

SCHEME INFORMATION DOCUMENT

TAURUS ETHICAL FUND

An Open-ended Equity oriented Scheme

Offer of Units of Rs. 10/- each for cash (subject to applicable load) during the

New Fund Offer and Continuous offer for Units at NAV based prices

New Fund Offer Opens on : **February 19, 2009**
New Fund Offer Closes on : **March 20, 2009**
Scheme re-opens for
continuous sale & repurchase on : **Not later than 30 days of the date of closure of the New Fund Offer.**

Name of Mutual Fund : Taurus Mutual Fund
Name of Asset Management Company : Taurus Asset Management Company Limited
Name of Trustee Company : Taurus Investment Trust Company Limited
Addresses, Website of the entities : 305, Regent Chambers, 208, Jamnalal Bajaj Marg,
Nariman Point, Mumbai - 400 021
Website: www.taurusmutualfund.com

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Taurus Mutual Fund, Tax and Legal issues and general information on www.taurusmutualfund.com

SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website.

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated February 11, 2009.

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HIGHLIGHTS/ SUMMARY OF THE SCHEME

- 1. Investment Objective : The investment objective of the scheme is to provide capital appreciation and income distribution to unitholders through investment in a diversified portfolio of equities, which are based on the principles of Shariah.
- 2. Liquidity : The scheme is an open-ended scheme and will offer units for sale and repurchase at NAV based prices on all business days on an ongoing basis, commencing not later than 30 days from the closure of New Fund Offer Period. As per SEBI Regulations, Mutual Fund shall despatch redemption proceeds within 10 working days of receiving a valid redemption request. However, the Fund will endeavour to issue redemption cheques at the earliest.
- 3. Benchmark : S&P CNX 500 Shariah
- 4. Transparency/NAV Disclosure : The AMC will calculate and disclose the first NAV of the Scheme not later than 30 days from the closure of New Fund Offer Period. Subsequently, the NAV will be declared on all business days and released to the Press and Association of Mutual Fund in India (AMFI). NAVs will also be displayed on the website of the AMC.

The NAV will be computed upto two decimal places.

The AMC will publish full portfolio of the scheme on half-yearly basis.

- 5. Loads : Load Structure during the New Fund Offer Period as well as continuous Offer Period:

Investment Value	Entry Load	Exit Load
Upto Any Amount	2.25%	1% upto 6 Months 0.50% > 6 Months to 1 year Nil after 1 year
Systematic Investment Plan (SIP)	Nil	2.25% if redeemed within 1 year from the date of allotment – Applicable to each installment

- 6. Minimum Application Amount : Rs.5000/- and in multiple of Rs.1/- thereof
- 7. Shariah Board : Islamic scholars qualified to give guidance on Shariah compliance.
- 8. Shariah Compliance : Investment in those listed securities which are based on the principles of Shariah.

I. INTRODUCTION

A. RISK FACTORS

Standard Risk Factors

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down.
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme.
- The name of the scheme does not in any manner indicate either the quality of the scheme or its future prospects and returns.
- The sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of Rs. 2 Lacs made by it towards setting up the Fund.
- The present scheme is not a guaranteed or assured return *scheme*

SPECIAL CONSIDERATION & SCHEMES SPECIFIC RISK FACTORS

Risk Associated with Investment in Equity

Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments in equity and equity related securities. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of sale proceeds. The NAVs of the units of the Scheme can go up or down because of various factors that affect the capital markets in general. Macroeconomic factors like changes in tax rates, political uncertainties, changes in government regulations etc. and industry specific factors like competition, demand supply, etc. could impact the performance of the companies in which the Scheme invests.

Settlement Risk

Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio to make purchases in intended securities due to settlement problems could cause the Portfolio to miss certain investment opportunities.

Regulatory Risk

The value of the securities may be affected by uncertainties such as changes in government policies, changes in taxation, and other developments in the laws and regulations.

Risk associated with Unlisted Securities

Securities which are not quoted on the stock exchanges are inherently illiquid in nature and carry a larger liquidity risk in comparison with securities that are listed on the exchanges or offer other exit options to the investors, including put options. The AMC may choose to invest in unlisted domestic securities that offer attractive yields within the regulatory limit. This may however increase the risk of the portfolio. Additionally, the liquidity and valuation of the Scheme's investments due to its holdings of unlisted securities may be affected if they have to be sold prior to the target date of disinvestment.

Risks associated with Debt & Money Market Instruments

Fixed income securities (such as Government Securities, bonds, debentures and money market instruments) where a fixed return is offered, run price-risk. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, the payment-frequency of such coupon, days to maturity and the increase or decrease in the level of interest rates. The prices of Government Securities (existing and new) will be influenced

only by movement in interest rates in the financial system and liquidity. Whereas, in the case of corporate or institutional fixed income securities, such as bonds or debentures, prices are influenced not only by the change in interest rates but also by credit rating of the security and liquidity thereof.

Credit Risk

A fundamental risk relating to all fixed income securities, is a chance that an issuer will fail to make a principal and interest payment when due, Issuers with higher credit risks typically offer higher yields for this added risk. Conversely, issuer, with lower credit risk offer lower credit yields. Generally government securities are considered to be the safest in terms of the credit risk. Changes in financial conditions of an issuer, changes in economic and political conditions in general, or changes in economic or and political conditions specific to an issuer, all of which are factors that may have an adverse impact on a firms credit quality and securities values.

Prepayment Risk

Certain fixed income securities give an issuer the right to call its securities, before their maturity date, in periods of declining interest rates. The possibility of such prepayment risk may force the fund to reinvest the proceeds of such investments in securities offering lower yields, there by reducing the fund's interest income.

Interest Rate Risk

As with all debt securities, changes in interest rates may affect the Net Asset Value as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long-term securities generally fluctuate more in response to interest rate changes than do short-term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the NAV.

Reinvestment Risk

The risk refers to the interest rate levels at which cash flows received from the securities in the Plans are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested maybe lower than that originally assumed.

Liquidity Risk

This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of some of these investments. Different segments of the Indian financial markets have different settlement periods, and such periods may be extended significantly by unforeseen circumstances. The length of time for settlement may affect the Scheme in the event it has to meet an inordinately large number of redemption or of restructuring of the Scheme's investment portfolio.

Risks associated with Foreign Securities

The risk of investing in foreign securities carries exchange rate risks related to depreciation of foreign currency and the country risks, in addition to the risks of securities in domestic securities. The country risks would include events such as change in regulations or political circumstances like introduction of extraordinary exchange rate controls, restrictions on repatriation of capital due to exchange rate controls, bi-lateral political tensions leading to immobilization of overseas financial assets and the prevalent tax laws of the respective jurisdiction for the execution of trades or otherwise.

Currency risk

The foreign securities are issued and traded in foreign currencies. As a result, their values may be affected by changes in exchange rates between foreign currencies and the Indian Rupee as well as between currencies of countries other than India. Restrictions on currency trading that may be imposed by developing market countries will have an adverse effect on the value of the securities of companies that trade or operate in such countries.

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

As per SEBI Circular No.SEBI/IMD/CIR No.10/22701/03 dated December 12, 2003, the Scheme/Plan shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme/ Plan(s). However, if such limit is breached during the NFO of the Scheme, the Fund will endeavor to ensure that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Scheme, whichever is earlier, the Scheme complies with these two conditions. In case the Scheme / Plan(s) does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the

SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme / Plan(s) shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25% limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

Further in terms of SEBI Circular No.SEBI/IMD/CIR No.1/42529/05 dated June 14,2005 , the guidelines contained in above SEBI Circular dated December 12, 2003 would be applicable at the Portfolio level.

Prevention of Money Laundering and Know Your Customer (KYC)

In terms of Prevention of Money Laundering Act 2002, the Rules issued thereunder and the guidelines/circulars issued by SEBI, mutual funds have to formulate and implement a client identification programme, verify and maintain record of identity and addresses of investors. Mutual Fund industry has collectively entrusted this responsibility to CDSL Ventures Ltd. As a token of having verified the identity and address, CDSL will issue an provisional KYC Letter to each investor who submits an application and prescribed documents for the same to CDSL. PAN shall be the basis for KYC exercise. Investors who have done this exercise and make investment of Rs.50,000 & above in any mutual fund scheme, shall quote his/her PAN.

C. SPECIAL CONSIDERATIONS

- Investment decisions made by the AMC/Investment Manager may not always be profitable.
- In the event of receipt of very large number of redemption requests or very large value redemption requests or of the restructuring of the scheme's portfolio, there may be delays in the redemption of units.
- Investors should study the Statement of Additional Information along with the Scheme Information Document in its entirety and should not construe the contents as an advice relating to legal, taxation, investment or any other matters. Investors may, if they wish, consult their legal, tax, investment and other professional advisors to determine possible legal, tax, financial or other considerations of subscribing to or redeeming Units, before making a decision to invest/redeem Units.
- The tax benefits described in the Statement of Additional Information are as available under the present taxation laws and are available subject to relevant conditions. The information given is included only for general purpose and is based on advice received by the AMC regarding the law and practice currently in force in India and the Investors should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Investor is advised to consult his / her own professional tax advisor.
- The Statement of Additional Information, Scheme Information Document or the Units have not been registered in any jurisdiction. The distribution of this Scheme Information Document in certain jurisdictions may be restricted or subject to registration requirements and accordingly, persons who come into possession of this Scheme Information Document are required to inform themselves about and to observe any such restrictions and or legal compliance requirements. No person receiving a copy of this Scheme Information Document or any accompanying application form in such jurisdiction may treat this Scheme Information Document or such application form as constituting an invitation to them to subscribe for units nor should they in any event use any such application form unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirement.
- Prospective investors should review / study this Statement of Additional Information along with Scheme Information Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as an advice relating to legal, taxation, or financial / investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (by way of sale, switch or redemption or conversion into money) of Units and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their subscription, acquisition, holding, capitalization, disposal (by way of sale, transfer, switch or conversion into money) of Units within their jurisdiction of nationality,

residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to Purchase / gift Units are subject, and also to determine possible legal, tax, financial or other consequences of subscribing / gifting, purchasing or holding Units before making an application for Units.

