

# Lotus India Mutual Fund

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## ADDENDUM

- **Lotus India Equity Fund**  
An Open-ended Equity Scheme  
Investment Objective: To generate long-term capital growth from a focused portfolio of predominantly equity and equity-related securities.
- **Lotus India Contra Fund**  
An Open-ended Equity Scheme  
Investment Objective: To generate capital appreciation through investment in equity and equity related instruments. The Scheme will seek to generate capital appreciation through means of contrarian investing.
- **Lotus India Growth Fund**  
An Open-ended Diversified Equity Scheme  
Investment Objective: To generate long-term capital growth from a diversified portfolio of predominantly equity and equity-related securities.
- **Lotus India Banking Fund**  
An Open-ended Banking Sector Scheme  
Investment Objective: To generate long-term capital growth from a portfolio of equity and equity-related securities of companies engaged in the business of banking and financial services.
- **Lotus India Tax Plan**  
An Open-ended Equity Linked Savings Scheme with a lock-in period of 3 years  
Investment Objective: To generate long term capital growth from a diversified portfolio of predominantly equity and equity-related securities.
- **Lotus India AGILE Fund**  
An Open-ended Equity Scheme  
Investment Objective: To generate capital appreciation through investment in equity and equity related instruments. The scheme will seek to generate capital appreciation by investing in a passive portfolio of stocks selected from the industry Leaders on the basis of a mathematical model.
- **Lotus India Arbitrage Fund**  
An Equity Oriented Interval Scheme  
Investment Objective: To generate income through arbitrage opportunities emerging out of mis-pricing between the cash market and the derivatives market and through deployment of surplus cash in fixed income instruments.
- **Lotus India AGILE Tax Fund:**  
A Closed - ended Equity Linked Saving Scheme with the Maturity of 10 Years  
Investment Objective: To generate capital appreciation through investment in equity shares. The Scheme will seek to generate capital appreciation by investing in a passive portfolio of stocks selected from the industry Leaders on the basis of a mathematical model.
- **Lotus India Infrastructure Fund:**  
A Close-ended Equity Scheme with a maturity of 3 Years  
Investment Objective: To provide long term capital appreciation by investing in a portfolio that is predominantly constituted of equity and equity related instruments of infrastructure companies.
- **Lotus India Mid Cap Fund:**  
A Closed-ended Equity Scheme with a maturity of 3 Years  
Investment Objective: To provide long term capital appreciation by investing in a portfolio that is predominantly constituted of equity and equity related instruments of mid cap companies.
- **Lotus India Mid n Small Cap Fund:**  
A 3 Years Closed-ended Equity Scheme  
Investment Objective: To provide long term capital appreciation by investing in a portfolio that is predominantly constituted of equity and equity related instruments of mid and small cap companies.
- **Lotus India Short Term Plan**  
An Open-ended Income Fund  
Investment Objective: To generate steady returns with a moderate risk for investors by investing in a portfolio of short-medium term debt and money market instruments.
- **Lotus India Active Income Fund**  
An Open-ended Income Scheme  
Investment Objective: To generate optimal returns while maintaining liquidity through active management of the portfolio by investing in debt and money market instrument.
- **Lotus India Gilt Fund**  
An Open-ended Dedicated Gilt Fund  
Investment Objective: To generate optimal returns by investing in a portfolio of securities issued and guaranteed by Central and State Government.
- **Lotus India Liquid Plus Fund**  
An Open-ended Debt Scheme  
Investment Objective: To provide liquidity and optimal returns to the investor by investing primarily in a mix of short term debt and money market instruments which results in a portfolio having marginally higher maturity and moderately higher credit risk as compared to a liquid fund at the same time maintaining a balance between safety and liquidity.
- **Lotus India Liquid Fund**  
An Open-ended Liquid Scheme  
Investment Objective: To provide reasonable returns, commensurate with low risk while providing a high level of liquidity, through a portfolio of money market and debt securities.
- **Lotus India Overnight Fund**  
An Open-ended Liquid Scheme  
Investment Objective: To provide liquidity to the investors while mirroring overnight returns.
- **Lotus India Quarterly Interval Funds:**  
Debt Oriented Interval Scheme  
Investment Objective: To generate income by investing in a portfolio of debt and money market instruments.
- **Lotus India Half Yearly Interval Fund:**  
Debt Oriented Interval Scheme  
Investment Objective: To generate income by investing in a portfolio of debt and money market instruments.
- **Lotus India Fixed Maturity Plans:**  
A Closed-ended Debt Scheme  
Investment Objective: To generate income by investing in a portfolio of debt and money market instruments normally maturing in line with the duration of the scheme.

