

Religare Asset Management Company Ltd.

**Annual Report
2010-2011**

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the sixth Annual Report and the audited accounts for the financial year ended on March 31, 2011.

FINANCIAL RESULTS

A summary of the financial performance of the Company is given below:

(Rupees in thousands)

Particulars	Financial Year ended March 31, 2011	Financial Year ended March 31, 2010
Total Income	391,689	595,848
Total Expenditure (excl. of Depreciation)	862,881	595,769
Profit/(Loss) before Depreciation & Tax	(471,192)	79
Depreciation	30,774	31,216
Profit/(Loss) before Tax	(501,966)	(31,137)
Less: Provision for Tax	33	19
Profit/(Loss) after Tax	(501,999)	(31,156)
Net Profit/(Loss) carried to the Balance Sheet	(1,359,612)	(857,613)
Earnings per Equity Share of Re. 1/- face value (in Rs.)	(0.93)	(0.07)

SHARE CAPITAL

The paid up Share Capital of the Company has increased from Rs. 50,26,91,526/- as on March 31, 2010 to Rs. 60,26,91,526/- as on March 31, 2011. During the previous financial year the Company issued 5,00,00,000 Equity Shares of Re. 1/- each at a premium of Rs. 2/- per equity share aggregating to Rs. 10,00,00,000/- and 15,00,00,000 8% Redeemable, Non Cumulative, Convertible Preference Shares ("Preference Shares") of face value of Re. 1/- each at par aggregating to Rs. 15,00,00,000/-. Subsequently during the year, the 15,00,00,000 Preference Shares were redeemed at par by conversion into 5,00,00,000 Equity Shares of face value of Re. 1/- each at a premium of Rs. 2/- per equity share.

MUTUAL FUND ACTIVITIES

The Company is Investment Manager to Religare Mutual Fund. Religare Mutual Fund under its various Schemes has average assets under management of Rs. 11,673.73 crores for the month of March 2011 and has a base of 2,48,443 investors (folio count) as on March 31, 2011.

During the year under review, Religare Mutual Fund launched three open ended income schemes, one capital protection oriented scheme and fixed maturity plans with varying maturities. The details of subscriptions received from the schemes other than fixed maturity plans are given below:

Sr #	Name of the Scheme	Nature of the Scheme	Date of Launch	Amount mobilised in NFO (Rs. in crores)	Nos. of Investors
1	Religare Monthly Income Plan^	An Open Ended Income Scheme	April 12, 2010	11.90	917

2	Religare Monthly Income Plan (MIP) Plus^^	An Open Ended Income Scheme	April 12, 2010	104.53	7,725
3	Religare Medium Term Bond Fund	An Open Ended Income Scheme	December 13, 2010	124.00	675
4	Religare Capital Protection Oriented Fund - Series I^^^	A 3 year Close Ended Capital Protection Oriented Scheme	March 1, 2011	16.33	634

^Monthly income is not assured and is subject to availability of distributable surplus.

^^Monthly income is not assured and is subject to availability of distributable surplus. The term 'Plus' has been used in terms of the asset allocation and not in terms of returns/yield.

^^^The Scheme is 'oriented towards protection of capital' and 'not with guaranteed returns'. Further, the orientation towards protection of capital originates from the portfolio structure of the Scheme and not from any bank guarantee, insurance cover etc.

PORTFOLIO MANAGEMENT SERVICES

As on March 31, 2011 the Company manages assets of Rs. 184.544 crores of 1,399 Clients under its discretionary portfolio management services and advises 4 clients with total assets of Rs. 714.85 crores under its advisory services.

DIVIDEND

In absence of profits, your Directors regret their inability to recommend dividend for the financial year ended March 31, 2011.

DIRECTORS

Mr. Anil Saxena - Associate Director resigned as Director of the Company with effect from January 12, 2011. Mr. Ravi Mehrotra - Associate Director was appointed under section 260 of the Companies Act, 1956 as Additional Director with effect from February 11, 2011. Mr. Ravi Mehrotra holds office till the conclusion of ensuing Annual General Meeting and has offered himself for re-appointment.

Mr. Shachindra Nath - Director and Mr. P. G. Muralidharan - Director are liable to retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

Necessary resolutions for appointment of Directors have been included in the notice convening the Annual General Meeting. The Board recommends appointment of Directors by Members.

COMPOSITION OF THE AUDIT COMMITTEE

Mr. Anil Saxena resigned as Director of the Company and ceased to be Member of the Audit Committee with effect from January 12, 2011. Mr. Ravi Mehrotra has been appointed as Director of the Company and as a Member of the Audit Committee of the Company with effect from February 11, 2011.

The Audit Committee of the Company constituted in terms of section 292A of the Companies Act, 1956 comprises of Mr. Ravi Mehrotra - Associate Director, Mr. P. G. Muralidharan - Independent Director and Mr. V. K. Chopra - Independent Director.

Religare Asset Management Company Limited

Registered Office: 3rd Floor, GYS Infinity, Paranjpe 'B' Scheme, Subhash Road, Vile Parle (East), Mumbai - 400 057.

Phone: +91-22-67310000

PARTICULARS OF EMPLOYEES

The information in respect of the Employees of the Company, who is in receipt of remuneration for the year ended March 31, 2011, which, in aggregate, was more than the limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is appended herewith and forms an integral part of this report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(i) Energy Conservation and Technology Absorption:

The Company does not carry on any manufacturing activity. The particulars required to be furnished in this report under the section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 relating to the conservation of the energy and technology absorption are not applicable to the Company and hence not furnished.

(ii) Foreign exchange earnings and outgo:

- a. Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;

The Company provides advisory services to offshore funds for an agreed consideration.

b. Foreign Exchange Earnings (Rs. in thousands)	:	2,529
Foreign Exchange Expenditure (Rs. in thousands)	:	834

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors hereby confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed.
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the Directors have prepared the annual accounts on a going concern basis.

AUDITORS AND AUDITORS' REPORT

M/s. B S R & Co., Chartered Accountants, the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letter from the Auditors to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act. The Auditors Report and the notes to the Accounts are self-explanatory. Your directors recommend re-appointment of M/s. B S R & Co., Chartered Accountants as the Statutory Auditors of the Company.



The observation of the Auditors in the Audit Report is self-explanatory and is suitably explained in the appropriate notes to accounts.

ACKNOWLEDGEMENT

We take this opportunity to express our gratitude for the valuable assistance, support and guidance given by Securities and Exchange Board of India, Custodian, Registrar & Transfer Agent, Bankers and local authorities.

Your Directors would like to express their gratitude to the shareholders and are deeply grateful to them for reposing their confidence and faith in the company.

The Directors wish to place on record their sincere appreciation of the valuable services rendered by the employees to the Company.

