QJA/BS/CFD/CFD-RAC-DCR1/32546/2026-27

SECURITIES AND EXCHANGE BOARD OF INDIA

UNDER SECTIONS 11(1), 11B(1) AND 11(4) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 32 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011

In respect of

Sl. No.	Noticee(s)	PAN
1.	**Religare Enterprises Limited**	XXXXX5888X
2.	**Ms. Rashmi Saluja**	XXXXX5660X
3.	**Mr. Malay Kumar Sinha**	XXXXX8649X
4.	**Mr. Hamid Ahmed**	XXXXX7850X
5.	**Mr. Praveen Kumar Tripathi**	XXXXX2749X
6.	**Mr. Ranjan Dwivedi**	XXXXX5456X
7.	**Ms. Preeti Madan**	XXXXX2886X

(The aforesaid entities are hereinafter referred to by their respective names or Noticee number and collectively as "Noticees").

In the matter of Religare Enterprises Limited

A. BACKGROUND

1. Securities and Exchange Board of India ("**SEBI**") issued an Interim Order cum Show Cause Notice dated June 19, 2024 against the above mentioned Noticees alleging that

they failed to co-operate during the open offer process initiated pursuant to a public announcement made by certain entities to acquire the shares of Religare Enterprises Ltd. ("**REL**"/"**Target Company**"/"**Company**"). On account of the alleged non-cooperation, REL / Noticee 1 is alleged to have violated regulation 26 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**SAST Regulations**") and regulation 4(2)(a) and (d) of SEBI (Listing Obligations and Disclosure Requirements), 2015 **("LODR Regulations").** Further, Ms. Rashmi Saluja (Executive Chairperson) and Mr. Malay Sinha, Mr. Hamid Ahmed, Mr. Praveen Tripathi, Mr. Ranjan Dwivedi and Ms. Preeti Madan, being the directors who are responsible of the affairs of REL, are alleged to have violated the provisions of Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") and Regulation 4(2)(f) of the LODR Regulations.

2. A brief factual account of the events which led to the Interim Order cum Show Cause Notice is as follows:

    i. Religare Enterprises Ltd. is a listed Core Investment Company (CIC) registered with the Reserve Bank of India (RBI) as a Non-Deposit taking Non-Banking Financial Company ("**NBFC**"). REL is listed on BSE, NSE and under "Permission to Trade" category on MSEI. REL is a company with no identifiable promoters.

    ii. M.B. Finmart Private Limited, Puran Associates Private Limited, VIC Enterprises Private Limited and Milky Investment & Trading Company (collectively referred to as "**Acquirers**"/"**Burman Group**") are public shareholders of the Target Company. Prior to Public Announcement on September 25, 2023, the Acquirers were together holding 21.54% shares of REL. On September 25, 2023, the Acquirers placed orders with the stock broker, JM Financial Services Limited ("**MB"**), to purchase up to 1,73,15,874 equity shares (i.e. 5.27% of the equity share capital), at a price of not more than INR 235 per equity share, subject to regulatory approvals. Since the acquisition would have increased the shareholding of the Acquirers beyond 25%, the Acquirers were obligated to make an open offer to the shareholders of the Target Company, in terms of Regulations 3(1) and 4 of the SAST Regulations. In the public announcement, the Acquirers, sought to acquire additional 9,00,42,541 fully paid-up equity shares of face value of INR10 each, representing 26% of the expanded voting share capital at a price of INR 235 for a total consideration of INR 21,15,99,97,135 ("**Open Offer**").

iii. Between October, 2023 to June, 2024, REL made various representations to SEBI objecting to the proposed Open Offer and raised concerns against the Acquirers. SEBI gave REL several opportunities to provide documents, records, and evidence supporting REL's allegations and contentions.

iv. The Acquirers wrote to SEBI on December 27, 2023 and February 14, 2024, alleging a complete absence of co-operation and support from REL.

v. After obtaining inputs from the regulatory bodies and MB, representations of REL and the Committee of Independent Directors, SEBI issued two separate letters dated May 31, 2024 ("**SEBI May 2024 Letters**"), inter alia disposing of REL's representations and advising it to make an application to RBI, IRDAI and SEBI for requisite statutory approvals within 15 days of receipt of the said communication.