The investors/unit holders of the Scheme(s) of Religare Mutual Fund [earlier known as Lotus India Mutual Fund ("the Mutual Fund")] are advised to take note that effective February 5, 2009 the following changes are being made in the Statement of Additional Information ("SAI") of the Mutual Fund, the Offer Document(s), the Scheme Information Documents ("SIDs") and Key Information Memorandums ("KIMs") of the Schemes of the Mutual Fund.

- 1) The name, Lotus India Mutual Fund ("LIMF"), will be replaced with Religare Mutual Fund ("Religare MF"), wherever it appears in the SAI of the Mutual Fund, Offer Document(s), SIDs and KIMs of the Scheme(s) of the Mutual Fund.
- 2) The name, Lotus India Trustee Company Pvt. Ltd. ("LITC") ("the Trustee"), will be replaced with Religare Trustee Company Pvt. Ltd. ("Religare TC"), wherever it appears in the SAI of the Mutual Fund, Offer Document(s), SIDs and KIMs of the Scheme(s) of the Mutual Fund. Accordingly, all references to the expressions, Trustee(s) and Trustee Company in the SAI of the Mutual Fund, Offer Document(s), SIDs & KIMs shall be deemed to refer to Religare Trustee Company Pvt. Ltd., unless the context requires otherwise.
- 3) The website, [www.lotusindiaamc.com](http://www.lotusindiaamc.com) will be replaced with [www.religaremf.com](http://www.religaremf.com), wherever it appears in the SAI of the Mutual Fund, Offer Document(s), SIDs and KIMs of the Scheme(s) of the Mutual Fund.
- 4) The name of Scheme(s) of the Mutual Fund shall be renamed by replacing the word "Lotus India" with the word "Religare", e.g. Lotus India Equity Fund will be renamed as Religare Equity Fund, wherever they appear in the SAI of the Mutual Fund, Offer Document(s), SIDs and KIMs of the Scheme(s) of the Mutual Fund.

**Note: The change in name of the Scheme(s) will not result in the change of basic characteristics and fundamental attributes of the Scheme(s), including the investment objectives of the respective Scheme(s).**

- 5) The name of the erstwhile sponsor / settlor i.e. Alexandra Fund Management Pte. Ltd. ("AFM"), will be replaced with Religare Securities Ltd. having its registered office at 19, Nehru Place, New Delhi - 110 019, wherever it appears in the SAI of the Mutual Fund, Offer Document(s), SIDs and KIMs of the Scheme(s) of the Mutual Fund.

Accordingly, all references to Alexandra Fund Management Pte. Ltd. shall be deleted from the SAI of the Mutual Fund, Offer Document(s), SIDs and KIMs of the Scheme(s) of the Mutual Fund.

- 6) Deed of variation to Deed of Trust dated April 27, 2006 constituting Religare Mutual Fund (earlier known as Lotus India Mutual Fund) has been executed on January 16, 2009 to reflect Religare Securities Ltd. as the new Sponsor/ Settlor of the Mutual Fund. Religare Securities Ltd. has contributed Rs. 50,000/- to the corpus of the Mutual Fund in addition to Rs. 1,00,000/- contributed by erstwhile sponsor of the Mutual Fund. Therefore, the contribution by the Sponsor to the corpus of the Mutual Fund, wherever it appears in the SAI of the Mutual Fund, Offer Document(s), SIDs and KIMs of the Scheme(s) of the Mutual Fund shall stand modified to Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only).

