



Disclosure Document of Portfolio Management Services

Being Offered by

Religare Macquarie Wealth Management Limited

- (i) The Disclosure Document has been filed with the Securities and Exchange Board of India along with a certificate in the prescribed format in terms of Regulation 14 of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 as amended from time to time.
- (ii) The purpose of the Disclosure Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging Religare Macquarie Wealth Management Limited as a Portfolio Manager.
- (iii) This disclosure document sets forth necessary information about Religare Macquarie Wealth Management Limited (RMWML) that is required by a prospective investor before investing.
- (iv) Disclosure Document contains the necessary information about the Portfolio Manager, required by an investor before investing, and the investor are advised to retain the document for future reference.

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The Disclosure Document is dated February 24, 2012.

Table of Contents

1. DISCLAIMER CLAUSE	3
2. DEFINITIONS	3
3. DESCRIPTION	5
4. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTION OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR INITIATED BY ANY REGULATORY AUTHORITY	12
5. SERVICES OFFERED.....	13
6. RISK FACTORS	21
7. CLIENT REPRESENTATION	25
8. THE FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER	26
9. PORTFOLIO MANAGEMENT PERFORMANCE OF THE PORTFOLIO MANAGER FOR THE LAST THREE YEARS, AND IN CASE OF DISCRETIONARY PORTFOLIO MANGER DISCLOSURE OF PERFORMANCE INDICATORS CALCULATED USING WEIGHTED AVERAGE METHOD IN TERMS OF REGULATION 14 OF THE SEBI (PORTFOLIO MANAGERS) REGULATIONS, 1993, AS AMENDED FROM TIME TO TIME.....	27
10. NATURE OF EXPENSES	27
11. TAXATION.....	30
12. ACCOUNTING POLICIES	37
13. INVESTORS SERVICES	39

1. DISCLAIMER CLAUSE

The Particulars of the Disclosure Document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 1993 as amended until date and filed with SEBI. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Document.

2. DEFINITIONS

In this Disclosure Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

“Agreement” or “PMS Agreement”	The agreement executed between the Portfolio Manager and its Clients in terms of Regulation 14 and Schedule IV of Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993
“AUM”	Asset Under Management
“Client” or “Investor”	Any person who enters into an agreement for availing the Portfolio Management Services offered by the Portfolio Manager
“Financial year”	The year starting from 1st April and ending on 31st March of the following year.
“Funds”	The monies managed by the Portfolio Manager on behalf of the Client(s) pursuant to the PMS Agreement and includes the monies mentioned in the account opening form, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to PMS Agreement, the proceeds of sale or other realization of the portfolio and interest, dividend or other monies arising from the assets, so long as the same is managed by the Portfolio Manager.
“Investment Amount”	The money or securities accepted by the Portfolio Manager from the Client in respect of which the portfolio management services are to be rendered by the Portfolio Manager.
“Portfolio”	Portfolio means the total holding of securities belonging to any person / investor
“Portfolio Manager”	Religare Macquarie Wealth Management Limited, a Company incorporated under the Companies Act, 1956 and registered with Securities and Exchange Board of India as a Portfolio Manager

	vide registration certificate no. PM/INP000003385, under the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993.
“Regulations” or “SEBI Regulations”	The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, as amended from time to time
“SEBI”	Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.
“Securities”	Security as defined in Section 2(h) of the Securities Contract (Regulation) Act, 1956, provided that securities shall not include any securities which the Portfolio Manager is prohibited from investing in or advising on under the Regulations or any other law for the time being in force.

Words and expressions used in this Disclosure Document and not expressly defined shall be interpreted according to their general meaning and usage. The definitions are not exhaustive. They have been included only for the purpose of clarity and shall in addition be interpreted according to their general meaning and usage and shall also carry meanings assigned to them in “Regulations”.

3. DESCRIPTION

(i) **History, Present Business and Background of the Portfolio Manager**

Religare Macquarie Wealth Management Limited (“RMWML”) (earlier known as ‘Religare Wealth Management Services Limited’) is a company incorporated under the Companies Act, 1956 on March 15, 2007, having its Registered Office at D3, P3B, District Centre, Saket, New Delhi – 110017. Religare Wealth Management Services Limited was initially incorporated as a wholly owned subsidiary of Religare Enterprises Limited and during October 2007 a Joint Venture Agreement was entered into between the Company, Religare Enterprises Limited and Macquarie Equities Limited. Post Macquarie Equities Limited made its first investment into the Company the name of the Company was changed to Religare Macquarie Wealth Management Limited.

RMWML is registered with SEBI as a Portfolio Manager vide registration no. PM/INP000003385 under Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 and the Certificate of Registration is valid until September 6, 2012.

Present Business

RMWML is currently engaged in providing investment advisory and wealth management services to high net worth individuals. As part of this activity, RMWML provides them with a wide range of investment products across all asset classes by acting as distributors for products like Mutual Funds, Structured Products, Venture Capital Funds etc, and as referral agents for products like Insurance, Direct Equity and Commodities. RMWML utilises a broad and growing network of ten branch offices to provide these services to its clients.

Presently, it has created necessary infrastructure to start the Portfolio Management Services in order to widen the range of its current investment and advisory related offering to its clients. RMWML has no previous experience in the Portfolio Management Services.

(ii) **Promoters of the Portfolio Manager, directors and their background**

(a) **Promoters**

Religare Enterprises Limited (REL):

REL is a leading emerging markets financial services group anchored in India. In India, it offers a wide array of services including broking, insurance, asset management, lending solutions, investment banking and wealth management. With a network of over 2,200 business centres across 550 plus locations, and more than a million clients, REL enjoys a dominant presence in the Indian financial services space. REL has also built an emerging markets Investment Banking business and a multi-boutique global asset management platform to tap the broader opportunities offered by the most promising emerging markets around the world. REL’s robust experience of doing business in India equips it with the ability to work around the constraints and peculiarities of other emerging markets that are in the middle of similar multi-year growth cycles.

Macquarie Financial Services (Asia) Pte Limited (“MFSAL”):

MFSAL is a Singapore based company and is a fully controlled subsidiary within the Macquarie Group of companies. Macquarie Group (Macquarie) is a global provider of banking, financial, advisory, investment and funds management services. Macquarie’s main business focus is making returns by providing a diversified range of services to clients. Macquarie acts on behalf of institutional, corporate and retail clients and counterparties around the world. Macquarie Group Limited is listed in Australia (ASX:MQG; ADR:MQBKY) and is regulated by APRA, the Australian banking regulator, as the owner of Macquarie Bank Limited, an authorised deposit taker. Macquarie also owns a bank in the UK, Macquarie Bank International Limited, which is regulated by the FSA. Macquarie’s activities are also subject to scrutiny by other regulatory agencies around the world. Macquarie’s approach to risk management is long-standing. Strong risk management practices are embedded in business unit management with central oversight of credit, market, funding, compliance and operational risk. These, together with a strong, committed team are key drivers of Macquarie’s success. Founded in 1969, Macquarie employs more than 15,000 people in over 28 countries. At 30 September 2011, Macquarie had assets under management of \$A327 billion.

(b) Particulars of Directors

Name	Age/Qualification	Brief Experience and other directorships, if any
Mr. Shachindra Nath	40 Bachelor’s degree in law from Banaras Hindu University, Varanasi, Post graduate diploma in intellectual property rights from the Amity Law College, Delhi.	Mr. Nath is associated with Religare Group since May 2000. As the Chief Executive Officer of Religare Enterprises Limited, he is involved in strategic business operations, merger and acquisitions, structuring business controls and is also responsible for the overall management and supervision of Religare Group. He has also worked with Abhipra Capital Ltd. As Asst. Vice President (Sept. 1998 – May 2000). His other directorships as on January 31, 2012 are: Religare Enterprises Limited Religare Commodities Limited Religare Capital Markets Limited Religare Arts Investment Management Limited Vistaar Religare Capital Advisors Limited Religare Securities Limited Religare Asset Management Company Limited Milestone Religare Investment Advisors Private Limited Dion Global Solutions Limited

Name	Age/Qualification	Brief Experience and other directorships, if any
		<p>Religare Bullion Limited Religare Capital Markets (India) Limited Religare Finvest Limited</p> <p><u>Foreign Companies</u> Religare Overseas Holding Co. Ltd Dion Global Solutions Pty. Ltd Religare Capital Markets International (UK) 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 Religare Investment Holding (UK) Limited Religare Global Asset Management Inc Bartleet Religare Securities (Private) Limited Religare Noah Capital Markets (Pty) Limited</p>
Mr. Anil Saxena	<p>43</p> <p>Graduation in Commerce from Delhi University Member of the Institute of Chartered Accountants of India & Institute of the Cost and Works Accountants of India</p>	<p>Mr. Saxena is associated with Religare Group since August 2001. As the Group Chief Finance Officer of Religare Enterprises Limited, he is responsible for management and supervision of business of Religare Group and played a key role in driving its growth. Prior to joining Religare Group, he has also worked with Orbis Securities Limited (now Indiabulls Securities Limited) and Kotak Securities Limited.</p> <p>His other directorships as on January 31, 2012 are: Religare Arts Initiative Limited Religare Arts Investment Management Limited Religare Capital Markets Limited Religare Housing Development Finance Corporation Limited Religare Securities Limited Religare Finvest Limited Religare Enterprises Limited</p>

