



## STATEMENT OF ADDITIONAL INFORMATION

Name of Mutual Fund : **Taurus Mutual Fund**  
Name of Asset Management Company : **Taurus Asset Management Company Limited**  
Name of Trustee Company : **Taurus Investment Trust Company Limited**  
Name of Sponsor : **HB Portfolio Limited**

**Registered Office** : Taurus Asset Management Company Limited  
305, Regent Chambers  
208, Jammalal Bajaj Marg  
Nariman Point  
Mumbai 400 021

**Head Office** : Taurus Asset Management Company Limited  
Ground Floor, AML Centre-1  
8, Mahal Industrial Estate  
Mahakali Caves Road  
Andheri (East)  
Mumbai 400 093  
Ph: (022) 66242700 Fax : (022) 66242777  
Website: [www.taurusmutualfund.com](http://www.taurusmutualfund.com)

This Statement of Additional Information (SAI) contains details of Taurus Mutual Fund, its constitution, and certain tax, legal and general information. It is incorporated by reference (is legally a part of the Scheme Information Document)

This SAI is dated : **June 30, 2011**

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### I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANIES

#### A. Constitution of the Mutual Fund

Taurus Mutual Fund (the "Mutual Fund") has been constituted as a Trust on August 20, 1993 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882). HB Portfolio Limited is the present Sponsor of the Fund with Taurus Investment Trust Company Limited as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI on September 21, 1993 under Registration Code No. MF/002/93

#### B. Sponsor

HB Portfolio Limited ('HBPL') is the present Sponsor of the Fund. The Sponsor is the Settler of the Mutual Fund Trust. The Sponsor has entrusted a sum of Rs.2 Lacs to the Trustee as the initial contribution towards the corpus of the Mutual Fund.

#### Activities of the Sponsor

HBPL carries on the activity of investment in securities. HBPL had moved an application to Reserve Bank of India to commence and carry on the business of Non Banking Financial Company (NBFC). The matter is under correspondence and approval is awaited.

Financial Performance of the Sponsor (past three years):

Particulars	(Rs. In Lacs)		
	2010-11	2009-10	2008-09
Net Worth	11335.60	11097.95	10529.95
Total Income	653.72	1133.62	902.93
Profit after tax	446.62	844.59	713.70
Assets Under Management (if applicable)	N.A.	N.A.	N.A.

#### C. The Trustee

Taurus Investment Trust Company Limited (the "Trustee") through its Board of Directors, shall discharge its obligations as trustee of the Taurus Mutual Fund. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI Regulations and will also review the activities carried on by the AMC.

#### Details of Trustees:-

S.No.	Name of Director	Age/ Qualification	Brief Experience
1.	Mr. K.N. Goyal	68/ Chartered Accountant	Mr. K N Goyal is a fellow member of ICAI and is a Practicing Chartered Accountant.
2.	Mr. Harbhajan Singh	70/ MA (Economics), LLB and CAIIB	Mr. Harbhajan Singh has served in the Banking field and has served as the Chairman & Managing Director of Allahabad Bank Ltd. He is a Director on the Board of various companies.

3.	Mr.Lalit Malhotra	66/ B.A.	Mr. Lalit Malhotra is a Hotelier. He is MD of CHL Ltd. and is having Directorship on the Board of various companies.
4.	Mr. G N Tandon	77/ M.A. (Economics), USA	Mr. G N Tandon has served in the Govt. Sector in the capacity of Additional Secretary to the Ministry of Finance, as an Advisor (Energy & Project Appraisal Div.) to Planning Commission, Member of Delhi State Finance Commission. He is having Directorship on the Board of various Companies.

### RIGHTS AND OBLIGATIONS OF THE TRUSTEES

The rights and obligations of the Trustees as laid down in SEBI (Mutual Funds) Regulations, 1996 and amendments issued from time to time are as follows:

1. The trustees and the asset management company shall with the prior approval of SEBI enter into an investment management agreement.
2. The investment management agreement shall contain such clauses as are mentioned in the Fourth Schedule and such other clauses as are necessary for the purpose of making investments.
3. The trustees shall have a right to obtain from the asset management company such information as is considered necessary by the trustees.
4. The trustees shall ensure before the launch of any scheme that the asset management company has:-
  - a) systems in place for its back office, dealing room and accounting;
  - b) appointed all key personnel including fund manager(s) for the scheme(s) and submitted their bio-data which shall contain the educational qualifications, past experience in the securities market with the trustees, within 15 days of their appointment;
  - c) appointed auditors to audit its accounts;
  - d) appointed a compliance officer, who shall be responsible for monitoring the Compliance of the Act, rules and regulations, notifications, guidelines, instructions etc., issued by SEBI or the Central Government and for redressal of investors grievances;
  - e) appointed registrars and laid down parameters for supervision;
  - f) prepared a compliance manual and designed internal control mechanisms including internal audit systems;
  - g) specified norms for empanelment of brokers and marketing agents;
  - h) obtained, wherever required under these regulations, prior in principal approval from the recognized stock exchange(s) where units are proposed to be listed

4(A) The compliance officer appointed shall immediately and independently report to SEBI any non-compliance observed by him.

5. The trustees shall ensure that an asset management company has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
6. The trustees shall ensure that the asset management company has not given any undue or unfair advantage to any associates or dealt with any of the associates of the asset management company in any manner detrimental to interest of the unitholders.
7. The trustees shall ensure that the transactions entered into by the asset management company are in accordance with these regulations and the scheme.

8. The trustees shall ensure that the asset management company has been managing the mutual fund schemes independently of other activities and have taken adequate steps to ensure that the interest of investors of one scheme are not being compromised with those of any other scheme or of other activities of the asset management company.
9. The trustees shall ensure that all the activities of the asset management company are in accordance with the provisions of these regulations.
10. Where the trustees have reason to believe that the conduct of business of the mutual fund is not in accordance with these regulations and the scheme they shall forthwith take such remedial steps as are necessary by them and shall immediately inform SEBI of the violation and the action taken by them.
11. Each trustee shall file the details of his transactions of dealing in securities with the Mutual Fund on a quarterly basis.
12. The trustees shall be accountable for, and be the custodian of, the funds and property of the respective schemes and shall hold the same in trust for the benefit of the unit holders in accordance with these regulations and the provisions of trust deed.
13. The trustees shall take steps to ensure that the transactions of the mutual fund are in accordance with the provisions of the trust deed.
14. The trustees shall be responsible for the calculation of any income due to be paid to the mutual fund and also of any income received in the mutual fund for the holders of the units of any scheme in accordance with these regulations and the trust deed.
15. The trustees shall obtain the consent of the unitholders -
  - a) whenever required to do so by SEBI in the interest of the unitholders; or
  - b) whenever required to do so on the requisition made by three-fourths of the unit holders of any scheme; or
  - c) when the majority of the trustees decide to wind up or prematurely redeem the units.
16. The trustees shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would modify the scheme and affects the interest of unitholders, shall be carried out unless,-
  - a) a written communication about the proposed change is sent to each unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the mutual fund is situated; and
  - b) the unitholders are given an option to exit at the prevailing Net Asset Value without any exit load.
17. The trustees shall call for the details of transactions in securities by the key personnel of the asset management company in his own name or on behalf of the asset management company and shall report to SEBI, as and when required.
18. The trustees shall quarterly review all transactions carried out between the mutual funds, asset Management Company and its associates.
19. The trustees shall quarterly review the networth of the asset management company and in case of any shortfall, ensure that the asset management company make up for the shortfall as per clause (f) of sub-regulation (1) of regulation 21.
20. The trustees shall periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy itself that such contracts are executed in the interest of the unitholders.

21. The trustees shall ensure that there is no conflict of interest between the manner of deployment of its networth by the asset management company and the interest of the unitholders.
22. The trustees shall periodically review the investor complaints received and the redressal of the same by the asset management company.
23. The trustees shall abide by the Code of Conduct as specified in the Fifth Schedule.
24. The trustees shall furnish the following to the SEBI on a half yearly basis, -
  - a) a report on the activities of the mutual fund.
  - b) a certificate stating that the trustees have satisfied themselves that there have been no instances of self dealing or front running by any of the trustees, directors and key personnel of the asset management company:
  - c) a certificate to the effect that the asset management company has been managing the schemes independently of any other activities and in case any activities of the nature referred to in sub-regulation (2) of regulation 24 have been undertaken by the asset management company and has taken adequate steps to ensure that the interest of the unitholders are protected.
25. The independent trustees referred to in sub-regulation (5) of regulation 16 shall give their comments on the report received from the asset management company regarding the investments by the mutual fund in the securities of group companies of the sponsor.
26. Trustees shall exercise due diligence as under:
  - A. General Due Diligence:**
    - i) The Trustees shall be discerning in the appointment of the directors on the Board of the asset management company.
    - ii) Trustees shall review the desirability of continuance of the asset management company if substantial irregularities are observed in any of the schemes and shall not allow the asset management company to float new schemes.
    - iii) The trustees shall ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons.
    - iv) The trustee shall ensure that all service providers are holding appropriate registrations from the Board or concerned regulatory authority.
    - v) The trustees shall arrange for test checks of service contracts.
    - vi) Trustees shall immediately report to the SEBI of any special developments in the mutual fund.

**B. Specific Due Diligence:**

The Trustees shall:

- I. Obtain internal audit reports at regular intervals from independent auditors appointed by the Trustees,
- II. Obtain compliance certificates at regular intervals from the asset management company,
- III. Hold meeting of trustees once in two calendar months and atleast six such meetings shall be held in every year,
- IV. Consider the reports of the independent auditor and compliance reports of asset management company at the meetings of trustees for appropriate action,
- V. Maintain records of the decisions of the Trustees at their meetings and of the minutes of the meetings,
- VI. Prescribe and adhere to a code of ethics by the Trustees, Asset Management Company and its personnel.
- VII. Communicate in writing to the asset management company of the deficiencies and checking on the rectification of deficiencies.

27. Notwithstanding anything contained in sub-regulations (1) to (25), the trustees shall not be held liable for acts done in good faith if they have exercised adequate due diligence honestly.
28. The independent directors of the trustees or asset management company shall pay specific attention to the following, as may be applicable, namely:
  - i. the Investment Management Agreement and the compensation paid under the agreement,
  - ii. Service contract with affiliates – whether the asset management company has charged higher fees than outside contractors for the same services,
  - iii. Selection of the asset management company's independent directors,
  - iv. Securities transactions involving affiliates to the extent such transactions are permitted,
  - v. Selecting and nominating individuals to fill independent directors vacancies,
  - vi. Code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions,
  - vii. The reasonableness of fees paid to sponsors, asset management company and any others for services provided,
  - viii. Principal underwriting contracts and their renewals,
  - ix. Any service contract with the associates of the asset management company.

#### Amendments to the Trust Deed

No amendments to the Trust Deed shall be carried out without the prior approval of SEBI and unitholders approvals would be obtained where it affects the interest of unitholder.

#### **Supervisory Role**

Board of Trustees monitors the activities of TAMCO, the Asset Management Company on an on-going basis for which number of checks and balances have been introduced. Accordingly, TAMCO submits periodic MIS information to the Board of Trustees, which interalia includes;

1. Movement in net assets and calculation of NAV.
2. Balance sheet and Revenue & Expenditure account.
3. Industry wise exposure in each scheme.
4. Details of investment in Associate/Group companies (*alongwith justification*).
5. Investment in shares of those corporates, who have invested more than 5% of the Net Asset Value of a scheme.
6. Detailed portfolio of each scheme.
7. Broker-wise transaction.

Besides the above, quarterly compliance reports, which are submitted to SEBI by TAMCO are also placed before the Board of Trustees. Trustees have appointed separate Audit Firm to undertake internal audit of all the schemes of the Fund and submit their quarterly report to them. Trustees have also appointed another Audit Firm to check and audit the operation of R&T Agents and submit their report on half-yearly basis. Therefore, Internal Audit Reports are placed before the Audit Committee of Board of Trustees, which submit their views / opinion to the Board of Trustees. Similarly, periodic declaration by staff and Directors of TAMCO are also placed before the Board of Trustees to ascertain that there have been no instances of self-dealing or front running. **Board of Trustees meeting is also held every two months and during the period from April 1, 2010 to April 30, 2011, six (6) meetings of the Board of Trustees have been held.**

#### **D. Asset Management Company**

Taurus Asset Management Company Limited (TAMCO) is a public limited company incorporated under the Companies Act, 1956 on July 27, 1993, having its Registered Office at 305, Regent Chambers, 208, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400 021. TAMCO has been appointed as the Asset Management Company of the Taurus Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated August 20, 1993 executed between Taurus Investment Trust Company Limited and Taurus Asset Management Company Limited

**Shareholding pattern of Asset Management Company****Paid-up Capital :**

Rs 12,55,00,000/- (Equity Capital)

Rs 1,00,00,000/- (Preference Capital)

List of Equity Shareholders (Face value @ Rs 10/- each)

<b>Names of Holders</b>	<b>No. of Shares</b>	<b>% of Holding</b>
HB Portfolio Ltd.	62,75,000	50.00%
RRB Securities Ltd.	37,49,940	29.88%
HB Stockholding Ltd. and its nominees	25,25,000	20.12%
Others	60	0.00%
<b>TOTAL</b>	<b>1,25,50,000</b>	<b>100.00</b>

List of Preference Shareholders (Face value @ Rs 10/- each)

<b>Names of Holders</b>	<b>No. of Shares</b>	<b>% of Holding</b>
Pisces Portfolio Pvt. Ltd.	10,00,000	100.00 %
<b>TOTAL</b>	<b>10,00,000</b>	<b>100.00</b>

**Details of AMC Directors:**

<b>S.No.</b>	<b>Name of Director</b>	<b>Age/Qualification</b>	<b>Brief Experience</b>
1.	Sh. J. P. Kundra Chairman	80/ B.A. & LLB	Mr. J P Kundra is having wide experience in the Banking Sector and has served in the capacity of Managing Director of State Bank of India and Chairman of Banking Services Recruitment Board. He is having Directorship on the Board of various Companies.
2.	Sh. M.G. Gupta	77/ M.Sc.	Mr. M G Gupta is from the Indian Audit and Accounts Service – 1961 batch. He has served in Finance Section of the Govt. at various prestigious posts. He retired as Additional Controller General of Accounts (in the rank of Additional Secretary to the Govt. of India). He is having Directorship on the Board of various Companies.
3.	Sh. Lalit Bhasin	43/B.Com	Mr. Lalit Bhasin is having wide experience in the Capital Market and having Directorship on the Board of various Companies.
4.	Maharaj Jai Singh	78/ B.A from Cambridge University, U.K	Maharaj Jai Singh belongs to the Royal family of Jaipur and is an Hotelier. He is having Directorship on the Board of various Companies.

5.	Mr. Vijay Sood	53/ MBA (Fin.) from IIM, Ahmedabad, ICWA from ICWAI. Advance Management Program from Wharton Business School, Philadelphia, PA	Mr. Vijay Sood is having about 31 years of experience in the field of Banking and Capital Market. He is also a director on the Board of HB Stockholdings Ltd.
6.	Mr. R .K Gupta Managing Director	64/Post Graduate Diploma in Sugar Technology	Mr. R K Gupta is having very rich experience in the field of Banking & Finance and the Mutual Fund industry in particular. He had also served as the Managing Director of PNB Mutual Fund.

### The duties and obligations of Taurus Asset Management Company Limited

1. The asset management company shall take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any scheme is not contrary to the provisions of these regulations and the trust deed.
2. The asset management company shall exercise due diligence and care in all its investments decisions as would be exercised by other persons engaged in the same business.
- 2A. The asset management company shall obtain, wherever required under these regulations, prior in-principle approval from the recognized stock exchange(s) where units are proposed to be listed.
3. The asset management company shall be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the asset management company.
4. The asset management company shall submit to the trustees' quarterly reports of each year on its activities and the compliance with these regulations.
5. The trustees at the request of the asset management company may terminate the assignment of the asset management company at any time:  
**Provided** that such termination shall become effective only after the trustees have accepted the termination of assignment and communicated their decision in writing to the asset management company.
6. Notwithstanding anything contained in any contract or agreement or termination, the asset management company or its directors or other officers shall not be absolved of liability to the mutual fund for their acts of commission or omissions, while holding such position or office.
- 6A. The Chief Executive Officer of the AMC shall ensure that the Fund complies with all the provisions of the SEBI Regulations and the guidelines or circulars issued in relation thereto from time to time and that the investments made by the Fund Managers are in the interest of the Unitholders and shall also be responsible for the overall risk management function of the Fund.  
Explanation: For the purpose of this sub-regulation, the words "these regulations" shall mean and include the securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time.
- 6B. The Fund Managers shall ensure that the funds of the Scheme are invested to achieve the objectives of the Scheme and are in the interest of the Unitholders.
7.
  - a) An asset management company shall not through any broker associated with the sponsor, purchase or sell securities, which is average of 5 per cent or more of the aggregate purchases and sale or securities made by the mutual fund in all its schemes:  
**Provided** that for the purpose of this sub-regulation, the aggregate purchase and sale of securities shall exclude sale and distribution of units issued by the mutual fund

**Provided further** that the aforesaid limit of 5 per cent shall apply for a block of any three months

- b) An asset management company shall not purchase or sell securities through any broker [ other than a broker referred to in clause (a) of sub-regulation (7)] which is average of 5 per cent or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes, unless the asset management company has recorded in writing the justification for exceeding the limit of 5 per cent and reports of all such investments are sent to the trustees on a quarterly basis:

**Provided** that the aforesaid limit shall apply for a block of three months.

8. The asset management company shall not utilize the services of the sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities:

**Provided** that an asset management company may utilize such services if disclosure to that effect is made to the unit holders and the brokerage or commission paid is also disclosed in the half yearly annual accounts of the mutual fund.

**Provided further** that the mutual funds shall disclose at the time of declaring half-yearly and yearly results:

- a) Any underwriting obligations undertaken by the schemes of the mutual funds with respect to issue of securities of associate companies.
- b) Devolvement, if any;
- c) Subscription by the schemes in the issues lead managed by associate companies.
- d) Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies have acted as arranger or manager.
9. The asset management company shall file with the trustees the details of transactions in securities by the key personnel of the asset management company in their own name or on behalf of the asset management company and shall also report to SEBI, as and when required by SEBI.
10. In case the asset management company enters into any securities transactions with any of its associates a report to that effect shall be sent to the trustees at its next meeting.
11. In case any company has invested more than 5 per cent of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the same mutual fund in that company or its subsidiaries shall be brought to the notice of the trustees by the asset management company and be disclosed in the half yearly and annual accounts of the respective schemes with justification for such investment provided the latter investment has been made within one year of the date of the former investment calculated on either side.
12. The asset management company shall file with the trustees and the SEBI :-
- (a) Detailed bio-data of all its directors' alongwith their interest in other companies within fifteen days of their appointment;
- (b) Any change in the interests of directors every six months;
- (c) A quarterly report to the trustees giving details and adequate justification about the purchase and sale of the securities of the group companies of the sponsor or the asset management company as the case may be, by the mutual fund during the said quarter.
13. Each director of the asset management company shall file the details of his transactions of dealing in securities with the Trustees on a quarterly basis in accordance with the guidelines issued by SEBI
14. The asset management company shall not appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.
15. The asset management company shall appoint registrars and share transfer agents who are registered with SEBI: **Provided** if the work relating to the transfer of units is processed in-house, the charges at competitive market rates may be debited to the scheme and for rates higher than the competitive market rates, prior approval of the trustees shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.

16. The asset management company shall abide by the Code of Conduct as specified in the Fifth Schedule of the SEBI Regulations.

SEBI has granted a certificate of registration to Taurus Asset Management Company Limited as a Portfolio Manager vide registration no. INP-000001439 TAMCO has started PMS activities w.e.f. April 13, 2010. The said activity will not be in conflict with the activities of Mutual Fund as the entire Mutual Fund operations including Fund Management are managed from Mumbai whereas PMS operations are being looked after independently from Delhi with a separate team of officials.

