

July 08, 2020

The National Stock Exchange of India Ltd.  
Corporate Communications Department  
“Exchange Plaza”, 5<sup>th</sup> Floor,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai - 400051

BSE Limited  
Corporate Services Department  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400 001

Scrip Symbol: RELIGARE

Scrip Code: 532915

**Sub: Annual Secretarial compliance Report of Religare Enterprises Limited (“the Company”) for Financial Year 2019-20**

Dear Sir(s),

Pursuant to the SEBI Circular No. CIR/CFD/CMD/1/27/2019 dated February 08, 2019, read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/109 dated June 25, 2020 please find enclosed herewith copy of Annual Secretarial Compliance Report of the Company for the Financial Year 2019-20, duly certified by a Company Secretary in practice.

This is for your information and further dissemination.

Thanking You

Yours truly,

**For Religare Enterprises Limited**

  
**Reena Jayara**  
**Company Secretary**



Encl: as above



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**SECRETARIAL COMPLIANCE REPORT OF RELIGARE ENTERPRISES LIMITED**  
**FOR THE YEAR ENDED MARCH 31, 2020**

To,  
The Board of Directors  
**Religare Enterprises Limited**  
Regd. Office: 1<sup>st</sup> Floor, P-14, 45/90,  
P-Block, Connaught Place,  
New Delhi - 110001

We, MAKS & Co., Company Secretaries (FRN: P2018UP067700) have examined subject to limitation of physical interaction and verification of records caused by Covid-19 pandemic lock down:

- (a) all the documents and records made available to us and explanation provided by Religare Enterprises Limited (“the **listed entity**” / “the **Company**”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **March 31, 2020** (“**Review Period**”) in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“**SCRA**”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“**SEBI**”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR 2015**”);
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (*not applicable for the Review Period*);
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (*not applicable for the Review Period*);
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (*not applicable for the Review Period*);
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;



- (i) The Depositories Act, 1996 and the Regulations and Bye Laws framed thereunder to the extent of Regulation 76 of the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;
- (j) the Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act, 2013 and dealing with the client to the extent of securities issued; and
- (k) the Securities and Exchange Board of India (Investor Education and Protection Fund) Regulations, 2009.

and based on the above examination, We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sl. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	As per Regulation 47(3) of SEBI (LODR) 2015, the Company is required to publish the financial results in the newspaper within 48 hours of conclusion of the meeting of board of directors at which the financial results were approved.	The Board of Director of the Company in its meeting held on November 08, 2019 approved the financial results of quarter ended September 30, 2019, which was published in the newspapers on November 11, 2019 i.e. with delay of one day.	The publication was made beyond the statutory period and hence it is a non-compliance of Regulation 47(3) of SEBI (LODR) 2015.
2	As per Regulation 17 (1) (c) of SEBI (LODR) 2015, with effective from April 01. 2019, the board of directors of the top 1000 listed entities shall comprise of not less than six directors.	The Board of Director of the Company had five board members till July 30, 2019.	Please refer <b>Note-1</b> .

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

**i. Action against the Company:**

Sl. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ Remarks of the Practicing Company Secretary, if any
1.	BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE').	Composition of the Board of Directors not according to Regulation 17(1) of SEBI (LODR) 2015.	(a) NSE vide letter/email dated November 01, 2019 imposed a fine of Rs. 171,100/- for the violation.  (a) BSE vide letter/email dated October 31, 2019/ November 01, 2019 imposed a fine of Rs. 171,100/- for the violation.	Please refer <b>Note-1</b> below.

**Note-1:**

NSE vide its letter NSE/LIST-SOP/CG/FINES/93794 dated November 01, 2019 imposed a fine of Rs. 177,100 and BSE vide its letter LIST/COMP/Reg. 27 (2) & Reg. 17 to 21/Sep-19/532915/219/2019-20 dated October 31, 2019 imposed a fine of Rs. 177,100 on the Company for non-compliance of Regulation 17(1) of SEBI (LODR) 2015.