- From time to time and subject to the Regulations, funds managed by the affiliates / associates of the Sponsor may invest either directly or indirectly in the Scheme. These affiliates/associates may acquire a substantial portion of the Scheme's Units and collectively constitute a major investor in the Scheme. Accordingly, Redemption of Units held by such funds may have an adverse impact on the value of the Units of the Scheme because of the timing of any such Redemption and may impact the ability of other Unit Holders to redeem their respective Units.
- As the liquidity of the Scheme's investments could, at times, be restricted by trading volumes and settlement periods, the time taken by the Fund for Redemption of Units may be significant in the event of an inordinately large number of Redemption requests or of a restructuring of the Scheme's portfolio. In view of this, the Trustee has the right, in its sole discretion, to limit redemptions (including suspending redemption) under certain circumstances as described under the section "Right to Limit Purchase & Redemptions".

D. DEFINITIONS

The Trustee / TITCO	Taurus Investment Trust Company Ltd. (Earlier known as Creditcapital Investment Trust Company Ltd.) is a company incorporated under the Companies Act, 1956 and authorized by SEBI to act as the Trustee for Taurus Mutual Fund.
Asset Management Co./AMC/ Investment Manager/ TAMCO	Taurus Asset Management Company Ltd. (Earlier known as Creditcapital Asset Management Company Ltd.), Investment Manager to Taurus Mutual Fund is a company incorporated under the Companies Act, 1956 and authorized by SEBI to act as the Asset Management Company.
Sponsor	HB Portfolio Limited
HB Portfolio Ltd. (HBPL)	HB Portfolio Ltd. is a company incorporated under the Companies Act, 1956.
SEBI or the Board	The Securities & Exchange Board of India, a Board established under The Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Regulations	The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time by SEBI for the operation and management of Mutual Funds, including any re-enactment thereof.
IT Act	Income Tax Act 1961.
RBI	Reserve Bank of India established under the Reserve Bank of India Act, 1934.
Custodian	Deutsche Bank
Depository	Depository as defined in the Depository Act, 1996.
IMA	Investment Management Agreement dated August 20, 1993 executed between TITCO and TAMCO and all amendments thereto from time to time.
Registrar & Transfer Agent	Karvy Computershare Pvt. Ltd. or any other R&T agent appointed by the Trustees
Entry Load	A charge that is paid by the unitholder at the time of investing in the units of Taurus Ethical Fund

Exit Load	A charge that is paid by the unitholder at the time of redeeming the units from Taurus Ethical Fund
Contingent Deferred Sales Charge/ CDSC	Exit charge permitted under SEBI Regulations for a no load scheme.
SID	Scheme Information Document of Taurus Ethical Fund
<i>Taurus Ethical Fund (TEF)</i>	An Open Ended Equity Oriented Scheme
<i>TEF</i>	Taurus Ethical Fund, an open-end equity oriented scheme
Trust Deed	The Trust Deed dated August 20, 1993 as amended from time to time.
NAV	Net Asset Value of the units of the Scheme as calculated in the manner provided in this Scheme Information Document or as may be prescribed by SEBI Regulations from time to time.
Applicable NAV	The Net Asset Value applicable for purchases/redemption/ switches based on the business day and relevant cut-off times on which the application is accepted at an Investor Service Centre
Units	The interest of the subscribers in the Scheme which consists of unit representing one undivided share in the assets of the Scheme.
Unitholder/Investor	A person who holds units under the Scheme
Business Day	A day other than (i) Saturday and Sunday (ii) day(s) on which the money markets are closed/not accessible (iii) a day on which banks in Mumbai/New Delhi and/or RBI are closed for business/clearing (iv) a day on which Stock Exchange, Mumbai and / or National Stock Exchange are closed (v) A day which is a public and/or bank holiday at the Investor Service Centre where the application is received (vi) A book closure period announced by the AMC/Trustee (vii) A day on which sale and redemption of units is suspended by the AMC/Trustee (viii) A day on which normal business cannot be transacted due to bandhs, floods, storms, strikes or such other events as the AMC/Trustee may specify from time to time. The Trustees/AMC reserve the right to change the definition of Business Day. The Trustee/AMC reserve the right to declare any day as a Business Day or otherwise at any or all Investor Service Centres
NRI/ PIO	Non-Resident Indians and Persons of Indian Origin
FII's	Foreign Institutional Investors, registered with SEBI under Securities and Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended from time to time
CBDT	Central Board of Direct Taxes.
DTAA	Double Taxation Avoidance Agreement
AMFI	Association of Mutual Funds in India
Gilts / Government Securities	As defined under Section 2(b) of the Securities Contract(s) (Regulation) Act, 1956, "Government security" means a security created and issued, whether before or after the commencement of this Act, by the Central Government or a State Government for the purpose of raising a public loan and having one of the forms specified in Clause (2) of Section 2 of

	Public Debt Act, 1944 (13 of 1944).
Repo/Reverse Repo	Sale / Purchase of Securities as may be allowed by RBI from time to time with simultaneous agreement to repurchase / resell them at a later date.
Money Market Instruments	Include Treasury Bills, Commercial Papers, Mibor linked instruments Commercial Bills, Government Securities having un-expired maturity upto one year, Call or Notice Money, Certificate of Deposit, Usance Bills, Corporate Debentures, Collateralised Borrowing and Lending Obligation (CBLO) and any other like instruments as specified by RBI/SEBI from time to time.

E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

A Due Diligence Certificate duly signed by the Company Secretary-cum-Compliance Officer of the Asset Management Company has been submitted to SEBI, which reads as follows:

It is confirmed that:

- (i) the draft Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- (ii) all legal requirements connected with the launching of the scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- (iii) the disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed scheme.
- (iv) the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

Date : June 20, 2008

Place : New Delhi

Sangeeta Verma
Company Secretary-cum-
Compliance Officer

II INFORMATION ABOUT THE SCHEME

A. TYPE OF THE SCHEME

An open-end equity oriented scheme. The Scheme does not guarantee or assure any returns.

B. WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?

The investment objective of the scheme is to provide capital appreciation and income distribution to unitholders through investment in a diversified portfolio of equities, which are based on the principles of Shariah. The scheme may also invest a certain portion of the corpus in money market instruments in order to meet liquidity requirements from time to time.

C. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Under normal circumstances, the asset allocation pattern will be as under:-

Instruments	% of Portfolio		Risk Profile
	Minimum	Maximum	
Equity & Equity Related Instruments	80%	100%	High
Money Market Instruments	0%	20%	Low

Normally, the funds will be fully invested in equities save for an amount to enable redemption of units, efficient management of the funds in relation to strategic objectives and other purposes which may be reasonably regarded as ancillary to the investment objective of the Scheme.

Investment in foreign securities will not exceed 20% of the corpus.

Pending deployment of funds of the scheme in terms of investment objective of the Scheme, the Mutual Fund can invest the funds of the scheme in the defined money market instruments instead of short term deposits of scheduled commercial banks.

D. WHERE WILL THE SCHEME INVEST?

The Corpus of the scheme will be invested in the listed securities on BSE/NSE or the foreign equities which are based on the principles of Shariah after proper fundamental and technical analysis by the Research Team.

Recently, Standard & Poor's has also launched a Shariah Index for the Indian Market viz. S&P CNX 500 Shariah. At present there are 209 companies in S&P CNX 500 Shariah Index.

The Fund has decided to benchmark the performance of the scheme based on SNP CNX 500 Shariah Index.

Shariah Board

The AMC will be assisted by Taqwa Advisory and Shariah Investment Solutions Pvt. Ltd. (TASIS) on the Shariah Compliance. TASIS which has an independent professionally managed Shariah Board has one scholar on its Board i.e. **Mufti Barkatullah Abdul Kadir** whose profile is as under:

Mufti Barkatullah is a prominent Shariah scholar with a strong background in economics and finance. He received an MPhil in Informatics from the University of Wales (UK). He holds BSc Honours in Economics from London and has also received his Mufti (Diploma) in Islamic Law from Darul Ifta, Deoband, India. Trained extensively both in the traditional Islamic and modern Western educational traditions, Mufti has served as Sharia Judge at the Islamic Sharia Council, London. He is a member of the Shariah supervisory boards for several UK based financial institutions such as Islamic Bank of Britain, Alburaq of ABC Bank International (UK), United National Bank, Lloyds TSB, Scottish Widows

Investment Partnership Islamic SICAV, Luxembourg and British Islamic Insurance Holdings (UK). He has been a lecturer at Ebrahim Community College, London. As a broadcaster he has a wealth of experience in Islamic financial issues. He received praise from the British Parliament for his immense contribution to Islamic Finance in UK. He has also been awarded for Best Research Thesis in 1992 by Oxford Academy.