### Information on Key Personnel

S.No.	Name	Age/Qualification	Brief Experience
1	Mr. Waqar Naqvi, CEO	43/ B.Com, MBA, ICWAI	He has close to 10 years experience in mutual fund industry. In his previous assignment with Birla Sunlife AMC he has worked as Regional Head (North & South), Country Head- Institutional Sales, Business Head- PMS & Offshore Sales. Prior to Birla AMC, he was Regional Head (East) in Birla Global Finance Ltd., Country Head- Sales & Marketing, Triage Business Solution Ltd. and Associate Vice President Escorts Consumer Credit Ltd. and Assistant Vice President in Escorts Finance Ltd. His total experience is 19 years.
2	Mr. Sanjay Parikh, Chief Operations Officer	40/B.Com, CA, CFA	He was earlier Chief Finance Officer, Birla Sun Life AMC, Head-Product Management and Head - Accounting Services in Birla Sun Life Insurance Co. Ltd., Manager, Central Cell, Aditya Birla Group and Sr. Consultant – Tax & Business Advisory in Arthur Anderson & Company. His total experience is 20 years.
3	Mr. Sadanand Shetty Vice President & Senior Fund Manager- Equity	38/ PGDFA, M.Com.(Banking & Finance)	He has worked with Kotak Securities Ltd. as VP & Portfolio Manager – Equity for 5 years 8 months, Soc Gen in Institutional Equities for 4 years, Newscorp owned Indya.com Pvt. Ltd. as Manager Investment Research for 2 years, Principal Capital Markets Ltd. as VP- Investments for 2 years and Capital Market Publishers Pvt. Ltd. as an Analyst for 3 years. His total experience is 17 years
4	Mr. Rahul Pal Vice President & Head-Fixed Income	35 / B.com. C.A.	He has 7 years of experience in mutual fund industry. In his last assignment he worked as Fund Manager (Fixed Income) with Sundaram BNP Paribas Mutual Fund. He has worked with IDBI in Fixed Income for 3 years. His total experience is 10 years.
5	Mr. V Sasidhar Country Head – Customer Service	45/M.Com	He has 16 years of experience in mutual fund industry. He has worked with Birla Sunlife Asset Management Co. Ltd., GIC Asset Management Co. Ltd, Lloyds Finance Co. Ltd, 20 <sup>th</sup> Century Finance Corp. Ltd etc. in various capacities and areas of operations & customer services. His total experience is 23 years.
6	Mr. Nazish Ahmed Head- Marketing	34/ M.Com, MBA	He has 11 years of experience in Marketing and Brand & Communication. Prior to joining Taurus MF, he worked with Reliance Money. His earlier assignments were with Ogilvy One Advertising and ICICI Prudential Life Insurance Company.
7	Mr. Ramesh S Kabra Head- Product Development	54 / B.Sc, M.A.(Economics)	More than 3 years with Taurus Mutual Fund. He has more than 12 years of experience in mutual fund industry. He has worked with Birla Sun Life Asset Management Co. Ltd. as Branch Head-Pune, Branch Head-Hyderabad, Regional Head (East) & Head-International Sales. Has worked with State Bank of Hyderabad for 11 years. His total experience is 31 years.
8	Ms. Sangeeta Verma Compliance Officer	36/ B.Com, CS, MBA (Fin.)	More than 7 years with Taurus Mutual Fund. Earlier Company Secretary with HOPE Technology Ltd. for 3 yrs. & Proprietor of SV Associates for 1year. Her total experience is 11 years.

Ms. Sangeeta Verma is based in New Delhi office.

### Details of the Fund Management Team

S.No.	Name	Age/Qualification	Brief Experience
1	Mr. Sadanand Shetty Vice President & Senior Fund Manager- Equity	38/ PGDFA, M.Com.(Banking & Finance)	He has worked with Kotak Securities Ltd. as VP & Portfolio Manager – Equity for 5 years 8 months, Soc Gen in Institutional Equities for 4 years, Newscorp owned Indya.com Pvt. Ltd. as Manager Investment Research for 2 years, Principal Capital Markets Ltd. as VP- Investments for 2 years and Capital Market Publishers Pvt. Ltd. as an Analyst for 3 years. His total experience is 17 years
2	Mr. Rahul Pal Head-Fixed Income	35 / B.com. C.A.	He has 7 years of experience in mutual fund industry. In his last assignment he worked as Fund Manager (Fixed Income) with Sundaram BNP Paribas Mutual Fund. He has worked with IDBI in Fixed Income for 3 years. His total experience is 10 years.
3	Mr. Pankaj Jain Fund Manager-Fixed Income	31/ B.E., PGDBM IIM Bangalore	He has worked with Edelweiss Mutual Fund as Fund Manager (Fixed Income) and Edelweiss Securities in Debt & Forex Fund Management for 2.5 years and with State Bank of India as Forex Trader for 2 years

### Procedure followed for investment decisions

Before making any fresh investment through primary market or secondary market, the research team prepares a detailed Research Report on each investment based on the fundamental as well as the technical analysis. The Board of Trustees in terms of SEBI's guidelines has approved the format of the Research Reports. The companies are identified for investment based on top down/bottom up approach as well as indepth market analysis. Thereafter, the Research Report is discussed amongst the Investment Sub-committee members comprising of the CEO, Head-Equity, Fund Managers- Debt & Equity, . The investment sub-committee works out investment / disinvestments strategy and takes the decision to buy or sell depending upon the market conditions, investment / redemption flows and other external factors. The reasons for subsequent purchase and sale of the same instrument are also being recorded.

The Board of TAMCO has also constituted an Investment Committee comprising of three Independent Directors, one Sponsor Director as well as Managing Director of the Company. Investment Committee Meeting is held every month and reviews Investments/disinvestments made since last meeting, Research Reports etc.

### Persons Involved in Equity Research

S.No	Name	Age/Qualification	Brief Experience
1.	Mr. Pranshu Mittal	29/ CFA - (Level 3) ,CA, B.com	7+ years of exp with organizations like Centrum Broking Pvt. Ltd, SBI Capital, HDFC Securities & BSE India.
2.	Mr. Jaiprakash Toshniwal	25/ CFA from ICAI	Above 4 years experience in Indian Capital Markets.

**E. Service Providers****Custodian**

<b>Name</b>	<b>Address</b>	<b>SEBI Registration No.</b>
HDFC Bank Ltd	Lodha-1, Think Techno Campus Building-Alpha, 8 <sup>th</sup> Floor, Next to Kanjur Marg Railway Station, Kanjur Marg (East) Mumbai 400042	IN/CUS/001

**Transfer Agent**

Karvy Computershare Pvt. Limited is the Registrar & Transfer Agent and Dividend paying agent of the scheme. It's principal business address is:

**Karvy Computershare Private Ltd.**

21, Avenue, 4, Street No. 1,  
Banjara Hills,  
Hyderabad -500034

The Board of the Trustees and the AMC has ensured that the Registrar has adequate capacity to discharge responsibilities with regard to processing of applications and dispatching unit certificates to unitholders within the time limit prescribed in the Regulations and also has sufficient capacity to handle investor complaints. It is registered with SEBI as Registrar and Transfer Agent vide Registration No. INR 000000 221

**STATUTORY AUDITORS****Schemes**

<b>Name &amp; Address</b>	<b>Schemes</b>
M/s N M Raiji & Co., Universal Insurance Building 6 <sup>th</sup> Floor, Sir Phirozeshah Mehta Road, Fort, Mumbai 400 001	All Schemes

**Auditors to the Asset Management Company**

M/s Walker Chandio & Co.  
L-41, Connaught Circus  
New Delhi – 110 001

**Auditors to the Trustee Company**

M/s N M Raiji & Co.  
E-7/14, Vasant Vihar, New Delhi – 110 057

**Legal Counsel**

There are no retained legal counsels to the Mutual Fund or AMC. The AMC uses the services of the following legal counsel as and when need arises

Dave & Girish & Co. Advocates  
1<sup>st</sup> Floor, Sethna Building,  
55, Maharshi Karve Road  
Marine Lines  
Mumbai 400 002

**Fund Accountant**

Deutsche Bank AG  
Fund Accounting Department  
6<sup>th</sup> Floor, Nicholas Piramal Tower,  
Peninsula Corporate Park,  
Ganpat Rao Kadam Marg,  
Lower Parel, Mumbai 400013

**Collection Bankers**

Our Principal Bank:  
HDFC Bank Ltd.  
Motwani Chambers.  
Fort, Mumbai

The names and addresses of the collection bankers will be available in the Scheme Information Document and Key Information Memorandum of the respective schemes as and when any new scheme is launched.

**F. Condensed financial information (CFI)**

CFI in respect of schemes launched during the last three fiscal years (excluding redeemed schemes) is as under:-

<b>Taurus Ultra Short Term Bond Fund</b>										
<b>Historical Per Unit Statistics</b>		<b>Retail</b>	<b>Insti</b>	<b>Super Insti</b>	<b>Retail</b>	<b>Insti</b>	<b>Super Insti</b>	<b>Retail</b>	<b>Insti</b>	<b>Super Insti</b>
		<b>2010-11</b>			<b>2009-10</b>			<b>2008-9</b>		
NAV at the beginning of the year (as on April 1)	Growth	1072.7322	1074.914	1078.0136	10.2405	10.25	10.255	-	-	-
	Daily Dividend Reinvestment	1001.4787	1001.479	1001.4788	10.0011	10.0011	10.0011	-	-	-
	Weekly Dividend Reinvestment	1001.8947	1001.908	1001.9166	10.0032	10.0032	10.0032	-	-	-
Dividends	Daily Dividend Reinvestment	131.33	133.39	135.19	4.59	4.73	4.87	0.21	0.22	0.22
	Weekly Dividend Reinvestment	129.32	69.35	54.43	4.09	4.02	1.66	0.21	0.2	0.2
NAV at the end of the year (as on March 31)***	Growth	1145.7300	1149.0994	1153.5587	1072.7322	1074.9137	1078.014	10.2405	10.2500	10.2500
	Daily Dividend Reinvestment	1001.7360	1001.7367	1001.7390	1001.4787	1001.4788	1001.479	10.0011	10.0011	10.0011
	Weekly Dividend Reinvestment	1003.094	-	-	1001.8947	1001.9084	1001.917	10.0032	10.0032	10.0032
Annualized return/absolute return** since inception till the end of the year		6.01%	6.14%	6.32%	5.41%	5.58%	5.80%	2.41%	2.50%	2.55%

Net assets at end of period (Rs Crs.)	331.17
Ratio of Recurring Expenses to net assets	0.13%
Date of Allotment	1 <sup>st</sup> Dec'08
Benchmark Index	Crisil Liquid Fund Index

<b>Taurus Ethical Fund</b>						
<b>Historical Per Unit Statistics</b>	<b>Growth</b>	<b>Bonus</b>	<b>Dividend</b>	<b>Growth</b>	<b>Bonus</b>	<b>Dividend</b>
	<b>2010-11</b>			<b>2009-10</b>		
NAV at the beginning of the year (as on April 1)	21.16	21.15	15.86	-	-	-
Dividends	-	-	1.8	-	-	4.5
NAV at the end of the year (as on March 31)	23.16	23.15	15.64	21.16	21.15	15.86
Annualised return/absolute return since inception till the end of the year	52.63%	-	-	111.60%	111.15%	-
Net assets at end of period (Rs Crs.)	27.51					
Ratio of Recurring Expenses to net assets	2.50%					
Date of Allotment	6 <sup>th</sup> Apr'09					
Benchmark Index	S&P CNX 500 Shariah					

<b>Taurus MIP Advantage</b>		
<b>Historical Per Unit Statistics</b>	<b>Growth</b>	<b>Dividend</b>
	<b>2010-11</b>	
NAV at the beginning of the year (as on April 1)	10.0000	10.0000
Dividends	-	0.367
NAV at the end of the year (as on March 31)	10.3644	10.2217
Annualised return/absolute return since inception till the end of the year	*3.64%	
Net assets at end of period (Rs Crs.)	68.22	
Ratio of Recurring Expenses to net assets	2.22%	
Date of Allotment	6 <sup>th</sup> Aug'09	
Benchmark Index	75% CRISIL MIP Blended Index and 25% Price of Gold	

<b>Taurus Nifty Index Fund</b>		
<b>Historical Per Unit Statistics</b>	<b>Growth</b>	<b>Dividend</b>
	<b>2010-11</b>	
NAV at the beginning of the year (as on April 1)	10.00	10.00
Dividends	-	-
NAV at the end of the year (as on March 31)	11.0851	11.0872
Annualised return/absolute return since inception till the end of the year	*10.85%	-
Net assets at end of period (Rs Crs.)	1.46	
Ratio of Recurring Expenses to net assets	1.50%	
Date of Allotment	19 <sup>th</sup> Jun'11	
Benchmark Index	S&P CNX Nifty	

<b>Taurus Dynamic Income Fund</b>		
<b>Historical Per Unit Statistics</b>	<b>Growth</b>	<b>Dividend</b>
	<b>2010-11</b>	
NAV at the beginning of the year (as on April 1)	10.0000	10.0000
Dividends	-	-
NAV at the end of the year (as on March 31)	10.1219	10.1219
Annualized return/absolute return since inception till the end of the year	*1.22%	-
Net assets at end of period (Rs Crs.)	1.56	
Ratio of Recurring Expenses to net assets	0.60%	
Date of Allotment	14 <sup>th</sup> Feb'11	
Benchmark Index	Crisil Composite Bond Fund Index	

<b>Taurus Fixed Maturity Plan Series C (367 days)</b>		
<b>Historical Per Unit Statistics</b>	<b>Growth</b>	<b>Dividend</b>
	<b>2010-11</b>	
NAV at the beginning of the year (as on April 1)	10.0000	10.0000
Dividends	-	-
NAV at the end of the year (as on March 31)	10.0766	10.0766
Annualized return/absolute return** since inception till the end of the year	*0.77%	-
Net assets at end of period (Rs Crs.)	1.03	
Ratio of Recurring Expenses to net assets	0.50%	
Date of Allotment	15 <sup>th</sup> Mar'11	
Benchmark Index	Crisil Short Term Bond Fund Index	

<b>Taurus Fixed Maturity Plan Series D (370 days)</b>		
<b>Historical Per Unit Statistics</b>	<b>Growth</b>	<b>Dividend</b>
	<b>2010-11</b>	
NAV at the beginning of the year (as on April 1)	10.0000	10.0000
Dividends	-	-
NAV at the end of the year (as on March 31)	10.0861	10.0861
Annualized return/absolute return** since inception till the end of the year	*0.86%	-
Net assets at end of period (Rs Crs.)	62.02	
Ratio of Recurring Expenses to net assets	0.20%	
Date of Allotment	18 <sup>th</sup> Mar'11	
Benchmark Index	Crisil Short Term Bond Fund Index	

Note:

\*

\*\* Annualised returns are provided only for growth option. Dividend declared during the period will impact the NAV and therefore calculating point to point return on annualized basis will not give true picture in case of other options.

Absolute returns are provided for schemes less than one year.

\*\*\* Face Value of Units of Taurus Ultra Short Term Bond Fund changed from Rs10/- to Rs 1000/- with effect from February 20, 2010

Abbreviations used:

Insti: Institutional

Div: Dividend

Gr: Growth

## **II. HOW TO APPLY?**

### **Purchase**

1. Application Forms for purchase of Units of the Schemes will be available/accepted at the offices of the AMC and Investor Service Centres of the Registrar & Transfer Agent . As and when any new scheme is launched, application forms would also be available with Collecting Bankers whose details would be given in the Scheme Information Document and Key Information Memorandum cum Application Form.

2. Applications duly filled up and signed by all investor(s) should be submitted along with the cheque/draft at a Official Point of Acceptance/ Transaction.

3. Applications should be made in adherence to the minimum amount requirements.

4. Applications must be completed in Block Letters in English.

5. The signature should be in English or in any of the Indian languages specified in the eighth schedule of the Constitution of India. Thumb impressions must be attested by a magistrate or a notary public or a special executive magistrate under his/her official seal. Applications by minors should be signed by the guardians. In case of HUF, the Karta should sign on behalf of HUF.

6. All cheques and bank drafts should be drawn in favour of “Scheme name” and crossed 'Account Payee Only'. A separate cheque or bank draft should accompany each application/each scheme.

7. Investors should write the existing folio no./ Application form number on the reverse of the cheques/ bank drafts accompanying the Application Form.

### **Distributor Code**

In case of purchase through a distributor, the ARN (AMFI Registration Number) of the distributor should be mentioned in the ARN box.

In case of purchase without distributor, mention the word 'DIRECT' in the ARN Box.

### **Mode of Holding**

An application can be made by upto a maximum of 3 applicants. Applicants should specify the mode of holding in the application form. The mode of holding may be “single”, “joint” or “anyone or survivor”.

Where the units are jointly held, the person first named in the application form will receive all notices and correspondences with respect to the account/folio, as well as any distributions through dividends, income, redemption or otherwise. Such person shall hold the voting right, if any, associated with the Units.

### Bank Details

It is mandatory for every applicant to provide the name of the bank, branch, address, account type and number as per SEBI requirements and any Application Form without these details will be treated as incomplete. Such incomplete applications are liable to be rejected. The Registrar/AMC may also ask the investor to provide a blank cancelled cheque for the purpose of verifying the bank account number.

### Mode of Payment

#### Resident Investors

Payment can be made by MICR cheques only or bank draft/payorder drawn on any bank which is situated at and is a member of the Bankers' Clearing House, located at the place where the application is submitted. No Cash, Money Orders, Outstation Cheques, Post Dated Cheques, Non MICR cheques, Postal Orders will be accepted.

#### Non-Resident Investors/ FIIs

**(i) Repatriation basis:** In the case of NRIs, payment may be made either by inward remittance through normal banking channels or out of funds held in their Non-Resident (External) Rupee Account (NRE) / Foreign Currency (Non-Resident) Account (FCNR).

FIIs shall pay their subscription either by inward remittance through normal banking channels or out of funds held in Foreign Currency Account or Non-Resident Rupee Account maintained by the FII with a designated branch of an authorised dealer.

**(ii) Non Repatriation basis:** In the case of NRIs, payment can be made either by inward remittance through normal banking channels or out of funds held in their NRE/FCNR/ Non-Resident Ordinary Rupee Account (NRO) / Non-Resident (Special) Rupee Account (NRSR)

### Reimbursement of charges

For purchase by Cheque: Nil

For purchase by demand draft: The AMC will reimburse demand draft charges subject to maximum of Rs 10000 per transaction for purchase of units by investors residing at location where the AMC/Official Points of Acceptance (OPA) of ISC's are not located as per table below:

Amount of Investments	Rate of Charge of Demand Drafts
Upto Rs 10,000	All actual subject to a maximum of Rs 50
Above Rs 10,000	Re 1 per Rs 1,000
Maximum Charges	Rs 10,000

The AMC reserves the right to refuse bearing of demand draft charges, in case of investments made by the same applicant(s) through multiple applications at its own discretion which will be final and binding on the investor. Investors residing at places other than where the AMC / OPA of ISC's are located, may make the payment by way of demand draft(s) after deducting charges as indicated in the above table. The AMC reserves the right to insist for the proof of demand draft charges. It may be noted that additional charges, if any, incurred by the investor over and above the levels indicated above will not be borne by the AMC. Demand draft charges shall not be reimbursed for purchase of units by Investors residing at such locations where AMC offices / OPA of ISC's are located. Reimbursement of demand draft charges will be applicable only for the equity schemes.

Demand Draft charges shall not be reimbursed for investments made from overseas. DD charges shall not be reimbursed for investment by Banks. DD charges shall not be reimbursed for debt and liquid schemes of the Mutual Fund.

#### **ASBA Facility to Investors:**

Investors are provided ASBA facility for all NFO launched on or after October 01, 2010. ASBA means “Application Supported by Blocked Amount”. ASBA is an application containing an authorization to block the application money in the bank account, for applying during the NFO. An ASBA investor shall submit an ASBA physically or electronically through the internet banking facility, to the Self Certified Syndicate Bank (SCSB) with whom, the bank account to be blocked, is maintained. Self Certified Syndicate Bank has the same meaning as given to it in clause (zi) of sub regulation (1) of regulation 2 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. SCSB is a bank which is recognized as a bank capable of providing ASBA services to its customers. Names of such banks would appear in the list available on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)).

The SCSB shall then block the application money in the bank account specified in the ASBA, on the basis of an authorisation to this effect given by the account holder in the ASBA. The application money shall remain blocked in the bank account till the allotment of the issue or till withdrawal/ rejection of the application, as the case may be. ASBA facility will be available to all the category of investors mentioned under “Who can invest” Section of the respective SID. An investor, who is eligible for ASBA facility, has the option of making application through ASBA or through the existing facility of applying with cheque / demand draft as mentioned in the SID.

#### **Permanent Account Number (PAN)**

In accordance with SEBI circulars dated April 27, 2007 and June 25, 2007, with effect from July 02, 2007, PAN issued by the Income Tax authorities will be used as the sole identification number for all investors transacting in the securities market including mutual funds, irrespective of the amount of transaction. Thus, on and from January 01, 2008, it will be mandatory for all investors to provide a certified\* copy of the PAN card for all transactions in units of the Scheme. In case of investors who do not provide a certified\* copy of the PAN card, the application for transaction in units of the Scheme is liable for rejection.

However, vide Circular No.MRD/DOP/MF/CIR.08/2008 dated April 3, 2008 issued by SEBI, it has been clarified that Individuals and Non-Individuals residing in Sikkim location are exempted from submission of PAN. They have, however, to comply with KYC norms.

\*Investors are requested to submit a copy along with the original for verification at the investor service centers of the Fund / KARVY, which will be returned across the counter. A Bank Manager’s attestation or a Notarized copy will also be accepted.

#### **Implementation of Know Your Customer (KYC) norms under Prevention of Money Laundering Act, 2002 (PMLA) through CVL**

TMF is committed to complying with all applicable Anti Money Laundering and KYC laws and regulations. TMF recognizes the value and importance of creating a business environment that strongly discourages money launderers from using TMF. To that end, certain policies have been adopted by the AMC. The need to KYC is vital for the prevention of money laundering. Compliance with KYC requirements has been made mandatory for Resident Individuals, Non Resident Individuals/PIOs/OCIs, Any investor investing through a distributor under special arrangement generally titled as a \**“Channel Investor/Channel Distributor”* and all Non Individual Investors like Corporate, Partnership, Firms, Trust HUF, etc.

