



**TAURUS MUTUAL FUND  
SCHEME INFORMATION DOCUMENT**

**TAURUS FIXED MATURITY PLAN 15 MONTHS-SERIES 1  
A Close Ended Debt Scheme**

Offer of Units of Rs. 10/- each for cash during the NEW FUND OFFER

**Name of Mutual Fund : Taurus Mutual Fund**  
**New Fund Offer Opens on : February 4, 2010**  
**New Fund Offer Closes on : February 8, 2010**

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

Name of Asset Management Company : Taurus Asset Management Company Limited  
Name of Trustee Company : Taurus Investment Trust Company Limited  
Registered Office : 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.

Investors in the Scheme are not being offered any guaranteed/ assured returns.

**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.**

**Please refer to NSE Disclaimer clause overleaf.**

This Scheme Information Document is dated January 29, 2010

**NSE Disclaimer:**

“As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/119541-A dated September 29,2009, permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's units are proposed to be listed subject to, the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund.

Every person who desires to apply for or otherwise acquire any units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

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## HIGHLIGHTS/ SUMMARY OF THE SCHEME

1. Name of the Scheme : Taurus Fixed Maturity Plan 15 Months- Series 1
2. Type of the Scheme : A Close Ended Debt Scheme
3. Investment Objective : The investment objective of the scheme is to generate income with minimum volatility through investments in a portfolio of debt (including securitized debt) and money market instruments.

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.

4. Maturity of the Scheme : The Plans under the scheme will come to an end on the maturity date i.e. 15 months after the date of allotment of units under the scheme. On maturity of the scheme, the outstanding Units shall be redeemed and proceeds will be paid to the Unitholder. The Trustees reserves the right to suspend/deactivation /freeze trading, ISIN of the scheme and to do all matters with respect to closure of the scheme at the time of maturity at any time 10 days prior to the maturity. The proceeds on maturity will be payable to the persons whose names are appearing (a) in the register of unitholders of the scheme with the R&T Agent (to whom only A/c statements were issued) (b) beneficiary position details received from depositories after the suspension /deactivation /freezing of ISIN.

Maturity proceeds would be payable to investors as per the bank details available with the R & T Agent in respect of those investors who will be issued Account Statements. In case of demat case, the proceeds will be paid as per bank details provided in the beneficiary position details received from depositories.

### Maturity proceeds to NRI investors

NRI investors who purchased units from the secondary market shall submit Foreign Inward Remittance Certificate (FIRC), along with Broker contract note of the respective broker through whom the transaction was effected, for releasing redemption proceeds on maturity. Redemption proceeds shall not be remitted until the aforesaid documents are submitted and the AMC/Mutual Fund/Registrar/Scheme shall not be liable for any delay in paying redemption proceeds.

In case of non-submission of the aforesaid documents the AMC reserves the right to deduct the tax at the highest applicable rate without any intimation by AMC / Mutual Fund / Registrar. The plan under the scheme shall be fully redeemed at the end of the maturity period .

