

STATEMENT OF ADDITIONAL INFORMATION (SAI)

This Statement of Additional Information (SAI) contains details of Baroda Pioneer 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).

The SAI is dated June, 29, 2011.

I. INFORMATION ABOUT THE SPONSOR, AMC AND TRUSTEE COMPANIES

A. Constitution of the Mutual Fund

Baroda Pioneer Mutual Fund ("Fund"), formerly known as BOB Mutual Fund, has been constituted as a Trust in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) on 30th October 1992. The trust deed has been registered under the Indian Registration Act, 1908. The Fund is registered with SEBI under Registration No. MF/018/94/2, dated November 24, 1994.

BOB Mutual Fund was established by Bank of Baroda by the execution of a Trust Deed dated October 30, 1992. Pioneer Global Asset Management SpA acquired 51% stake in BOB Asset Management Company Limited in 2008 and became co- sponsor for BOB Mutual Fund. The name of BOB Mutual Fund was then changed to Baroda Pioneer Mutual Fund, for which SEBI approval was received vide their letter IMD/RB/134922/08 dated August 12, 2008.

B. Sponsors

The Fund was set up as a Trust (under the name of BOB Mutual Fund) sponsored by Bank of Baroda. Bank of Baroda is therefore the settlor of the Mutual Fund Trust. Following its acquisition of 51% of BOB Asset Management Company Limited, Pioneer Global Asset Management SpA became a co-sponsor of the Fund.

Pioneer Global Asset Management S.p.A ("Pioneer")

Pioneer is a global investment management group ("Group") with €182 billion of total assets under management as at end of March 2011. Pioneer provides a wide range of investment solutions including mutual funds, alternative investments and structured products to clients that include institutions, corporations, intermediaries and private investors around the world. Headquartered in Milan, Pioneer has offices in 28 countries.

The Group has over 83 years' experience in traditional investments, providing appropriate investment strategies to their clients and partners. Their flagship mutual fund, Pioneer Fund, is the third oldest mutual fund in the US and exemplifies Pioneer's history of consistently managing money and helping investors pursue their financial goals. From their global investment centers in Dublin and Boston, they apply their bottom up investment process supported by their own internal fundamental and quantitative research capabilities. Pioneer believes that the route to adding value is experienced portfolio managers working in concert with dedicated career analysts generating proprietary research; the addition of a strong quantitative discipline provides screening and risk management strengthens our process. Pioneer is a wholly owned subsidiary of UniCredit.

Pioneer operates in markets through its trademark , "Pioneer Investments".

The financial performance of Pioneer Investments during the last 3 years is as under (All numbers in Rupees in Crore).

Particulars	2008	2009	2010
Total Income	6,734,252.15	4,355,061.11	3,898,865.78
Profit After Tax	5,255,446.22	3,565,714.92	3,130,477.41
Reserves & Surplus	12,798,897.03	13,444,720.76	16,007,086.85
Net worth	36,059,571.58	35,178,631.55	39,544,029.35

Assets Under Management (if applicable)	N.A.	N.A	N.A
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Bank of Baroda

Bank of Baroda, a Body Corporate constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and having its Head office at Mandvi, Baroda and Central Office at Baroda Corporate Centre, C-26, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, is the co-sponsor of the Fund. Bank of Baroda has contributed a sum of Rs. 10 Lakh towards the establishment of the Fund. The Sponsor is not responsible or liable for any loss resulting from the operation of the schemes of the Fund beyond the initial contribution of the said sum of Rupees Ten Lakh made by it towards setting up the Fund.

Bank of Baroda was established in July 1908 by the visionary Maharaja - Sir Sayajirao Gaikwad III. During the period since inception, it has maintained its practice of sound value based banking to emerge as one of the premier public sector banks of the country today. It has a track record of uninterrupted profits since its inception in 1908. The financial strength of the Bank and its long tradition of efficient customer service are drawn substantially from the extensive reach of its 3386 strong branch network as on 26.04.2011 covering almost every State and Union Territory in the Country. The Bank is also one of the few Indian Banks with a formidable presence overseas with 85 branches. To diversify its business activities and to perform specialised functions, the Bank has the following subsidiaries in India:

Name of the Subsidiary	Principal Business
BOB Capital Market Ltd.	Merchant Banking & Primary Dealership in Govt. Securities
BOB Cards Ltd.	Credit Card Operations
Nainital Bank Limited	Banking
India First Life Insurance Company Ltd.	Insurance

The financial performance of Bank of Baroda during the last 3 years is as under:

	2007-2008	2008-2009	2009-2010	2010-11
Total Income	13864	17849	19505	24695
Profit After Tax	1435	2227	3058	4242
Reserves & Surplus	10678	12514	14741	20600
Net worth (equity capital plus free reserve)	9526	11386	11386	19751
Assets Under Management (if applicable)	N.A	N.A	N.A	N.A

C. The Trustee: Baroda Pioneer Mutual Fund

The Board of Trustees shall discharge its obligation as Trustee of Baroda Pioneer 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.

The registered address of Baroda Pioneer Mutual Fund is 501, Titanium, 5th Floor, Western Express Highway, Goregaon (E), Mumbai – 400063.

Board of Trustees

The Board of Trustees shall discharge its obligation as Trustee of Baroda Pioneer Mutual Fund.

BOARD OF TRUSTEES

Name	Age	Qualification	Brief Experience
Shri R. L. Baxi Chairman and Independent Trustee	73	B.Com, LLB, F.C.I.I (London), F.F.I.I.	Mr. R L Baxi has more than 47 years of experience in the general insurance industry, investments, accounts and general administration. He worked as a General Manager in Indian Mercantile Insurance Co. Ltd, GIC, National Insurance Company and The New India Assurance Co.

Name	Age	Qualification	Brief Experience
			Ltd. He also worked as Director & General Manager with The New India Assurance Co. Ltd. Mr. Baxi is a director in various companies.
Shri Shrinivas K Suvarna Independent Trustee	68	B. Com, LLB, CAIIB	Mr. Shrinivas K Suvarna has over 35 years of experience in Banking, Finance, Accounts, General Administration and consultancy. He retired from Bank of Baroda as a Deputy General Manager.
Shri. V. H. Bhatia Independent Trustee	72	B. Com, ACA	Mr. V H Bhatia has more than 40 years of experience in Banking, Finance, Accounts and General Administration. He retired from Bank of Baroda as a General Manager.
Shri A.D.M.Chavali Associate Trustee	58	M.Com, FCA, CAIIB	Mr A.D.M.Chavali is the General Manager of Bank of Baroda. Mr. Chavali was the Managing Director of BOB Asset Management Co. Ltd. (now Baroda Pioneer Asset Management Co. Ltd.) He served on various positions in Bank of Baroda, with more than 31 years of experience in Banking, Finance and General Administration.

Supervisory role of the Trustees

The Board of Trustees monitors the activities of the AMC. From time to time it seeks information from the AMC in the form of Performance Reports, Compliance Reports, etc. On a quarterly basis, a review report is prepared by the AMC and the same is placed at meetings of the Board of Trustees. Specific approval of the Trustees is also obtained on various important matters. The Audit Committee, comprising three trustees from the board of the Trustee, with an Independent Trustee Chairing the Committee, has been constituted pursuant to SEBI circular MFD/CIR/010/024/ 2000 dated January 17, 2000 to, inter alia, review internal audit systems and reports from internal and concurrent auditors. During the year 2010-11, seven meetings of Board of Trustees were held.

Rights, Duties and Responsibilities of the Trustees

As per the Trust Deed and the SEBI (Mutual Funds) Regulations, 1996, the Trustees have several rights, duties and responsibilities including the following:

1. To enter into an investment management agreement with the AMC with the prior approval of SEBI.
2. To ensure that the investment management agreement contains such clauses as per mentioned in the Fourth Schedule of SEBI Regulation and such other clause as are necessary for the purpose of making investment.
3. The Trustees shall have a right to obtain from the AMC such information as is considered necessary by the trustees.
4. To ensure before launch of any scheme that the AMC has: -
 - i. Systems in place for the back office, dealing room and accounting;
 - ii. Appointed all key personnel including Fund Manager(s) for the scheme(s) and submitted their bio-data which shall contain the educational qualification, past experience in the securities market with the trustees, within 15 days of their appointment;
 - iii. Appointed auditors to audit its accounts;
 - iv. Appointed a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulation, notification, guidelines instruction, etc., Issued by SEBI or the Central Government and for redressal of investor's grievances;
 - v. Appointed the registrar and laid down parameters for their supervision.
 - vi. Prepared a compliance manual and designed internal control mechanisms including internal audit systems;
 - vii. Specified norms for empanelment of broker and marketing agents.
 - viii. Obtained wherever required under these regulations, prior in-principal approval from the recognized stock exchange(s) where units are proposed to be listed.

5. To ensure that the AMC has been diligent in empanelling the brokers, in monitoring securities transaction with the brokers and avoiding undue concentration of business with any broker.
6. To ensure that the AMC has not given any undue and unfair advantage to any associate or dealt with any of the associate of the asset management company in any manner detrimental to the interest of the unit- holders.
7. The Trustees shall ensure that the transactions entered into by the AMC are in accordance with these regulation and the schemes.
8. To ensure that the AMC has been managing the mutual fund schemes independently of other activities and have taken adequate steps to ensure that the interests of one scheme are nor being compromised with those of any other schemes or of other activities of the AMC.
9. To ensure that all the activities of the AMC are in accordance with the provision of SEBI (Mutual Fund) Regulations, 1996.
10. Where the trustees have reason to believe that the conduct of the business of the mutual fund is not in accordance with the SEBI Regulations and the schemes 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. To file the details of his/her transaction of dealing in securities with the Fund on a quarterly basis.
12. To be accountable for, and be the custodian of, the funds and the property of the respective scheme and to hold the same in trust or the benefit of the unit holders in accordance with the SEBI regulation and the provision of the trust deed.
13. To take steps to ensure that the transactions of the mutual fund are in accordance with the provisions of the trust deed.
14. To 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 holder of the units of any schemes in accordance with SEBI (Mutual Funds) Regulations and the trust deed.
15. To obtain consent of the unit holders:
 - i. Whenever required to do so by the SEBI in the interest of the unit holders or;
 - ii. Whenever required to do so on the requisition made by three fourth of the unit holders of any schemes;
 - iii. When the majority of the trustees decide to wind up or prematurely redeem the units;
16. To call for details of transaction in securities by the Key personnel of the AMC in his own name or on behalf of the AMC and shall report to the SEBI, as and when required.
17. To quarterly review all transaction carried out between the mutual fund, AMC and its associates.
18. To Quarterly review the net worth of the AMC and in case of any shortfall, ensure that the AMC makes up for the shortfall as per clause (f) of sub- regulation (1) of regulation 21 of SEBI (Mutual Fund) Regulations, 1996.
19. To 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 unit – holders.
20. To ensure that there is no conflict of interest between the manner of deployment of its net worth by the AMC and the interest of unit holders.
21. To periodically review the investor complaints received and its redressal by the AMC.
22. To abide by the code of conduct as specified in the fifth schedule of SEBI (Mutual Funds) Regulations, 1996.
23. To furnish to SEBI on a half yearly basis:-
 - i. a report on the activity of the mutual fund
 - ii. a certificate stating that the trustees have satisfied themselves that there have been no instance of self dealing or front running by any of the trustees, directors and key personnel of the AMC;
 - iii. a certificate to the effect that the AMC 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 of SEBI Regulation have been undertaken by the AMC and has taken adequate steps to ensure that that the interest of the unit holders are protected.
24. The independent trustee referred to in regulation 16 shall give their comments on the report received from the AMC regarding the investments made by the schemes in the securities of group companies of the sponsor.
25. The trustees shall ensure that no change in the fundamental attribute of any scheme or the trust or fees and expenses payable or any change which would modify the schemes 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 in accordance with the terms of this offer document.

Explanation: For the purpose of this clause “fundamental attributes” means the investment objectives and term of the schemes as defined later in the offer Document under the section “Investment objectives and Policies”

26. To maintain arms’ length relationship with other companies, or institution or financial intermediaries or any body corporate with which he may be associated.
27. To ensure that no Trustee shall participate in the meetings of the board of Trustee or Trustee Company when any decisions for investments in which he may be interested are taken.
28. To furnish to the board of Trustee or trustee company particulars of interest which he may have in any other company, or institution or financial intermediary or any corporate by virtue of his position as director, partner or with which he may be associated in any other capacity.
29. To appoint a custodian and shall be responsible for the supervision of its activities in relation to the mutual fund and shall enter into a custodian agreement with the custodian for this purpose.
30. To ensure that the removal of trustees in all case would require the prior approval of SEBI.
31. To ensure that the Trustee may dismiss the AMC under the specific events only with the approval of SEBI and in accordance with the SEBI Regulations.
32. To forbid the acquisition of any asset out of the trust property which involves the assumption of any liability which is unlimited and shall not result in encumbrance of the trust property in any way.
33. To provide or cause to provide information to unitholders and SEBI as may be specified by SEBI.

