



## SCHEME INFORMATION DOCUMENT

### TAURUS NIFTY INDEX FUND

An Open-ended Index Linked Equity Scheme

Offer of Units of Rs. 10/- each for cash during the  
New Fund Offer and Continuous offer for Units at NAV based prices

**New Fund Offer Opens on : June 4, 2010**  
**New Fund Offer Closes on : June 10, 2010**  
**Scheme re-opens for**  
**continuous sale & repurchase on : Not later than July 9, 2010**

(The AMC/ Trustees reserves the right to extend the closing date of the New Fund Offer subject to the condition that the New Fund Offer Period shall not be kept open for more than the number of days permissible under the Regulations)

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](http://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](http://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 May 17, 2010*

**TABLE OF CONTENTS**

	<b>HIGHLIGHTS / SUMMARY OF THE SCHEME</b>	<b>3</b>
<b>I.</b>	<b>INTRODUCTION</b>	<b>5</b>
A	RISK FACTORS	5
	Standard Risk Factors	5
	Scheme Specific Risk Factors	5
B	REQUIREMENT OF MINIMUM NUMBER OF INVESTORS AND MINIMUM HOLDING BY SINGLE INVESTOR	9
C	SPECIAL CONSIDERATIONS	11
D	DEFINITIONS	12
E	DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY	15
<b>II</b>	<b>INFORMATION ABOUT THE SCHEME</b>	<b>16</b>
A	TYPE OF THE SCHEME	16
B	WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?	16
C	HOW WILL THE SCHEME ALLOCATE ITS ASSETS?	16
D	WHERE WILL THE SCHEME INVEST ?	16
E	WHAT ARE THE INVESTMENT STRATEGIES?	18
F	FUNDAMENTAL ATTRIBUTES	25
	Type of Scheme	25
	Investment Objective	25
	Terms of Issue	25
G	HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?	27
H	WHO MANAGES THE SCHEME?	27
I.	WHAT ARE THE INVESTMENT RESTRICTIONS?	28
J.	HOW HAS THE SCHEME PERFORMED?	30
<b>III.</b>	<b>UNITS AND OFFER</b>	<b>30</b>
A	NEW FUND OFFER (NFO)	30
B	ONGOING OFFER DETAILS	36
C	PERIODIC DISCLOSURES	40
D	COMPUTATION OF NAV	41
<b>IV.</b>	<b>FEES AND EXPENSES</b>	<b>41</b>
A	NEW FUND OFFER (NFO) EXPENSES	41
B	ANNUAL SCHEME RECURRING EXPENSES	42
C	LOAD STRUCTURE	43
D	WAIVER OF LOAD FOR DIRECT APPLICATIONS	44
<b>V.</b>	<b>RIGHTS OF UNITHOLDERS</b>	<b>44</b>
<b>VI.</b>	<b>PENALTIES AND PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY</b>	<b>45</b>

**HIGHLIGHTS/ SUMMARY OF THE SCHEME**

1. Name of the Scheme Taurus Nifty Index Fund
2. Structure Open Ended Index Linked Equity Scheme
4. Options offered Dividend Option: Payout or Reinvestment  
Growth Option
5. Investment Objective : The investment objective of the scheme is to replicate the S&P CNX Nifty Index by investing in securities of the CNX Nifty Index in the same proportion/weightage.
- However, there is no assurance or guarantee that the objectives of the scheme will be realized and the scheme does not assure or guarantee any returns.
6. 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.
7. Benchmark : S&P CNX Nifty
8. 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 working 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 four decimal places.
- The AMC will publish full portfolio of the scheme on half-yearly basis.
9. Loads : Load Structure during the New Fund Offer Period (for Purchases / Switch ins)

Investment Value	Entry Load*	Exit Load**
Upto any Amount	Nil	1.00% if redeemed/ switched out within 15 days from the date of allotment

Note: Systematic Investment Plan (SIP) will not be offered during the New Fund Offer Period.

Load Structure during Ongoing Offer period (for Purchases/ Switch ins)

Investment Value	Entry Load*	Exit Load**
Upto any Amount	Nil	1.00% if redeemed/ switched out within 15 days from the date of allotment
Systematic Investment Plan (SIP)	Nil	1.00% if redeemed/ switched out within 1 year from the date of allotment – Applicable to each instalment

No Exit Load will be chargeable in case of switches between different sub-options of the same plan

\* In terms of SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor effective August 1, 2009. Upfront commission shall be paid directly by the investor to the AMFI registered Distributors based on the investors assessment of various factors including the service rendered by the distributors.

\*\* w.e.f. August 1, 2009, exit load / CDSC (if any) up to 1% of the redemption value charged to the unit holder by the Fund on redemption of units shall be retained by the Scheme in a separate account and will be utilised for payment of commissions to the ARN Holder and to meet other marketing and selling expenses. Any amount in excess of 1% of the redemption value charged to the unit holder as exit load/CDSC shall be credited to the Scheme immediately.

In accordance with SEBI Circular No. SEBI/IMD/CIR No.6/ 172445/2009 dated August 7, 2009 to bring about parity among all classes of unit holders, no distinction among unit holders would be made based on the amount of subscription while charging exit loads.

10. Minimum Application Amount : Rs.5000/- and in multiple of Rs.1000/- thereof
11. Additional Purchase : Rs 1000/- and in multiple of Rs 1000/- thereof
12. New Fund Offer Price : Rs 10/- per unit
13. New Fund Offer : The New Fund Offer for Taurus Nifty Index Fund will commence at any time within six months from the date of the SEBI clearance letter for Scheme Information Document.  
The AMC/Trustees reserve the right to extend/prepone the closing date of the New Fund Offer subject to the condition that the subscription of the NFO shall not be kept open for more than the maximum number of days permissible under the Regulations.

## **I. INTRODUCTION**

### **A. RISK FACTORS**

#### **Standard Risk Factors :**

- Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Scheme will be achieved.
- 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 depending on the factors and forces affecting the capital markets.
- Past performance of the Sponsor/AMC/Mutual Fund (or any of its schemes) 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.

#### **Scheme Specific Risk Factors**

##### **Risks associated with investment in equity**

The Scheme proposes to invest in equity and equity related instruments. Equity instruments by nature are volatile and prone to price fluctuations on a daily basis due to both micro and macro factors. 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 Scheme to make purchases in intended securities due to settlement problems could cause the Scheme 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 Fixed Income Products**

**Price-Risk:** 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.

**Spread Risk:** In a floating rate security the coupon is expressed in terms of spread or mark up over the benchmark rate. However, depending upon the market conditions, the spreads may move adversely or favourably leading to fluctuation in the NAV.

**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.

**●Risks associated with investing in derivatives**

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Fund Manager to identify such opportunities. Identification and execution of the strategies to be pursued by a Fund Manager involve uncertainty and decision of a Fund Manager may not always be profitable. No assurance can be given that a Fund Manager will be able to identify or execute such strategies.

Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The risks associated with the use of derivatives are different from or possibly greater than the risks associated with investing directly in securities and other traditional investments. Other risks include risk of mis pricing or improper valuation and the inability of the derivative to correlate perfectly with underlying assets, rates and indices, illiquidity risk whereby a Scheme may not be able to sell or purchase derivative quickly enough at a fair price.

**●Risks associated with investing in Securitised Debt**

The Scheme may invest in domestic securitised debt such as asset backed securities (ABS) or mortgage backed securities (MBS). Asset Backed Securities (ABS) are securitised debts where the underlying assets are receivables arising from various loans including automobile loans, personal loans, loans against consumer durables, etc. Mortgage backed securities (MBS) are securitized debts where the underlying assets are receivables arising from loans backed by mortgage of residential / commercial properties. ABS/MBS instruments reflect the undivided interest in the underlying pool of assets and do not represent the obligation of the issuer of ABS/MBS or the originator of the underlying receivables. The ABS/MBS holders have a limited recourse to the extent of credit enhancement provided. If the delinquencies and credit losses in the underlying pool exceed the credit enhancement provided, ABS/MBS holders will suffer credit losses. ABS/MBS are also normally exposed to a higher level of reinvestment risk as compared to the normal corporate or sovereign debt.

At present in Indian market, following types of loans are securitised:

Auto Loans (cars / commercial vehicles /two wheelers)  
Residential Mortgages or Housing Loans  
Consumer Durable Loans  
Personal Loans  
Corporates Loans

The main risks pertaining to each of the asset classes above are described below:

**Auto Loans (cars /commercial vehicles /two wheelers):** The underlying assets (cars etc) are susceptible to depreciation in value whereas the loans are given at high loan to value ratios. Thus, after a few months, the value of asset becomes lower than the loan outstanding. The borrowers, therefore, may sometimes tend to default on loans and allow the vehicle to be repossessed. These loans are also subject to model risk. ie if a particular automobile model does not become popular, loans given for financing that model have a much higher likelihood of turning bad. In such cases, loss on sale of repossessed vehicles could be higher than usual.

Commercial vehicle loans are susceptible to the cyclicity in the economy. In a downturn in economy, freight rates drop leading to higher defaults in commercial vehicle loans. Further, the second hand prices of these vehicles also decline in such an economic environment.

**Housing Loans:** Housing loans in India have shown very low default rates historically. However, in recent years, loans have been given at high loan to value ratios and to a much younger borrower class. The loans have not yet gone through the full economic cycle and have not yet seen a period of declining property prices. Thus the performance of these housing loans is yet to be tested and it need not conform to the historical experience of low default rates.

**Consumer Durable Loans:** The underlying security for such loans is easily transferable without the bank's knowledge and hence repossession is difficult. The underlying security for such loans is also susceptible to quick depreciation in value. This gives the borrowers a high incentive to default.

**Personal Loans:** These are unsecured loans. In case of a default, the bank has no security to fall back on. The lender has no control over how the borrower has used the borrowed money. Further, all the above categories of loans have the following common risks:

All the above loans are retail, relatively small value loans. There is a possibility that the borrower takes different loans using the same income proof and thus the income is not sufficient to meet the debt service obligations of all these loans.

In India, there is insufficiency of ready comprehensive and complete database regarding past credit record of borrowers. Thus, loans may be given to borrowers with poor credit record. In retail loans, the risks due to frauds are high.