Accordingly the following risk factors as appearing in the SAI of the Mutual Fund, Offer Document(s), SIDs and KIMs of the Scheme(s) of the Mutual Fund shall be replaced by the following:

**The Sponsor is not responsible or liable for any loss or shortfall resulting from the operations of the Scheme(s) beyond the contribution of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) made by it towards the corpus of the Mutual Fund.**

- 7) In Chapter IV "Constitution of the Fund", under section A "The Fund" in the Offer Document(s) of the Scheme(s) of the Mutual Fund and under Section "Information about Sponsor, AMC and Trustee Companies", under sub section A "Constitution of the Mutual Fund" in the SAI of the Mutual Fund, the existing paragraph(s) about the Fund / Constitution of the Mutual Fund shall be replaced by the following:

Religare Mutual Fund (earlier known as Lotus India Mutual Fund) ("the Mutual Fund") has been constituted as a Trust in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882). Deed of Trust constituting the Mutual Fund has been executed on April 27, 2006 and registered under the Indian Registration Act, 1908. The Mutual Fund is registered with SEBI vide Registration No. MF/052/06/01 dated July 24, 2006.

Alexandra Fund Management Pte. Ltd. (the erstwhile sponsor of the Mutual Fund) and other shareholders of the AMC and the Trustee Company transferred their entire shareholding in the AMC and Trustee Company to Religare Securities Ltd. on December 4, 2008. Consequently, Alexandra Fund Management Pte. Ltd. ceased to be the sponsor of the Mutual Fund and Religare Securities Ltd. became the new sponsor. Deed of Variation to Deed of Trust constituting the Fund has been executed on January 16, 2009 to reflect Religare Securities Ltd. as the new Sponsor/ Settlor of the Mutual Fund. Religare Securities Ltd. has contributed Rs. 50,000/- to the corpus of the Mutual Fund in addition to Rs. 1,00,000/- contributed by erstwhile sponsor of the Mutual Fund.

The Office of the Mutual Fund is situated at 6<sup>th</sup> Floor, Chandermukhi, Nariman Point, Mumbai - 400 021.

- 8) In Chapter IV "Constitution of the Fund", under Section C "The Trustee Company (The Trustee)", under the heading "Directors of the Trustee" in the Offer Document(s) of the Scheme(s) of the Mutual Fund and under Section "Information about Sponsor, AMC and Trustee Companies", under sub section C "The Trustee Company (The Trustee)", under the heading "Details of Trustee Directors" in the SAI of the Mutual Fund, the following details of Mr. Sunil Godhwani, Director shall be inserted:

Name	Age/qualification	Brief Experience
Mr. Sunil Godhwani (Associate Director)	47 years Graduate in Chemical Engineering & Masters Degree in Industrial Engineering & Finance from Polytechnic Institute, New York	Mr. Godhwani has over 20 years of diverse experience in business. Presently, he is the Chief Executive Officer and Managing Director of Religare Enterprises Ltd. (REL), managing the affairs of the Company, business development and providing guidance to the top management. Under his leadership, REL has achieved a tremendous growth in a very short span of time. He is also a Chairman and Managing Director of Religare Securities Ltd. and director on the Board of various companies.

- 9) In Chapter IV "Constitution of the Fund", under Section D "The Asset Management Company", under the heading "Board of Directors of the AMC" in the Offer Document(s) of the Scheme(s) of the Mutual Fund and under Section "Information about Sponsor, AMC and Trustee Companies", under sub section D "Asset Management Company", under the heading "Details of AMC Directors" in the SAI of the Mutual Fund, the following details of Mr. Anil Saxena, Director shall be inserted:

Name	Age/Qualification	Brief Experience
Mr. Anil Saxena (Associate Director)	40 years B. Com. (Delhi University), ACA, AICWA	Mr. Saxena has around 16 years of experience in financial services industry. As a Group Chief Finance Officer of Religare Enterprises Ltd., he is responsible for finance function of Religare Group, spearheading growth initiative of the group, plays an important role in Merger & Acquisition and also responsible for corporate affairs and risk management of the group. He has also worked with Orbis Securities Ltd. (Sept. 2000 - Mar. 2001) and Kotak Securities Ltd. (May 1997 - Sept. 2000). Currently, he is a director on the Board of various companies.