Name	Age/Qualification	Brief Experience and other directorships, if any
		<p>Religare Trustee Company Limited Religare Capital Markets (India) Limited</p> <p>Foreign Companies Regius Overseas Holding Co. Ltd Religare Capital Markets International (UK) 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 Religare Investment Holding (UK) Limited Religare Global Asset Management (U.K) Limited Religare Global Asset Management Inc.</p>
Mr. Basab Mitra	<p>42</p> <p>Bachelor's degree in Engineering and Master's degree in Management Studies from Mumbai University.</p> <p>Master's in Business Administration from INSEAD, France.</p>	<p>Mr. Basab Mitra is associated with Religare since July, 2010. As Group COO & Head of Strategy and a member of the Executive Committee at Religare, he is responsible for group operations, IT, Brand and Marketing and Administration functions. He also is responsible for evaluation and execution of new business opportunities and jointly formulating and executing strategy for the portfolio businesses to achieve Religare's vision of becoming 'a leading global financial services player from the emerging markets.</p> <p>His other directorships as on January 31, 2012 are:</p> <p>Nil</p>
Mr. Peter James Maher	<p>53</p> <p>Bachelor of Commerce from Auckland University, New Zealand</p>	<p>Mr. Maher is associated with Macquarie Group since November 2000. As the Group Head – Banking & Financial Services, Macquarie Group Limited, he is involved in the management of Macquarie's banking and wealth management retail distribution business.</p>

Name	Age/Qualification	Brief Experience and other directorships, if any
		<p>His other directorships as on January 31, 2012 are: Macquarie Equities Limited Tradingroom Pty Ltd (in liquidation) Macquarie Digital Pty Ltd Macquarie Investors Pty Ltd Macquarie Financial Services Holdings Pty Ltd Macquarie Financial Services (Asia) PTE Ltd Schizophrenia Research Institute Financial Services Council Risk Advise Specialists Pty. Ltd.</p>
Mr. Craig Nicholas Swanger	40 Bachelor of Commerce and Administration degree from Victoria University of Wellington CA from New Zealand Society of Accountants	<p>Mr. Swanger is associated with Macquarie Group since 1998. During his tenure with Macquarie Group, he has held various positions including Head of Macquarie Global Investments (current profile), Co-head of Macquarie Agricultural Funds Management, Head of Alternative Assets – Macquarie Global Investments.</p> <p>His other directorships as on January 31, 2012 are: Generator Charities Australia Pty Limited Generator Investments Australia Limited Macquarie Agricultural Funds Management Limited Paraway Pastoral Company Limited</p>
Mr. Eric Anderson Schimpf	43 Graduated from the United States Military Academy at West Point.	<p>Mr. Eric Anderson Schimpf is currently the Head of Macquarie Private Wealth since March 2010, which has 425 advisers providing tailored investment advice services to clients throughout Asia, Australia and New Zealand, covering all levels of financial advice and private banking. Prior to this Mr. Schimpf has spent 16 years with Merrill Lynch in the United States, where he was Regional Managing Director, Private Banking & Investment Group (PBIG).</p>

Name	Age/Qualification	Brief Experience and other directorships, if any
		<p>Prior to becoming a Financial Adviser in 1994, he spent four years as an Infantry Officer in the United States Army. Mr. Schimpf is a current member of the National Academy of Recording Arts and Sciences (The Grammys) and a qualified Cricket umpire in New South Wales, Australia.</p> <p>His other directorships as on January 31, 2012 are: Dexin Nominees Pty. Limited Macquarie Equities Limited Idameneo (No. 79) Nominees Pty Limited Macquarie Financial Services Holdings Pty. Limited Macquarie Investors Pty. Limited Macquarie Prism Pty Limited Upmill Nominees Pty Limited Ozforex Pty. Limited Findex Australia Pty. Limited Financial Index Australia Pty. Limited Findex Services Pty. Limited Risk Advise Specialists Pty. Ltd. MQ Specialised Investment Management (Singapore) Pte. Limited</p>

(iii) **Top 10 Group companies/ firms of the Portfolio Manager as on 31st March 2011***

Sr. No.	Name of the Group Company
1	Religare Finvest Limited
2	Religare Securities Limited
3	Religare Bullion Limited
4	AEGON Religare Life Insurance Company Limited
5	REL Infrafacilities Limited
6	Religare Capital Markets Limited
7	Religare Commodities Limited
8	Religare Asset Management Company Limited
9	Religare Housing Development Finance Corporation Limited
10	Religare Insurance Broking Limited

*Based on the turnover of Indian group companies as per the audited accounts for Financial Year ended March 31, 2011.

(iv) Details of the services being offered

The Portfolio Manager intends to provide Discretionary Management, Non-Discretionary Management and Advisory Services to Clients as per the Portfolio Management or Portfolio Advisory Services Agreement executed with each Client.

(a) Discretionary Portfolio Management Services

Under these services, the Portfolio Manager shall exercise sole and absolute discretion as to investment and/or management of the portfolio of securities or the funds of the Client as it deems fit and in terms of the PMS Agreement executed with each Client. The securities invested / disinvested by the Portfolio Manager for the Clients in the same Portfolio may differ from Client to Client. The decision of Portfolio Manager (taken in good faith) in deployment of the Clients' Portfolio is absolute and final and cannot be called in question or be open to review at any time during the currency of the Agreement or any time thereafter except on the grounds of malafide, fraud, conflict of interest or gross negligence.

The Portfolio Manager shall be acting in a fiduciary capacity with regard to the Client's account consisting of investment, accruals, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and/or replacements or any other beneficial interest including dividend, interest, rights, bonus as well as residual cash balances, if any (represented both by quantity and in monetary value). The Portfolio Manager shall be acting both as an agent as well as a trustee of the Client's account

(b) Non Discretionary Portfolio Management Services

Under these services, the Portfolio Manager shall execute transactions in securities as per the directions of the Client and in terms of the PMS Agreement. The Portfolio Manager's role shall be limited to providing non-discretionary investment advice and trade execution facility to the Client. The Portfolio Manager shall execute orders as per the mandate received from the Client.

(c) Advisory Services

The Portfolio Manager shall provide advisory services, which shall be in the nature of investment advisory and shall include the responsibility of advising on the portfolio strategy, sectoral allocation and investment / divestment of individual securities in the Client's Portfolio in terms of the PMS Agreement. In such case, the Portfolio Manager shall not make any investment on behalf of the Client.

The Portfolio Manager shall be solely acting as an advisor in respect of Portfolio of the Client and shall not be responsible for the investment/divestment of securities and/or administrative activities of the Client's Portfolio.

(d) Structured Products

Under the Discretionary Portfolio Management Services offered to the Client, the Portfolio Manager may design financial products or invest in any one or a combination of financial instruments such as equity, bonds, debentures, mutual fund units, fixed deposits, derivatives instruments, etc. to meet specific requirements of the Client.

These products would be managed in accordance with the product specifications provided by the Portfolio Manager to the Client. Every structured product shall have separate term sheet and risk factors that would be read and signed by the Client before investment.

4. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTION OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR INITIATED BY ANY REGULATORY AUTHORITY

Particulars	Remarks
All cases of penalties imposed by SEBI or the directions issued by SEBI under SEBI Act, 1992 or Rules or Regulations made there under.	None
The nature of penalty / direction.	Not Applicable
Penalties imposed for any economic offence and/or for violation of any securities laws.	None
Any pending material litigation/legal proceedings against the Portfolio Manager /key personnel with separate disclosure regarding pending criminal cases, if any.	None
Any deficiency in the systems and operations of the Portfolio Manager observed by SEBI or any regulatory agency.	None
Any enquiry/adjudication proceedings initiated by SEBI against the Portfolio Manager or its directors, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its directors, principal officer or employee, under the SEBI Act, 1992 or Rules or Regulations made there under.	None

5. SERVICES OFFERED

(i) Types of Services/Products Offered

Investment objectives vary from client to client. Further, depending on the individual client requirements and instructions, the portfolio can also be structured based on the Client's specifications. Under Discretionary Portfolio Management Services, the Portfolio Manager shall offer below listed Portfolios. It shall be the responsibility of the Client to select appropriate Portfolio to suit his investment objective and requirements:

I. Portfolio Name: Secure Portfolio

Investment Objective and Investment Policy: To generate steady capital appreciation through a diversified portfolio of predominantly debt instruments including debt mutual funds that offer comparatively lower risk with commensurate returns.

Portfolio Strategy: This portfolio predominantly aims at capital preservation by investing into debt instruments, including mutual funds, with limited exposure to equity mutual funds.

Asset Allocation

Security Type	Indicative Strategic Asset Allocation	Allowable deviation range from Strategic Asset Allocation
Debt securities including debt oriented mutual funds (including cash)	78%	50% - 100%
Equity oriented mutual funds	22%	0% - 50%

Benchmark: A composite Benchmark comprising of 33.75% Crisil Composite Bond Fund Index, 33.75% Crisil Short Term Bond Fund Index, 10% Crisil Liquid Index, 18% BSE 100 Index and 4.5% MSCI Emerging Markets Index.

Please refer to 'Benchmark Classification Details' provided under 'Assumptions – Investment Objective and Asset Allocation' for details of the Benchmark classifications based on the Security Type.

II. Portfolio Name: Balance Portfolio

Investment Objective and Investment Policy: To provide stability of initial corpus and generate reasonable returns by making judicious use of tactical asset allocation between investments in debt instruments including debt mutual funds, equity mutual funds and Venture Capital Funds.

Portfolio Strategy: This Portfolio aims to provide a fair balance between safety and growth by investing into equity and debt mutual funds and taking some exposure to alternative assets. Investments in debt funds provide stability to initial capital while

investments in equity funds and venture capital funds will provide reasonable returns, fairly balancing overall risk and return.

Asset Allocation

Security Type	Indicative Strategic Asset Allocation	Allowable deviation range from Strategic Asset Allocation
Debt securities including debt oriented mutual funds (including cash)	40%	0 - 60%
Equity oriented mutual funds	50%	30% - 75%
Venture Capital Funds	10%	0 % - 20%

Benchmark: A composite Benchmark comprising of 16.25% Crisil Composite Bond Fund Index, 16.25% Crisil Short Term Bond Fund Index, 15% Crisil Liquid Index, 30% BSE 100 Index, 8% MSCI Emerging Markets Index, 1.4% Benchmark Gold Bees, 2.8% Dow Jones World Basic Materials Index and 2.8% Dow Jones World Oil & Gas Index.