The Company has made submissions to NSE and BSE with a request to waive off the fine imposed on the Company on following grounds:

*"In terms of RBI's Core Investment Company ("CIC") guidelines, the Company, being a CIC, requires prior approval of RBI for appointment/resignation of any Executive/Non-Executive Non-Independent Director on the Board of the Company since February 14, 2018. The Board of Directors of the Company had appointed Mr. Siddharth Dinesh Mehta as Non-Executive Director (Non – Independent) on the Board of Directors ("the Board") on February 17, 2018, subject to approval of RBI. RBI vide its letter dated July 30, 2019 approved the appointment of Mr. Siddharth Dinesh Mehta as Non-Executive Non-Independent Director on the Board.*

*Further, the Company also appointed Mr. Ashok Mehta and Dr. Ashwani Mehta as Non-Executive Directors, subject to the approval of the RBI which was not acceded to.*

*Hence, the Board appointed required Directors to ensure compliance of applicable laws and regulations on February 17, 2018. However, since RBI approved the application in July 2019, there was delay in formal appointment of above Directors by 17 months.*

*W.e.f. July 30, 2019, the Board of Directors has six directors."*

The Company has also paid fine of Rs. 177,100 on November 13, 2019 to NSE alongwith its submission to waive off the penalty amount. NSE has communicated to the Company that it's submissions will be placed before separate committee of the Exchange for its decision. Once waiver application decided by the committee, the same will be intimated to the Company and fines will be refunded only on decision of the committee. No Communication has been received from NSE and BSE till date of this report on the matter.



**ii. Action against Mr. Malvinder Mohan Singh & Mr. Shivinder Mohan Singh (Promoters):**

*Note: The Company has informed that upon approval of shareholders of the Company, the Company has applied to Stock exchanges for the Re-classification of Promoters and Promoters Group into Public Shareholders category on January 15, 2019. The Company had-submitted an application dated April 15, 2019 with SEBI seeking for an exemption from strict application of one of the conditions mentioned in erstwhile Regulation 31A(6) in relation to re-classification of existing Promoters and Promoters Group of Religare Enterprises Limited to Public Shareholders.*

*However, the Stock Exchanges have advised the Company to re-initiate the process of Re-classification again under the amended provisions of Clause 31A of the SEBI LODR 2015 based on the request letters dated June 07, 2018 and August 08, 2018 earlier received from Promoters/Promoters Group. Accordingly, the Board of Directors on April 11, 2020 approved the re-initiation of the process of Re-classification of Promoters and Promoter Group into public shareholder category and is in process to obtain shareholders’ approval through Postal Ballot e-voting mode in accordance with provisions of SEBI LODR 2015.*

**Details of action against Promoters are as below:**

Following details are based on information available in public domain since no confirmation/details have been provided by the Promoters of the Company as the Promoters of the Company have been arrested by the Economic Offences Wing, Delhi Police, as well as the Directorate of Enforcement.

Sl. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ Remarks of the Practicing Company Secretary, if any
1.	SEBI	Please refer <b>Note-2</b> below.	Please refer <b>Note-2</b> below.	Please refer <b>Note-2</b> below.
2	SEBI	Please refer <b>Note-3</b> below.	Please refer <b>Note-3</b> below.	Please refer <b>Note-3</b> below.

**iii. Action against the Material Subsidiaries:**

There were no actions taken against the material subsidiaries of the Company either by SEBI or by Stock Exchanges under the aforesaid Acts/ Regulations and circulars/ guidelines except as follows.

**Religare Broking Limited (RBL)**

No penalties or strictures have been imposed on RBL by SEBI or by Stock Exchanges for any non-compliance on any matter relating to capital markets during the F.Y. 2019-20. However, following penalties/actions have been levied/taken against RBL by stock exchanges during the F.Y. 2019-20 for operational matters/violations relating to its securities broking activities.