For and on behalf of the Board of Directors

sd/-

**Shachindra Nath
Chairman
DIN - 00510618**

Place : Mumbai

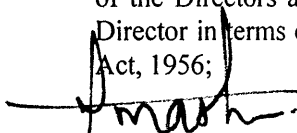
Date : April 29, 2011

Auditors' Report**To the Members of
Religare Asset Management Company Limited**

We have audited the attached balance sheet of Religare Asset Management Company Limited ('the Company') as at 31 March 2011, and the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1 As required by the Companies (Auditor's Report) Order, 2003 ('Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2 Further to our comments in the Annexure referred to above, we report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) the balance sheet, the profit and loss account and the cash flow statement dealt with by this report are in agreement with the books of account;
 - (iv) Without qualifying our opinion, we draw attention to Note 2.3 of the schedules to the financial statements. For the year ended 31 March 2011 the Company has accumulated losses of Rs.1,359,612 thousand. The management believes that the Company will be able to operate as a going concern and meet its liabilities as they fall due for payment based on its future business plans and its holding company support. Accordingly, the financial statements have been prepared on a going concern basis. In our opinion, the balance sheet, the profit and loss account and the cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) on the basis of written representations received from the Directors, as on 31 March 2011, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31 March 2011 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

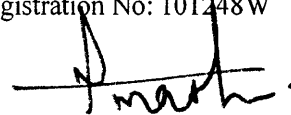


Auditors' Report (Continued)

Religare Asset Management Company Limited

- (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2011;
 - b) in the case of the profit and loss account, of the loss of the Company for the year ended 31 March 2011; and
 - c) in the case of the cash flow statement, of the cash flows of the Company for the year ended 31 March 2011.

For **BSR & Co.**
Chartered Accountants
Firm's Registration No: 101248W



Akeel Master
Partner
Membership No: 046768

29 April 2011

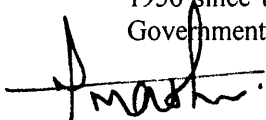
Religare Asset Management Company Limited

Annexure to Auditors' Report – 31 March 2011

(Referred to in our report of even date)

- 1 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a programme of physical verification of its fixed assets by which all fixed assets are verified once in two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- 2 The Company is a service company, primarily rendering asset management services to Religare Mutual Fund, advisory services to offshore funds and portfolio management services to clients. Thus, paragraph 4(ii) of the Order is not applicable.
- 3 According to the information and explanations given to us, we are of the opinion that there are no companies, firms or other parties covered in the register required under Section 301 of the Act. Accordingly, paragraph 4(iii) of the Order is not applicable.
- 4 In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regards to purchase of fixed assets and with regards to the sale of services. We have not observed any major weaknesses in the internal control system. The activities of the Company do not involve the purchase of inventory and sale of goods.
- 5 In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- 6 The Company has not accepted any deposits from the public. Accordingly paragraph 4(vi) of the order is not applicable.
- 7 In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- 8 The Central Government has not prescribed the maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 for any of the services rendered by the Company
- 9 a) According to the information and explanations given to us and on the basis of our examination of the records of the Company's records, the Company has been generally regular in depositing amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Wealth tax, Service tax and other material statutory dues applicable to it with the appropriate authorities. As explained to us the Company did not have any dues on account of Investor Education and Protection Fund.

There were no dues on account of cess under section 441A of the Companies Act, 1956 since the aforesaid section has not yet been made effective by the Central Government

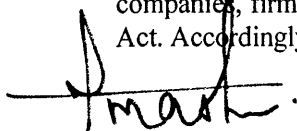


Religare Asset Management Company Limited

Annexure to Auditors' Report – 31 March 2011 (*Continued*)

(Referred to in our report of even date)

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service tax, Wealth tax, Cess and other material statutory dues were outstanding as at 31 March 2011 for a period of more than six months from the date they became payable.
- 10 (a) According to the information and explanations given to us, there are no dues of Income tax, Wealth tax and Service tax which have not been deposited with the appropriate authorities on account of any dispute.
- 11 The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The company has incurred cash losses during the year and also during immediately preceding financial year.
- 12 In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding debentures during the year.
- 13 According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 14 In our opinion and according to the information and explanations given to us, the Company is not a chit fund/nidhi/mutual benefit fund/society. Accordingly, the provisions of clause 4(xiii) are not applicable to the Company.
- 15 Based on information and explanations provided by the management, in respect of dealing and trading in shares and securities, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares and securities have been held by the Company in its own name. As explained to us, the Company is not involved in dealing or trading of debentures and other investments.
- 16 According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
- 17 In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- 18 According to the information and explanations given to us and based on overall examination of the balance sheet of the Company, the Company has not used any funds raised on short-term basis for long-term investment.
- 19 In our opinion and according to the information and explanations given to us, there are no companies, firms or other parties covered in the register required under Section 301 of the Act. Accordingly, paragraph 4(xviii) of the Order is not applicable.



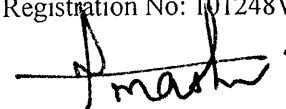
Religare Asset Management Company Limited

Annexure to Auditors' Report – 31 March 2011 (*Continued*)

(Referred to in our report of even date)

- 20 The Company has not issued any debentures during the year.
- 21 The Company has not raised any money by public issues during the year.
- 22 According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For B S R & Co.
Chartered Accountants
Firm's Registration No: 101248W



Akeel Master
Partner
Membership No: 046768

29 April 2011

Religare Asset Management Company Limited

Balance sheet

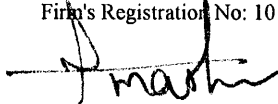
as at 31 March 2011

(Currency: Indian Rupees in Thousand)

	Schedules	2011	2010
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	3	602,692	502,692
Reserves and surplus	4	1,015,956	815,956
Loan funds			
Secured loan	5	-	137
TOTAL		1,618,648	1,318,785
APPLICATION OF FUNDS			
Fixed assets	6		
Gross block		117,132	116,295
Less: Accumulated depreciation		79,312	51,051
Net block		37,820	65,244
Capital work-in- progress		101	-
		37,921	65,244
Investments	7	135,883	331,793
Current assets, loans and advances			
Cash and bank balance	8	12,818	17,975
Sundry debtors	9	47,134	93,250
Loans and advances	10	136,540	116,232
Other current assets	11	387	159
		196,879	227,616
Less: Current liabilities and provisions			
Current liabilities	12	104,308	156,494
Provisions	13	7,339	6,987
		111,647	163,481
Net current assets		85,232	64,135
Profit and loss account debit balance		1,359,612	857,613
TOTAL		1,618,648	1,318,785
Significant accounting policies	2		
Notes to accounts	18 - 31		

The schedules referred to above form an integral part of this balance sheet
As per our attached report of even date

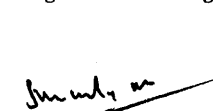
For B S R & Co.
Chartered Accountants
Firm's Registration No: 101248W



Akeel Master
Partner
Membership No: 046768

Mumbai
Date: 29/04/2011


For and on behalf of the board of directors of
Religare Asset Management Company Limited



