

To,

Revision No. 2

Date: March 16, 2006

.....
.....
.....
.....

**Disclosure Document
for
Portfolio Management Services**

Dhanada Portfolio Management Ltd.

Principal Officer:

Ramesh R. Havele

Deep' 16/6, Erandawana Housing Society
Plot No. 8, Patwardhan Baug,
Pune - 411004

Telefax. 020 25462408 / 25460661

Email : rameshhavele@dhanada.com

Website: www.dhanada.com

Contents

Introduction.....	1
Discretionary Portfolio Management Scheme (For Risk-inclined Clients with specified benchmark).....	2
Discretionary Portfolio Management Scheme (For Risk-inclined Clients with unspecified benchmark).....	3
Portfolio Management Services (PMS) Fee Structure.....	4
Eleven Years' Summary of selected Financial Data of Dhanada.....	5
Graph of Net Asset Value (NAV) of Dhanada Share.....	6
Expected Returns Scenario on Nifty Index and Dhanada Shares.....	7
Other related disclosures.....	8
Our contact points.....	10
Certificate from an independent Chartered Accountant.....	11

Introduction

Dhanada Portfolio Management Ltd. (DPML) is engaged in the business of Portfolio Management Services (PMS) and managed by the Chartered Financial Analyst (CFA) from the Institute of Chartered Financial Analysts of India (ICFAI) and member - CFA Institute, USA. It has been registered with the Securities and Exchange Board of India (SEBI) under the Category "Portfolio Manager" since June 2000. The Registered Portfolio Manager is authorised to manage Funds of Individuals, Corporates and funds raised or collected or brought from outside India in accordance with SEBI (Foreign Institutional Investors) Regulation, 1995. As a Portfolio Manager the Company manages Clients' funds by investing them in various listed / unlisted securities & derivative instruments according to their risk-return profile. The client gives discretionary power to the portfolio manager to invest/trade on behalf of him/her to realize their expected returns on investments. *It may please be noted that we do not offer Non-discretionary Portfolio Management Services.*

Portfolio Manager's Performance:

Financial Year	No. of Clients	Total Funds (Rs. In Lakhs)	Average size of Portfolio (Rs. In Lakhs)	Average Annualized Returns %	
				Clients (After PMS Fee)	Nifty Index
2000-01	152	412	3	-19	-25
2001-02	1,155	1,136	1	23	-2
2002-03	1,459	1,674	1	84	-13
2003-04	634	970	2	157	81
2004-05	69	796	12	14	15
2005-06*	11	954	87	-7	51
Average (Geometric Mean)				31	10

* Upto March 16, 2006

Discretionary Portfolio Management Scheme (for Risk-inclined Clients with specified benchmark)

Client's Risk Tolerance Level (RTL)	Client's Expected Holding Period Returns (HPR %)																																									
	(After Portfolio Management Fee)																																									
	←-----Nifty Index Holding Period Returns % -----→																																									
	-50	-45	-40	-35	-30	-25	-20	-15	-10	-5	0	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100											
6.5	←----- 6.5 x Holding Period in yrs.-----→											0	1	1	2	2	3	3	4	5	5	6	6	7	8	8	9	9	10	10	11	12	12	13	13	14	14	15	15	16	17	
6	←----- 6 x Holding Period in yrs.-----→											0	1	1	2	2	3	3	4	5	5	6	6	7	8	8	9	9	10	10	11	12	12	13	13	14	14	15	15	16	17	
4	←----- 4 x Holding Period in yrs.-----→											0	1	1	2	3	4	4	5	6	6	7	8	9	9	10	11	12	12	13	14	15	15	16	17	18	18	19	20	20	21	21
2	←----- 2 x Holding Period in yrs.-----→											0	1	2	3	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	20	21	22	22	23	24	24	25	25
0	0	0	0	0	0	0	0	0	0	0	0	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20										
-10	-15	-14	-12	-11	-9	-8	-6	-5	-3	-2	0	2	4	6	8	10	12	14	16	18	20	22	24	26	28	31	33	35	37	39	41											
-20	-22	-20	-17	-15	-13	-11	-9	-7	-4	-2	0	3	6	9	12	15	18	20	23	26	29	32	35	38	41	44	47	50	53	55	58											
-30	-28	-26	-23	-20	-17	-14	-11	-9	-6	-3	0	4	8	11	15	19	23	27	30	34	38	42	46	49	53	57	61	65	68	72	76											
-40	-35	-32	-28	-25	-21	-18	-14	-11	-7	-4	0	5	9	14	19	23	28	33	38	42	47	52	56	61	66	70	75	80	84	89	94											
-50	-42	-38	-33	-29	-25	-21	-17	-13	-8	-4	0	6	11	17	22	28	33	39	45	50	56	61	67	72	78	84	89	95	100	106	111											
-60	-48	-43	-39	-34	-29	-24	-19	-14	-10	-5	0	6	13	19	26	32	39	45	52	58	65	71	77	84	90	97	103	110	116	123	129											
-70	-55	-49	-44	-38	-33	-27	-22	-16	-11	-5	0	7	15	22	29	37	44	51	59	66	73	81	88	95	103	110	117	125	132	140	147											
-80	-62	-55	-49	-43	-37	-31	-25	-18	-12	-6	0	8	16	25	33	41	49	58	66	74	82	90	99	107	115	123	132	140	148	156	165											
-90	-68	-61	-55	-48	-41	-34	-27	-20	-14	-7	0	9	18	27	36	46	55	64	73	82	91	100	109	118	128	137	146	155	164	173	182											
-100	-75	-67	-60	-52	-45	-37	-30	-22	-15	-7	0	10	20	30	40	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200											
Avg.											0	4	9	13	17	21	26	30	34	38	43	47	51	55	60	64	68	72	77	81	85											