Sl. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ Remarks of the Practicing Company Secretary, if any
1	BSE & NSE	Violations observed in the Internal Audit Report for the period ended September 30, 2018 relating to upload of client KYC details to CKYCR.	BSE vide letter dated April 4, 2019 levied penalty of Rs.4,000/-  NSE vide letter dated April 10, 2019 levied penalty of Rs.4,000/-	The Company has paid the penalty
2	BSE	Violations observed in the Inspection carried out by BSE for allowing the terminal to be operated by other than authorized persons	BSE vide letter dated May 5, 2019 levied penalty of Rs.1,000/-	The Company has paid the penalty.  One Trading terminal at Authorised Person's office was operated by a person other than approved person.  No orders/trades have been placed/made by the un-approved person on the terminal. Warning has been issued to the concerned Sub-broker / Authorised person.
3	MSE	Violations observed in the Internal Audit Report for the period ended March 31, 2019 relating to upload of client KYC details to CKYCR.	MSE vide letter dated September 12, 2019 levied penalty of Rs. 3,000/-	The Company has paid the penalty.
4	NSE	Fine towards Unauthorised Trading in one of the Client's account	NSE vide letter dated November 15, 2019 levied penalty of Rs.10,000/-	The Company has paid the penalty.
5	BSE	Violations observed in the Internal Audit Report for the period ended September 30, 2019 relating to fresh pledging of client securities for raising funds & unpledging of client securities already pledged for raising funds by August 31, 2019.	BSE vide letter dated March 11, 2020 levied penalty of Rs.2000/-	The Company has paid the penalty.





6	NSE	Violations observed in the Inspection carried out by NSE of Authorised Person Branch (Raaj Malhotra), Non display of notice board and SEBI registration certificate at the inspection location.	NSE vide letter dated March 25, 2020 levied penalty of Rs.10,000/-	The Company has paid the penalty. Further notice board and SEBI registration certificate has been displayed at the inspection location
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**Religare Finvest Limited (RFL)**

Sl. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ Remarks of the Practicing Company Secretary, if any
1	SEBI	Please refer Note-2 below.	Please refer Note-2 below.	Please refer Note-2 below.
2	SEBI	Please refer Note-3 below.	Please refer Note-3 below.	Please refer Note-3 below.
3	SEBI	Please refer Note-4 below.	Please refer Note-4 below.	Please refer Note-4 below.

**iv. Action against the Directors of the Company** There were no actions taken against the directors of the Company either by SEBI or by Stock Exchanges under the aforesaid Acts/ Regulations and circulars/ guidelines.

**Note-2:**

SEBI in the matter of Religare Enterprises Limited vide order No. WTM/GM/IVD/100/2018-2019 dated March 14, 2019 passed an ad interim *ex-parte* order read with corrigendum dated April 18, 2019 (together referred to as 'Interim Order') and issued various directions in the aforesaid order.

Further, in the same matter, SEBI vide order No. WTM/GM/IVD/34/2019-20 dated September 11, 2019, mentioned that the detailed investigation in the matter is still in progress which is supposed to reveal all the layers of the alleged fraud as well as expose the specific role of each entity.

In view of the foregoing, in order to protect the interest of the investors and the integrity of the securities market, in exercise of the powers conferred by virtue of Section 19 read with sections 11(1), 11(4)(d) and 11B of the SEBI Act, 1992, SEBI confirmed the directions issued vide the Interim Order, and *inter-alia*, issued following directions:

- (i) REL and RFL (i.e. Noticee nos. 1 & 2) shall continue with the steps to recall the loans, amounting to Rs. 2065.09 Crores (approx.), extended, either directly or indirectly, to the Noticee nos. 5 to 17 and 19 to 25 (viz. Platinum Infrastructure Pvt. Ltd, Ad Advertising Pvt. Ltd, Artifice Properties Pvt. Ltd, Best Health Management Pvt. Ltd, Devera Developers Pvt. Ltd, Vitoba Realtors Pvt. Ltd, Fern Healthcare Pvt. Ltd, Modland Wears Pvt. Ltd, Rosestar Marketing Pvt. Ltd, Star Artworks Pvt. Ltd, Tripoli Investment &



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Trading Co, Volga Management and Consultancy Pvt. Ltd, Zolton Properties Pvt. Ltd, RHC Holding Pvt Ltd , Ranchem Pvt. Ltd , ANR Securities, Shivi Holdings Pvt. Ltd, Malav Holdings Pvt. Ltd, Shri Malvinder Mohan Singh and Shri Shivinder Mohan Singh), along with due interest.