Please refer to ‘Benchmark Classification Details’ provided under ‘Assumptions - Investment Objective and Asset Allocation’ for details of the Benchmark classifications based on the Security Type.

III. Portfolio Name: Growth Portfolio

Investment Objective and Investment Policy: To generate long term capital growth through a diversified portfolio comprising of debt mutual funds, equity mutual funds and venture capital funds.

Portfolio Strategy: This portfolio would look to provide higher return in the long term by actively investing primarily in equity oriented funds with some exposure to venture capital funds and debt instruments, by taking advantage of market conditions and suitable investment opportunities.

Asset Allocation

Security Type	Indicative Strategic Asset Allocation	Allowable deviation range from Strategic Asset Allocation
Debt securities including debt oriented mutual funds (including cash)	10%	0 – 25%
Equity oriented mutual funds	70%	50% - 85%
Venture Capital Funds	20%	10 % - 50%

Benchmark: A composite benchmark comprising of 2.5% Crisil Composite Bond Fund Index, 2.5% Crisil Short Term Bond Fund Index, 25% Crisil Liquid Index, 46.5% BSE 100 Index, 10% MSCI Emerging Markets Index, 2.7% Benchmark Gold Bees, 5.4% Dow Jones World Basic Materials Index and 5.4% Dow Jones World Oil & Gas Index.

Please refer to ‘Benchmark Classification Details’ provided under ‘Assumptions - Investment Objective and Asset Allocation’ for details of the Benchmark classifications based on the Security Type.

IV. Portfolio Name : Pure Equity Portfolio

Investment Objective and Investment Policy: To generate long term capital growth through a diversified portfolio comprising predominantly of equity mutual funds. The portfolio can hold upto 10% in ultra short term debt and liquid mutual funds.

Portfolio Strategy: This portfolio would look to provide a high return in the long term by actively investing in equity oriented funds whilst retaining some amount in liquid funds in order to meet liquidity and cashflow requirements.

Asset Allocation

Security Type	Indicative Strategic Asset Allocation	Allowable deviation range from Strategic Asset Allocation
Liquid mutual funds	5%	0 – 10%
Equity oriented mutual funds	95%	0 – 100%

Benchmark: CNX S&P Nifty Index

V. Portfolio Name: Aggressive Portfolio

Investment Objective and Investment Policy: To generate long term capital growth through a diversified portfolio comprising of debt mutual funds, equity mutual funds and liquid mutual funds.

Portfolio Strategy: This portfolio would look to provide higher return in the long term by actively investing in equity oriented funds by taking advantage of market conditions and suitable investment opportunities. A small portion of the investment would be in debt and liquid mutual funds for diversification and risk reduction.

Asset Allocation

Security Type	Indicative Strategic Asset Allocation	Allowable deviation range from Strategic Asset Allocation
Debt oriented mutual funds including liquid mutual funds	12%	0 – 25%
Equity oriented mutual funds	88%	50% - 100%

Benchmark: A composite benchmark comprising of 6.25% Crisil Composite Bond Fund Index, 6.25% Crisil Short Term Bond Fund Index, 87.5% S&P CNX Nifty Index

Please refer to ‘Benchmark Classification Details’ provided under ‘Assumptions - Investment Objective and Asset Allocation’ for details of the Benchmark classifications based on the Security Type.

VI. Portfolio Name: Moderate Portfolio

Investment Objective and Investment Policy: To generate long term capital growth through a diversified portfolio comprising of debt mutual funds, equity mutual funds and liquid mutual funds.

Portfolio Strategy: This portfolio would look to provide higher return in the long term by actively investing in equity, debt oriented mutual funds and liquid mutual funds by taking advantage of market conditions and suitable investment opportunities.

Asset Allocation

Security Type	Indicative Strategic Asset Allocation	Allowable deviation range from Strategic Asset Allocation
Debt oriented mutual funds including liquid mutual funds	40%	20% – 60%
Equity oriented mutual funds	60%	40% - 80%

Benchmark: A composite benchmark comprising of 20% Crisil Composite Bond Fund Index, 20% Crisil Short Term Bond Fund Index, 60% S&P CNX Nifty Index

Please refer to ‘Benchmark Classification Details’ provided under ‘Assumptions - Investment Objective and Asset Allocation’ for details of the Benchmark classifications based on the Security Type

VII. Portfolio Name: Conservative Portfolio

Investment Objective and Investment Policy: To generate steady capital appreciation through a diversified portfolio of predominantly debt mutual funds that offer comparatively lower risk with commensurate returns.

Portfolio Strategy: This portfolio predominantly aims at capital preservation by investing into debt oriented mutual funds and liquid mutual funds with limited exposure to equity mutual funds.

Asset Allocation

Security Type	Indicative Strategic Asset Allocation	Allowable deviation range from Strategic Asset Allocation
Debt oriented mutual funds including liquid mutual funds	78%	60% - 100%
Equity oriented mutual funds	22%	0% - 40%

Benchmark: A composite benchmark comprising of 38.75% Crisil Composite Bond Fund Index, 38.75% Crisil Short Term Bond Fund Index, 22.5% S&P CNX Nifty Index

Please refer to ‘Benchmark Classification Details’ provided under ‘Assumptions - Investment Objective and Asset Allocation’ for details of the Benchmark classifications based on the Security Type

VIII. Portfolio Name: Pure Debt Portfolio

Investment Objective and Investment Policy: To achieve capital preservation with some modest appreciation through a diversified portfolio of debt mutual funds and liquid mutual funds that offer comparatively lower risk with commensurate returns.

Portfolio Strategy: This portfolio predominantly aims at capital preservation by investing into debt oriented mutual funds and liquid mutual funds.

Asset Allocation

Security Type	Indicative Strategic Asset Allocation	Allowable deviation range from Strategic Asset Allocation
Debt oriented mutual funds including liquid mutual funds	100%	n/a

Benchmark: A composite benchmark comprising of 50% Crisil Composite Bond Fund Index and 50% Crisil Short Term Bond Fund Index

Please refer to ‘Benchmark Classification Details’ provided under ‘Assumptions - Investment Objective and Asset Allocation’ for details of the Benchmark classifications based on the Security Type

ASSUMPTIONS – INVESTMENT OBJECTIVE AND ASSET ALLOCATION

- 1) Investments in Liquid, Liquid Plus funds and Short term mutual funds will be done in Growth Option only.
- 2) Investments in units of venture capital funds are typically made in periodical installments, as and when called for by the fund provider. Hence, for investments required to be made in venture capital funds, the Portfolio Manager shall earmark client’s funds to the tune of the total commitment amount. The funds so earmarked shall be invested in liquid mutual funds until the initial or subsequent drawdowns’ are called for by the venture capital fund provider.
- 3) Under Secure Portfolio, Balance Portfolio and Growth Portfolio, all investments, including investments in unlisted Securities, will be made in the name of the Client(s).
- 4) The Portfolios offered by the Portfolio Manager are not subject to any lock-in period and the Client(s) can exit at any point of time, subject to applicable exit loads as agreed in the PMS Client Agreement. In case of such exits, the Client(s)

shall continue to hold the unlisted and/or non-liquidated Securities, if any, in their respective names.

- 5) Security Types - The Portfolio Manager shall invest predominantly in the securities specified in the Asset Allocation table. The Security Types mentioned in the Asset Allocation Tables include:
 - i) Mutual Funds
 - a. Equity Oriented Mutual Funds
 - i. Diversified Funds
 - ii. Large Cap funds
 - iii. Mid/Small cap Funds
 - iv. Multi Cap Funds
 - v. Index Funds
 - vi. Arbitrage Funds
 - vii. ELSS Funds
 - viii. Sector Funds
 - ix. ETFs
 - x. Balanced Funds
 - xi. Offshore Funds
 - b. Debt Oriented Mutual Funds
 - i. Liquid Funds
 - ii. Liquid Plus / Short Term Funds
 - iii. Floating Rate Funds
 - iv. Income Funds
 - v. Gilt Funds
 - vi. MIPs
 - vii. Fixed Maturity Plans
 - ii) Units of Venture Capital Funds as issued by SEBI registered Venture Capital Funds
 - iii) Debt Securities
 - a. Non-Convertible Debentures
 - b. Corporate Bonds
 - c. G-Secs
 - d. Certificate of Deposits
 - e. Commercial Papers
- 6) The portfolio of each client may differ from that of the other client in the given portfolios, at the Portfolio Manager's discretion. The funds remaining to be invested in any of the above portfolios at any given point of time may be deployed by the Portfolio Manager in any liquid mutual funds.
- 7) The performance of the Portfolios may not be strictly comparable with the performance of the Indices, due to the inherent differences in the construction of the portfolios. The Portfolio Manager may from time to time, review the benchmark selection process and make suitable changes as to use of the benchmark, or related to composition of the benchmark, whenever it deems necessary.

- 8) **Benchmark Classification Details**
 For calculating the Benchmark returns, a composite Benchmark comprising of Crisil Composite Bond Fund Index, Crisil Short Term Bond Fund Index, Crisil Liquid Index, BSE 100 Index, MSCI Emerging Markets Index, Goldman Sachs Gold BeES, Dow Jones World Basic Materials Index, Dow Jones World Oil & Gas Index would be made. The Composite Benchmark's components would have same percentage allocations as that of the portfolio.