Investment in Foreign Securities

In accordance with RBI Policy announced in October 1997 and the guidelines of SEBI announced on September 30, 1999, March 30, 2002, November 07, 2002, April 04, 2003, January 04, 2007, May 14, 2007, *September 26, 2007 and April 8, 2008* (including any subsequent instructions/guidelines that may be issued by SEBI and/or RBI in this regard) on overseas investment. AMC believe that overseas markets offer new investment and portfolio diversification opportunities into multi-market and multi-currency products. The Scheme shall (after obtaining approval from RBI) invest in ADR's, GDR's, foreign equity, and other overseas financial assets including securities issued by Governments of the G-7 nations, units of mutual funds managed by overseas Asset Management Companies/ Investment Managers and registered with overseas regulators etc, which in the judgment of the AMC is eligible for investment as part of the Scheme(s) portfolio and is consistent with the investment strategy. The investment in such overseas Financial Assets shall not exceed the limit as may be imposed by SEBI/RBI from time to time and shall be within the investment composition.

SEBI Mutual Funds Regulations permit a mutual fund with prior SEBI and RBI approval to invest in foreign securities upto 10% of it's net assets as on March, 31 of each relevant year, subject to a maximum limit of US \$ 300 million per mutual fund within over all limit of US \$ 7 bn.

RBI has vide its letter no. EC.CO.OID.MF. 4914/19.09.233/2001-2002 dated January 30, 2002, has given approval for investments in ADRs/ GDRs and Foreign Debt Securities. The said RBI approval, inter alia, also gives permission to the Mutual Fund to open one or more foreign currency accounts abroad either directly, or through the custodian / sub custodian, to facilitate investments and to enter into/deal in forward currency contracts, currency futures, index options, index futures, interest rate futures/swaps, currency options for the purpose of hedging the risks of assets of a portfolio or for its efficient management provided:

- a) the aggregate value and the maturity of such contracts does not exceed the underlying overseas assets under management;
- b) the use of such derivatives are meant only for hedging the exposure;
- c) all fees/premium paid/ payable on such contracts, which will be deemed as capital in nature, are within the overall limit allowed for investment abroad;
- d) for hedge contracts where option elements are built in there is no net inflow of premium, direct or implied; and
- e) in case hedge deals are booked abroad, the overseas entity is the branch of a bank operating in India.

To manage risks associated with foreign currency and interest rate exposure the Fund may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by the Regulations/RBI. The Fund may also utilize services of a global custodian and/or consultant to manage such investment, the costs of which would be within the expense limits laid down under SEBI Regulations.

Like domestic securities, investment in overseas financial assets is subject to market risk, credit risk, interest rate risk and liquidity risk as explained in the clause "SPECIAL CONSIDERATION" which exist in the domestic securities.

To the extent that the assets of the Scheme will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distribution and income may be adversely affected by changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital to India may also be hampered by changes in regulations or political circumstances as well as the application to it of other restrictions on investment.

Investments will only be made in instruments denominated in US Dollar, Singapore Dollar, Japanese Yen, Euro or Sterling Pound or in any other liquid currency as may be decided by the AMC from time to time.

Reporting requirements

The AMC shall send detailed periodical reports to the trustees, which will include the following aspects:

- i) Performance of investments made in Foreign Debt Securities in various countries.
- ii) Amount invested in Scheme and any breach of the exposure limit laid down in this Offer Document.

The Board of Directors of AMC and Trustee Company shall offer their comments in the compliance of these guidelines in the bimonthly and half-yearly reports filed with SEBI.

S&P CNX 500 Shariah related disclaimers

(i) Standard & Poor's ("S&P") is a division of The McGraw-Hill Companies, Inc., a New York corporation. Among other things, S&P is engaged in the business of developing, constructing, compiling, computing and maintaining various equity indices that are recognized worldwide as benchmarks for U.S. stock market performance. "Standard & Poor's®" and "S&P®" are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by India Index Services & Products Limited in connection with the Shariah Indices. IISL may further license the S&P trademarks to third parties, and has sublicensed such marks to the AMC in connection with the Shariah Index and TEF. The Shariah Index is not compiled, calculated or distributed by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of investing in products that utilize Shariah Indices as a component thereof, including TEF.

(ii) TEF is not sponsored, endorsed, sold or promoted by India Index Services & Products Limited ("IISL") or Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P"). Neither IISL nor S&P makes any representation or warranty, express or implied, to the unitholders of TEF or any member of the public regarding the advisability of investing in TEF particularly or the ability of the Shariah Indices to track general stock market performance in India. The relationship of S&P and IISL to Licensee is only in respect of the licensing of certain trademarks and trade names of their Index which is determined, composed and calculated by IISL without regard to the AMC or TEF. Neither S&P nor IISL has any obligation to take the needs of the AMC or that of TEF into consideration in determining, composing or calculating the Shariah Indices. Neither S&P nor IISL is responsible for or has participated in the determination of the timing of, prices at, or quantities of TEF to be issued or in the determination or calculation of the equation by which the units of TEF are to be converted into cash. Neither IISL nor S&P has any obligation or liability in connection with the administration, marketing or trading of TEF.

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E. WHAT ARE THE INVESTMENT STRATEGIES?

The corpus of the Scheme will be invested in the companies which are based on the principles of Shariah whereby, it is not permissible to acquire the shares of Companies providing financial services on interest like conventional banks, insurance companies or the companies involved in some other business not approved by Shariah, such as companies manufacturing, selling or offering liquors, pork meat, or involved in gambling, night club activities, pornography etc. The Fund Manager and his team will identify the stocks for investment from the stock universe available from S&P CNX 500 Shariah which is the benchmark index for this scheme and the Shariah Board will have no role in stock identification from the given universe.

Portfolio Turnover Policy

“Portfolio Turnover” is the term used by any Mutual Fund for measuring the amount of trading that occurs in a Scheme’s portfolio during the given period. Taurus Ethical Fund, being open ended scheme, it is expected that there would be a number of subscriptions and repurchase on a daily basis. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. However, a high turnover would not significantly affect the brokerage and transaction costs.

The Fund will endeavor to balance the increased cost on account of higher portfolio turnover with the benefits derived thereof. A high portfolio turnover rate is not necessarily a drag on portfolio performance and may be representative of arbitrage opportunities that exist for scrips / securities held in the portfolio rather than an indication of a change in Fund view on a scrip, etc.

F. FUNDAMENTAL ATTRIBUTES

Following are the fundamental attributes of the scheme, in terms of Regulation 18(15A) of the SEBI (MF) Regulations:

(i) Type of Scheme :

An open ended equity oriented scheme.

(ii) Investment Objective:

The investment objective of the scheme is to provide capital appreciation and income distribution to unitholders through investment in a diversified portfolio of equities, which are based on the principles of Shariah. The scheme may also invest a certain portion of the corpus in money market instruments in order to meet liquidity requirements from time to time.

Investment Pattern

Instruments	% of Portfolio		Risk Profile
	Minimum	Maximum	
Equity & Equity Related Instruments	80%	100%	High
Money Market Instrument	0%	20%	Low

Change In Investment Pattern

Subject to the SEBI Regulations, the asset allocation pattern indicated above may change from time to time, depending on liquidity considerations or on account of high levels of subscriptions or redemptions relative to fund size, or upon considerations that optimise returns of the Scheme through investment opportunities or upon various defensive considerations including market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute. These proportions may vary substantially depending upon the perception of the AMC, the intention being at all times to seek to protect the interests of the Unitholders. Such changes in the investment pattern will be for short term and only for defensive consideration.

(iii) Terms of Issue :

(a) Listing

The Scheme being open ended, the Units are not proposed to be listed on any stock exchange and no transfer facility is provided.

(b) Redemption of Units

The Unit Holder has the option to request for Redemption either in amount in rupees or in number of Units. In case the request for Redemption specifies both, i.e. amount in rupees as well the number of Units to be redeemed, then the latter will be considered as the redemption request and redemption will be processed accordingly.

The minimum amount of an application for redemption of units under the scheme must be of Rs. 1000/- and in multiples of Re.1 thereafter or 100 units.

Units can be redeemed (sold back to the Fund) at the Redemption Price during the Ongoing Offer Period.

Redemption Price:

The Redemption Price of the Units is the price at which a Unit Holder can redeem Units of a scheme. It will be calculated as described below:

Redemption Price = Applicable NAV x (1 - Exit Load* or CDSC*)

* Either Exit Load or CDSC, whichever is applicable, will be charged.

Redemption Price will be calculated for up to two decimal places for the Scheme.

For example, if the Applicable NAV of a Scheme is Rs.10, and it has a 2% Exit Load, the Redemption Price will be calculated as follows:

Redemption Price = $10 \times (1 - 2.00\%)$ i.e. $10 \times 0.98 = 9.80$

If the Scheme has no Exit Load and no CDSC, the Redemption Price will be equal to the Applicable NAV.

The present Securities Transaction Tax levied under the Income Tax Act, 1961, at the rate of 0.25% (or such other applicable rate) will be reduced from the amount of redemption. To illustrate:

If a Redemption of 1,000 units is sought by the Unit Holder at a Redemption Price of Rs. 9.80 (as calculated above), the redemption amount is Rs. 9,800. This will be further reduced by Rs. 25 (i.e. Rs. 9,800 x 0.25%, rounded off to the nearest rupee), making the net redemption amount Rs. 9,775.