1) Client's Expected Holding Period Return (HPR)

$$= \text{RTL} \times \text{HP}$$

$$0.2 \times \text{HPR}_{\text{Nifty}} \times (2 \times \text{RFR} - (1 + \text{RTL} \times 0.07) \times \text{RFR}) / \text{RFR}$$

$$0.086 \times \text{HPR}_{\text{Nifty}} \times (2 \times \text{RFR} - \text{RTL}) / \text{RFR}$$

$$0.115 \times \text{HPR}_{\text{Nifty}} \times (2 \times \text{RFR} - \text{RTL}) / \text{RFR}$$

; RTL > 0, HPR_{Nifty} < 0
; RTL > 0, HPR_{Nifty} > 0
; RTL < 0, HPR_{Nifty} < 0
; RTL < 0, HPR_{Nifty} > 0

Where; RTL = Client's Risk Tolerance Level
HPR_{Nifty} = Nifty Index HPR = (I₂ - I₁) / I₁ x 100
RFR = Return on Risk Free Asset = 6.5% p.a. as on 29th January 2002
HP = Holding Period in years
I₁ = Closing Nifty Index at the time of investment
I₂ = Closing Nifty Index at the time of withdrawal

Annual Returns = ((1+HPR/100)^(365/HP)-1)*100, where HP is Holding period in days

Example: If Client's Risk Tolerance Level (RTL) is -70 %, Nifty Index HPR is 50% then Clients Expected HPR is 73 % and if Holding Period(HP) is 1000 days.
Therefore; Annual Returns = ((1+73/100)^(365/1000) -1)*100 = 22 % p.a.

- Note:**
1. The Portfolio Manager will strive to achieve the targeted expected returns given in the table. However, this is not to be construed as an assurance of returns.
 2. To achieve these returns Portfolio Manager will have discretion to invest/trade in Listed/Unlisted Securities and Derivative Instruments.
 3. Minimum investment for this scheme is Rs. 25 lakhs.
 4. Minimum investment period for this scheme is 3 months.

2), Expected Returns (%) on Nifty Index using Log Normal Distribution with 67% confidence level:

Period (in Year)	Scenario of Expected Returns (%per annum)		
	Pessimistic	Most Likely	Optimistic
1	-19	13	44
2	1	10	18
3	1	8	15
4	2	7	11
5	2	6	9
6	3	5	8

Revision No.: 2
Date: March 16, 2006

Discretionary Portfolio Management Scheme (For Risk-inclined Clients with unspecified benchmark)

This scheme is for those clients who are having confidence about the Portfolio Manager's ability to assess client's expected returns and risk tolerance level. Here, client's portfolio performance is not evaluated against any benchmark as such technically client's Expected HPR is zero. Hence the Portfolio is managed as per the Portfolio Manager's assessment of client's expected returns and risk tolerance level.