5. Listing : It is proposed to list the scheme on National Stock Exchange or any other Stock Exchange(s) in India. In-

- principle approval has been obtained from National Stock Exchange of India Limited.
6. Holding of Units : The unitholders in the Scheme would have an option to hold the units in demat form or in the form of Account Statement as per the current practice. However, unitholders who wish to trade in units would be required to have a demat account and therefore must provide their Demat Account details in the specified section of the Application Form. Such applicants are, therefore, required to have a beneficiary account with the Depository Participant of NSDL/CDSL and will be required to indicate in the Application Form, DP's Name, DP ID number and the beneficiary account number of the applicant with the DP.
7. Liquidity : **Repurchase facility**  
No redemption/repurchase of units shall be allowed by the Mutual Fund prior to the maturity of the scheme. Investors wishing to exit before maturity may do so, only in demat mode, by selling through National Stock Exchange.(NSE) or any other stock exchange where the scheme will be listed.
8. Redemption of Units : Investors will not be able to redeem their units during the tenor of the Scheme and there will be redemption by the Fund on maturity of the Scheme. However, as the units will also be held in dematerialised form, they can be traded on NSE or any other Stock Exchange.
- The investors are urged to note that listing of units of the Scheme does not necessarily guarantee their liquidity and there can be no assurance that an active secondary market for the units will develop or be maintained.
9. Transfer of Units : If the units are issued in demat form, they are transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations as may be amended from time to time. The Transferor should issue delivery instructions for transfer of units in requisite form as may be required from time to time and will have to be lodged with the DP for effecting transfer in accordance with such rules/regulations as may be in force governing transfer of securities in dematerialised mode.
10. Benchmark : Crisil Composite Bond Fund Index
11. NAV Disclosure : AMC will calculate and disclose the first NAV not later than 30 days from the closure of the New Fund Offer Period. Subsequently, the NAV will be calculated and disclosed at the close of every Business Day. The NAV will be updated on the website of the fund [www.taurusmutualfund.com](http://www.taurusmutualfund.com). Further, it shall endeavour to update the NAV of the Scheme on website [www.amfiindia.com](http://www.amfiindia.com) of Association of Mutual Funds in India by 9:00 PM besides publishing the same in newspapers.
12. Loads : **Entry Load\*** – Nil

**Exit Load\*\* - Not Applicable**

The Units under the Scheme cannot be directly redeemed with the Fund as the Units are listed on the stock exchange(s). However Investors can subscribe (purchase) / redeem (sell) units on a continuous basis on NSE and/or any other Stock Exchange(s) on which the Units of the scheme are listed.

Switchover Fee- Not Applicable.

\* 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.

13 Minimum Application Amount : Retail Plan : Rs.10,000/-  
 Institutional Plan : Rs.25,00,000/-  
 and in multiple of Rs. 10/- thereafter.

14 New Fund Offer  
 The New Fund Offer for Taurus Fixed Maturity Plan 15 Months Series 1 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.

**INTRODUCTION**

**A. RISK FACTORS**

**Standard Risk Factors:**

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down.

- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme.
- The name of the scheme does not in any manner indicate either the quality of the scheme or its future prospects and returns.
- The sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of 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**

- a) The portfolio of the scheme will comprise of securities issued by central and state governments as also debt & money market instruments issued by corporates as mentioned under the paragraph 'How will the Scheme allocate its assets'. All such securities will normally mature in line with the maturity profile of the scheme. As the securities are normally held to maturity, the interest rate risk is significantly mitigated. The debt securities issued by the corporates do carry a credit risk as also the liquidity risk.
- b) The Scheme will invest entirely in Debt/ Money Market Instruments and Government securities. Liquidity in these investments may be affected by trading volumes, settlement periods and transfer procedures. These factors may also affect the Scheme's ability to make intended purchases/sales, cause potential losses to the Scheme and result in the Scheme missing certain investment opportunities.

### **c) Risk Associated with Securitised Debt**

The Scheme may invest in domestic securitized debt such as asset backed securities (ABS) or mortgage backed securities (MBS). Asset Backed Securities (ABS) are securitized 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. i.e. 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 repossession vehicles is 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 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 classes. 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.

**d) Credit Risk**

In simple terms this risk means that the issuer of a debenture/bond or a money market instrument may default on interest payment or even in paying back the principal amount on maturity. Even where no default occurs, the price of a security may go down because the credit rating of an issuer goes down. It must, however, be noted that where the Scheme has invested in Government Securities, there is no credit risk to that extent. Different types of securities in which the scheme would invest as given in the scheme information document carry different levels and types of risk. Accordingly the scheme's risk may increase or decrease depending upon its investment pattern. Corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds which are AAA rated are comparatively less risky than bonds which are AA rated.

**e) Price-Risk or Interest-Rate Risk**

Fixed income securities such as bonds, debentures and money market instruments run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.

**f) Re-investment Risk**

Investments in fixed income securities may carry re-investment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.

**g) Risk Factors associated with the use of Derivatives**

Derivatives 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 the Fund

Manager involve uncertainty and decision of Fund Manager may not always be profitable. No assurance can be given that the Fund Manager will be able to identify or execute such strategies.