\*Channel Distributors are those distributors who have an arrangement with Taurus Asset Management Company Ltd. wherein they will submit the mutual fund transactions details (viz. subscriptions/ redemptions/switches, other non-financial transactions, etc.) of their clients electronically to Taurus Asset Management Co Ltd. The above category of investors for the purpose of KYC compliance shall include (i) their constituted Power of Attorney (PoA) holder, in case of investments through a PoA; and (ii) each of the applicants, in case of application in joint names.

In order to make the data capture and document submission easy and convenient for the investors, Mutual Fund Industry has collectively entrusted this responsibility of collection of documents relating to identity and address and record keeping to an independent agency presently CDSL Ventures Limited (CVL) that will act as central record

keeping agency. As a token of having verified the identity and address and for efficient retrieval of records, CVL will issue an acknowledgment to each investor who submits an application.

**PAN Based Common Standard KYC through CVL:**

Investors who wish to complete the KYC requirements have to submit a completed Application Form for KYC along with all the prescribed documents listed in the KYC application Form, at any of the Point of Service („POS“). POS are the designated centers appointed by CVL for receiving application forms, checking the documents and issuing the acknowledgment thereof.

The KYC for investor will be performed based on the Permanent Account Number (PAN), so submission of PAN is mandatory for all the investors. CVL will not issue any new number instead PAN will be accepted as the identification number for the investor. The investor will quote their PAN at the time of investment in Mutual Fund Schemes for which the Front Office of the AMC/ Registrar & Transfer Agent will access the CVL database for detailed information.

The acknowledgment will be issued by CVL based on the submission of the following proof/ documents:

i) photo, ii) proof of identity, iii) proof of address, iv) copy of PAN Card, v) information with regard to financial status and other demographic details and vi) any other information and/or documentation to establish identity of any unitholder(s). It should also be noted that investors are required to be registered with CVL failing to do so the KYC for the investor will not be complete and the investment for the investor is liable to be rejected.

**Non PAN based KYC applicability:**

For certain nature of transactions and type of clients, PAN is not mandatory. In such cases common standard KYC through CVL will not apply. In such cases, the client will have to submit certain documents as elaborated below and KYC will be handled by the AMC/ Registrar & Transfer Agent i.e. Karvy Computershare Private Limited directly. Such nature of transactions and type of clients and the documents required for successful completion of KYC is mentioned below:

A. Micro SIPs: Investments routed through Micro SIPs upto Rs. 50,000 per year per investor

Documents required:

1. Standard specified identification instruments like Voter ID card, Government/Defense ID card, Card of Reputed employer, Driving License, Passport in lieu of PAN.
2. Proof of address copy. It is clarified that where identification documents photo contains the address of the investor, a separate proof of address is not required.
3. Supporting documents copy shall be self attested by the investor / attested by the ARN holder mentioning the ARN number or attested by any competent authority.

However, it is clarified that Investors with PAN are required to follow PAN based common standard KYC through CVL procedure as mentioned above.

B. Investments from Investors residing in Sikkim

Documents required:

1. Proof of address of Sikkim state and application form should mention the same address.
2. Address proof shall be self attested by the investor / attested by the ARN holder mentioning the ARN number or attested by any competent authority.

Documents required:

1. Proof of identity as documentary evidence in support of the claim for such an exemption.
2. Such proof shall be self attested by the investor / attested by the ARN holder mentioning the ARN number or attested by any competent authority. For complying with the KYC requirement all the investors could approach POS or CVL for submitting their KYC Application Form (KAF) and the mandatory documents of Proof of Identity and Proof of Address. The list of all documents required to fill up the form and the detailed process is mentioned above and can be found in the KYC application form. (An updated list of Point of Services (POS) is available at [www.cvlindia.com](http://www.cvlindia.com).) After verification of the KYC application form and accompanying documents, investors will receive a letter certifying their KYC compliance. Investors are requested to read the KYC section of Statement of Additional Information (SAI) in detail. Investors are requested to note that KYC would be subject to verification of the veracity of the claim of the investors by collecting sufficient documentary evidence. The AMC reserves the right to ask for the necessary documentation to the satisfaction of the Mutual Fund. The AMC, under powers delegated by the Trustee, shall have absolute discretion to reject any application, prevent further transactions by a unitholder, if after due diligence, the investor/ unitholder/ person making the payment on behalf of the investor does not fulfill the

requirements of the KYC Policy or the AMC believes that the transaction is suspicious in nature with regard to money laundering.

Currently, the AMC is also acting as POS at its offices as listed at [www.taurusmutualfund.com](http://www.taurusmutualfund.com)

### **Demat Details**

When any scheme is proposed to be listed on any recognised stock exchange, unitholders may opt to hold the units in demat mode. Unitholders opting to hold the units in demat form must provide their demat account details in the specified section of the application form. The unitholder intending to hold the units in demat form should have a beneficiary account with a Depository Participant (DP) (registered with NSDL/ CDSL as may be indicated by the Fund at the time of launch of the scheme). The unitholder will be required to indicate in the application form, the DP's name, DP ID Number and the beneficiary account number of the applicant held with the DP. In case the unitholders do not provide their demat account details, an account statement shall be issued to them. Such investors will not be able to trade in the stock exchange till the holdings are converted into demat form.

### **Redemption**

Unitholders can redeem their Units on any business day. The Redemption Price of the Units will be at the Applicable NAV subject to the exit load if any.

A Unitholder may request redemption of a specified amount or a specified number of units

- Redemption requests will be honored to the extent of credit balance in the Unitholder's account. The number of Units so redeemed will be reduced from the Unitholder's account and a statement to this effect will be issued to the Unitholder.
- If the redemption request exceeds the Balance in the account then the available balance in account will be redeemed.
- Unitholders may also request for redemption of their entire holdings (all Units) by indicating the same at the appropriate place in the Redemption request form. In case there is no mention of the number of units or amount in the redemption request, the entire balance shall be redeemed.

All redemption requests must contain the Unitholder's Account Number and be duly signed by the Unitholders on record as per the mode of holding.

Redemption proceeds will be paid by cheque / direct credit and payments will be made in favour of the sole/first Unitholder's registered name and Bank account number and will be sent to the registered address of the sole/first holder as indicated in the original application form. As per the SEBI Regulations, the Fund shall dispatch the redemption proceeds within ten Business Days from the date of receipt of the redemption request.

### **Dividend and Distributions**

The Trustee may consider declaration of dividend from time to time, subject to availability of distributable surplus, as computed in accordance with SEBI (Mutual Funds) Regulations, 1996. Dividends if declared will be paid (subject to deduction of tax at source, if any) to those Unitholders whose names appear in the Register of Unitholders, on the notified record date. However, it may be distinctly understood that the actual declaration of dividend and the frequency thereof will inter alia depend on the availability of distributable surplus as computed in accordance with SEBI (Mutual Funds) Regulations, 1996. The decision of the Trustee in this regard shall be final.

There is no assurance or guarantee to the Unitholder as to the rate of dividend distribution nor that will the dividends be paid regularly. On payment of dividends, the NAV will stand reduced by the amount of dividend and dividend tax (if applicable) paid.

If the Fund declares a dividend under a Scheme, the AMC shall dispatch the dividend warrants within 30 days from the date of declaration of the dividend. The AMC reserves the right to change the Record date from time to time.

**Reinvestment of Dividend Below the Threshold Amount (Taurus Starshare, Taurus Bonanza Fund, Taurus Discovery Fund, Taurus Ethical Fund, Taurus Infrastructure Fund, Taurus Nifty Index Fund, Taurus Short Term Income Fund, Taurus Liquid Fund-Retail Plan & Taurus Gilt Fund):**

If the dividend amount payable to the unit holders under the dividend payout option of the aforesaid Schemes/Plans is less than the threshold limit of Rs.250, then such amount will be compulsorily and automatically reinvested in the respective Schemes/Plans, with effect from February 1, 2011 (“Effective Date”). The dividend distributed (net of tax deducted at source, whenever applicable) for an amount equal to or less than the threshold limit will be reinvested in the Scheme/Plan by issuing additional Units of the Scheme at the prevailing ex-dividend Net Asset Value of the record date. There shall be no exit load on the dividend so invested. The dividend so reinvested shall constitute a constructive payment of dividend to the Unitholders and a constructive receipt of the same amount from each Unit Holder for reinvestment in Units.

**Online Transactions:**

Transact online is a facility offered on [www.taurusmutualfund.com](http://www.taurusmutualfund.com) for the existing investors whereby by registering for the online transaction facility, they can purchase, redeem or switch units of Taurus Mutual Fund schemes online. The facility to purchase online is available with select banks and subject to submission of PAN & KYC compliance proof by all unitholders.

**Transactions through electronic mode:**

The Mutual Fund may allow subscriptions of units by electronic mode including through the various websites of the distributors with whom the AMC would have an arrangement from time to time after ensuring compliance of the regulations by SEBI or other regulatory authorities.

**New Transaction Platform – Stock Exchange Mechanism**

As and when TAMCO decides to enter into arrangements with NSE / BSE to facilitate purchase/subscription and redemption/ repurchase of units of certain schemes of Taurus Mutual Fund under the Stock Exchange Platform mechanism, suitable Addendum will be issued by TAMCO.

**III. RIGHTS OF UNITHOLDERS OF THE SCHEME**

1. Unit holders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme.
2. When the Mutual Fund declares a dividend under the Scheme, the dividend warrants shall be dispatched within 30 days of the declaration of the dividend. Account Statement reflecting the new or additional subscription as well as Redemption/Switch of Units shall be dispatched to the Unit holder within 10 business days of the Specified Redemption Date. Provided if a Unit Holder so desires the Mutual Fund shall issue a Unit Certificate (non-transferable) within 30 days of the receipt of the request for the certificate.
3. The Mutual Fund shall dispatch Redemption proceeds within 10 Business Days of receiving the Redemption request.
4. The Trustee is bound to make such disclosures to the Unit holders as are essential in order to keep the unitholders informed about any information known to the Trustee which may have a material adverse bearing on their investments.
5. The appointment of the AMC for the Mutual Fund can be terminated by majority of the Directors of the Trustee Board or by 75% of the Unit holders of the Scheme.
6. 75% of the Unit holders of a Scheme can pass a resolution to wind- up a Scheme.
7. The Trustee shall obtain the consent of the Unit holders:
  - Whenever required to do so by SEBI, in the interest of the Unit holders.
  - Whenever required to do so if a requisition is made by three- fourths of the Unit holders of the Scheme.
  - When the Trustee decides to wind up the Scheme or prematurely redeem the Units.
8. The Trustee shall ensure that no change in the fundamental attributes of any Scheme or the trust or fees and expenses payable or any other change which would modify the Scheme and affects the interest of Unit holders shall be carried out unless:
  - (i) a written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and

- (ii) the Unit holders are given an option to exit at the prevailing Net Asset Value without any Exit Load.
9. In specific circumstances, where the approval of unitholders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.

#### **IV. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS**

The Mutual Fund will value the securities and other assets of the schemes in accordance with the valuation norms, as specified in the Eighth Schedule of Regulation 47 of SEBI (Mutual Funds) Regulations, 1996 and applicable guidelines, or such norms as may be prescribed by SEBI from time to time.

The broad Valuation norms are as follows:

##### **(1) TRADED SECURITIES**

1. The listed securities shall be valued at the last quoted closing price on the Stock Exchange.
2. When the securities are traded on more than one recognized stock exchange, the securities shall be valued at the last quoted closing price on the Stock Exchange where the security is principally traded. The AMC will select the appropriate stock exchange, but the reasons for the selection would be recorded in writing. All scrips may be valued at the prices quoted on the stock exchange where a majority in value of the investments are principally traded.
3. Once a stock exchange has been selected for valuation of a particular security, reasons for change of the exchange shall be recorded in writing by the AMC.
4. When on a particular valuation day, a security has not been traded on the principal stock exchange; the value at which it is traded on another Stock Exchange may be used.
5. When a security (other than debt securities) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to valuation date.

When a debt security (other than Government Securities) is not traded on any stock exchange on any particular valuation day, the value at which it was traded on the principal Stock Exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than fifteen days prior to valuation date. When a debt security (other than Government Securities) is purchased by way of private placement, the value at which it was bought may be used for a period of fifteen days beginning from the date of purchase.

##### **(2) NON-TRADED SECURITIES**

When a security (other than Government Securities) is not traded on any stock exchange for a period of thirty days prior to the valuation date, the security will be treated as a 'non-traded' security.

Non-traded securities shall be valued "in-good faith" by the AMC on the basis of appropriate valuation methods based on the principles approved by the Board of AMC. Such decision of the AMC Board must be documented in the Board minutes and the supporting data in respect of each security so valued must be preserved. The methods used to arrive at values "in-good faith" shall be periodically reviewed by the trustees and reported upon by the auditors as 'fair and reasonable' in their report on the annual accounts of the Fund.

**(3) THINLY TRADED SECURITIES:****(i) Thinly Traded Equity/ Equity Related Securities**

- When trading in an equity/equity related security (such as convertible debentures, equity warrants etc.) in a month is both less than Rs 5 lacs and the total volume is less than 50,000 shares, it shall be considered as a thinly traded security and valued accordingly.
- Where a stock exchange identifies the “thinly traded” securities by applying the above parameters for the preceding calendar month and publishes/provides the required information along with the daily quotations, the same can be used by the mutual funds.
- If the share is not listed on the stock exchanges which provide such information, then it will be obligatory on the part of the mutual fund to make its own analysis in line with the above criteria to check whether such securities are thinly traded which would then be valued accordingly. To determine whether a security is thinly traded or not, the volumes traded in all recognised stock exchanges in India may be taken into account.
- In case trading in an equity security is suspended upto 30 days, then the last traded price would be considered for valuation of that security. If an equity security is suspended for more than 30 days, then the Asset Management Company / Trustees will decide the valuation norms to be followed and such norms would be documented and recorded.

**(ii) Thinly Traded Debt Securities**

A debt security (other than Government Securities) shall be considered as a thinly traded security if on the valuation date, there are no individual trades in that security in marketable lots (currently Rs.5 crore) on the Principal Stock Exchange or any other stock exchange.

A thinly traded debt security as defined above would be valued as per the norms set for non-traded debt security

**(4) VALUATION OF NON-TRADED / THINLY TRADED SECURITIES**

Non traded/thinly traded securities shall be valued "in good faith" by the AMC on the basis of the valuation principles laid down below

- **Non-traded/ thinly traded equity securities:**

(a) Based on the latest available Balance Sheet, net worth shall be calculated as follows:

(b) Net Worth per share = [share capital + reserves (excluding reservation reserves) – Misc. expenditure and Debit Balance in P&L A/c] divided by No. of Paid up Shares.

(c) Average capitalisation Rate (P/E Ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any noted with proper justification thereof) shall be taken and discounted by 75%, i.e. only 25% of the Industry average P/E shall be taken as capitalisation rate (P/E Ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.

(d) The value as per the net worth per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for ill-liquidity so as to arrive at the fair value per share.

(e) In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.

(f) In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the share of such companies shall be valued at zero.

(g) In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security.

To determine if a security accounts for more than 5% of the total assets of the scheme, it should be valued by the procedure above and proportion which it bears to the total net assets of the scheme to which it belongs would be compared on the date of valuation.

**(ii) (a) Non Traded / Thinly Traded Debt Securities of Upto 182 days to Maturity :**

As the money market securities are valued on the basis of amortization (cost plus accrued interest till the beginning of the day plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instruments) a similar process will be adopted for non-traded debt securities with residual maturity of upto 182 days, in the absence of any other standard benchmarks in the market. Debt securities purchased with residual maturity of upto 182 days are to be valued at cost (including accrued interest till the beginning of the day) plus the difference between the redemption value (inclusive of interest) and cost spread uniformly over the remaining maturity period of the instrument. In case of a debt security with maturity greater than 182 days at the time of purchase, the last valuation price plus accrued interest should be used instead of purchase cost. All other non-traded Non government debt instruments will be valued using the method suggested in (ii)(b).

**(ii) (b) Non Traded / Thinly Traded Debt Securities of over 182 days to Maturity :**

For the purpose of valuation, all Non Traded Debt Securities would be classified into "Investment grade" and "Non-investment grade" securities based on their credit ratings. The non-investment grade securities would further be classified as "Performing" and "Non Performing" assets.

- All Non Government investment grade debt securities, classified as not traded, shall be valued on yield to maturity basis as described below.
- All Non Government non-investment grade performing debt securities would be valued at a discount of 25% to the face value.
- All Non Government non-investment grade non-performing debt securities would be valued based on the provisioning norms.

(a) Debt Instruments shall generally be valued on a yield to maturity basis, the capitalization factor being determined for comparable traded securities and with an appropriate discount for lower liquidity, promoter background, finance company risk and issuer class risk.

(b) Government Securities (not traded for more than 30 days or one which would qualify as thinly traded security) shall be valued at yield to maturity based on the prevailing market rate in accordance with item (ii) of clause 2 of the Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996.

The approach in valuation of non traded debt securities is based on the concept of using spreads over the benchmark rate to arrive at the yields for pricing the non traded security. The Yields for pricing the non-traded debt security would be arrived at using the process as defined below.

**Step A**

A Risk Free Benchmark Yield is built using the government securities (GOI Sec) as the base. GOI Secs are used as the benchmarks as they are traded regularly; free of credit risk; and traded across different maturity spectrums every week.

**Step B**

A Matrix of spreads (based on the credit risk) is built for marking up the benchmark yields. The matrix is built based on traded corporate paper on the wholesale debt segment of an appropriate stock exchange and the primary market issuances. The matrix is restricted only to investment grade corporate paper.

**Step C**

The yields as calculated above are Marked-up/Marked-down for ill-liquidity risk.

**Step D**

The Yields so arrived are used to price the portfolio.

## Methodology

### A. Construction of Risk Free Benchmark

Using Government of India dated securities, the Benchmark shall be constructed as below:

- Government of India dated securities will be grouped into the various duration buckets , 0.25-0.5 yrs , 0.5-1 years, 1-2 years, 2-3 years, 3-4 years, 4-5 years, 5-6 years and 6 years and the volume weighted yield would be computed for each bucket. These duration buckets may be changed to reflect the market value more closely by any agency suggested by AMFI giving benchmark yield / matrix of spreads over benchmark yield.

The benchmark as calculated above will be set at least weekly, and in the event of any significant movement in prices of Government Securities on account of any event impacting interest rates on any day such as a change in the Reserve Bank of India (RBI) policies, the benchmark will be reset to reflect any change in the market conditions.

### B. Building a Matrix of Spreads for Marking-up the Benchmark Yield

Mark up for credit risk over the risk free benchmark YTM as calculated in step A, will be determined using the trades of corporate debentures/bonds of different ratings. All trades on Stock Exchange, Mumbai during the fortnight prior to the benchmark date will be used in building the corporate YTM and spread matrices. Initially these matrices will be built only for corporate securities of investment grade. The matrices are dynamic and the spreads will be computed every week. The matrix will be built for all duration buckets for which the benchmark GOI matrix is built to effectively link the corporate matrix with the GOI securities matrix. Accordingly:

- All traded paper (with minimum traded value of Rs.1 crore) will be classified by their ratings and grouped into 7 duration buckets; for rated securities, the most conservative publicly available rating will be used;
- For each rating category, average volume weighted yield will be obtained both from trades on the appropriate stock exchange and from the primary market issuances.
- Where there are no secondary trades on the appropriate stock exchange in a particular rating category and no primary market issuances during the fortnight under consideration, the trades on Stock Exchange, Mumbai during the 30 day period prior to the benchmark date will be considered for computing the average YTM for such rating category;
- If the matrix cannot be populated using any or all of the above steps, then credit spreads from trades on Stock Exchange, Mumbai of the relevant rating category over the AAA trades will be used to populate the matrix.
- In each rating category, all outliers will be removed for smoothening the YTM matrix;
- Spreads will be obtained by deducting the YTM in each duration category from the respective YTM of the GOI securities;
- In the event of lack of trades in the secondary market and the primary market the gaps in the matrix would be filled by extrapolation. If the spreads cannot be extrapolated for the reason of practicality, the gaps in the matrix will be filled by carrying the spreads from the last matrix.

**C. Mark-up/Mark-down Yield**

The Yields calculated would be marked-up/marked-down to account for the illiquidity risk, promoter background, finance company risk and the issuer class risk. As the level of ill-liquidity risk would be higher for non-rated securities the marking process for rated and non-rated securities would be differentiated as follows:

<b>Category</b>	<b>Discretionary discount over benchmark yield in basis points</b>
Rated Instruments with duration upto 2 years	Discretion of -50 bps to +100 bps
Rated Instruments with duration over 2 years	Discretion of -25 bps to +75 bps
Unrated Instruments with duration upto 2 years	Discretionary Discount of upto +50 bps over and above the mandatory Discount of +50 bps
Unrated Instruments with duration over 2 years	Discretionary Discount of upto +50 bps over and above the mandatory Discount of +25 bps

Chief Executive Officer of the Asset Management Company shall give prior approval to the use of discretionary mark up or down limit.