The list of Benchmarks as applicable to the various security types is provided below:

Security Type	Benchmark
Mutual Fund Schemes	
Liquid Funds/ Liquid Plus Funds	Crisil Liquid Index
Short Term Funds / Floaters	Crisil Short Term Bond Fund Index
Gilt Funds / Income Funds / MIPs	Crisil Composite Bond Fund Index
Equity Funds	BSE 100 Index
Mutual Funds focusing emerging markets	MSCI Emerging Markets Index
Gold ETFs	Goldman Sachs Gold BeES
Mutual Fund schemes that may focus on Metals	Dow Jones World Basic Materials Index
Mutual Fund schemes that may focus on Oil & Gas	Dow Jones World Oil & Gas Index
Venture Capital Funds	Due to non-availability of an appropriate benchmark, Crisil Liquid Index plus 5% p.a. will be taken as the benchmark. If no valuation for the investments in venture capital funds is declared, the benchmark returns would be taken as Nil.

(ii) Policies for investments in Associate/Group companies

The Portfolio Manager will, before investing in the securities of associate/ group companies, will evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Portfolio. Investments under the Portfolio in the securities of the group companies will be upto 100% and the same would be subject to the applicable laws/regulations/guidelines.

(iii) Minimum Investment Amount

Discretionary Management Services

The minimum amount to be invested under the portfolio is Rs.25,00,000/- (Rupees Twenty Five Lacs Only) or the minimum amount as may be prescribed in the PMS Account Opening Form/PMS Agreement from time to time.

Non Discretionary Management Services

Non-discretionary services will be provided for a minimum portfolio size of 25,00,000/- (Rupees Twenty Five Lacs Only) or the minimum amount as may be prescribed in the PMS Account Opening Form/PMS Agreement from time to time.

Advisory Services

Advisory services will be provided on a minimum portfolio size of Rs. 25,00,000/- (Rupees Twenty Five Lacs only) or the minimum amount as may be prescribed in the PMS Account Opening Form from time to time.

The Portfolio Manager may from time to time increase or decrease the minimum investment amounts, subject to the condition of keeping the minimum investment amount at Rs. 25,00,000/- (Rupees Twenty Five Lacs) or above, at all times.

6. RISK FACTORS

General Risk Factors

- Securities investments are subject to market risks and there is no assurance or guarantee that the objective of investments will be achieved.
- Past performance of the portfolio manager does not indicate its future performance.
- Investors are not being offered any guarantee or protection of their principal amount of investment / capital
- Investors are not being offered any guaranteed or assured return/ appreciation on the capital / principal amount of investment or appreciation on the Portfolio.
- Investors may note that Portfolio Manager's investment decisions may not be always profitable, as actual market movements may be at variance with anticipated trends.

Portfolio Specific Risk Factors

- The liquidity of the Portfolio's investments is inherently restricted by trading volumes in the securities in which it invests.
- The valuation of the Portfolio's investments, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. There will be no prior intimation or prior indication given to the Clients when the composition/ asset allocation pattern changes.
- Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Portfolio. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio to make intended securities purchases due to settlement problems could cause the Portfolio to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the portfolio due to the absence of a well developed and liquid secondary market for debt securities would result, at times, in potential losses to the Portfolio, in case of a subsequent decline in the value of securities held in the Portfolio.
- Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The Portfolio Manager may choose to invest in unlisted securities that offer attractive yields. This may however increase the risk of the portfolio. Such investments shall be subject to the scope of investments as laid down in the Agreement.

Specific Risk factors pertaining to investments in Venture Capital Funds

The Portfolio Manager seeks to make substantial investment in unlisted securities / instruments (private equity). The investment in private equity may be made in the units issued by SEBI registered Venture Capital Fund or any other instrument available in the market. The major risk factors pertaining to investment in Venture Capital Fund are given herein below.

(i) **Nature of Investment**

The Portfolio Manager may invest in such Venture Fund (the Fund), which may invest in companies that are experiencing or have experienced severe financial difficulties. Many of such investments made may be illiquid, and there can be no assurance that the Fund will be able to realize profits on its investments in a timely manner.

Since the Portfolio Manager may make only a limited number of investments and these may involve a high degree of risk, poor performance by even a few of these investments could lead to adverse effects on the returns received by investors.

(ii) **Restrictions on Withdrawal and Transfer**

Investors can not voluntarily withdraw from such investments. In addition, they can not transfer any of the interests, rights, or obligations with regard to these investments except as may be provided in the Fund Documents and the SEBI Venture Capital Funds Regulations. This could result into non availability of liquidity to the investor within his desired timeframe.

Specific Risk factors pertaining to investments in Debt Securities:

(i) **Interest - Rate Risk**

Fixed Income and Money Market Securities run interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rate falls, the prices increase. In case of floating rate securities, an additional risk could arise because of the changes in the spreads of floating rate securities. With the increase in the spread of floating rate securities, the price can fall and with decrease in spread of floating rate securities, the prices can rise.

(ii) **Credit Risk**

Credit risk or default risk refers to the risk that the issuer of a fixed income security may default on interest payment or even in paying back the principal amount on maturity. In case of Government Securities, there is minimal credit risk to that extent. Lower rated or unrated securities are more likely to react to developments affecting the market and credit risk than the highly rated securities which react primarily to movements in the general level of interest rates. Lower rated or unrated securities also tend to be more sensitive to economic conditions than higher rated securities.

(iii) Liquidity or Marketability Risk

The ability of the Portfolio Manager to execute sale/purchase order is dependent on the liquidity or marketability. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. The securities that are listed on the stock exchange carry lower liquidity risk, but the ability to sell these securities is limited by the overall trading volumes. Further, different segments of Indian financial markets have different settlement cycles and may be extended significantly by unforeseen circumstances.

(iv) Re-investment Risk

This refers to the interest rate risk at which the intermediate cash flows received from the securities in the Portfolio Manager including maturity proceeds are reinvested. Investments in fixed income securities may carry re-investment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the debt security. Consequently, the proceeds may get invested at a lower rate.

Specific Risks Factors pertaining to investments in Mutual Fund Schemes

- Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Schemes will be achieved. The various factors which impact the value of the Scheme's investments include, but are not limited to, fluctuations in markets, interest rates, prevailing political and economic environment, changes in government policy, tax laws in various countries, liquidity of the underlying instruments, settlement periods, trading volumes etc.
- As with any securities investment, the Net Asset Value (NAV) of the Units issued under the Schemes can go up or down, depending on the factors and forces affecting the capital markets.
- Past performance of the Sponsors, Asset Management Company (AMC)/Fund does not indicate the future performance of the Schemes of the Fund.
- The Portfolio Manager shall not be responsible for liquidity of the Scheme's investments which at times, be restricted by trading volumes and settlement periods. The time taken by the Scheme for redemption of units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the Scheme's portfolio.
- Units of Fixed Maturity Plans will be issued in demat form through depositories. The records of the depository are final with respect to the number of Units available to the credit of Client. Settlement of trades, repurchase of Units by the Mutual Fund on the maturity date / final redemption date will depend upon the confirmations to be received from depository(ies) on which the Mutual Fund has no control.
- As the Units allotted under Fixed Maturity Plans will be listed on the Exchange, the Mutual Fund shall not provide for redemption/repurchase of Units prior to maturity / final redemption date.
- Units of Fixed Maturity Plans will be listed on the Exchange, but there can be no assurance that an active secondary market will develop or be maintained.
- The Units of Fixed Maturity Plans may trade above or below their NAV. The trading prices of Units of the respective Plans will fluctuate in accordance with changes in their NAV as well as market supply and demand for the Units.

- There is no guarantee of return of entire principal amount regarding investment in Fixed Maturity Plans. Also there is no guarantee of interest or yield indicated in the Fixed Maturity Plans.
- The Portfolio Manager shall not be responsible for the failure of third party AMCs / Funds to comply with the provisions of SEBI (Mutual Funds) Regulations, 1996 or any other circular or acts as amended from time to time.
- The Portfolio Manager shall not be liable for any changes in the Scheme Information Document(s) of the scheme(s), which may vary substantially depending on the market risks, general economic and political conditions in India and other countries globally, the monetary and interest policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.
- The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the Fund.
- While it would be the endeavour of the Portfolio Manager to invest in the schemes in a manner, which will seek to maximize returns, the performance of the underlying schemes may vary which may lead to the returns of this portfolio being adversely impacted.
- The scheme specific risk factors of each of the underlying schemes become applicable where the Portfolio Manager invests in any underlying scheme. Investors are required to and are deemed to have read and understood the risk factors of the underlying schemes.

The Portfolio Manager does not have any previous experience / track record to carry out the activity of portfolio management services.

7. CLIENT REPRESENTATION

(i) The client categorization is provided as below:

Category of clients	No. of clients	Funds managed (Rs. Cr)	Discretionary/ Non Discretionary (if available)
There are no clients who have availed the discretionary or non discretionary portfolio management services from the Portfolio Manager. Hence, client categorization details are not available.			

(ii) Disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India on the basis of audited financial results as at 31st March 2011:

Nature of Relationship	Name of the Party
1. Joint Venture Partners	Religare Enterprises Limited Macquarie Financial Services (Asia) Pte. Ltd. (Associate of Macquarie Equities Limited)
2. Individuals owning directly or indirectly interest in the voting power that gives them significant influence	Mr. Malvinder Mohan Singh Mr. Shivinder Mohan Singh
3. Key Management Personnel	Mr. Rohit Bhuta (appointed on December 7 th , 2010) Ms. Reena Jayara (appointed on December 7 th 2010) Mr. Amit Sarup (resigned w.e.f. December 7 th 2010) Mr. Vikas Agnihotri (resigned w.e.f. December 6 th 2010)
4. Enterprises over which any person described in (2) or (3) are able to exercise significant influence with whom transactions have taken place	Religare Securities Limited Religare Finvest Limited Religare Commodities Limited Religare Travels (India) Limited REL Infrafacilities Limited (formerly known as Religare Realty Limited) Religare Insurance Broking Limited Religare Arts Initiative Limited Religare Capital Market Limited Religare Assets Management Company Limited Religare Health Insurance Company Limited Religare Technologies Limited (Religare Technova Business Intellect Limited Religare Technova IT Services Limited merged with Religare Technologies Limited w.e.f. August 16 th , 2010) Religare Aviation Limited Dion Global Solutions Limited (formerly known as Religare Technova Limited) AEGON Religare Life Insurance Company Limited Milestone Religare Investment Advisors Private Limited Macquarie Capital Securities (India) Private Limited Macquarie Global Services Private Limited

The details of transactions with related parties are given in *Annexure 1*.