As per sub-regulation (25) of the SEBI Regulations, the trustees shall exercise due diligence as under:

A. General Due Diligence

- i. The Trustees shall be discerning in the appointment of directors on the Board of The AMC.
- ii. Trustees shall review the desirability of continuance of the AMC if substantial irregularities are observed in any of the schemes and shall not allow the AMC to float the new sachems.
- 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 services providers are holding appropriate registration from the board of concerned regulatory authority.
- v. The trustees shall arrange for test checks of service contracts.
- vi. Trustees shall immediately report to Board of any special development 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 AMC.
- iii. Hold meeting of trustees at frequent intervals.
- iv. Consider the reports of the independent auditors and compliance reports of the AMC at the meetings of trustees for appropriate action.
- v. Maintain records of the decision of the trustees at their meetings and of the minutes of the meetings.
- vi. Prescribe the adhere to a code of ethics by the trustees, the AMC and its personnel.
- vii. Communicate in writing to the AMC of the deficiencies and checking on the rectification of deficiencies.

Notwithstanding the aforesaid, the trustee shall not be held liable for acts done in good faith if they have exercised adequate due diligence honestly.

34. The Independent Directors of the trustees or the AMC 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 contracts with affiliates – whether the AMC has charged higher fees than outside contracts for the same services;
 - iii. Selection of the assets management company’s independent directors;
 - iv. Securities transaction involving affiliates to the extent such transaction 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 sponsor, AMC and any other for service provided;
 - viii. Principal underwriting contracts and their renewals;
 - ix. Any service contracts with the associates of the AMC.

Modification of Trust Deed

No amendment of trust deed will be carried out without the prior approval of the SEBI, and the unit holders' approval will be obtained, where it affects the interest of unit holders.

D. Asset Management Company

Baroda Pioneer Asset Management Company Ltd. (AMC) has been acting as the Investment Manager for Baroda Pioneer Mutual Fund and continues to do so. Further details about the AMC are as follows:

The AMC was incorporated under the provisions of the Companies Act, 1956 on 5th November 1992 as BOB Asset Management Company Ltd. The AMC was a wholly owned subsidiary of Bank of Baroda. On 27th June 2008, Pioneer Global Asset Management SpA, Italy acquired a 51% shareholding in BOB Asset Management Company Limited, Subsequently, the name of the AMC was changed to Baroda Pioneer Asset Management Company Limited and a fresh Certificate of Incorporation was issued by the Registrar of Companies on 8th July 2008. As per the SEBI (Mutual Funds) Regulations, 1996, at least 50% of the Board of Directors comprises independent members and the remaining are nominated for appointment by the Sponsors of the AMC.

The registered officer of the AMC is 501, Titanium, 5th Floor, Western Express Highway, Goregaon (E), Mumbai- 400063.

The present shareholding pattern of Baroda Pioneer AMC is as follows:

Name of Shareholders	% Holding
Pioneer Global Asset Management SpA	51%
Bank of Baroda	49%

The AMC has been appointed as the Asset Management Company by the Board of Trustees of Baroda Pioneer Mutual Fund (formerly known as BOB Mutual Fund) vide Investment Management Agreement (IMA) dated 24th November 1992.

The AMC manages the schemes of the Fund, in accordance with the provisions of the Investment Management Agreement, the Trust Deed, the Regulations and the objectives of each of the schemes.

(i) Details of AMC Directors:

Name	Age/Qualification	Brief Experience
Mr. Angus William Stening Chairman and Associate Director	46/ Diploma in Business Accounting, Sydney Institute of Technology	Mr Angus Stening has been the CEO, Asia & Emerging Markets, at Pioneer Investments since early 2007, and prior to that, was Head of Central & Eastern Europe (2004-07) and Executive Vice President – Operations & IT. Before joining Pioneer Investments, Mr Stening was with DB Global Institutional Services (1999) and BT Funds Management (1998-99). He is also a director of various companies of the Pioneer Group.
Mr. M D Mallya Associate Director	58/ BE, Post Graduate Diploma in Management	Mr. M. D. Mallya is the Chairman and Managing Director of Bank of Baroda. Prior to joining the Bank, he was the Chairman & Managing Director of Bank of Maharashtra. Mr. Mallya passed cleared his Bachelor of Engineering with Distinction from Karnataka Regional Engineering College, Suratkal. Subsequently, he completed a post-graduation Diploma in Management from the Indian Institute of Sciences, Bangalore, with Distinction. In a career spanning over 31 years, he has acquired a rich experience in banking at various positions and assignments.
Mr. Roger Yates Associate Director	54/B.A.(Hons), Modern History Oxford University	Mr. Roger Yates is the Chief Executive Officer (CEO) of Pioneer Investments, and a well known name in the global fund management industry. Prior to this, he was the CEO at Henderson Asset Management,

		an organisation he served for about ten years. Mr. Yates holds a B.A. (Hons) degree in modern history from Oxford University, and is a non-executive director with JP Morgan Elect PLC and IG Group PLC.
Mr. N. Ramani Associate Director	59/(M.Sc).in Physics, ,CAIIB.	Mr. N. Ramani is General Manager (Wholesale Banking), Bank of Baroda, and responsible for domestic corporate lending, domestic foreign business and the Corporate Debt Restructuring Cell. He has been with Bank of Baroda since 1973 and has a rich experience in the banking industry. He is also a Director with BOB Capital Markets Limited, a 100% subsidiary of Bank of Baroda. He holds a post graduate degree (M.Sc).in Physics, and is a CAIIB.
Prof B B Bhattacharya Independent Director	66/M.A.(Economics), Ph.D (Economics)	Professor B. B. Bhattacharya is currently the Vice-Chancellor of Jawaharlal Nehru University. Prior to that, he was Director (2001-2005) and Professor (1981 onwards) at the Institute of Economic Growth, Delhi. He received his M.A. in Economics from the University of Allahabad in 1966 with first position in the order of Merit and obtained his Ph.D. in Economics from the Delhi School of Economics, University of Delhi, in 1971.
Dr. P. N. Khandwalla Independent Director	71/B.Com, MBA, MSIA, PhD, CA	Professor Khandwalla taught at McGill University, Canada, for several years before returning to India in 1975. Since then he was a professor at the Indian Institute of Management, Ahmedabad, until his retirement in 2002. He was L&T Chair Professor of Organizational Behaviour at IIMA from 1985 to 1991 and the Director of IIMA up to 1996. Dr Pradip N. Khandwalla was educated at Bombay University (B.Com), Wharton School, University of Pennsylvania (MBA), and Carnegie-Mellon University (Ph.D). He is also a member of the Institute of Chartered Accountants of India and a director in various companies
Mr. G. P. Gupta Independent Director	70/M.Com, Delhi University	Mr. G P Gupta is Ex-Chairman & Managing Director, Industrial Development Bank of India (July 1998 - January 2001). Mr Gupta was also Chairman, Unit Trust of India (January 1997 - June 1998) and has served in various roles, ending as Executive Director at Industrial Development Bank of India (1969 - 1996). He is also a director in various companies.
Mr. Shiv Dayal Independent Director	46/Masters from London Business School	Mr. Shiv Dayal is a founder and the Managing Director of Langham Capital, and is responsible for managing all aspects of the firm's activities, including origination and executing transactions, client relationship management and financial management. He is also the Chairman of F1F9 (India) Private Ltd. Immediately prior to founding Langham Capital, Mr Dayal managed two technology ventures in Europe, worked in the Mergers & Acquisitions groups at JPMorgan and Dresdner Kleinwort Benson in London and New York. Mr. Shiv Dayal has a Bachelors degree in Economics from the University of Sussex, a Masters degree in Development Economics from the University of East Anglia and an MBA from London Business School. He is also a director in various companies.
Mr. Rohit Arora Independent Director	52/B.Com (Hons), Chartered Accountant	Rohit Arora is a founder and the Chairman of Emr Technology Ventures (p) Ltd. Mr. Arora has over two decades of experience in business process outsourcing, investment banking and management

		consulting. Mr. Arora is also the founder director of AR Credit, a transaction processing company focused on the domestic BPO market. He was earlier the Managing Director of AIA Capital India Pvt. Ltd, the Investment Banking arm of AIG - American International Group. Mr. Arora is a fellow member of the Institute of Chartered Accountants of India. He is also a director of various companies.
Mr. Rajan Krishnan	50/BA (H) Economics, PGDBM from XLRI Jamshedpur	Mr. Rajan Krishnan is a B.A (Hons), PGDBM from XLRI, Jamshedpur, with over 23 years of experience in marketing, of which 14 years are in the mutual fund industry. Mr Krishnan took charge as the Chief Executive Officer of Baroda Pioneer Asset management Co. Ltd. and is presently the Managing Director. Prior to his appointment, he was the Business Head (Asset Management) – Principal PNB Asset Management Company Pvt. Ltd. from June 2003 to March 2008, Vice President (Sales and Marketing) - Zurich Asset Management Company Pvt. Ltd. between Dec 1999 and June 2003 and Vice President (Sales) – Kothari Pioneer Asset Management Company Limited from September 1994 to December 1999.

(ii) Duties and Obligation of the AMC

Duties and obligation of the AMC as specified in the SEBI (Mutual Funds) Regulations are as under:

1. The AMC 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 AMC shall exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
3. The AMC shall be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the AMC.
4. The AMC shall submit to the trustees, quarterly reports on its activities and the compliance with the Regulations.
5. The trustees at the request of the AMC may terminate the assignment of the AMC 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 AMC.
6. Notwithstanding anything contained in any contract or agreement or termination, the AMC 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.
7. The Chief Executive Officer (whatever his designation may be) of the AMC shall ensure that the mutual fund complies with all the provisions of the 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 unit holders and shall also be responsible for the overall risk management function of the mutual 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.

8. The fund manager (whatever the designation may be) shall ensure that the funds of the schemes are invested to achieve the objectives of the schemes and in the interest of the unit holders.
9. a. An AMC shall not through any broker associated with the sponsor, purchase or sell securities, which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes.

Provided that for the purpose of this sub-regulation, 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% shall apply for a block of any three months.

b. An AMC 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% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes, unless the AMC has recorded in writing the justification for exceeding the limit of 5% 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.

10. An AMC shall not utilise 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 AMC may utilise 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 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.

11. The AMC shall file with the trustees the details of transactions in securities by the key personnel of the AMC in their own name or on behalf of the AMC and shall also report to,SEBI as and when required by the SEBI.

12. In case the AMC 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.

13. 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 AMC 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.

14. The AMC shall file with the Trustee and the Board –

- (a) Detailed bio-data of all its directors along with their interest in other companies within fifteen days of their appointment; and
- (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.

15. Each director of the AMC 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 the Board.

16. The AMC shall not appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.

17. The AMC shall appoint registrars and share transfer agents who are registered with the Board.

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 schemes 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.

18. The AMC shall abide by the Code of Conduct as specified in the Fifth Schedule. Further the AMC shall ensure the following
- Not to acquire any of the assets out of the schemes' property which involves the assumption of any liability which is unlimited or which may result in encumbrance of the schemes' property in any way.
 - Not to take up any activity in contravention of the SEBI Regulations.
 - To ensure that no loss or damage or expenses incurred by the AMC or officers of AMC or any person delegated by the AMC, shall be met out of the trust property.