vi. Pursuant to the SEBI May 2024 Letters, REL / CoID issued letters dated June 10, 2024 and June 11, 2024 ("**REL June 2024 Letters**"), inter alia submitting that SEBI did not have jurisdiction over the subject matter and that the SEBI May 2024 Letters required reconsideration as their representations had been disregarded without investigation. Further, the letters stated that the the Acquirers were not "fit and proper person" and REL was not obligated to submit any application to RBI for the approval in change of control.

vii. Due to the above events, SEBI issued an Interim Order cum Show Cause Notice dated June 19, 2024 against 7 entities alleging that they failed to co-operate during the Open Offer process. REL / Noticee 1 is alleged to have violated regulation 26 of SAST Regulations and regulation 4(2)(a) and (d) of the LODR Regulations**.** It is further alleged that Ms. Rashmi Saluja (Executive Chairperson) and Mr. Malay Sinha, Mr. Hamid Ahmed, Mr. Praveen Tripathi, Mr. Ranjan Dwivedi and Ms. Preeti Madan, being the directors who are responsible of the affairs of REL, have violated section 27 of the SEBI Act and regulation 4(2)(f) of the LODR Regulations.

B. INTERIM ORDER CUM SHOW CAUSE NOTICE, REPLIES AND HEARING

3. The Interim Order cum SCN has inter alia alleged that:

(i) Under regulation 26 of the SAST Regulations, the target company has to constitute a Committee of Independent Directors (CoID) which then has to place reasoned recommendations on the open offer to shareholders. Regulation 4(2)(d) of the LODR Regulations provides that a listed entity has to recognise the rights of its stakeholders and encourage cooperation between listed entity and the stakeholders. Further, under regulation 4(2)(f) of the LODR Regulations, the board of directors of a listed company have a responsibility to treat all the shareholders fairly.

(ii) The management of REL and its board of directors are duty bound to ensure that the provisions and the objects of the SAST Regulations are complied with by all the parties. The target company has to act objectively in the best interest of its shareholders.

(iii) Through SEBI May 2026 Letters, SEBI has provided a comprehensive reply to REL. As regards the allegation of the Acquirers not meeting the fit and proper person criteria, it has been conveyed that the same would be considered by the respective regulators, as and when the applications for statutory approvals are submitted. In this regard it is pertinent to mention that within the scheme of the SAST Regulations, there is no specific requirement of ‘fit and proper criteria’ prescribed for the Acquirers. However, Regulations 6A and 6B of the SAST Regulations, provide that the acquirers should not have been declared as willful defaulter or fugitive economic offender. No documentary evidences have been furnished by the Target Company to show that the Acquirers suffer from any of the said infirmities. Moreover, SEBI's communications with the Target Company did not decide whether the Acquirers were 'fit and proper person', but only required REL to apply for the approvals, leaving to the sectoral regulators to examine the issues independently.

(iv) The Open Offer cannot proceed unless statutory approvals are obtained from RBI, SEBI and IRDAI because REL is regulated by the said authorities. In the factual situation of the case, RBI would only entertain an application made by the target company. Therefore, without REL's cooperation, the Open Offer could not move forward.

4. The Interim Order cum SCN held that urgent directions are warranted in the matter to ensure fulfilment of the objects of the SAST Regulations and LODR Regulations and to uphold the rights of the shareholders to participate in the Open Offer exercise. Accordingly, the following directions were issued:

> *"(a) Noticees 1 to 7 shall, within seven days of the date of this Order, furnish an undertaking that Noticee 1 shall apply to the regulatory authorities including RBI, on or before July 12, 2024, for all the requisite statutory approvals that are necessary for proceeding with the open offer by the Acquirers.*
>
> *(b) Noticees 1 to 7 shall take all the necessary steps to facilitate the acquirers to fulfil their obligations under the SAST Regulations, 2011.*
>
> *(c) Noticees 1 to 7 shall forthwith constitute Committee of the Independent Directors, in terms of Regulations 26(6) of SAST Regulations, 2011, if not already constituted."*