Investors may note that the Trustee has a right to modify the existing Load structure in any manner or introduce an Entry Load or Exit Load or CDSC or a combination of Entry Load and / or Exit Load and / or CDSC and / or any other Load subject to a maximum as prescribed under the Regulations and prospectively only.

Please refer section – LOAD STRUCTURE.

Applicable NAV for Redemption:

For Redemption / Switch Out / Systematic Transfer Plan

- In respect of valid Redemption requests accepted at a Designated Collection Centre up to 3 p.m. on a Business Day, the NAV of such day will be applicable.
- In respect of valid Redemption requests accepted at a Designated Collection Centre after 3 p.m. on a Business Day, the NAV of the next Business Day will be applicable.

(c) Aggregate fees and expenses charged to the scheme:

For management of the scheme, the Investment Manager will charge a fee not exceeding 1.25% of the daily average net assets The AMC has estimated that fees including advisory fees upto 2.50% of the weekly/daily

average net assets of the scheme will be charged to the scheme as annual scheme recurring expenses. For detailed fees and expenses charged to the scheme please refer to section 'Fees and Expenses'.

Right to Limit Purchase & Redemptions

The Trustee may, in the general interest of the Unit Holders of the Scheme and when considered appropriate to do so based on unforeseen circumstances / unusual market conditions, limit the total number of Units which may be redeemed on any Business Day to 5% of the total number of Units then in issue, under the Scheme and option(s) thereof, or such other percentage as the Trustee may determine. Any Units which consequently are not redeemed on a particular Business Day, will be carried forward for Redemption to the next Business Day, in order of receipt. Redemptions so carried forward will be priced on the basis of the Applicable NAV (subject to the prevailing Load) of the Business Day on which Redemption is made. Under such circumstances, to the extent multiple Redemption requests are received at the same time on a single Business Day, redemptions will be made on a prorata basis, based on the size of each Redemption request, the balance amount being carried forward for Redemption to the next Business Day.

(d) There is no assurance OR guarantee of returns.

In accordance with Regulation 18(15A) of the Regulations, the Trustee shall ensure that no change in the fundamental attributes of the Scheme or the Fund or the fees and expenses payable or any other change which would modify the Scheme and affect the interest of the Unit Holders will be carried out unless:

- 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 Marathi daily newspaper with wide circulation published in Mumbai (as the head office of the Fund is situated there); and
- The Unit holders are given an option to exit for a period of 30 days to exit at the prevailing Net Asset Value without any exit Load.

Fundamental attributes will not cover such actions of the Trustee of the Mutual Fund or the Board of Directors of the Asset Management Company, made in order to conduct the business of the Trust, the Scheme or the Asset Management Company, where such business is in the nature of discharging the duties and responsibilities with which they have been charged. Nor will it include changes to the Scheme made in order to comply with changes in regulation with which the Scheme has been required to comply.

G. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

S&P CNX 500 Shariah

The performances of the schemes of the Mutual Fund are reviewed by the Investment Committee ("IC") as well as the Board of Directors of the AMC and Trustee periodically. The IC is operational at the AMC level and has majority representation from the senior management of the company. Monthly reports on the performance of the schemes with appropriate benchmark indices are also sent to the Directors of the AMC and Trustee and also with the relative performance of the schemes of other mutual funds schemes in the same category which is placed with the Board of Directors of the AMC and Trustee. Further, in terms of SEBI Circular No.MFD/CIR/16/400/02 dated March 26, 2002 the performance of TAURUS ETHICAL FUND will be benchmarked against the performance of S&P CNX 500 Shariah. The same has been chosen as the benchmark as the asset allocation pattern of the benchmark is in conformity with the declared asset allocation pattern of the scheme in the Scheme Information Document.

The performance of the Scheme compared to its benchmark index will be reviewed at every meeting of the Board of Directors of the AMC and Trustee and corrective action as proposed will be taken in case of unsatisfactory performance.

In terms of SEBI Circular No.MFD/CIR/01/ 071/02 dated April 15, 2002, the AMC and Trustee may change the benchmark index or select an additional benchmark index after recording adequate justification for carrying out such change. However, change of benchmark index and/or selecting additional benchmark indices would be done in complete compliance of the relevant guidelines of SEBI in this regard.

H. WHO MANAGES THE SCHEME?

S.No.	Name of Fund Manager	Age/Qualification	Brief Experience
1	Mohit Mirchandani	36, BCom, MMS, MBA (USA)	Mohit has spent 14 years doing various assignments in equity research and fund management in Indian and foreign organisations. Prior to Joining Taurus Asset Management Co Ltd, Mohit was VP and Portfolio Manager at ING Investment Managers.

I. WHAT ARE THE INVESTMENT RESTRICTIONS?

Pursuant to SEBI Regulations, the following investment restrictions are applicable to the Scheme:

- Every Mutual Fund will buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative securities and in all cases of sale, deliver the securities and shall in no case put itself in a position whereby it has to make short sale or carry forward transaction or engage in badla finance. Provided that Mutual Funds shall enter into derivatives transactions in a recognized stock exchange for the purpose of hedging and portfolio balancing, in accordance with the guidelines issued by the Board.
- Every Mutual Fund shall get the securities purchased or transferred in the name of the Fund on account of the concerned Scheme, wherever investments are intended to be of long-term nature.
- A Mutual Fund scheme shall not invest more than 15% of its NAV in debt instruments issued by a single issuer, which are rated not below investment grade by a credit rating agency authorized to carry out such activities under the SEBI Act. Such investment limit may be extended to 20% of the NAV of a Scheme with the prior approval of the Board of Trustees and the Board of Asset Management Company.

Provided that such limit shall not be applicable for investment in Government securities and money market instruments.

Provided further that investment within such limit can be made in the mortgaged backed securitised debt, which are rated not below investment grade by a credit rating agency, registered with SEBI.

- A Mutual Fund scheme shall not invest more than 10% of its NAV in un-rated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of a Scheme. All such investments shall be made with the prior approval of the Board of Trustees and Board of Asset Management Company.
- The Mutual Fund under all its schemes will not own more than ten percent of any company's paid up capital carrying voting rights.
- 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 is made.
- A Scheme may invest in another scheme under the same Asset Management Company or any other Mutual Fund without charging any fees, provided that aggregate inter-scheme investment

made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the Mutual Fund.

- Provided that this clause shall not apply to any fund of funds scheme

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

- a) any unlisted securities of an associate or group company of the sponsor; or
- b) any securities issued by way of private placement by an associate or group company of the sponsor; or
- c) the listed securities of group companies of the sponsor, which is in excess of 25% of the net assets.

- No scheme of a Mutual Fund shall make any investment in any Fund of Fund scheme.
- No scheme of the Fund shall invest more than 10% of its NAV in the equity shares or equity related instruments of any company.

Provided that the limit of 10% shall not be applicable for investments in case of index fund or sector or industry specific scheme.

- A Mutual Fund scheme shall not invest more than 5% of its NAV in the unlisted equity shares or equity related instruments in case of open-end scheme and 10% of its NAV in case of close end scheme.

Debentures, irrespective of any residual maturity period (above or below one year) shall attract the investment restrictions as applicable for debt instruments as specified under Clause 1 and 1A of Seventh Schedule to SEBI (Mutual Funds) Regulations 1996.

- No mutual fund scheme shall park more than 15% of the net assets in short term deposits of all scheduled commercial banks put together.
- The AMC may alter these above stated restrictions from time to time to the extent the SEBI Regulations change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for mutual funds to achieve its respective investment objective. The Trustee may from time to time alter these restrictions in conformity with the SEBI Regulations.

All investment restrictions shall be applicable at the time of making investment.

Shariah Investment Restrictions

In addition to the above investment restrictions as per SEBI Regulations, the funds of the scheme may not be invested in the following as per the present Shariah restrictions;

- i) Derivatives, including but not limited to, options, futures and contracts for differences,
- ii) Sector Based – Certain businesses offer products and services that are considered unacceptable or non-compliant viz. Gambling, conventional banking, pornography, alcohol etc.
- iii) Accounting Based – Financial ratio's of some companies may violate compliance measures. In terms of financial ratio, the companies having 33% or more debt, where non-operating interest income is greater than 5% of gross revenue, etc., are excluded.
- iv) Investment trusts, unit trusts and other collective investment schemes that do not adhere to Islamic Shariah investment principles.

Investment by TAMCO in the scheme

The Asset Management Company (TAMCO) can also invest in the scheme, subject to a maximum exposure of 100% of the net worth of TAMCO or as decided by the Board of TAMCO & TITCO from time to time and the AMC shall not be entitled to charge any fees on such investments.

Similarly, Taurus Ethical Fund may invest in other schemes under the management of TAMCO/or any other schemes of Mutual Fund subject to the condition that investment of such securities is as per the Shariah compliance.

The aggregate inter-scheme investment made by all schemes under the same management or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the Fund. No fees shall be charged for investing in other schemes of the Fund or any other Mutual Fund.

Internal Norms for Investment Restrictions

Fund has policy of Internal Norms for Investment Restrictions within the overall limit prescribed by SEBI. According to this policy, sector-wise exposure limit will be fixed to avoid concentration of portfolio in particular sectors. Similarly in each sector, further investment restrictions will be kept to avoid over exposure in a particular stock. These investment restrictions will be within the Shariah Compliance Stock Universe and will be reviewed from time to time depending upon the market conditions.