Key Personnel of the Investment Manager

Name & designation	Age / Qualification	Brief Experience
Rajan Krishnan Managing Director	50/ B.A (H) , PGDBM from XLRI Jamshedpur	Mr. Rajan Krishnan is a B.A (Hons), PGDBM from XLRI, Jamshedpur, with over 23 years of experience in marketing, of which 14 years are in the mutual fund industry. Mr Krishnan is the Chief Executive Officer of Baroda Pioneer Asset management Co. Ltd. since 8 th July 2008. Prior to his appointment, he was the Business Head (Asset Management) – Principal PNB Asset Management Company Pvt. Ltd. from June 2003 to March 2008, Vice President (Sales and Marketing) - Zurich Asset Management Company Pvt. Ltd. between Dec 1999 and June 2003 and Vice President (Sales) – Kothari Pioneer Asset Management Company Limited from September 1994 to December 1999.
Mr. Rajeev Thakkar Chief Operating Officer	39/ B.Com, BGL, CA, CFP	Mr. Rajeev Thakkar is a commerce graduate, and a CA. He has over 15 years of experience. Prior to his appointment with the AMC, he worked with Reliance Asset Management Singapore as head of Operations, ING Investment Management, Hong Kong as Head of Operations, ING Investment Management, Mumbai as Chief Operating Officer & CFO, Kotak AMC as VP Operations and Kotak Mahindra Finance Limited as Manager HE started his career with AF Ferguson & Co.
Rashmi Pandit Company Secretary, Risk & Compliance Officer	35/ B.Com, ACS, MFM	Ms. Rashmi Pandit is a commerce graduate and an ACS, with a Masters degree in Financial Management (MFM). She began her career with Kotak Mahindra Asset Management Company Limited in June 2000, as a management trainee, and eventually became the company secretary, while continuing to assist the compliance officer in all mutual fund compliances. Her next assignment was with DSP BlackRock Investment Managers Pvt. Ltd. (DSP), which she joined in June 2004. In due course, she became the company secretary and compliance officer at DSP, and handled the secretarial, legal and compliance functions, including compliance for the PMS business of DSP.
Alok Sahoo Head- Fixed Income	35/ BE, MBA (Finance, Xavier Institute of Management, Bhubaneswar	Mr Alok Sahoo is a management graduate in Finance from XIM, Bhubaneswar having BE degree from NIT, Rourkela. He has been working in the investment area in asset management for 9 years. Prior to Baroda

		Pioneer Mutual Fund, he has been fixed income fund manager at UTI Mutual Fund and HSBC Mutual Fund. He was also the Fund Manager for Employee Provident Fund at HSBC Asset Management. He has experience in the credit research of companies as well.
Dipak Acharya Fund Manager (Equity)	48/ M.Com. AICWA, CAIIB and PGPMS	Mr Dipak Acharya is an M.Com. with the added qualifications of AICWA, CAIIB and PGPMS. He is the Fund Manager for the equity schemes of Baroda Pioneer Mutual Fund and has been with the organization since September 2008. Prior to this, Mr. Acharya was with Bank of Baroda for 10 years, where he worked in the Treasury Dept. and Credit Dept.
Hetal P. Shah Fund Manager (Debt)	31/ B.Com, MBA, and JAIIB	Ms. Hetal P. Shah is a B.Com, MBA, and JAIIB having 9 years of experience in Treasury and Fund Management. Before joining Baroda Pioneer Asset Management Co. Ltd., she was working in the Treasury Department of Bank of India from May 1999.
Abhay Nagar Vice President & Head of Sales	38/B.Com (H), MBA Finance	Mr. Abhay Nagar is a B Com. (Hons) and a Management Graduate with specialization in finance. He is working with Baroda Pioneer Mutual Fund as Vice President and Head of Sales and Distribution. Prior to this he worked for Tata Asset Management Ltd for 6 years in various capacities such as Head of North zone (Sept 2002 – July 2003), Vice President and Head of Retail Sales (Aug 2003-Sept 2008)- reporting to Managing Director. Prior to that he worked for RR Financial Consultants Ltd (Sept 1995- Aug 2002) in various capacities such as Regional Head (West), Astd. Vice President- Retail Distribution and later on as Vice President & All India Head, reporting to Managing Director.
Amitabh Ambastha Investor Relations Officer	38/ B.Sc(Ho);PGDM,CAIIB	Mr. Amitabh Ambastha is a, B.Sc(Ho),PGDM CIIB, with 13 years of experience in Investor Service Operations. Before joining Baroda Pioneer Asset Management Co. Ltd., he worked with TATA Asset Management Co.Ltd. (July 2005 – August 2008) and UTI Technology Services Ltd. (June 1998 – June 2005).

All Key Personnel are in the registered office of the AMC.

Procedure followed for Investment decisions

The Board of Directors of the AMC has appointed an "Investment Committee" (a Committee having Board representation) to review the Investment activities of the schemes of the Fund. First time investment decisions in respect of equities/equity related instruments of a company are approved by the Investment Committee (IC) after taking into consideration the Fundamentals of business, Market Capitalisation Industry structure, Quality of management, etc. and then these are included in the Investment Universe for the schemes. Investments in such equities which are not in the investment universe, either through the secondary market or in an IPO, may be made, up to 5% of the total net asset value of the respective scheme, as long as such investments fall within the investment guidelines of that scheme and the fund manager (equity) does so subject to the approval of the Managing Director. Such investments are reported to the Investment Committee at their next meeting for ratification.

The process of approval and execution of individual transactions is carried out by the investment team comprising of the Head of Fixed Income, Fund Manager- Equity and Fund Manager – Fixed Income. The investment decisions are taken considering factors like economic scenario, fundamental analysis, technical analysis, interest rate movements, liquidity, industry weight age, etc. All investment decisions are recorded on a daily basis.

The performance of each scheme is monitored by the Board of AMC and trustees on a periodic basis vis-à-vis the respective benchmark index as mentioned in the Scheme Information Documents.

Industry-wise exposure of the schemes is reported to the Investment Committee on a regular basis.

For Investors Services, please contact:

Baroda Pioneer Mutual Fund
501, Titanium,
5th Floor,
Western Express Highway
Goregaon (E)
Ph No. 30741000
Fax No. 30741001
E-mail: info@barodapioneer.in
Toll free No-1800 4190 911

E. Service Providers

Custodian

CITI BANK N.A. (SEBI Registration Number:IN/CUS/004) situated at Trent House, 3rd Floor, G Block, Plot No.60, Next to Citibank, BKC, Bandra (E), Mumbai 400 051, are the custodian for all the schemes of the Fund. The important duties and obligations of the Custodians in terms of the Custodial Agreement entered into with them are as under:

- a) All securities/investments of the schemes of the Fund shall be in the custody of the Custodian.
- b) The Custodian will deliver/receive securities directly to and from the parties and shall receive or make payment on receipt of written instructions from Baroda Pioneer Mutual Fund or any other person authorised by Baroda Pioneer Mutual Fund.
- c) The Custodian will be responsible for loss or damage to the securities due to its negligence or negligence of its employees and approved agents.
- d) The Custodian will ensure smooth inflow/outflow of securities and such other instruments as and when necessary in the best interest of the investors.
- e) The Custodian will ensure that the benefits due to the holdings are recovered.
- f) The Custodian is entitled to remuneration for its services in accordance with the terms of the existing Custodial Agreement which inter alia provides that the custodian will charge the schemes of the Fund a fee at specified and agreed upon rates, apart from reimbursement of out of pocket expenses.

Registrar and Transfer Agents

Karvy Computershare (Pvt.) Ltd., having their registered office at **46, Avenue 4, Street No – 1, Banjara Hills, Hyderabad – 500034**, are the Registrar and Transfer Agents for the schemes of the Fund.

The Board of Trustees of Baroda Pioneer Mutual Fund and Baroda Pioneer Asset Management Co. Ltd. have ensured that the Registrars are registered with SEBI, with a valid certificate, and that they have adequate facilities to discharge the responsibilities with regard to processing of applications, dispatch of Account Statement/Unit certificates to Unitholders within the time limit prescribed by the SEBI (Mutual Funds) Regulations, 1996 and that they also have sufficient capacity to handle investors' complaints. It has also been ensured that Karvy Computershare (Pvt) Ltd. has adequate facilities, processes, etc. to address the risk management issues prescribed by SEBI. The SEBI Registration Number of Karvy Computershare (Pvt.) Ltd is INR000000221.

Legal Counsel

Based on the issue on hand, the AMC appoints appropriate legal counsel on a case to case basis.

Fund Accountant

CITIBANK N.A. situated at Trent House, 3rd Floor, G Block, Plot No.60, Next to Citibank, BKC, Bandra (E), Mumbai 400 051, are the fund accountants for all the schemes of the Fund.

Statutory Auditors

Auditors of Baroda Pioneer Mutual Fund

M/s. Borkar & Muzumdar, Chartered Accountants, having their office at 235-37, Piramal Mansion, D. N. Road, Mumbai - 400 001, were appointed as Statutory Auditors of Baroda Pioneer Mutual Fund for FY 2009-10. The Auditors of the schemes of the Fund are different from those of the AMC.

Auditor of the AMC

M/s BSR & Co Chartered Accountants, having their office at KPMG House, Kamla Mills Compound, 448, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, were appointed as the statutory auditors of BPAMC for FY 2009-10. The auditors of BPAMC are different from the auditors of the schemes of the Fund.

Collecting Bankers

For Collecting Bankers for NFOs, please refer the Scheme Information Document of the respective scheme.

F. Condensed Financial Information

In the last three years Baroda Pioneer Mutual Fund has launched five schemes i.e. Baroda Pioneer Treasury Advantage Fund, Baroda Pioneer Public Sector Undertaking (PSU) Bond Fund, Baroda Pioneer Short term Bond Fund ,Baroda Pioneer PSU Equity Fund, Baroda Pioneer Infrastructure Fund. The Condensed Financial Information of these schemes is as follows:

Sr. No	Scheme Name	BARODA TREASURY FUND	PIONEER ADVANTAGE	BARODA PUBLIC UNDERTAKING BOND FUND	PIONEER SECTOR (PSU)	BARODA PIONEER SHORT TREM BOND FUND	BARODA PIONEER PSU EQUITY FUND	BARODA PIONEER INFRASTRUC TURE FUND
		2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2010-2011	2010-2011
	Allotment Date	24-Jun-09		24-Dec-09		30-Jun-10	4-Oct-10	21-Jun-10
		YR12		YR13		YR15	YR16	YR14
1	NAV at the beginning of the year (as on allotment date/April 1)							
	Retail Plan - Growth	10.3612 ^	10.0000	10.1754 ^	10.0000	10.0000	10.0000	10.0000
	Retail Plan - Dividend	-	-	-	-	10.0000	10.0000	10.0000
	Retail Plan - Daily Dividend	10.0106 ^	10.0000	-	-	-	-	-
	Retail Plan - Weekly Dividend	10.0028 ^	-	-	-	-	-	-
	Retail Plan - Monthly Dividend	10.0401^	10.0000	10.0305 ^	10.0000	-	-	-
	Retail Plan - Quaterly Dividend	-	-	10.0551 ^	10.0000	-	-	-
	Institutional Plan - Growth	10.3740 ^	10.0000	-	-	-	-	-
	Institutional Plan - Dividend	-	-	-	-	-	-	-
	Institutional Plan - Daily Dividend	10.0102 ^	10.0000	-	-	-	-	-
	Institutional Plan - Weekly Dividend	10.0028 ^	-	-	-	-	-	-
	Institutional Plan - Monthly Dividend	-	-	-	-	-	-	-
	Institutional Plan - Quarterly Dividend	-	-	-	-	-	-	-
2	Dividends * (net dividend per unit)							
	Individual & HUF							
	Retail Plan - Dividend	-	-	-	-	0.1105	-	-
	Retail Plan - Daily Dividend	33.4170	0.3020	-	-	-	-	-
	Retail Plan - Weekly Dividend	32.9286	0.3034	-	-	-	-	-
Retail Plan - Monthly Dividend	32.9000	0.2768	0.2815	0.1261	-	-	-	

Sr. No	Scheme Name	BARODA TREASURY FUND	PIONEER ADVANTAGE	BARODA PUBLIC UNDERTAKING BOND FUND	PIONEER SECTOR (PSU)	BARODA PIONEER SHORT TREM BOND FUND	BARODA PIONEER PSU EQUITY FUND	BARODA PIONEER INFRASTRUC TURE FUND
		2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2010-2011	2010-2011
	Allotment Date	24-Jun-09		24-Dec-09		30-Jun-10	4-Oct-10	21-Jun-10
	Retail Plan - Quaterly Dividend	-	-	0.3953	0.1051	-	-	-
	Institutional Plan - Dividend	-	-	-	-	-	-	-
	Institutional Plan - Daily Dividend	33.1957	0.3126	-	-	-	-	-
	Institutional Plan - Weekly Dividend	32.8476	0.1509	-	-	-	-	-
	Institutional Plan - Monthly Dividend	-	-	-	-	-	-	-
	Institutional Plan - Quarterly Dividend	-	-	-	-	-	-	-
	Others							
	Retail Plan - Dividend	-	-	-	-	0.1030	-	-
	Retail Plan - Daily Dividend	31.1448	0.2811	-	-	-	-	-
	Retail Plan - Weekly Dividend	30.6899	0.2824	-	-	-	-	-
	Retail Plan - Monthly Dividend	30.6632	0.2577	0.2623	0.1174	-	-	-
	Retail Plan - Quaterly Dividend	-	-	0.3684	0.0978	-	-	-
	Institutional Plan - Dividend	-	-	-	-	-	-	-
	Institutional Plan - Daily Dividend	30.9391	0.2910	-	-	-	-	-
	Institutional Plan - Weekly Dividend	30.6143	0.1404	-	-	-	-	-
	Institutional Plan - Monthly Dividend	-	-	-	-	-	-	-
	Institutional Plan - Quarterly Dividend	-	-	-	-	-	-	-
3	NAV at the end of the year (as on March 31)							