- (ii) The Noticee nos. 5 to 17 and 19 to 25 shall, pending completion of the investigation and till further orders, not dispose of or alienate any of their assets or divert any funds, except for meeting expenses of day-to-day business operations, without the prior permission of SEBI.
- (iii) The directions contained in para 10(ii) of the Interim Order in respect of the Noticee no. 4 (Bharat Road Network Limited) and the Noticee no. 18 (Religare Comtrade Limited) stand revoked.
- (iv) The Noticee nos. 24 and 25 (viz. Shri Malvinder Mohan Singh and Shri Shivinder Mohan Singh) shall not associate themselves with the affairs of REL and RFL, in any manner whatsoever, till further directions.

The detailed investigation in the above stated matter is still in progress. For full details, the copy of Order can be referred.

**Note-3:**

SEBI in the matter of Fortis Healthcare Limited vide order No. WTM/GM/IVD/19/2019-20 dated June 28, 2019 read with interim ex-parte order No. WTM/GM/IVD/68/2018-19 dated October 17, 2018 read with order WTM/GM/IVD/80/2018-19 dated December 21, 2018 and order No. WTM/GM/IVD/101/2018-2019 dated March 19, 2019 *inter alia*, issued the following directions:-

- a. Fortis Healthcare Limited and Fortis Hospitals Limited shall continue to pursue the measures to recall the outstanding amount of Rs.403 crore (approx.) along with due interest from RHC Holding Private Limited, Shivi Holdings Private Limited, Malav Holdings Private Limited, Malvinder Mohan Singh, Shivinder Mohan Singh, Religare Finvest Limited, Best Healthcare Private Limited, Fern Healthcare Private Limited and Modland Wears Private Limited (Noticee nos. 3 to 11).
- b. RHC Holding Private Limited, Shivi Holdings Private Limited, Malav Holdings Private Limited, Malvinder Mohan Singh, Shivinder Mohan Singh, Best Healthcare Private Limited, Fern Healthcare Private Limited and Modland Wears Private Limited (Noticee nos. 3 to 7 and 9 to 11) pending completion of the investigation, shall not dispose of or alienate any of their assets or divert any funds, except for meeting expenses of day-to-day business operations, without the prior permission of SEBI.
- c. Religare Finvest Limited (Noticee nos. 8), pending completion of the investigation, shall not dispose of or alienate any of its assets or divert any funds, without the prior permission of SEBI, except for meeting expenses of day-to-day business operations and taking all measures as it deems fit for revival of RFL (including restructuring of its debts/loans, assignment of its financial assets to ARCs, raising of capital, borrowing etc.), subject to strict adherence to the terms of “Corrective Action Plan” and any other norms stipulated by the Reserve Bank of India and provisions of all other applicable laws.
- d. Malvinder Mohan Singh and Shivinder Mohan Singh shall not associate themselves with the affairs of Fortis Healthcare Limited and Fortis Hospitals Limited in any manner whatsoever.





The detailed investigation in the above stated matter is still in progress.

During the review period, RFL appealed to the Securities Appellate Tribunal (“SAT”) against the SEBI Order dated 17<sup>th</sup> October, 2018 and 19<sup>th</sup> March, 2019. After hearing the parties, SAT has passed an Order dated January 29, 2020 quashing and setting aside the aforementioned SEBI Orders qua RFL. The SAT has remitted the matter to Whole-time Member (“WTM”) of SEBI for passing fresh order, if they so desire after giving an opportunity of hearing to RFL. SAT has further directed RFL to maintain its assets worth Rs. 200 crores for a period of three months from the SAT Order. If the WTM is unable to pass any Order within the said period, this limited restraint order passed by the SAT will come to an end. As confirmed by the Company, SEBI has not issued any further order in this regard against RFL till date of this report. For full details, the copy of SAT Order can be referred.