J. HOW HAS THE SCHEME PERFORMED?

This is a new scheme and does not have any performance track record.

III UNITS AND OFFER

This section provides details you need to know for investing in the scheme.

A. New Fund Offer (NFO)

<p>New Fund Offer Period</p> <p>This is the period during which a new scheme sells its units to the investors.</p>	<p>NFO Opens on : February 19,2009 NFO Closes on : March 20,2009 Scheme Re-opens for Continuous Sale & Repurchase on : Not later than 30 days of the date of closure of the New Fund Offer.</p> <p>The Trustee reserves the right to extend the closing date of the New Fund Offer Period, subject to the condition that the New Fund Offer shall not be kept open for more than 30 days. Any such extension shall be announced by way of a newspaper advertisement in one national newspaper.</p>
<p>Minimum Amount for Application in the NFO</p>	<p>Rs.10/- per unit plus applicable load Rs. 5000/- and in multiple of Rs.1/- thereof</p>
<p>Minimum Target amount</p> <p>This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return. However, if AMC fails to refund the amount within 6 weeks, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of</p>	<p>The scheme seeks to collect a minimum subscription of Rs.1 crore during the New Fund Period.</p>

<p>six weeks from the date of closure of the subscription period.</p>	
<p>Maximum Amount to be raised (if any)</p>	<p>There is no upper limit on the total amount to be raised in the scheme during the NFO period.</p>
<p>Plans /Options offered</p>	<p>The Scheme offers three Plans Growth, Dividend & Bonus.</p> <p>1) Growth: The returns from investments are generated through capital appreciation of units' price and no dividend will be declared.</p> <p>In case of valid applications received without indicating any choice it will be considered as Growth.</p> <p>2) Dividend: Under this Plan, a dividend may be declared by the Trustee, at its discretion, from time to time (subject to the availability of distributable surplus as calculated in accordance with the Regulations).</p> <p>Dividend Plan offers two options i.e. Payout or Re-investment:</p> <p>Payout Option: Under this option, dividend as and when declared will be paid to the unitholders whose names appear in the Register of Unitholders on the Record Date.</p> <p>Re-investment Option: Unitholders opting for Dividend Plan may choose to reinvest the dividend to be received by them in additional units of the Scheme. Under this option, the dividend due and payable to the unitholders will be compulsorily and without any further act by the unitholders, reinvested in the Dividend Plan (on the next Business Day after the record date), at a price based on the prevailing ex-dividend Net Asset Value per unit on the record date. The amount of dividend re-invested will be net of tax deducted at source, wherever applicable. The dividends so reinvested shall constitute a constructive payment of dividends to the unitholders and a constructive receipt of the same amount from each unitholder for reinvestment in units. On reinvestment of dividends, the number of units to the credit of unitholder will increase to the extent of the dividend reinvested at the Applicable NAV as explained above. There shall however, be no entry as well as exit load on units allotted on re-investment of dividend.</p> <p>If the investor does not clearly specify the choice of Payout or Reinvestment within the Dividend, it will be treated as a Reinvestment facility.</p> <p>Shut-out Period (Applicable for Investors under Dividend Plan only) Investors should note that the AMC reserves a right to declare Shut-out period not exceeding 5 days for the investors opting for payment of dividend under the Dividend Plan. The declaration of the Shut-out period</p>

	<p>is envisaged to facilitate the AMC to determine the units of the unitholders eligible for receipt of dividend under the Dividend Plan. Further, the Shut-out period will also help in expeditious processing and dispatch of dividend warrants. The AMC shall arrange to display the same at all Investor Service Centres at least 10 days before the introduction. The Shut-out period will be applicable for making investments in the Scheme. During the Shut-out period investors may make purchases into the Scheme but the Sale Price for subscription of units will be calculated at the Applicable NAV as at the close of the first Business Day following the shutout period. Therefore, if investments are made during the Shut-out period, units to the credit of the unitholders' account will be allotted only on the first Business Day following the shut-out period. The Shut-out period applies to new investors in the Scheme as well as to unitholders making additional purchases of units into an existing account. The Shutout period does not apply to purchases of units under the Growth Option. The AMC reserves the right to change the duration of the Shut-out period and prescribe new Shut-out period, from time to time.</p> <p>3) Bonus: Under this option the Fund may issue bonus units out of the accumulated reserves and surplus including the surplus by realised profit, dividend and interest, net of losses, expenses and taxes, if any, to unit holders, if such surplus is available and adequate for distribution in the opinion of Trustees.</p> <p>Eligibility and Treatment of Bonus Units : Bonus units, as and when issued, will be in proportion to the holdings of the unitholder under the concerned plan as on the record date, to be fixed for the purpose of Bonus declaration. The AMC may accordingly make appropriations and applications of the sum decided by it to be so capitalised by allotment and issue of fully paid-up units as bonus units, and generally do all such acts and things required to give effect thereto. The Bonus Units so allotted and issued as aforesaid will as regards rights and entitlements rank pari passu with the units in existence on the record date in respect of which they are allotted and issued. Interest created / options exercised by a member on the units under a folio by way of nomination, if any, will automatically apply to the bonus units. Please note that pursuant to allotment of Bonus Units, the NAV of the scheme would fall in proportion to the bonus units allotted. As a result, the total value of units held by the unitholder would remain the same. There shall be no entry as well as exit load on bonus units.</p>
<p>Dividend Policy</p>	<p>Under the Dividend Plan, it is proposed to declare dividends subject to availability of distributable profits, as computed in accordance with SEBI Regulations. Dividends, if declared, will be paid (subject to deduction of tax at source, if any) to those Unitholders</p>

	<p>whose names appear in the Register of Unitholders on the notified record date. However, it must be distinctly understood that the actual declaration of dividend and the frequency thereof will inter-alia, depend on the availability of distributable profits as computed in accordance with SEBI Regulations. The decision of the Trustee in this regard shall be final. There is no assurance or guarantee to Unitholders as to the rate of dividend distribution nor that dividends will be paid regularly. In order to be a Unitholder, an Investor has to be allotted unit against receipt of clear funds by the Scheme. On payment of dividends, the NAV will stand reduced by the amount of dividend and dividend tax (if applicable) paid.</p> <p>If the Fund declares dividend under the Scheme, AMC shall dispatch the dividend warrants within 30 days from the date of declaration of dividend.</p>
Allotment	<p>Subject to the receipt of the specified minimum subscription amount, full allotment of Units applied for will be made within 30 days from the date of closure of the NFO Period for all valid applications received during the NFO Period.</p> <p>An account statement will be sent by ordinary post/ courier to each Unit Holder, stating the number of Units purchased, not later than 30 days from the close of the NFO Period.</p> <p>Statement of accounts to the unit holders under SIP/STP/SWP will be dispatched once in every quarter within 10 days of the end of the respective quarter.</p> <p>In case of specific request received from investors, Mutual Fund shall provide the account statement to the investors within 5 working days from the receipt of such request without any charges. Further, soft copy of the account statement shall be mailed to the investors under SIP/STP/SWP to their e-mail address on a monthly basis, if so mandated</p>
Refund	<p>If application is rejected, full amount will be refunded within 6 weeks of closure of NFO. If refunded later than 6 weeks, interest @ 15% p.a. for delay period will be paid and charged to the AMC.</p>
<p>Who can invest</p> <p>This is an indicative list and the investors are requested to consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.</p>	<ul style="list-style-type: none"> • 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; • Partnership Firms constituted under the Partnership Act, 1932; • A Hindu Undivided Family (HUF) through its Karta; • Banking Company as defined under the Banking Regulation Act, 1949; • Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions;