Sr. No	Scheme Name	BARODA TREASURY FUND	PIONEER ADVANTAGE	BARODA PUBLIC UNDERTAKING BOND FUND	PIONEER SECTOR (PSU)	BARODA PIONEER SHORT TREM BOND FUND	BARODA PIONEER PSU EQUITY FUND	BARODA PIONEER INFRASTRUC TURE FUND
	Financial Year	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2010-2011	2010-2011
	Allotment Date	24-Jun-09		24-Dec-09		30-Jun-10	4-Oct-10	21-Jun-10
	Retail Plan - Growth	1105.4535	10.3601	10.6357	10.1735	10.3064	8.98	9.45
	Retail Plan - Dividend	-	-	-	-	10.1778	8.98	9.45
	Retail Plan - Daily Dividend	1000.9500	10.0095	-	-	-	-	-
	Retail Plan - Weekly Dividend	1000.5730	10.0017	-	-	-	-	-
	Retail Plan - Monthly Dividend	1001.1295	10.0390	10.1565	10.0286	-	-	-
	Retail Plan - Quaterly Dividend	-	-	10.0535	10.0532	-	-	-
	Institutional Plan - Growth	1106.7852	10.3729	-	-	-	-	-
	Institutional Plan - Dividend	-	-	-	-	-	-	-
	Institutional Plan - Daily Dividend	1000.9100	10.0091	-	-	-	-	-
	Institutional Plan - Weekly Dividend	1000.9286	10.0017	-	-	-	-	-
	Institutional Plan - Monthly Dividend	-	-	-	-	-	-	-
	Institutional Plan - Quarterly Dividend	-	-	-	-	-	-	-
5	Annualised Return							
	Regular Plan - Growth	5.84%	3.60% **	4.99%	1.74% **	3.06% **	(10.20)% **	(5.50)% **
	Institutional Plan - Growth	5.91%	3.73% **	na	na	na	na	na
6	Net Assets end of Period (Rs. In Crs)							
	Retail Plan - Growth	7.15	2.70	51.23	60.47	21.83	76.39	22.60
	Retail Plan - Dividend	-	-	-	-	2.21	19.31	8.54
	Retail Plan - Daily Dividend	17.83	13.75	-	-	-	-	-
	Retail Plan - Weekly Dividend	1.70	2.08	-	-	-	-	-
	Retail Plan - Monthly Dividend	0.04	0.52	1.86	47.13	-	-	-

Sr. No	Scheme Name	BARODA TREASURY FUND	PIONEER ADVANTAGE	BARODA PUBLIC UNDERTAKING BOND FUND	PIONEER SECTOR (PSU)	BARODA PIONEER SHORT TREM BOND FUND	BARODA PIONEER PSU EQUITY FUND	BARODA PIONEER INFRASTRUC TURE FUND
	Financial Year	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2010-2011	2010-2011
	Allotment Date	24-Jun-09		24-Dec-09		30-Jun-10	4-Oct-10	21-Jun-10
	Retail Plan - Quaterly Dividend	-	-	2.46	28.40	-	-	-
	Institutional Plan - Growth	1.57	482.72	-	-	-	-	-
	Institutional Plan - Dividend	-	-	-	-	-	-	-
	Institutional Plan - Daily Dividend	352.71	442.84	-	-	-	-	-
	Institutional Plan - Weekly Dividend	3.69	131.57	-	-	-	-	-
	Institutional Plan - Monthly Dividend	-	-	-	-	-	-	-
	Institutional Plan - Quarterly Dividend	-	-	-	-	-	-	-
7	Ratio of Recurring Expenses to Net Assets	0.29%	0.19%	1.19%	0.99%	0.75%	2.50%	2.50%

* Excluding dividend details of liquid scheme

** Absolute Return since the period is not more than 1 year

^ Computed NAV

In Baroda Pioneer Treasury Advantage Fund face value per unit is changed from Rs.10.00 to Rs.1000.00 wef February 07, 2011.

II. HOW TO APPLY

- 1) Investors may purchase units by using an application form/transaction slip (for additional purchase). Application forms/transaction slips are available at Investor Service Centres (ISC), with distributors or may be downloaded from the website of the AMC, www.barodapioneer.in.
- 2) Investments may be made by way of a cheque or a Demand Draft (DD) or through a fund-transfer request or National Electronic Funds Transfer (NEFT) or Real Time Gross Settlement (RTGS). Investors may note that the Fund will not accept any third-party payment instrument. Investors may also note that payments by cash and post-dated cheques will not be accepted, provided that payment by post-dated cheques will be accepted only for investments made through the Systematic Investment Plan (SIP) facility. The AMC may, at a later date, provide investors with the facility of transacting using debit cards and/or net banking. For payments through net banking and debit cards, when such facilities are made available by the AMC, if it is found that the payment is not made from a registered bank account or from an account not belonging to the first named unit holder, the AMC shall reject the transaction with due intimation to the investor.
- 3) The Fund may, in future, offer investors the facility of transacting in the units of the schemes, as mentioned in their Scheme Information Documents, through the mutual fund trading platform of the National Stock Exchange (NSE) and/or Bombay Stock Exchange (BSE). Investors who wish to transact through the stock exchange mechanism will need to have a demat account with a Depository Participant (DP) of NSDL or CDSL.
- 4) Application forms, complete in all respects, together with necessary payment instrument or other remittance, may be submitted at any of the Official Points of Acceptance, as mentioned in the respective Scheme Information Document, and/or as may be designated by the AMC from time to time. Applications Cheques/Demand Drafts shall be payable in favour of the scheme concerned (Please see the Key Information Memorandum & Application Form of the respective scheme for instructions). Cheques / Demand Drafts should be payable at the centre where the application is lodged. Investors who wish to transact through the stock exchange mechanism, when such facility is provided, shall submit their application form to any of the registered stock brokers of NSE/BSE for transacting through MFS or BSE StAR MF, which are the currently available stock exchange trading platforms.
- 5) DD/Bank charges for applicants who are residents of a city, the banking clearing circle of which is different from that of an ISC shall be borne by the AMC. The AMC shall not refund any demand draft charges. However in case of applications for debt / income schemes, the AMC shall not bear or refund any DD/Bank charges incurred by the applicant. In case of applications pertaining to equity schemes, the AMC may, at its own discretion, refuse to bear any such DD/Bank charges incurred by the applicant. Applications accompanied by cheques / drafts not fulfilling the above criteria are liable to be rejected.
- 6) Investors are advised to fill up the details of their bank account number(s) in the application form in the space provided. In order to protect the interest of Unit holders from fraudulent encashment of cheques, SEBI has made it mandatory for investors to state their bank account number(s) in their application forms.
- 7) SEBI has made it mandatory for all investors (including NRIs, Power of Attorney holders and Guardians of minors) to mention their Permanent Account Number (PAN) for transacting in the units of any of the schemes of the Fund, irrespective of the amount of transaction. Submission of a copy of the PAN card at the time of purchase is mandatory for all categories of investors. For minors, submission of a copy of the PAN card of the Guardian is mandatory, whether a copy of the PAN Card of the minor is provided or not. Applications that are not accompanied by duly verified copy(ies) of the PAN card(s) are liable to be rejected.
- 8) Exemption from the requirement of PAN:
 - a. Investors residing in the state of Sikkim are exempt from the requirement of PAN, subject to the AMC verifying the veracity of the claim of the said investors that they are residents of Sikkim, by collecting sufficient documentary evidence in this behalf.
 - b. Investments through Micro SIPs, i.e. SIPs where the aggregate of installments per year per investor does not exceed Rs 50,000, will be exempt from the requirement of PAN. This exemption will be available only to investments by individuals, including NRIs (but not PIOs), minors, sole proprietary firms and joint holders (Investors may note that HUFs and other categories are not

eligible for Micro SIPs). For Micro SIPs, it shall be necessary to submit any one standard specified photo identification document in lieu of the PAN card. Investors may contact the Registrar/any of the ISCs to know the acceptable documents which may be provided as proof of identification in lieu of PAN card.

- 9) Verification of the photocopy of the PAN Card will be carried out with the Income tax database. In case of failure, communication will be sent to the investors requesting them to provide the correct PAN details or communication from the Income Tax authorities, if any, evidencing the validity of the PAN. Such folios will be blocked for additional purchases and SIP registrations till receipt of the above documents and verification with the original. In case of web-based transactions, investors will be allowed to transact, subject to PAN validation.
- 10) Investors are advised to retain the acknowledgement slip signed/stamped by the collection centre where they submit the application form.
- 11) Unit holders may opt to hold their Units in demat mode, for which they must provide their Demat account details in the relevant section of the application form. Unit holders who opt to hold their Units in Demat mode shall have a beneficiary account with a DP registered with NSDL or CDSL and will be required to indicate in the application form, the DP's name, DP ID number and the beneficiary account number of the Unit holder with the DP. In case a Unit holder does not provide his/her/its Demat account details or provides incomplete details, or the details do not match with the records as per the Depository(ies), an account statement shall be sent to him/her/it. Such Unit holder will not be able to trade on the stock exchange till the holdings are converted into Demat mode. Unit holders who wish to convert their physical units into demat form at a later date, will be required to open a beneficiary account with a DP of NSDL or CDSL and will have to submit the account statement along with a request form (DRF) asking for the conversion into demat form. Such Unit holder will be required to fill in the DRF in triplicate alongwith the relevant details and submit it to the Registrar along with the account statement concerned. The combination of names in the account statement must be same as that in the demat account. Rematerialization of Units will be in accordance with the provisions of SEBI (Depositories & Participants) Regulations, 1996, as amended from time.
- 12) Additional mode of payment through Applications Supported by Blocked Amount (ASBA) for investing in New Fund Offers (NFO)

An investor who wishes to invest using the ASBA facility during the NFO of a scheme of the Fund shall submit a duly filled up ASBA Application form to a Self Certified Syndicate Bank (SCSB) with whom the investor holds a bank account which is to be blocked for ASBA. In case the ASBA application is in physical mode, the investor shall submit the ASBA form at the bank branch of the SCSB, which is designated for the purpose and is necessary that the investor holds a bank account with such SCSB. In case the ASBA application is in electronic form, the investor shall submit the ASBA form either through the internet banking facility available with the SCSB, or other electronically enabled mechanism(s) for subscribing to units of mutual fund schemes, authorizing to block the subscription money in a bank account. The Bank Account number in the form should necessarily be of the first applicant only. In case the bank account is jointly held, the first applicant should be one of the joint holders. An ASBA application form will not be accepted by any of the offices of the Fund or the Registrar. Investors shall ensure that the bank account details mentioned in the ASBA application form are correct and funds are available in the said account for the SCSB to block the amount. Upon submission of an ASBA form with the SCSB, the investor shall be deemed to have agreed to block the entire subscription amount specified in the application form, and have authorized the designated branch to block such amount in the bank account. The SCSB shall block the subscription money based on the authorization given by the investor in the ASBA application form and this shall remain blocked in the Bank account till allotment of Units under the scheme or till rejection of the application, as the case may be. The SCSBs may, at any time before the closure of the NFO, reject the ASBA application, and inform the investor accordingly. During processing of the application by the Registrar, if the application is found to be incomplete or incorrect, the SCSB will be informed, who will then unblock the investor's account with appropriate remarks in the investor's account. The names of the applicants, the mode of holding etc., as mentioned in the application form, should exactly match with the information available in the demat account. In case of any mismatch, incorrect or incomplete information, the application may be rejected by the SCSB or the Registrar. In case of units in demat mode, all investor related details for allotment of Units, such as names of the applicants, mode of holding, bank account, etc. will be updated as per the demat account and investors should check their demat accounts for allotment of Units within 10 working days of the NFO closure and no physical account statement will be sent to such investors by the Fund/Registrar. All grievances relating to the ASBA facility may be addressed to the AMC/Registrar, with a copy to the SCSB, giving full details, such as name, address of the applicant(s), subscription amount blocked, bank account number and the designated branch or the collection centre of the SCSB where the ASBA form was submitted by the investor. On the closure date of the NFO, the ASBA form

should be submitted to the SCSB concerned before the 3.00 p.m. or such other time as may be decided by the respective SCSB. The Fund or the Registrar shall not be liable for any negligence or mistake committed by SCSBs.