Note :

1. Portfolio Manager's past performance is not indicative of future performance.
2. Portfolio Manager will have discretion to invest / trade in listed / unlisted securities and derivative instruments.
3. Minimum investment for this scheme is Rs. 10 Crore.
4. Minimum investment period for this scheme is 5 years.

Revision No.: 2
Date: March 16, 2006

Portfolio Management Services (PMS) Fee Structure

We strongly believe that the client's portfolio should not be exposed to undue risk to extract maximum PMS fee. With this in mind, PMS fee structure is based on the following principles:-

- 1) The client should pay PMS fee only if portfolio returns exceeds his/her Expected HPR.
- 2) After meeting client's expected HPR, excess returns if any will be our PMS Fee. However, it will not exceed client's expected HPR.
- 3) For Risk Inclined-clients with an unspecified benchmark, Expected HPR is zero. In this case PMS Fee will be 25 % of positive returns if any.

PMS Fee will be charged on 31st March of every year or at the time of withdrawal whichever is earlier as per the following Table:

Scenario	PMS Fee
HPR on client's Portfolio is less than Client's Expected HPR	Nil
HPR on client's Portfolio is more than Client's Expected HPR (Non-zero)	Minimum of the following:
	1) HPR on client's Portfolio minus client's Expected HPR 2) Client's Expected HPR
HPR on client's Portfolio is more than Client's Expected HPR (Zero)	25 % of positive returns

Computation of PMS Fee is explained with the help of following example:

Investment Parameters	
Portfolio Period	5 Years
Investment Amount Rs.	25 Lakhs
Client's Expected HPR	13 % per annum
Clients Expected payout	Cumulative

Computation of PMS Fee for client's with specified benchmark and Non zero Expected HPR.

Scenario on 31st March or at the time of withdrawal	Client's Portfolio HPR %	Portfolio Earnings (Rs.)	PMS Fee (Rs.)	Client's Earnings (Rs.)
1) Portfolio Value is Rs. 20 Lakhs	-20	-5 Lakhs	Nil	-5 Lakhs
2) Portfolio Value is Rs. 28.25 Lakhs	13	3.25 Lakhs	Nil	3.25 Lakhs
3) Portfolio Value is Rs. 30 Lakhs	20	5 Lakhs	1,75,000 which is minimum of 7% and 13% of investment amount	3.25 Lakhs

Computation of PMS Fee for Risk-Inclined client's with unspecified benchmark and Zero Expected HPR.

Scenario on 31st March or at the time of withdrawal	Client's Portfolio HPR %	Portfolio Earnings (Rs.)	PMS Fee (Rs.)	Client's Earnings (Rs.)
1) Portfolio Value is Rs. 20 Lakhs	-20	-5 Lakhs	Nil	-5 Lakhs
2) Portfolio Value is Rs. 28.25 Lakhs	13	3.25 Lakhs	0.81 Lakhs	2.44 Lakhs
3) Portfolio Value is Rs. 30 Lakhs	20	5 Lakhs	1.25 Lakhs	3.75 Lakhs

Revision No.: 2
Date: March 16, 2006

Eleven Years' Summary of Selected Financial Data of Dhanada

(Rs. In Lakhs)

	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	CAGR* %
Total Income from Operations	-	18.49	8.75	130.09	116.69	355.26	417.19	385.90	537.67	810.47	627.01	48
Profit Before Depreciation and Interest	-	(17.04)	(6.16)	10.26	14.81	37.81	46.02	32.30	37.04	93.80	162.79	48
Financial Charges	-	0.13	1.21	1.90	4.69	7.14	6.66	15.67	17.44	28.83	50.47	-
Gross Profit	-	(17.17)	(7.37)	8.36	10.12	30.67	39.36	16.63	19.60	64.97	112.32	45
Depreciation	-	0.69	0.80	2.22	2.06	3.29	2.32	3.12	2.35	3.72	8.10	-
Profit Before Tax	-	(17.86)	(8.17)	6.14	8.06	27.39	37.04	13.51	17.25	61.25	104.22	50
Profit After Tax	-	(17.86)	(8.17)	6.14	7.06	23.59	22.04	10.51	10.25	49.75	77.97	44
Cash Profit	-	(17.17)	(7.37)	8.36	9.12	26.88	24.36	13.63	12.60	53.47	86.07	40
Earning per Share Rs.	-	-7.38	-3.30	2.48	2.06	3.37	2.02	0.96	0.59	1.10	1.62	-6
Dividend % (Non-voting Shares)	-	-	-	-	-	-	-	10	10	12	12	6
Book Value per Share Rs.	10.00	2.62	(0.51)	(0.23)	4.66	10.76	13.93	14.90	18.73	28.41	30.03	12
Net Asset Value (Market Capitalisation as at 31 st March)	1.31	18.94	(2.35)	(10.41)	13.74	113.42	82.86	117.74	292.74	1692.61	1370.04	100