8. THE FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER

(Based on audited financial statements)

	Financial Year ended 31st March, 2011	Financial Year ended 31st March, 2010	Financial Year ended 31st March, 2009
	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. in Lacs)
Total Income	3239.17	3,000.62	570.02
Profit / (Loss) before Tax	(4261.67)	(2,021.74)	(3,245.87)
Profit / (Loss) after Tax	(4261.67)	(2,021.74)	(3,256.66)
Net Worth	2,058.93	1,320.60	1,342.34
Earning per share (Rs.)	(5.44)	(3.32)	(13.23)
Dividend	-	-	-
Paid up equity share capital	10,000	7,000	5,000
Free Reserves	(9,941.07)	(5,679.40)	(3,657.65)
Application of Funds			
Fixed Assets	696.66	740.52	733.27
Investments	1810.43	286.59	15.82
Net Current Assets and Misc. Exp. not w/off	1051.85	793.48	593.24

9. PORTFOLIO MANAGEMENT PERFORMANCE OF THE PORTFOLIO MANAGER FOR THE LAST THREE YEARS, AND IN CASE OF DISCRETIONARY PORTFOLIO MANGER DISCLOSURE OF PERFORMANCE INDICATORS CALCULATED USING WEIGHTED AVERAGE METHOD IN TERMS OF REGULATION 14 OF THE SEBI (PORTFOLIO MANAGERS) REGULATIONS, 1993, AS AMENDED FROM TIME TO TIME.

Since there are no clients who have availed the discretionary or non discretionary portfolio management services from the Portfolio Manager, performance track record is not available.

10. NATURE OF EXPENSES

The following are the broad types of costs and expenses to be borne by the Client availing the services of the Portfolio Manager. However, the exact quantum and nature of expenses relating to each of the following services is annexed to the Portfolio Management Agreement in respect of each of the services provided. The expense charged may vary from Client to Client. The expenses incurred shall be directly debited on actual expense incurred basis to the Client's Portfolio as and when the same becomes due for payment or on a monthly basis.

1. Portfolio Management Fees

The fees relate to portfolio management services offered to Clients. The fees may be in the form of a percentage of the assets under management or linked to portfolio returns achieved or a combination of both. The basic principles for calculation of the fees are as under:

1. The fees are charged upon exceeding a hurdle rate or a benchmark rate as specified in the PMS agreement.
2. The fee shall be computed on the basis of high water mark principle over the life of the investment.
3. High water mark shall be the highest value that the Portfolio has reached. Value of Portfolio for the computation of high water mark shall be taken to be the value on the date on which performance fees are charged.
4. Performance based fee would be only on increase in Portfolio value in excess of the previously achieved high water mark.

2. Upfront Fee / Withdrawal Fee:

The Portfolio Manager may also charge upfront (entry) fee at the time of subscription and premature exit fees / withdrawal fees at time of redemption of the portfolio by Client.

An indicative table of the charges that may be levied by the Portfolio Manager is given hereunder.

Nature of Fees	For Portfolios other than Structured Portfolios	Structured Portfolios
Upfront Fees	Upto 5.00% of the investment Amount	Upto 7.00% of the investment amount
Withdrawal Fees	Upto 7.00% of the withdrawal Amount	Upto 7.00% of withdrawal amount
Fixed Management Fee	Upto 5.00% per anum on daily average market value of the Portfolio	Not applicable
Performance Linked Management Fee	The fees will be a percentage of the returns generated for the Portfolio as may be agreed by the client in a PMS Agreement.	Not applicable

The actual fees charged by the Portfolio Manager for each Client shall be determined separately and the fees may vary from Client to Client. Further, the fees chargeable for new portfolio introduced by the Portfolio Manager shall be given separately.

Service tax and statutory levies would be levied separately as per the prevailing rates from time to time

3. Other Expenses

Apart from the Portfolio Management Fees and Entry/Exit Load, the following are the general costs and expenses to be borne by the Client availing the Portfolio Management Services of the Portfolio Manager on actual basis.

(i) Custodian / Depository Fees

The charges relate to opening and operation of depository accounts, custody and transfer charges for securities, dematerialization and rematerialization and other charges in connection with the operation and management of the depository accounts.

(ii) Registrar and Transfer Agent Fees

Charges payable to registrars and transfer agents in connection with transfer of securities including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges and other related charges would be recovered.

(iii) Brokerage and Transaction Costs

The brokerage charges and other charges like service tax, stamp duty, transaction costs including bank charges, turnover tax, securities transaction tax or any other tax levied by statutory authorities on the purchase and sale of securities and entry or exit loads (if any) on units of Mutual Funds.

(iv) Certification and Professional Charges

Charges payable for out sourced professional services like accounting, auditing, taxation and legal services etc. for documentation, notarizations, certifications, attestations required by bankers or regulatory authorities including legal fees etc would be recovered.

(v) Services Related Expenses

Charges in connection with day to day operations like courier expenses, stamp duty, service tax, postal, telegraphic any other out of pocket expenses as may be incurred by the portfolio manager would be recovered.

(vi) Any other Incidental and Ancillary Charges

All incidental and ancillary expenses not covered above but incurred by the Portfolio Manager on behalf of the Client for Portfolio Management and expenses incurred by the Portfolio Manager in terms of the Agreement shall be charged to the Client.

11. TAXATION

11.1 General

In view of the individual nature of tax consequences on the income, capital gains or otherwise, arising from investments, each Client is advised to consult / his / her / its tax advisor with respect to the specific tax consequences to him/ her / it of participation in the portfolio management services.

The Portfolio Manager shall not be responsible for assisting in or completing the fulfillment of the client's tax obligations.

11.2 Tax deduction at source

Tax is required to be deducted at source for non-residents by the authorised dealer. If required, tax will be withheld for non-residents. If any tax is required to be withheld on account of any future legislation, the Portfolio Manager shall be obliged to act in accordance with the regulatory requirements in this regard.

11.3 Advance tax installment obligations

It shall be the Client's responsibility to meet the obligation on account of advance tax installments payable on the due dates under the Income tax Act.

11.4 Securities Transaction Tax

Securities Transaction Tax ("STT") is applicable on transactions of such purchase or sale of equity shares in a company or ETF or a derivative or units of Equity Oriented Fund entered into on a recognized stock exchange and sale of units of Equity Oriented Fund to the Mutual Fund.

The STT rates as applicable upto the Finance Act 2011, are given in the following table:

Taxable Securities Transaction	Rate	Payable by
Purchase of an equity share in a company or a unit of an equity oriented fund, where – the transaction of such purchase is entered into in a recognized stock exchange; and the contract of the purchase of such share is settled by the actual delivery or transfer of such share.	0.125%	Buyer
Sale of an equity share in a company, or a unit of an equity oriented fund, where – the transaction of such sale is entered into in a recognized stock exchange; and the contract for the sale of such share is settled by the actual delivery or transfer of such share.	0.125%	Seller
Sale of an equity share in a company, or a unit of an equity oriented fund, where – the transaction of such sale	0.025%	Seller

Taxable Securities Transaction	Rate	Payable by
is entered into in a recognized stock exchange; and the contract for the sale of such share is settled otherwise than by the actual delivery or transfer of such share.		
Sale of an option in securities	0.017% of option premium	Seller
Sale of unit of an equity oriented fund to the Mutual Fund.	0.25%	Seller
Sale of Option in securities, where option is exercised	0.125% of the settlement price	Purchaser
Sale of futures in securities	0.017%	Seller

11.5 TAX IMPLICATIONS TO DIFFERENT CATEGORIES OF INVESTORS

Income arising from purchase and sale of shares (for the sake of brevity, the term “shares” has been used below as an illustration but the same includes other types of securities) can give rise to business income or capital gains in the hands of the investor.

The issue of income characterization as above is essentially a question of fact and dependent on whether the shares are held as Business / Trading assets or on Capital Account. Based on judicial decisions, all of the following factors and principles need to be considered while determining the nature of assets as above:

- Motive for the purchase of shares.
- Frequency of transactions and the length of period of holding of the shares
- Treatment of the shares and profit or loss on their sale in the accounts of the assessee.
- Source of funds out of which the shares were acquired – borrowed or own.
- Existence of an object clause permitting trading in shares – relevant only in the case of corporate.
- Acquisition of the shares – from primary market or secondary market.
- Infrastructure employed for the share transactions by the client including the appointment of managers, etc.

Any single factor discussed above in isolation cannot be conclusive to determine the exact nature of the shares. All factors and principles need to be construed harmoniously. Further, the background of the investor (Professional vs. a trader in shares) would also be a relevant factor in determining the nature of the shares.

Central Board of Direct Taxes has clarified that, it is possible for a tax payer to have two portfolios, i.e., an investment portfolio comprising of securities which are to be treated as capital assets and a trading portfolio comprising of stock-in-trade which are to be treated as trading assets. Where an assessee has two portfolios, the assessee may have income under both heads i.e., capital gains as well as business income.