**Corporate Loans:** These are loans given to single or multiple corporates. The receivables from a pool of loans to corporates are assigned to a trust that issues Pass through certificates in turn. The credit risk in such PTCs is on the underlying pool of loans to corporates. The credit risk of the underlying loans to the corporates would in turn depend of economic cycles.

### **Risks associated with Securities Lending**

The risks in lending portfolio securities, as with other extensions of credit, consist of the failure of another party, in this case the approved intermediary, to comply with the terms of agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure to comply with can result in the possible loss of rights in the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The Mutual Fund may not be able to sell such lent securities and this can lead to temporary illiquidity.

### **Risks associated with Short Selling**

The Scheme may enter into short selling transactions, subject to SEBI and RBI Regulations. Short positions carry the risk of losing money and these losses may grow unlimited theoretically if the price of the stock increases without any limit which may result in major losses to the Scheme. At times, the participants may not be able to cover their short positions, if the price increases substantially. If numbers of short sellers try to cover their position simultaneously, it may lead to disorderly trading in the stock and thereby can briskly escalate the price even further making it difficult or impossible to liquidate short position quickly at reasonable prices. In addition, short selling also carries the risk of inability to borrow the security by the participants thereby requiring the participants to purchase the securities sold short to cover the position even at unreasonable prices.

### **S&P CNX Nifty Index 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 S&P CNX Nifty Index and Taurus Nifty Index Fund. The S&P CNX Nifty 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 S&P CNX Nifty Index as a component thereof, including Taurus Nifty Index Fund."

(ii) "Taurus Nifty Index Fund 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 Taurus Nifty Index Fund or any member of the public regarding the advisability of investing in securities generally or in Taurus Nifty Index Fund particularly or the ability of the S&P CNX Nifty Index to track general stock market performance in India. The relationship of S&P and IISL to Taurus Asset Management Company Limited 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 Taurus Nifty Index Fund. Neither S&P nor IISL has any obligation to take the needs of the AMC or that

of Taurus Nifty Index Fund into consideration in determining, composing or calculating the S&P CNX Nifty Index. Neither S&P nor IISL is responsible for or has participated in the determination of the timing of, prices at, or quantities of Taurus Nifty Index Fund to be issued or in the determination or calculation of the equation by which the units of Taurus Nifty Index Fund 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 Taurus Nifty Index Fund.”

“S&P and IISL do not guarantee the accuracy and/or the completeness of the S&P CNX Nifty or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. Neither S&P nor IISL makes any warranty, express or implied, as to results to be obtained by the AMC, owners of the product, or any other person or entity from the use of the S&P CNX Nifty Index or any data included therein. IISL and S&P make no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the index or any data included therein. Without limiting any of the foregoing, IISL and S&P expressly disclaim any and all liability for any damages or losses arising out of or related to the Products, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.”

## **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.

## **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.

With effect from January 01, 2008, PAN shall be the sole identification number for all investors (including joint applicants, guardians and NRIs) for transacting in the Scheme, irrespective of the amount of transaction. Accordingly, for investing in the scheme, investors shall be required to submit a photocopy of the PAN card issued to them by the Income Tax Department, provided that the photocopy shall either be verified with the original at the ISCs or be verified/attested by bank managers or judicial authorities. Any application not accompanied by a copy of the PAN Card, will be liable to be rejected. However, vide Circular No.MRD/DOP/MF/CIR.08/2008 dated April 3, 2008 issued by SEBI, it has been clarified that Individuals and Non-Individuals residing in Sikkim location are exempted from submission of PAN. They have, however, to comply with KYC norms. Also, all investors (including guardians and power of attorney holders) need to complete the process of KYC by submitting a duly filled-up KYC application form along with photograph, photocopy of PAN card and proof of address for individuals or corporate documents for bodies corporate, in accordance with the Prevention of Money Laundering Act, 2002, Rules issued there under and related guidelines/circulars issued by SEBI. Investors shall note that completion of the KYC process is mandatory for

any investment, whether by way of first time purchase or subsequent purchase, if the investment is for a value of Rs. 50,000 or more. To facilitate the KYC process, the mutual fund industry has collectively entrusted the responsibility of collection of documents for KYC, as well as related record keeping, to an independent agency (presently CDSL Ventures Limited) that will act as a central record keeping agency ('Central Agency'). Therefore, investors may submit their applications for KYC, along with the requisite documents, at any 'Point of Service' designated by the Central Agency. For addresses of the Points of Service, kindly log on to the website of AMFI, [www.amfiindia.com](http://www.amfiindia.com), website of Central Agency, [www.cvlindia.com](http://www.cvlindia.com) or the Fund, [www.taurusmutualfund.com](http://www.taurusmutualfund.com). While making an application for KYC, investors shall submit all the requisite documents in original, along with a self-attested photocopy of each of them. The original documents will be returned across the counter, after verification. Investors may also submit notarized copies of these documents. Investors will receive an acknowledgment ('KYC Acknowledgment') which shall be submitted to the Fund along with their application form in the case of a first time purchase, or with their additional purchase request in the case of a subsequent purchase in the Scheme. Investors shall be required to complete the KYC process only once for transactions across a majority of mutual funds, which are registered with the Central Agency for KYC. Accordingly, investors who have already completed the KYC process through the Central Agency shall, when making first time or subsequent purchases in the Scheme, be required to submit to the Fund a copy of their KYC Acknowledgment. Submission of the KYC Acknowledgment when investing in the Scheme shall be deemed sufficient compliance of the PAN and KYC requirements, provided that submission of the original PAN card for verification, along with a self-attested photocopy thereof, shall have been done at the time of completing the KYC process. Investors are requested to note that all transactions, as mentioned above, shall be in compliance of the PAN and KYC requirements. Accordingly, transactions which are not in compliance of the PAN and KYC requirements, as mentioned above, are liable to be rejected. Investors/Unit Holders may contact their distributors, if any, or the ISCs for any additional information/clarification.

**Permanent Account Number (PAN)**

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

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

**Systematic Investment Plans upto Rs 50,000/- exempt from PAN**

With reference to AMFI Guidelines for Uniform Implementation of SEBI letter dated June 19, 2009 on exemption of PAN for Systematic Investment Plans (SIP) upto Rs 50,000 per year per investor, the following changes have been made effective from August 1, 2009.

Systematic Investment plans (SIPs) where aggregate of installments in a rolling 12 month period or in a financial year i.e April to March does not exceed Rs 50,000 (referred as "Micro SIP" hereinafter) will not be subject to the requirement of

- (i) Common KYC process through CVL
- (ii) Permanent Account Number (PAN)

The above exemption will be applicable only to investments by individuals (including NRIs but not PIOs), Minors and Sole proprietary firms. HUFs and other categories will not be eligible for Micro SIPs.

The eligible investor for Micro SIPs would be required to comply with the following:

- (i) Submit one of the PHOTO IDENTIFICATION documents (from the list to be given in the Common Application Form) along with Micro SIP application as proof of identification in lieu of PAN.
- (ii) Give a declaration stating that he/she does not have any existing Micro SIPs which together with the current application will result in aggregate investments exceeding Rs 50,000 in a year.

**Suspicious Transaction Reporting**

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

**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.
- Prospective investors should study this Scheme Information Document and Statement of Additional Information carefully in its entirety and should not construe the contents hereof as advice relating to legal, taxation, financial, investment or any other matters and are advised to consult their legal, tax, financial 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 / hold Units.
- Neither this Scheme Information Document, Statement of Additional Information nor the Units have been registered in any jurisdiction. The distribution of this Scheme Information Document or Statement of Additional Information in certain jurisdictions may be restricted or totally prohibited to registration requirements and accordingly, persons who come into possession of this Scheme Information Document or Statement of Additional Information are required to inform themselves about and to observe any such restrictions and/ or legal compliance requirements.
- The AMC, Trustee or the Mutual Fund have not authorized any person to issue any advertisement or to give any information or to make any representations, either oral or written, other than that contained in this Scheme Information Document or the Statement of Additional Information in connection with offer of units under all the schemes. Prospective investors are advised not to rely upon any information or representation not incorporated in the Scheme Information Document or Statement of Additional Information as having been authorized by the Mutual Fund, the AMC or the Trustee.
- Redemption due to change in the fundamental attributes of a Scheme or due to any other reasons may entail tax consequences. The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any such tax consequences that may arise due to such redemptions.
- The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any of the tax consequences that may arise, in the event that a Scheme is wound up for the reasons and in the manner provided in 'Statement of Additional Information ('SAI')'.
- The tax benefits described in this Scheme Information Document and 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 as on the date of this Scheme Information Document and the Unit holders 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 a Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unit holder is advised to consult his / her own professional tax advisor.
- The Mutual Fund may disclose details of the investor's account and transactions there under to those intermediaries whose stamp appears on the application form. In addition, the Mutual Fund may disclose such details to the bankers, as may be necessary for the purpose of effecting payments to a investor. The Fund may also disclose such details to regulatory and statutory authorities/bodies as may be required or necessary.

●In case the AMC or its Sponsor or their affiliates/associates or group companies make substantial investments, either directly or indirectly in a Scheme, present or future, redemption of units by these entities may have an adverse impact on the performance of a Scheme. This may also affect the ability of the other Unit holders to redeem their units.

●As the liquidity of a Scheme's investments may sometimes 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 a Scheme's portfolio. In view of this, the Trustee has the right, in its sole discretion, to limit redemptions under certain circumstances - please refer to the section "Right to Limit Redemptions" in this document.

**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	HDFC Bank Ltd. or any other Custodian appointed by the Trustees.
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 Nifty Index Fund
Exit Load	A charge that is paid by the unitholder at the time of redeeming the units from Taurus Nifty Index Fund
Contingent Deferred Sales Charge/ CDSC	Exit charge permitted under SEBI Regulations for a no load scheme.