Sources of Funds

Share Capital	1.31	24.20	24.76	26.08	37.28	92.21	109.02	245.89	564.31	451.36	482.41
Reserves and Surplus	-	(17.87)	(26.03)	(25.34)	(18.28)	5.31	42.87	53.38	150.80	831.05	966.25
Borrowings	-	4.39	7.07	11.37	24.44	27.54	31.11	49.31	14.55	19.10	537.50
Total	1.31	10.72	5.80	12.11	43.44	125.06	183.00	348.58	729.66	1301.51	1986.16

Uses of Funds

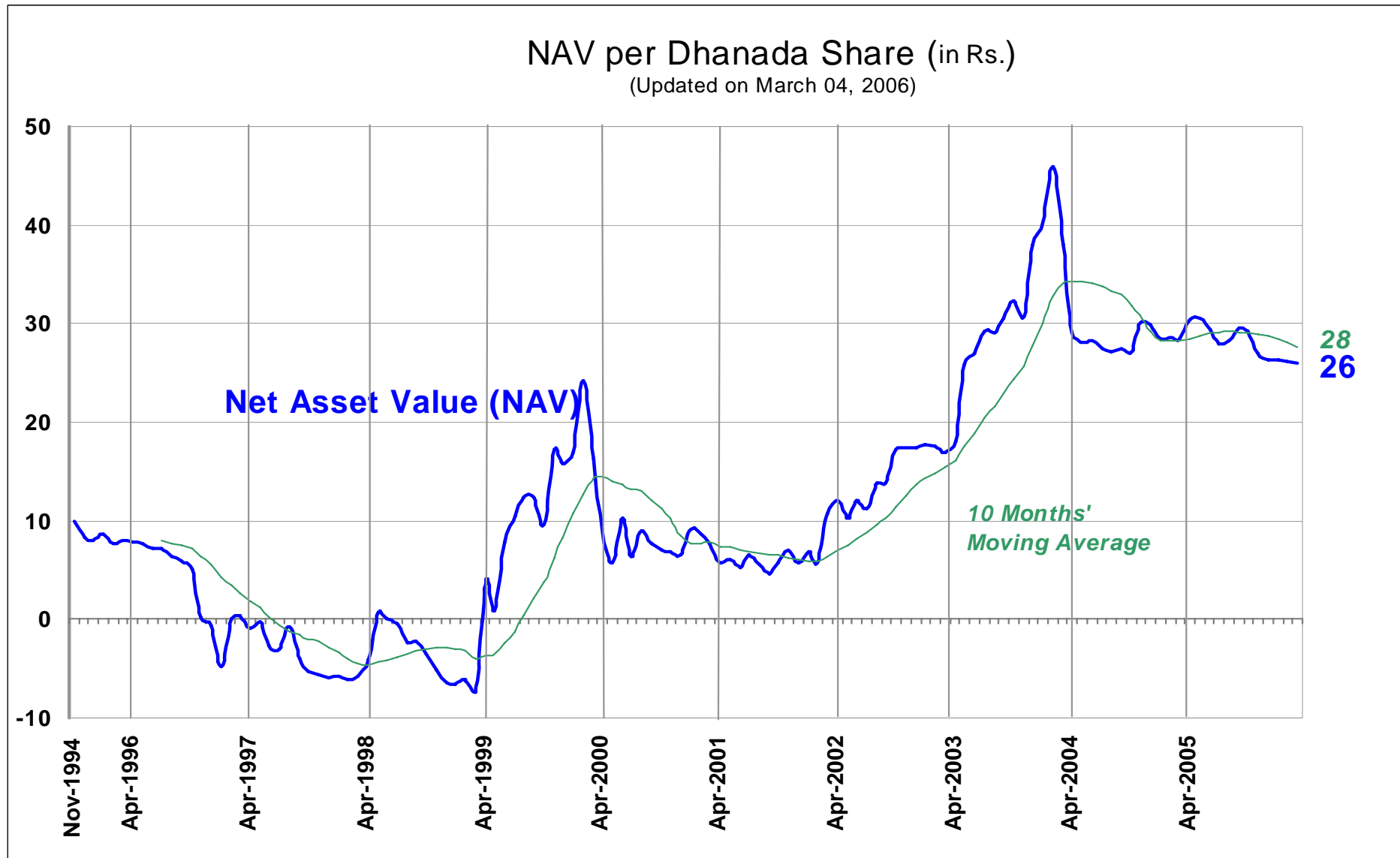
Net Fixed Assets	0.10	2.40	2.95	8.96	8.30	6.92	5.83	29.03	48.39	105.04	121.11
Investments	-	-	3.11	1.15	1.27	108.66	103.96	94.30	149.33	222.86	9.02
Net Current Assets	0.70	7.86	(0.68)	1.64	33.56	9.22	73.00	225.10	531.84	973.56	1856.03
Miscellaneous Expenses	0.52	0.46	0.42	0.36	0.31	0.26	0.21	0.15	0.10	0.05	-
Total	1.31	10.72	5.80	12.11	43.44	125.06	183.00	348.58	729.66	1301.51	1986.16