- 10) In Chapter IV "Constitution of the Fund", under Clause D "The Asset Management Company", under the heading "Key Personnel of the AMC and their relevant experience" in the Offer Document(s) of the Scheme(s) and under Section "Information about Sponsor, AMC and Trustee Companies", under sub section D "Asset Management Company", under the heading "Information on Key Personnel" in the SAI of the Mutual Fund, the following details of Key Personnel will be inserted in the table on "Investment Team":

Name	Age (Yrs)	Designation	Educational Qualifications	Total No. of Years of Experience/Type & Nature of Experience	Assignments Held (During last 10 years)
Mr. Shashank Panda	30	Senior Manager - Equity Analyst	B. Com, MBF, Indian Institute of Finance, Delhi	More than 5 years of experience in equity research, credit analysis and product development.	<p><b>Jan 1, 2009 - till date</b> Religare Asset Management Company Pvt. Ltd.</p> <p><b>July 25, 2008 - Dec 31, 2008</b> Equity Analyst - Religare AEGON Asset Management Company Pvt. Ltd.</p> <p><b>Apr 2008 - July 11, 2008</b> Manager - Investment Research - Capgemini Consulting Pvt. Ltd.</p> <p><b>Nov 2005 - Nov 2007</b> Manager - Equity PMS - Dawnay Day AV Financial Services.</p> <p><b>Feb 2005 - Oct 2005</b> Credit Analyst - Banking and Finance - Infosys Technologies Ltd.</p> <p><b>May 2004 - Jan 2005</b> Assistant Manager - Products Team - Kotak Mahindra Asset Management Company Ltd.</p> <p><b>Jan 2003 - Apr 2004</b> Management Trainee - ICRA Online Ltd.</p>

Mr. Karan Singh	31	Analyst - Fixed Income	B.A. (Hons.) Economics, P.G. Diploma in Finance, C.F.A. Institute Member	More than 6 years of experience in conducting research and analysis on financial sector and economy.	<p><b>Jan 1, 2009 - till date</b> Religare Asset Management Company Pvt. Ltd.</p> <p><b>Oct 15, 2008 - Dec 31, 2008</b> Credit Analyst - Religare AEGON Asset Management Company Pvt. Ltd.</p> <p><b>Sept 2006 - Dec 2007</b> Associate - Credit Research - Fidelity India</p> <p><b>Aug 2005 - Sept 2006</b> Senior Analyst - ICRA Ltd.</p> <p><b>Mar 2003 - Aug 2005</b> Analyst - Fixed Income - Escorts Asset Management Company Pvt. Ltd.</p>
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11) In Chapter X "Other Matters", under Section A "Transaction with Sponsor / Associates" in the Offer Document(s) of the Scheme(s) of the Mutual Fund and under Section "Tax, Legal & General Information", under sub section C "General Information", under clause b) "Associate Transactions" in the SAI of the Mutual Fund, the existing paragraph(s) relating to transactions with Sponsor / Associates / Associate Transactions shall be replaced by the following:

Religare Mutual Fund launched its first scheme in December, 2006. During the last two fiscal years (i.e. 2006-2007 and 2007-2008), Religare Mutual Fund has not transacted with Alexandra Fund Management Pte. Ltd. (erstwhile sponsor of the Fund) or any of its associates or group companies. Further, the Scheme(s) of the Fund have not undertaken any underwriting obligation with respect to issues of erstwhile associate companies and did not subscribe to the issues lead managed by erstwhile associate companies. Further, the Scheme(s) of the Fund have not given any business to erstwhile associate brokers and have not made investments in group companies of the erstwhile sponsor.

However, the AMC had utilized services of Tata Securities Ltd. and Centurion Bank of Punjab Ltd. (erstwhile associates of the AMC) for distribution and sale of units of Scheme(s) of the Mutual Fund. Details of commission paid to these associates for distribution of units are as follows:

Name of the associate	Distribution Commission paid	
	Apr 2006 - Mar 2007	Apr 2007 - Mar 2008
Tata Securities Ltd.^	Rs. 71,833.87	Rs. 1,136,192.46
Centurion Bank of Punjab Ltd.^^	Rs. 6,675,744.07	Rs. 33,873,759.80

^Ceased to be associates w.e.f. December 4, 2008. ^^ Ceased to be associate w.e.f. September 27, 2008.