5) Who can invest?

Investors are advised to satisfy themselves that they are not prohibited by any law governing them and any Indian law from investing in the schemes of the Fund and that they are authorized to purchase units of mutual funds as per their respective constitution, charter document, corporate / other authorization and relevant statutory provisions. The following is an indicative list of persons who are generally eligible and may apply for subscription to the units of the schemes of the Fund:

- Indian resident adult individuals, either singly or jointly (not exceeding three);
- Minor through parent / lawful guardian; (please see the note below)
- Companies, bodies corporate, public sector undertakings, association of persons or bodies of individuals and societies registered under the Societies Registration Act, 1860;
- Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private Trusts authorised to invest in mutual fund schemes under their trust deeds;
- Partnership Firms constituted under the Partnership Act, 1932;
- A Hindu Undivided Family (HUF) through its Karta;
- Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions;
- Non-Resident Indians (NRIs) / Persons of Indian Origin (PIO) on full repatriation basis or on non repatriation basis;
- Foreign Institutional Investors (FIIs) registered with SEBI on full repatriation basis;
- Army, Air Force, Navy and other para-military funds and eligible institutions;
- Scientific and Industrial Research Organisations;
- Provident / Pension / Gratuity and such other Funds as and when permitted to invest;
- International Multilateral Agencies approved by the Government of India / RBI; and
- The Trustee, AMC or Sponsor or their associates (if eligible and permitted under prevailing laws).
- A Mutual Fund through its schemes, including Fund of Funds schemes.

Notes

1. A minor can invest in any scheme of the Fund through his/her guardian only. For investments made on behalf of minors, investors may please note the following:
 - a. The minor shall be the first and the sole holder in the account.
 - b. Guardian can be either a natural guardian (i.e. father or mother) or a court appointed legal guardian.
 - c. It is mandatory for the guardian to submit documentary evidence confirming the relationship status.
 - d. It is mandatory to provide the minor's date of birth in the application form, along with any of following supporting documents:
 - Birth certificate of the minor;
 - School leaving certificate / Mark sheet issued by the Higher Secondary Board of the respective state, ICSE, CBSE etc;
 - Passport of the minor;
 - Any other suitable proof evidencing the date of birth of the minor.

In the event of minor attaining majority, investors may please note the following:

- a. The AMC/Registrar shall send advance notice at the registered correspondence address, advising the minor and guardian to submit prescribed documents, in order to effect change of status from 'minor' to 'major'.
- b. In case the requisite documents to change the status are not received by the date when the minor attains the age of majority, no transactions (financial and non-financial) including fresh registration of SIP, Systematic Transfer Plan (STP) and Systematic Withdrawal Plan (SWP) will be permitted after the date of minor attaining the age of majority.
- c. Existing SIPs, SWPs and STPs registered prior to the minor attaining the age of majority, will be continued to be processed till the time an instruction from the major to terminate the standing instruction is received by the AMC/Registrar along with the prescribed documents.
- d. New SIPs, SWPs and STPs will be registered upto the date of the minor attaining the age of majority.
- e. List of standard documents to change account status from minor to major:
 - Service Request form, duly filled and containing details like name of major, folio numbers, etc.;

- New Bank mandate where account changed from minor to major;
 - Signature attestation of the major by a manager of a scheduled bank / Bank Certificate/Letter;
 - KYC acknowledgement of the major.
2. Non Resident Indians (NRI) and Persons of Indian Origin (PIO) residing abroad / Foreign Institutional Investors (FIIs) have been granted a general permission by the Reserve Bank of India [Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 for investing in / redeeming units of mutual fund schemes, subject to the conditions set out in the aforesaid Regulations.
 3. In case of an application under a Power of Attorney or by a company or a corporate body or an eligible institution or a registered society or a trust fund, the original Power of Attorney or a certified true copy thereof, duly notarized, or the relevant resolution or authority to make the application, as the case may be, or a duly notarised certified true copy thereof, alongwith a certified copy of the Memorandum and Articles of Association and/or bye-laws and/or trust deed and/or partnership deed and certificate of registration, if any, shall be submitted. The officials should sign the application under their official designation. A list of specimen signatures of the authorised officials, duly certified / attested should also be attached to the Application Form. In case of a trust / fund, it shall submit a resolution from the Trustee(s) authorizing the purchase/redemption.

Applications not complying with the above are liable to be rejected.

- c. Returned cheques are liable not to be presented again for collection, and the accompanying application forms are liable to be rejected. In case the returned cheques are presented again, the necessary charges are liable to be debited to the investor.
- d. Any request for withdrawal of application made during the New Fund Offer Period will be treated as Redemption request and shall be processed at the Redemption Price based on the first NAV declared by the schemes of the Fund after the close of New Fund Offer.

6) Who cannot invest:

It should be noted that the following entities cannot invest in the schemes of the Fund:

- a. Any individual who is a foreign national.
- b. Overseas Corporate Bodies (OCBs), i.e. firms and societies which are held directly or indirectly but ultimately to the extent of at least 60% by NRIs and trusts in which at least 60% of the beneficial interest is similarly held irrevocably by such persons.

The AMC reserves the right to include new categories of investors in or exclude existing categories from the list of eligible investors from time to time, subject to the SEBI Regulations and other prevailing regulations/laws etc., if any.

Subject to the Regulations, any application for Units may be accepted or rejected at the sole and absolute discretion of the AMC. For example, the AMC may reject any application for purchase of Units, if the application is invalid or incomplete or if, in its opinion, increasing the size of any or all of the schemes' Unit capital is not in the general interest of the Unit holders, or if the Trustee for any other reason does not believe that it would be in the best interest of the schemes or its Unit holders to accept such an application.

The AMC may need to obtain from investors, verification of identity or other details relating to the subscription for Units as may be required under any applicable law, which may result in delay in processing applications.

7) Joint Applicants:

In the event a folio/account has more than one holder, the first-named holder shall receive Account Statements, all notices and correspondence with respect to the account/folio, as well as the proceeds of any redemption request or dividend or other distribution. In addition, such Unit holder shall have the voting rights, as permitted, associated with such units, as per the applicable guidelines. Applicants can specify the 'mode of holding' in the application form as 'Joint' or 'Any one or Survivor'. In case the mode of holding is specified as 'Joint', redemption requests will have to be signed by all joint holders in the same order as registered with the Fund. However, in case the mode of holding is specified as 'Anyone or Survivor', any one of the Unit holders will have the power to make a redemption request, without it being necessary for all the Unit holders to sign. However, in all cases, the proceeds of the redemption will be paid only to the first-named holder.

8) Defective applications liable for rejection:

Applications not complete in any respect are liable to be rejected. In the event of non-allotment of Units, no interest will be paid on the money refunded, subject to applicable regulatory requirements. In case of any representation to the AMC against the disqualification of any application, the decision of the AMC will be final.

9) Investors are requested to provide the relevant details in the space provided in the application form. This measure is intended to avoid fraud / misuse or theft while investing in the Units of any of the schemes of the Fund. Kindly note that the applications received which are incomplete or where insufficient information is provided by investors are liable to be rejected. In the event of non-allotment of units, no interest will be paid on the money refunded, subject to applicable regulatory requirements.

10) Third Party Payments

- Third party payments (i.e where the payment is made from a source other than that of the sole/first holder) will not be accepted by the Fund, except if made under the following exceptional categories, namely:
- as a gift, in consideration of natural love and affection, by parents/grandparents/related persons in favour of minor, not exceeding Rs. 50,000/- (each lumpsum purchase and each single SIP installment);
(b) by an employer on behalf of its employees as payroll deductions for SIP/ Lumpsum investments, and
(c) by a custodian on behalf of an FII/client.

In such cases, KYC acknowledgement, along with additional documents, as mentioned below, will have to be submitted with the application form, failing which the application is liable to be rejected. Such declaration shall be submitted in original & in the prescribed standard format.

The additional documents mentioned above are (i) KYC Acknowledgment letter of the Investor and the person making the payment and (ii) a duly filled "Third Party Payment Declaration Form" from the investor (guardian in case of a minor) and the person making the payment. This declaration should specify the Bank account from which the subscription money is paid and this said account should tally with the account no. mentioned in the application form. The person making payment should also specify the relationship with the beneficiary i.e. minor or employee (in case the payment is made by the Employer. The said form is available on the Fund's website and at the ISCs. Investors are requested to use the standard form available and not make any changes to the form. Any form that is not in the prescribed format will not be accepted as valid.

- In case of payment from a joint bank account, the first holder in the folio has to be one of the joint holders of the bank account from which the payment is made. Hence, joint holders may pre-register their bank accounts (single/multiple) with the AMC/ RTA, by completing the Multiple Bank Account Registration Form, if they intend to make payment on behalf of other joint holder(s) in the folio. In such cases the application will be accepted and not treated as a third party payment.
- Investors must mention the bank account number, bank name and branch address from where the payment is issued in the application form. These details should match with the details on the payment cheque/document (as applicable). In case the bank account holder's name/s is not pre-printed on the payment instrument, investors should attach bank pass book copy/bank statement/letter from the bank certifying that the investor maintains an account with the bank, in order to substantiate that the first named Unit holder is one of the joint holders of the bank account. In case subscription is made through demand draft/pay order/banker's cheque, etc., such instrument should be accompanied by anyone of the following:
(a) a certificate from the issuing banker, stating the account holder's name and the account number which has been debited for issue of the instrument, or
(b) a copy of the acknowledgement from the bank, where the instructions to debit, carry the bank account details and name of the investor as an account holder.
(c) a copy of the passbook/bank statement evidencing the debit for issuance of the demand draft.
- The AMC reserves the right to reject a transaction or to call for additional details, if the payment bank account and other details are not mentioned in the application form and/or do not match with the payment instrument and/or necessary documents/declaration are not attached or are insufficient. In case the funds are transferred to the scheme's account prior to the application rejection, then the amount transferred may not be refunded or redeemed unless the investor establishes KYC with additional documentation.

- As a best practice, to avoid fraud, investors are advised to make the payment instrument (cheque/DD/pay order) favouring "XYZ Scheme A/c First Investor name" or "XYZ Scheme A/c PAN" or "XYZ Scheme A/c Folio number".

11) Multiple Bank Accounts Registration Facility

- The Fund offers its Unit holders the facility to register multiple bank accounts for pay-ins & pay-outs and designate one such registered bank account as "Default Bank Account". Individuals, HUFs and sole proprietary firms can register upto five bank accounts and a non-individual investor can register upto ten bank accounts in a folio. This facility can be availed of by using a designated "Multiple Bank Accounts Registration Form" available at the ISCs and on the website of the AMC.
- In case of first-time investors, the bank account mentioned in the purchase application form will be treated as the default bank account till a separate request to register multiple bank accounts and change the default bank account to any other registered bank account is submitted by such investor.
- Registered bank accounts may also be used for verification of pay-ins (i.e. receiving subscription funds) to ensure that a third-party payment instrument is not used for subscription. The default bank account will be used for all dividend and redemption payouts, unless the Unit holder(s) specifies/specify one of the existing registered bank accounts in the redemption request for receiving redemption proceeds. However, in case Unit holder(s) do not specify the default account, the Fund reserves the right to designate any of the registered bank accounts as default bank account.
- New bank accounts can only be registered using the designated "Multiple Bank Accounts Registration Form". If Unit holder(s) provide(s) a new and unregistered bank mandate or a change of bank mandate request with specific redemption/dividend payment request (with or without necessary supporting documents), such bank account will not be considered for payment of redemption/dividend proceeds.
- Any request without the necessary documents will be treated invalid and will not be acted upon, and any financial transaction, including redemptions, will be carried with the previously registered details only. Valid change of bank mandate requests with supporting documents will be processed within ten days of documents reaching the head office of the Registrar and any financial transaction request received in the interim will be carried based on the previously registered details.