SID	Scheme Information Document of Taurus Nifty Index Fund
Taurus Nifty Index Fund (TNIF)	An Open Ended Index Linked Equity Scheme
TNIF	Taurus Nifty Index Fund, an open-ended Index linked Equity 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 Offer 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 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

	Debtures, Collateralised Borrowing and Lending Obligation (CBLO) and any other like instruments as specified by RBI/SEBI from time to time.
Tracking Error	The extent to which the NAV of the Scheme moves in a manner inconsistent with the movements of the S&P CNX Nifty Index on any given day or over given period of time arising from any cause or reason whatsoever including but not limited to differences in the weightage of the investments in the Securities and the weightage to such securities in the Nifty and the time lags in deployment or realization of funds under the Scheme as compared to the movement of or within the S&P CNX Nifty Index. Tracking Error will also be influenced by the market liquidity, cost of trading, management and other expenses etc.

**E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY**

It is confirmed that:

(i) the 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 : 17/05/2010**  
**Place : New Delhi**

Sd/-  
**Sangeeta Verma**  
**Company Secretary-cum-**  
**Compliance Officer**

**II INFORMATION ABOUT THE SCHEME****A. TYPE OF THE SCHEME**

An Open-Ended Index Linked Equity Scheme.

**B. WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?**

The investment objective of the Scheme is to replicate the S&P CNX Nifty index by investing in securities of CNX Nifty Index in the same proportion/weightage.

However, there is no assurance or guarantee that the objectives of the scheme will be realized and the scheme does not assure or guarantee any returns.

**C. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?**

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

Instruments	Indicative Allocations (% of total assets)		Risk Profile
	Minimum	Maximum	
Securities covered by the Nifty	95	100%	High
Debt & Money Market Instruments	0%	5%	Low to medium

The net assets of the Scheme will be invested predominantly in stocks constituting the S&P CNX Nifty and / or in exchange traded derivatives on the S&P CNX Nifty. This would be done by investing in almost all the stocks comprising the S&P CNX Nifty Index in approximately the same weightage that they represent in the S&P CNX Nifty Index and / or investing in derivatives including futures contracts and options contracts on the S&P CNX Nifty Index. A small portion of the net assets will be invested in money market instruments permitted by SEBI/RBI including call money market or in alternative investment for the call money market as may be provided by the RBI, to meet the liquidity requirements of the Scheme.

Investment in Securitized Debt Instruments – up to 30% of the debt component of the Scheme

Investments in Derivatives – up to 50% of the net assets of the Scheme

Investment in Securities Lending – up to 35% of the net assets of the Scheme

In addition to the above, the scheme will not take

- 1) any leveraged position
- 2) Total investments including in equity, other securities and gross exposure to derivatives if any shall not exceed the net assets under management of the Scheme.

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.

**Comparison with the other existing equity schemes of Taurus Mutual Fund**

Taurus NIFTY Index Fund is an index fund that will passively replicate its benchmark index - S&P CNX NIFTY. The role of the fund manager will be to minimize the tracking error against the index. All other existing equity schemes of the Taurus Mutual Fund are actively managed against their benchmark.

Name of existing scheme	Asset allocation pattern	Primary Investment pattern	Differentiation
Taurus Starshare	Equity & Equity related instruments: 85-100%	A major portion of the funds of the Scheme will be invested in equity shares. The fund will pursue the policy of diversification of its assets not only among equity, debt & money market instruments but also in terms of industry exposure. Efforts would be made to avoid concentration in a particular industry or group of industries	Multicap in nature
	Debt Securities: 0-15%		
	Money Market Instruments: 0-10%		
Taurus Discovery Fund	Equity & Equity related instruments: 75-100%	To identify and select low priced stocks through price discovery mechanism. Dicovery stocks may be defined as follows:	Focus on mid & small cap stocks
	Debt Securities: 0-20%	(i) Those stocks, whose current market price is lower than face value	
	Money Market Instruments: 0-20%	(ii) Those stocks, whose current market price is lower than last public offer either by way of IPO or Right Issue	
		(iii) Those scrips, which have not moved up as per movement in BSE Index, but have the potential	
		(iv) Such identified company is now doing well but on account of either initial high price or lack of investors confidence, current market price is under pressure.	
		(v) Following parameters will be kept while identifying such stocks:	
		* Market price/Book value ratio is not very high	
		* Return on capital employed (ROCE) is satisfactory	
		* Return on networth (RONW) is positive	
		* Equity capital > Rs 5 crores	
		* Dividend paying company	
Taurus Bonanza Fund	Equity & Equity related instruments: 70-100%	Investments in equities will be made through secondary & primary markets and may include common stocks, preferred stocks, right issues, convertible securities and warrants. The investment strategy will aim to diversify the portfolio to maximize return while maintaing a tolerable level of risk. Under normal circumstances, investment will be made in diverse sectors to create a balanced portfolio of securities.	Focus on large cap stocks
	Debt Securities: upto 10%		
	Money Market Instruments: upto 25%		
Taurus Infrastructure Fund	Equity & Equity related instruments: 70-100%	Primary Investment in equity & equity related securities of companies in the Infrastrucure sector	Focus on stocks belonging to infrasturcture sector
	Debt & Money Market Instruments: 0-30%		
Taurus Ethical Fund	Equity & Equity related instruments: 80-100%	Primary investment in listed securities on BSE/NSE which are based on the principles of Shariah after proper fundamental and technical analysis by the Research Team	Investing in stocks from S&P CNX 500 Shariah Index universe
	Money Market Instruments: 0-20%		
Taurus Tax Shield	Equity & Equity related instruments: 80-100%	The Scheme will identify undervalued stocks for constructing a diversified portfolio across industries and companies by using a combination of fundamental and technical analysis	ELSS scheme with 3 years lock-in
	Debt Instruments: 0-20%		
	Money Market & other assets: 0-20%		Multicap in nature

**D.WHERE WILL THE SCHEME INVEST?**

Subject to the Regulations, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities / instruments:

- 1) Equity and equity related securities including convertible bonds and debentures and warrants carrying the right to obtain equity shares.
- 2) Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)
- 3) Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)
- 4) Debt securities issued by domestic Government agencies and statutory bodies, which may or may not carry a Central/ State Government guarantee
- 5) Corporate debt securities (of both public and private sector undertakings)
- 6) Securities issued by banks (both public and private sector) as permitted by SEBI from time to time and development financial institutions

- 7) Money market instruments permitted by SEBI, having maturities of up to one year, or in alternative investment for the call money market.
- 8) Certificate of Deposits (CDs)
- 9) Commercial Paper (CPs)
- 10) Indian Securitised Debt.
- 11) The non-convertible part of convertible securities
- 12) Any other domestic fixed income securities
- 13) Derivative instruments like Interest Rate Swaps, Forward Rate Agreements, Stock / Index Futures, Stock /Index Options and such other derivative instruments permitted by SEBI.

Subject to the Regulations, the securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

#### **Derivative Instruments & applicable limits**

The Scheme intends to use derivatives for purposes that may be permitted by SEBI Mutual Fund Regulations from time to time. Derivatives instruments may take the form of Futures, Options, Swaps or any other instrument, as may be permitted from time to time. SEBI has vide its Circular DNP/Dir-29/2005 dated September 14, 2005 and DNP/Dir-30/2006 dated January 20, 2006, specified the guidelines pertaining to trading by Mutual Fund in Exchange traded derivatives and SEBI Circular DNP/Dir-31/2006 dated September 22, 2006 modifying the position limits for Index derivative contracts.

#### **Investment in Foreign Securities**

The Scheme will not make any investments in Foreign instruments/ Securities

### **E. WHAT ARE THE INVESTMENT STRATEGIES?**

**Equity:** The scheme will be managed passively with investments in stocks in a proportion that is as close as possible to the weightages of these stocks in the S&P CNX Nifty Index. The investment strategy would revolve around reducing the tracking error to the least possible through rebalancing of the portfolio taking into account the change in weights of stocks in the index as well as the incremental collections/ redemptions from the Scheme. It is proposed to manage the risks by placing limit orders for basket trades and other trades, proactive follow-up with the service providers for daily change in weights in the S&P CNX Nifty Index as well as monitor daily inflows and outflows to and from the Fund closely. While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.

**Debt:** The domestic debt markets are developing & maturing fast with the introduction of new instruments including derivatives. The actual percentage of investment in various fixed income securities would be decided from time to time after considering the prevailing economic ( including interest rate & inflation) & political environment, performance of the corporate sector and the general liquidity considerations.

#### **Procedure followed for investment decisions**

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

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

### **PORTFOLIO REBALANCING**

Changes in the investment pattern will be for short term and only for defensive consideration. 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. The fund manager will restore asset allocation in line with the asset allocation pattern within 1 month.

### **NOTE ON DEBT & MONEY MARKET IN INDIA**

The Indian debt markets are one of the largest such markets in Asia. Government and public Sector enterprises are predominant borrowers in the market. While interest rates were regulated till a few years back, there has been a rapid deregulation and currently both the lending and deposit rates are market determined.

The debt markets are developing fast, with the rapid introduction of new instruments including derivatives. Foreign Institutional Investors are also allowed to invest in Indian debt markets now. There has been a considerable increase in the trading volumes in the market with the relatively high trading volumes. The trading volumes are largely concentrated in the Government of India Securities, which contribute a high proportion of the daily trades.

The money markets in India essentially consist of the call money market (i.e. market for overnight and term money between banks and institutions), repo transactions (temporary sale with an agreement to buy back the securities at a future date at a specified price), commercial papers (CPs, short term unsecured promissory notes, generally issued by corporates), certificate of deposits (CDs, issued by banks) and Treasury Bills (issued by RBI). A predominantly institutional market, the key money market players are banks, financial institutions, insurance companies, mutual funds, primary dealers and corporates.

### **TRADING IN DERIVATIVES**

The scheme intends to use derivatives for purposes that may be permitted by SEBI Mutual Fund regulations from time to time.

Derivative transactions that can be undertaken by the Scheme include a wide range of instruments, including, but not limited to

- Futures
- Options
- Swaps
- Any other instrument, as may be regulatorily permitted

Derivatives can be either exchange traded or can be over the counter (OTC). Exchange traded derivatives are listed and traded on Stock Exchanges whereas OTC derivative transactions are generally structured between two counterparties.

SEBI has vide its circular DNPD/Cir-29/2005 dated September 14, 2005 interalia specified the guidelines pertaining to trading by Mutual Funds in Exchange Traded derivatives. The position limits have subsequently been modified vide circulars interalia including circular no. DNPD/Cir-30/2006 dated January 20, 2006 and circular no. SEBI/DNPD/Cir-31/2006 dated September 22, 2006.

