regulate their meetings and proceedings as they may think fit, subject to the provision of Section 285 of the Act.
- b). The Chairman, Director or any officer authorised by the Directors may call a meeting of the Board of Directors.
- c). Subject to the provisions of Sections 316, 372A(2) and 386 of the Act, questions arising at any meeting of the Directors shall be decided by a majority of votes and in case of any equality of votes, the Chairman shall have a second or casting vote.
140. Subject to Section 287 of the Act, the quorum for the meeting of the Board shall be one third of its total strength or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength in number, the remaining Directors, that is to say, the number of Directors who are not interested, present at the Meeting being not less than two, shall be the quorum during such meeting.

ANNUAL RETURN

164. The Company shall make the requisite Annual Return in accordance with Sections 159 and 161 of the Act.

RESERVE

165. The Board may Subject to Section 205 (2A) of the Act from time to time, before recommending any Dividend set apart any portion of the profits of the Company as it thinks fit as reserves to meet contingencies or for the liquidation of any Debentures, debts or other liabilities of the Company or for equalisation of Dividends or for repairing, improving or maintaining any of the property of the Company and for such other purposes of the Company as the Board in its absolute discretion thinks conducive to the interest of the Company and may, subject to the provisions of Section 372A of the Act, invest the several sums so set aside upon such investments (other than Shares in the Company) as it may think fit and may from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit

of the Company and may divide the reserves into such special funds as it thinks fit, with full power to employ the reserve or any part thereof in the business of the Company and that without being bound to keep the same separated from the other assets. The Board may also carry forward any profits, which it may think prudent not to divide without setting them aside as a reserve.

166. All moneys carried to the reserves shall nevertheless remain and be the profits of the Company available. Subject to due provisions being made for actual loss or depreciation, for the payment of Dividends and such moneys and all other moneys of the Company not immediately required for the purpose of the Company may, subject to the provisions of Section 372A of the Act, be invested by the Board in or upon such investments or securities as it may select or may be used as working capital or be kept at any Bank or deposit or otherwise as the Board may from time to time think proper.

CAPITALISATION OF PROFITS / RESERVES

- 167.1). The Company in General Meeting may, upon the recommendation of Board, resolve:

- a). To capitalise whole or any part of the amount for the time being standing to the credit of any of the Company's reserve account, or to the credit of the profit and loss account or otherwise available for distribution and
 - b). That such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the Members who would have been entitled thereto, if distributed by way of Dividend and in the same proportions.
- 2). The sum aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) below, either in or towards:
- a). Paying up any amounts for the time being unpaid on any Shares held by such Members respectively.
 - b). Paying up in full, unissued Shares of the Company to be allotted and distributed; credited as fully paid up, to and among such Members in the proportion aforesaid; or
 - c). Partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii) above
- 3). A Share premium account and a capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares or for any other purpose specified in Section 78 of the Act.
- 4). The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

- 168.1). Whenever such a resolution as aforesaid shall have been passed, the Board shall:

- a). Make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid Shares if any; and
 - b). Generally do all acts and things required to give effect thereto.
- 2). The Board shall have full power:
- a). To make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions; and
 - b). To authorise any person to enter, on behalf of the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment by the Company on their behalf by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing Shares.

- 3). Any agreement made under such authority shall be effective and binding on all such Members.

DEMATERIALISATION OF SECURITIES

169. The provisions of this Article shall apply only in respect of Securities held in Depository mode and the provisions of the other Articles shall be construed accordingly.
170. Notwithstanding anything contained in These presents, the Company shall be entitled to dematerialise its existing shares, debentures and other securities as also re-materialise its shares, debentures and other securities held in Depository Mode and/or offer securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder.
171. (a) Every person subscribing to or holding securities of the Company shall have the option to receive security certificates in accordance with provisions of the other Articles or to hold the same with a Depository. Such a person who is the beneficial owner of the securities may/can at any time opt out of the Depository, if permitted by Law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed therein, issue to the beneficial owner the required certificates of securities.
- (b) If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the security.
- (c) The Board of Directors of the Company shall have the power to fix a fee payable by the investor to the Company for the services of dematerialising and or rematerialising of the Company's securities as they in their discretion may determine.