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.

Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value. Also, the market for derivative instruments is nascent in India.

#### **h) Risk Factors 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.

#### **I) Listing**

As per SEBI Circular SEBI/IMD/CIR NO.12/147132/08 dated December 11,2008 the scheme will be listed on NSE or any other Stock Exchange. However, this does not necessarily guarantee liquidity and there can be no assurance that an active secondary market for the units will be developed or be maintained. Consequently, the Scheme may in the Stock Exchange quote below its face value / NAV.

### **RISK MANAGEMENT STRATEGIES**

The Fund by utilizing a holistic risk management strategy will endeavor to manage risks associated with investing in debt markets. The Fund has identified the following risks of investing in debt instruments and designed risk management strategies to mitigate and manage such risks

#### **Interest Rate Risk**

By investing in those securities whose maturity tenure matches with the maturity profile of the scheme. The securities would normally be held to maturity so the interest rate risk would be significantly mitigated.

#### **Credit Risk**

By selecting the investment universe carefully to primarily include those securities which have received high rating from the reputed rating agencies like CRISIL. Our Inhouse Research will further study these securities to satisfy itself.

#### **Volatility**

Since the scheme is close ended it will hold securities till maturity hence the portfolio would not be subject to volatility.

#### **Concentration risk**

The portfolio would be well diversified with internal cap on the % holding in a particular debt security and also follow the SEBI norms of % cap on holding of a security/ sector.

#### **Risk associated with the use of Derivatives**

The Scheme will not make use of Derivatives

**Liquidity risk**

At the portfolio level since the securities will be held till maturity the liquidity risk would be taken care of. As there would be no repurchase/ redemption prior to the maturity of the scheme, the need to sell the security during the tenor of the scheme may not arise. By listing the scheme on NSE, liquidity would be provided to the investors to sell / purchase the units of the scheme in dematerialized form.

**B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME**

The Scheme and individual Plan(s) under the Scheme 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). It would be ensured that the Scheme would comply with this requirement at the Plan level separately for the Retail and Institutional Plans. These conditions will be complied with immediately after the close of the NFO itself i.e. at the time of allotment. In case of non-fulfillment with the condition of minimum 20 investors, the Scheme/Plan(s) shall be wound up in accordance with Regulation 39 (2) (c) of SEBI (MF) Regulations automatically without any reference from SEBI. In case of non-fulfillment with the condition of 25% holding by a single investor on the date of allotment, the application to the extent of exposure in excess of the stipulated 25% limit would be liable to be rejected and the allotment would be effective only to the extent of 25% of the corpus collected. Consequently, such exposure over 25% limits will lead to refund within 6 weeks of the date of closure of the New Fund Offer.

Moreover, as per SEBI Regulations, the aforesaid guidelines will be applicable at the portfolio level.

**C. SPECIAL CONSIDERATIONS**

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

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

#### **D. Anti Money Laundering and Know Your Customer (KYC)**

TMF is committed to complying with all applicable anti money laundering and KYC laws and regulations. TMF recognizes the value and importance of creating a business environment that strongly discourages money launderers from using TMF. To that end, certain policies have been adopted by the AMC. The need to KYC is vital for the prevention of money laundering.

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 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 filledup 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.cvllindia.com](http://www.cvllindia.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.

#### **E. 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.

#### F. 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.

**This Scheme Information Document sets forth concisely the information about the Scheme that a prospective investor ought to know before investing. This Scheme Information Document will remain effective till a material change (other than a change in Fundamental Attributes and within the purview of this Scheme Information Document) occurs and thereafter the changes shall be filed with SEBI and circulated to the unitholders. This Scheme Information Document should be retained for future reference.**