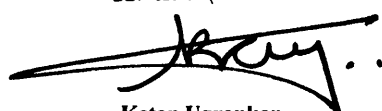
Shachindra Nath
Director
CIN - 90510618



Vijay Kumar Chopra
Director
DIN - 02103940



Saurabh Nanavati
Chief Executive Officer



Ketan Ugrankar
Chief Financial Officer



Darshan Kapadia
Company Secretary



Religare Asset Management Company Limited

Profit and loss account

for the year ended 31 March 2011

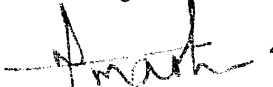
(Currency: Indian Rupees in Thousand)

	Schedules	2011	2010
INCOME			
Investment management fees	14	376,186	569,580
Investment advisory fees-Offshore		2,529	7,630
Profit on sale of investment (net)		10,020	17,178
Other income	15	2,954	1,460
TOTAL		391,689	595,848
EXPENDITURE			
Employee cost	16	308,631	317,343
Administrative and other expenses	17	554,248	278,385
Depreciation	6	30,774	31,216
Interest		2	41
TOTAL		893,655	626,985
Loss before tax		501,966	31,137
Less: Provision for taxation			
- Wealth Tax		33	19
Loss after tax		501,999	31,157
Appropriations:			
Balance in profit and loss account brought forward		857,613	1,176,457
Less: Capital Reduction under Court Order (Refer note 19)		-	350,000
Loss carried to the balance sheet		1,359,612	857,613
Basic and Diluted earnings per share (in Rs)	20	(0.93)	(0.07)
Significant accounting policies	2		
Notes to accounts	18 - 29		

The schedules referred to above form an integral part of the profit and loss account

As per our attached report of even date

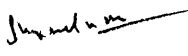
For B S R & Co.
Chartered Accountants
Firm's Registration No: 101248W




Akeel Master
Partner
Membership No: 046768

Mumbai
Date: 29/04/2011

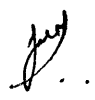
For and on behalf of the board of directors of
Religare Asset Management Company Limited



Shachindra Nath
Director
DIN - 00510618



Vijay Kumar Chopra
Director
DIN - 02103940



Saurabh Nanavati
Chief Executive Officer



Ketan Ugrankar
Chief Financial Officer



Darshan Kapadia
Company Secretary

Mumbai
Date: 29/04/2011



Religare Asset Management Company Limited

Cash Flow Statement

for the year ended 31 March 2011

(Currency: Indian Rupees in Thousand)

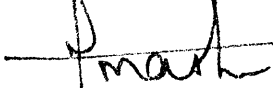
	2,011	2010
A Cash flows from Operating Activities		
Net Loss before taxation	(501,966)	(31,137)
Adjustment for:		
Depreciation	30,774	31,216
Profit on sale of investments (net)	(10,020)	(17,178)
Loss on sale of fixed assets (net)	182	2,982
Operating loss before working capital changes	(481,030)	(14,117)
(Increase)/decrease in Sundry debtors	46,116	(53,613)
(Increase)/decrease in loans and advances	(3,812)	28,803
Increase/(decrease) in current liabilities and provisions	(52,186)	(37,311)
Increase/(decrease) in provision for Retirement Benefit	346	4,022
Cash generated from working capital changes	(9,536)	(58,099)
Income tax paid net of income tax refunds (including FBT)	(16,723)	(57,679)
Net cash generated from/ (used) in operating activities (A)	(507,289)	(129,895)
B Cash Flow from investing activities		
Purchase of fixed assets	(4,007)	(16,104)
Proceeds from sale of fixed assets	375	863
Purchase of Investments	(950,774)	(1,929,113)
Proceeds from sale of Investments	1,156,675	1,740,347
Net cash generated from investing activities (B)	202,269	(204,007)
C Cash Flow from financing activities		
Proceeds from issue of shares capital including securities premium	300,000	350,000
Loan Repayment	(137)	(568)
Net cash generated/(used) in financing activities(C)	299,863	349,432
Net (decrease)/increase in cash and cash equivalents (A) + (B) + (C)	(5,157)	15,530
Cash and cash equivalents at beginning of year		
Cash and bank balances	17,975	2,445
Cash and cash equivalents at end of year	12,818	17,975

As per our attached report of even date

For B S R & Co.

Chartered Accountants

Firm's Registration No: 101248W



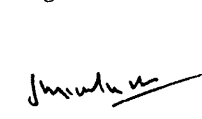
Akeel Master
Partner

Membership No: 046768


Mumbai

Date : 29/04/2011

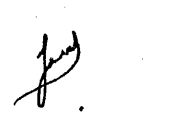
For and on behalf of the board of directors of
Religare Asset Management Company Limited



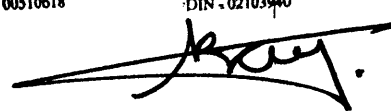
Shachindra Nath
Director
DIN - 00310618



Vijay Kumar Chopra
Director
DIN - 02103940



Saurabh Nanavati
Chief Executive Officer



Mumbai
Date : 29/04/2011
Ketan Ugrankar
Chief Financial Officer



Darshan Kapadia
Company Secretary



Religare Asset Management Company Limited

Schedules to the financial statements

for the year ended 31 March 2011

(Currency: Indian Rupees Thousand)

1. Background

Religare Asset Management Company Limited ('the Company') is registered with Securities and Exchange Board of India (SEBI) under SEBI (Mutual Funds) Regulations, 1996 as an Investment Manager.

The principle shareholder of the Company as at 31 March 2011 is Religare Securities Limited.

The Company's principal activity is to act as an Investment Manager to Religare Mutual Fund ('the Fund'). The Company also provides advisory services to offshore funds and portfolio management services ('PMS') to clients under Securities and Exchange Board of India (SEBI) (Portfolio Managers) Regulation, 1993.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

The accompanying financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 and the accounting principles generally accepted in India and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest thousand.

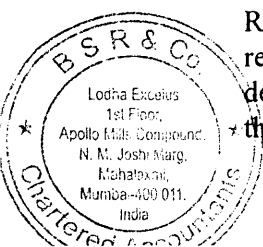
2.2 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 Going concern

As at 31 March 2011, the Company has an accumulated loss of Rs 1,359,612 (in thousand) which has resulted in an erosion of the net worth of the Company to a certain extent.

However, based on the roll out of the business plan and the ongoing financial support of the holding company, the Company will be in a position to settle its obligations as they fall due. Accordingly, the financial statements have been prepared assuming the Company will continue as a going concern. The Company's net worth as on 31 March 2011 of Rs. 254,174 (in thousand) (Previous year: Rs. 452,925 in thousand) which is largely represented by liquid assets (i.e. investments and cash and bank balances excluding deposits) amounting to Rs. 144,701/- (in thousand) (Previous year: Rs. 345,768 in thousand).



Religare Asset Management Company Limited

Schedules to the financial statements (Continued)

for the year ended 31 March 2011

(Currency: Indian Rupees Thousand)

2. Significant accounting policies (Continued)

2.4 Fixed assets, depreciation and impairment

Fixed assets are stated at cost of acquisition less accumulated depreciation. The cost of fixed assets comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Depreciation is provided on the Straight Line Method.