The AMC may, from time to time, for the purpose of conducting its business, utilize the services of and /or enter into contract with the Sponsor, group companies of its Sponsor or/and any other subsidiary or associate company of the Sponsor or AMC, established or to be established at a later date, who is in a position to provide the requisite services to the AMC.

The list of associates of Sponsor/Asset Management Company with which the Mutual Fund may have dealings, transactions and those whose services may be used for marketing, distribution, broking services for the Scheme(s) or any other permitted purpose is as under:

Name of the Companies	
Luxury Farms Pvt. Ltd.	Religare Technova Business Intellect Ltd.
Vistas Realtors Pvt. Ltd.	Religare Technova IT Services Pvt. Ltd.
Greenview Buildtech Pvt. Ltd.	Fortis Clinical Research Ltd.
Religare Enterprises Ltd.	Fortis Hospotel Ltd.
Vistaar Religare Capital Advisors Ltd.	International Hospital Ltd.
Religare Securities Ltd.	Escorts Heart Centre Ltd.
Religare Finvest Ltd.	Escorts Heart And Super Speciality Institute Ltd.
Religare Commodities Ltd.	Malar Hospitals Ltd.
Religare Insurance Broking Ltd.	Fortis Health Management Ltd.
Religare Venture Capital Ltd.	SAK Consumer Retail Services Ltd.
Religare Realty Ltd.	Lifetime Healthcare Pvt. Ltd.
Religare General Insurance Company Ltd.	Escorts Heart Institute and Research Centre Ltd.
Religare Macquarie Wealth Management Ltd.	Capital Market Solutions Pty. Ltd.
Religare Capital Markets Ltd.	Regius Overseas Holding Co. Ltd.
Religare Finance Ltd.	Religare Hichens, Harrison Plc.
Religare Arts Initiative Ltd.	Religare Capital Markets International (U.K.) Ltd.
Religare United Soccer Ltd.	Religare Capital Markets International (Mauritius) Ltd.
Religare Voyages Ltd.	Religare Hichens Harrison Inc.
AEGON Religare Life Insurance Company Ltd.	Dewan Housing Finance Corporation Ltd.
Super Religare Laboratories Ltd.	Sauashish Diamonds Ltd.
Oscar Investments Ltd.	Landmark Property Development Company Ltd.
Fortis Healthcare Holdings Ltd.	Rasandik Engineering Industries India Ltd.
Hospitalia Eastern Pvt. Ltd.	FCH Centrum Direct Ltd.
ANR Securities Ltd.	RFCL Ltd.
Shimal Research Laboratories Ltd.	ORIX Auto Infrastructure Services Ltd.
Fortis Healthcare Ltd.	SIDBI Venture Capital Ltd.
Fortis HealthStaff Ltd.	Medsorce Health Care Pvt. Ltd.
Religare Arts Investment Management Ltd.	Pantaloon Retail (India) Ltd.
Ran Air Services Ltd.	Jaybharat Textiles and Real Estate Ltd.
Religare Travels (India) Ltd.	Metlife India Insurance Company Ltd.
Havells India Ltd.	Rolta India Ltd.
Religare Wellness Ltd.	Pegasus Assets Reconstruction Pvt. Ltd.
Religare Technova Ltd.	IFCI Ltd.
Religare Technova Global Solutions Ltd.	Life Time Healthcare Pvt. Ltd.
Future Finance Ltd.	Pill and Powder Pvt. Ltd.

Note: The above list is not exhaustive and is subject to change from time to time.

The AMC, on behalf of the Fund, shall conduct its business with the aforesaid companies (including their employees or relatives) on commercial terms and on arms-length basis and at a mutually agreed terms and conditions to the extent and limits permitted under the SEBI (MF) Regulations. Appropriate disclosures, wherever required, shall be made by the AMC.