5. The Noticees have filed replies in respect of the Interim Order cum SCN issued against them. Subsequently, the Noticees were also granted personal hearing in the matter. The written replies filed by REL, Mr. Malay Sinha, Mr. Praveen Tripathi, Mr. Ranjan Dwivedi

and Ms. Preeti Madan (Noticee 1, 3, 5,6 and 7) dated August 09, 2025, May 11, 2026 and May 16, 2026 along with the oral submissions made on April 28, 2026 are summarized below:

(a) Prior to 2018, REL was controlled by the "Singh Brothers". Pursuant to fraud allegations against the Singh Brothers, REL's board was reconstituted and functioned as a professionally managed company. Ms. Rashmi Saluja ("**RS**") acted as the central head or the 'alter ego' of REL.

(b) Before the acquisition which triggered open offer obligations, the Acquirers had discussions with RS wherein RS suggested that REL would do a preferential allotment to raise capital and for the Acquirers to invest in.

(c) RS, the chairperson of REL, controlled and dominated the board of REL which led the independent directors including the Noticees 3,5,6 and 7 to believe that the Acquirers are connected with the Singh Brothers and that they are not "fit and proper" to takeover the Target company. RS, both directly and through her proxies including, Sapna Govind Rao and Digvijay Laxmansinh Gaekwad, undertook a series of calculated and coordinated actions to obstruct the open offer.

(d) Noticees 3,5,6 and 7 were not involved in the day-to-day management of REL. Relying on representations of RS, the Committee of Independent Directors (CoID) comprising of Noticees 3,4,5,6 and 7, issued a letter dated October 18, 2023 to SEBI highlighting points to be considered regarding the fitness of the Burman Entities and sought certain clarifications before proceeding with the open offer. Subsequent communications were also sent on November 10, 2023, November 14, 2023 and November 16, 2023 in response to SEBI's queries. Between January, 2024 until May, 2024, letters / emails were issued by the Company management to SEBI purely at the instance of RS. After the two SEBI orders dated May 31, 2024, another letter was addressed by the Company to SEBI under the instructions of RS reiterating objections to the open offer based on the information provided by her.

(e) Noticees 3, 5, 6 and 7 realized that the information provided by RS was misleading after issuance of order by IRDAI dated July 23, 2024 directing reversal of the CHIL ESOPs issued to RS. The list of events and dates provided by the said Noticees along with the minutes demonstrates how the independent directors persuaded the management to take the right steps after being made aware of the ulterior motives of RS.

(f) Consequent to the completion of the open offer on February 13, 2025, a change in control of REL was effected and the Burman Entities were reclassified as Promoters of the Company as of February 18, 2025. RS failed to be re-appointed as a director and ceased to be the Executive Chairperson of REL with effect from February 07, 2025. If there was any collusion between RS and the said Noticees, they would have not continued on the board after removal of RS.

(g) The actions of Noticees 3, 5, 6 and 7 are consistent with the duties imposed under section 149(12) of the Companies Act, 2013, which expressly protects the independent directors from liability, when here is no evidence of active participation in wrongdoing or gross negligence. The said independent directors were not involved in the day-to-day affairs and management of the Company at any point of time. Therefore, there is no violation of regulation 26 of SAST Regulations or regulation 4(2)(a), (d) or (f) of the LODR Regulations, by the Company or the independent directors.

(h) By way of an order dated January 23, 2026, Hon'ble Bombay High Court has held that ED has collected sufficient material showing unlawful gain of approximately INR 179.54 crores through ESOPs acquired and diversion of INR 192 crores of REL funds into the rights issue of its material subsidiary CHIL. It was held that the ESOP shares were valuable securities and prima facie proceeds of crime. RS has also been found by SEBI to have violated provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 by trading on the basis of unpublished price sensitive information with respect to the impending open offer by the acquirers in REL.

(i) The directions in the Interim Order cum SCN stand complied with, therefore, the SCN stands addressed and no further directions are warranted.