All derivative position taken in the portfolio would be guided by the following principles.

**i. Position limit for the Mutual Fund in index options contracts**

- a. The Mutual Fund position limit in all index options contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.
- b. This limit would be applicable on open positions in all options contracts on a particular underlying index.

**ii. Position limit for the Mutual Fund in index futures contracts:**

- a. The Mutual Fund position limit in all index futures contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index futures, whichever is higher, per Stock Exchange.
- b. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

**iii. Additional position limit for hedging**

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

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

**iv. Position limit for Mutual Fund for stock based derivative contracts**

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

1. For stocks having applicable market-wise position limit (MWPL) of Rs. 500 crores or more, the combined futures and options position limit shall be 20% of applicable MWPL or Rs. 300 crores, whichever is lower and within which stock futures position cannot exceed 10% of applicable MWPL or Rs. 150 crores, whichever is lower.
2. For stocks having applicable market-wise position limit (MWPL) less than Rs. 500 crores, the combined futures and options position limit would be 20% of applicable MWPL and futures position cannot exceed 20% of applicable MWPL or Rs. 50 crore which ever is lower.

**v. Position limit for each scheme of a Mutual Fund for stock based derivative contracts**

The scheme-wise position limit / disclosure requirements shall be –

1. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a mutual fund shall not exceed the higher of: 1% of the free float market capitalisation (in terms of number of shares) or 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
2. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
3. For index based contracts, Mutual Funds shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

**Illustrations**

**Index Futures**

Index Futures have been introduced by BSE and NSE. Generally three futures of 1 month 2 months and 3 months are presently traded on these exchanges. These futures expire on the last working Thursday of the respective months.

If the Nifty (Index) was 1875 at the beginning of a month and the quotes for the three futures were as under:

Month	BidPrice	Offer Price
1	1880	1885
2	1900	1915
3	1910	1930

The Fund can buy an Index of month 1 on the last day of the month prior to month 1 in the illustration above at an offer price of 1885.

## Numerical example of futures trade

The following is a hypothetical example of a typical likely index future trade and the associated costs.

Particulars	Index Future	Actual purchase of stocks
Index at the beginning of the month	1875	1875
Price of 1 month future	1885	
A. Execution Cost: Carry and other Index Future Costs (1885-1875)	10	Nil
B. Brokerage Cost : Assumed at 0.30% for Index Future and 0.50% for Spot Stocks (0.30% of 1885) (0.50% of 1875)	5.66	9.38
C. Gains on Surplus Funds: (assumed 10% returns on 90% of the money left after paying 10% margin) (10%*1875*90%*30days/365)	13.87	Nil
<b>Total Cost (A+B+C)</b>	<b>1.79</b>	<b>9.38</b>

In this example, the Index Future trade has resulted in profitability compared to actual purchase of the underlying index stocks. The profitability of Index Future as compared to an individual security will interalia depend upon the carrying cost, the interest available on surplus funds and the transaction cost. There are futures based on stock indices as mentioned above as also futures based on individual stocks.

## Illustrative list of strategies that can employ futures

Strategies that employ index futures and their objectives:

(a) The fund has an existing equity portion invested in a basket of stocks. In case the fund manager has a view that the equity markets are headed downwards, the fund can then hedge the exposure to equity either fully or partially by initiating short futures positions in the index. A similar position in the long direction can also be initiated by the fund to hedge its position of cash and permissible equivalents. The extent to which this can be done is determined by existing guidelines.

**Risk associated with this strategy:**

1. Lack of opportunities available in the market
2. Inability of the derivatives to correlate perfectly with underlying indices
3. Execution risk, whereby the rates seen on the screen may not be the rates at which the ultimate execution takes place.

(b) To the extent permissible by extant regulations the scheme can initiate a naked short position in an underlying index future traded on a recognized stock exchange. In case the nifty near month future contract trading at say, 1850, and the fund manager has a view that it will depreciate going forward, the fund can initiate a sale transaction of nifty futures at 1850 without holding a portfolio of equity stocks or any other underlying long equity position. Once the price falls to 1800 after say, 20 days the fund can initiate a square-up transaction by buying the said futures and book a profit of 50. Correspondingly the fund can take a long position without an underlying cash/ cash equivalent subject to the extant regulations.

## Risk associated with this strategy:

1. Lack of opportunities available in the market
2. Inability of the derivatives to correlate perfectly with underlying indices
3. Execution risk, whereby the rates seen on the screen may not be the rates at which the ultimate execution takes place.

Strategies that employ Stock specific Futures and their objectives:

Individual stock futures are also available in the Indian Equity Markets. Stock futures trade either at a premium or at discount to the spot prices, the level of premium generally reflects the cost of carry. Stock specific issues may have a bearing on futures as speculators may find futures as a cost-effective way of executing their view on the stock. However such executions usually increase the premium/discount to the spot significantly, thereby giving rise to arbitrage opportunities for a fund.

(a) Selling spot and buying future : In case the fund holds the stock of a company at say Rs.1000 while in the futures market it trades at a discount to the spot price say at Rs. 980 then the fund may sell the stock and buy the futures. On the date of expiry of the stock future, the fund may reverse the transactions (i.e. Buying at Spot & Selling futures) and earn a risk-free Rs. 20/- (2% absolute) on its holdings. As this can be without any dilution of the view of the fund on the underlying stock the fund can still benefit from any movement of the price in the northward direction, i.e. if on the date of expiry of the futures, if the stock trades at 1100 which would be the price of the futures too, the fund will have a benefit of Rs. 100/- whereby the fund gets the 10% upside movement together with the 2% benefit on the arbitrage, and thus getting a total return of 12%

**Risk associated with this strategy:**

1. Lack of opportunities available in the market
2. Risk of mispricing or improper valuation
3. Inability of the derivatives to correlate perfectly with underlying security
4. Execution risk, whereby the rates seen on the screen may not be the rates at which the ultimate execution takes place.

(b) Buying spot and selling future: Where the fund holds the stock of a company trading in the spot market at Rs 1000 while it trades at Rs. 1020/- in the futures market then fund may buy the stock at spot and sell in the futures market thereby earning Rs 20. In case of adequacy of cash with the fund, this strategy may be used to enhance returns of the Scheme which was otherwise sitting on cash.

**Risk associated with this strategy:**

1. Lack of opportunities available in the market
2. Risk of mispricing or improper valuation
3. Inability of the derivatives to correlate perfectly with underlying security
4. Execution risk, whereby the rates seen on the screen may not be the rates at which the ultimate execution takes place.

(c) Buying stock future: Where the scheme wants to initiate a long position in a stock whose spot price is at say, Rs.1000 and futures is at 980, then the fund may just buy the futures contract instead of the spot thereby benefiting from a lower cost option.

**Risk associated with this strategy:**

1. Lack of opportunities available in the market
2. Risk of mispricing or improper valuation
3. Inability of the derivatives to correlate perfectly with underlying security
4. Execution risk, whereby the rates seen on the screen may not be the rates at which the ultimate execution takes place.

(d) In case the fund has a bearish view on a stock which is trading in the spot market at Rs.1000/- and the futures market at say Rs.980/-. The fund can express such a view subject to extant SEBI regulations by initiating a short position in the futures contract. In case the view is right and the futures price depreciates to say 900/- the fund can square up the short position thereby earning a profit of Rs. 80/-

**Risk associated with this strategy:**

1. Lack of opportunities available in the market
2. Risk of mispricing or improper valuation
3. Inability of the derivatives to correlate perfectly with underlying security
4. Execution risk, whereby the rates seen on the screen may not be the rates at which the ultimate execution takes place.

**Strategies that use Options and the objectives of such strategies:**

Option contracts are of two types - Call and Put; the former being the right, but not obligation, to purchase a prescribed number of shares at a specified price before or on a specific expiration date and the latter being the right, but not obligation, to sell a prescribed number of shares at a specified price before or on a specific expiration date. The price at which the shares are contracted to be purchased or sold is called the strike price. Options that can be exercised on or before the expiration date are called American Options, while those that can be exercised only on the expiration date are called European Options. Option contracts are designated by the type of option, name of the underlying, expiry month and the strike price. Thus options can be used to earn less volatile returns, earn the premium or use for hedging purposes etc.

**Illustrations of strategies using Options**

**Call Option (Buy):** The fund buys a call option at the strike price of say Rs.1000 and pays a premium of say Rs. 50, the fund would earn profits if the market price of the stock at the time of expiry of the option is more than 1050 being the total of the strike price and the premium thereon. If on the date of expiry of the option the stock price is below Rs 1000, the fund will not exercise the option while it loses the premium of Rs 50.

**Risk associated with this strategy:**

1. Lack of opportunities available in the market
2. Inability of the derivatives to correlate perfectly with underlying security
3. Execution risk, whereby the rates seen on the screen may not be the rates at which the ultimate execution takes place.

**Put Option (Buy):** The fund buys a Put Option at Rs 1000 by paying a premium of say Rs 50. If the stock price goes down to Rs. 900, the fund would protect its downside and would only have to bear the premium of Rs 50 instead of a loss of Rs 100 whereas if the stock price moves up to say Rs. 1100 the fund may let the Option expire and forego the premium thereby capturing Rs. 100 upside after bearing the premium of Rs50.

**Risk associated with this strategy:**

1. Lack of opportunities available in the market
2. Inability of the derivatives to correlate perfectly with underlying security
3. Execution risk, whereby the rates seen on the screen may not be the rates at which the ultimate execution takes place.

**Writing a Call Option:** The fund writes a call option at Rs. 1050 and earn a premium of, say, Rs. 10. If the price is higher than Rs. 1050, say Rs.1100/- at expiry then the option is exercised, the Fund earns the premium of Rs. 10/- but loses the difference between the market price and the exercise price i.e. Rs. 50/-. In case the stock price is less than Rs.1050, the fund gets to keep the premium of Rs.10/-.

**Risks associated with the Strategy:**

- The underlying security may fall by more than the option premium earned, thereby exposing the strategy to downside risks.
- The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- Execution Risk: The prices which are seen on the screen need not be the same at which execution will take place.