The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the managements estimate of the useful life/remaining useful life. Pursuant to this policy, depreciation on computers, office equipment, furniture and fixtures and vehicles has been provided for at the following rates that are higher than the corresponding rates prescribed in Schedule XIV:

Class of fixed assets	Rate of depreciation (per annum)
Computer Equipment	20%
Furniture & Fixtures	20%
Office Equipment	20%
Vehicle – On finance lease / own	25%

Lease hold improvements are amortised over the period of the lease or estimated economic useful life, whichever is less.

Intangible assets comprising of software cost is amortised over a period of five years, being the useful life as estimated by the management.

Fixed assets having an original cost less than Rs. 10,000 individually are fully depreciated in the year of purchase/installation. The Company provides pro-rata depreciation from the day the asset is put up to use and for any asset sold, until the date of sale.

2.5 Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.



Religare Asset Management Company Limited

Schedules to the financial statements (*Continued*)

for the year ended 31 March 2011

(Currency: Indian Rupees Thousand)

2. Significant accounting policies (*Continued*)

2.6 Investments

Investments are classified as 'long term' or 'current' based upon the intention of the management at the time of purchase.

Long term investments are accounted at cost and any decline in value, other than temporary are provided for.

Current investments are valued at lower of cost or net realizable value. The comparison of cost and net realizable value is done separately for each individual investment.

Purchase and sale of investment is recorded on trade date basis.

2.7 Income recognition

Investment management fees are recognised net of service tax on an accrual basis as a percentage of the average daily net assets of the mutual fund schemes (excluding investments made by the Company in the schemes), such that it does not exceed the rates prescribed by the Securities and Exchange Board of India ("SEBI") (Mutual Fund) Regulations, 1996 (and any further amendments).

Investment advisory fees are recognized on accrual basis in accordance with the terms of contract with the customers.

Portfolio Management fees are recognized on an accrual basis in accordance with Portfolio Management Agreement entered with respective clients.

Interest income is accounted on accrual basis.

Dividend income is recognized when the right to receive dividend is established.

Profit or loss on sale of investment is determined on First in First Out ('FIFO') basis and recognized on trade date basis.

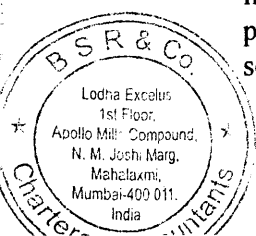
2.8 Transaction in foreign currency

Transactions in foreign currency are recorded at the exchange rate prevailing on the dates of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the profit and loss account and related assets and liabilities are accordingly restated in balance sheet.

2.9 Scheme expenses

Recurring expenses relating to schemes of Religare Mutual Fund in excess of expense limits are borne by the Company. The expense limits are within the overall limits prescribed by SEBI (Mutual Fund) Regulations, 1996 or offer document of the respective schemes.



Religare Asset Management Company Limited

Schedules to the financial statements (*Continued*)

for the year ended 31 March 2011

(Currency: Indian Rupees Thousand)

2. Significant accounting policies (*Continued*)

2.10 Employee benefits

Provident fund

Contribution to the recognised provident fund, which is a defined contribution scheme, is charged to the profit and loss account.

Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the profit and loss account.

Benefits in respect of gratuity, a defined benefit scheme, as applicable to employees of the Company are annually funded with the AEGON Religare Life Insurance Company Limited.

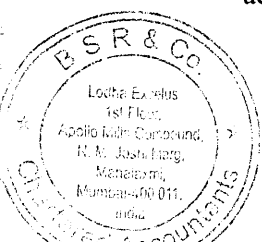
Leave encashment

Leave encashment, which is a defined benefit, is accrued on actuarial valuation at the balance sheet date carried out by an independent actuary.

2.11 Taxation

Current tax

Income tax expense comprises of current tax (i.e. amount of tax for the year determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Provision for Income Tax is recognised on an annual basis under the taxes payable method, based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with Indian Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted by the Company.



Religare Asset Management Company Limited

Schedules to the financial statements (*Continued*)

for the year ended 31 March 2011

(Currency: Indian Rupees Thousand)

2. Significant accounting policies (*Continued*)

2.11 Taxation (*Continued*)

Deferred tax

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable / virtually certain (as the case may be) to be realised.

2.12 Provision and contingencies

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the Company recognizes that it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

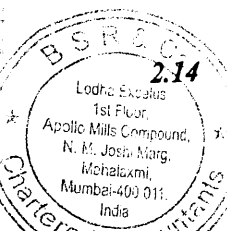
2.13 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

2.14 Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognized as an expense on a straight line basis over the lease period.



Religare Asset Management Company Limited

Schedules to the financial statements (Continued)

as at 31 March 2011

(Currency: Indian Rupees in Thousand)

	2011	2010
3 Share capital		
Authorised		
650,000,000 (Previous year: 650,000,000) Equity shares of Re. 1 each	650,000	650,000
170,000,000 (Previous year: 170,000,000) Redeemable Preference Shares of Re 1 each	170,000	170,000
180,000,000 (Previous year: 180,000,000) Redeemable Convertible Preference Shares of Re 1 each	180,000	180,000
	<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid up		
602,691,526 (Previous year: 502,691,526) equity shares of Re. 1 each fully paid	602,692	502,692
	<u>602,692</u>	<u>502,692</u>

All the above equity shares are held by Religare Securities Limited, the holding company and its nominees.

On 26 July 2010, the Company has issued 50,000,000 Equity Shares having face value of Re 1 fully paid up at a premium of Rs 2 per share.

On 25 August 2010, the Company has issued 150,000,000 8% Redeemable Non Cumulative, Convertible Preference Shares having face value of Re 1 fully paid up. On 29 March, 2011, the Company approved the conversion of 8% Redeemable, Non-Cumulative, Convertible 150,000,000 Preference Shares into 50,000,000 Equity Shares at a price of Re 1 each at a premium of Rs 2 per Share aggregating to Rs 150,000,000.

Religare Securities Limited holds 4,120,036 share warrants issued by the company. These share warrants are convertible into equity shares at prescribed prices at a time determined mutually by the board and the share warrant holder.