**Note-4:**

SEBI has issued a Show Cause Notice dated December 31, 2019 (Ref: EAD6/AO/PM/NK/DCHL/35091/1/2019) RFL under Rule 4 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 r/w Section 15 – I of the SEBI Act, 1992 (“Show Cause Notice”) in the matter of Deccan Chronicle Holdings Limited (“DCHL”) for non-disclosure/delay in filing of disclosure under Regulation 13(1) read with 13(5) of SEBI (Prohibition of Insider Trading Regulation, 1992 (“PIT Regulation”) and Regulations 29(1) read with 29(3) and 29(4) of SEBI (Substantial Acquisition of Shares and Takeover) Regulation, 2011 (“SAST Regulation”) in respect of three Crores shares of DCHL (“Subject Shares”) constituting 14.37% of total share capital of the said Company, at the time of:

- (i) entering into a Non- Disclosure Undertaking (“NDU”) on June 1, 2012 and thereby violated Regulation 29 (1) r/w 29 (4) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulation, 2011 (“SAST Regulation”);
- (ii) invoking the pledge on August 2, 2012 and thereby violated Regulation 13 (1) r/w Regulation 13 (5) of the SEBI (Prohibition of Insider Trading Regulation, 1992 (“PIT Regulation”).

In the said Show Cause Notice, RFL was called upon to Show Cause as to why a monetary penalty, if any, should not be imposed on RFL in terms of Section 15 A (b) of the Securities and Exchange Board of India Act, 1992 (“SEBI Act”). In response to Show Cause Notice, RFL has filed an Application under the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 to SEBI on March 12, 2020, seeking settlement of the proceedings sought to be initiated by issuance of Show Cause Notice which is pending for disposal as on date of this report.

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sl. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	The Company submitted the annual audited	March 31, 2019	The Company had requested for and was granted	NSE vide its letter dated February 4, 2019 waived off the



Sl. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	<p>financial results for the quarter and year ended March 31, 2018 with a delay of around 3 Hours i.e. May 31, 2018 at 2.57 a.m.</p> <p>The Company was imposed fine of Rs. 5,900/- by BSE Limited ('BSE') and Rs. 5,000/- National Stock Exchange of India Limited ('NSE').</p>		<p>waiver of fine imposed by NSE. The Company has also requested for waiver of the fine imposed by BSE.</p>	<p>fine and refunded the same.</p> <p>No further communication has been received from BSE in the matter during the period under review and till date of this report.</p>
2	<p>No evaluation of performance of independent directors was carried out by the Board for the FY 2017-18 which was due in May 2018 i.e. the date of Annual Board Meeting as per the Board Evaluation Policy of the Company.</p>	March 31, 2019	<p>The Performance Evaluation of the members of the Board, the Board level Committees and Board as a whole was carried out in May 2019 as per the Board evaluation policy of the Company.</p>	<p>Response provided by the Company has been noted</p>
3	<p>No prior approval of Audit Committee was obtained by the Company for transaction of Rs. 131.25 Lakhs related to expenses reimbursement to Religare Finvest Limited, subsidiary of the Company.</p>	March 31, 2019	<p>Audit Committee subsequently in its meeting held on September 06, 2018. ratified the said transaction</p>	<p>The Audit Committee of the Company had ratified the said transaction subsequently in its meeting held on September 06, 2018.</p>



**MAKS & CO.**

Company Secretaries

FRN: P2018UP067700

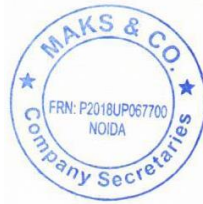
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- (e) Since there was no event of appointment/ re-appointment/ resignation of statutory auditor of the Company during the review period, the Company has modified the terms of appointment of its existing statutory auditor to give effect to clause 6(A) and 6(B) of the Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019.

For **MAKS & Co.,**  
**Company Secretaries**  
[FRN P2018UP067700]



**Ankush Agarwal**  
**Partner**  
**Membership No:** F9719  
**Certificate of Practice No:** 14486  
**UDIN:** F009719B000426487

**Date:** July 08, 2020

**Place:** Noida