DIVIDENDS

178. Subject to the rights of Members entitled to a Share (if any) with preferential or special rights attached thereto the profits of the Company which shall from time to time be determined to be divided in respect of any year or other period shall be applied in the payment of Dividend on the equity Shares of the Company, but so that the holder of a partly paid up Share shall be only entitled to such proportion of the distribution upon a fully paid up Share proportionately to the amount paid or credited thereon during any portion or portions of the period in respect of which the Dividend is paid, but if any Share is issued on terms providing that it shall rank for Dividend as from a particular date, such Share shall rank for Dividend accordingly. Where capital is paid in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to Dividend or to participate in profits.
179. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by These presents and subject to the provisions of These presents shall be divisible among the Members in the proportion of the amount of capital paid or credited as paid up on the Shares held by them respectively.
180. The Company in Annual General Meeting may declare a Dividend to be paid to the Members according to their rights and interests in the profits and may, subject to the provisions of Section 207 of the Act, fix the time for payment.
181. No larger Dividend shall be declared than that recommended by the Board, but the Company in General meeting may declare a smaller Dividend.
185. No Members shall be entitled to receive payment of any Dividend or interest in respect of his Share or Shares whilst any money be due or owing from him as is presently payable to the Company in respect of such Share or Shares otherwise on account of any debts, liabilities or engagements of the Members of the Company either alone or jointly with any other person or persons and the Directors may deduct from the Dividend or interest payable to any Member all sums of money due from him to the Company subject to Section 205 A of the Act.
190. Notice of any Dividends, whether interim or otherwise, shall be given to the person entitled to Share therein in the prescribed manner, if any.

191. Unless otherwise directed in accordance with Section 206 of the Act, any Dividend may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto or in the case of joint holders to the registered address of that one whose name stands first on the register in respect of the joint holding or to such person and at such address as the Member or person entitled or sub joint-holders as the case may be, direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent or to the order of such other person as the Member or person entitled or such joint holders as the case may be, may direct.

UNPAID OR UNCLAIMED DIVIDEND

- 192.(a) Where the Company has declared a Dividend but has not been paid or claimed within 30 days from the date of declaration, to any Shareholder entitled to the payment of the Dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend of Religare Enterprises Limited" and transfer to the said account, the total amount of Dividend which remains unpaid or unclaimed.
- (b) Subject to the provisions of Section 205B of the Act, any money transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund ("Fund") and that no claim by any person to any money transferred to the Fund shall lie on or after the commencement of the Companies (Amendment) Act, 1999.
- (c) No unclaimed or unpaid dividend shall be forfeited by the Board and all unclaimed and unpaid dividends shall be dealt with as per Section 205A and 205 B of the Act and rules made thereunder.
193. The Company shall not be responsible for the loss of any cheque, Dividend warrant or postal order sent by post in respect of Dividends, whether by request or otherwise, at the registered address or the address communicated to the office before hand by the Member or for any Dividend lost to the Member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means.

WINDING UP

212. On winding up preference Shares rank as regards capital in priority to equity Shares to the extent of the paid up value of the said Shares but to no other rights or participating in its assets.
213. Subject to law of the land for the time being in force, if the Company shall be wound up and the assets available for distribution among the Members as such shall be insufficient to repay the whole of said paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Member in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the Shares held by them respectively, and if in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of winding up the excess shall be distributed amongst the Members in proportion to the paid-up capital at the commencement of the winding up paid up held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.
- 214.(a) In the event of the Company being wound up the holders of preference Share, if any, shall be entitled to have the surplus assets available for distribution amongst Members as such applied in the first place in repayment to them the amount paid up on the preference Shares held by them respectively and any arrears of Dividend upto the commencement of the winding up, whether declared or not. If the surplus assets available as aforesaid shall be insufficient to repay the whole of the amount paid up on the preference Shares and any arrears of Dividend, such assets shall be distributed amongst the holders of preference Shares so that the losses shall be borne by the holders of preference Shares as nearly as may be in proportion to the capital paid up or which ought to have been paid up on the Shares held by them at the commencement of the winding up the arrears of Dividend as aforesaid.
- (b) The assets, if any, available for distribution after payment to the preference Shareholders as aforesaid shall be distributed amongst the holders of equity Shares in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the Shares in respect of which they were respectively registered.

- (c) The Article is to be without prejudice to the rights and privileges amongst the holders of preference Shares of different series.

INDEMNITY

217. Subject to provisions of Section 201 of the Act, Every Director, Manager, Secretary or officer of the Company or any person (whether an officer of the Company or not) employed by the Company and any person appointed Auditor shall be indemnified out of the funds of the Company, against all bonafide liability incurred by him as such Director, Manager, Secretary, officer, employee or Auditor in defending any bonafide proceedings, whether civil or criminal or in which judgment is given in his favour or in which he is acquitted, or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office/Corporate Office of our Company from 10.00 am to 4.00 pm on Working Days from the date of the Draft Letter of Offer until the date of closure of the Issue.