6. The written reply filed by Ms. Rashmi Saluja (Noticee 2) dated May 07, 2026 along with the oral submissions made on April 28, 2026 are summarized below:

(a) REL being a NBFC governed by RBI, wrote several representations to RBI highlighting that any acquisition or change in control of an NBFC requires RBI's prior approval. By email dated February 05, 2024, RBI declined to grant approval for change in management pursuant to the open offer made by Burman Entities and indicated that such request can only emanate from the target company (REL). RBI did not direct REL to apply, it only stated the procedural position. The Competition Commission of India (CCI) by its order dated January 23, 2024 granted a conditional approval to the transaction stating that the approval could be revoked if any information provided was found to be incorrect. SEBI's letter dated May 31, 2024 "advised" REL to apply to RBI, IRDAI and SEBI for requisite approvals for the open offer.

(b) Regulation 18(11) expressly places the duty to "pursue all statutory approvals required by the acquirer" upon the acquirer. Neither the text of Regulation 18(11) nor Regulation 26 imports a corresponding mandatory obligation on the Target Company to apply for or secure such approvals, particularly where the board and CoID, acting in good faith, harbor serious reservations on fitness and governance. SAT has repeatedly stressed that obligations under SAST cannot be expanded by implication beyond regulatory text (e.g., Karvy Financial Services Ltd. v. SEBI, where SAT refused post-facto exemption because it would defeat the object of mandatory open offers). The same restraint must apply in reading into Regulation 26 an unwritten, positive duty on REL to seek regulatory approval for a transaction it bona fide finds prejudicial

(c) REL constituted the CoID on 9 October 2023 in strict compliance with Regulation 26(6) SAST. The CoID obtained independent legal advice (S&R Associates; opinion of Mr. Sandeep Sethi, Sr. Adv.) and issued detailed recommendations as mandated by Regulation 26(7). Regulation 26 attributes obligations primarily to the "committee of independent directors" and the "board of directors" as collegial bodies; it does not create personal, strict liability of a non-member chairperson for each decision of the CoID. In line with SAT's approach in Sanjoy Dalmia, individual directors are held liable where they positively participate in or approve a transaction contrary to the code (e.g., executing an MOU before shareholder approval). Here, Noticee No. 2 neither sat on the CoID nor unilaterally overrode its reasoned deliberations; the CoID independently engaged with SEBI and other regulators. The CoID functioned independently and the Noticee 2 cannot be held vicariously liable for decision of CoID. Assuming that SEBI ultimately disagrees with the CoID's construction of Regulations 18(11)/26, that cannot, without more, justify personal proceedings against Noticee No. 2 for the CoID's collective views.

(d) On December 09, 2024, RBI granted only a conditional approval, specifically declining to accord full approval to the new management on fit and proper grounds and directed the Acquirers to submit a consolidation plan. The said consolidation plan has not been publicly notified yet. Meanwhile, in W.P.(C) 727/2025, titled, Sapna Govind Rao v. Union of India & Ors. challenging the Burman Open Offer on corporate governance grounds, the Delhi High Court issued notice and, on 21st January 2025, ordered that any action taken pursuant to RBI's 9th December 2024 approval would be subject to the outcome of the writ. Thus, the entire control transaction is sub judice. The Letter of Offer (LoF) issued by the Acquirers on January 18, 2025, does not disclose the conditions and uncertainties linked to conditional approval granted by RBI.

(e) In light of RBI's ultimate conditional approval expressly questioning full fit and proper status, the ongoing competition concerns and gun-jumping complaints, and pendency of W.P.(C) 727/2025, the Board and CoID would have breached their statutory duties had they blindly facilitated the change in control without adequate diligence and protective disclosures. Therefore, REL formed a CoID, sought expert advice, engaged with RBI, CCI and SEBI, and issued a detailed recommendation warning shareholders of pricing and fit-and-proper risks.