Central Board of Direct Taxes advised that no single principle would be decisive and the total effect of all the principles should be considered to determine whether, in a given case, the shares are held by the assessee as investment or stock-in-trade.

In view of the above, the profits or gains arising from transaction in securities could be taxed either as “Profits or Gains of Business or Profession” under section 28 of the Act or as “Capital Gains” under section 45 of the Act.

11.6 TAX IMPLICATIONS WHERE TRANSACTION IN SECURITIES ARE IN THE NATURE OF INVESTMENTS

Where investment under the Portfolio Management Services is treated as investment, then the profit or loss from transfer of securities shall be taxed as Capital Gains under section 45 of the Act.

Dividends referred to in section 115-O will be exempt under section 10(34). Dividend other than that referred to in section 115-O and interest income from securities will be taxed under the head Income from Other Sources.

Income from units of Mutual Funds specified under clause 10(23D) is exempt from tax under section 10(35) of the Act, Further, it has been clarified that income arising from transfer of units of Mutual Fund shall not be exempt under section 10(35).

11.7 LONG TERM CAPITAL GAINS

Exemption Applies

Under Section 10(38), Long Term Capital Gains on sale of Equity Shares in a company or units of Equity Oriented Fund are exempt from income tax provided such transactions are entered into a recognized stock exchange or such units are sold to the Mutual Fund and such transactions are chargeable to STT.

Exemption does not Applies

In respect of capital gains not exempted under section 10(38), the provisions for taxation of long-term capital gains for different categories of assessee are explained hereunder:

11.7.1 For individuals and HUF's

Long-term Capital Gains in respect of listed security and units of Mutual Fund held for a period of more than 12 months will be chargeable under section 112 of the Act at the rate of 20% plus surcharge, as applicable and cess, Capital gains would be computed after taking into Account cost of acquisition as adjusted by Cost Inflation Index notified by the Central Government and expenditure incurred wholly and exclusively in connection with such transfer.

In case, where taxable income as reduced by long term capital gains is below the exemption limit, the long term capital gains will be reduced to the extent of the shortfall and only the balance long term capital gains will be charged at the flat rate of 20% plus surcharge, as may be applicable and cess.

In the case of listed securities and units of Mutual Fund, an assessee will have an option to apply concessional rate of 10% plus surcharge as applicable and cess, provided the long term capital gains are computed without substituting indexed cost in place of cost of acquisition.

Long-term Capital Gains in respect of shares of an unlisted company held for a period for more than 12 months and any other non-listed security (other than units of Mutual Fund) held for a period of more than 36 months will be chargeable under section 112 of the Act at the rate of 20% plus surcharge, as applicable and cess.

11.7.2 For Indian Companies

Long-term Capital Gains in respect of listed securities and units of Mutual Fund held for a period for more than 12 months will be chargeable under section 112 of the Act at the rate of 20% plus surcharge, as applicable and cess. Capital Gains would be computed after taking into account cost of acquisition as adjusted by Cost Inflation Index notified by the Central Government and expenditure incurred wholly and exclusively in connection with such transfer.

It is further provided that an assessee will have an option to apply concessional rate of 10% plus applicable surcharge and cess, provided the long term capital gains are computed without substituting indexed cost in place of cost of acquisition.

Long-term Capital Gains in respect of shares of an unlisted company held for a period for more than 12 months and any other non-listed security (other than units of Mutual Fund) held for a period of more than 36 months will be chargeable under section 112 of the Act at the rate of 20% plus surcharge, as applicable and cess.

11.7.3 For Non-resident Indians

Under section 115E of the Act for non-resident Indians, income by way of long-term capital gains in respect of specified assets purchased in foreign currency as defined under section 115C (which includes shares, debentures, deposits in an Indian Company and security issued by Central Government) is chargeable at the rate of 10% plus applicable surcharge and cess. Such long-term capital gains would be calculated without indexation of cost of acquisition.

11.8 SHORT TERM CAPITAL GAINS

Section 111A of the Act provides that short-term capital gains arising on sale of Equity Shares of a company or units of Equity Oriented Fund entered into a recognized stock exchange and on sale of units of Equity Oriented Fund to the Mutual Fund are chargeable to income tax at a concessional rate of 15% plus applicable surcharge and cess, provided such transactions are entered on a recognized stock exchange and are chargeable to STT. Further, Section 48 provides that no deduction shall be allowed in respect of STT paid for the purpose of computing Capital Gains. In respect of capital gains not chargeable under Section 111A, the provisions for taxation of short-term capital gains for different categories of assesseees are explained hereunder:

Short Term Capital Gains in respect of shares of a company, units of Mutual Fund and any other listed securities held for a period of not more than 12 months and unlisted securities (other than shares of a company and units of Mutual Fund) held for a period of not more than 36 months is added to the total income. Total income including short-term capital gains is chargeable to tax as per the relevant slab rates.

11.9 PROFITS AND GAINS OF BUSINESS OR PROFESSION

11.9.1 If the investment under the Portfolio Management Services is regarded as “Business / Trading Asset” then the gain / loss arising there from is likely to be taxed as income from business.

11.9.2 Dividend from securities referred to in section 115-O, will be exempt under section 10(34) of the Act. Dividends other than that referred to in section 115-O and interest income will be taxable as Income from Other Sources.

Income from units of Mutual Funds specified under clause 10(23D) is exempt from tax under section 10(35) of the Act. Further, it has been clarified that income arising from transfer of units of Mutual Fund shall not be exempt under section 10(35).

11.9.3 As per section 40(a) (ib) of the Act any sum paid on account of STT will not be allowed as deduction in computing the income under the head “Profit and gains of business or profession” This provision was applicable upto Assessment Year 2008-09. w.e.f. 1.04.2009 the said clause has been deleted. From the assessment year 2009-10, where income referred to above is treated as Business Income, the person is eligible for deduction u/s 36(1)(xv), for the amount of STT paid.

11.9.4 Section 88E of the Act gives rebate in respect of STT and provides that persons having business income arising from taxable securities transactions shall be entitled to a deduction from the amount of Income tax on such income of an amount equal to the STT paid by him in respect of such transactions entered in the course of his business. However, this rebate available under section 88 E of the income tax act, 1961 was discontinued w.e.f April 01, 2009. Section 36 of income tax act is amended so as to allow STT paid by assessee trader as deductible expenditure from business income w.e.f April 01, 2009.

11.9.5 As per the Finance Act, 2011, the maximum tax rates applicable to different categories of assesses for previous year 2011-12 are as follows:

Resident Individuals & HUF	30% and cess
Partnership Firms	30% and cess
Indian Companies	30% plus surcharge (for total income above Rs.1 crore) and cess.

Foreign Companies 40% plus surcharge (for total income above Rs. 1 crore) and cess

As per the Finance Act 2011, detailed rates of taxation for the previous year 2011-12, relating to assessment year 2012-13 are as given below:

Particulars	Threshold Limit for Surcharge	Tax Rates	
		Without Surcharge	With Surcharge
Individuals, HUF, AOP & BOI	N.A.		
Up to Rs. 1,80,000		Nil	N.A.
Up to Rs. 1,80,001 - Rs. 1,90,000 *		10.30%	N.A.
Up to Rs. 1,80,001 - Rs. 2,50,000 **		10.30%	N.A.
Up to Rs. 1,80,001 - Rs. 5,00,000 ***		10.30%	N.A.
Up to Rs. 1,80,001 - Rs. 5,00,000		10.30%	N.A.
Up to Rs. 5,00,001 - Rs. 8,00,000		20.60%	N.A.
Rs. 8,00,000 onwards		30.90%	N.A.
* "NIL" Tax Rate in case assessee is resident Women below age of 60 years.			
** "NIL" Tax Rate in case assessee is resident senior citizen between age of 60-79 years.			
*** "NIL" Tax Rate in case assessee is resident senior citizen of age 80 years or more			
Partnership Firm	N.A.	30.900%	N.A.
Domestic Company	1,00,00,000	30.900%	N.A.
Company other than Domestic Company	1,00,00,000	41.200%	42.230%
Minimum Alternate Tax			
Domestic Company	1,00,00,000	19.055%	20.00775%
Company other than Domestic Company	1,00,00,000	19.055%	19.4361%
STCG on listed Security			
Individuals, HUF, AOP & BOI	N.A.	15.450%	N.A.
Partnership Firm	N.A.	15.450%	N.A.
Domestic Company	1,00,00,000	15.450%	16.2225%
Company other than Domestic Company	1,00,00,000	15.450%	15.759%
LTCG on listed Security			
Individuals, HUF, AOP & BOI	N.A.	20.600%	N.A.
Partnership Firm	N.A.	20.600%	N.A.
Domestic Company	1,00,00,000	20.600%	21.63%
Company other than Domestic Company	1,00,00,000	20.600%	21.012%

11.10 LOSSES UNDER THE HEAD BUSINESS INCOME

In the case of loss under the head ‘Profits and Gains of Business of Profession’, it can be set off against the income from any other source under the same head or income under any other head (except income from Salary) in the same assessment year.

Further, if such loss cannot be set off against any other head in the same assessment year, then it will be carried forward and shall be set off against the profits and gains of the business, within the period of eight subsequent assessment years.

According to section 94(7) of the Act, if any person buys or acquires shares within a period of three months prior to the record date fixed for declaration of dividend or distribution of income and sells or transfers the same within a period of three months from such record date, then losses arising from such sale to the extent dividend or income received or receivable on such shares, which are exempt under the Act, will be ignored for the purpose of computing his income chargeable to tax.

According to section 94(7) of the Act, if any person buys or acquires shares within a period of three months prior to the record date fixed for declaration of dividend or distribution of income and sells or transfers the same within a period of Nine months from such record date, then capital losses arising from such sale to the extent of income received or receivable on such units, which are exempt under the Act, will be ignored for the purpose of computing his income chargeable to tax.