The AMC will, before investing in the securities of the group companies of the Sponsor, evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Scheme. Investments by the Scheme in the securities of the group companies will be subject to the limits under the Regulations.

- 12) Under Chapter V “**Investment Objectives, Investment Strategy, Investment Pattern And Risk Profile And Limitation Of The Scheme**”, under section E “**Procedure and Recording of Investment Decision**” in all the Offer Document(s) of the Scheme(s) of the Mutual Fund and under Section “**Tax, Legal & General Information**”, under sub section C “**General Information**”, the existing paragraphs under clause e) “**Procedure and Recording of Investment Decision**” in the SAI of the Mutual Fund, shall be replaced by the following:

The investment decisions for the Scheme will be taken by the Fund Manager, which will be consistent with the regulatory requirements and the investment objectives of the Scheme. The Fund may additionally observe such internal guidelines as may be prescribed by the Boards of the AMC / Trustee or any internal committee. Subject to above, the day to day investment management decision will solely be of the Fund Manager of the Scheme. All investment decisions shall be recorded. Where an investment is proposed to be made for the first time in any scrip/security issued by a company, this will be preceded by making a detailed report justifying such investment by a member of the investment management team. With regard to investments done on instruments based on a mathematical model, the list of instruments generated by the model shall be construed as the research report. In case of Arbitrage Fund, investment decisions will be based on the mis-pricing between cash and derivatives segment and opportunities available in these respective markets. The performance of the Scheme shall be reviewed by Investment Committee comprising of Chief Executive Officer, Head - Equity, Head - Fixed Income and Head - Compliance & Risk and by any additional member which may be included / nominated to the committee at periodic intervals. Performance review of the Scheme includes comparison of performance of the Scheme vis-à-vis benchmark indices / peer group on a regular basis. Further Boards of the AMC and the Trustee will also review performance vis-à-vis benchmark indices and peer group.

- 13) Under Chapter X “**Other Matters**”, under section F “**General Information**”, under point no. 3 “**Penalties & Pending Litigations**” in all the Offer Document(s) of the Scheme(s) of the Mutual Fund and under Section VI “**Penalties, Pending Litigation or Proceedings, findings of inspection or investigations for which action may have been taken or is in the process of being taken by regulatory authority**” in all the SIDs of the Scheme(s) of the Mutual Fund, the existing table on Penalties and pending litigation will be replaced by following:

**“PENALTIES & PENDING LITIGATIONS” / “PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTION OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY REGULATORY AUTHORITY”**

This section shall contain the details of penalties, pending litigation and action taken by SEBI and other regulatory and Govt. Agencies.

- All disclosures regarding penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Further, only top 10 monetary penalties during the last three years shall be disclosed.

**Not Applicable**

- In case of Indian Sponsor(s), details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed.

- The NSE and NSCCL have levied various penalties/ fines aggregating to Rs. 3.61 million on Religare Securities Ltd (‘RSL’) during the period from April 2005 till January 15, 2009 for various reasons, including reporting short collection of margins, violations observed during inspection, violation of exposure limits in the future and option segment dealt for and on behalf of various clients, trading in option segment of the NSE, violation of client level limit for trading in specified scrips, clearing shortage, non-submission of UCC details, delay in monthly disclosures and delayed uploading of computer to computer link terminal data.
- The BSE has levied various penalties/ fines aggregating to approximately Rs. 0.27 million on RSL during the period from April 2005 till January 15, 2009 for various reasons, including violation of trading limits in certain categories of scrips, entering into transaction on behalf of certain specified clients (which led to price rise), violation of intra-day trading limits, violation observed during inspection, violation of trading limits in Z group securities, bad delivery charges, incorrect punching of individual orders in institutional category, late payouts, modification of client codes, etc.
- In addition to the above, NSDL has through certain letters levied penalties aggregating to Rs. 0.17 million and CDSL has levied a penalty of Rs. 500 since April 2005.

- Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/ enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party. The details of the violation shall also be disclosed.