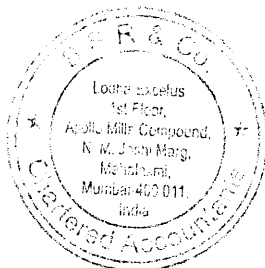
4 Reserves and surplus

Share premium

Balance at the beginning of the year	815,956	582,623
Additions during the year	200,000	233,333
	<u>1,015,956</u>	<u>815,956</u>

5 Secured loan

Vehicle loan from Saraswat Co-op Bank Ltd. (Secured by hypothecation of vehicle)	-	137
	<u>-</u>	<u>137</u>



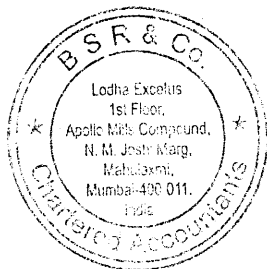
Religare Asset Management Company Limited

Schedules to the financial statements (Continued)

as at 31 March 2011

(Currency: Indian Rupees in Thousand)

	2011	2010
7 Investments (Unquoted, other than trade, fully paid)		
A. Long term investments		
(valued at cost)		
2,500 equity shares of Saraswat Co-op Bank Ltd. of Rs. 10 each	25	25
B. Current investments (Quoted) full paid units*		
(valued at lower of cost or net market value)		
Units of mutual fund		
6,992,449.787 (Previous year: Nil) units of Religare Short Term Plan - Institutional Growth Option of Rs. 10 each	90,130	
24,228.157 (Previous year: Nil) units of Religare Liquid Fund Institutional Plan - Growth Option of Rs. 1000 each	32,383	
1,244,365.689 (Previous year: 32,497,589.031) units of Religare Credit Opportunities Fund Institutional Plan - Growth Option of Rs. 10 each	13,345	331,768
	135,883	331,793
* For mutual fund units the net asset value is available		
Aggregate book value of quoted investments	135,883	331,793
Aggregate net asset value	138,592	335,524
During the year the following units were purchased and redeemed	Units	Units
	Purchased	Redeemed
Religare Short Term Plan - Institutional Plan - Growth Option	29,896,511.351	22,904,061.564
Religare Liquid Fund - Institutional Plan - Growth Option	97,127.559	72,899.402
Religare Credit Opportunities Fund-Institutional Plan - Growth Option	3,313,300.199	34,566,523.541



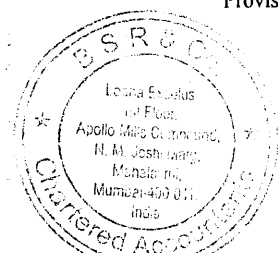
Religare Asset Management Company Limited

Schedules to the financial statements (Continued)

as at 31 March 2011

(Currency: Indian Rupees in Thousand)

	2011	2010
8 Cash & bank balances		
Cash in hand	87	87
Balances with scheduled banks		
- in current accounts	8,731	13,888
- in fixed deposit account	4,000	4,000
	<u>12,818</u>	<u>17,975</u>
9 Sundry debtors		
<i>Unsecured, considered good</i>		
- for period exceeding six months	-	-
- Other debts	47,134	93,250
	<u>47,134</u>	<u>93,250</u>
10 Loans and advances		
<i>Unsecured, considered good</i>		
Loan to employees	447	267
Advance recoverable in cash or in kind for value to be received	17,503	14,871
Advance tax and tax deducted at source (net of provision for tax Rs.25 ; Previous year : Rs. 5,600)	84,040	67,317
Deposits	34,550	33,777
	<u>136,540</u>	<u>116,232</u>
11 Other current assets		
Interest receivable	387	159
	<u>387</u>	<u>159</u>
12 Current liabilities		
Sundry creditors		
- capital goods	157	460
- others	94,486	136,512
Other liabilities	9,665	19,522
	<u>104,308</u>	<u>156,494</u>
<p>The Company does not have any outstanding dues towards small scale industrial undertakings as at 31 March 2011. The Company did not have outstanding dues to any micro or small enterprises as defined under Micro, Small and Medium enterprises development Act, 2006 at any point during the year that were outstanding for a period of more than 45 days from the date of acceptance (as certified by the Management)</p>		
13 Provisions		
Provision for gratuity	1	4,062
Provision for leave encashment	7,313	2,906
Provision for wealth tax	25	19
	<u>7,339</u>	<u>6,987</u>



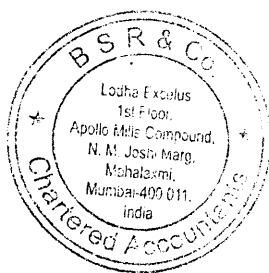
Religare Asset Management Company Limited

Schedules to the financial statements (Continued)

for the year ended 31 March 2011

(Currency: Indian Rupees in Thousand)

	2011	2010
14 Investment management fees		
Fees from mutual fund operations (Tax deducted at source Rs. 26,054 ; Previous year: Rs.57,016)	335,026	560,771
Fees from Portfolio management services (Tax deducted at source Rs.93 ; Previous year: Rs.Nil)	41,160	8,809
	<u>376,186</u>	<u>569,580</u>
15 Other income		
Interest on bank deposits (Tax deducted at Source Rs.25 ; Previous year: Rs.16)	254	179
Miscellaneous income	2,700	1,281
	<u>2,954</u>	<u>1,460</u>
16 Employee cost		
Salaries, bonus and allowances	291,282	301,581
Contribution to provident and other funds	12,820	11,525
Staff welfare & benefits	4,529	4,237
	<u>308,631</u>	<u>317,343</u>
17 Administrative and other expenses		
Rent	28,814	66,064
Rates and taxes	85	1,691
Office expenses	12,097	12,019
Communication expenses	12,246	16,716
Legal and professional fees	8,211	12,943
Travel and conveyance	11,541	16,169
Motor car expenses	11,534	11,851
Information technology costs	17,198	17,965
Electricity	6,349	7,171
Printing and stationery	2,819	3,174
Membership and subscriptions	1,164	871
Seminar and conferences	212	1,334
Entertainment	3,091	2,483
Auditors remuneration		
- Audit fees	900	700
- Tax audit fees	100	100
- Other matters	409	521
- Reimbursement of out of pocket expenses	9	83
Repairs and maintenance	711	1,139
Directors sitting fees	480	520
Business development expenses (refer note 28)	435,427	101,109
Insurance	216	233
Loss on sale/disposal of fixed assets (net)	182	2,982
Foreign exchange loss (net)	21	108
Miscellaneous expenses	432	439
	<u>554,248</u>	<u>278,385</u>



Religare Asset Management Company Limited

Schedules to the financial statements (Continued)

for the year ended 31 March 2011

(Currency: Indian Rupees Thousand)

18. Earnings and expenditure in foreign currency

	For the year ended 31 March 2011	For the year ended 31 March 2010
Earnings in foreign currency		
Investment advisory services	2,529	7,630
Expenditure in foreign currency		
Travel & stay	396	238
Seminar and conferences	84	114
Subscriptions	354	354
Stipend	Nil	100

19. Contingent liabilities and Capital commitment

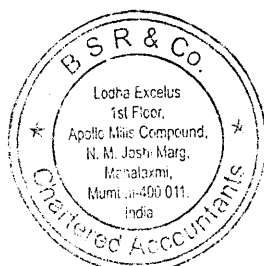
a) Municipal taxes on leased premises

The Company had entered into an agreement for taking premises on lease situated at Arcadia building at Nariman Point, Mumbai. As per the terms of agreement, the Municipal taxes levied by the Municipal Corporation of Greater Mumbai (MCGM) were payable by the Company. Based on the ratable value of the licensed premises, the Company had paid all the taxes levied till the date premises were occupied. In the interim, the Municipal Corporation of Greater Mumbai (MCGM) issued a special notice in respect of the Arcadia building earlier occupied by the Company revising the ratable value of the Arcadia Building from 1 April 2008. Arcadia Premises Co-operative Society Limited along with their Association had filed an appeal with Appropriate Authority/Court challenging the taxes levied. The Company had issued a Bank guarantee on 6 August 2009 amounting to Rs. 3,674 (in thousand) equivalent to the amount of taxes payable for the period the premises were occupied. The hearing is pending and a stay order has been obtained on the petition filed with Supreme Court. Based on the facts and details available, the Company contends there is remote probability of cash outflow.