**Writing a Put Option:** The fund writes a put option with the strike price of Rs1000 and earn a premium of say Rs 20. In case the stock trades at Rs 950 the put option will be exercised, the fund will earn the premium of Rs.20/- but loses the difference between the exercise price and the market price which is Rs.50/-. Where the stock trades at above the exercise price, the option-holder will not exercise the option and let it expire. In this case the fund will earn the premium income of Rs. 20.

**Risks associated with Covered Put Strategy:**

- The underlying security may rise by more than the option premium earned, thereby exposing the strategy to downside risk
- The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

- Execution Risk: The prices which are seen on the screen need not be the same at which execution will take place.

The above four option positions can be initiated in both index based options as well as stock specific options.

**Risk associated with this strategy:**

- Lack of opportunities available in the market
- Inability of the derivatives to correlate perfectly with underlying security
- Execution risk, whereby the rates seen on the screen may not be the rates at which the ultimate execution takes place.

The AMC retains the right to enter into such derivative transactions as may be permitted by the applicable regulations from time to time.

**Debt Derivatives**

In terms of Circular No. MFD.BC.191/07.01.279/1999-2000 and MPD.BC.187/07.01.279/1999-2000 dated November 1, 1999 and July 7, 1999 respectively issued by Reserve Bank of India permitting participation by Mutual Funds in Interest Rate Swaps and Forward Rate Agreements, the Fund will use derivative instruments for the purpose of hedging and portfolio balancing. The AMC would undertake the same for similar purposes only.

**Interest Rate Swaps (IRS)**

An IRS is an agreement between two parties to exchange stated interest obligations for an agreed period in respect of a notional principal amount. The most common form is a fixed to floating rate swap where one party receives a fixed (pre-determined) rate of interest while the other receives a floating (variable) rate of interest.

**Forward Rate Agreement (FRA)**

A FRA is basically a forward starting IRS. It is an agreement between two parties to pay or receive the difference between an agreed fixed rate (the FRA rate) and the interest rate (reference rate) prevailing on a stipulated future date, based on a notional principal amount for an agreed period. The only cash flow is the difference between the FRA rate and the reference rate. As is the case with IRS, the notional amounts are not exchanged in FRAs.

**EXAMPLE OF A DERIVATIVES TRANSACTION**

*Basic Structure of A Swap*

Bank A has a 6 month Rs 10 crore liability, currently being deployed in call. Bank B has a Rs 10 crore 6 month asset, being funded through call. Both banks are running an interest rate risk.

To hedge this interest rate risk, they can enter into a 6 month MIBOR (Mumbai Inter Bank Offered Rate) swap. Through this swap, A will receive a fixed preagreed rate (say 7%) and pay "call" on the NSE MIBOR ("the benchmark rate"). Bank A's paying at "call" on the benchmark rate will neutralise the interest rate risk of lending in call. B will pay 7% and receive interest at the benchmark rate. Bank A's receiving of "call" on the benchmark rate will neutralise his interest rate risk arising from his call borrowing.

The mechanism is as follows:

- Assume the swap is for Rs.10 crore from March 1, 2002 to September 1, 2002. A is a fixed rate receiver at 7% and B is a floating rate receiver at the overnight compounded rate.
- On March 1, 2002 A and B will exchange only an agreement of having entered this swap. This documentation would be as per International Swaps and Derivatives Association (ISDA).
- On a daily basis, the benchmark rate fixed by NSE will be tracked by them. On September 1, 2002 they will calculate the following:
  - A is entitled to receive interest on Rs.10 crore at 7% for 184 days i.e. Rs. 35.28 lakh, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.
  - B is entitled to receive daily compounded call rate for 184 days & pay 7% fixed.

- On September 1, 2002, if the total interest on the daily overnight compounded benchmark rate is higher than Rs. 35.28 lakhs, A will pay B the difference. If the daily compounded benchmark rate is lower, then B will pay A the difference.
- Effectively Bank A earns interest at the rate of 7% p.a. for six months without lending money for 6 months fixed, while Bank B pays interest @ 7% p.a. for 6 months on Rs. 10 crore, without borrowing for 6 months fixed.

## INVESTMENTS IN ADR / GDRS

The Scheme will not make any investments in ADR/GDRs

## 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. Portfolio turnover in the scheme will be a function of market opportunities. It is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. The AMC will endeavour to optimize portfolio turnover to optimize risk adjusted return keeping in mind the cost associated with it. A high portfolio turnover rate is not necessarily a drag on portfolio performance and may be representative of investment opportunities that exist in the market.

## 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 Index Linked Equity Scheme.

### (ii) Investment Objective:

The investment objective of the Scheme is to replicate the S&P CNX Nifty index by investing in securities of CNX Nifty Index in the same proportion/weightage.

However, there is no assurance or guarantee that the objectives of the scheme will be realized and the scheme does not assure or guarantee any returns.

### Investment Pattern

Instruments	% of Portfolio		Risk Profile
	Minimum	Maximum	
Securities covered by the Nifty	95%	100%	High
Debt & Money Market Instruments	0%	5%	Low to medium

### Change In Investment Pattern

Changes in the investment pattern will be for short term and only for defensive consideration. 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. The fund manager will restore asset allocation in line with the asset allocation pattern within 1 month.

### (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 four decimal places for the Scheme.

For example, if the Applicable NAV of a Scheme is Rs.10, and it has a 1.50% Exit Load, the Redemption Price will be calculated as follows:

Redemption Price = 10 x (1 – 1.50%) i.e. 10 x 0.9850 = 9.8500

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. 9.8500 (as calculated above), the redemption amount is Rs. 9,850. This will be further reduced by 0.25% (i.e. Rs. 9,850 x 0.25%, rounded off to the nearest rupee), making the net redemption amount Rs. 9,825.

Investors may note that the Trustee has a right to modify the existing Load structure in any manner or introduce an Exit Load or CDSC or a combination of 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 0.75% of the weekly average net assets. The AMC has estimated that fees including advisory fees upto 1.50% of the weekly 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?**

Since the Scheme endeavours to mirror S&P CNX Nifty Index, the benchmark will be S&P CNX Nifty Index.

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.

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.

**H. WHO MANAGES THE SCHEME?**

S.No.	Name of Fund Manager	Age/Qualification	Brief Experience
1	Sadanand Shetty	37 / M.Com & PGDFA	He has worked with Kotak Securities Ltd. as VP & Portfolio Manager- Equity for 5 years 8 months. With SocGen in Institutional Equities for 4 years, Newscorp owned Indya.com Pvt. Ltd as Manager-Investment Research for 2 years, Principal Capital Markets Ltd. as VP- Investments for 2 years and Capital Markets Publishers Pvt. Ltd. as an Analyst for 3 years.

## Tracking Error

The performance of the Scheme may not be commensurate with the performance of the S&P CNX Nifty Index on any given day or over any given period. Such variations, referred to as tracking error, are expected to be around 2% per annum, but may vary to an extent due to several factors including but not limited to

- Any delay experienced in the purchase or sale of shares due to illiquidity of the market, settlement and realisation of sale proceeds and the registration of any securities transfer and any delays in receiving cash and scrip dividends and resulting delay in reinvesting them.
- The S&P CNX Nifty Index reflects the prices of securities at close of business hours. However the Fund may buy or off-load securities at different points of time during the trading session at the then prevailing prices which may not correspond to the closing prices on the NSE or the BSE.
- The potential for trades to fail, which may result in the Scheme not having acquired shares at a price necessary to track the index.
- The holding of a cash position and accrued income prior to distribution and accrued expenses.
- Disinvestments to meet redemptions, recurring expenses, dividend payouts etc. as elsewhere indicated in this document.

## 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.

### **Internal Norms for Investment Restrictions**

Fund has policy of internal norms for Investment Restriction also within the overall limit prescribed by SEBI which is being reviewed from time to time, depending upon the market conditions. This being an equity linked Index Fund, the fund would follow the SEBI guidelines as follows:

As per SEBI Circular MFD/CIR/09/014/2000 dated January 5, 2000 " the investments by index funds shall be in accordance with the weightage of the scrips in the specific index as disclosed in the Scheme Information Document. In case of sector/industry specific scheme, the upper ceiling on instruments may be in accordance with the weightage of the scrips in the respective sectoral index/sub index or 10% of the NAV of the scheme whichever is higher."

**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. It will, however, be subject to 20/25 norms i.e. regarding minimum number of investors and single investor holding contained in guidelines issued by SEBI vide circulars dated December 12, 2003 and June 14, 2005.

Similarly, Taurus Nifty Index Fund may invest in other schemes under the management of TAMCO/or schemes of any other Mutual Fund.

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.

**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 : June 4, 2010  NFO Closes on : June 10, 2010  Scheme Re-opens for  Continuous Sale &amp;  Repurchase on : Not later than July 9, 2010</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>New Fund Offer Price</p>	<p>Rs.10/- per unit</p>
<p>Minimum Amount for Application in the NFO</p>	<p>Rs.5000/- and in multiple of Rs.1000/- 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 six weeks from the date of closure of the subscription period.</p>	<p>The scheme seeks to collect a minimum subscription of Rs.1 Lakh during the New Fund 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>Options offered</p>	<p>Growth &amp; Dividend</p>

**1) Growth:** The returns from investments are generated through capital appreciation of units' price and no dividend will be declared.

If the investor does not clearly specify the choice of Option at the time of investing, the default option will be treated as *Growth*.

**2) Dividend:** Under this Option, 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).

Dividend Option offers two sub-options i.e. Payout or Re-investment:

**Dividend Re-investment :** Unitholders opting for Dividend Option may choose to reinvest the dividend to be received by them in additional units of the Scheme. Under this sub-option, the dividend due and payable to the unitholders will be compulsorily and without any further act by the unitholders, reinvested in the Dividend Option (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.

If the investor does not clearly specify the choice of Payout or Reinvestment within the Dividend Option, it will be treated as a Reinvestment sub-option.