III. RIGHTS OF UNITHOLDERS OF THE SCHEMES

1. Unit holders of the schemes have a proportionate right in the beneficial ownership of the assets of the schemes.
2. When the Fund declares a dividend under the schemes, dividend warrants shall be dispatched within 30 days of the declaration of the dividend. Account Statements reflecting new or additional subscriptions, as well as Redemption / Switch of Units, shall be dispatched to Unit holders within 10 Business Days of the Specified Redemption Date. Provided if a Unit holder so desires, the Fund shall issue a Unit certificate (non-transferable) within 30 days of the receipt of request for the certificate.
3. The Fund shall dispatch redemption proceeds within 10 Business Days of receiving the redemption request. In case the AMC fails to dispatch redemption proceeds within the stipulated time, interest at the stipulated rate (currently 15% p.a.) will be paid to such investors.
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 schemes.
6. 75% of the Unit holders of a scheme can pass a resolution to wind up the scheme.
7. The Trustee shall obtain the consent of the Unit holders:
 - a. Whenever required to do so by SEBI, in the interest of the Unit holders.
 - b. Whenever required to do so if a requisition is made by three-fourths of the Unit holders of the schemes.
 - c. When the Trustee decides to wind up the schemes or prematurely redeem the Units.
8. The Trustee shall ensure that no change in the fundamental attributes of any scheme of the Fund or the trust or fees and expenses payable or any other change which would modify the schemes and affects the interest of Unit holders, is carried out unless:
 - (i) A written communication about the proposed change is sent to each Unit holder and an advertisement is to be 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.

8. 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.

9. Suspension or restriction of repurchase/redemption facility under any scheme of the mutual fund shall be made applicable only after the approval from the Board of Directors of the AMC and the Trustee. The approval from the AMC Board and the Trustees giving details of circumstances and justification for the proposed action shall also be informed to SEBI in advance.

IV. NET ASSET VALUE (NAV) AND VALUATION OF ASSETS OF THE SCHEMES

Valuation of assets

Valuation of Assets, computation of NAV, Repurchase Price and their frequency of disclosure will be in accordance with the provisions of SEBI Regulations /Guidelines/Directives issued by SEBI from time to time.

The assets of the schemes will be valued based on the following valuation norms.

Equity and Equity related Securities			
Type of Security	Traded	Non Traded	Thinly Traded
Equity shares, preference shares and warrants	At the last quoted closing price on the National Stock Exchange (NSE)/ Bombay Stock Exchange (BSE) or another stock exchange.	When on a valuation day, a security listed on NSE does not trade, price at which it is traded on another stock exchange is used.	As per applicable SEBI Regulations
		When a security does not trade on any stock exchange on a valuation day, previous closing price on NSE/any other stock exchange will be used, as long as the date of the previous closing price is less than 30 days.	
		if trading in an equity security is suspended for more than 30 days, then the AMC/trustees will decide the valuation norms to be followed and such norms would be documented and recorded.	
Futures and Options	At the closing price provided by the respective stock exchanges		
Unlisted / Illiquid / rights in equity securities	In accordance with applicable guidelines laid down by SEBI from time to time.		
Debt Securities			
Type of Security	Traded (in market lot of Rs. 5 crore on the valuation day on the stock exchange)	Non Traded/Thinly Traded with residual maturity upto 91 days	Non Traded/Thinly Traded with residual maturity over 91 days
Government Securities	At the prices provided by the agency nominated by AMFI (currently CRISIL & ICRA) on a daily basis.		
Treasury Bills	Weighted average price at which it is traded on the valuation day	Straight line amortization from the last traded price / purchase price /cost.	At the prices provided by the agency nominated by AMFI (currently CRISIL & ICRA) on a daily basis.
Commercial Papers	Weighted average price at which it is traded on the valuation day	Straight line amortization from the last traded price / purchase price /cost.	As per applicable SEBI Regulations and based on Credit Rating/Duration Matrix provided by the agency(ies) entrusted for the said purpose by AMFI.
Certificate of Deposits			
Fixed Rate/Zero Coupon Debt Securities			
Fixed Rate Securitised Debt			

Assets with put option/ (s)	Weighted average price at which it is traded on the valuation day	Straight line amortization from the last traded price / purchase price /cost.	At the higher of the prices obtained by valuing the security to final maturity date and valuing the security to put option date/(s).
Assets with Call option/ (s)	Weighted average price at which it is traded on the valuation day	Straight line amortization from the last traded price / purchase price /cost.	At the lower of the prices obtained by valuing the security to final maturity date and valuing the security to call option date/(s).
Floating Rate Debt Securities	Weighted average price at which it is traded on the valuation day	Straight line amortization from the last traded price / purchase price /cost.	As per applicable SEBI Approved valuation Model based on the boot-strap method involving OIS curves / forward curves of the underlying benchmark index and current credit spread.
Floating Rate Securitised debt			
Interest rate Swaps	N.A.	Straight line amortization from the last traded price / purchase price /cost.	Simple Average of two broker bid quotes.
Interest rate futures	Closing Price on NSE		
Non performing assets	As per applicable SEBI Regulations		

Notes:

- Unlisted / Illiquid / Rights equity securities will be valued in accordance with guidelines prescribed by SEBI from time to time.
- When trading in an equity/equity related security in a month is both less than Rs. 5 lakh and the total volume is less than 50,000 shares, it shall be considered as a thinly traded security.
- Securities with both put/call option on the same day will be deemed to mature on the Put/Call day, and valued accordingly.
- A debt security (other than a Government security) shall be considered as a thinly traded security if, on the valuation date, there is no individual trade in that security in marketable lot (currently Rs. 5 Crore) on the principal stock exchange or any other stock exchange.

V. TAX, LEGAL & GENERAL INFORMATION

A. Taxation on investing in Mutual Funds

The following tax implications are provided for general information purposes based on the law prevalent as on the date of this document. Such implications would have to be determined taking into account the specific facts of each individual case. Further, in the event of amendments to legislation pertaining to taxation from time to time, the nature and / or quantum of such benefits / implications is subject to change.

Accordingly, it is recommended that each Unit holder appropriately consult his / her tax consultant with respect to the specific tax implications arising out of their participation in the scheme.

I. To the Mutual Fund:

Income in the hands of the Mutual fund

The entire income of the Mutual Fund registered under Securities and Exchange Board of India Act, 1992 or any regulations made thereunder is exempt from income-tax in accordance with the provisions of section 10(23D) of the Income-tax Act, 1961 ("the Act").

The income received by such Mutual Fund is not liable for deduction of income tax at source as per the provisions of Section 196(iv) of the Act. Where the Fund receives any income from investments made in overseas jurisdiction, the same may be subject to withholding in the relevant jurisdiction from which the income is received. As the income of the fund is exempt from tax in India, credit/ refund in respect of such foreign taxes may not be available in India.

Tax on distribution of income by the Mutual Fund to the Unit holders

Under section 115R of the Act, income distribution, if any, made by the Mutual Fund to the unit holders will attract distribution tax at the following rates:

- **In case of Money Market Mutual Fund or Liquid Fund**

- @ 25% plus surcharge on such income-tax @ 5%¹ and education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, in case income is distributed to individuals and HUFs; and
- @ 25%² plus surcharge on such income-tax @ 5%¹ and education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, in case of income distributed to persons other than individuals and HUFs.

- **In case of Other than Equity Oriented Fund, not being a Money Market Mutual Fund or a Liquid Fund**

- @ 12.5% plus surcharge on such income-tax @ 5%¹ and education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, in case income is distributed to individuals and HUFs; and
- @ 20%² plus surcharge on such income-tax @ 5%¹ and education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, in case of income distributed to persons other than individuals and HUFs.

Proviso (b) to Section 115R(2) of the Act provides exemption to equity oriented mutual funds from paying distribution tax on income distributed.

Further, in case of distribution of income already paid by the scheme, the Trustee / AMC reserves the right to recover the additional income-tax on distribution of income so paid from the unit holders of respective Plan/option.

The expression “money market mutual fund” has been defined under Explanation (d) to Section 115T which means a scheme of a mutual fund which has been set up with the objective of investing exclusively in money market instruments as defined in sub-clause (p) of clause (2) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

The expression “liquid fund” has been defined under Explanation (e) to Section 115T which means a scheme or plan of a mutual fund which is classified by the Securities and Exchange Board of India as a liquid fund in accordance with the guidelines issued by it in this behalf under the Securities and Exchange Board of India Act, 1992 or regulations made thereunder.

Classification of the fund as ‘equity oriented fund’ or other than ‘equity oriented fund’ for the purposes of the Act

The expression “equity oriented fund” has been defined under Explanation (b) to Section 115T of the Act to include a fund where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty-five per cent of the total proceeds of such fund. Further, as per the proviso to the Explanation (b) to section 115T, the percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

II. To the Unit Holders:

Deduction from total income

Under section 80C of the Act, an assessee, being an individual or HUF, is eligible to claim a deduction upto an aggregate of Rs. 1 lacs on account of sums paid as subscription to units of an Equity Linked Savings scheme.

The expression “Equity Linked Savings Scheme” refers to Equity Linked Savings Scheme, 2005 as notified by the Central Board of Direct Taxes, Ministry of Finance vide notification dated November 3, 2005 as amended vide notification dated December 13, 2005.

¹ The Finance Act, 2011 has reduced the rate of surcharge from 7.5% to 5% on tax on distributed income to unit holders under section 115R of the Act

² Finance Act, 2011 has increased the rate to 30% with effect from 1st June 2011

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 such units is settled by actual delivery or transfer of such units.

Further, the seller of units is also liable to pay STT @ 0.025 % in case of sale of units of an equity oriented fund where the transaction 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'.

Incomes from Units

Under the provisions of section 10(35) of the Act, any income (other than income arising from transfer of units) received by any person in respect of the units of the mutual fund is exempt from income tax.

Gains on transfer / redemption of Units

Gains arising on transfer / redemption of Units as well as switching between schemes will be chargeable to tax under the Act. The characterization of income from investment in securities as 'business income' or 'capital gains' will have to be examined on a case-to-case basis.

o Business Income

Where the units are regarded as Business Asset, then any gain arising from transfer / redemption of Units would be taxed under the head "Profits and Gains of Business or Profession" under section 28 of the Act. The gain / loss is to be computed under the head "Profits and Gains of Business or Profession" after allowing normal business expenses (inclusive of the expenses incurred on transfer).

Business Income is chargeable to tax at the following rates:

Assessee	% of Income Tax
Individuals, HUF, Association of Persons	Applicable Slab Rates
Partnership Firms [including Limited Liability Partnerships ('LLPs')] & Indian Corporates	30%
Foreign Company	40%

The income tax rates specified above and elsewhere in this document are exclusive of the applicable surcharge, education cess and secondary and higher education cess. The Finance Act, 2011 has proposed certain changes in the applicable rates for surcharge, details are as given below:

Assessee	Surcharge for AY 2011-12*	Surcharge for AY 2012-13*
Individual (including proprietorships), HUF, Association of Persons and Partnership Firms (including LLPs)	Nil	Nil
Indian Corporates (if income exceeds Rs. 1 crore)	7.5%	5%
Foreign Company (if income exceeds Rs. 1 crore)	2.5%	2%

* Additionally, education cess and secondary and higher education cess is leviable @ 3% on the income tax and surcharge as computed above.

○ **Capital Gains**

The mode of computation of capital gains would be as follows:

Sale Consideration	xxx
Less: Cost of Acquisition (Note 1)	(xxx)
Expenses on Transfer (Note 2)	(xxx)
Capital Gains	xxx

Note 1: In case of the computation of long-term capital gains, option of indexation of cost is available.

Note 2: This would include only expenses relating to transfer of units. Normal business expenses would not be allowable.

Capital gain arising on transfer or redemption of units held for a period of more than 12 months is regarded as “Long-term Capital Gain” which otherwise would be “Short-term Capital Gain”. In case of ELSS, the units are subject to a lock-in of 3 years. Accordingly, any sale of units after such lock-in will qualify as Long-term Capital Gain.

• **Long term capital gains**

In case of other than Equity Oriented Fund, including Money Market Mutual Fund or a Liquid Fund

As per section 112 of the Act, tax on income on long term capital gains arising from the transfer of units shall be lower of the following amount:

(i) 10% plus applicable surcharge and education cess at the rate of 3% on the amount of tax and surcharge, on the Long-term Capital Gains computed without substituting indexed cost of acquisition in place of the cost of acquisition; or

(ii) 20% plus applicable surcharge and education cess at the rate of 3% on the amount of tax and surcharge, on the Long-term Capital Gain computed after substituting indexed cost of acquisition in place of the cost of acquisition.

The benefit of indexation will, however, not be available to specified Offshore Fund which is taxable @ 10% plus applicable surcharge and education cess at the rate of 3% on the amount of tax and surcharge in terms of section 115AB of the Act.

The benefit of indexation will, also, not be available to Foreign Institutional Investors who are taxed under section 115AD of the Act @ 10% plus applicable surcharge and education cess at the rate of 3% on the amount of tax and surcharge.

The income by way of long term capital gains of a company would be taken into account in computing the book profits and Minimum Alternate Tax payable, if any, under Section 115JB of the Act (irrespective of whether or not it is exempt under Section 10(38) of the Act).