- The SEBI in the matters of IFSL Limited, Mega Corporation Limited, Karuna Cables Limited and Millenium Cybertech Limited, issued ad interim orders dated September 28, 2005, October 24, 2005, November 29, 2005 and January 24, 2006, respectively pending investigation, while observing a sharp increase in price and trading volume in respect of the scrips of the above mentioned companies. Pursuant to the said orders, the SEBI has restrained RSL, among other stock brokers from buying, selling or dealing in the specified scrips of the companies mentioned above, directly or indirectly, on behalf of certain promoters, directors and clients specified by the SEBI from the date of the respective orders, until the receipt of further orders from the SEBI. Subsequently, the SEBI has, pursuant to orders dated June 16, 2006, July 24, 2006, July 25, 2006 and September 26, 2006, in the matters of IFSL Limited, Mega Corporation Limited, Karuna Cables Limited and Millenium Cybertech Limited, respectively confirmed the ad interim orders. Finally, SEBI vide its letter dated May 22, 2007 has issued an administrative warning in the matter of Millenium Cybertech Limited. Further, SEBI has appointed Adjudicating officer in the matters of Mega Corporation Limited and Karuna Cables Limited. Pursuant to the same RSL, has filed an application for obtaining consent order in both the matters. The specific observations issued by SEBI in the ad interim orders are as follows:

Sr. No.	Specified Scrip	Directions / Observations Issued
1.	IFSL Limited	The SEBI in its ad interim, ex-parte order dated September 28, 2005 noted that RSL, among other brokers, dealt significantly in the script of IFSL Limited on behalf of specified clients during the period when there was an increase in the share price and trading volume and off market transfers by the promoters to some entities took place. Subsequently, the SEBI through letter dated March 24, 2006 summoned RSL to appear and provide information in connection with the investigations instituted by SEBI in the said matter. The information required by the SEBI has been duly provided. Further, an order has been passed on June 16, 2006 by the SEBI confirming the interim order.
2.	Mega Corporation Limited	The SEBI in its ad interim, ex-parte order dated October 24, 2005 observed that RSL, among other brokers being holders of more than 1% of the share capital of Mega Corporation Limited, contributed significant volume, i.e., up to 19.17% of net purchase, in the trading of shares of the company while dealing on behalf of the interconnected clients. The SEBI through its letter dated February 27, 2007 summoned RSL for production of documents in relation to the alleged aiding and abetting the connected group of clients in creating an artificial depth in the market to generate a buying interest in the scrip and influencing the price of the scrip. RSL has complied with the summons and has provided the requisite comments and documents. Subsequently, SEBI has passed an order dated July 24, 2006 confirming the interim order. Further, the SEBI has, vide its letter dated June 27, 2008, appointed an adjudicating officer jointly in the concerned matter and in the matter of Karuna Cables Limited. Pursuant to the same, RSL has filed an application dated August 18, 2008 for obtaining a consent order in the matter.

3.	Karuna Cables Limited	The SEBI in its ad interim, ex-parte order dated November 29, 2005 observed that RSL had a concentration of around 14% in terms of gross purchases during the relevant period. The SEBI through its letter dated March 6, 2007 summoned RSL for explanation in relation to nature of transaction, which indicate involvement in manipulation in the market regarding this scrip. RSL has complied with the summons and have provided the requisite comments and documents. Subsequently, SEBI has passed an order dated July 25, 2006 confirming the interim order. Further, the SEBI has vide its letter dated June 27, 2008 appointed an adjudicating officer jointly in the concerned matter and in the matter of Mega corporation Limited. Pursuant to the same, RSL has filed an application dated August 18, 2008 for obtaining a consent order in the matter.
4.	Millenium Cybertech Limited	The SEBI in its ad interim, ex-parte order dated January 24, 2006 observed that RSL among other brokers, had entered into synchronised deals on behalf of its clients specified in the order, which helped in matching buyers and seller thereby buyers getting desired sellers and <i>vice versa</i> . The SEBI further observed that the promoters of Millenium Cybertech Limited offloaded their shareholding in the company in an alleged arrangement between interconnected clients, who have also appeared in the orders of the SEBI relating to IFSL Limited, Mega Corporation Limited and Karuna Cables Limited to manipulate the shares of 'low cap' companies and that the same would not have been possible without being guided by a few brokers. Separately, in the same order, the SEBI noted that RSL was among the few brokers who have also appeared in some of the orders passed by the SEBI in the case of 'low cap' stocks. Subsequently, the SEBI through its letter dated April 7, 2006 summoned RSL to appear and provide information in connection with the investigations instituted by the SEBI in the said matter. The information required by the SEBI has been duly provided. Further, an order has been passed on September 26, 2006 by the SEBI confirming the interim order. Finally, the SEBI vide its letter dated May 22, 2007 has issued an administrative warning in the concerned matter.