**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 Option. The declaration of the Shut-out period is envisaged to facilitate the AMC to determine the units of the unitholders eligible for receipt of dividend under the Dividend Option. 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

	<p>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>
Dividend Policy	<p>Under the Dividend Option, 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 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>
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>
Who can invest	<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"> <li>•Indian resident adult individuals, either singly or jointly (not exceeding three);</li> <li>•Minor through parent / lawful guardian; (please see the note below)</li> <li>•Companies, Bodies Corporate, Public Sector Undertakings, association of persons or bodies of individuals and societies registered under the Societies Registration Act, 1860;</li> <li>•Partnership Firms constituted under the Partnership Act, 1932;</li> <li>•A Hindu Undivided Family (HUF) through its Karta;</li> <li>•Banking Company as defined under the Banking Regulation Act, 1949;</li> <li>•Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions;</li> <li>•Public Financial Institution as defined under the Companies Act, 1956;</li> <li>•Insurance Company registered with the Insurance Regulatory and Development Authority;</li> </ul>

	<ul style="list-style-type: none"> <li>•Non-Resident Indians (NRIs)/Persons of Indian Origin (PIO) on full repatriation basis or on non- repatriation basis;</li> <li>•Foreign Institutional Investors (FIIs) and Sub accounts registered with SEBI on full repatriation basis;</li> <li>•Army, Air Force, Navy and other para-military funds and eligible institutions;</li> <li>•Scientific and Industrial Research Organizations;</li> <li>•Provident / Pension / Gratuity and such other Funds as and when permitted to invest;</li> <li>•International Multilateral Agencies approved by the Government of India / RBI; and</li> <li>•The Trustee, AMC or Sponsor or their associates (if eligible and permitted under prevailing laws).</li> <li>•A Mutual Fund through its schemes, including Fund of Funds schemes.</li> <li>•Special Purpose Vehicles (SPVs) approved by appropriate authority (subject to RBI approval)</li> <li>•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;</li> <li>•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.</li> </ul> <p><b>Note: 1.</b> 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><b>Note: 2. Applicants under Power of Attorney:</b> 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><b>It should be noted that the following entities cannot invest in the scheme:</b></p> <ul style="list-style-type: none"> <li>•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 national meets the residency tests as laid down by Foreign Exchange Management Act, 1999.</li> <li>•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.)</li> </ul>
--	---

	<ul style="list-style-type: none"> <li>•Non-Resident Indians residing in the Financial Action Task Force (FATF) Non Compliant Countries and Territories (NCCTs)</li> <li>•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.</li> </ul> <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><b>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.</b></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>
Where can you submit the filled up applications.	<p><b><u>During New Fund Offer Period</u></b> -Offices of the Fund, all specified Investor Service Centres and specified branches of Collecting Bankers.</p> <p><b><u>During Continuous Offer Period</u></b> -All the specified official Points of Transactions -R &amp; T Agents- Karvy Computershare Pvt. Limited</p> <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 "<b>Taurus Nifty Index Fund</b>".</p>
How to Apply	Please refer to the SAI and Application form for the 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><b>(i) Inter scheme Switching</b> 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><b>(ii) Intra scheme Switching</b> 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><b>(iii) Fractional Units</b> 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><b>(iv) Consolidation of folios</b> 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><b>(v) Transaction through electronic mode</b> 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, unauthorized access or use of information.</p> <p>The Scheme offers the following facilities to the investors only during the ongoing offer:</p> <p><b>(1) Systematic Investment Plan:</b> Details given under the head ongoing offer details.</p> <p><b>(2) Systematic Transfer Plan :</b> Details given under the head ongoing offer details.</p> <p><b>(3) Systematic Withdrawal Plan:</b> Details given under the head ongoing offer details.</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	<b>Right to Limit Purchase &amp; Redemptions</b>

dispose of units being offered.	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.
---------------------------------	---

**B. ONGOING OFFER DETAILS**

<b>Ongoing Offer Period</b> This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period.	Not later than 30days of the date of Closure of the NFO.
Ongoing price for subscription (purchase)/switch-in (from other schemes/plans of the mutual fund) by investors. This is the price you need to pay for purchase/switch-in.	At the applicable NAV.
Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors.  This is the price you will receive for redemptions/switch outs. <i>Example: If the applicable NAV is Rs. 10, exit load is 2% then redemption price will be:  Rs. 10* (1-0.02) = Rs. 9.80</i>	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.  No Exit Load will be chargeable in case of switches between different sub-options of the Plans.
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.	<b>I PURCHASES</b> Only forward (i.e. prospective) NAV shall be applied as per following details:  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

	<p>the application is received, closing NAV of the day on which cheque/demand draft is credited shall be applicable.</p> <p><b>II REDEMPTIONS</b></p> <p>a) In respect of valid applications received upto 3:00 pm, same day's closing NAV shall be applicable.</p> <p>b) In respect of valid applications received after 3:00 pm, the closing NAV of the next business day shall be applicable.</p> <p><b>III SWITCH TRANSACTIONS</b></p> <p>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 Karvy Computershare Pvt Limited and any other official point of acceptance as declared by the AMC, from time to time.
Minimum amount for purchase	Rs.5000/- and in multiple of Rs.1000/- thereof
Minimum redemption size	Rs 1000 or 100 units or account balance whichever is lower.
Minimum balance to be maintained and consequences of non maintenance.	<p>Redemptions subject to minimum redemption size 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 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>
Special Products available	<p><b>1) Systematic Investment Plan (SIP)</b></p> <p>This facility enables investors to save and invest periodically over a longer period of time. It is a convenient way to "invest</p>

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: 1<sup>st</sup>, 5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup> or 28<sup>th</sup> of the month. 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. 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. 12,000** inclusive of the first installment. There is no upper limit for the Purchase for a single cheque/payment instruction or in aggregate. 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 SID, incomplete/ incorrect documentation and furnishing necessary information to the satisfaction of the Mutual Fund/AMC.

## **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.

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.

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 giving 30 days notice to the Fund / R&T Agent.

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><b>3) Systematic Transfer Plan (STP)</b>  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>
Accounts Statements	<p><b>For normal transactions (other than SIP/STP) during ongoing sales and repurchase:</b></p> <ul style="list-style-type: none"> <li>•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</li> <li>•For those unitholders who have provided an e-mail address, the AMC will send the account statement by e-mail.</li> <li>•The unitholder may request for a physical account statement by ticking the appropriate column in the application form or by writing/calling the AMC/ISC/R&amp;T.</li> </ul> <p><b>For SIP / STP transactions;</b></p> <ul style="list-style-type: none"> <li>•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.</li> <li>•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.</li> <li>•However, the first Account Statement under SIP/STP shall be issued within 10 working days of the initial investment/transfer.</li> </ul> <p><b>Annual Account Statement:</b></p> <ul style="list-style-type: none"> <li>•The Mutual Funds shall provide the Account 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,</li> <li>•The account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme.</li> <li>•Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so mandated.</li> </ul>

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).
Bank Account Details	It is mandatory for every applicant to provide the name of the bank, branch, address, account type and number as per SEBI requirements and any Application Form without these details will be treated as incomplete. Such incomplete applications 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.

### 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 <sup>th</sup> 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</p> <p>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</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														

	(STT) at applicable rates. Surcharge and Educational cess will be payable in addition to applicable taxes, wherever applicable. <b>For further details on taxation please refer to the clause on Taxation in the SAI</b>
Investor services	Mr. V Sasidhar (Head – Customer Service) Ground Floor, AML Centre-1, 8 Mahal Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai 400093 Phones : 022- 66242700 Fax : 022- 66242777 e-mail: <a href="mailto:sasidhar.v@taurusmutualfund.com">sasidhar.v@taurusmutualfund.com</a> / <a href="mailto:customercare@taurusmutualfund.com">customercare@taurusmutualfund.com</a>  <u>Registrar</u>  Karvy Computershare Private Ltd. Unit: Taurus Mutual Fund 21, Avenue 4, Street No. 1, Banjara Hills Hyderabad 500 034 Ph: 040-23312454 Ext: 18147 / 577 Fax: 040- 23431562 E-mail: <a href="mailto:tmfnc@karvy.com">tmfnc@karvy.com</a>

#### 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 NIFTY INDEX FUND being an equity linked index scheme, its Net Asset Value will be rounded off upto four 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 borne by the AMC.

## 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.

The AMC has estimated that (a) upto 1.50% of the weekly average net assets of the scheme will be charged to the scheme as expenses under the Retail Plan and (b) upto 1.25% of the weekly average net assets of the scheme will be charged to the scheme as expenses under the Institutional Plan

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 weekly average net assets). For the actual current expenses being charged, the investor should refer to the website of the AMC ( [www.taurusmutualfund.com](http://www.taurusmutualfund.com) )

Particulars	% p.a. of weekly average net assets	
	Retail Plan	
Investment Management & Advisory Fee	0.75	
Custodial Fees	0.02	
Registrar & Transfer Agent Fees including cost related to providing accounts statement, dividend/ redemption cheques/warrants etc.	0.10	
Marketing & Selling Expenses including Agents Commission and statutory advertisement	0.10	
Brokerage & Transaction Cost pertaining to the distribution of units	0.43	
Audit Fees / Fees and expenses of trustees	0.02	
Costs related to investor communications	0.03	
Costs of fund transfer from location to location	0.02	
Other Expenses*	0.03	
<b>Total Recurring Expenses</b>	<b>1.50</b>	

\* 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 to the Investment Manager based on past experience and are subject to change inter-se. 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 of SEBI Regulations which for Index Fund Scheme is as follows:

Under Regulation 52(2)

In case of an index fund scheme, the investment and advisory fees shall not exceed three fourths of one percent (0.75%) of the weekly average net assets.

Under Regulation 52(6)

In case of an index fund scheme, the total expenses of the scheme including the investment and advisory fees shall not exceed one and half percent (1.5%) of the weekly average net assets.

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), 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 the units 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. For the current applicable structure, please refer to the website of the AMC ([www.taurusmutualfund.com](http://www.taurusmutualfund.com)) or contact your distributor.

In terms of **SEBI Circular No. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009**,

#### Entry Load

No entry load will be charged with respect to applications for purchase / additional purchase / switch-in accepted by the Fund with effect from August 1, 2009. Similarly, no entry load will be charged with respect to applications for registrations under systematic investment plans (SIP) / systematic transfer plans (STP) accepted by the Fund with effect from August 01, 2009.

The upfront commission on investment made by the investor, if any shall be paid to the ARN Holder directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder.