The benchmark yield / matrix of spreads over benchmark yield obtained from any agency suggested by AMFI as a provider of benchmark yield / matrix of spreads over benchmark yield to mutual funds, must be applied for valuation of securities on the day on which the bench mark yield / matrix of spreads over benchmark yield is released by the aforesaid agency.

**OTHER INSTRUMENTS, INVESTMENTS IN CALL ETC.**

(a) While investments in call money, bills purchased under rediscounting scheme and short term deposits with banks shall be valued at cost plus accrual; other money market instruments shall be valued at the yield at which they are currently traded. For this purpose, non-traded instruments that is, instruments not traded for a period of seven days will be valued at cost plus interest accrued till the beginning of the day plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instruments.

(b) In respect of convertible debentures and bonds, the non-convertible and convertible components shall be valued separately. The non-convertible component shall be valued on the same basis as would be applicable to a debt instrument. The convertible component should be valued on the same basis as would be applicable to an equity instrument. If, after conversion the resultant equity instrument would be traded pari passu with an existing instrument which is traded, the value of the latter instrument can be adopted after an appropriate discount for the non-tradability of the instrument during the period preceding the conversion. While valuing such instruments, the fact whether the conversion is optional should also be factored in.

(c) In respect of warrants to subscribe for shares attached to instruments, the warrants can be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant. A discount similar to the discount to be determined in respect of convertible debentures (as referred to in sub-paragraph above) must be deducted to account for the period that must elapse before the warrant can be exercised.

(d) Where instruments have been bought on 'repo' basis, the instrument must be valued at the resale price after deduction of applicable interest upto date of resale. Where an instrument has been sold on a 'repo' basis, adjustment must be made for the difference between the repurchase price (after deduction of applicable interest upto date of repurchase) and the value of the instrument. If the repurchase price exceeds the value, the depreciation must be provided for and if the repurchase price is lower than the value, credit must be taken for the appreciation.

**(5) Valuation of unlisted equity shares**

Unlisted equity shares of a company shall be valued "in good faith" on the basis of the valuation principles laid down below

(a) Based on the latest available audited balance sheet, net worth shall be calculated as lower of (i) & (ii) below

(i) Net worth per share = [share capital plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by Number of Paid up shares.

(ii) After taking into account the outstanding warrants and options, Net worth per share shall again be calculated and shall be = [ share capital plus consideration on exercise of Option / Warrants received / receivable by the Company plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses ] divided by {Number of Paid up Shares that would be obtained on conversion / exercise of Outstanding Warrants and Options }

The lower of (i) & (ii) above shall be used for calculation of net worth per share and for further calculation in (c) below.

(b) Average capitalization rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalization rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for the purpose.

(c) The Value as per the net worth per share and the capital earning value calculated as above shall be averaged and further discounted by 15% for illiquidity so as to arrive at the fair value per share.

The above methodology for valuation shall be subject to the following conditions:

- (a) All calculations as aforesaid shall be based on Audited accounts.
- (b) In case where the latest balance sheet of the company is not available within 9 months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.
- (c) If the net worth of the company is negative, the share would be marked down to zero.
- (d) In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.
- (e) In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for valuation of the said security. To determine if a security accounts for more than 5% of the total assets of the scheme, it should be valued in accordance with the procedure as mentioned above on the date of valuation.

At the discretion of the AMC and with approval of the Trustee, an unlisted equity share may be valued at a price lower than the value derived using the aforesaid methodology.

#### **(6) Valuation of securities with Put/Call options**

The option embedded securities would be valued as follows;

##### **Securities with call option:**

The securities with call option shall be valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option.

In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instruments.

##### **Security with Put option**

The securities with Put option shall be valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option.

In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instrument.

**Securities with both Put and Call option on the same day**

The securities with both Put and Call option on the same day would be deemed to mature on the Put/Call day and would be valued accordingly.

**(7) Illiquid Securities**

(a) Aggregate value of “illiquid securities” of scheme, which are defined as non-traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the scheme and any illiquid securities held above 15% of the total assets shall be assigned zero value.

(b) All funds shall disclose as on March 31 and September 30 the scheme-wise total illiquid securities in value and percentage of the net assets while making disclosures of half yearly portfolios to the unit holders. In the list of investments, an asterisk mark shall also be given against all such investments, which are recognised as illiquid securities.

(c) Mutual Funds shall not be allowed to transfer illiquid securities among their schemes

(d) In respect of closed ended funds, for the purpose of valuation of illiquid securities, the limits of 15% and 20% applicable to open-ended funds should be increased to 20% & 25% respectively.

**(8) Value of “Rights” entitlement**

(a) Until they are traded, the value of the “rights” entitlement will be calculated as follows:

$$V_r = n / m \times (P_{ex} - P_{of})$$

where

$V_r$  = Value of Rights

$n$  = no. of rights offered

$m$  = no. of original shares held

$P_{ex}$  = Ex-Rights price

$P_{of}$  = Rights Offer Price

(b) Where the rights are not traded pari-passu with the existing shares, suitable adjustments shall be made to the value of rights. Where it is decided not to subscribe for the rights but to renounce them and the renunciations are being traded, the rights would be valued at the renunciation value.

**(9) Valuation of Derivative Products**

(a) The traded derivatives shall be valued at market price in conformity with the stipulations of sub clauses

( i ) to (v) of clause 1 of the Eighth Schedule to SEBI (Mutual Funds) Regulations 1996, as amended from time to time.

(b) The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed in sub clauses ( i ) and (ii ) of clause 2 of the Eighth Schedule to SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

**Trading in Derivatives and Strategies:**

In accordance with SEBI Circular No Cir/IMD/DF/11/2010 dated August 18, 2010, the following exposure limits for investment in derivatives will be applicable to the schemes.

i) The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the Net Assets of the Schemes.

- ii) Schemes shall not write options or purchase instruments with embedded written options.
- iii) The total exposure related to option premium paid must not exceed 20% of the Net Assets of the Scheme.
- iv) Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
- v) Exposure due to hedging positions may not be included in the above mentioned limits subject to the following -
- Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
  - Hedging position cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point I.
  - Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
  - The quantity of underlying associated with the derivative position taken for hedging purpose does not exceed the quantity of the existing position against which hedge has been taken.
  - Schemes may enter into plan vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.
  - Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point I.
  - Definition of exposure in case of Derivative Positions  
Each position taken in derivative shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows

Position	Exposure
Long Future	Future Price * Lot Size * Number of Contracts
Short Future	Future Price * Lot Size * Number of Contracts
Option bought	Option Premium paid * Lot Size * Number of Contracts

In accordance with SEBI circular DNP/Cir-29/2005 dated September 14, 2005 (including circular issued by SEBI/RBI/FEMA and other Regulatory bodies thereafter from time to time) Mutual Funds are allowed to trade in derivatives. Mutual Funds can trade in index futures, index options, stock options, stock futures contracts etc.

### Position Limits

The position limits for Mutual Funds and its schemes shall be as under:

#### i. Position limit for Mutual Funds in index options contracts

- The Mutual Fund position limit in all index options contracts on a particular underlying index shall be Rs. 250 crores or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.
- This limit would be applicable on open positions in all options contracts on a particular underlying index.

#### ii. Position limit for Mutual Funds in index futures contracts:

- The Mutual Fund position limit in all index futures contracts on a particular underlying index shall be Rs. 250 crores or 15% of the total open interest of the market in index futures, whichever is higher, per Stock Exchange.
- This limit would be applicable on open positions in all futures contracts on a particular underlying index.

#### iii. Additional position limit for hedging

In addition to the position limits at point (i) and (ii) above, Mutual Funds may take exposure in equity index derivatives subject to the following limits:

- Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Funds holding of stocks.
- Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Funds holding of cash, government securities, T-Bills and similar instruments.

#### iv. Position limit for Mutual Funds for stock based derivative contracts

The Mutual Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts, stand modified in the following manner:-

- For stocks in which the market wide position limit is less than or equal to Rs. 250 crores, the Mutual Fund position limit in such stock shall be 20% of the market wide position limit.

•For stocks in which the market wide position limit is greater than Rs. 250 crores, the Mutual Fund position limit in such stock shall be Rs. 50 crores.

**v. Position limit for each scheme of a Mutual Fund**

•For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a mutual fund shall not exceed the higher of:

1% of the free float market capitalisation (in terms of number of shares).

Or

5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).

•This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.

•For index based contracts, Mutual Funds shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

• Each mutual fund shall have a maximum derivatives net position of 50% of the portfolio (i.e. net assets including cash). Each fund shall decide in advance with formal approval of Board of Trustees the maximum net derivatives exposure in terms of percentage of portfolio value it would allow.

• Within the overall limits of a maximum derivatives net position of 50% of the portfolio (i.e. net assets including cash), the limits per Scrip/ Instrument shall be specified by the Board of Trustees. Thus, the Board of Trustees shall determine the overall exposure limit to derivatives, as well as the derivative limits on individual stocks.

Trustees should satisfy themselves that the risk containment measures are in place.

• At no point in time, the derivative position shall result, even for a few moments on an Intra-day basis, in actual or potential leverage or short sale / short position on any underlying security. No shorting of individual stock without the underlying.

• All derivative positions shall be backed by cash or stock as the case may be i.e. all current or potential long positions shall be backed by cash and equivalents at the time of exposure and all current or potential short positions will be fully backed by stock (stocks portfolio for index derivatives).

• The tenure of the Term deposit placed as margin for trading in derivative shall not exceed 182 days.

The gross position of the underlying securities and derivatives shall be considered for the purpose to complying and monitoring stock exposure limit as per Clause 2 of VIIth schedule of SEBI (Mutual Funds) Regulations 1996.

While calculating the industry exposure for disclosure on monthly basis, the total exposure per scrip including derivative exposure shall be considered.

**Guidelines effective from August 1, 2010**

With reference to SEBI Circular No SEBI/IMD/CIR No.16/193388/2010 dated February 02, 2010 & Circular No. Cir/IMD/DF/4/2010 dated June 21, 2010 on 'Valuation of Debt and Money Market Instruments' the provisions regarding valuation of these securities stand modified as follows with effect from August 1, 2010

**I. Valuation of money market and debt securities with residual maturity of upto 91 days:**

All money market and debt securities, including floating rate securities, with residual maturity of upto 91 days shall be valued at the weighted average price at which they are traded on the particular valuation day.

When such securities are not traded on a particular valuation day they shall be valued on amortization basis. It is further clarified that in case of floating rate securities with floor and caps on coupon rate and residual maturity of upto 91 days then those shall be valued on amortization basis taking the coupon rate as floor.

**II. Valuation of money market and debt securities with residual maturity of over 91 days:**

All money market and debt securities, including floating rate securities, with residual maturity of over 91 days shall be valued at weighted average price at which they are traded on the particular valuation day. When such securities are not traded on a particular valuation day they shall be valued at benchmark yield/ matrix of spread over risk free benchmark yield obtained from agency (ies) entrusted for the said purpose by AMFI.

### III. Valuation of securities not covered under the current valuation policy:

In case of securities purchased by mutual funds do not fall within the current framework of the valuation of the securities then such mutual fund shall report immediately to AMFI regarding the same. Further, at the time of investment AMC's shall ensure that the total exposure in such securities does not exceed 5% of the total AUM of the scheme.

AMFI has been advised that the valuation agencies should ensure that the valuation of such securities gets covered in the valuation framework within six weeks from the date of receipt of such intimation from mutual fund.

In the interim period, till AMFI makes provisions to cover such securities in the valuation of securities framework, the mutual funds shall value such securities using their proprietary model which has been approved by their independent trustees and the statutory auditors.

### IV. Consistency:

All AMC's shall ensure that similar securities held under its various schemes shall be valued consistently.

#### (10) Guidelines for investing in Securitised Debt:

##### 1. How the risk profile of securitized debt fits into the risk appetite of the Schemes

The scheme proposes to meet its objectives by investing in debt securities. Securitized debt is also a debt security with similar embedded risk of varying degree. The scheme proposes to invest in these instruments factoring in all the associated risks.

##### 2. Policy relating to originators based on nature of originator, track record, NPAs, losses in earlier securitized debt, etc

The scheme proposes to invest in securitized debt originated by any one of the following type of originator. Such originator may be (1) Bank (2) Non Banking Financial company (NBFC) (3) Micro finance institutions (MFIs) (4) Housing Finance Company (HFC) (5) Body Corporate

The evaluation parameter for the originators would be based on the following factors:

- Business risk factors: The investment process in securitised debt adopted by the fund will normally follow a top down assessment. It would involve taking a macro perspective of the domestic and global economy and then focus on the industry/sector outlook of the specific asset which the fund would buy. After evaluating the sector outlook, the fund would evaluate the originator based on its track record and the embedded credit risk. Further risk assessment norms will be applied (disclosed further in point 4) to the underlying asset.
- Track Record: In a securitization structure, while risk of the scheme is to the underlying asset, the track record of the originator would be judged by the robustness of their risk control norms while disbursing credit, collection procedures and efficiency of the disbursed amount and also the operational efficiency in servicing the securitised asset to the ultimate holders of the securitised debt.
- Credit risk assessment of the originator: The fund proposes to do transactions with originators carrying a credit rating of minimum investment grade. Transactions in securitised debt (except single loan sell) normally include an element of credit enhancement given by the originator. The fund will ensure that such credit enhancement, in the form of cash (deposit which is unencumbered and operated by the trustee) or guarantee by an acceptable third party.
- External Credit opinion: The scheme will invest only in rated securitised debt carrying the highest short/long term rating assigned by a recognized rating agency. The investment process would involve evaluating the rating rationale of the securitised debt and interaction with the originator/credit rating agency for any clarification.

The evaluation parameters listed above would form the guiding principles of assessing the originator related risk factors. However the following factors would be critical while evaluating the originator:

(A) In case of Investment in securitized debt (which is not a single-sell down)

- Past track record of similar type of pools originated with special emphasis on the cumulative collection ratio
- Amount of overdue in the pool to be securitised on the securitization date (in percentage/month terms).
- Re-schedulement risk vis-a-vis prepayment risk based on past track record of similar loans, likely interest rate movement, and sectoral behavior of such asset profile

(B) In case of Investment in securitized debt-single sell down

- The risk of the originator is minimum in case of a single-sell down as the risk is to the end borrower. However for single sell down, it should be ensured by the trustees that a “true sale” has been affected by the originator to the special purpose vehicle and all covenants entered into have been followed.
- For single-sell down, a robust risk appraisal will be followed based on the ultimate borrowers financials based on its leverage, coverage and other relevant financial and non financial parameters.

### **3. Risk mitigation strategies for investments with each kind of originator**

The scheme has the following risk mitigation strategies based on the nature of originator.

- Size and reach of the originator: In case of Asset Backed securitisation transactions (except single-sell down), the originator should have a reasonable asset size and the underlying loans should not be concentrated in one geographical segment. However where the originator is a MFI , geographical dispersion may be concentrated in one area.
- Collection process, infrastructure and follow-up mechanism: There will be a careful evaluation of the collection process, infrastructure and follow up mechanism (for arrears).This would include interaction with the originator, and rating agency and field visits, if possible.
- Quality of MIS: The MIS report sent by the trustee and the originator should be timely, frequent, and relevant in details as to the actual payment received and if any past due the amount of credit enhancement utilized. Such report would form the basis of any actionable on the investments.
- Credit enhancement for different type of originator: The securitised debt should have minimum credit enhancement levels as detailed in the table below. The cash component of the credit enhancement should be in the form of a deposit (operated by the trustee) or an irrevocable guarantee of an acceptable third party.

### **4. The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments**

The following framework will be normally applied while evaluating investment decision relating to a pool securitization transaction:

Characteristics/Type of Pool	Mortgage Loan	Commercial Vehicle and Construction Equipment	CAR	2 wheelers	Micro Finance Pools	Personal Loans	Single Sell Downs
Approximate Average maturity (in Months)	Up to 120	Up to 36	Up to 36	Up to 24	Up to 12	Up to 15	Case to case basis
Collateral margin (including cash ,guarantees, excess interest spread , subordinate tranche)	Minimum 3 percent	Minimum 6 percent	Minimum 8 percent	Minimum 10 percent	Minimum 15 percent	Minimum 15 percent	Case to case basis
Average Loan to Value Ratio (100%)	85 Or lower	90 or lower	90 or lower	80 or lower	Unsecured	Unsecured/For secured 70 or lower	Case to case basis
Average seasoning of the Pool (in months)	Minimum 9	Minimum 3	Minimum 3	Minimum 4	Minimum 1	Minimum 6	Case to Case basis
Maximum single exposure range	Less than 5 percent	Less than 5 percent	Less than 1 percent	Less than 5 percent	Less than 5 percent	Less than 5 percent	NA
Average single exposure range %	Less than 5 percent	Less than 5 percent	Less than 1 percent	Less than 5 percent	Less than 5 percent	Less than 5 percent	NA

The Risk mitigating measures for a pool securitization transaction:

- Size of the loan: The size of loan securitized should normally not exceed 10% of the Gross Assets at the time of the origination of the pool.
- Average original maturity of the pool: The assessment of the original maturity of the pool will be decided at the time of investment as a risk mitigating factor
- Loan to Value Ratio: The scheme will only invest in securitized debt where the normally maximum loan to value ratio is as per the table indicated above.
- Average seasoning of the pool: The scheme will only invest in securitised debt where normally the minimum average seasoning is as per the table indicated above.
- Default rate distribution: The assessment to the default rate distribution, while being assessed at the time of investment, will ensure that such a distribution will be minimal and the pool carries other mechanisms to factor such default distribution.
- Geographical Distribution: The pool should be widely geographically distributed to contain risk associated with a specific geographical area
- Credit enhancement facility: The scheme will only invest in securitized debt where normally the minimum credit enhancement facility is as per the table indicated above.
- Liquidity facility: While liquidity facility is specific to a particular securitization structure, the scheme will normally ensure that liquidity facility is available to the pool besides the credit enhancement facility.
- Structure of the pool: The scheme will invest in pool structures which carry the highest short term/long term rating. Further the structure is easy to understand, and all legal formalities have been processed.

**5. Minimum retention period of the debt by originator prior to securitization**

As the extant regulations do not mention any minimum retention period, the scheme would normally invest in pools (other than MFIs) having minimum retention period of 3 months. However for MFI originated pools the retention period would be 1 month.

For single-sell downs minimum retention period may not be there as the ultimate exposure is to the corporate.

**6. Minimum retention percentage by originator of debts to be securitized**

As the extant regulations do not mention any minimum retention percentage, the scheme would normally invest where the originator retains a minimum of 5 to 10 percentage. However the provision for minimum retention percentage may not be there for single-sell down loans.

**7. The mechanism to tackle conflict of interest when the Schemes invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme of the fund**

Investments are made as per the investment objectives of the scheme. A proper credit analysis, and also a price discovery process ensure that the investment is deemed as an arm's length transaction to prevent any conflict of interest .if any, arising because of the originator being a potential investor.

**8. The resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt**

Taurus Mutual follows a robust credit risk process in place for evaluating risk. The risk evaluation process involves identification, measurement, monitoring and managing the embedded risk .Within the precincts of the regulation, internal limits have been applied to company and the sectors in which it invests. It has a team dedicated to credit risk analysis which monitor all exposures and all relevant factors including rating movements are monitored which act as risk mitigation.

**ACCOUNTING POLICIES**

In accordance with the Regulations, the AMC will follow the accounting policies and standards, as detailed below:

a) The AMC, for each Scheme and its Plans, shall keep and maintain proper books of account, records and documents, so as to explain its transactions and to disclose at any point of time the financial position of the Scheme and, in particular, give a true and fair view of the state of affairs of the Fund.

b) For the purposes of the financial statements, the Scheme and its Plans shall mark all investments to market and carry investments in the balance sheet at market value. However, since the unrealized gain arising out of appreciation on investments cannot be distributed, provision shall be made for exclusion of this item when arriving at distributable income.

c) Dividend income earned by the Scheme and its Plans shall be recognized, not on the date the dividend is declared, but on the date the share is quoted on an ex-dividend basis. For investments, which are not quoted on the stock exchange, dividend income would be recognized on the date of declaration of dividend.

d) In respect of all interest-bearing investments, income shall be accrued on a day to day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date up to the date of purchase should not be treated as a cost of purchase but shall be debited to Interest Recoverable Account. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale must not be treated as an addition to sale value but shall be credited to Interest Recoverable Account.

e) In determining the holding cost of investments and the gains or loss on sale of investments, the "average cost" method shall be followed for each security.

f) Transactions for purchase or sale of investments shall be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year are recorded and reflected in the financial statements for that year. Where investment transactions take place outside the stock market, for example, acquisition through private placement or purchases or sales through private treaty, the transaction would be recorded, in the event of a purchase, as of the date on which the Scheme obtains an enforceable obligation to pay the

price or, in the event of a sale, when the Scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

g) Bonus shares to which the Scheme and the Plans thereunder becomes entitled shall be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, rights entitlements shall be recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-right basis.

h) Where income receivable on investments has accrued but has not been received for the period specified in the guidelines issued by the Board, provision shall be made by debiting to the revenue account the income so accrued in the manner specified by guidelines issued by the Board.

i) When in case of an open-ended scheme units are sold, the difference between the sale price and the face value of the unit, if positive, should be credited to reserves and if negative be debited to reserves, the face value being credited to Capital Account. Similarly, when in respect of such a scheme, units are repurchased the difference between the purchase price and face value of the unit, if positive should be debited to reserves and, if negative, should be credited to reserves, the face value being debited to the capital account.

j) In the case of open-ended scheme, when units are sold in the Scheme, an appropriate part of the sale proceeds shall be credited to an Equalization Account and when units are repurchased an appropriate amount shall be debited to Equalization Account. The net balance on this account shall be credited or debited to the Revenue Account. The balance on the Equalization Account debited or credited to the Revenue Account shall not decrease or increase the net income of the Fund but is only an adjustment to the distributable surplus. It should, therefore, be reflected in the Revenue Account only after the net income of the Fund is determined.

k) In a close-ended scheme [launched prior to the commencement of the SEBI (Mutual Funds) (Amendment) Regulations, 2009] which provide to the unitholders the option for an early redemption or repurchase their own units, the par value of the unit has to be debited to Capital Account and the difference between the purchase price and the par value, if positive, should be credited to reserves and, if negative, should be debited to reserves. A proportionate part of the unamortized initial issue expenses should also be transferred to the reserves so that the balance carried forward on that account is proportional to the number of units remaining outstanding.

l) The cost of investments acquired or purchased shall include brokerage, stamp charges, security transaction tax and any charge customarily included in the broker's bought note. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment.

m) Underwriting commission shall be recognized as revenue only when there is no development on the Scheme and its Plans. Where there is development on the Scheme and the Plans thereunder, the full underwriting commission received and not merely the portion applicable to the development shall be reduced from the cost of the investment.