Financial Results and Statistics

Average

Profit before depreciation and interest as a percentage of Total Income	-	-92	-70	8	13	11	11	8	7	12	26	13
Returns on Shareholders' Funds (NAV) %	-	-22	-112	-320	195	304	-53	45	54	117	-23	28
Economic Value Added (EVA) (Rs. in Lakhs)	-	-	3	-33	-23	169	-55	27	114	2095	-469	348

* Compounded Annual Growth Rate



Expected Returns Scenario on NSE Index and Dhanada Shares (%) per annum (Updated on 28 February 2006)						
Period (in years)	Scenario of Expected Returns % per annum using Log Normal Distribution					
	Pessimistic		Most Likely		Optimistic	
	<i>NSE Index</i>	<i>Dhanada Shares</i>	<i>NSE Index</i>	<i>Dhanada Shares</i>	<i>NSE Index</i>	<i>Dhanada Shares</i>
1	-19	-83	13	19	44	120
2	1	-25	10	22	18	56
3	1	-6	8	22	15	41
4	2	7	7	22	11	32
5	2	5	6	19	9	28
6	3	15	5	16	8	17

Note:

Above Scenario is based on NSE Index data from 1990 and Dhanada's NAV data from 1994 using Log Normal Distribution with 67% Confidence Level.

Other Related Disclosures

1) Client Representation:

(I)

Category of Clients	No. of Clients	Funds Managed (Rs. In Cr.)	Discretionary/ Non-Discretionary (if Available)
Associates/Group Companies			
2001-02			Not Applicable
2002-03			Not Applicable
2003-04			Not Applicable
2004-05			Not Applicable
2005-06*	1	8.16	Discretionary
Others			
2001-02	1155	11.40	Discretionary
2002-03	1459	16.70	Discretionary
2003-04	634	9.70	Discretionary
2004-05	69	7.96	Discretionary
2005-06*	10	1.38	Discretionary
Total			
2001-02	1155	11.40	
2002-03	1459	16.70	
2003-04	634	9.70	
2004-05	69	7.96	
2005-06*	11	9.54	

* Upto March 16, 2006

(II) For complete disclosure in respect of transactions with related parties as per the standard specified by the Institute of Chartered Accountants of India, please refer to Annual Reports of the respective years.

2) Accounting Policies:

- a) Transactions of marketable securities are recorded at prevailing market price and that of non-marketable securities at negotiated price.
- b) All benefits received on securities held on behalf of clients are credited to Clients' A/c.

3) Nature of Expenses:

Investor will have to bear

- a) Portfolio Management Services (PMS) Fee.
- b) All expenses related to Security Transactions.
And all applicable taxes thereon.

4) Taxation:

Income arising out of securities transactions in portfolio account is taxable under income tax act and wherever applicable tax will be deducted at source.