#### Exit Load/ Contingent deferred sales charge ("CDSC")

With effect from August 01, 2009, exit load / CDSC (if any) up to 1% of the redemption value charged to the unit holder by the Fund on redemption of units shall be retained by each of the schemes/plans in a separate account and will be utilized for payment of commission to the ARN Holder and to meet other marketing and selling expenses.

Any amount in excess of 1% of the redemption value charged to the unit holder as exit load /CDSC shall be credited to the respective scheme/ plan immediately.

In accordance with **SEBI Circular No. SEBI/IMD/CIR No.6/172445/2009 dated August 7, 2009** to bring about parity among all class of unit holders, no distinction among unit holders would be made based on the amount of subscription while charging exit loads.

Further in terms of **SEBI Circular No. SEBI/IMD/CIR No.7/173650/2009 dated August 17, 2009**, it shall be ensured that (a) The principle laid down in the SEBI Circular No. SEBI/IMD/CIR No.5/126096/08 dated May 23, 2008 (clause 16 of the standard observation) that "any imposition or enhancement in the load shall be applicable on prospective investments only" shall be followed. (b) The parity among all classes of unit holders in terms of charging exit load shall be made applicable at the portfolio level.

During NFO Period

Investment Value	Entry Load	Exit Load
Upto Any Amount	Nil	1.00% if redeemed/ switched out within 15 days from the date of allotment

Note: Systematic Investment Plan (SIP) will not be offered during the New Fund Offer Period.

During Ongoing Offer Period:

Investment Value	Entry Load	Exit Load
Upto Any Amount	Nil	1.00% if redeemed/ switched out within 15 days from the date of allotment
Systematic Investment Plan (SIP)	Nil	1.00% if redeemed/ switched out 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 Exit 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 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 on units allotted on reinvestment of Dividend.

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.

### **Sale/ Repurchase Price**

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 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.

The Trustee reserves the right to modify/alter the load structure and may decide to charge an exit load/ CDSC 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. 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 Memoranda. The addendum will be circulated to all the distributors so that the same can be attached to all Scheme Information Documents and Key Information Memoranda 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. 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: Not applicable**

Investors are advised to take note of the following procedure for submission of Direct Applications

I)Applications will be treated as direct if the forms are not routed through any distributor/ agent/ broker and are submitted at any of the offices, branches of the AMC as well as the designated investor service centres of the Registrar & Transfer Agent.

II)Applications through the AMC website without ARN of any distributor (as and when this facility is activated by the AMC)

III)The investor shall write 'Direct' in the box provided for writing the Name & ARN of the distributor/Agent. In case the said box is left blank, the same would be processed as 'Direct' application.

IV)In case the investor uses an application form / transaction slip wherein the distributor / agent code is pre-printed, the investor should strike-out the said pre-printed code and write 'Direct'. He should countersign the changes. If the alterations are not counter-signed by the investor, the application will be processed as if no alterations were made.

### **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 Applicable

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. in the year 2001, 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 20<sup>th</sup> 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.

On July 7, 2008, Company received a mail from the Legal Officer, SEBI, informing that the Consent proposals filed were not adequate, and directing that modified proposals be filed, increasing the amount. The Company has made representation dated July 15, 2008, requesting for re-consideration in the matter, and acceptance of the payment of Rs. 5,00,000.00 towards consent terms. However, the said Application for Consent Order was rejected by SEBI vide letter dated 29.05.2009. Thereafter, the matter was heard by the Whole Time Member on 09.07.2009. No order has been pronounced yet.

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.

Taurus Investment Trust Company Limited has filed the following cases:

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

Mutual Fund – Two show cause notices dated 19.08.08 and 17.11. 2005 were received from SEBI in regard to trading in shares of DCM Shriram Consolidated Limited.

After detailed follow up and under consent terms application, the SEBI vide its letter dated 24.09.2008 had imposed penalty of Rs.20 Lacs under denying the guilt category and accordingly vide letter dated October 01, 2008 penalty of Rs.20 Lacs has been paid to SEBI.

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.**

**Notes:**

1. Any amendments / replacement / re-enactment of SEBI (MF) Regulations subsequent to the date of this Scheme Information Document shall prevail over those specified in this Scheme Information Document.

2) The Scheme under this Scheme Information Document was approved by the Trustees at Board Meeting held on August 31, 2009.

The Trustees have ensured that Taurus Nifty Index Fund is a new product offered by Taurus Mutual Fund and is not a minor modification of the existing scheme of Taurus Mutual Fund.

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.

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

**Place : Mumbai  
Date : 17/05/2010**

**Waqar Naqvi  
Chief Executive Officer**

## Official Points of Transactions

## OFFICES OF TAURUS ASSET MANAGEMENT CO. LTD.

• **AHMEDABAD:** Broadway Business Centre, Cabin no- 1, 1st floor, Sahajanand Complex, Near Panchvati petrol Pump, Opp CITI Bank, C. G. Road Ahmedabad - 380006 Tel: 079-32521999 • **BANGALORE:** 1111, East Wing, 11th Floor, Raheja Towers, M.G. Road, Bangalore-560001 Tel: 080-41135646 • **CHANDIGARH:** Chandigarh Business Centre, Chamber No.2, S.C.O 2441-42, Second Floor, Chamber No -2 Sector 22/ C, Chandigarh 160022 Tel: 0172-5024818/5024838 • **CHENNAI:** Maalavika Centre, 5th Flr, 144/145, K.H.Road, Nungambakam Chennai-600034 Tel: 044-39101572 • **COCHIN:** 2nd Floor, Mayur Business Centre, Chittoor Road, Palleppady Junction Cochin-682035 Tel: 0484-3047230/31 • **DELHI:** Upper ground floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi - 110 001. Tel: 011-23321756-631/23717593 • **HYDERABAD:** Office No. 202, 3-6-369/1, Sanatana Ecstasy, Himayatnagar, Hyderabad 500029, Tel: 040-30783060/61 • **JAIPUR:** 302, DBC Towers, M.I.Road, Jaipur 302001 Tel: 0141-4038851 • **KANPUR:** Cabin No 205, 4th Floor, Kan Chamber 14/113, Civil Lines, Kanpur - 208001 Tel: 0512-306 1824 • **KOLKATA:** M. A. Business Centre, Poddar Point, 5th Floor, 113, Park Street, Kolkata - 700016. Tel: 033 - 6590 9991/2 • **LUCKNOW:** T-303, 3rd Floor, Sky Hi Chambers, Park Road, Lucknow - 226001 Tel: 0522-3040440 • **MADURAI:** No-16/17, A.R Plaza, North veli St, Madurai-625001 Tel: 0452-645464 • **MUMBAI:** AML Center 1, Gr. floor, Mahakali Caves Road, Andheri (E), Mumbai 400 093 Tel: 022 - 66242700 • **MUMBAI:** 305, Regent Chambers, 208, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021 Tel: 022 - 6753 4848, • **PUNE:** Office No.1, "Suyash Plaza", 189/A, Bhandarkar Institute Road, Deccan Gymkhanna Pune - 411005 Tel: 020-66215712/13