7. The written reply filed by Mr. Hamid Ahmed (Noticee 4) dated May 01, 2026 along with the oral submissions made on April 28, 2026 are summarized below:

(a) The CoID obtained independent legal opinions from S&R Associates and Senior Advocate Sandeep Sethi, which indicated that the open offer was not beneficial to Religare Enterprises or its minority shareholders. On January 22, 2025, the CoID issued its reasoned recommendations under regulation 26(7) of the SAST Regulations, expressly cautioning shareholders that (i) the offer price was below both the prevailing market price and the 60-day volume weighted average price, and (ii) the conditional approval of RBI and the potential consolidation could materially impact the economics of the transaction. The said recommendation was signed by Mr. Hamid Ahmed in his capacity as a Non-Executive Independent Director and as a member of the CoID.

(b) He has resigned from the position of Non-Executive Independent Director of REL on February 04, 2025.

C. CONSIDERATION OF ISSUES AND FINDINGS

8. I have considered the allegations in the Interim Order cum SCN, written submissions, oral submissions and other material available on record.

9. In their replies, the independent directors (Noticees 3, 5, 6 and 7) have collectively submitted that Ms. Rashmi Saluja (Noticee 2) had misled them. According to them, although they exercised due diligence, since they were not involved in the day-to-day affairs of the Company, they acquiesced to the narrative presented by Ms. Rashmi Saluja. In this regard, I note that the personal motives allegedly attributed to Ms. Rashmi fall outside the scope of the present proceedings. I am unable to make any comment on the

same. Further, Ms. Rashmi Saluja (Noticee 2) and Mr. Hamid Ahmed (Noticee 4) have claimed that the Committee of Independent Directors (CoID) functioned independently, and they had obtained legal opinions from reputable entities which indicated that the Open Offer was not beneficial to REL and its shareholders. While different claims and contentions have been advanced by the parties, I find that the same do not call for determination at this stage, since the principal issue that formed the basis of the proceedings has already been resolved.

10. In the present case, the Interim Order cum SCN had issued only three regulatory directions, all of which were in the context of facilitating the Open Offer process pursuant to the public announcement. After the completion of the Open Offer process, the post offer advertisement was issued on February 18, 2025 (i.e, more than a year ago) and the Acquirers assumed control of the Target Company.

11. In this regard, I find it relevant to cite the findings of Hon'ble SAT in the case of PWC and Ors. vs. SEBI, decision dated September 09, 2019, wherein it *inter alia* stated:

> *"Thus, the powers conferred on SEBI under Section 11 and 11B is to protect the interests of investors in securities and to promote the development of and to regulate the securities market. Therefore, the measure to be adopted by SEBI is remedial and not punitive…. A remedial action is to correct a wrong, or a defect. Preventive measure can be issued in a given case of unfair trade practice or where fraud is proved…."*

12. Further, in the case of Mr. Mritunjay Kumar vs. SEBI, decision dated November 02, 2012, Hon'ble SAT has held that:

> *"…..It is a settled legal position that the directions issued under section 11 and 11B of the Act are preventive and remedial in nature and not punitive. The penal provisions have been spelt out in section 12(3), Chapter VI A and section 24 of the Act. Directions issued under section 11 and 11B of the Act are remedial in nature intended to correct or remove a defect or fault. They are preventive to protect commission of violations in future….."*

13. From the above, I note that the jurisprudence under sections 11 and 11B of the SEBI Act recognizes that such directions are preventive as well as remedial in nature. Consequently, where the alleged irregularity has already been cured and the corrective steps have been fully implemented, the very object of a remedial direction stands satisfied. Therefore, in the specific facts and circumstances of this case, I find that no directions are warranted.

D. DIRECTIONS

14. In view of the paragraphs above, I, in exercise of the powers conferred upon me under sections 11(1), 11B(1) and 11(4) of the SEBI Act read with regulation 32 of the SAST Regulations, hereby dispose of the Interim Order cum SCN dated June 19, 2024 issued against the Noticees without any directions.

15. This Order shall come into force with immediate effect.

16. A copy of this Order shall be served on the Noticees, Stock Exchanges, Depositories, RBI and IRDAI for information.

Biju S

Digitally signed by Biju S
Date: 2026.07.31
19:01:58 +05'30'

DATE: JULY 31, 2026 **BIJU S.**

PLACE: MUMBAI **QUASI JUDICIAL AUTHORITY**

SECURITIES AND EXCHANGE BOARD OF INDIA