DIRECT TAXES CODE (DTC)

In order to consolidate and amend the law relating to all Direct Taxes, Direct Tax Code Bill 2010 was introduced in the Parliament on August 27, 2010. This Bill is the outcome of the discussion paper issued by Government of India on Direct Taxes Code, 2009. We understand that, in addition to the consolidation, the purpose of the Code is to establish an economically efficient, effective and equitable Direct Tax System which will facilitate voluntary compliance and help increase Tax – GDP Ratio. Another objective is to reduce scope for disputes and minimize litigation. Before investment, client should take into account the proposed changes which would have tax implications in the coming years in case the Direct Tax Code Bill 2010 is passed by the Parliament without any changes and is enforced as ‘Direct Tax Code Act 2010’. However date of applicability of Direct Tax Code Act is not yet decided. Appropriate advice relating to Taxation from the client’s Tax Consultants / Advisors needs to be obtained before Investment, in case it is made applicable at a later date.

12. ACCOUNTING POLICIES

The Accounting Policies followed by the portfolio manager while accounting for the portfolio investments of the clients

- (i) The Portfolio Manager shall maintain a separate Portfolio record in the name of the Client in its book for accounting the assets of the Client and any receipt, income in connection therewith as provided under SEBI (Portfolio Managers) Regulations, 1993.
- (ii) For every Client Portfolio, the Portfolio Manager shall keep and maintain proper books of accounts, records and documents, for the Client, on mercantile system of accounting, so as to explain its transactions and to disclose at any point of time the financial position of the Client's Portfolio and Financial Statements and in particular give a true and fair view of the state of affairs.
- (iii) Following Accounting Policies are proposed to be followed for the purpose of maintaining books of accounts & records of the Client.
 1. In line with SEBI circular No. IMD/DOF I/PMS/Cir- 4/2009 dated 23 June 2009, the Portfolio Manager shall keep the funds of all clients in a separate bank account maintained by the Portfolio Manager and the following conditions will be adhered to:
 - a. There will be clear segregation of each Client's Funds through proper and clear maintenance of back office records;
 - b. Portfolio Manager shall not use the Funds of one Client for another Client;
 - c. Portfolio Manager shall also maintain an accounting system containing separate Client-wise data for their Funds and shall provide statement to Clients for such accounts at least on monthly basis; and
 - d. Portfolio Manager shall reconcile the Client-wise Funds with the Funds in the aforesaid bank account on a daily basis.
 2. Investments are stated at cost of acquisition by the Portfolio Manager.
 3. Dividend income earned shall be recognized, not on the date the dividend is declared, but on the date the share is quoted on an ex-dividend basis. For investments, which are not quoted on a stock exchange, dividend income shall be recognized on the date of receipt.
 4. In respect of all interest-bearing investments, income shall be accrued on a day-to-day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date upto the date of purchase shall not be treated as a cost of purchase but shall be debited to Interest Recoverable Account. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale shall not be treated as an addition to sale value but shall be credited to Interest Recoverable Account.
 5. In determining the holding cost of investments and the gains or loss on sale of investments, the First-in-First-out (FIFO) method shall be followed.
 6. Transactions for purchase or sale of investments shall be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded

during a Financial Year is recorded and reflected in the financial statements for that year.

7. Bonus shares shall be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.
8. Rights entitlement shall be recognized only when the original shares on which the rights entitlement accrues are traded on the stock exchange on an ex-rights basis.
9. The cost of investments acquired or purchased shall include brokerage, stamp duty and any charge related to the cost of purchase.
10. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment.
11. All other expenses payable by the Client shall be accrued as and when Liability is incurred.
12. Investments in listed instruments will be valued at the closing market prices on the National Stock Exchange (NSE). If the securities are not traded on the NSE on the valuation day, the closing price of the security on the Bombay Stock Exchange or other exchange will be used for valuation of securities. In case of the securities are not traded on the valuation date, the last available traded price shall be used for the valuation of securities.
13. Investments in units of Mutual Funds will be valued at the repurchase Net Asset Value (NAV) declared for the relevant schemes on the date of the report or the most recent NAV will be reckoned. Valuation of products where daily valuation is not available, value shall be taken as of any recent valuation date. Products for which valuation is not done within public domain shall be taken at cost price.
14. Unrealised gain/losses are the differences, between the current market value / NAV and the historical cost of the securities.

The accounting policies and standards as outlined above are subject to changes made from time to time by Portfolio Manager. However such changes would be in conformity with the Regulations.

Note: The above accounting policies shall be applicable only to Discretionary and Non-Discretionary Services.

13. INVESTORS SERVICES

(i) Name, address and telephone number of the Investor Relation Officer, who shall attend to the investor queries and complaints:

Name : Rupali Choudhury
Address: 4th Floor, “Sunteck Centre”
37-40, Subhash Road,
Vile Parle (East), Mumbai – 400 057
Telephone: +91 22 42184518
Fax : +91 22 42185555
Email : rupali.choudhury@religaremacquarie.com

(ii) Grievance redressal and dispute settlement mechanism

The Investment Relation Officer(s) will be the interface between the Portfolio Manager and the Client. The Investment Relation Officer (s) shall be responsible for redressing the grievances of the clients.

All disputes, differences, claims and questions whatsoever which shall arise either during the subsistence of the agreement with a client or afterwards with regard to the terms there of or any clause or thing contained therein or otherwise in any way relating to or arising there from or the interpretation of any provision therein shall be, in the first place settled by mutual discussions, failing which the same shall be referred to and settled by arbitration in accordance with and subject to the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof for the time being in force. The arbitration shall be held in Mumbai and be conducted in English language.

The agreement with the client shall be governed by, construed and enforced in accordance with the laws of India. Any action or suit involving the agreement with a client or the performance of the agreement by the either party of its obligations will be conducted exclusively in courts located within the city of Mumbai in the State of Maharashtra.

Date: February 24, 2012

Place: Mumbai

Sd/-
Mr. Shachindra Nath

Sd/-
Mr. Anil Saxena

Sd/-
Mr. Basab Mitra

Sd/-
Mr. Peter James Maher

Sd/-
Mr. Craig Nicholas Swanger

Sd/-
Mr. Eric Anderson Schimpf

Annexure 1

Religare Macquarie Wealth Management Limited

Following transactions were carried out with related parties in the ordinary course of business:

(Amount in Lacs)

Nature of Transactions	Name of Related Party	Key Management Personnel		Ventures in respect of which RMWML is a Joint Venture		Enterprises over which Individuals owning directly or indirectly interest in voting power that gives them control and Key Management Personnel / Relatives thereof are having Significant Influence		Total	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Allotment of Equity Shares	Religare Enterprises Limited	-	-	2,250.00	1,000.00	-	-	2,250.00	1,000.00
	Macquarie Financial Services (Asia) Pte Limited	-	-	2,250.00	1,000.00	-	-	2,250.00	1,000.00
Allotment of Equity Shares Total		-	-	4,500.00	2,000.00	-	-	4,500.00	2,000.00
Allotment of Preference Shares	Religare Enterprises Limited	-	-	750.00	250.00	-	-	750.00	250.00
	Macquarie Financial Services (Asia) Pte Limited	-	-	750.00	250.00	-	-	750.00	250.00
Allotment of Preference Shares Total		-	-	1,500.00	500.00	-	-	1,500.00	500.00
Expense Reimbursement by other Companies	Religare Enterprises Limited	-	-	0.30	-	-	-	0.30	-
	REL Infracilities Limited	-	-	-	-	0.04	-	0.04	-

Nature of Transactions	Name of Related Party	Key Management Personnel		Ventures in respect of which RMWML is a Joint Venture		Enterprises over which Individuals owning directly or indirectly interest in voting power that gives them control and Key Management Personnel / Relatives thereof are having Significant Influence		Total	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
	Religare Securities Limited	-	-	-	-	3.66	-	3.66	-
	Religare Commodities Limited	-	-	-	-	0.08	-	0.08	-
	Religare Capital Market Limited	-	-	-	-	0.82	-	0.82	-
	Religare Finvest Limited	-	-	-	-	0.42	-	0.42	-
	Religare Health Insurance Company Limited	-	-	-	-	0.04	-	0.04	-
	Religare Insurance Broking Limited	-	-	-	-	0.04	-	0.04	-
	Dion Global Solutions Limited	-	-	-	-	0.06	-	0.06	-
	Religare Technologies Limited	-	-	-	-	0.15	-	0.15	-
	Religare Aviations Limited	-	-	-	-	0.32	-	0.32	-
Expense Reimbursement by other Companies Total		-	-	0.30	-	5.63	-	5.93	-
Expense Reimbursement to other Companies	Religare Finvest Limited	-	-	-	-	2.39	3.54	2.39	3.54
	Religare Securities Limited	-	-	-	-	4.01	11.92	4.01	11.92

Nature of Transactions	Name of Related Party	Key Management Personnel		Ventures in respect of which RMWML is a Joint Venture		Enterprises over which Individuals owning directly or indirectly interest in voting power that gives them control and Key Management Personnel / Relatives thereof are having Significant Influence		Total	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
	Religare Enterprises Limited	-	-	11.93	7.92	-	-	11.93	7.92
	Religare Insurance Broking Limited	-	-	-	-	2.08	0.28	2.08	0.28
	Religare Health Insurance Company Limited	-	-	-	-	-	0.06	-	0.06
	REL Infrafacilities Limited	-	-	-	-	7.69	33.77	7.69	33.77
	Religare Capital Market Limited	-	-	-	-	0.03	-	0.03	-
	Religare Travels (India) Limited	-	-	-	-	87.39	42.74	87.39	42.74
	Religare Commodities Limited	-	-	-	-	13.11	0.01	13.11	0.01
Expense Reimbursement to other Companies Total		-	-	11.93	7.92	116.70	92.32	128.63	100.24
Vehicle Lease Rental	Religare Finvest Limited	-	-	-	-	-	11.12	-	11.12
Vehicle Lease Rental Total		-	-	-	-	-	11.12	-	11.12
Support Services	Religare Enterprises Limited	-	-	36.77	31.78	-	-	36.77	31.78