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

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

**Agra:** Karvy Computershare Private Limited, 1st Floor, Deepak Wasan Plaza, Sanjay Place, Agra - 282 002, **Ahmedabad:** Karvy Computershare Private Limited, 201-202, Shail Building, 2nd Floor, Opp : Madhusudhan House, Nr. Navrangpura Telephone Exchange, Navrangpura, Ahmedabad - 380 006, **Ajmer:** Karvy Computershare Pvt. Ltd. 12, II Floor, Ajmer Tower, Kutchari Road, Ajmer - 305 001 **Allahabad:** Karvy Computershare Private Limited, RSA Towers, 2nd Floor, Above Sony TV Showroom, 57, S P Marg, Civil Lines, Allahabad - 211001 **Ambala:** Karvy Computershare Private Limited, 6349, Nicholson Road, Adjacent Kos Hospital, Ambala Cantt, Ambala - 133001, **Amritsar:** Karvy Computershare Private Limited, 72-A, Taylor'S Road, Aga Heritage Gandhi Ground, Amritsar - 143 001, **Aurangabad:** Karvy Computershare Private Limited, Shop No : 214/215, Tapadiya City Centre, Nirala Bazar, Aurangabad - 431 001, **Bangalore:** Karvy Computershare Private Limited, No : 51/25, 1 st Floor, Surya Building, Ratna Avenue, Richmond Road, Bangalore - 560 025, **Bareilly:** Karvy Computershare Private Limited, 1st Floor, 165, Civil Lines, Opp. Hotel Bareilly Palace, Near Rly Station Road, Bareilly - 243 001, Gujarat, **Baroda:** Karvy Computershare Private Limited, Piccadilly, Office # 5, First Floor, Opp. Adani Super Market, Jetalpur Road, Baroda - 390007, **Bhilai:** Karvy Computershare Private Limited, No.138, New Civic Centre Bhilai - 490 006, **Bhopal:** Karvy Computershare Private Limited, Kay Kay Busniss Centre, 133 Zone I M P Nagar, Bhopal-462021, **Bhubaneswar:** Karvy Computershare Private Limited, 624, Sahid Nagar, 1st Floor, Bhubaneswar - 751007, **Calicut:** Karvy Computershare Private Limited, II Nd Floor, Sowbhagya Shopping Complex, Mavoor Road, Calicut - 673 004, **Chandigarh:** Karvy Computershare Private Limited, Sco-371-372, First Floor, Above HDFC Bank, Sector 35B, Chandigarh - 160 022, **Chennai:** Karvy Computershare Private Limited, Flat No F11, First Floor, Akshya Plaza, (Erstwhile Harris Road), Opp Chief City Metropolitan Court, # 108, Adhithanar Salai, Egmore, Chennai - 600 002, **Cochin:** Karvy Computershare Private Limited, Shop No. II, 2nd Floor, Jewel Arcade, (Above Oriental Insurance Ltd) Layam Road, Cochin - 682 011, **Coimbatore:** Karvy Computershare Private Limited, 29/1, 1st Floor, Chinthamani Nagar, Opp To Indian Overseas Bank, Nsr Road, Saibaba Colony, Coimbatore- 641011, **Cuttack:** Karvy Computershare Private Limited, Dargha Bazar, Opp. Dargha Bazar Police Station, Buxibazar, Cuttack - 753001, **Dehradun:** Karvy Computershare Private Limited, Kaulagarh Road, Near Sirmaur Marg, Above Reliance Webworld, Dehradun - 248 001, **Dhanbad:** Karvy Computershare Private Limited, 208, New Market, 2nd Floor, Katras Road, Bank More, Dhanbad - 826001, **Durgapur:** Karvy Computershare Private Limited, Old Dutta Automobiles Building, 1st Floor, Nachan Road, Benachity, Durgapur - 713 213, **Faridabad:** Karvy Computershare Pvt. Ltd. A-2B, 1st Floor, Nehru Ground, Neelam Bata Road, Nit, Faridabad - 121 001 **Ghaziabad:** Karvy Computershare Private Limited, 1st Floor, C-7, Lohia Nagar, Ghaziabad - 201 001, **Gorakhpur:** Karvy Computershare Private Limited, Above V.I.P. House, Adjacent A.D. Girls Inter College, Bank Road, Gorakhpur - 273 001 **Gurgaon:** Karvy Computershare Private Limited, Shop No. 18, Ground Floor, Sector - 14, Opp. AKD Tower, Near Huda Office, Gurgaon - 122001, **Guwahati:** Karvy Computershare Private Limited, 54 Sagarika Bhawan, R G Baruah Road, (AIDC Bus Stop), Guwahati 781024, **Gwalior:** Karvy Computershare Private Limited, Shindi Ki Chawani, Nadi Gate Pul, MLB Road, Gwalior - 474 001, **Hissar:** Karvy Computershare Pvt. Ltd. SCO 71, 1st Floor, Red Square Market, Hissar - 125001 **Hubli:** Karvy Computershare Private Limited, Giriraja House, No.451/B, Ward No.1, Club Road, Hubli - 580 029, **Hyderabad:** Karvy Computershare Private Limited, 8-2-596 Karvy Plaza, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034, **Indore:** Karvy Computershare Private Limited, Lg - 3, Bombay Trade Centre, Lower Ground Floor, Grand Hotel, Opp Bombay Hospital, Scheme No 54, Indore - 452010, **Jaipur:** Karvy Computershare Private Limited, S-16 A, 3rd Floor, Land Mark, Opposite Jaipur Club, Mahavir Marg, C- Scheme, Jaipur - 302 001, **Jalandhar:** Karvy Computershare Private Limited, Lower Ground Floor, Office No : 3, Arora Prime Tower, Plot No : 28, G T Road, Jalandhar - 144 004, **Jamshedpur:** Karvy Computershare Private Limited, Kanchan Tower, 3rd Floor, Chhaganlal Dayalji @ Sons, 3-S B Shop Area, ( Near Traffic Signal), Main Road, Bistupur, Jamshedpur- 831 001, **Jammu:** Karvy Computershare Pvt. Ltd. Hall No: 111, 1st Floor, South Block, Bahu Plaza, Gandhi Nagar, Jammu - 180004 **Jaunpur:** Karvy Computershare Private Limited, R N Complex, 1-1-9-G (In Front of Pathak Honda), Ummarpur, Jaunpur-222 002, **Jodhpur:** Karvy Computershare Private Limited, 203, Modi Arcade, Chupasni

Road, Jodhpur - 342 001, **Kanpur:** Karvy Computershare Private Limited, 15/46, Opp: Muir Mills, Civil Lines, Kanpur - 208001, **Kolhapur:** Karvy Computershare Private Limited, 610 K Vardhaman Chambers, 2nd Lane Shahupuri, Kolhapur - 416001, **Kolkata:** Karvy Computershare Private Limited, 16 Jatin Bagchi Road, Kolkata - 700 029, **Kottayam:** Karvy Computershare Private Limited, 1st Floor, CSI Ascension Church Complex, Kottayam - 686 001, **Lucknow:** Karvy Computershare Private Limited, 94, Mahatma Gandhi Marg, Opp Governor House, Hazratganj, Lucknow - 226 001, **Ludhiana:** Karvy Computershare Private Limited, Sco-3, Bawa Building, Feroze Gandhi Market, Ludhiana - 141001, **Madurai:** Karvy Computershare Private Limited, Rakesh Towers, 30-C, Bye Pass Road, 1st Floor, Opp Nagappa Motors, Madurai - 625010, **Mangalore:** Karvy Computershare Private Limited, 2nd Floor, Brigade Plaza, Kudmul Ranga Rao Road, Mangalore - 575 003, **Margao:** Karvy Computershare Private Limited, 2nd Floor, Dalal Commercial Complex, Opp: Hari Mandir, Pajifond, Margao-Goa -403601, **Mathura:** Karvy Computershare Private Limited, 3538-3540, Infront of BSA College, Gaushala Road, Mathura - 281004, **Meerut:** Karvy Computershare Private Limited, 1st Floor, Medi Centre Complex, Opp. ICI Bank, Hapur Road, Meerut - 250 002, **Moradabad:** Karvy Computershare Private Limited, Om Arcade, Parker Road, Above Syndicate Bank, Tari Khana Chowk, Moradabad - 244 001, **Mumbai:** Karvy Computershare Private Limited, DAS Chambers, Ground Floor, Opp. BSE & next to Corporation Bank, Dalal Street, Fort, Mumbai - 400 023, **Mumbai:** Karvy Computershare Pvt. Ltd. C/o Karvy Stock Broking Pvt. Ltd. Ground Floor, Himanshu Bldg, Sodawala Lane, Lina Chandawarkar Road Borivali (W), Mumbai - 400091, **Muzaffarpur:** Karvy Computershare Private Limited, 1st Floor, Uma Market, Near Thana Gumti, Motijheel, Muzaffarpur, Bihar - 842001, **Mysore:** Karvy Computershare Private Limited, L - 350, Silver Tower, Clock Tower, Ashoka Road, Mysore - 570 001, **Nagpur:** Karvy Computershare Private Limited, Sadoday Arcade, Above Top N Town, Dharampeth, Nagpur - 440 001, **Nasik:** Karvy Computershare Private Limited, S-12, Second Floor, Suyojit Sankul, Sharanpur Road, Nasik - 422 002, **New Delhi:** Karvy Computershare Private Limited, 2E / 23, Jhandewalan Extn, New Delhi - 110055, **Noida:** Karvy Computershare Private Limited, 307 Jaipuria Plaza, D 68 A, 2nd Floor, Opp Delhi Public School, Sector 26, Noida - 201301, **Panjim:** Karvy Computershare Private Limited, No.7 & 8, El. Dorado Plaza, Heliodoro Salgado Road, Panjim - 403 001, **Patiala:** Karvy Computershare Private Limited, Sco 27 D, Chhoti Baradari, Patiala - 147 001, **Patna:** Karvy Computershare Private Limited, 3A, 3rd floor, Anand tower, Beside chankya cinema hall, Exhibition road, Patna - 800001, **Pondicherry:** Karvy Computershare Private Limited, First Floor, No.7, Thiagarajar Street, Pondicherry - 605 001, **Pune:** Karvy Computershare Private Limited, Srinath Plaza, C Wing, Office No. 58 And 59, 3rd Floor, Dyaneshwar Paduka Chowk, Survy No. 184/4, F C Road, Pune - 411004, **Raipur:** Karvy Computershare Private Limited, Room No.12 & 13, Ground Floor, Millennium Plaza, Behind Indian Coffee House, G E Road, Raipur - 492 001, **Rajkot:** Karvy Computershare Private Limited, 104, Siddhi Vinayak Complex, Dr Yagnik Road, Opp Ramkrishna Ashram, Rajkot - 360 001, **Ranchi:** Karvy Computershare Private Limited, Commerce Towers, 3rd Floor, Room No. 307, Beside Mahabir Towers, Main Road, Ranchi - 834 001, **Renukeet:** Karvy Computershare Private Limited, Shop No. 18, Near Complex, Birla Market, Renukeet - 231217, **Rourkela:** Karvy Computershare Private Limited, 1st Floor, Sandhu Complex, Kanchery Road, Udit Nagar, Rourkela - 769 012, **Salem:** Karvy Computershare Private Limited, 49 / 50, Fort Main Road, Old No.17 First Floor, Shevapet, Salem - 636 002, **Siliguri:** Karvy Computershare Private Limited, Nanak Complex, Near Church Road, Sevoke Road, Siliguri - 734001, **Surat:** Karvy Computershare Private Limited, G-16 Empire State Building, Nr Udhna Darwaja, Ring Road, Surat-395009, **Trichur:** Karvy Computershare Private Limited, 2nd Floor, Brother'S Complex, Near Dhana Laxmi Bank Head Office, Naikkanal Junction, Trichur - 680 001, **Trichy:** Karvy Computershare Private Limited, 60 Srikrishna Arcade, 1st Floor; Thennur High Road, Trichy - 621 017, **Trivandrum:** Karvy Computershare Private Limited, 2nd Floor, Akshaya Towers, Sasthamangalam, Trivandrum - 695 010, **Udaipur:** Karvy Computershare Private Limited, 201-202, Madhav Chambers, Opp. G.P.O, Chetak Circle, Madhuban, Udaipur-313001, **Varanasi:** Karvy Computershare Private Limited, D-64/132, KA 1st Floor, Anant Complex, Sagra, Varanasi - 221 010, **Vellore:** Karvy Computershare Private Limited, No.1, M.N.R. Arcade, Officer'S Line, Krishna Nagar, Vellore - 632001, **Vijayawada:** Karvy Computershare Private Limited, 39-10-7 Opp : Municipal Water Tank, Labbipet, Vijayawada - 520 010, **Visakhapatnam:** Karvy Computershare Private Limited, 47-14-5/1 Eswar Paradise, Dwaraka Nagar, Main Road, Visakhapatnam - 530 016



TAURUS ASSET MANAGEMENT COMPANY LIMITED

**Registered Office:**

Taurus Asset Management Co. Ltd.  
305, Regent Chambers 208, Jambhwal Bajaj Marg,  
Nariman Point, Mumbai - 400021

Tel: 022 - 2282 6488 / 2282 6847 Fax: 022 - 2283 1018 / 6630 8519

**Head Office:**

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

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