- b). Further, the SEBI has in the matter of Ind Tra Deco Limited, issued an *ad interim* order dated October 5, 2005 pending investigation, restraining RSL, among other stock brokers and the promoters and directors of Ind Tra Deco Limited from buying, selling or dealing in the securities of/ in the scrip of Ind Tra Deco Limited, directly or indirectly, from October 5, 2005 until the receipt of further orders, while observing a sharp increase in price and trading volume in the scrip of Ind Tra Deco Limited. Subsequently, the SEBI through its order dated June 20, 2006 confirmed the *ad interim* order. Further, the SEBI through its letter dated January 31, 2006 summoned RSL to appear and provide information in connection with the investigations instituted by SEBI in the said matter. The information required by the SEBI has been duly provided. No further correspondence has been received from the SEBI in this respect thereafter.
- c). In addition to the above, the SEBI has, through an *ad interim* order dated January 17, 2007, restrained RSL from buying, selling or dealing directly or indirectly in the shares of Nissan Copper Limited, until the receipt of further orders from SEBI. Further, the SEBI has issued certain specific observations relating to RSL in its *ad interim* orders. The matter is currently being investigated by the SEBI.
- d). Pursuant to an inspection of books and records of PMS division of RSL for the period September 2004 to December 2005, SEBI has initiated an inquiry officer proceeding vide its letter dated November 8, 2007. The company has duly submitted its reply to SEBI vide its letter dated December 10, 2007 alongwith necessary documentary evidence denying the observations contained in the show cause notice of the Enquiry Officer. No further correspondence has been received in the matter.

4. Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party should also be disclosed separately.

**None**

5. Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency, shall be disclosed.

**None**

- 14) The name of the Legal Advisors, wherever it appears in the SAI of the Mutual Fund, Offer Document(s) and SIDs of the Scheme(s) of the Mutual Fund shall be deleted.

All other terms & conditions of the Scheme(s) will remain unchanged.

This addendum forms an integral part of the Statement of Additional Information of the Mutual Fund / Offer Document(s) / Scheme Information Document(s) / Key Information Memorandum(s) of the Scheme(s) of Religare Mutual Fund as amended from time to time.

For **Religare Asset Management Company Pvt. Ltd.**  
(Investment Manager for Religare Mutual Fund)

Sd/-

Saurabh Nanavati

Chief Executive Officer

Dated : February 4, 2009

**Risk Factors:** All mutual funds and securities investments are subject to market risks and there can be no assurance that the Scheme(s) objectives will be achieved. Investment in Mutual Fund Units involve investment risks such as trading volumes, settlement risk, liquidity risks, default risk including the possible loss of capital. As with any investment in securities, the NAV of the units issued under Scheme(s) may go up or down depending upon the factors and forces affecting the securities markets. Past performance of the Sponsor and its affiliates / AMC / Mutual Fund and its Scheme(s) do not indicate the future performance of the Scheme(s) of the Mutual Fund. Investors in the Scheme(s) are not being offered any guaranteed / assured returns. The name of the Scheme(s) does not in any manner indicate either the quality of the Scheme(s), its future prospects and returns. **Please read the Offer Document(s) / Statement of Additional Information / Scheme Information Document(s) / Key Information Memorandum(s) before investing. Statutory Details:** Religare Mutual Fund has been set up as a trust sponsored by Religare Securities Ltd. (liability restricted to Rs. 1,50,000/-) with Religare Trustee Company Pvt. Ltd. as the Trustee (Trustee under the Indian Trusts Act, 1882) and with Religare Asset Management Company Pvt. Ltd. as the Investment Manager.