**The particulars of the Scheme in this Scheme Information Document have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended till date and filed with SEBI and the units offered for public subscription have not been approved or disapproved by the Securities and Exchange Board of India nor has Securities and Exchange Board of India certified the accuracy or adequacy of the Scheme Information 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	Deutsche Bank 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
Investor Service Centres or ISCs	Designated branches of the AMC / other offices as may be designated by the AMC from time to time.
NSE	National Stock Exchange
Entry Load	The charge that is paid by an Investor when he invests an amount in the Scheme
Exit Load	The charge that is paid by a Unitholder when he redeems Units from the Scheme. However, there will be no load on redemption on the maturity date.
Contingent Deferred Sales Charge/ CDSC	Exit charge permitted under SEBI Regulations for a no load scheme.
SID (Scheme Information Document)	This document issued by Taurus Mutual Fund, offering for subscription of Units of the Scheme.
Statement of Additional Information (SAI)	It contains details of Taurus Mutual Fund, its constitution, and certain tax, legal and general information. It is incorporated by reference (is legally a part of the Scheme Information Document)
Scheme	Taurus Fixed Maturity Plan 15 Months - Series 1
Taurus Fixed Maturity Plan 15 Months Series 1	A Close-Ended Debt Scheme
Maturity Date	The date on which all the units under the Scheme would be redeemed at the Applicable NAV of that day. If this day is not a Business Day then the immediate following Business Day will be considered as the Maturity Date.
Trust Deed	The Trust Deed dated August 20, 1993 as amended from time to time.
NAV	Net Asset Value of the units of the Scheme as calculated in the manner provided in this Scheme Information Document or as may be prescribed by SEBI Regulations from time to time. NAV will be computed up to four decimal places.
Applicable NAV	Unless stated otherwise in the SID, 'Applicable NAV' is the Net Asset Value at the close of a Business Day as of which the purchase or redemption is sought by an investor and determined by the Fund.
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 Debentures, Collateralised Borrowing and Lending Obligation (CBLO) and any other like instruments as specified by RBI/SEBI from time to time.
MIBOR	The Mumbai Interbank Offered Rate published once every day by the National Stock Exchange and published twice every day by Reuters, as specifically applied to each contract.

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

It is confirmed that:

(i) the draft Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.

(ii) all legal requirements connected with the launching of the scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.

(iii) the disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed scheme.

(iv) the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

**Date : 30/09/2009**  
**Place : New Delhi**

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

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

A Close ended debt scheme

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

The investment objective of the scheme is to generate income with minimum volatility through investments in a portfolio of debt (including securitised debt) and money market instruments.

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

The asset allocation pattern, under normal circumstances, will be as follows;

Instruments	Indicative Allocations % of Net Assets		Risk Profile
	Minimum	Maximum	
Debt and Money Market Instruments *	100%	100%	Low to Medium

\* Includes investment in securitised debt upto 50% of the net assets of the Scheme.

The scheme may, from time to time hold cash for the following reasons:

- Due to lag in deal date and value date of acquiring an asset
- Due to marginal difference in maturity date of an asset and the maturity date of the concerned scheme

**Change In Investment Pattern**

Subject to the SEBI Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute. These proportions can vary substantially depending upon the perception of the Investment Manager; the intention being at all times to seek to protect the interests of the Unitholders. Such changes in the investment pattern will be for short term and for defensive considerations only.

**Note on Debt & Money Market in India**

The market for fixed-income securities in India can be briefly divided into the following segments:

- The money market – The market for borrowing / lending monies; and;
- The securities market – The market for trading in securities;
- The derivatives market – The market for-fixed income derivatives.

A predominantly institutional market, the key market players are banks, financial institutions, insurance companies, mutual funds, primary dealers and corporates. Provident / pension funds are also present, but not in a very active manner.

**The money market**

The money market can be classified into two broad categories

- The market for clean borrowing / lending
- The market for collateralized borrowing / lending.

The market for clean borrowing or lending i.e. borrowing / lending without the backing of any collateral consists of

Call Money: The market for overnight borrowing / lending

Notice Money: The market for borrowing / lending from 2 days to a fortnight.