20. Earnings per share (EPS)

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Loss after tax (a)	501,999	31,156
Weighted average number of equity shares outstanding (b)	537,212,074	468,170,978
Basic earnings per share (Face value of Re 1 per share)	(0.93)	(0.07)
(a) / (b) (in Rs.)		

The options issued to Employees under the Employee Stock Options Scheme are anti-dilutive and hence are not considered for calculation of EPS.



Religare Asset Management Company Limited

Schedules to the financial statements (Continued)

for the year ended 31 March 2011

(Currency: Indian Rupees Thousand)

21. Managerial Remuneration

The Company appointed a Manager as per the requirements of Companies Act, 1956 effective 16 May 2009 and on 1 April 2010, the Company replaced the Manager after the resignation of the earlier manager. Employee costs includes remuneration paid to manager as per the details mentioned below:

	Period ended 31 March 2011	Period ended 31 March 2010
Salary, bonus and allowances	717	1,908
Perquisites	Nil	Nil
Contribution to provident fund	32	97
Total	749	2,005

- Note:
- Contribution/Provision for Gratuity and leave encashment are not considered as employee wise data are not available.
 - Reimbursement of expenses incurred in normal course of business is not considered.
 - The current manager is not entitled for Employee Stock Option Scheme.
 - There is no commission payable to the manager.

22. Stock grant to employees

The Company has set up an Employee Stock Option Scheme 2008 which was approved by the Board of the directors on 16 May 2009.

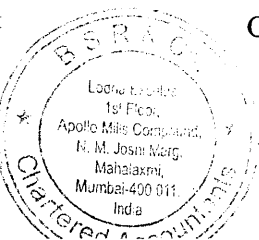
The Company has granted stock options to select employees. Each option can be converted into one equity share.

All the above options have maximum period of 10 years from the date of first vesting date.

- On 16 May 2009, the Company issued 33,440,000 stock options at a fair value of Re 1 per equity share.
- On 25 March 2010, the Company issued 14,300,000 stock options at a exercise price of Rs 3 per option at a fair value of Re 3 per equity share.
- On 12 May 2010, the Company issued 11,330,000 stock options at a exercise price of Rs 3 per option at a fair value of Re 3 per equity share.

The grants would be vested over a period of three years as follows :

	Vesting schedule
On completion of 1st year	20%
On completion of 2 nd year	30%
On completion of 3 rd year	50%



Religare Asset Management Company Limited

Schedules to the financial statements (Continued)

for the year ended 31 March 2011

(Currency: Indian Rupees Thousand)

22. Stock grant to employees (Continued)

The information concerning the stock options is as follows:

Stock options granted on 16 May 2009	As at	As at
	31 March 2011	31 March 2010
Outstanding at beginning of the year	33,440,000	Nil
Granted during the year	Nil	33,440,000
Exercised during the year	Nil	Nil
Cancelled or expired during the year	5,060,000	Nil
Outstanding at the end of the year	28,380,000	33,440,000
Exercisable at the end of the year	5,676,000	Nil

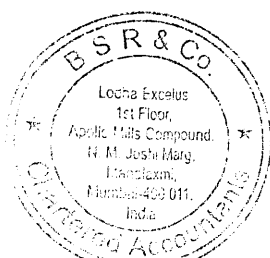
Stock options granted on 25 March 2010	As at	As at
	31 March 2011	31 March 2010
Outstanding at beginning of the year	14,300,000	Nil
Granted during the year	Nil	14,300,000
Exercised during the year	Nil	Nil
Cancelled or expired during the year	1,100,000	Nil
Outstanding at the end of the year	13,200,000	14,300,000
Exercisable at the end of the year	2,640,000	Nil

Stock options granted on 12 May 2010	As at	As at
	31 March 2011	31 March 2010
Outstanding at beginning of the year	Nil	Nil
Granted during the year	11,330,000	Nil
Exercised during the year	Nil	Nil
Cancelled or expired during the year	275,000	Nil
Outstanding at the end of the year	11,330,000	Nil
Exercisable at the end of the year	Nil	Nil

The fair value of the options granted was estimated on the date of grant using the Black-Scholes model with the following assumptions :

Dividend yield	0%
Expected life	5-7 years
Risk free interest rate	6.16%-7.79%
Volatility	0%

The Company has chosen to account for the Employee Stock Option Plan by the Intrinsic Value Method. The total expense recognized for the period arising from stock option plan as per intrinsic value method is Rs Nil. The net results for the period, had the Company adopted the fair value method, would have been lower by Rs 16,932 (in thousand) and accordingly the EPS (both basic and diluted) would have been lower by Rs (0.03).



Religare Asset Management Company Limited

Schedules to the financial statements (Continued)

for the year ended 31 March 2011

(Currency: Indian Rupees Thousand)

23. Disclosure pursuant to Accounting Standard – 15 (Revised) 'Employee Benefits'

A. Defined Contribution plan

Amount of Rs 12,820 (in thousand) (Previous year: Rs 11,525 in thousand) is recognized as expense and included in "Employee Costs"- Schedule "16" in profit and loss account

B. Defined benefit plan

i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

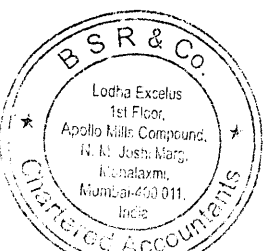
	Gratuity Benefit - Funded		Leave Benefit - Unfunded	
	2011	2010	2011	2010
Present value of Defined Benefit Obligation at the beginning of the year	4,062	1,999	5,454	946
Service cost	2,990	2,935	2,369	2,720
Interest cost	602	144	437	76
Actuarial loss/(gain)	(1,121)	(553)	1,260	2,027
Benefits paid		(463)	(2,208)	(315)
Present value of Defined Benefit Obligation at the close of the year	6,533	4,062	7,312	5,454

ii) Changes in the fair value of Plan Assets and the reconciliation thereof :

	Gratuity Benefit - Funded		Leave Benefit - Unfunded	
	2011	2010	2011	2010
Fair value of Plan Assets at the beginning of the year	-	-	-	-
Add : Expected return on Plan Assets	-	-	-	-
Add/(Less) : Actuarial (Losses)/Gains	-	-	-	-
Add : Contributions	6,532	-	-	-
Less : Benefits Paid	-	-	-	-
Fair value of Plan Assets at the close of the year	6,532	-	-	-

iii) Amount recognised in the Balance Sheet including a reconciliation of the present value of the defined obligation in (i) and the fair value of the plan assets in (ii) to the assets and liabilities recognised in the Balance Sheet :