	<ul style="list-style-type: none"> • Public Financial Institution as defined under the Companies Act, 1956; • Insurance Company registered with the Insurance Regulatory and Development Authority; • Non-Resident Indians (NRIs)/Persons of Indian Origin (PIO) on full repatriation basis or on non- repatriation basis; • Foreign Institutional Investors (FIIs) and Sub accounts registered with SEBI on full repatriation basis; • Army, Air Force, Navy and other para-military funds and eligible institutions; • Scientific and Industrial Research Organizations; • 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. • Special Purpose Vehicles (SPVs) approved by appropriate authority (subject to RBI approval) • Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private Trusts authorized to invest in mutual fund schemes under their trust deeds; • Such other individuals/institutions/body corporate etc., as may be decided by the AMC from time to time, so long as wherever applicable they are in conformity with SEBI Regulations. <p>Note: 1. Minor Unit Holder on becoming major may inform the Registrar about attaining majority and provide his specimen signature duly authenticated by his banker as well as his details of bank account and a certified true copy of the PAN card as mentioned under the paragraph “Anti Money Laundering and Know Your Customer” to enable the Registrar to update their records and allow him to operate the Account in his own right.</p> <p>Note: 2. Applicants under Power of Attorney: An applicant willing to transact through a power of attorney must lodge the photocopy of the Power of Attorney (PoA) attested by a Notary Public or the original PoA (which will be returned after verification) within 30 Days of submitting the Application Form / Transaction Slip at a Designated Collection Centre.</p> <p>Applications are liable to be rejected if the power of attorney is not submitted within the aforesaid period.</p> <p>It should be noted that the following entities cannot invest in the scheme:</p> <ul style="list-style-type: none"> • Any individual who is a Foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999, except where registered with SEBI as a FII or FII sub account. However, there is no restriction on a foreign national from acquiring Indian securities provided such foreign
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	<p>national meets the residency tests as laid down by Foreign Exchange Management Act, 1999.</p> <ul style="list-style-type: none"> • Overseas Corporate Bodies (OCBs) shall not be allowed to invest in the Scheme. These would be 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 (OCBs.) • Non-Resident Indians residing in the Financial Action Task Force (FATF) Non Compliant Countries and Territories (NCCTs) • The Fund reserves the right to include / exclude new / existing categories of investors to invest in the Scheme from time to time, subject to SEBI Regulations and other prevailing statutory regulations, if any. <p>Subject to the Regulations, any application for Units may be accepted or rejected in the sole and absolute discretion of the Trustee. For example, the Trustee may reject any application for the Purchase of Units if the application is invalid or incomplete or if, in its opinion, increasing the size of any or all of the Scheme's 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 Scheme or its Unit Holders to accept such an application.</p> <p>The AMC / Trustee may need to obtain from the investor verification of identity or such other details relating to a subscription for Units as may be required under any applicable law, which may result in delay in processing the application.</p> <p>It is mandatory for every applicant to provide the name of the bank, branch, address, account type and number as per SEBI requirements and any Application Form without these details will be treated as incomplete. Such incomplete applications will be rejected. The Registrar / AMC may ask the investor to provide a blank cancelled cheque or its photocopy for the purpose of verifying the bank account number.</p>
<p>Where can you submit the filled up applications.</p>	<p><u>During New Fund Offer Period</u></p> <ul style="list-style-type: none"> - Offices of the AMC and specified branches of R&T Agent as per page no.36 <p><u>During Continuous Offer Period</u></p> <ul style="list-style-type: none"> - All the specified official Points of Transactions - R & T Agents- Karvy Computershare Pvt. Limited <p>Details of above are mentioned at the end of this document All cheques/drafts should be crossed "Account Payee Only" and drawn in favour of "Taurus Ethical Fund".</p>
<p>How to Apply</p>	<p>Please refer to the SAI and Application form for the</p>

	instructions.
Listing	The Scheme being open ended, the Units are not proposed to be listed on any stock exchange and no transfer facility is provided.
Special Products/facilities available during the NFO	<p>The Scheme offers the following facilities to the investors :</p> <p>(1) Systematic Investment Plan This facility enables investors to save and invest periodically over a longer period of time. It is a convenient way to "invest as you earn" and affords the investor an opportunity to enter the market regularly, thus averaging the acquisition cost of Units. SIP Facility can be availed monthly/quarterly on the following dates: 1st , 5th, 10th , 15th & 28th. Investors can avail this facility either through Post dated Cheques OR through ECS (Debit Clearing) of the Reserve Bank of India (RBI) in select cities. After the initial minimum investment of Rs.5000/- the minimum amount of each cheque / payment instruction towards SIP instalments shall be Rs. 1000/- & in multiple of Rs.1000/- thereof. All the cheques / payment instructions (including the first cheque / payment instruction) shall be of equal amounts. Non MICR / Outstation cheques will not be accepted. MICR Code starting and/or ending with "000" are not valid for ECS. The aggregate of such cheques / payment instructions shall not be less than Rs. 6,000 inclusive of the first installment. There is no upper limit for the Purchase for a single cheque/payment instruction or in aggregate. Please note that SIP will be started subject to the realization of the initial payment of Rs.5000/-. The AMC reserves the right to reject any application inter alia in the absence of fulfillment of any regulatory requirements, fulfillment of any requirements as per the Offer Document, incomplete/ incorrect documentation and furnishing necessary information to the satisfaction of the Mutual Fund/AMC.</p> <p>The conditions for investing in SIP during the NFO period are as under:</p> <p>The first installment of the SIP will be processed subject to applicable NAV & load, if any, on the date of Allotment. The second installment in case of monthly SIP will be processed on the available SIP dates (currently 1st , 5th, 10th , 15th & 28th of every month) indicated by the investor, but immediately following the expiry of 30 Business Days from the date of Allotment. If the choice of date for the second installment is not indicated by the investor, the second installment of SIP will be by default processed on the 10th of the month. In case of quarterly SIP, the default date for next installment will be 10th of the relevant month. If any of above dates falls on a holiday/ non-business day, the transaction will be taken as of the next Business Day. In case the end date is not mentioned by the investor, it will be registered for a default period of 12 months. If</p>

	<p>there is an ambiguity in the enrolment period of the SIP, the second installment of SIP will be by default processed for the SIP date chosen (10th of the month if not specified) following the expiry of 30 Business Days from the date of Allotment for a default period of 12 months.</p> <p>(ii) Inter scheme Switching The Transaction Slip can be used by investors to make inter scheme switches (during the NFO Period and the ongoing offer period) within the Fund. All valid applications for switch-out shall be treated as Redemption and for switch-in as Purchases with the respective Applicable NAVs of the Scheme / option.</p> <p>(iii) Intra scheme Switching Investors can switch between different options under the Scheme, at the Applicable NAV. All valid applications for switch-out shall be treated as Redemption and for switch-in as Purchases with the respective Applicable NAVs of the option.</p> <p>(iv) Fractional Units Since a request for Purchase or Redemption is generally made in rupee amounts and not in terms of a fixed number of Units of the Scheme, an investor may be left with fractional Units. Fractional Units will be computed and accounted for up to three decimal places for the Scheme.</p> <p>(v) Consolidation of folios In case an investor holds investments in multiple folios under the Fund, the AMC reserves the right to consolidate all the folios belonging to the same investor into one folio.</p> <p>(vi) Transaction through electronic mode The AMC may from time to time offer various facilities to the unit holders through electronic mode such as internet, mobile phones, Kiosk, etc. to facilitate transactions in units of the scheme. The AMC may enter into such arrangements/ agreements as it may deem fit to give effect to the above.</p> <p>However, investors intending to take benefit of these facilities should note that they should use these services at their own risk. The Fund, the AMC, the Trustee, along with its directors, employees and representatives shall not be liable for any damages or injuries arising out of or in connection with the use of internet, mobile phones, Kiosk, etc or its non-use including, without limitation, non-availability or failure of performance, loss or corruption of data, loss of or damage to property (including profit and goodwill), work stoppage, computer failure or malfunctioning, or interruption of business; error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communication line failure,</p>
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	<p>unauthorized access or use of information. The Scheme offers the following facilities to the investors only during the ongoing offer:</p> <p>(2) Systematic Transfer Plan: Details given under the head ongoing offer details.</p> <p>(3) Systematic Withdrawal Plan: Details given under the head ongoing offer.</p>
The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.	The number of Units held by the Unit Holder in his folio will stand reduced by the number of Units Redeemed. Units once redeemed will be extinguished and will not be re-issued.
Restrictions, if any, on the right to freely retain or dispose of units being offered.	<p>Right to Limit Purchase & Redemptions</p> <p>The Trustee may, in the general interest of the Unit Holders of the Scheme and when considered appropriate to do so based on unforeseen circumstances / unusual market conditions, limit the total number of Units which may be redeemed on any Business Day to 5% of the total number of Units then in issue, under the Scheme and option(s) thereof, or such other percentage as the Trustee may determine. Any Units which consequently are not redeemed on a particular Business Day, will be carried forward for Redemption to the next Business Day, in order of receipt. Redemptions so carried forward will be priced on the basis of the Applicable NAV (subject to the prevailing Load) of the Business Day on which Redemption is made. Under such circumstances, to the extent multiple Redemption requests are received at the same time on a single Business Day, redemptions will be made on a pro-rata basis, based on the size of each Redemption request, the balance amount being carried forward for Redemption to the next Business Day.</p>

B. ONGOING OFFER DETAILS

<p>Ongoing Offer Period</p> <p>This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period.</p>	Not later than 30 days of the date of Closure of the NFO.
<p>Ongoing price for subscription (purchase)/switch-in (from other schemes/plans of the mutual fund) by investors.</p> <p>This is the price you need to pay for purchase/switch-in.</p> <p><i>Example: If the applicable NAV is Rs. 10, entry load is 2% then sales price will be:</i> <i>Rs. 10 * (1+0.02) = Rs. 10.20</i></p>	At the applicable NAV subject to prevailing entry load
<p>Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors.</p> <p>This is the price you will receive for redemptions/switch outs.</p> <p><i>Example: If the applicable NAV is Rs. 10, exit load is 2% then redemption price will be:</i></p>	At the applicable NAV subject to prevailing exit load Securities Transaction Tax (STT) shall also be levied @0.25 percent (i.e. 0.25 basis point) on the seller as per Finance Act 2006.