Term Money: The market for borrowing / lending from a fortnight to six months

The market for collateralised borrowing / lending broadly consists of Repo transactions : These are repurchase obligation transactions in which the borrower tenders securities to the lender which is bought back by the borrower on the repurchase date. The price difference between the sale and repurchase of the securities is the implicit interest rate for the borrowing /lending. The eligible underlying securities for these transactions are currently government securities/treasury bills. Corporate bonds etc. are currently not allowed as eligible securities for repo transactions. The minimum repo term (lending / borrowing period) is one day.

**CBLO:** CBLO stands for Collateralised Borrowing and Lending obligation. CBLO is a discount instrument introduced by the Clearing Corporation of India Limited (CCIL). They can be traded like any other discount instrument. Lenders buy CBLO's and borrowers sell CBLOs. CCIL manages the risks inherent in issuing these securities through a system of margins and deposits that it takes from both lenders and borrowers. CBLOs can be issued/bought/sold for a minimum of one day to a maximum of 364 days.

### **The Securities Market**

The market for fixed-income securities can be broadly classified into

- The market for money market (short-term) instruments
- The market for Government Securities
- The market for Corporate Bonds
- The market for other instruments such as securitised debt /PTCs etc.

Money market securities are generally discount securities maturing within one year at the time of issuance. Instruments satisfying this criterion are treasury bills (obligations of the government), commercial paper (obligations of the corporate sector) and certificate of deposit (obligations of banks).

Government securities are medium / long-term debt obligations of the government. The market for government securities is the most liquid segment of the Indian debt market. Most of the secondary market trading is concentrated in government securities.

Trading in government securities is now done mostly through an electronic trading, reporting and settlement platform developed by the Reserve Bank of India (RBI) called Negotiated Dealing System (NDS). The role of brokers which was an important element of the Indian bond market therefore stands reduced to that extent.

Trading in corporate bonds is relatively subdued (in comparison to government securities). Price discovery and trading in this segment is still carried out through the telephone. Attempts at improving the trading, settlement and risk management practices for trading corporate bonds are currently underway.

Trading in other instruments such as securitised debt is relatively scarce. Price discovery and trading in this segment too is through the telephone. The various instruments and their prevailing yields and liquidity (as on August 6 2009) are indicated in the following table:

Instruments	Tenor	Yield p.a.	Liquidity
GOI Treasury Bill	91 days	3.10-3.30%	High
GOI Treasury Bill	364 days	3.70-3.90%	High
GOI Short Dated	1-3 years	3.60-6.20%	High
GOI Medium Dated	3-5 years	6.00-6.90%	High
Corporate Debt Taxable Bonds (AAA)	364 days	5.50-6.90%	Low to Medium
Corporate Debt Taxable Bonds (AAA)	1-3 years	6.00-8.00%	Low to Medium
Corporate Debt Taxable Bonds (AAA)	3-5 years	7.20-8.75%	Medium
Corporate Debt CPs (P1+)	3 months	3.00-6.00%	Medium
Corporate Debt CPs (P1+)	1 year	7.00-8.00%	Medium

The actual yields will, however, vary in line with general levels of interest rates and debt/money market conditions prevailing from time to time.

The Floating rate securities market is at a nascent stage in India. The coupon rate in floating rate securities is linked to an acceptable benchmark.

Floating rate securities generally have a coupon rate, which is reset over a regular period depending on the benchmark chosen. The market widely uses the MIBOR benchmarks announced by Independent agencies such as NSE and Reuters. When benchmark interest rate rises, the income generated on these floating rate securities also rise. When the benchmark interest rates fall, the income generated on these floating rate securities also fall.

Increasingly more companies are raising resource through floating rate securities. Most of such securities are in the form floating rate debentures at a spread over NSE MIBOR. The Government of India has also started issuing floating rate securities. Such floating rate issuances reduce the interest rate risk of the portfolio in which these securities are held.

The fixed income derivatives market

The interest rate derivatives market is in a developing stage in the country. Instruments are broadly transacted are

- Interest Rate Swaps; and
- Forward Rate Agreements

Vanilla interest rate swap contracts are contracts, which exchange a fixed amount against a floating benchmark. These are calculated on a notional principal, which is never exchanged. Interest rate swaps can be used to hedge interest rate risk for existing fixed rate exposures; and Create synthetic floating or fixed rate structures.