The accounting policies and standards outlined above are as per the existing Regulations and are subject to change as per changes in the Regulations.

#### **Guidelines for Identification and Provisioning for Non Performing Assets for Mutual Funds:**

**(A) Definition of a Non Performing Asset (NPA):** An 'asset' shall be classified as non performing, if the interest and/or principal amount have not been received or remained outstanding for one quarter from the day such income / installment has fallen due.

**(B) Effective date for classification and provisioning of NPAs:** The definition of NPA may be applied after a quarter past due date of the interest. For e.g. if the due date for interest is 31.12.2009 it will be classified as NPA from 01.04.2010

**(C) Treatment of income accrued on the NPA and further accruals:** After the expiry of the 1st quarter from the date the income has fallen due, there will be no further interest accrual on the asset i.e. if the due date for interest falls on 31.12.2004 and if the interest is not received, accrual will continue till 31.03.2005 after which there will be

no further accrual of income. In short, taking the above example, from the beginning of the 2nd quarter there will be no further accrual on income.

On classification of the asset as NPA from a quarter past due date of interest, all interest accrued and recognized in the books of accounts of the Fund till the date, should be provided for. For e.g. if interest income falls due on 31.12.2004, accrual will continue till 31.03.2005 even if the income as on 31.12.2004 has not been received. Further, no accrual will be done from 01.04.2005 onwards. Full provision will also be made for interest accrued and outstanding as on 31.03.2005.

**(D) Provision for NPAs – Debt Securities :** Both secured and unsecured investments once they are recognized as NPAs call for provisioning in the same manner and where these are related to close ended scheme the phasing would be such that to ensure full provisioning prior to the closure of the scheme or the scheduled phasing whichever is earlier.

The value of the asset must be provided in the following manner or earlier at the discretion of the fund. Fund will not have discretion to extend the period of provisioning. The provisioning against the principal amount or installments should be made at the following rates irrespective of whether the principal is due for repayment or not.

10% of the book value of the asset should be provided for after 6 months past due date of interest i.e. 3 months from the date of classification of the asset as NPA.

20% of the book value of the asset should be provided for after 9 months past due date of interest i.e. 6 months from the date of classification of the asset as NPA.

Another 20% of the book value of the assets should be provided for after 12 months past due date of interest i.e. 9 months from the date of classification of the asset as NPA.

Another 25% of the book value of the assets should be provided for after 15 months past due date of interest i.e. 12 months from the date of classification of the asset as NPA.

The balance 25% of the book value of the asset should be provided for after 18 months past due date of the interest i.e. 15 months from the date of classification of the assets as NPA.

Book value for the purpose of provisioning for NPAs shall be taken as a value determined as per the prescribed valuation method.

**(E) Reclassification of assets:** Upon reclassification of assets as ‘performing assets’:

1. In case a company has fully cleared all the arrears of interest, the interest provisions can be written back in full.
2. The asset will be reclassified as performing on clearance of all interest arrears and if the debt is regularly serviced over the next two quarters.
3. In case the company has fully cleared all the arrears of interest, the interest not credited on accrual basis would be credited at the time of receipt.
4. The provision made for the principal amount can be written back in the following manner: -  
  
100% of the asset provided for in the books will be written back at the end of the 2<sup>nd</sup> quarter where the provision of principal was made due to the interest defaults only.  
  
50% of the asset provided for in the books will be written back at the end of the 2<sup>nd</sup> quarter and 25% after every subsequent quarter where both installments and interest were in default earlier.
5. An asset is reclassified as ‘standard asset’ only when both overdue interest and overdue installments are paid in full and there is satisfactory performance for a subsequent period of 6 months.

**(F) Receipt of past dues:** When the fund has received income/principal amount after their classifications as NPAs;

- For the next 2 quarters, income should be recognized on cash basis and thereafter on accrual basis. The asset will be continued to be classified as NPA for these two quarters.
- During this period of two quarters although the asset is classified as NPA no provision needs to be made for the principal if the same is not due and outstanding
- If part payment is received towards principal, the asset continues to be classified as NPA and provisions are continued as per the norms set at (D) above. Any excess provision will be written back.

Some of the investments made by mutual funds may become non-performing (NPAs) or illiquid at the time of maturity/ closure of schemes. In due course of time, these NPAs and illiquid securities may be realised by the mutual funds i.e. after the winding up of the schemes. Such amount would be distributed, if it is substantial and is realised within two years, to the old investors. In case the amount is not substantial or it is realised after two years, it may be transferred to the Investor Education Fund maintained by each mutual fund as specified in SEBI circular MFD/CIR/9/120/2000 dated November 24, 2000. The decision as to the determination of substantial amount shall be taken by the Trustee of mutual funds after considering the relevant factors.

**(G) Classification of Deep Discount Bonds as NPAs:** Investments in Deep Discount Bonds can be classified as NPAs, if any two of the following conditions are satisfied:

- If the rating of the Bond comes down to grade 'BB' or below.
- If the company is defaulting in their commitments in respect of other assets, if available.
- Full Net worth erosion.

Provision should be made as per the norms set at (D) above as soon as the asset is classified as NPA. Full provision can be made if the rating comes down to grade 'D'

**(H) Re-schedulement of an asset:** In case any company defaults either interest or principal amount and the fund has accepted a re-schedulement of the schedule of payments, then the following practice may be adhered to:

(i) In case it is a first re-schedulement and only interest is in default, the status of the asset namely, 'NPA' may be continued and existing provisions should not be written back. This practice should be continued for two quarters of regular servicing of the debt. Thereafter, this be classified as 'performing asset' and the interest provided may be written back.

(ii) If the re-schedulement is done due to default in interest and principal amount, the asset should be continued as non-performing for a period of 4 quarters, even though the asset is continued to be serviced during these 4 quarters regularly. Thereafter, this can be classified as 'performing asset' and all the interest provided till such date should be written back.

(iii) If the re-schedulement is done for a second/third time or thereafter, the characteristic of NPA should be continued for eight quarters of regular servicing of the debt. The provision should be written back only after it is reclassified as 'performing asset'.

**(I) Disclosure in the Half Yearly Portfolio Reports:** The mutual funds shall make scripwise disclosures of NPAs on half yearly basis along with the half yearly portfolio disclosure.

The total amount of provisions made against the NPAs shall be disclosed in addition to the total quantum of NPAs and their proportion of the assets of the mutual fund scheme.

In the list of investments an asterisk mark shall be given against such investments which are recognized as NPAs. Where the date of redemption of an investment has lapsed, the amount not redeemed shall be shown as 'Sundry Debtors' and not investment provided that where an investment is redeemable by installments that will be shown as an investment until all installments have become overdue.

## V. TAX & LEGAL & GENERAL INFORMATION

### A. Taxation on investing in Mutual Funds

As per the taxation laws in force as at the date of this document, some broad implications of investing in the units of the various schemes of the Fund are stated below. The information so stated is based on the Fund's understanding of the tax laws in force as of the date of this document.

The information stated below is only for the purpose of providing general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. As the tax consequences are specific to each investor and in view of the changing tax laws, each investor is advised to consult his or its own tax consultant with respect to specific tax implications arising out of his or her or its participation in the various schemes of the Fund.

### TAX BENEFITS

#### 1. To the Mutual Fund

Taurus Mutual Fund is a Mutual Fund registered with the Securities & Exchange Board of India and hence the entire income of the Fund is exempt from Income Tax in accordance with the provisions of Section 10(23D) of the Income Tax Act, 1961, (the Act). As per Section 196 (iv) of the Act, income received by the Fund is not liable for deduction of tax at source.

#### 2. Income Distribution Tax

Under the provisions of Section 115R (2) of the Act, income distribution tax is payable by the Fund at different rates on Income distributed by different types of Mutual Fund Schemes.

The equity oriented funds are exempt from paying distribution tax on income distributed to unit holders. The term "Equity Oriented Fund" has been defined to mean a fund where the investible funds are invested by way of equity shares in domestic companies to the extent of more than 65% of the total proceeds of such fund. Further, it is provided that the percentage of equity share holding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

In terms of section 115R of the Act, where the income is distributed by a scheme other than an equity oriented fund, it is required to pay tax on income distributed by it, as under:

#### **Tax on Distributed Income by a money market fund or a liquid fund**

On income distributed to Individuals / HUF: Tax rate of 27.038% (25% plus 5% surcharge plus 3% education cess and secondary & higher education cess on the amount of tax plus surcharge)

On income distributed to any other person including domestic companies/firms/ AOP/BOI etc: Tax rate of 32.445% (30% plus 5% surcharge plus 3% education cess and secondary & higher education cess on the amount of tax plus surcharge)

#### **Tax on Distributed Income by a Fund other than a money market fund or liquid fund or equity oriented fund**

On income distributed to Individuals / HUF: Tax rate of 13.519% (12.50% plus 5% surcharge plus 3% education cess and secondary & higher education cess on the amount of tax plus surcharge)

On income distributed to any other person including domestic companies/firms/ AOP/BOI etc: Tax rate of 32.445% (30% plus 5% surcharge plus 3% education cess and secondary & higher education cess on the amount of tax plus surcharge)

### 3. Securities Transaction Tax (STT)

The Mutual Fund is liable to pay Securities Transaction Tax (STT) at prescribed rates on the value of transactions of purchase or sale of specified securities.

The rates of STT are as under:

Name of Transaction	Payable By	Value on which Tax shall be levied	Rates (%)
Delivery based purchase of transaction in equity shares or unit of equity oriented fund entered in a recognized stock exchange	Purchaser	Value at which units/shares are bought	0.125
Delivery based sale transaction in equity shares or units of equity oriented fund entered in a recognized stock exchange	Seller	Value at which units/shares are bought	0.125
Non Delivery based sale transaction in equity shares or units of equity oriented fund entered in a recognized stock exchange	Seller	Value at which units/shares are sold	0.025
Transaction for sale of futures in securities	Seller	Value at which futures are traded	0.017
Transaction for sale of an option in securities	Seller	The option premium	0.017
Transaction for sale of an option in securities where the option is exercised	Purchaser	The settlement price	0.125
Sales of units of an equity oriented fund to the mutual fund	Seller	Value at which units are sold	0.25

## TAX TREATMENT FOR INVESTOR

### A. INCOME TAX

#### I) INCOME RECEIVED FROM MUTUAL FUND

Under the provisions of Section 10 (35) of the Income-tax Act, 1961, income received by all categories of unitholders from the Schemes will be exempt from income tax in their hands. In view of this position, no tax needs be deducted at source from such distribution by the schemes.

#### II) INVESTORS IN EQUITY LINKED SAVING SCHEME ONLY

In terms of the provisions of section 80C of the Act, an individual or a HUF is entitled to claim a deduction for investments made in specified securities etc. up to a maximum amount of Rs.100,000. Subscription of any units of the schemes of Mutual Fund notified under clause (23D) of section 10 of the Act or from the Administrator or the specified company under any plan formulated in accordance with such scheme as the Central Government may, by notification in the Official Gazette, specify in the behalf, qualify for deduction under section 80C of the Act.

The Central Government has notified the Equity Linked Savings Scheme, 2005 ('ELSS 2005') in this regard vide Notification No. 226 dated November 03, 2005 as amended by Notification No. 259 dated December 13, 2005.

The investors would, therefore, be entitled to the benefits under section 80C of the Act for investments made in Taurus Tax Shield scheme of the Fund upto 1 Lacs subject to the aggregate limit of Rs.1 Lac for all the investments provided under section 80C of the Act.

### B. TAX ON CAPITAL GAINS

As per the provisions of section 2(42A) of the Act, a unit of a Mutual Fund, held by the investor as a capital asset, is considered to be a short term capital asset, if it is held for 12 months or less from the date of its acquisition by the unit holder. Accordingly, if the unit is held for a period of more than 12 months, it is treated as a long-term capital asset.

## LONG TERM CAPITAL GAINS

### D) INVESTORS IN EQUITY ORIENTED SCHEMES

As per Section 10(38) of the Act, Long Term Capital Gains arising from the sale of units of equity oriented funds are exempt from Income Tax in the hands of the unit holders, provided such transactions are entered into a recognised stock exchange or such units are sold to the Mutual Fund and are chargeable to STT. Securities transaction tax (STT) shall be levied @ 0.25% i. e. 25 basis point on the seller as per Finance Act, 2006.

### II). INVESTORS IN DEBT ORIENTED SCHEMES

*For investors in Debt Oriented Schemes, the following are the Long terms capital gains impact;*

#### i) For Individuals and HUFs

Long-term Capital Gains in respect of Units held for a period of more than 12 months are chargeable under section 112 of the Income-Tax Act, 1961 at the rate of 20% plus education cess, as applicable. Capital gains would be computed after taking into account cost of acquisition, as adjusted by Cost Inflation Index notified by the Central Government and expenditure incurred wholly and exclusively in connection with such transfer. In a case, where taxable income, as reduced by long term capital gains, is below the exemption limit, the long term capital gains will be reduced to the extent of the shortfall and only the balance long term capital gains will be charged at the flat rate of 20% plus education cess, as may be applicable.

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

#### ii) For Partnership Firms, Non-Residents, Indian Companies/Foreign Companies

Long-term Capital Gains in respect of units held for a period of more than 12 months will be chargeable under section 112 of the Income-Tax Act, 1961, at the rate of 20% plus surcharge and education cess, as may be applicable. Capital gains would be computed after taking into account cost of acquisition, as adjusted by Cost Inflation Index notified by the Central Government, and expenditure incurred wholly and exclusively in connection with such transfer.

It is further provided that an assessee will have an option to avail of the concessional rate of 10%, plus surcharge and education cess, as applicable, on long term capital gains computed without adjusting cost for indexation.

#### iii) For Non-resident Indians

Under section 115E of the Income Tax Act, 1961, in case of non-resident Indians, income by way of long-term capital gains, in respect of Units, is chargeable at the rate of 20% plus education cess. Such long-term capital gains would be calculated with indexation of cost of acquisition.

Non-resident Indians may opt for computation of long term capital gains as per section 112, if it is more beneficial to them.

Applicability of surcharge would be as follows:

- a) Individuals, HUFs, Association of Persons or Body of Individuals (whether incorporated or not), firm, LLP and artificial juridical person – Surcharge would be NIL.
- b) Domestic Company with income exceeding Rs 10 mn in a year – Surcharge at the rate of 5%
- c) Company other than domestic company, with income exceeding Rs 10 mn in a year – Surcharge at the rate of 2%

#### iv) For Overseas Financial Organizations, and Foreign Institutional Investors fulfilling conditions laid down under section 115AB (Offshore Fund)

Under section 115AB of the Income-Tax Act, 1961, long term capital gains in respect of units held for a period of more than 12 months will be chargeable at the rate of 10%, plus surcharge and education cess, as may be applicable. Such gains would be calculated without indexation of cost of acquisition.

**v) Setting off Previous Year's brought Forward Losses**

Loss arising on transfer of a long term capital asset can be set off only against other long term capital gains and not against any other income. If there is nil or inadequate long term capital gains in any year, the loss remaining will be allowed to be carried forward to the next year upto a maximum of 8 years.

**SHORT TERM CAPITAL GAINS:****I). INVESTORS IN EQUITY ORIENTED SCHEMES**

As per Section 111A of the Act, short-term capital gains from the sale of unit of an equity oriented fund entered into in a recognised stock exchange or sale of such unit of an equity oriented fund to the mutual fund is taxed at 15%, provided such transaction of sale is chargeable to STT.

The said tax rate would be increased by a surcharge of:

- a) 5% in case of resident corporate unit holders, and
- b) 2% in case of non-resident corporate unit holders.

However, surcharge is leviable on companies only if their total income is in excess of Rs 10 mn.

Further, an additional surcharge of 3% by way of education cess would be charged on amount of tax+ plus applicable surcharge to all assesses.

Further, in case of individuals/HUFs, being residents, where the total income excluding short-term capital gains is below the maximum amount not chargeable to tax then the difference between the current maximum amount not chargeable to tax and total income excluding short-term capital gains, shall be adjusted from short-term capital gains. Therefore, only the balance short term capital gains would be liable to the income tax at the rate of 15% plus education cess of 3%.

**II). INVESTORS IN DEBT ORIENTED SCHEMES**

For investors in Debt Oriented Schemes, the following are the Short Terms Capital Gains impact:

**i. Capital Gains/Losses**

Short term capital gains are taxed at the normal rates applicable to each unitholder. Loss arising on transfer of a short term capital asset can be set off only against other short term capital gains or long term capital gains. If there is nil or inadequate capital gains in any year, the loss remaining will be allowed to be carried forward to the next year upto a maximum of 8 years.

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

As per Section 94(8) of the Act, where any units ("original units") are acquired within a period of three months prior to the record date fixed for purposes of entitlement of the unit holder to receive bonus units and any bonus units are allotted (free of cost) based on the holding of the original units, the loss, if any, on sale of the original units within a period of nine months after the record date, shall be ignored in the computation of the unit holder's taxable income. Such loss will however, be deemed to be the cost of acquisition of the bonus units.

**ii. Income Tax Rates**

Short term Capital Gain in respect of Units held for a period of not more than 12 months is added to the total income. Total income including short-term capital gain is chargeable to tax as per the relevant slab rates. The maximum tax rate applicable to different categories of assesses are as follows:

Resident individuals and HUF	30% plus education cess
Partnership Firms	30% plus education cess
Indian Companies	30% plus applicable surcharge plus education cess

Foreign Companies 40% plus applicable surcharge plus education cess

\*Applicable surcharge is as follows:

b) Domestic Company with income exceeding Rs 10 mn in a year – Surcharge at the rate of 5%

c) Foreign company, with income exceeding Rs 10 mn in a year – Surcharge at the rate of 2%

### Investment by Minors

Where sale/repurchase is made during the minority of the child, tax will be levied on either of the parents, whose income is greater, where the said income is not covered by the exception in the proviso to Section 64(1A) of the Act. When the child attains majority, such tax liability will be on the child.

## D. TAX DEDUCTION AT SOURCE

Under section 195 of the Income Tax Act, 1961, tax shall be deducted at source in respect of capital gains as under:

### I) INVESTORS IN EQUITY ORIENTED SCHEMES

a. In case of non-resident other than a company -

- Long term capital gains Nil
- Short term capital gains 15% plus education cess as applicable

b. In case of foreign company -

- Long term capital gains Nil
  - Short term capital gains 15% plus surcharge as applicable\* plus education cess as applicable
- \*Surcharge is 2% assuming that the total income of unit holder is in excess of Rs 10 mn.

### II). INVESTORS IN DEBT ORIENTED SCHEMES

a. In case of nonresident other than a company -

- Long term capital gains 20% plus education cess
- Short term capital gains 30% plus education cess

b. In case of foreign company -

- Long term capital gains 20% plus surcharge plus education cess
  - Short term capital gains 40% plus surcharge as applicable\* plus education cess
- \*Surcharge is 2% assuming that the total income of unit holder is in excess of Rs 10 mn

c. In case of Offshore Fund and FIIs as defined in 115AB

- Long term capital gains 10% plus surcharge as applicable\* plus education cess
- \*Surcharge is 2% assuming that the total income of unit holder is in excess of Rs 10 mn.

### Applicable to all Schemes:

As per circular no. 728 dated October 1995 by CBDT, in the case of a remittance to a country with which a Double Taxation Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in DTAA whichever is more beneficial to the tax payer.