	Gratuity Benefit - Funded		Leave Benefit - Unfunded	
	2011	2010	2011	2010
Present value of Defined Benefit obligation	6,533	-	-	-
Less: Fair value of Plan Assets	-	-	-	-
Present value of unfunded obligation	1	-	-	-
Net Liability/(Asset) recognised in the Balance sheet	1	-	-	-



Religare Asset Management Company Limited

Schedules to the financial statements (Continued)

for the year ended 31 March 2011

(Currency: Indian Rupees Thousand)

23. Disclosure pursuant to Accounting Standard – 15 (Revised) 'Employee Benefits' (Continued)

iv) Amount recognized in the Profit and Loss account is as follows:

	Gratuity Benefit - Funded		Leave Benefit - Unfunded	
	2011	2010	2011	2010
Current Service cost	2,990	2,935	2,369	2,720
Interest cost	602	144	437	76
Expected return on Plan Assets	-	-	-	-
Actuarial loss/(gain)	(1,121)	(553)	1,260	2,027
Past Service costs	-	-	-	-
Effect on curtailment /settlement	-	-	-	-

v) Broad Categories of plan assets as a percentage of total assets :

The weighted-average asset allocations at the year end were as follows :	Gratuity Benefit - Funded		Leave Benefit - Unfunded	
	2011	2010	2011	2010
Equities	-	-	-	-
Bonds	-	-	-	-
Gilts	-	-	-	-
Pooled assets with Insurance Company	100%	-	Unfunded	Unfunded

The Company has 100% of the assets with AEGON Religare Life Insurance Company Limited

vi) Actuarial assumptions as at the Balance Sheet date:

	Gratuity		Leave encashment	
	2011	2010	2011	2010
Discount rate	8.00%	8.00%	8.00%	8.00%
Attrition rate	20% to 1%	20% to 2%	20% to 1%	20% to 2%
Salary growth rate	6.00%	6.00%	6.00%	6.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

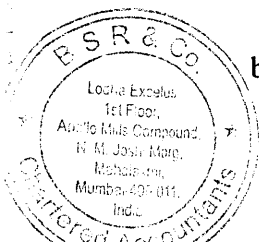
General Description of significant defined plans

a. Gratuity Plan

Gratuity is governed by the payment of Gratuity Act, 1972 and is payable on retirement/resignation/termination after a minimum continuous service of 5 years in the Company.

b. Leave Plan

Privilege leave (PL) can be encashed on the basis of Basic Salary based on certain parameters and as per the leave policy.



Religare Asset Management Company Limited

Schedules to the financial statements (Continued)

for the year ended 31 March 2011

(Currency: Indian Rupees Thousand)

24. Related party transactions

The Company has entered into transactions with following related parties during the year:

A. Parties where control exist

Name of Related Party	Nature of Relationship
Religare Enterprises Limited	Ultimate Holding Company
Religare Securities Limited	Holding Company

B. Other related parties where transactions have taken place during the year

Nature of Relationship	Name of Related Party
Fellow Subsidiary	Religare Trustee Company Limited
	REL Infrafacilities Limited
Enterprises over which Individuals of Holding company owning directly or indirectly interest in voting power that gives them control, are able to exercise significant influence with whom transaction have taken place	Religare Finvest Limited
	Religare Capital Markets Limited
	Religare Commodities Limited
	Religare Insurance Broking Limited
	Religare Technologies Limited
	Religare Technova Business Intellect Limited
	Religare Technova IT Services Limited
	Religare Travels (India) Limited
	Dion Global Solutions Limited
	Religare Macquarie Wealth Management Limited



Religare Asset Management Company Limited

Schedules to the financial statements (Continued)

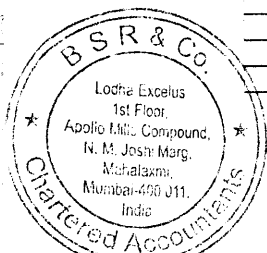
for the year ended 31 March 2011

(Currency: Indian Rupees Thousand)

24. Related party transactions (Continued)

C. List of transactions:

Sr. No.	Nature of Transaction	Ultimate Holding Company		Holding Company		Fellow Subsidiary		Enterprises over which Individuals owning directly or indirectly interest in voting power that gives them control, are able to exercise significant influence		Total	
		Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10
I	Transactions during the year										
A	Reimbursement of Expenses										
	Religare Enterprises Limited	1,474	9,054	-	-	-	-	-	-	1,474	9,054
	Religare Securities Limited	-	-	1,238	-	-	-	-	-	1,238	-
	Religare Capital Markets Limited	-	-	-	-	5	-	-	-	5	-
	Religare Commodities Limited	-	-	-	-	80	-	-	-	80	-
	Religare Finvest Limited	-	-	-	-	170	-	-	-	170	-
	REL Infracilities Limited (Formerly known as Religare Realty Limited)	-	-	-	-	76	-	-	-	76	-
	Religare Insurance Broking Limited	-	-	-	-	20	-	-	-	20	-
	Religare Trustee Company Limited	-	-	-	-	841	681	-	-	841	681
	Allotment / Subscription of Equity Shares and Preference Shares	-	-	-	-	-	-	-	-	-	-
B	Religare Securities Limited	-	-	300,000	350,000	-	-	-	-	300,000	350,000
C	Purchase of Fixed Assets	-	-	-	-	-	-	-	-	-	-
	Religare Technova IT Services Ltd. (Merged with Religare Technologies Limited w.e.f August 16, 2010)	-	-	-	-	-	-	-	1,922	-	1,922
	Dion Global Solutions Limited (Formerly known as Religare Technova Limited)	-	-	-	-	-	-	101	-	101	-
D	Sale of Fixed Asset	-	-	-	-	-	-	-	-	-	-
	Religare Enterprises Limited	331	-	-	-	-	-	-	-	331	-
E	Purchase of Services	-	-	-	-	-	-	-	-	-	-
	Religare Technologies Limited	-	-	-	-	-	-	1,135	-	1,135	-
	Religare Securities Limited	-	-	240	-	-	-	-	-	240	-
	Religare Technova Business Intellect Limited (Merged with Religare Technologies Limited w.e.f August 16, 2010)	-	-	-	-	-	-	-	132	-	132
	Religare Technova IT Services Ltd. (Merged with Religare Technologies Limited w.e.f August 16, 2010)	-	-	-	-	-	-	1,446	3,109	1,446	3,109
	Religare Travels (India) Limited	-	-	-	-	-	-	6,379	8,392	6,379	8,392
	REL Infracilities Limited (Formerly known as Religare Realty Limited)	-	-	-	-	200	161	-	-	200	161
	Religare Enterprises Limited	-	76	-	-	-	-	-	-	-	76
	Religare Finvest Limited	-	-	-	-	11,453	1,903	-	-	11,453	1,903
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	23,639	5,138	23,639	5,138
	Dion Global Solutions Limited (Formerly known as Religare Technova Limited)	-	-	-	-	-	-	44	-	44	-
F	Purchase of Business Unit	-	-	-	-	-	-	-	-	-	-
	Religare Securities Limited	-	-	-	3,222	-	-	-	-	-	3,222