Rs. 10* (1-0.02) = Rs. 9.80	
Cut off timing for subscriptions/ redemptions/ switches This is the time before which your application (complete in all respects) should reach the official points of acceptance.	<p>I PURCHASES Only forward (i.e. prospective) NAV shall be applied as per following details:</p> <ol style="list-style-type: none"> 1. In respect of valid applications received upto 3:00 PM alongwith a local cheque or a demand draft payable at par at the place where the application is received, the closing NAV of the day on which application is received shall be applicable. 2. In respect of valid applications received after 3:00 PM alongwith a local cheque or demand draft payable at par at the place where the application is received, the closing NAV of the next business day shall be applicable. 3. However, in respect of valid applications with outstation cheques/demand drafts not payable at par at the place where the application is received, closing NAV of the day on which cheque/demand draft is credited shall be applicable. <p>II REDEMPTIONS</p> <ol style="list-style-type: none"> a) In respect of valid applications received upto 3:00 PM, same day's closing NAV shall be applicable. b) In respect of valid applications received after 3:00 PM, the closing NAV of the next business day shall be applicable. <p>III SWITCH TRANSACTIONS Valid applications for "switch out" shall be treated as redemptions and for "switch in" shall be treated as purchases and the above guidelines for purchases and redemptions shall be applicable.</p>
Where can the applications for purchase/ redemption switches be submitted?	Offices of Taurus Asset Management Company Limited. and Investor Service Centres of M/s Kavya Computershare Pvt Limited and any other official point of acceptance as declared by the AMC, from time to time.
Minimum amount for purchase/ redemption/ switches	<p>Minimum Amt. for Purchase - Rs.5000/- & in multiples of Re.1/- thereof</p> <p>Minimum Amt. for Redemption - Rs. 1000/- & in multiples of Re.1/- thereof or 100 units whichever is lower</p>
Minimum balance to be maintained and consequences of non maintenance.	Redemptions can be for any amount or any number of units, subject to the minimum balance in Rupees, which is required to be maintained in the account, at the time of the redemption. TAMCO reserves the right

	<p>to close an investor's account if the value of the unit balance in the account falls below Rs.5000/- in the scheme. In such an event, TAMCO reserves the right to compulsorily redeem the balance units in the account completely at the applicable redemption price with or without giving him the option to invest sufficient funds to bring the value of the unit balance in the account to the required limits, within 30 days after the date of such shortfall. The Fund may revise the minimum/maximum amounts and methodology for redemptions as and when necessary. Such change may be brought about after taking into account the cost structure for a transaction account and / or Market practices and / or the interest of the unitholders. Further such changes shall be carried out on a prospective basis from the date of notification of such change and would not, in any manner, be prejudicial to the interests of the investors who have joined the scheme before such notification. Any changes would be informed to unitholders by way of an advertisement.</p> <p>It is mandatory for the investors of Mutual Fund schemes to mention their bank account numbers in their applications/request for redemption.</p>
<p>Special Products available</p>	<p>1) Systematic Investment Plan (SIP) Details under "Special Products Available" during NFO</p> <p>2) Systematic Withdrawal Plan (SWP) Systematic Withdrawal Plan is also available under the Scheme and this facility enables the unitholders to withdraw fixed sums from their unit accounts at periodic intervals. Any unitholder can avail of this facility subject to the terms and conditions contained in the SWP form which can be obtained from the offices of the Fund / Designated Service Centres of R&T Agent. A unitholder can opt for the facility at any time and receive regular monthly / quarterly payments from the account.</p> <p>The amount withdrawn under SWP by redemption shall be converted into units of the scheme at the Repurchase Price (which is generally first Business Day of the month in which payment is scheduled) and such units will be subtracted from the unit balance of that unitholder. In case the date falls on a holiday or falls during a Book Closure Period, the immediate next Business Day will be considered for this purpose.</p> <p>The scheme(s) may close an investor's account if the balance falls below Rs.5000/- or equivalent number of units, due to redemptions or use of SWP and the investor fails to invest sufficient funds to bring the value of account upto Rs.5000/- within 30 days after a written intimation in this regard is sent to the unitholder by R&T Agent. This minimum balance amount needed for SWP may be altered from time to time at the discretion of the AMC. Unitholders may change the amount of withdrawal, but not below the specified minimum, by</p>

	<p>giving 30 days notice to the Fund / R&T Agent.</p> <p>SWP may be terminated on receipt of a notice from the unitholder by the Fund / R&T Agent. It will terminate automatically if all the units are liquidated or withdrawn from the account or upon the receipt of notification of death or incapability of the unitholder.</p> <p>3) Systematic Transfer Plan (STP) A unitholder may establish a Systematic Transfer Plan (STP) and choose to transfer on a monthly or a quarterly basis from one TMF Scheme to another TMF Scheme on a date prescribed by the Investment Manager. The amount thus withdrawn by redemption shall be converted into units at the applicable NAV on the scheduled day and such units will be subtracted from the unit balance of that unitholders. Unitholders may change the amount, not below the specified minimum, by giving two weeks prior written notice to the registrars. STP may be terminated automatically if the balance falls below the minimum account balance or upon the receipt of notification of death or incapacity of the unitholders by the fund. Rules relating to the plan may be changed from time to time by the Investment Manager.</p>
<p>Accounts Statements</p>	<p>For normal transactions (other than SIP/STP) during ongoing sales and repurchase:</p> <ul style="list-style-type: none"> • The AMC shall issue to the investor whose application (other than SIP/STP) has been accepted, an account statement specifying the number of units allotted within 10 working days from the date of clearance of cheque/draft • For those unitholders who have provided an e-mail address, the AMC will send the account statement by e-mail. • The unitholder may request for a physical account statement by ticking the appropriate column in the application form writing/calling the AMC/ISC/R&T. <p>For SIP / STP transactions;</p> <ul style="list-style-type: none"> • Account Statement for SIP and STP will be despatched once every quarter ending March, June, September and December within 10 working days of the end of the respective quarter. • A soft copy of the Account Statement shall be mailed to the investors under SIP/STP to their e-mail address on a monthly basis, if so mandated. • However, the first Account Statement under SIP/STP shall be issued within 10 working days of the initial investment/transfer. <p>Annual Account Statement:</p> <ul style="list-style-type: none"> • The Mutual Funds shall provide the Account

	<p>Statement to the Unitholders who have not transacted during the last six months prior to the date of generation of account statements. The Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement,</p> <ul style="list-style-type: none"> • The account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme. • Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so mandated.
Dividend	The dividend warrants shall be dispatched to the unitholders within 30 days of the date of declaration of the dividend.
Redemption	The redemption or repurchase proceeds shall be dispatched to the unitholders within 10 working days from the date of redemption or repurchase.
Delay in payment of redemption / repurchase proceeds	The Asset Management Company shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).

C. PERIODIC DISCLOSURES

<p>Net Asset Value</p> <p>This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.</p>	The Mutual Fund shall declare the Net asset value of the scheme on every business day on AMFI's website www.amfiindia.com by 09:00p.m and also on Fund website www.taurusmutualfund.com . Being an open ended scheme, the NAV shall be calculated for all business days and released to the Press.
<p>Half yearly Disclosures: Portfolio/Financial Results</p> <p>This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.</p>	The Fund will publish complete statement of the scheme portfolio and the unaudited financial results, within one month from the close of each half year (i.e. 31st March and 30th September), by way of an advertisement at least, in one National English daily and one regional newspaper in the language of the region where the head office of the mutual fund is located.
Half Yearly Results	The Fund and Asset Management Company shall before the expiry of one month from the close of each half year that is on 31st March and on 30 th September, publish its unaudited financial results in one national English daily newspaper and in a regional newspaper published in the language of the region where the Head Office of the mutual fund is situated.
Annual Report	Scheme wise Annual Report or an abridged summary thereof shall be mailed to all unitholders within four months from the date of closure of the relevant accounting year i.e. 31st March each year.
Associate Transactions	Please refer to Statement of Additional Information

	(SAI).															
<p>Taxation The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes. <i>(mention the tax rates as per the applicable tax laws)</i></p>	<table border="1"> <thead> <tr> <th>Equity Schemes</th> <th>Resident Investors</th> <th>Mutual Fund</th> </tr> </thead> <tbody> <tr> <td>Tax on Dividend</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Capital Gains Tax:</td> <td></td> <td></td> </tr> <tr> <td>Long Term</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Short Term</td> <td>15%</td> <td>Nil</td> </tr> </tbody> </table> <p>Equity scheme will also attract securities transaction tax (STT) at applicable rates. For further details on taxation please refer to the clause on Taxation in the SAI</p>	Equity Schemes	Resident Investors	Mutual Fund	Tax on Dividend	Nil	Nil	Capital Gains Tax:			Long Term	Nil	Nil	Short Term	15%	Nil
Equity Schemes	Resident Investors	Mutual Fund														
Tax on Dividend	Nil	Nil														
Capital Gains Tax:																
Long Term	Nil	Nil														
Short Term	15%	Nil														
Investor services	<p>Mr. V Sasidhar (Head – Customer Service) 305, Regent Chambers, 208, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400 021 Phones : 022-66242700 Fax : 022-66242751 e-mail: sasidhar.v@taurusmutualfund.com</p>															

D. COMPUTATION OF NAV

The Net Asset Value per unit shall be calculated by dividing the Net Assets of the Scheme by the total number of units outstanding under the scheme on the valuation date. The Mutual Fund will value its investments according to the valuation norms, as specified in Schedule VII of the SEBI Regulations or such norms as may be specified by SEBI from time to time.

NAV of the units of the scheme shall be calculated as shown below:

NAV Rs. Per unit = Market or Fair value of Scheme's investments + Current Assets - Current Liabilities and Provisions / No. of units outstanding under the scheme

TAMCO will calculate and disclose the first NAV of the Scheme not later than 30 days from the date of closure of the New Fund Offer Period. Subsequently, the NAV of the scheme will be calculated and disclosed on all business day.

TAURUS ETHICAL FUND being an Equity scheme, its Net Asset Value will be rounded off upto two decimal points.