In case where the taxable income as reduced by Long-term Capital Gains of a resident individual and Hindu Undivided family is below the taxable limit, the Long-term Capital gain will be reduced to the extent of such shortfall and only the balance Long-term Capital Gain is chargeable to Income-tax.

The following deductions are available from Long-term Capital Gains arising on sale of Mutual Fund units, if the sale proceeds are invested in eligible avenues:

	Section 54 EC	Section 54F
Eligible persons	All assesses	Individual and HUFs
Asset to be purchased to claim exemption	Specified Bonds of National Highways Authority of India and Rural Electrification Corporation Limited (cap of Rs. fifty lakhs in a financial year)	Residential house property
Time-limit for purchase from date of sale of MF units	6 months	Purchase: 1 year backward / 2 years forward & Construction: 3 years forward
Amount Exempt	Investment in the new asset or	Capital gains proportionate to

	capital gain whichever is lower	the investment made from the sale proceeds (subject to other conditions of owning / purchasing residential house mentioned in the section)
Lock-in period	3 years	3 years

The investment under section 54EC on account of which exemption has been claimed from long-term capital gains will not be available for deduction under section 80C of the Act.

In case of Equity Oriented Fund including ELSS

Units of Equity Oriented fund including ELSS being subjected to STT, Long Term capital Gains arising from transfer of such units are exempt under section 10(38) of the Act. The mutual fund would recover STT from the unit holder as per the applicable rates.

- **Short-term Capital Gain**

In case of other than Equity Oriented Fund, including Money Market Mutual Fund or a Liquid Fund

Short term capital gains arising from the transfer of units of funds other than equity oriented scheme would be chargeable to tax as under:

Short term capital gains are taxed at the normal rates applicable to each unitholder. In case where the taxable income as reduced by Short-term Capital Gains of a resident individual and Hindu Undivided Family is below the taxable limit, the Short-term Capital gain will be reduced to the extent of such shortfall and only the balance Short-term Capital Gain is chargeable to Income-tax.

In case of Equity Oriented Fund

Short Term Capital Gains arising from transfer of units of an Equity Oriented scheme (as defined u/s 115T of the Act), being subjected to STT would be charged to tax u/s 111A of the Act @ 15% (plus applicable surcharge, education cess and secondary and higher education cess). The mutual fund would recover STT from the unit holder at the applicable rates when the units are re-purchased by the mutual fund/ redeemed by the investor.

In case where the taxable income as reduced by Short-term Capital Gains of a resident individual and Hindu Undivided family is below the taxable limit, the Short-term Capital Gain will be reduced to the extent of such shortfall and only the balance Short-term Capital Gain is chargeable to Income-tax.

Deduction of income tax at source from Capital Gains

- **Resident Unit holders**

No income tax is required to be deducted at source from capital gains arising on transfer of units by resident unit holders.

- **In case of funds other than 'Equity Oriented Fund' under the Act**

A) Non-Resident unit holders

Income-tax is required to be deducted at source from the capital gains under section 195 of the Act at the applicable rates.

Under the Act, the following rates have been prescribed for deduction of tax at source from capital gains:

- ~ On income by way of long-term capital gains @ 20% (plus applicable surcharge and education cess)
- ~ On income by way of short-term capital gains at normal rates as applicable

Income-tax is required to be deducted at source from the short-term capital gains under section 195 of the Act at the applicable rates. A non-resident, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial. Accordingly, tax should be withheld as per the provisions of the Act or the provisions in the DTAA which ever is more beneficial to the assessee.

However, the Unit holder will be required to provide appropriate documents to the Fund, to be entitled to a beneficial rate under such DTAA.

B) Offshore Fund unit holders

Under Section 196B of the Act, tax shall be deducted at source from the long term capital gains @ 10% plus applicable surcharge, education cess and secondary and higher education cess at the rate of 3% on the amount of tax and surcharge.

Income-tax is required to be deducted at source from the short-term capital gains under section 195 of the Act at the applicable rates. A non-resident, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial. Accordingly, tax should be withheld as per the provisions of the Act or the provisions in the DTAA which ever is more beneficial to the assessee. However, the Unit holder will be required to provide appropriate documents to the Fund, to be entitled to a beneficial rate under such DTAA.

- **In case of 'Equity Oriented Fund' for Non-Resident unit holders (including Offshore fund unit holders)**

Income-tax is required to be deducted at source from the capital gains under section 195 of the Act at the applicable rates.

Under the Act, the following rates have been prescribed for deduction of tax at source from capital gains:

- Income by way of long-term capital gains arising from transfer of units subject to STT is exempt from tax.
- On income by way of short-term capital gains arising from transfer of units subject to STT taxable under section 111A @ 15% (plus applicable surcharge and education cess).

Income-tax is required to be deducted at source from the capital gains under section 195 of the Act at the applicable rates. A non-resident, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial. Accordingly, tax should be withheld as per the provisions of the Act or the provisions in the DTAA which ever is more beneficial to the assessee. However, such a non-resident unit holder will be required to provide appropriate documents to the Fund, to be entitled to a beneficial rate under such DTAA.

- **Foreign Institutional Investors**

As per the provisions of section 196D of the Act, no deduction of tax shall be made from any income, by way of capital gains arising from the transfer of securities referred to in section 115AD, payable to a Foreign Institutional Investor.

Default in furnishing the PAN

Section 206AA of the Act inserted by the Finance (No.2) Act, 2009 operative with effect from April 1, 2010 states that the deductee is required to mandatorily furnish his PAN to the deductor failing which the deductor shall deduct tax at source at higher of the following rates:

1. the rate prescribed in the Act;
2. at the rate in force i.e., the rate mentioned in the Finance Act; or
3. at the rate of 20%.

Dividend Stripping

As per Section 94(7) of the Act, loss arising on sale of units, which are bought within 3 months of the record date and sold within 9 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such Units.

Bonus Stripping

As per Section 94(8) of the Act, units purchased within a period of 3 months prior to record date of entitlement of bonus and sold within a period of 9 months after such date, the loss arising on transfer of original units shall be ignored for the purpose of computing the income chargeable to tax. The amount of loss so ignored shall be deemed to be the cost of purchase / acquisition of the bonus units.

III. Religious and Charitable Trust

Investments in Units of the Mutual Fund will rank as an eligible form of investment under section 11(5) of the Act read with Rule 17C of the Income tax Rules, 1962 for Religious and Charitable Trust.

IV. Wealth-tax

Units held under any scheme of the Fund 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.

V. Gift-tax

The Gift –Tax Act, 1958 has been repealed since October 1, 1988. Gift of units of Mutual fund units would be subject to income-tax in the hands of the donor. As per section 56(2)(vii), receipts of securities, fair market value of which exceeds fifty thousand rupees, without consideration or without adequate consideration is taxable as income in the hands of individuals / HUFs.

Further the above provision of section 56(2)(vii) shall not apply to any units received by the donee

- (a) from any relative; or
- (b) on the occasion of the marriage of the individual; or
- (c) under a will or by way of inheritance; or
- (d) in contemplation of death of the payer 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 (i) to (vi);

B. Legal Information

Nomination Facility

- A Unit Holder can, at the time an application is made or by subsequently writing to the Registrar/AMC, request for a nomination form in order to nominate one or more person(s) to receive the Units upon his / her death, subject to the completion of certain necessary formalities and furnishing of such documents as may be required from the nominee in favour of and to the satisfaction of the AMC/Registrar. **Investors may note that nomination is now mandatory.**
- The maximum number of nominees shall be 3 (three). Unit holders shall be required to indicate clearly the percentage of allocation of Units in favour of each nominee. If a Unit Holder does not indicate the percentage of allocation, transfer of Units in favour of the nominees / payment to the nominees shall be made in equal proportion by the AMC.
- Nomination can be made only by individuals on their own behalf, either singly or jointly. If the Units are held jointly, all joint Unit Holders must sign the nomination form. 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. If the nominee falls under the category of "Who cannot invest", the AMC shall reject the nomination form while the valid Application Form will be accepted and processed.
- A nomination in respect of Units will be treated as rescinded upon redemption of the Units.
- Cancellation of a nomination can be made only by the Unit Holders 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 favour of the nominee(s).

- At the time of transfer of Units to the nominee(s), if based on the documents submitted for such transfer, the nominee(s) fall under the category of "Who cannot invest", the Units proposed to be transferred shall be compulsorily redeemed immediately after transfer and the redemption proceeds will be paid to the nominee(s). Transfer of Units / payment to the nominee(s) 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 personal representative 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 the nomination.

Requirements of Prevention of Money Laundering Act

In terms of the Prevention of Money Laundering Act, 2002, the Rules issued thereunder and the guidelines/circulars issued by SEBI and AMFI regarding Anti Money Laundering (AML Laws), all intermediaries, including Mutual Funds, have to verify and maintain records of all its investors through the mandated Know Your Customer (KYC) process.

KYC Requirements

CDSL Ventures Ltd (CVL) has been appointed by mutual funds to complete KYC formalities on their behalf and hence investors need to submit their details only once for completion of KYC formalities across these mutual funds.

Investors will need to submit a completed KYC application form affixing a copy of their recent passport-size photograph along with copy of PAN card and proof of address for Individuals, or Corporate Documents/specified documents for bodies corporate and other entities, at any designated 'Point of Service' (POS) centre of CVL. Prescribed list of documents, List of POS, Individual KYC form, Non- Individual KYC form are available on the websites of the AMC and Association of Mutual Funds in India.

All documents must be submitted in original along with a self-attested copy. The original will be returned across the counter after verification. Alternatively, investors may submit copies duly attested by a manager of a scheduled commercial bank (the designation seal should be affixed), notary public or gazetted officer.

On submission of the KYC application form and documents to CVL, investors will receive an acknowledgement across the counter, a copy of which must be submitted to the AMC as proof of having completed KYC formalities.

The investor(s) and their attorney, if any, shall produce reliable, independent source documents such as photographs, certified copies of ration card/ passport/ driving license/PAN card, etc. and/or such documents or produce such information as may be required from time to time for verification of the identity, residential address and financial information of the investor(s) by the AMC/Mutual Fund. If the investor(s) or the person making payment on behalf of the investor(s), refuses / fails to provide the required documents/ information within the period specified in the communication(s) sent by the AMC to the investor(s) then the AMC, after applying appropriate due diligence measures, believes that the transaction is suspicious in nature within the purview of the Act and SEBI circulars issued from time to time and/or on account of deficiencies in the documentation, shall have absolute discretion to report suspicious transactions to FIU-IND and / or to freeze the folios of the investor(s), reject any application(s) / allotment of units and effect mandatory redemption of unit holdings of the investor(s) at the applicable NAV subject to payment of exit load, if any, in terms of the said communication sent by the AMC to the investor(s) in this regard. The KYC documentation shall also be mandatorily complied with by the holders by virtue of operation of law e.g. transmission, etc. Baroda Pioneer Mutual Fund, Baroda Pioneer Asset Management Company Limited, The Trustees of Baroda Pioneer Mutual Fund and their Directors, employees and agents shall not be liable in any manner for any claims arising whatsoever on account of freezing the folios / rejection of any application / allotment of units or mandatory redemption of units due to non-compliance with the provisions of the Act, SEBI circular(s) and KYC policy and / or where the AMC believes that transaction is suspicious in nature within the purview of the Act and SEBI circular(s) and reporting the same to FIU-IND.

Listing and transfer of units

For open ended schemes, Units are not proposed to be listed on any stock exchange and no transfer facility is provided, while all, the close-ended schemes will be listed on a recognized stock exchange. However, the Fund may, at its sole discretion, list the Units on one or more stock exchanges at a later date. The Fund will offer and redeem Units at Applicable NAV. If a person becomes a Unit Holder in a scheme consequent to operation of law, the Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place consequent to

death or insolvency, the transferee's name will be recorded by the Fund subject to production of satisfactory evidence and if the transferee is otherwise eligible to hold the Units. In all such cases, if the transferee is not eligible to hold the Units, the Units will be redeemed and the proceeds will be disbursed to the transferee if such transferee is entitled to the same. **However, Units held in demat mode shall be freely transferable.**

Transmission of units

If Units are held in a single name by the Unit Holder, Units shall be transmitted in favour of the nominee where the Unit Holder has appointed a nominee upon production of death certificate or any other document to the satisfaction of the AMC / Registrar. If the Unit Holder has not appointed a nominee or where the nominee dies before the unit holder, the Units shall be transmitted in favour of or as otherwise directed by the Unit Holder's personal representative(s) on production of the death certificate and / or any other documents to the satisfaction of the AMC / Registrar. If Units are held by more than one registered Unit Holder, then, upon death of one of the unit holders, the Units shall be transmitted in favour of the remaining Unit Holder(s) (in the order in which the names appear in the register of Unit Holders with the Registrar) on production of a death certificate and / or any other documents to the satisfaction of the AMC / Registrar and to the nominee only upon death of all the Unit Holders. At the time of transmission of Units, if based on the documents submitted for transmission, the Unit Holder's personal representative(s) fall(s) under the category of "Who cannot invest", the Units proposed to be transmitted shall be compulsorily redeemed immediately after transmission and the redemption proceeds will be paid to the Unit Holder's personal representatives.