Nature of Transactions	Name of Related Party	Key Management Personnel		Ventures in respect of which RMWML is a Joint Venture		Enterprises over which Individuals owning directly or indirectly interest in voting power that gives them control and Key Management Personnel / Relatives thereof are having Significant Influence		Total	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
	Religare Securities Limited	-	-	-	-	14.35	5.26	14.35	5.26
	Religare Technologies Limited	-	-	-	-	29.95	114.66	29.95	114.66
	Macquarie Capital Securities (India) Private Limited	-	-	-	-	221.86	144.68	221.86	144.68
	Macquarie Global Services Private Limited	-	-	-	-	99.91	132.55	99.91	132.55
Support Services Total		-	-	36.77	31.78	366.07	397.15	402.84	428.93
Remuneration to Key Managerial Personnel	Vikas Agnihotri	185.14	121.16	-	-	-	-	185.14	121.16
	Rohit Bhuta	66.30	-	-	-	-	-	66.30	-
	Reena Jayara	1.65	-	-	-	-	-	1.65	-
Remuneration to Key Managerial Personnel Total		253.09	121.16	-	-	-	-	253.09	121.16
Purchase of Fixed Asset	Religare Technologies Limited	-	-	-	-	8.16	56.93	8.16	56.93

Nature of Transactions	Name of Related Party	Key Management Personnel		Ventures in respect of which RMWML is a Joint Venture		Enterprises over which Individuals owning directly or indirectly interest in voting power that gives them control and Key Management Personnel / Relatives thereof are having Significant Influence		Total	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Purchase of Fixed Asset Total		-	-	-	-	8.16	56.93	8.16	56.93
Income from Client referral Services	Religare Securities Limited	-	-	-	-	403.00	307.26	403.00	307.26
	Religare Finvest Limited	-	-	-	-	92.54	20.09	92.54	20.09
	Religare Commodities Limited	-	-	-	-	1.55	7.40	1.55	7.40
	Religare Arts Initiative Limited	-	-	-	-	0.12	0.29	0.12	0.29
	Religare Assets Management Company Limited	-	-	-	-	204.41	47.39	204.41	47.39
	Milestone Religare Investment Advisors Private Limited	-	-	-	-	25.43	94.76	25.43	94.76
	Aegon Religare Life Insurance Company Limited	-	-	-	-	105.39	707.34	105.39	707.34
Income from Client referral Services Total		-	-	-	-	832.44	1,184.53	832.45	1,184.53
Income from Marketing Activities	Aegon Religare Life Insurance Company Limited	-	-	-	-	663.14	1,072.35	663.14	1,072.35

Nature of Transactions	Name of Related Party	Key Management Personnel		Ventures in respect of which RMWML is a Joint Venture		Enterprises over which Individuals owning directly or indirectly interest in voting power that gives them control and Key Management Personnel / Relatives thereof are having Significant Influence		Total	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Income from Marketing Activities Total		-	-	-	-	663.14	1,072.35	663.14	1,072.35
OUTSTANDING BALANCES AS ON MARCH 31, 2011									
Payables									
Payables	Religare Enterprises Limited	-	-	-	43.83	-	-	-	43.83
	Religare Securities Limited	-	-	-	-	0.83	3.12	0.83	3.12
	Religare Finvest Limited	-	-	-	-	-	73.84	-	73.84
	REL Infracilities Limited	-	-	-	-	-	0.68	-	0.68
	Religare Travels (India) Limited	-	-	-	-	4.57	3.16	4.57	3.16
	Religare Technologies Limited	-	-	-	-	4.47	0.34	4.47	0.34
	Macquarie Capital Securities (India) Private Limited	-	-	-	-	130.56	41.89	130.56	41.89
	Macquarie Global Services Private Limited	-	-	-	-	16.40	50.51	16.40	50.51

Nature of Transactions	Name of Related Party	Key Management Personnel		Ventures in respect of which RMWML is a Joint Venture		Enterprises over which Individuals owning directly or indirectly interest in voting power that gives them control and Key Management Personnel / Relatives thereof are having Significant Influence		Total	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Other Payables Total		-	-	-	43.83	156.83	173.54	156.83	217.37
Payables Total		-	-	-	43.83	156.83	173.54	156.83	217.37
Receivables									
Receivables from Client referral Services									
	Religare Finvest Limited	-	-	-	-	42.68	10.54	42.68	10.54
	Religare Securities Limited	-	-	-	-	54.58	11.62	54.58	11.62
	Religare Commodities Limited	-	-	-	-	-	1.02	-	1.02
	Religare Arts Initiative Limited	-	-	-	-	-	0.32	-	0.32
	Religare Assets Management Company Limited	-	-	-	-	74.03	47.06	74.03	47.06
	Milestone Religare Investment Advisors Private Limited	-	-	-	-	-	8.24	-	8.24
	Aegon Religare Life Insurance Company Limited	-	-	-	-	149.25	201.08	149.25	201.08
Receivable from Client referral Services Total		-	-	-	-	320.54	279.88	320.54	279.88

Nature of Transactions	Name of Related Party	Key Management Personnel		Ventures in respect of which RMWML is a Joint Venture		Enterprises over which Individuals owning directly or indirectly interest in voting power that gives them control and Key Management Personnel / Relatives thereof are having Significant Influence		Total	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Income from Marketing Activities Receivables	Aegon Religare Life Insurance Company Limited	-	-	-	-	10.19	231.63	10.19	231.63
Income from marketing Activities Receivables Total		-	-	-	-	10.19	231.63	10.19	231.63
Other Receivables									
	Religare Enterprises Limited	-	-	13.53	-	-	-	13.53	-
	Religare Commodities Limited	-	-	-	-	0.01	-	0.01	-
	Religare Capital Market Limited	-	-	-	-	0.08	-	0.08	-
	REL Infracilities Limited	-	-	-	-	0.05	-	0.05	-
	Religare Finvest Limited	-	-	-	-	0.08	-	0.08	-
	Religare Health Insurance Company Limited	-	-	-	-	0.02	-	0.02	-
	Religare Insurance Broking Limited	-	-	-	-	0.01	-	0.01	-
	Religare Assets Management Company Limited	-	-	-	-	-	-	-	-

Nature of Transactions	Name of Related Party	Key Management Personnel		Ventures in respect of which RMWML is a Joint Venture		Enterprises over which Individuals owning directly or indirectly interest in voting power that gives them control and Key Management Personnel / Relatives thereof are having Significant Influence		Total	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
	Dion Global Solutions Limited	-	-	-	-	0.06	-	0.06	-
	Religare Technologies Limited	-	-	-	-	0.16	-	0.16	-
	Religare Aviations Limited	-	-	-	-	0.35	-	0.35	-
Other Receivables Total		-	-	13.53	-	0.82	-	14.35	-
Receivables Total		-	-	13.53	-	331.55	511.51	345.08	511.51

Form C

**SECURITIES AND EXCHANGE BOARD OF INDIA
(PORTFOLIO MANAGERS) REGULATIONS, 1993
(Regulation 14)**

Religare Macquarie Wealth Management Limited
4th Floor, "Sunteck Centre",
37-40, Subhash Road, Vile Parle (East), Mumbai – 400 057
Tel no. 022-42184500 ext. 530; Fax no. – 022 42184555
Email: ankit.swaika@religaremacquarie.com

We confirm that:

- (i) The Disclosure Document forwarded to Securities and Exchange Board of India is in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 and the guidelines and directives issued by the Securities and Exchange Board of India from time to time;
- (ii) The disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us / investment in the Portfolio Management;
- (iii) The Disclosure Document has been duly certified by an Independent Chartered Accountants **viz, Mr. Sanjay Panse (Membership No.-39281) Partner of M/s. S. Panse & Co.,** 9, Three View Society, Opp. Century Bazaar, Veer Savarkar Marg, Mumbai – 400 025 on February 28, 2012.

For Religare Macquarie Wealth Management Limited

Sd/-
Mr. Ankit Swaika
Principal Officer
Tel no. 022-42184500 ext. 530
Email: ankit.swaika@religaremacquarie.com
4th Floor, "Sunteck Centre",
37-40, Subhash Road,
Vile Parle (East),
Mumbai - 400 057

Date: February 28, 2012
Place: Mumbai

S. Panse & Co.

Chartered Accountants

9, Three View Society, Veer Savarkar Marg, Mumbai - 400 025. Tel / Fax : 2437 0483 / 84 Email: admin@panse.in

CERTIFICATE

In the matter of :

Religare Macquarie Wealth Management Limited

5th Floor, GYS Infinity, Paranjpe 'B' Scheme,

Subhash Road, Vile Parle (East), Mumbai - 400 057.

On the basis of verification of Disclosure Document and other documents, records, audited Financial Statements as on March 31, 2011 of Religare Macquarie Wealth Management Limited and the information and explanation given to us, it is confirmed that:

The disclosure made in the Disclosures Document dated February 28, 2012, copy attached herewith, as required by the SEBI (Portfolio Managers) amendment regulations, 1993 and the guidelines and the directives issued by SEBI from time to time are true, fair and adequate to enable the investors to make a well informed decision.

Place : Mumbai
Dated : February 28, 2012


Sanjay Panse
Partner
Membership No. 039281
For & behalf of
S. Panse & Co.
Chartered Accountants