The NAV will be calculated on all Business Days and will be published daily in atleast two daily newspapers or at such intervals as may be prescribed by SEBI from time to time

IV. FEES AND EXPENSES

This section outlines the expenses that will be charged to the schemes.

A. NEW FUND OFFER (NFO) EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like sale and distribution fees paid marketing and advertising, registrar expenses, printing and stationery, bank charges etc.

All sales, marketing and other such expenses connected with sales and distribution of the Scheme shall be met from the Entry Load and expenses over and above the entry load shall be borne by the AMC.

Thus, investors will be charged only to the extent of Entry Load as specified above.

B. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below:

Maximum Management & Advisory Fee to be charged by AMC

Daily Average Net Assets	Maximum as a % of daily average net assets
First 100 Crores	1.25%
Balance Assets	1.00%

The AMC has estimated that upto 2.50% of the weekly/daily average net assets of the scheme will be charged to the scheme as expenses. As per the Regulations, the maximum recurring expenses including investment management and advisory fee that can be charged to the Scheme shall be subject to a percentage limit of weekly/daily average net assets as in the table below:

First Rs. 100 crores	Next Rs. 300 crores	Next Rs. 300 crores	Balance
2.50%	2.25%	2.00%	1.75%

The recurring expenses of operating the Scheme on an annual basis, which shall be charged to the Scheme, are estimated to be as follows (each as a percentage per annum of the daily average net assets)

Particulars	% p.a. of daily average net assets
Investment Management & Advisory Fee	1.25
Custodial Fees	0.02
Registrar & Transfer Agent Fees including cost related to providing accounts statement, dividend/ redemption cheques/warrants etc.	0.13
Marketing & Selling Expenses including Agents Commission and statutory advertisement	0.10
Brokerage & Transaction Cost pertaining to the distribution of units	0.75
Audit Fees / Fees and expenses of trustees	0.15
Costs related to investor communications	0.05
Costs of fund transfer from location to location	0.02
Other Expenses*	0.03
Total Recurring Expenses	2.50

Other expenses: Any other expenses which are directly attributable to the Scheme, may be charged with approval of the Trustee within the overall limits as specified in the Regulations except those expenses which are specifically prohibited.

The purpose of the above table is to assist the investor in understanding the various costs and expenses that an investor in the Scheme will bear directly or indirectly. While this estimate has been made in good faith on the basis of information available with the Fund, there can be no assurance that actual expense, under any particular head will not be more or less than such estimate. The AMC reserves the rights to revise the fees payable to the service providers from time to time. The total expenses, however, will be maintained within the limits mentioned under Regulation 52 (6) of SEBI Regulations.

Subject to the overall ongoing fees and expenses which would be charged to the Scheme not exceeding the limit laid down under Regulation 52(6) [as reproduced above], the AMC may at its discretion charge to the Scheme the Government levies in the form of any charges or applicable taxes including applicable surcharge either presently payable or which may be imposed in future. Currently, the Government has imposed Service Tax of 12.36% on the Management and Trustee Fees (including education cess) on Service Tax which would be charged to the Scheme subject to the overall expenses charged to the Scheme do not exceed the limits laid down under Regulation 52(6).

Further, as and when permitted by SEBI, the AMC may charge a higher fee. However, revision in fee charged shall be within the SEBI Regulations at all times.

C. LOAD STRUCTURE

Load is an amount which is paid by the investor to subscribe to the units or to redeem from the scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time.

During NFO Period & Ongoing Offer Period:

Investment Value	Entry Load	Exit Load
Upto Any Amount	2.25%	1% upto 6 Months 0.50% > 6 Months to 1 year Nil after 1 year
Systematic Investment Plan (SIP)	Nil	2.25% if redeemed within 1 year from the date of allotment – Applicable to each instalment

A Switch-Out/Withdrawal under SWP will also attract an exit load like any redemption. In case of SIP / STP, the above criteria for Entry Load will be applicable for each installment. Exit load is applicable for all the Plans/Options under the Scheme by applying First in First Out basis. No Entry/Exit Load is chargeable in case of switches made between different Sub-options of the same plan.

As per SEBI/IMD/CIR No. 14/120784/08 dated March 18, 2008, no entry or exit load would be charged on Bonus units and of units allotted on reinvestment of Dividend.

All loads including Contingent Deferred Sales Charge (CDSC) for the Scheme shall be maintained in a separate account and may be utilised towards meeting the selling and distribution expenses. Any surplus in this account may be credited to the scheme, whenever felt appropriate by the AMC.

The investor is requested to check the prevailing load structure of the scheme before investing.

For any change in load structure AMC will issue an addendum and display it on the website/Investor Service Centres.

The Mutual Fund may charge the load within the stipulated limit of 7% and without any discrimination to any specific group. The Repurchase Price however, will not be lower than 93% of the NAV, and the Sale Price will not be higher than 107% of the NAV, provided that the difference between the Repurchase price and Sale price at any point in time shall not exceed the permitted limit as prescribed by SEBI from time to time which is presently 7% calculated on the Sale Price.

All Loads are intended to enable the AMC to recover expenses incurred for promotion or distribution and sales of the Units of the Scheme. The Fund/AMC shall retain the load, in the Scheme in a separate account and use it to cover the cost of raising/redeeming units on a continuous basis by way of providing redemption/distribution related services to the Fund relating to the sale, promotion, advertising and marketing of the units of the Scheme and costs associated with liquidating the Fund's investment securities, including payments for postage and also payments to brokers for their services in connection with the redemption/distribution of the units. Surplus of load, if any, charged over planned marketing and distribution expenses will be credited to the respective plans whenever felt appropriate by the AMC.

The Trustee reserves the right to modify/alter the load structure and may decide to charge an entry load/exit load or a combination of entry/exit loads or introduce a differential load structure on the Units with prospective effect, subject to the maximum limits as prescribed under the SEBI Regulations. At the time of changing the load structure, the AMC shall take the following steps:

Any imposition or enhancement in the load shall be applicable on prospective investments only. However, AMC shall not charge any load on issue of bonus units and units allotted on reinvestment of dividend for existing as well as prospective investors. At the time of changing the load structure, the mutual funds may consider the following measures to avoid complaints from investors about investment in the schemes without knowing the loads:

- The addendum detailing the changes shall be attached to Scheme Information Documents and Key Information Memorandum. The addendum will be circulated to all the distributors so that the same can be attached to all Scheme Information Documents and Key Information Memorandum already in stock.

- Arrangements shall be made to display the changes/modifications in the Scheme Information Document in the form of a notice in all the ISCs or the AMC.
- The introduction of the exit load/ CDSC along with the details shall be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load/CDSC.
- A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.
- Any other measure which the Fund may feel necessary.

The AMC may change the load from time to time and in case of an exit/repurchase load this may be linked to the period of holding, while in case of entry load this may be linked to the amount of investment. The load charged could also be different as regards the amount/tenor of investment, etc. It may be noted that any such change in the load structure shall be applicable on prospective investment only.

D. WAIVER OF LOAD FOR DIRECT APPLICATIONS

No entry load shall be charged in case of direct applications received by Taurus Asset Management Company Limited (AMC) during the New Fund Offer as well as Continuous Offer i.e. applications received through internet, submitted to AMC recollection centre/Investor Service Centre that are not routed through any distributor/agent/broker.

V. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

VI. PENALTIES, PENDING LITIGATIONS OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY

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

Not Application

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

HB Portfolio Limited - In relation to certain tradings in the scrip of DCM Shriram Consolidated Ltd., SEBI has issued Show Cause Notice to the Company under SEBI Act and different SEBI Regulations including SEBI (Prohibition of Fraudulent & Unfair Trade Practices relating to Securities market) Regulations, 1995/ 2003 and SEBI (Stock Brokers and Sub- Brokers) Regulations, 1995, etc. The Company had filed Application for passing of Consent Order as per the provisions of SEBI Circular No. EFD/ED/Cir-1/2007 dated 20th April 2007. Subsequently, after attending a hearing in the SEBI offices on March 12, 2008, the Company has made a proposal for the payment of Rs. 5,00,000/- (Rupees Five Lacs Only) towards consent terms. After receiving the approval from SEBI, the said amount will be paid and the matter closed.

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

Except as stated in (2) above, no such case exist.

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

a) Taurus Investment Trust Company Limited has filed the following cases:-

- Rinki Petrochemicals Limited, Baroda for recovery of Rs. 4 Crores.
- Criminal Complaints u/s 138 Negotiable Instruments Act, against Rinki Petrochemicals Limited and its directors for dishonour of cheques issued by the company.
- Criminal Complaints u/s 138 of Negotiable Instruments Act against Motorola India Limited and its directors for dishonour of cheques issued by the company.
- Tangerine Informatique Limited for recovery of Rs. 1.3 Crores.

b) Mutual Fund – In relation to certain tradings in the scrip of DCM Shriram Consolidated Ltd. in the year 2001, SEBI had issued a show cause notice to Taurus Mutual Fund for which a legally vetted reply has already been submitted to SEBI. Another show-cause notice in this regard had been issued to TMF/TAMCO/TITCO for which a reply had been sent to SEBI.

Pursuant to SEBI Circular No. EFD/ED/Cir-1/2007 dated 20.04.2007, application under consent process was submitted to SEBI on 07.12.2007 for both the aforesaid cases. SEBI has accepted the consent application and final order has been received.

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

No such case exists.

Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.