A. Material Contracts

1. Letter of appointment dated May 5, 2011 to Nomura Financial Advisors & Securites (India) Private Limited and Religare Capital Markets Limited from our Company appointing them as the lead managers to this Issue.
2. Issue Agreement dated May 5, 2011 between our Company and Nomura Financial Advisors & Securites (India) Private Limited and Religare Capital Markets Limited.
3. Memorandum of Understanding between our Company and the Registrar dated May 5, 2011.

B. Material Documents

4. Memorandum of Association and Articles of Association of our Company.
5. Our certificates of incorporation.
6. Copy of our board resolution and shareholders resolution dated April 6, 2010 and August 11, 2010 appointing Mr. Sunil Godhwani as the Chairman and Managing Director of our Company and determining the remuneration payable for the same.
7. Copy of our board resolution and shareholders resolution dated April 6, 2010 and August 11, 2010 appointing Mr. Shachindra Nath as the Director and group CEO of our Company and determining the remuneration payable for the same.
8. Copy of our board resolution and shareholders resolution dated April 6, 2010 and August 11, 2010 appointing Mr. Anil Saxena as the Director and group CFO of our Company and determining the remuneration payable for the same.
9. Copy of our Board resolutions dated April 26, 2011 approving this Issue.
10. Consents of the Directors, Auditor, Lead Managers, domestic legal counsel to the Issue, international legal counsel to the Issue and the Registrars to the Issue, to include their names in the Draft Letter of Offer to act in their respective capacities.
11. Board resolutions dated April 26, 2011 appointing the Senior Vice President (Corporate Affairs) and Company Secretary of our Company as the Compliance Officer.
12. Report from the Auditor on the statement of tax benefits as mentioned in this Draft Letter of Offer.
13. Annual reports on the standalone and consolidated financial statements of the Company for Fiscal 2009 and 2010 and review reports on the standalone and consolidated condensed financial statements of the Company as at and for each of the nine months period ended December 31, 2009 and December 31, 2010 of Price Waterhouse, Chartered Accountants, Statutory Auditor of the Company.
14. In-principle listing approvals from the BSE and the NSE dated [●] and [●].
15. Due diligence certificate dated May 6, 2011 signed by Nomura Financial Advisors & Securites (India) Private Limited and Religare Capital Markets Limited and submitted to SEBI.

16. Tri-partite Agreement dated May 18, 2007 between our Company, the Registrar and CDSL to establish direct connectivity with Depository.
17. Tri-partite Agreement dated May 16, 2007 between our Company, the Registrar and NSDL to establish direct connectivity with Depository.
18. Letter dated [●], appointing [●] as the Monitoring Agency in relation to this Issue.
19. Approval of the FIPB (Ref. No. FC.II: 98 (2007)/85(2007)) dated May 7, 2007 read along with its approval dated August 7, 2008 (Ref. No. FC.II: 98 (2007)/85(2007)-Amend).
20. Copy of the letter of offer dated January 19, 2010 filed with SEBI and the Stock Exchanges by the Company in relation to its rights issue undertaken in 2010.

Any of the contracts or documents mentioned in the Draft Letter of Offer may be amended or modified at any time, if so required in the interest of our Company or if required by the other parties, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify that no statement made in this Draft Letter of Offer is in contravention of any of the provisions of the Companies Act, 1956 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the regulations, instructions issued by the Securities and Exchange Board of India, Government and any other competent authority in this behalf have been duly complied with. We further certify that all the disclosures in this Draft Letter of Offer are true and correct.

SIGNED BY THE CHAIRMAN & MANAGING DIRECTOR

Mr. Sunil Godhwani

SIGNED BY THE DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER

Mr. Shachindra Nath

SIGNED BY THE DIRECTOR & GROUP CHIEF FINANCE OFFICER

Mr. Anil Saxena

SIGNED BY THE DIRECTORS OF THE COMPANY

Mr. Ravi Umesh Mehrotra

Mr. Harpal Singh

Mr. Stuart D Pearce

Miss. Kathryn Matthews

Mr. Padam Bahl

Dr. Sunita Naidoo

Capt.GPS Bhalla

(Alternate Director to Mr. Deepak Sabnani)

Mr. R.K. Shetty

(Alternate Director to Mr. J.W. Balani)

Place: New Delhi

Date: May 6, 2011