Suspension of Sale and Redemption of Units

The Trustees and the Board of Directors of the AMC may decide to temporarily suspend determination of NAV of any of the schemes offered under the relevant Scheme Information Documents, and consequently sale and redemption of Units, in any of the following events:

1. When one or more stock exchanges or markets, which provide basis for valuation for a substantial portion of the assets of the scheme are closed otherwise than for ordinary holidays.
2. When, as a result of political, economic or monetary events or any circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the scheme is not reasonable, or would not reasonably be practicable without being detrimental to the interests of the Unitholders.
3. In the event of breakdown in the means of communication used for the valuation of investments of the scheme, without which the value of the securities of the scheme cannot be accurately calculated.
4. During periods of extreme volatility of markets, which in the opinion of the AMC are prejudicial to the interests of the Unitholders of the scheme.
5. In case of natural calamities, strikes, riots and bandhs.
6. In the event of any force, majeure or disaster that affects the normal functioning of the AMC or the Registrar.
7. If so directed by SEBI.

In the above eventualities, the time limits indicated above, for processing of requests for purchase and redemption of Units will not be applicable.

Suspension or restriction of repurchase/ redemption facility under any scheme of the mutual fund shall be made applicable only after obtaining the approval from the Boards of Directors of the AMC and the Trustees. After obtaining the approval from the AMC Board and the Trustees, an intimation would be sent to SEBI in advance providing details of circumstances and justification for the proposed action shall also be informed.

Unclaimed redemption amount

The unclaimed Redemption amount may be deployed by the Mutual Fund in money market instruments only and the investors who claim these amounts during a 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 will be used for the purpose of investor education. The AMC will make continuous efforts to remind the investors through letters to take their unclaimed amounts. Further, the investment management fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points.

Unclaimed Dividend / Redemptions in respect of the open ended funds normally represent the time lag between funding of the respective accounts (with bank) by the AMC and the time taken for presentation of redemption/dividend warrants by the investors. No significant delay in the process is noticed.

Duration of schemes/Winding up

The duration of open ended schemes is perpetual. In the case of close ended schemes, duration is limited and specified in the SID of the respective scheme.

Winding up of schemes of the Fund:

A scheme may be wound up, after repaying the amount due to the Unit holders,-

1. On happening of any event, which in the opinion of the Trustee, requires the scheme to be wound up,
Or
2. If seventy five percent (75%) of the Unit holders of the scheme pass a resolution that the scheme be wound up, or
3. If SEBI so directs in the interest of the Unit holders or
4. In case of non-fulfillment of condition prescribed in terms of minimum number of investors vide SEBI circular No. SEBI/IMD/CIR No.10/22701/03 dated December 12, 2003.

Where the scheme is so wound up, the Trustee shall give notice of the circumstances leading to the winding up of the scheme to:

- (I) SEBI and,
- (II) In two daily newspapers with circulation all over India and in one vernacular newspaper circulating at the place where the mutual fund is formed.

Effect of winding up:

On and from the date of the publication of notice under clause (b) of sub- regulation (3) of regulation 39, 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.

Procedure and manner of Winding Up:

- a) The Trustee shall call a meeting of the Unitholders to consider and pass necessary resolutions by simple majority of the Unitholders present and voting at the meeting for authorizing the Trustee or any other person to take steps for winding up the scheme concerned.

Provided that a meeting of the unit holders shall not be necessary if the scheme is wound up at the end of maturity period of the scheme.

- b) The Trustee or the person authorized as above, shall dispose off the assets of the scheme concerned in the best interest of the Unitholders of that scheme.
- c) The proceeds of the sale made in pursuance of the above, shall, in the first instance, be utilized towards discharge of such liabilities as are properly due under the scheme and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the Unitholders in proportion to their respective interests in the assets of the scheme as on the date when the decision for the winding up was taken.
- d) On completion of the winding up, the Trustee shall forward to the Board and the Unitholders, a report on the winding up containing particulars such as circumstances leading to the winding up, steps taken for the disposal of the assets of the Fund before winding up, expenses of the Fund for winding up, net assets available for distribution to the Unitholders and a certificate from the Auditors of the scheme concerned.
- e) Notwithstanding anything contained herein, the provisions of the Regulations in respect of the disclosure of half-yearly reports and annual reports shall continue to apply. After the receipt of the report referred to above under 'Procedure and Manner of Winding Up', if SEBI is satisfied that all measures for winding up of the scheme concerned have been completed, the scheme shall cease to exist.

C. General Information

In addition to the following, this section may include information on Underwriting, Securities Lending and Borrowing by the Mutual Funds etc.:

STOCK LENDING BY THE MUTUAL FUND

If permitted by SEBI under extant regulations/guidelines, the scheme may also 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 expiry of the stipulated period.

The Fund may in future carry out stock-lending activity under any of its schemes, in order to augment its income. Stock lending may involve risk of default on part of the borrower. However, this risk will be substantially reduced as the Fund has opted for the "Principal Lender Scheme of Stock Lending", where entire risk of borrower's default rests with approved intermediary and not with the Fund. There may also be risks associated with Stock Lending such as liquidity and other market risks. Any stock lending done by the scheme shall be in accordance with any Regulations or guidelines regarding the same. The AMC will apply the following limits, should it desire to engage in Stock Lending:

- a. Not more than 20% of the net assets can generally be deployed in Stock Lending
- b. Not more than 5% of the net assets can generally be deployed in Stock Lending to any single counter party.

Till date, Baroda Pioneer Mutual Fund has not engaged in any stock lending.

Borrowing by Mutual Fund

Under Regulation 44(2) of SEBI (MF) Regulations, 1996, the Fund is allowed to borrow to meet its temporary liquidity need of the scheme for the purpose of repurchase, redemption of Units or payment of interest or dividend to the Unit holders. Further, as per the Regulation, the Fund shall not borrow more than 20% of the Net Assets of a scheme and the duration of such borrowing shall not exceed a period of six months.

If a scheme decides to borrow, it may borrow either from Bank of Baroda and / or any other bank(s) or from any other sources as may be decided by the AMC. The loans may be without collateral, or the AMC may consider using a part of the scheme's assets as collateral with the prior approval of the Board of Directors of the AMC and the Board of Trustees for the scheme.

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.

ASSOCIATE TRANSACTIONS

Who is an Associate?

For the purpose of this section, an associate or group company shall include Bank of Baroda and its subsidiaries, Joint Ventures and the Pioneer Global Asset Management SpA and its subsidiaries.

Investments in Associate or Group Companies of the Sponsor

Apart from applicable SEBI regulations from time to time, there is no separate policy regarding investments in associate or group companies of the sponsor. Therefore, as per the SEBI Regulations, the schemes of the Fund will not invest more than 25% of their net assets in the securities of the Bank of Baroda and Pioneer Group companies and associates. Further, the aggregate investment made by all schemes of the Fund in the securities of Bank of Baroda and Pioneer Group companies will not exceed 25% of the net assets of the Fund as a whole. No investment shall be made in any unlisted security of an associate or Group Company of the Sponsors, any security issued by way of private placement by an associate or group company of the Sponsors.

Investments in the securities of associate or group companies of the Sponsor are as tabulated below:

Date	Scheme	Security Type	Security Name	Quantity	Average Cost (Rs.)	Book Value in Rs. lakh
31-Mar-2011	Baroda Pioneer ELSS' 96	Equity	Bank Of Baroda	2,000.00	817.82	16.36
31-Mar-2011	Baroda Pioneer Growth Fund	Equity	Bank Of Baroda	5,500.00	839.33	46.16
31-Mar-2011	Baroda Pioneer PSU Equity Fund	Equity	Bank Of Baroda	43,950.00	898.07	394.70

Underwriting Obligations of Baroda Pioneer Mutual Fund

As on 31.03.2011, the Fund has no underwriting obligations.

Subscription in Issues Lead Managed by Associates of Sponsor

As on 31.03.2011, there are no subscriptions in issues lead managed by associates of Sponsors of the Fund.

Associate Brokers

Brokerage has been paid to associate brokers as mentioned below and the brokerage has been paid in line with the norms relating to brokerage payment for secondary market transactions of the Mutual Fund.

Brokerage paid to associates/related parties/group companies of Sponsor/AMC							
Name of Associate/Related Party/group companies of sponsor/AMC	Nature of Association /Relation	Period Covered	Value of transaction (in Rs. Cr. & % of total value of transaction of the fund)		Commission Paid (Rs. Cr & % of total brokerage paid by the fund)		
			Value of Transaction (in Rs. Cr)	Value of Transaction (in %)	Brokerage (in Rs. Cr)	Brokerage (in %)	
BOB Capital Markets Ltd. and Emkay Global Financial Services Ltd.	Associate of AMC	01.04.2010 TO 31.03.2011	13.67	92.01	408622	92.10	

Agents' Commission

For applications directly solicited and collected by the branches of Bank of Baroda or by any associates, they may also be paid an agent commission at a rate not exceeding the rate of commission being paid to other agents for the scheme.

Commission paid to associates/related parties/group companies of Sponsor/AMC							
Name of Associate/Related Party/group companies of sponsor/AMC	Nature of Association /Relation	Period Covered	Value of transaction (in Rs. Cr. & % of total value of transaction of the fund)		Commission Paid (Rs. Cr & % of total brokerage paid by the fund)		
			Value of Transaction (in Rs. Cr)	Value of Transaction (in %)	Brokerage (in Rs. Cr)	Brokerage (in %)	
Bank of Baroda	Associate of AMC	01.04.2007 TO 31.03.2008	1.48	1.03	0.00	1.09	
Bank of Baroda	Associate of AMC	01.04.2008 TO 31.03.2009	18.55	0.58	0.05	38.77	
Bank of Baroda	Associate of AMC	01.04.2009 TO 31.03.2010	676.10	0.71	0.53	30.6730.67	

Bank of Baroda	Associate of AMC	01.04.2010 TO 31.03.2011	1660.14	1268.62	5447728	1111
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Other Associate Transactions - NIL

Jurisdiction

The jurisdiction for any matters or disputes arising out of the scheme shall reside with the Courts in India.

Documents Available for Inspection

The following documents will be available for inspection at the office of the Mutual Fund at 501, Titanium, 501, Western Express Highway, Goregaon (E) Mumbai- 400063 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.

INVESTOR GRIEVANCES REDRESSAL MECHANISM.

Investor grievances are normally received at AMC office or at the Customer Service Centres or directly by the Registrar. All grievances are forwarded to the Registrar for their necessary action. The complaints are closely followed up with the Registrar to ensure timely redresses and prompt investor service. Given below is the complaint history for the last three fiscal years:

Name of Scheme	01.04.08 - 31.03.2009		01.04.09 - 31.03.2010		01.04.10 - 31.03.2011	
	Received	Redressed	Received	Redressed	Received	Redressed
Baroda Pioneer ELSS '96	51	51	31	31	115	115
Baroda Pioneer Infrastructure Fund			0	0	57	57
Baroda Pioneer Income Fund	-	-	-	-	0	0
Baroda Pioneer Short Term Bond Fund					26	26
Baroda Pioneer Treasury Advantage Fund					14	14
Baroda Pioneer PSU Equity Fund					60	60
Baroda Pioneer Gilt Fund	-	-	-	-	5	5
Baroda Pioneer Liquid Fund	-	-	0	0	3	3
Baroda Pioneer Balance Fund	-	-	1	1	4	4
Baroda Pioneer Growth Fund (Baroda Pioneer Diversified Fund and Baroda Pioneer Global Fund have merged into this Scheme)	89	89	103	103	371	371
Baroda Pioneer MIP Fund	-	-	-	-	4	4
Baroda Pioneer PSU Bond Fund	-	-	2	2	22	

During the last 3 years, Baroda Pioneer Mutual Fund has received only 13 complaints through SEBI in respect of its various Schemes. All of them have been resolved satisfactorily. All the other complaints were resolved within a prescribed time. This reflects well on Baroda Pioneer MF's excellent investor service record.

Notwithstanding anything contained in the offer document the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the Guidelines there under shall be applicable.

Sd/-

Name: Rashmi Pandit
Designation: Company Secretary & Compliance Officer

Contact Information

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