Religare Asset Management Company Limited

Schedules to the financial statements (Continued)

for the year ended 31 March 2011

(Currency: Indian Rupees Thousand)

24. Related party transactions (Continued)

C. List of transactions (Continued):

Sr. No.	Nature of Transaction	Ultimate Holding Company		Holding Company		Fellow Subsidiary		Enterprises over which Individuals owning directly or indirectly interest in voting power that gives them control, are able to exercise significant influence		Total	
		Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10
II	Balances outstanding at the end of										
A	Debtors										
	Religare Trustee Company Limited	-	-	-	-	-	95	-	-	-	95
B	Other Receivables										
	Religare Enterprises Limited	-	-	-	-	-	-	-	-	-	-
	Religare Securities Limited	-	-	-	-	-	-	-	-	-	-
C	Creditors										
	Religare Securities Limited	-	-	50	261	-	-	-	-	50	261
	Religare Macquarie Wealth Management Limited	-	-	-	-	-	-	7,457	4,704	7,457	4,704
	Religare Technova Business Intellect Limited (Merged with Religare Technologies Limited w.e.f August 16, 2010)	-	-	-	-	-	-	-	10	-	10
	Religare Technova IT Services Ltd. (Merged with Religare Technologies Limited w.e.f August 16, 2010)	-	-	-	-	-	-	-	-	1,446	-
	REL Infracilities Limited (Formerly known as Religare Realty Limited)	-	-	-	-	31	-	-	-	31	-
	Religare Enterprises Limited	7	-	-	-	-	-	-	-	7	-
	Religare Finvest Limited	-	-	-	-	757	-	-	-	757	-
	Religare Travels (India) Limited	-	-	-	-	-	-	135	-	135	-
	Religare Technologies Limited	-	-	-	-	-	-	102	-	102	-

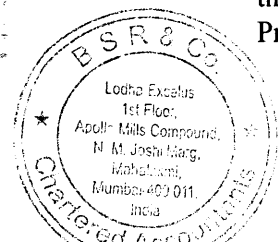
25. Operating Lease

- (a) The Company has entered into non cancelable leasing arrangements for its office premises across India.

Future minimum lease payments are as under:

Particulars	As at	As at
	31 March 2011	31 March 2010
Payable not later than one year	9,102	52,278
Payable later than one year but not later than five year	4,760	19,367
Payable later than five years	Nil	Nil
Future minimum lease payable	13,862	71,645

- (b) The Company has entered into cancelable leasing arrangement for vehicles. The lease rental of Rs.6,814 thousand (Previous year Rs. 3,890 in thousand) has been included under the head 'Motor car expenses' under schedule 17 'Administrative and other expenses' in Profit and Loss account.



Religare Asset Management Company Limited

Schedules to the financial statements (Continued)

for the year ended 31 March 2011

(Currency: Indian Rupees Thousand)

26. Deferred tax

In the absence of virtual certainty of realisation of carried forward tax losses and unabsorbed depreciation, management has not created any deferred tax assets. The same will be reassessed at subsequent balance sheet date and will be accounted for in the year of certainty/virtual certainty.

27. Segment Reporting

The Company is in the business of providing asset management services to the mutual fund, and portfolio management services to clients. The primary segment is identified as asset management services. As such the Company's financial statements is largely reflective of the asset management business and there is no separate reportable segment.

Pursuant to the Accounting Standard (AS) 17 Segment Reporting, no segment disclosure has been made in these financial statements, as the Company has only one geographical segment and no other separate reportable business segment.

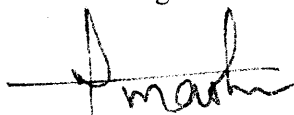
28. Business development expenses

Business development expenses mainly includes scheme related costs comprising of initial issue expenses for new scheme launched and other ongoing expenses which are either in excess of the limits specified under SEBI (Mutual) fund regulations or are not considered to be recoverable from the schemes of the Mutual Fund and are borne by the Company.

29. Disclosure under Part II of Schedule VI to the Companies Act, 1956


Disclosure under Part II of Schedule -VI to the Companies Act, 1956 has been made to the extent applicable to the Company.

For B S R & Co.
Chartered Accountants
Firm's Registration No: 101248W



Akeel Master
Partner
Membership No: 046768

For and on behalf of the Board of Directors of
Religare Asset Management Company Limited



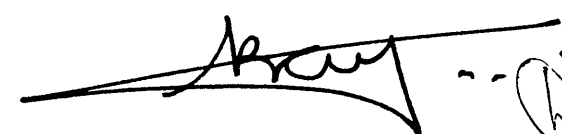
Shachindra Nath Director
DIN - 00510618

Vijay Kumar Chopra Director
DIN - 02103940

Saurabh Nanavati Chief Executive Officer

Mumbai
Date: 29/04/2011

Mumbai
Date: 29/04/2011



Ketan Ugrankar
Chief Financial Officer



Darshan Kapadia
Company Secretary



Religare Asset Management Company Limited

Additional Information as required under Part IV of Schedule of the Companies Act, 1956.

(Currency: Indian rupees in thousand)

Balance sheet abstract and company's general business profile

a) Registration Details

Registration Number 11-153471
State Code 11
Balance Sheet Date 31st March, 2011

b) Capital raised during the year

(Amount in Rs.'000)

Public Issue Nil
Rights Issue Nil
Bonus Issue Nil
Private Placement 100,000

c) Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)

Total Liabilities 1,618,648
Total Assets 1,618,648

Sources of Funds

Paid-up Capital 602,692
Reserves & Surplus 1,015,956
Secured Loans -

Application of Funds

Net Fixed Assets 37,921
Investments 135,883
Net Current Assets 85,232
Deferred Tax Assets -
Miscellaneous Expenditure -
Accumulated Losses 1,359,612


d) Performance of Company (Amount in Rs. '000)

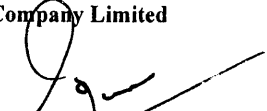
Total Income 391,689
Total Expenditure 893,655
Loss before tax 501,966
Loss after tax 501,999
Earnings per Share in Rs.(Annualised) (0.93)
Dividend Rate (%) Nil


e) Generic Names of Three Principal Products/Services of Co. (as per Monetary terms)

Item Code No. N.A.
(ITC Code)
Product Description Asset Management


For and on behalf of the board of directors of
Religare Asset Management Company Limited


Shachindra Nath
Director
DIN - 00510618


Vijay Kumar Chopra
Director
DIN - 02103144


Saurabh Nanavati
Chief Executive Officer


Ketan Ugrankar
Chief Financial Officer


Darshan Kapadia
Company Secretary

Mumbai

Date : 29/04/2011