New provisions for NRI TDS applicable w.e.f. April 1st 2010

In terms of Section 206AA of Income tax Act, 1961, introduced by Finance (No. 2) Act, 2009, w.e.f. 1st April, 2010, If recipient (including NRI's) does not furnish his PAN to the deductor then tax shall be deducted at the higher of the following rates, namely:

- a) at the rate specified in the relevant provision of this Act; or
- b) at the rate or rates in force; or
- c) at the rate of twenty per cent

Under the new provisions the tax will be charged at the higher of the rates mentioned above if the PAN number of the investor is not available / provided by the investor. (The said Tax Rate would be increased by an applicable Surcharge, Education Cess and Secondary Higher Education Cess)

**E. EXEMPTION FROM TAX ON CAPITAL GAINS ARISING ON TRANSFER OF UNITS HELD FOR MORE THAN 12 MONTHS (WHEREVER APPLICABLE)**

**U/S 54EC of the Income Tax Act, 1961**

Under section 54EC of the Income Tax Act, 1961, where a tax payer has made capital gains from the transfer of units held in the Mutual Fund for a period exceeding 12 months and the assessee has any time within a period of 6 months after the date of such transfer, invested the whole of the capital gains in the long term specified assets, such capital gains shall be exempted from tax on capital gains under section 54EC of the Income Tax Act, 1961. However, if the assessee has invested only a part of the capital gains, he will be eligible for proportionate exemption. As per Finance Act 2007, the maximum deduction available under this section is restricted to Rs. 50 Lacs.

**F. SECURITIES TRANSACTION TAX**

Under Chapter VII of Finance (No.2) Act, 2004 the unit holder is liable to pay Securities Transaction Tax (STT) in respect of "taxable securities transaction" at the applicable rates. Taxable securities transactions include purchase or sale of units of an equity oriented fund entered into on the stock exchange or sale of units of an equity oriented fund to the mutual fund.

The purchaser and seller of units of an equity oriented fund are liable to pay STT @ 0.125% each where the purchase and sale is entered into on a recognized stock exchange and the contract for the purchase and sale of units is settled by actual delivery or transfer of such units.

The seller of units would however be liable to pay STT @ 0.025% in case of sale of units of an equity oriented fund where the transactions of such sale is entered into on a recognized stock exchange and the contract for the sale of such units is settled otherwise than by the actual delivery or transfer of such units.

At the time of sale of units of equity oriented fund to the mutual fund, the seller is required to pay an STT @ 0.25%

The securities transaction tax paid by the assessee during the year in respect of taxable securities transactions entered in the course of business shall be allowed as deduction under Section 36 of the Act subject to the condition that such income from taxable securities transactions is included under the head 'profits and gains of business or profession'.

**G. INVESTMENTS BY CHARITABLE AND RELIGIOUS TRUSTS IN THE SCHEMES**

Units of the Schemes constitute an eligible avenue for investment by charitable or religious trusts per rule 17C of the Income Tax Rules, 1962, read with clause (xii) of sub-section (5) of section 11 of the Income Tax Act, 1961.

**H. WEALTH TAX**

Units held under the Schemes are not treated as assets within the meaning of section 2(ea) of the Wealth Tax Act, 1957 and are, therefore, not liable to Wealth-Tax.

**I. GIFT TAX**

Units of the Schemes may be given as a Gift and no Gift tax will be payable either by the donor or the donee, as the Gift Tax Act was abolished with effect from 1st October 1998.

However w.e.f. from 01/10/2009, gifts of units of Mutual Funds would be subject to income tax in the hands of the recipient. As per section 56(2) (vi) if an individual or HUF receives securities, shares, jewelry, valuable artifacts, valuable drawings, paintings or sculptures or even property valued over rupees fifty thousand as gift from non-relatives without consideration or without adequate consideration it would be taxable as income in the hands of the donee/recipient.

Further the above provisions of Section 56(2)(vi) shall not apply to gift received by the donee

- (a) From any relative
- (b) On the occasion of the marriage of the individual: or
- (c) Under a will or by inheritance: or
- (d) in contemplation of death of the payee or donor, as the case may be: or
- (e) From any local authority as defined in the Explanation to clause (20) of Section 10 of the Act: or
- (f) From any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of Section 10 of the Act: or
- (g) From any trust or institution registered under Section 12AA of the Act

Relative shall mean:

- (i) Spouse of the individual;
- (ii) Brother or sister of the individual;
- (iii) Brother or sister of the spouse of the individual;
- (iv) Brother or sister of either of the parents of the individual;
- (v) Any lineal ascendant or descendant of the individual;
- (vi) Any lineal ascendant or descendant of the spouse of the individual;
- (vii) Spouse of the person referred to in clauses (ii) to (vi)

**Note: The tax provisions/implications described above are available, under present taxation law, to the unitholders of Mutual Funds. The information set forth above is based on the Mutual Fund's understanding of such tax laws in force. The information is provided for general information purposes only and does not constitute legal or tax advice. Investors/Unitholders should be aware that the relevant fiscal rules or their interpretation may change and there can be no guarantee that the tax position or proposed tax position prevailing at the time of an investment in the Fund will remain indefinitely. In view of the individual nature of tax consequences, each Investor/Unitholder is advised to consult his/her own professional tax advisor with respect to the specific tax and other implications arising out of their participation in the scheme.**

#### **CAVEAT**

The Government proposes to introduce New Direct Tax Code which is likely to be applicable from 1<sup>st</sup> April 2012. The provisions given in the Direct Tax Code carries significant tax changes on the existing provisions given in the SAI.

## **B. Legal Information**

### **B.1 Nomination Facility**

Pursuant to Regulation 29A of the SEBI Regulations, the AMC provides an option to the Unit Holder to nominate (in the manner prescribed under the SEBI Regulations), a person(s) in whom the Units held by him shall vest in the event of his death. Where the Units are held by more than one person jointly, the joint Unit Holder may together nominate a person(s) in whom all the rights in the Units shall vest in the event of death of all the joint Unitholders. By provision of this facility the AMC is not in any way attempting to grant any rights other than those granted by law to the nominee(s).

A nomination in respect of the Units does not create an interest in the property after the death of the Unit holder. The nominee(s) shall receive the Units only as an agent and Trustee for the legal heirs or legatees as the case may be. It is hereby clarified that the nominee(s) under the nomination facility provided herein shall not necessarily acquire any title or beneficial interest in the property by virtue of this nomination.

As per AMFI Circular dated 3rd January, 2008, a Unitholder can, at the time an application or by writing to an ISC, request for a nomination form in order to nominate multiple persons to receive the Units upon his / her death, subject to the completion of certain necessary formalities e.g. providing proof of the death of the Unit Holder, signature of the nominee, furnishing proof of guardianship if the nominee is a minor, and the execution of an indemnity bond or such other documents as may be required from the nominee in favor of and to the satisfaction of the AMC / Registrar.

Nomination can be made only by individuals on their own behalf, either singly or jointly. If the Units are held jointly, all joint Unitholders must sign the nomination form. Non-individuals including society, trust, body corporate, partnership firm, Karta of HUF, holder of POA can not nominate.

Only the following categories of Indian residents can be nominated: (a) individuals; (b) minors through parent/legal guardian (whose name and address must be provided); (c) religious or charitable trusts; and (d) Central Government, State Government, a local authority or any person designated by virtue of his office.

Nomination can be made for a maximum of 3 nominees. In case of multiple nominees, the percentage of allocation, share in favour of each of the nominees should be indicated against their name and such allocation / share should be in whole numbers without any decimals making a total of 100 percent. In the event of Unit Holders not indicating the percentage of allocation / share for each of the nominees, the Mutual Fund/ the AMC, by invoking the default option shall settle the claim equally amongst all the nominees.

A nomination in respect of Units will be treated as rescinded upon the Redemption of all Units. Cancellation of a nomination can be made only by the Unitholders who made the original nomination and must be notified in writing. On receipt of a valid cancellation, the nomination shall be treated as rescinded and the AMC / Fund shall not be under any obligation to transfer the Units in favor of the nominee.

The nomination facility extended under the Scheme is subject to existing laws. The AMC shall, subject to production of such evidence which in their opinion is sufficient, proceed to effect the payment/ transfer to the Nominee(s). The transfer of Units / payment to the nominee of the Redemption proceeds shall be valid and effectual against any demand made upon the Fund / AMC / Trustee and shall discharge the Fund /AMC / Trustee of all liability towards the estate of the deceased Unit Holder and his / her legal heirs or other successors.

The Fund, the AMC and the Trustee are entitled to be indemnified from the deceased Unit Holder's estate against any liabilities whatsoever that any of them may suffer or incur in connection with a nomination.

Investors may note that where the Units are transferred in favour of the nominee, the “Know Your Customer” norms, where applicable will have to be fulfilled by the nominee.

The nomination details as registered with the Depository Participant shall be applicable to Unit Holders who have opted to hold units in Demat mode.

#### **Account of Minor, Account Status Change, Minor attaining Majority and Change of Guardian.**

##### **A] New Account / Folio is opened on behalf of a Minor**

- The minor shall be the first and the sole holder in an account. No Joint holders are allowed.
- Guardian in the account / folio on behalf of the minor should be either a natural guardian (i.e. father or mother) or a court appointed legal guardian. Further, the minor's Date of Birth (DOB) too should be mentioned on the application form. Documents supporting the DOB of the minor and also the relationship of the Guardian & the Minor have to be enclosed.

##### **B] Minor attaining Majority - Status change**

- On the Minor becoming a Major, the status of the same needs to be incorporated in the folio. For this, the Investor has to submit KYC acknowledgement, details of bank account wherein the Major has operating powers as well as signature of the Major, suitably attested. The request letter should have the signature of existing guardian also.
- In case of non receipt of request for change of status along with relevant documents, minor folio/account will be frozen, for operation by guardian, from the date of minor attaining the status of majority as per the records.

##### **C] Change in Guardian**

- In case of a change in guardian, the new guardian must either be a natural guardian (i.e. Father or mother) or a court appointed legal guardian and such guardian shall mandatorily submit the supporting documents showing the relationship with the minor, KYC acknowledgement, Bank attestation of signature of the new guardian in a bank account of the minor where the new guardian is registered as the guardian, etc.

### **Nomination Facility**

The AMC provides an option to the Unit holders to nominate (in the manner prescribed under SEBI regulation), a person (s) in whom the units held by him shall vest in the event of his death.

Nomination can be made only by individuals on their own behalf, either singly or jointly. If the Units are held jointly, all joint Unitholders must sign the nomination form. Non-individuals including society, trust, body corporate, partnership firm, Karta of HUF, holder of POA cannot nominate.

Only the following categories of Indian residents can be nominated: (a) individuals; (b) minors through parent/legal guardian (whose name and address must be provided); (c) religious or charitable trusts; and (d) Central Government, State Government, a local authority or any person designated by virtue of his office.

Nomination can be made for a maximum of 3 nominees. In case of multiple nominees, the percentage of allocation, share in favour of each of the nominees should be indicated against their name and such allocation / share should be in whole numbers without any decimals making a total of 100 percent. In the event of Unitholders not indicating the percentage of allocation / share for each of the nominees, the Mutual Fund/ the AMC, by invoking the default option shall settle the claim equally amongst all the nominees.

### **Nomination mandatory where mode of holding is single**

Nomination is mandatory for all the folios/accounts, where the mode of holding is single or the folio/account is opened by individual without any joint holding.

- In case investor does not wish to nominate for specific folio / account, he should fill the specific field by writing "Nomination not required" and sign on the application form. Application forms which have neither a nominee nor the request for "no nomination" will be rejected.
- Nomination will not be allowed for the folios/accounts opened by minors.

### **B.2 Implementation of Know Your Customer (KYC) norms under Prevention of Money Laundering Act, 2002 (PMLA) through CVL**

TMF is committed to complying with all applicable Anti Money Laundering and KYC laws and regulations. TMF recognizes the value and importance of creating a business environment that strongly discourages money launderers from using TMF. To that end, certain policies have been adopted by the AMC. The need to KYC is vital for the prevention of money laundering. Compliance with KYC requirements has been made mandatory for Resident Individuals, Non Resident Individuals/PIOs/OCIs, Any investor investing through a distributor under special arrangement generally titled as a \*"Channel Investor/Channel Distributor" and all Non Individual Investors like Corporate, Partnership, Firms, Trust HUF, etc.

\*Channel Distributors are those distributors who have an arrangement with Taurus Asset Management Company Ltd. wherein they will submit the mutual fund transactions details (viz. subscriptions/ redemptions/switches, other non-financial transactions, etc.) of their clients electronically to Taurus Asset Management Co Ltd. The above category of investors for the purpose of KYC compliance shall include (i) their constituted Power of Attorney (PoA) holder, in case of investments through a PoA; and (ii) each of the applicants, in case of application in joint names.

In order to make the data capture and document submission easy and convenient for the investors, Mutual Fund Industry has collectively entrusted this responsibility of collection of documents relating to identity and address and record keeping to an independent agency presently CDSL Ventures Limited (CVL) that will act as central record keeping agency. As a token of having verified the identity and address and for efficient retrieval of records, CVL will issue an acknowledgment to each investor who submits an application.

PAN Based Common Standard KYC through CVL:

Investors who wish to complete the KYC requirements have to submit a completed Application Form for KYC along with all the prescribed documents listed in the KYC application Form, at any of the Point of Service („POS“). POS are the designated centers appointed by CVL for receiving application forms, checking the documents and issuing the acknowledgment thereof.

The KYC for investor will be performed based on the Permanent Account Number (PAN), so submission of PAN is mandatory for all the investors. CVL will not issue any new number instead PAN will be accepted as the identification number for the investor. The investor will quote their PAN at the time of investment in Mutual Fund Schemes for which the Front Office of the AMC/ Registrar & Transfer Agent will access the CVL database for detailed information.

The acknowledgment will be issued by CVL based on the submission of the following proof/ documents:

i) photo, ii) proof of identity, iii) proof of address, iv) copy of PAN Card, v) information with regard to financial status and other demographic details and vi) any other information and/or documentation to establish identity of any unitholder(s). It should also be noted that investors are required to be registered with CVL failing to do so the KYC for the investor will not be complete and the investment for the investor is liable to be rejected.

**Non PAN based KYC applicability:**

For certain nature of transactions and type of clients, PAN is not mandatory. In such cases common standard KYC through CVL will not apply. In such cases, the client will have to submit certain documents as elaborated below and KYC will be handled by the AMC/ Registrar & Transfer Agent i.e. Karvy Computershare Private Limited directly. Such nature of transactions and type of clients and the documents required for successful completion of KYC is mentioned below:

**A. Micro SIPs: Investments routed through Micro SIPs upto Rs. 50,000 per year per investor**

Documents required:

1. Standard specified identification instruments like Voter ID card, Government/Defense ID card, Card of Reputed employer, Driving License, Passport in lieu of PAN.
2. Proof of address copy. It is clarified that where identification documents photo contains the address of the investor, a separate proof of address is not required.
3. Supporting documents copy shall be self attested by the investor / attested by the ARN holder mentioning the ARN number or attested by any competent authority.

However, it is clarified that Investors with PAN are required to follow PAN based common standard KYC through CVL procedure as mentioned above.

**B. Investments from Investors residing in Sikkim**

Documents required:

1. Proof of address of Sikkim state and application form should mention the same address.
2. Address proof shall be self attested by the investor / attested by the ARN holder mentioning the ARN number or attested by any competent authority.

Documents required:

1. Proof of identity as documentary evidence in support of the claim for such an exemption.
2. Such proof shall be self attested by the investor / attested by the ARN holder mentioning the ARN number or attested by any competent authority. For complying with the KYC requirement all the investors could approach POS or CVL for submitting their KYC Application Form (KAF) and the mandatory documents of Proof of Identity and Proof of Address. The list of all documents required to fill up the form and the detailed process is mentioned above and can be found in the KYC application form. (An updated list of Point of Services (POS) is available at [www.cvlindia.com](http://www.cvlindia.com).) After verification of the KYC application form and accompanying documents, investors will receive a letter certifying their KYC compliance. Investors are requested to read the KYC section of Statement of Additional Information (SAI) in detail. Investors are requested to note that KYC would be subject to verification of the veracity of the claim of the investors by collecting sufficient documentary evidence. The AMC reserves the right to ask for the necessary documentation to the satisfaction of the Mutual Fund. The AMC, under powers delegated by the Trustee, shall have absolute discretion to reject any application, prevent further transactions by a unitholder, if after due diligence, the investor/ unitholder/ person making the payment on behalf of the investor does not fulfill the requirements of the KYC Policy or the AMC believes that the transaction is suspicious in nature with regard to money laundering.

Currently, the AMC is also acting as POS at its offices as listed at [www.taurusmutualfund.com](http://www.taurusmutualfund.com)

**Suspicious Transaction Reporting:**

If after due diligence, the AMC believes that the transaction is suspicious in nature as regards money laundering, the AMC shall report any suspicious transactions to competent authorities under the PMLA and rules / guidelines issued thereunder by SEBI and RBI, furnish any such information in connection therewith to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under the PMLA without obtaining the prior approval of the investor / Unit Holder / a person making the payment on behalf of the investor.

### **Permanent Account Number (PAN)**

In accordance with SEBI circulars dated April 27, 2007 and June 25, 2007, with effect from July 02, 2007, PAN issued by the Income Tax authorities will be used as the sole identification number for all investors transacting in the securities market including mutual funds, irrespective of the amount of transaction. Thus, on and from January 01, 2008, it will be mandatory for all investors to provide a certified\* copy of the PAN card for all transactions in units of the Scheme. In case of investors who do not provide a certified\* copy of the PAN card, the application for transaction in units of the Scheme is liable for rejection.

However, vide Circular No.MRD/DOP/MF/CIR.08/2008 dated April 3, 2008 issued by SEBI, it has been clarified that Individuals and Non-Individuals residing in Sikkim location are exempted from submission of PAN. They have, however, to comply with KYC norms.

\*Investors are requested to submit a copy along with the original for verification at the investor service centers of the Fund / KARVY, which will be returned across the counter. A Bank Manager's attestation or a Notarized copy will also be accepted.

### **Applications incomplete in any respect (other than mentioned above) will be liable to be rejected.**

In order to protect investors from frauds, it is advised that the Application Form number and name of the first investor should be written overleaf the cheque / draft, before they are handed over to any courier / messenger / distributor / ISC.

### **B.5 Transfer & Transmission of Units**

Transmission of units is required, on the death of unit holder/s, to their nominees, etc. Transmission could be to surviving unit holders, nominees or to the legal heirs of the unit holder. A request for transmission should be sent separately. If a redemption request accompanies the transmission request, the redemption request will be rejected. Depending upon the facts and circumstances of each case, various information and documents are required to be submitted for transmission of units. Please contact any of the offices of Taurus Asset Management Co. Ltd. or its Registrar & Transfer Agent for further details.

In case of death of the unitholder, units will be transmitted in favour of the second named joint holder or nominee, as the case may be, on production of a certified copy of the death certificate or such other document(s) to the satisfaction of the Fund/ AMC.

If the Unitholder has not appointed a nominee or in the case where the nominee dies before the Unitholder, the Units shall be transmitted in favour of the unitholder's executor / administrator of estate / legal heir(s), as the case may be, on production of death certificate and any other legal document (Succession Certificate and /or Indemnity & Affidavit) to the satisfaction of the Mutual Fund/ AMC.

Under the terms of Equity Linked Saving Scheme notification issued by Ministry of Finance, Government of India, in the event of death of the first applicant, the nominee or the legal heir as the case may be, shall be able to withdraw the investment only after the completion of one year from the date of allotment.

For Units of the Scheme(s) held in demat form, the Units will be transferable and will be subject to the transmission facility in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time. The delivery instructions for transfer of units will have to be lodged with the DP in the requisite form as may be required from time to time and transfer will be affected in accordance with such rules/regulations as may be in force governing transfer of securities in dematerialized form.

### **B.6 Duration of the Scheme / Winding up**

#### **Close ended schemes:**

Each closed-ended Scheme/ Plan will have a Maturity Date and will be compulsorily and without any act of the unit holder(s) redeemed on Maturity Date at the applicable NAV.

The Mutual Fund may convert the Scheme/Plans under the Scheme after the Maturity Date into an open-end Scheme/ plan and this shall be in accordance with SEBI Regulations.

The Units of close-ended Scheme/Plan may be converted into open-ended scheme

- (a) If the SID of such scheme discloses the option and period of such conversion; or
- (b) The Unitholders are provided with an option to redeem their units in full

**Open ended schemes:**

The duration of the Scheme is perpetual. However, the Scheme may be wound up if : -

- (a) There are changes in the capital market, fiscal laws or any event or series of events occur, which, in the opinion of the Trustee, requires the Scheme to be wound up; or
- (b) 75% of the unitholders of the Scheme pass a resolution that the Scheme be wound up; or
- (c) SEBI directs the Scheme to be wound up in the interests of the unitholders; or
- (d) If the Scheme/Plan fails to meet the criteria for minimum number of investors and maximum holding by a single investor as prescribed by SEBI.

**B.7 Procedure and Manner of Winding up**

Regulation 39(2) of the SEBI (Mutual Funds) Regulations, 1996 provides that any scheme of a mutual fund may be wound up, after repaying the amount due to the unitholders. Winding up would be affected on account of following:-

- On the happening of any event which, in the opinion of the Trustees, requires the scheme to be wound up; or
- If 75% of the unitholders of a scheme pass a resolution that the scheme be wound up; or
- If the SEBI so directs in the interest of the unitholders.