5) Risk Factors:

- a) Securities investments subject to market risk and there is no assurance or guarantee that the objective of the scheme will be achieved.
- b) Portfolio Manager's past performance is not indicative of future performance.
- c) Portfolio Manager may assess client's investment objective, expected returns and risk tolerance level different from client's perception.
- d) While formulating investment strategy and asset allocation, portfolio manager may make concentrated investment in single security.

6) Penalties, pending litigaions or proceedings, findings of inspection or investigations for which action may have taken or initiated by any regulatory authority.

- a) All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Rules or Regulations made thereunder.

Not Applicable

- b) The nature of the penalties / direction.

Not Applicable

- c) Penalties imposed for any economic offence and / or for violation of any securities laws.

Not Applicable

- d) Any pending material litigation / legal proceedings against the portfolio manager/key personnel with separate disclosure regarding pending criminal cases, if any.

Not Applicable

- e) Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency.

Not Applicable

- f) Any enquiry / adjudication proceedings initiated by the Board against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee, under the Act or Rules or Regulations made thereunder.

Not Applicable

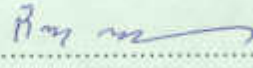



7) Disclaimer Clause:

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

8) Investor Services:

Investor Relation Officer: Kishori Marathe
Dhanada Portfolio Management Ltd.
Deep' 16/6, Erandawana Housing Society,
Plot No. 8, Patwardhan Baug,
Pune - 411004

Telefax: 25462408 / 25460661
Email : dhanada@dhanada.com

Name	Designation	Signature
Ramesh Havele	Chairman and Managing Director	
Veena Havele	Director	
Shreeniwas Kale	Director	
Rewati Golwalkar	Director	

Our Contact Points

Pune

Shashikant Havele

Tel.# (020) 26993140
Mobile: 98227-51522

F-62, Adityanagar,
Gadital, Hadapsar,
Pune 411 028.

Anil Madiwale

Tel.# (020) 25391084
Mobile: 98227-51523

Flat No. 301, G. Bldg.
Kumar Padmaja, Near Gandhi
Bhavan, Kothrud,
Pune – 411038.

Manisha Inamdar

Tel.# (020) 24441775
Mobile: 98227-51524

226/27, Harivijay Society,
Parvati Payatha,
Pune 411 009.

Aurangabad

Jyotsna Deshpande

Tel.# (0240) 2338026
Mobile: 98227-51520

Flat No.4, Siddhivinayak Apartment,
Shivaji Colony,
Behind Kranti Chowk Police Station,
Aurangabad 431 001.

Sarita Talele

Tel.# (0240) 2500385
Mobile: 98227-51521

30, Mangaldham, Mayurban Colony,
Shahanurwadi,
Aurangabad 431 005.

Kolhapur

Amey Golwalkar

Tel.# (0231) 2653303
Mobile: 98227-51516

'Manasi' Plot No. 12,
Kasbekar Park, Mahavir College Road,
Near New Palace Gate,
Kolhapur 416 001.

Usha Bhilwadikar

Tel.# (0231) 2629429
Mobile: 98227-51518

1164, A Ward,
Bramheshwar Park Apartment,
Sakoli Corner,
Kolhapur 416 001.

Sangli

Amey Kale

Tel.# (0233) 2302887
Mobile: 98227-51519

Behind Shree Siddhivinayak Auto Works,
Opp. Dattanagar,
At & Post Inam-Dhamni,
Tal. Miraj, Dist. Sangli

Mukund G. Kelkar
B.Com (Hons), F.C.A., F.C.S.

M.G.Kelkar & Co.
Chartered Accountants
279, Shivajinagar,
Behind Congress Bhavan,
Pune 411 005.
Tel : 25538193

23rd March 2006.

CERTIFICATE

This is to certify that the Disclosure Document (Revision No. 2 dated March 16th, 2006) regarding Discretionary Portfolio Management Services offered by M/S Dhanada Portfolio Management Ltd., is in accordance with the SEBI (Portfolio Manager) Regulations, 1993 and contents of the document are correct, fair and adequate to enable the investors to make well informed decision regarding entrusting the management of his Portfolio in the Company's Portfolio Management Schemes.

This Certificate has been issued at the request of the Company for the submission of the same to the Securities and Exchange Board of India (SEBI).

For M. G. Kelkar & Co.
Chartered Accountants



Mukund G. Kelkar
Proprietor
Place: Pune