Where a scheme is wound up under the above Regulation, the Trustee shall give notice disclosing the circumstances leading to the winding up of the scheme:

- (a) to SEBI ; and
- (b) in two daily newspapers having circulation all over India , and in a vernacular newspaper circulating at the place where the Mutual Fund is set up.

On and from the date of the publication of the notice as stated above, the Trustee or the AMC as the case may be, shall

- (a) cease to carry on any business activities in respect of the Scheme so wound up;
- (b) cease to create or cancel units in the Scheme
- (c) cease to issue or redeem units in the Scheme

In case of termination of the Scheme (other than in case of maturity) , the Trustees shall proceed as follows:

The Trustee shall call a meeting of the Unitholders of the Scheme to approve by simple majority of Uniholders present and voting at the meeting for authorising the trustees or any other person/ agency to take the steps for winding up of the Scheme.

(a) The Trustee or the person authorised as above, shall dispose of the assets of the Scheme concerned in the best interests of the Unitholders of that Scheme.

(b) From the proceeds of the sale realised under clause (a), shall be first utilised towards discharge of such liabilities as are due and payable under the Scheme and after making appropriate provision for meeting the expenses connected with such winding up of the Scheme, the balance shall be paid to the unitholders of the Scheme in proportion to their respective interest in the assets of the Scheme as on the date when the decision of the winding up was taken.

(c) On the completion of the winding up, the Trustee shall forward to SEBI and the Unit holders, a report on the winding up containing particulars such as circumstances leading to the winding up, the steps taken for disposal of the assets of the Scheme before winding up, expenses of the Scheme for winding up, net assets available for distribution to the Unit holders and a certificate from the Auditors of the Fund.

(d) Notwithstanding anything contained herein, the application of the provision of SEBI Regulations in respect of disclosures of half yearly reports and annual reports shall continue to be applicable until the winding up is completed or the Scheme ceases to exist.

(e) After the receipt of report referred to the above under “Procedure and Manner of winding up” if SEBI is satisfied that all measures for winding up of the Scheme have been complied with, the Scheme shall cease to exist.

#### **B.8 Delisting of units**

The units of a mutual fund scheme shall be delisted from a recognised stock exchange in accordance with the guidelines as may be specified by SEBI.

#### **B.9 Pledge of Units**

The Units under the respective Scheme(s) (subject to completion of lock-in period, if any) may be offered as security by way of a pledge / charge in favour of scheduled banks, financial institutions, non-banking finance companies (NBFCs'), or any other body. The AMC will note and record such Pledged Units. The Unitholder may request for the requisite form from the AMC. The AMC shall mark a lien only upon receiving the duly completed form and documents as it may require. Disbursement of such loans will be at the entire discretion of the bank / financial institution / NBFC or any other body concerned and the Mutual Fund assumes no responsibility thereof.

The Pledgor will not be able to redeem Units that are pledged until the entity to which the Units are pledged provides written authorization to the Mutual Fund that the pledge / lien charge may be removed. As long as Units are pledged, the Pledgee will have complete authority to redeem such units.

### **C. General Information**

#### **C.1 Underwriting**

The Schemes may also undertake underwriting and sub underwriting activities (only for equity and equity related instruments) in order to augment its income, after complying with the approval and compliance process specified in the SEBI (underwriters) Rules & Regulations, 1993 and further subject to the following norms:

- The capital adequacy of the Mutual Fund for the purposes of SEBI (Underwriters) Rules and Regulations, 1993 shall be the net assets of the Scheme.
- The total underwriting obligation of the Scheme shall not exceed 25% of the total net asset value of the Scheme.
- No Underwriting commitment may be undertaken in respect of the Scheme during the period of 6 months prior to the date of redemption of the Scheme.
- The decision to take up any underwriting commitment shall be made as if the Scheme is actually investing in that particular security.
- As such, all investment restrictions and prudential guidelines relating to investments, individually and in aggregate as mentioned in SEBI Regulations shall, in so far as may be applicable, apply to underwriting commitments which may be undertaken under the Scheme.

These underwriting norms / parameters (as expressed / linked to the net asset/ net asset value/ capital) shall in the ordinary course apply as at the date of the most recent transaction of commitment to underwrite, and changes do not have to be effected merely because, owing to appreciations or depreciations in value or by reason of the receipt of any rights, bonuses or benefits in the nature of capital or of any scheme of arrangement or for amalgamation, reconstruction or exchange, or at any repayment or redemption or other reason outside the control of the Fund, any such limits would thereby be breached. If these limits are exceeded for reasons beyond its control, TAMCO shall adopt as a priority objective the remedying of that situation, taking due account of the interests of the Unitholders. As such all underwriting and sub-underwriting activities of the Fund will be undertaken in accordance with SEBI (Underwriters) Rules and Regulations, 1993, and the norms as laid down by SEBI Circular dated June 30, 1994, and as amended from time to time.

### C.2 Stock Lending by the Mutual Fund

Subject to the SEBI (MF) Regulations as applicable from time to time, the Mutual Fund may, engage in Stock Lending. Stock Lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation. The securities lent will be returned by the borrower on the expiry of the stipulated period. For details, investors are requested to refer to the Scheme Information Document of the respective schemes.

### C.3 Borrowing

The Schemes may borrow from anybody - corporate including TAMCO, Sponsor and Commercial Banks, upto a maximum of 20% of the net assets of the Scheme for a maximum duration of 6 months, in order to meet the temporary liquidity needs of the Schemes, for the purpose of re-purchase/redemption or payment of interest or dividend to the unitholders, as per clause 44(2) of SEBI (Mutual Fund) Regulations, 1996.

### C.4 Inter-scheme Transfer

Inter-Scheme Transfer of Investments:

Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if

- (a) Such transfers are done at the prevailing market price for quoted instruments on spot basis.  
*Explanation: "spot basis" shall have same meaning as specified by stock exchange for spot transactions.*
- (b) The securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

### C.5 Issue of Bonus Units

Under the Bonus option of a Scheme the AMC may decide to issue Bonus Units to all existing Unitholders. For such declaration the Fund will announce a Record Date / Book Closure and all Unitholders whose names appear in the Register of Unitholders as on the Record Date / Book Closure shall be eligible to be issued such Bonus Units. These Units will be pari-passu with the original units. Bonus Units so issued will be credited to the Unitholders' account in the Bonus Option. Pursuant to allotment of Bonus Units, the per Unit NAV of the Bonus Option would fall in proportion to the Bonus Units allotted and as a result the total value of Units held by the Unitholder would remain the same. The issue of such Units will increase the number of Units held by the Unitholder in the Bonus Option of the Scheme and so also the total number of Units outstanding in the Bonus Option of the Scheme. This will result in proportionate fall in the NAV per Unit of the bonus Option of the Scheme. Fresh Account Statement will be sent to all Unitholders after the allotment of bonus units.

### C.6 Suspension of Purchase and/or Redemption of Units

The purchase and / or redemption of Units may be suspended or restricted under any schemes of the Mutual Fund only after the approval from Board of TAMCO and the Board of Trustees when any of the following conditions exist at one/more Designated Investor Service Centres:

- The stock market stops functioning or trading is restricted
- Periods of extreme volatility in the stock market, fixed income or money market, which, in the opinion of the Investment Manager, are prejudicial or detrimental to the interest of the investors
- Natural calamity
- For any bulk processing like dividend, mergers, etc.
- If banks do not carry-out any of the normal banking activities at one or more Designated Investor Service Centres
- SEBI, by order, so directs.

Such decision of the respective Board along with the circumstances and justification shall also be informed to SEBI in advance.

The normal time taken to process redemption and/ or purchase requests, as mentioned earlier, may not be applicable during such extraordinary circumstances.

An order / request to purchase Units is not binding on and may be rejected by the Trustees, the AMC or their respective agents, unless it has been confirmed in writing by the AMC or its agents and / or payment has been received.

**C.7 Procedure for seeking approval of unitholders in specified circumstances**

In terms of SEBI's (Mutual Funds) Regulations 1996 vide clause 18 (15A) and subsequent amendments issued from time to time, the Trustees shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would modify the scheme and affects the interest of unitholders, shall be carried out unless:

- (i) A written communication about the proposed change is sent to each unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the mutual fund is situated; and
- (ii) The unitholders are given an option to exit at the prevailing Net Asset Value without any exit load.

**C.8 Fund's Policy for dealing with unclaimed redemption amount**

As per SEBI guidelines, the unclaimed redemption amounts shall be deployed in money market instruments only or such other instruments, as permitted under Regulations. The investors who claim such amounts during the period of three years from the due date shall be paid at the prevailing Net Asset Value. After a period of three years, this amount will be transferred to a pool account and the investors can claim the amount at NAV prevailing at the end of the third year. The income earned on such funds shall be used for the purpose of investor education.

The Fund will make continuous efforts to remind the investors through letters to take their unclaimed amounts. Further, the investment management fee charged by AMC for managing unclaimed amounts shall not exceed 50 basis points.

**C.9 Associate Transactions**

- (a) The Fund has not carried out any transactions with the Sponsors or associate companies on a principal to principal basis under any scheme during the last three fiscal years.
- (b) During the last three fiscal years, the existing schemes of the Fund have not entered into any underwriting obligation with respect to issues of associate companies and no scheme has subscribed to any issues lead managed by Sponsor or associate companies.
- (c) Details on the Brokerage/ Commission paid to associates/related parties/group companies of Sponsor / AMC during the last three financial years

**Brokerage paid to associates/related parties/group companies of Sponsor/AMC**

Name of associate/ related parties/ group companies of Sponsor/AMC	Nature of Association/ Nature of Relation	Period Covered *	Value of transaction (in Rs Cr & % of total value of transaction of the fund)	Brokerage (Rs cr & % of total brokerage paid by the fund)
Not Applicable	Not Applicable	2008-9	Nil	Nil

Name of associate/ related parties/ group companies of Sponsor/AMC	Nature of Association/ Nature of Relation	Period Covered *	Value of transaction (in Rs Cr & % of total value of transaction of the fund)	Brokerage (Rs cr & % of total brokerage paid by the fund)
Not Applicable	Not Applicable	2009-10	Nil	Nil

Name of associate/ related parties/ group companies of Sponsor/AMC	Nature of Association/ Nature of Relation	Period Covered *	Value of transaction (in Rs Cr & % of total value of transaction of the fund)	Brokerage (Rs cr & % of total brokerage paid by the fund)
Not Applicable	Not Applicable	2010-11	Nil	Nil

**Commission paid to associates/related parties/group companies of Sponsor/AMC**

Name of associate/ related parties/ group companies of Sponsor/AMC	Nature of Association/ Nature of Relation	Period Covered *	Value of transaction (in Rs Cr & % of total value of transaction of the fund)	Commission(Rs cr & % of total brokerage paid by the fund)
Not Applicable	Not Applicable	2008-9	Nil	Nil

Name of associate/ related parties/ group companies of Sponsor/AMC	Nature of Association/ Nature of Relation	Period Covered *	Value of transaction (in Rs Cr & % of total value of transaction of the fund)	Commission(Rs cr & % of total brokerage paid by the fund)
Invest Shoppee India Limited	Associate	2009-10	Rs 17.09 cr 0.07%	Rs 0.02 cr 0.35%

Name of associate/ related parties/ group companies of Sponsor/AMC	Nature of Association/ Nature of Relation	Period Covered *	Value of transaction (in Rs Cr & % of total value of transaction of the fund)	Commission(Rs cr & % of total brokerage paid by the fund)
Invest Shoppee India Limited	Associate	2010-11	Rs 14.13 cr 0.02%	Rs 0.01 cr 0.10%

(d) The services of the Sponsor can be utilized by the Asset Management Company for the purpose of sale and distribution of units of the schemes of the Fund. However, Sponsor's services have not been utilized during the years 2008-9, 2009-10 and 2010-11 as well as in the current year and hence no brokerage paid.

As and when Sponsors' services are utilized for sale and distribution of the units of existing schemes as well as any schemes launched in future, the rate of brokerage payable to them will be the same that is given to other agents/distributors.

(e) The Asset Management Company, subject to Regulations, may subscribe on behalf of the schemes of the Fund, in the securities lead managed by the sponsors. The AMC shall ensure that the investments in such issues will be in line with the investment objectives of the schemes.

(f) Subject to the Regulations, the sponsors, the mutual funds managed by them, their affiliates / associates and the AMC may invest either directly or indirectly in the Scheme during the Initial Offer Period or any time during the Continuous Offer Period. In accordance with the Regulations, AMC shall not charge any investment management and advisory services fee on its investment in the Scheme. The Funds managed by the affiliates / associates, Sponsors and the AMC may acquire a substantial portion of the Scheme's units and collectively constitute a majority investor in the Scheme.

(g) Transactions with group companies:

- The Scheme shall not make any investments in any unlisted securities of associate or group companies of the Sponsors.
- The Scheme will also not make investments in privately placed securities issued by associate or group companies of the Sponsors.
- The aggregate investments by any scheme in the listed securities of group companies of the Sponsors shall not exceed 25% of its net assets.

**C.10 Policy of Investing in Group Companies of Sponsor Name of associates of Sponsor on AMC with which the Mutual Fund proposes to have dealings, transactions and those whose services may be used for marketing and distributing the scheme and the commissions that may be paid.**

No scheme of the Fund shall make any investment in: -

- a) Any unlisted securities of an associate or group companies of the sponsor; or
- b) Any securities issued by way of private placement by an associate or group company of the sponsor; or

c) The listed securities of group companies of the sponsor, which is in excess of 25% of net assets.

### C.11 Jurisdiction

Any dispute arising out of this issue shall be subject to the exclusive jurisdiction of the Courts in India. Statements in this Statement of Additional Information are, except where otherwise stated, based on the law, practice currently in force in India, and are subject to changes therein.

### C.12 Documents Available for Inspection

Copies of the following documents will be available for inspection at the Head Office of the Mutual Fund at Ground Floor, AML Centre-1, 8 Mahal Industrial Estate, Mahakali Caves Road, Andheri (East) Mumbai 400093 during business hours on any day (excluding Saturdays, Sundays and public holidays): -

- Memorandum and Articles of Association of the AMC
- Investment Management Agreement
- Trust Deed and amendments thereto, if any
- Mutual Fund Registration Certificate
- Agreement between the Mutual Fund and the Custodian
- Agreement with Registrar and Share Transfer Agents
- Consent of Auditors to act in the said capacity
- Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments from time to time thereto.
- Indian Trusts Act, 1882.

### C.13 Investor Grievances Redressal Mechanism

As soon as any complaint/inquiry is received the same is forwarded to the Registrar and Transfer Agents. The complaints received and so forwarded are monitored on day-to-day basis and it is ensured that the complaints/inquiries are promptly redressed/attended to.

Mr. V Sasidhar, (Head- Customer Services) can be contacted at the office of the AMC at Ground Floor, AML Centre-1, 8 Mahal Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai 400093 at Phone No.: (022) 66242700 Fax No.: (022) 66242777.

E-mail; [Customercare@taurusmutualfund.com](mailto:Customercare@taurusmutualfund.com)

### Registrar

Karvy Computershare Private Ltd.  
Unit: Taurus Mutual Fund  
21, Avenue 4, Street No, Banjara Hills  
Hyderabad 500 034  
Ph: 040-23312454 Ext: 18147 / 577  
Fax: 040-23431562  
E-mail: [tmfct@karvy.com](mailto:tmfct@karvy.com)

### Investor Complaints History:

Details of complaints received and complaints redressed during the last 3 years are as under:-

Year	Name of the Scheme	Opening balance	Complaints received	Complaints redressed	Complaints pending
2008-2009	Taurus Starshare	Nil	160	156	4
	Taurus Discovery Fund	Nil	49	48	1
	Taurus Tax Shield	Nil	4	4	Nil
	Taurus Bonanza Fund	Nil	25	25	Nil
	Taurus Income Fund	Nil	1	1	Nil
	Taurus Gilt Fund	Nil	Nil	Nil	Nil
	Taurus Infrastructure Fund	Nil	2	2	Nil
	Taurus Liquid Fund	Nil	Nil	Nil	Nil
	Taurus Short Term Bond Fund	Nil	Nil	Nil	Nil

	Taurus FMP 30 Days Series1	Nil	Nil	Nil	Nil
	Taurus FMP 30 Days Series2	Nil	Nil	Nil	Nil
	Taurus FMP 90 Days Series1	Nil	Nil	Nil	Nil
	Taurus FMP 370 Days Series1	Nil	Nil	Nil	Nil
	Taurus FMP 370 Days Series2	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>Nil</b>	<b>241</b>	<b>236</b>	<b>5</b>
2009-2010	Taurus Starshare	4	130	133	1
	Taurus Discovery Fund	1	32	32	1
	Taurus Tax Shield	Nil	13	13	Nil
	Taurus Bonanza Fund	Nil	21	20	1
	Taurus Short Term Income Fund	Nil	Nil	Nil	Nil
	Taurus Gilt Fund	Nil	1	1	Nil
	Taurus Infrastructure Fund	Nil	11	11	Nil
	Taurus Liquid Fund	Nil	Nil	Nil	Nil
	Taurus Ultra Short Term Bond Fund	Nil	2	2	Nil
	Taurus Ethical Fund	Nil	6	6	Nil
	Taurus FMP 370 Days Series1	Nil	Nil	Nil	Nil
	Taurus FMP 370 Days Series2	Nil	Nil	Nil	Nil
	Taurus FMP 15 Months Series 1	Nil	Nil	Nil	Nil
	Taurus FMP 385 Days Series 1	Nil	Nil	Nil	Nil
	Taurus FMP 370 Days Series 3	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>5</b>	<b>216</b>	<b>218</b>	<b>3</b>
2010-2011	Taurus Starshare	1	115	115	1
	Taurus Discovery Fund	1	34	35	Nil
	Taurus Tax Shield	Nil	39	39	Nil
	Taurus Bonanza Fund	1	16	17	Nil
	Taurus Short Term Income Fund	Nil	Nil	Nil	Nil
	Taurus Gilt Fund	Nil	Nil	Nil	Nil
	Taurus Infrastructure Fund	Nil	18	18	Nil
	Taurus Liquid Fund	Nil	Nil	Nil	Nil
	Taurus Ultra Short Term Bond Fund	Nil	1	1	Nil
	Taurus Ethical Fund	Nil	9	9	Nil
	Taurus FMP 370 Days Series1	Nil	Nil	Nil	Nil
	Taurus FMP 370 Days Series2	Nil	Nil	Nil	Nil
	Taurus FMP 15 Months Series 1	Nil	Nil	Nil	Nil
	Taurus FMP 385 Days Series 1	Nil	Nil	Nil	Nil
	Taurus FMP 370 Days Series 3	Nil	Nil	Nil	Nil
	Taurus FMP 120 Days Series 1	Nil	Nil	Nil	Nil
	Taurus FMP 120 Days Series 2	Nil	Nil	Nil	Nil
	Taurus FMP 180 Days Series 1	Nil	Nil	Nil	Nil
	Taurus FMP 91 Days Series A	Nil	Nil	Nil	Nil
	Taurus FMP 91 Days Series B	Nil	Nil	Nil	Nil
	Taurus FMP 370 Days Series C	Nil	Nil	Nil	Nil
	Taurus FMP 368 Days Series D	Nil	Nil	Nil	Nil
	Taurus FMP 91 Days Series E	Nil	Nil	Nil	Nil
	Taurus Nifty Index Fund	Nil	Nil	Nil	Nil
	Taurus MIP Advantage	Nil	8	8	Nil
	Taurus Dynamic Income Fund	Nil	1	1	Nil
	<b>Total</b>	<b>3</b>	<b>242</b>	<b>244</b>	<b>1</b>

Details of complaints received and complaints redressed during April 2011 are as under:

Year	Name of the Scheme	Opening balance	Complaints received	Complaints redressed	Complaints pending
Apr 2011	Taurus Starshare	1	5	6	0
	Taurus Discovery Fund	0	2	2	0
	Taurus Bonanza Fund	0	1	1	0
	Taurus Infrastructure Fund	0	2	2	0
	Taurus Ethical Fund	0	0	0	0
	Taurus Nifty Index Fund	0	0	0	0
	Taurus Tax Shield Fund	0	2	2	0
	Taurus Gilt Fund	0	0	0	0
	Taurus MIP Advantage Fund	0	0	0	0
	Taurus Short Term Income Fund	0	0	0	0
	Taurus Ultra Short Term Bond Fund	0	0	0	0
	Taurus Liquid Fund	0	0	0	0
	Taurus FMP 370 Days Series 1	0	0	0	0
	Taurus FMP 370 Days Series 2	0	0	0	0
	Taurus FMP 15 Months Series 1	0	0	0	0
	Taurus FMP 385 Days Series 1	0	0	0	0
	Taurus FMP 370 Days Series 3	0	0	0	0
	Taurus FMP 120 Days Series 1	0	0	0	0
	<b>Total</b>	<b>1</b>	<b>12</b>	<b>13</b>	<b>0</b>

**Notwithstanding anything contained in this Statement of Additional Information, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines thereunder shall be applicable.**

**For and on behalf of Board of Directors of  
Taurus Asset Management Company Limited**

**Place: Mumbai  
Date: 30/06/2011**

**Waqar Naqvi  
Chief Executive Officer**

**OFFICIAL POINTS OF TRANSACTIONS  
OFFICES OF TAURUS ASSET MANAGEMENT CO. LTD**

• **AHMEDABAD:** Broadway Business Centre, Cabin no- 1, 1st floor, Sahajanand Complex, Near Panchvati Petrol Pump, Opp CITI Bank, C. G. Road, Ahmedabad - 380006 Tel: 079-64501999 • **BANGALURU:** 1111, East Wing, 11th Floor, Raheja Towers, M.G. Road, Bangalore-560001 Tel: 080-41135646 • **CHANDIGARH:** Cabin No. 205, 2nd Floor, SCO 445-446, Sec-35 C, Chandigarh 160036 Tel: +91 172-3014134/33/22 • **CHENNAI:** Maalavika Centre, 5th Flr, 144/145, K.H.Road, Nungambakam Chennai-600034 Tel: 044-39101572 • **COCHIN:** 2nd Floor, Mayur Business Centre, Chittoor Road, Palleppady Junction Cochin-682035 Tel: 0484-3047230/31 • **DELHI:** Upper ground floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110 001. Tel: 011-23321756-631/23717593 • **HYDERABAD:** Office No. 202, 3-6-369/1, Sanatana Ecstasy, Himayatnagar, Hyderabad 500029, Tel: 040-30783060/61 • **JAIPUR:** 302, DBC Towers, M.I.Road, Jaipur 302001 Tel: 0141-4038851 • **KANPUR:** Cabin No 205, 4th Floor, Kan Chamber 14/113, Civil Lines, Kanpur - 208001 Tel: 0512-306 1824 • **KOLKATA:** Landmark Building, 9C, 9th Floor, 228A, A.J.C. Bose Road, Kolkata 700 020 Tel: 033-65909991/ 2 • **LUCKNOW:** T-303, 3rd Floor, Sky Hi Chambers, Park Road, Lucknow – 226001 Tel: 0522-3040440 • **LUDHIANA:** Sco.16,17, Lower Ground Floor, Feroze Gandhi Market, Ludhiana -141001 Tel: 0161-4416556 • **MADURAI:** KR/V/Arcade/AR Plaza, No-16/17, A.R Plaza, North veli St, Madurai-625001 Tel: 0452-645464 • **MUMBAI:** AML Center 1, Gr. floor, Mahakali Caves Road, Andheri (E), Mumbai 400 093 Tel: 022 - 66242700 • **MUMBAI:** 305, Regent Chambers, 208, Jinnalal Bajaj Marg, Nariman Point, Mumbai - 400021 Tel: 022 - 6753 4848, • **PUNE:** Office No.1, "Suyash Plaza", 189/A, Bhandarkar Institute Road, Deccan Gymkhana Pune – 411005 Tel: 020-66215712/13

Email: [customercare@taurusmutualfund.com](mailto:customercare@taurusmutualfund.com) • Website: [www.taurusmutualfund.com](http://www.taurusmutualfund.com)

**INVESTOR SERVICE CENTRES OF  
Register & Transfer Agent – Karvy Computershare Pvt. Ltd**

**Agra:** Karvy Computershare Private Limited, 1st Floor, Deepak Wasan Plaza, Sanjay Place, Agra - 282 002, **Ahmedabad:** Karvy Computershare Private Limited, 201-202, Shail Building, 2nd Floor, Opp Madhusudhan House, Nr. Navrangpura Telephone Exchange, Navrangpura, Ahmedabad - 380 006, **Ajmer:** Karvy Computershare Pvt. Ltd. 12, II Floor, Ajmer Tower, Kutchary Road, Ajmer - 305 001 **Akola:** Karvy Computershare Private Limited Shop No-30, Ground Floor, Yamuna Tarang Complex, N.H. No.- 06, Murtizapur Road, Akola-444004 Tel: 0724-2451874 **Allahabad:** Karvy Computershare Private Limited, RSA Towers, 2nd Floor, Above Sony TV Showroom, 57, S P Marg, Civil Lines, Allahabad - 211001 **Ambala:** Karvy Computershare Private Limited, 6349, Nicholson Road, Adjacent Kos Hospital, Ambala Cantt, Ambala - 133001, **Amravati:** Karvy Computershare Private Limited Shop No. 13 & 27, First Floor, Gulshan Plaza, Raj Peth, Badnera Road, Amaravathi-444605 Tel: 0721-3291081 / 2565617 **Amritsar:** Karvy Computershare Private Limited, 72-A, Taylor'S Road, Aga Heritage Gandhi Ground, Amritsar - 143 001 **Anand:** Karvy Computershare Private Limited, F-6, Chitrangana Complex, Opp. Motikaka Chawl, V V Nagar, Anand - 388 001 Tel: 02692 – 248980 **Asansol:** Karvy Computershare Private Limited Hotal Askok, 2nd Floor 18, G T Road, Asansol - 713 301 Tel: 0341-2221248 / 0341-2314624 **Aurangabad:** Karvy Computershare Private Limited, Shop No : 214/215, Tapadiya City Centre, Nirala Bazar, Aurangabad - 431 001, **Bangalore:** Karvy Computershare Private Limited, No : 51/25, 1 St Floor, Surya Building, Ratna Avenue, Richmond Road, Bangalore - 560 025, **Bareilly:** Karvy Computershare Private Limited, 1st Floor, 165, Civil Lines, Opp. Hotel Bareilly Palace, Near Rly Station Road, Bareilly - 243 001, Gujarat, **Baroda:** Karvy Computershare Private Limited, Piccadilly, Office # 5, First Floor, Opp. Adani Super Market, Jetalpur Road, Baroda - 390007, **Belgaum:** Karvy Computershare Private Limited Fk-1, Ambedkar Road, Opp Civil Hospital, Belgaum - 590001 Tel: 0831-2402722 / 0831-2402880 **Bellary:** Karvy Computershare Private Limited, No.1 Khb Colony, Gandhinagar, Bellary – 583101 Tel: 08392-254750 **Bharuch:** Karvy Computershare Private Limited, Ground Floor, Office No-6, Aditya Complex, Opp. Kasak Temple, Bharuch - 392 001 Tel: 02642 – 2225022 **Bhavnagar:** Karvy Computershare Private Limited, Surabhi Mall, 301, 3rd Floor, Waghawadi Road, Bhavnagar – 364001 Tel: 0278 - 2567005/6 **Bhilai:** Karvy Computershare Private Limited, No.138, New Civic Centre Bhilai - 490 006, **Bhopal:** Karvy Computershare Private Limited, Kay Kay Busniss Centre, 133 Zone I M P Nagar, Bhopal-462021, **Bhubaneswar:** Karvy Computershare Private Limited, 624, Sahid Nagar, 1st Floor, Bhubaneswar - 751007, **Bokaro:** Karvy Computershare Private Limited, B-1, 1st Floor, Near Sona Chandi Jewellers, City Centre, Sector - 4, Bokaro Steel City - 827 004 ( Jharkhand) Tel: 06542 - 233331/32/30 **Calicut:** Karvy Computershare Private Limited, II nd Floor, Sowbhagya Shopping Complex, Mavoor Road, Calicut - 673 004, **Chandigarh:** Karvy Computershare Private Limited, Sco-371-372, First Floor, Above Hdfc Bank, Sector 35B, Chandigarh - 160 022, **Chennai:** Karvy Computershare Private Limited, Flat No F11, First Floor, Akshya Plaza, (Erstwhile Harris Road), Opp Chief City Metropolitan Court, # 108, Adhithanar Salai, Egmore, Chennai - 600 002, **Cochin:** Karvy Computershare Private Limited, Shop No. II, 2Nd Floor, Jewel Arcade, (Above Oriental Insurance Ltd) Layam Road, Cochin - 682 011, **Coimbatore:** Karvy Computershare Private Limited, 29/1, I 'St Floor, Chinthamani Nagar, Opp To Indian Overseas Bank, Nsr Road, Saibaba Colony, Coimbatore- 641011, **Cuttack:** Karvy Computershare Private Limited, Dargha Bazar, Opp. Dargha Bazar Police Station, Buxibazar, Cuttack - 753001, **Dehradun:** Karvy Computershare Private Limited, Kaulagarh Road, Near Sirmour Marg, Above Reliance Webworld, Dehradun - 248 001, **Dhanbad:** Karvy Computershare Private Limited, 208, New Market, 2Nd Floor, Katras Road, Bank More, Dhanbad - 826001, **Durgapur:** Karvy Computershare Private Limited, Old Dutta Automobiles Building, 1st Floor, Nachan Road, Benachity, Durgapur - 713 213, **Faridabad:** Karvy Computershare Pvt. Ltd. A-2B, 1st Floor, Nehru Ground, Neelam Bata Road, Nit, Faridabad - 121 001 **Ghaziabad:** Karvy Computershare Private Limited, 1st Floor, C-7, Lohia Nagar, Ghaziabad - 201 001, **Gorakpur:** Karvy Computershare Private Limited, Above V.I.P. House, Ajdacent A.D. Girls Inter College, Bank Road, Gorakpur - 273 001 **Gurgaon:** Karvy Computershare Private Limited, Shop No. 18, Ground Floor, Sector - 14, Opp. AKD Tower, Near Huda Office, Gurgaon - 122001, **Guwahati:** Karvy Computershare Private Limited, 54 Sagarika Bhawan, R G Baruah Road, (AIDC Bus Stop), Guwahati 781024, **Gwalior:** Karvy Computershare Private Limited, Shindi Ki Chawani, Nadi Gate Pul, MLB Road, Gwalior - 474 001, **Hissar:** Karvy Computershare Pvt. Ltd. SCO 71, 1st Floor, Red Square Market, Hissar - 125001 **Hubli:** Karvy Computershare Private Limited, Giriraja House, No.451/B, Ward No.1, Club Road, Hubli - 580 029, **Hyderabad:** Karvy Computershare Private Limited, 8-2-596 Karvy Plaza, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034, **Indore:** Karvy Computershare Private Limited, Lg - 3, Bombay Trade Centre, Lower Ground Floor, Grand Hotel, Opp Bombay Hospital, Scheme No 54, Indore - 452010, **Jabalpur:** Karvy Computershare Private Limited, 43, Naya Bazar, opposite shyam talkies, Jabalpur (M.P.) 482 001 Tel: 0761 – 3204376 **Jaipur:** Karvy Computershare Private Limited, S-16 A, 3Rd Floor, Land Mark, Opposite Jaipur Club, Mahavir Marg, C- Scheme, Jaipur – 302 001, **Jalandhar:** Karvy Computershare Private Limited, Lower Ground Floor, Office No : 3, Arora Prime Tower, Plot No : 28, G T Road, Jalandhar - 144 004, **Jamshedpur:** Karvy Computershare Private Limited, Kanchan Tower, 3Rd Floor, Chhaganlal Dayalji @ Sons, 3-S B Shop Area, (Near Traffic Signal), Main Road, Bistupur, Jamshedpur- 831 001, **Jammu:** Karvy Computershare Pvt. Ltd. Hall No: 111, 1st Floor, Computershare Pvt. Ltd. Hall No: 111, 1st Floor, South Block, Bahu Plaza, Gandhi Nagar, Jammu - 180004 **Jaunpur:** Karvy Computershare

Private Limited, R N Complex, 1-1-9-G (In Front of Pathak Honda), Ummarpur, Jaunpur-222 002, **Jodhpur:** Karvy Computershare Private Limited, 203, Modi Arcade, Chupasni Road, Jodhpur - 342 001, **Kanpur:** Karvy Computershare Private Limited, 15/46, Opp: Muir Mills, Civil Lines, Kanpur - 208001, **Karnal:** Karvy Computershare Private Limited, 610 K Vardhaman Chambers, 2nd Lane, Nehru Place, Karnal-132001 Tel: 0184-2251527 / 525 / 526 **Kolhapur:** Karvy Computershare Private Limited, 610 K Vardhaman Chambers, 2nd Lane, Nehru Place, Karnal-132001 Tel: 0184-2251527 / 525 / 526 **Kolkata:** Karvy Computershare Private Limited, 16 Jatin Bagchi Road, Kolkata - 700 029, **Kota:** Karvy Computershare Private Limited H.No. 29, First Floor, Near Lala Lajpat Rai Circle Shopping Centre, Kota, Rajasthan - 324007 Tel: 0744-2366145 **Kottayam:** Karvy Computershare Private Limited, 1st Floor, Csi Ascension Church Complex, Kottayam - 686 001, **Lucknow:** Karvy Computershare Private Limited, 94, Mahatma Gandhi Marg, Opp Governor House, Hazratganj, Lucknow - 226 001, **Ludhiana:** Karvy Computershare Private Limited, Sco-3, Bawa Building, Feroze Gandhi Market, Ludhiana - 141001, **Madurai:** Karvy Computershare Private Limited, Rakesh Towers, 30-C, Bye Pass Road, 1st Floor, Opp Nagappa Motors, Madurai - 625010 **Mallapuram:** First Floor Cholakkal Building, Near A U P School, Up Hill, Malappuram Kerala - 676505 Tel: 0483-2731480 **Mangalore:** Karvy Computershare Private Limited, 2nd Floor, Brigade Plaza, Kudmul Ranga Rao Road, Mangalore - 575 003, **Margao:** Karvy Computershare Private Limited, 2nd Floor, Dalal Commercial Complex, Opp: Hari Mandir, Pajifond, Margao- Goa -403601, **Mathura:** Karvy Computershare Private Limited, 3538-3540, Infront of BSA College, Gaushala Road, Mathura - 281004, **Meerut:** Karvy Computershare Private Limited, 1st Floor, Medi Centre Complex, Opp. Icici Bank, Hapur Road, Meerut - 250 002 **Mehsana:** Ul - 47, Appolo Enclave, Opp Simandhar Temple, Modhera Char Rasta, Highway, Mehsana -384002 Tel: 2762 242950 **Moradabad:** Karvy Computershare Private Limited, Om Arcade, Parker Road, Above Syndicate Bank, Tari Khana Chowk, Moradabad - 244 001, **Mumbai:** Karvy Computershare Private Limited, DAS Chambers, Ground Floor, Opp. BSE & next to Corporation Bank, Dalal Street, Fort, Mumbai - 400 023, **Mumbai:** Karvy Computershare Pvt. Ltd. C/o Karvy Stock Broking Pvt. Ltd. Ground Floor, Himanshu Bldg, Sodawala Lane, Lina Chandawarkar Road Borivali (W), Mumbai - 400091 **Muzaffarpur:** Karvy Computershare Private Limited, 1st Floor, Uma Market, Near Thana Gumti, Motijheel, Muzaffarpur, Bihar - 842001, **Mysore:** Karvy Computershare Private Limited, L - 350, Silver Tower, Clock Tower, Ashoka Road, Mysore - 570 001, **Nagpur:** Karvy Computershare Private Limited, Sadoday Arcade, Above Top N Town, Dharampeth, Nagpur - 440 001, **Nasik:** Karvy Computershare Private Limited, S-12, Second Floor, Suyojit Sankul, Sharanpur Road, Nasik - 422 002, **Navsari:** 1st Floor, Chinmay Arcade, Opp. Sattapir, Tower Road, Navsari - 396 445 Tel: 02637-280362 / 02637-280363 **New Delhi:** Karvy Computershare Private Limited, 2E / 23, Jhandewalan Extn, New Delhi - 110055, **Noida:** Karvy Computershare Private Limited, 307 Jaipuria Plaza, D 68 A, 2nd Floor, Opp Delhi Public School, Sector 26, Noida - 201301, **Palghat:** Karvy Computershare Private Limited 12/310, (No.20 & 21), Metro Complex, Head Post Office Road, Sultanpet, Palghat - 678001 Tel: 0491 2547373 **Panjim:** Karvy Computershare Private Limited, No.7 & 8, El. Dorado Plaza, Heliodoro Salgado Road, Panjim - 403 001, **Panipat:** 1st Floor, Krishna Tower, Near HDFC Bank, Opp. Railway Road, G. T. Road, Panipat - 132103, Tel: Tel: 0180-2644308/0180-4005056/0180 - 3296760 **Patiala:** Karvy Computershare Private Limited, Sco 27 D, Chhoti Baradari, Patiala - 147 001, **Patna:** Karvy Computershare Private Limited, 3A, 3rd floor, Anand tower, Beside chankya cinema hall, Exhibition road, Patna - 800001. **Pondicherry:** Karvy Computershare Private Limited, First Floor, No.7, Thiayagara Street, Pondicherry - 605 001, **Pune:** Karvy Computershare Private Limited, Srinath Plaza, C Wing, Office No. 58 And 59, 3Rd Floor, Dyaneshwar Paduka Chowk, Survey No. 184/4, F C Road, Pune - 411004, **Raipur:** Karvy Computershare Private Limited, Room No.12 & 13, Ground Floor, Millennium Plaza, Behind Indian Coffee House, G E Road, Raipur - 492 001, **Rajkot:** Karvy Computershare Private Limited, 104, Siddhi Vinayak Complex, Dr Yagnik Road, Opp Ramkrishna Ashram, Rajkot - 360 001, **Ranchi:** Karvy Computershare Private Limited, Commerce Towers, 3Rd Floor, Room No. 307, Beside Mahabir Towers, Main Road, Ranchi - 834 001, **Renukeet:** Karvy Computershare Private Limited, Shop No. 18, Near Complex, Birla Market, Renukeet - 231217 **Rohtak:** 1st Floor, Ashoka Plaza, Delhi Road, Rohtak - 124001, Tel: 01262-271984 / 01262 - 230258 **Rourkela:** Karvy Computershare Private Limited, 1st Floor, Sandhu Complex, Kanchery Road, Udit Nagar, Rourkela - 769 012, **Salem:** Karvy Computershare Private Limited, 49 / 50, Fort Main Road, Old No.17 First Floor, Shevapet, Salem - 636 002, **Shimla:** Triveni Building By Pas Chowk, Khallini, Shimla - 171 002, Tel: 0177 - 3299222 **Siliguri:** Karvy Computershare Private Limited, Nanak Complex, Near Church Road, Sevoke Road, Siliguri - 734001, **Surat:** Karvy Computershare Private Limited, G-16 Empire State Building, Nr Udhna Darwaja, Ring Road, Surat-395009, **Tirupati:** Karvy Computershare Private Limited, # 330, Tilak Road, Near Four Pillar Mandapam, Tirupati - 517501 Tel: 0877 2252426 **Trichur:** Karvy Computershare Private Limited, 2nd Floor, Brother'S Complex, Near Dhana Laxmi Bank Head Office, Naikkanal Junction, Trichur - 680 001, **Trichy:** Karvy Computershare Private Limited, 60 Srikrishna Arcade, 1st Floor; Thennur High Road, Trichy - 621 017, **Trivandrum:** Karvy Computershare Private Limited, 2nd Floor, Akshaya Towers, Sasthamangalam, Trivandrum - 695 010, **Udaipur:** Karvy Computershare Private Limited, 201-202, Madhav Chambers, Opp. G.P.O, Chetak Circle, Madhuban, Udaipur-313001, **Valsad:** Shop No 2, Phiroza Corner, Opp Next Showroom, Tithal Road Valsad - 396001 Tel: 02632-326902 **Vapi:** Shop No 5, Phikhaji Residency, Opp Deb Bank, Vapi Silvassa Road, Vapi - 396195 Tel: 0260-3206404 **Varanasi:** Karvy Computershare Private Limited, D-64/132, KA 1st Floor, Anant Complex, Sigra, Varanasi - 221 010, **Vellore:** Karvy Computershare Private Limited, No.1, M.N.R. Arcade, Officer'S Line, Krishna Nagar, Vellore - 632001, **Vijayawada:** Karvy Computershare Private Limited, 39-10-7 Opp : Municipal Water Tank, Labbipet, Vijayawada - 520 010, **Visakhapatnam:** Karvy Computershare Private Limited, 47-14-5/1 Eswar Paradise, Dwaraka Nagar, Main Road, Visakhapatnam - 530 016 **Warangal:** 5-6-95, 1st floor, Opp. B.Ed collage, Lashkar Bazar, Chandra Complex, Hanmakonda, Warangal - 500601, Tel: 01732 - 262911/912/913 **Yamuna Nagar:** Jagdhari Road, Above UCO Bank, Near D.A.V. Girls College, Yamuna Nagar - 135 001 Tel: 01732 - 262911 / 912 / 913



TAURUS ASSET MANAGEMENT COMPANY LIMITED

**Registered Office:**

Taurus Asset Management Co. Ltd.  
305, Regent Chambers 208, Jammalal Bajaj Marg,  
Nariman Point, Mumbai - 400021  
Tel: 022 - 2282 6488 / 2282 6847 Fax: 022 - 2283 1018 / 6630 8519

**Head Office:**

Taurus Asset Management Co. Ltd.  
Ground Floor, AML Centre-1, 8 Mahal Industrial Estate  
Mahakali Caves Road, Andheri (E) Mumbai - 400 093  
Tel: 022 - 66242700 Fax: 022 - 66242777

[www.taaurusmutualfund.com](http://www.taaurusmutualfund.com)