Forward Rate Agreements are contracts which allow the transacting counter parties to fix a borrowing / lending rate for some future date at the current juncture itself.

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

The amount collected under the scheme will be invested only in debt and money market instruments. Subject to the Regulations, the amount collected under the scheme can be invested in any (but not exclusively) of the following securities/ debt instruments:

- a) 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).
- b) Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- c) Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee

- d) Corporate debt (of both public and private sector undertakings).
- e) Obligations/ Term Deposits of banks (both public and private sector) and development financial institutions
- f) Money market instruments permitted by SEBI/RBI, having maturities of up to one year or in alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements.
- g) Certificate of Deposits (CDs).
- h) Commercial Paper (CPs).
- i) Securitised Debt, not including foreign securitised debt.
- j) The non-convertible part of convertible securities.
- k) Any other domestic fixed income securities as permitted by SEBI / RBI from time to time.
- l) Derivative instruments like Interest Rate Swaps, Forward Rate Agreements and such other derivative instruments permitted by SEBI/RBI.
- m) Any other instruments / securities, which in the opinion of the Fund Manger would suit the investment objective of the scheme subject to compliance with extant Regulations.

The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offer or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per guidelines/regulations applicable to such transactions.

In an endeavour to ensure good quality portfolio, it is proposed to make investments only in rated instruments as under:-

AAA Rated Instruments	:	0 to 100%
AA Rated Instruments	:	0 to 30%

As per SEBI Regulations, a close ended debt scheme shall invest only in such securities which mature on or before the date of maturity of the Scheme.

#### **SECURITIES LENDING BY THE MUTUAL FUND**

If permitted by SEBI under Regulations/guidelines, the Scheme may also engage in securities lending. The AMC shall comply with all reporting requirements and the Trustee shall carry out periodic review as required by SEBI guidelines. Securities lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation. The securities lent will be returned by the Borrower on expiry of the stipulated period.

The Investment Manager will apply the following limits, should it desire to engage in Securities lending:

- Not more than 20% of the net assets of the Scheme can generally be deployed in securities lending; and
- Not more than 5% of the net assets of the Scheme can generally be deployed in securities lending to any single counter party.

Various risk associated with securities lending, such as counter – party risks, liquidity and other market risks are described under risk factors of this document.

#### **Investment in Derivative Instruments**

**The Scheme will not take any exposure to Derivatives.**

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

For the purpose of achieving the investment objective, the Scheme will invest in a portfolio of Debt and Money Market securities maturing in line with the maturity profile of the Scheme.

The AMC has an internal policy for selection of assets of the portfolio. The portfolio is constructed taking into account ratings from different rating agencies, rating migration, credit premium over the price of a

sovereign security, general economic conditions and such other criteria. Such an internal policy from time to time lays down maximum/minimum exposure for different ratings, norms for investing in unrated paper, liquidity norms, and so on. Through such norms, the Scheme is expected to maintain a high quality portfolio and manage credit risk well.

Investments may be made in instruments, which, in the opinion of the Fund Manager, are of an acceptable credit risk and chance of default is minimum. The Fund Manager will generally be guided by, but not restrained by, the ratings announced by various rating agencies on the assets in the portfolio.

To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other Scheme of the Fund to the extent permitted by the Regulations. In such an event, as per the Regulations, the AMC cannot charge management fees on the amounts of the Scheme so invested.

**Strategy pertaining to investment in derivatives:**

Derivatives 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 the Fund Manager involve uncertainty and decision of Fund Manager may not always be profitable. No assurance can be given that the Fund Manager will be able to identify or execute such strategies. 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. The Scheme does not intend to invest in derivatives.

**PORTFOLIO TURNOVER**

The Scheme being a close ended, portfolio turnover will be a function of market opportunities. Continuous changes in the market environment expose the debt instruments to systematic and nonsystematic risks. Based on market opportunities the fund manager will endeavour to optimise portfolio turnover to optimise risk adjusted return keeping in mind the cost associated with such portfolio turnover. On account of the above factors that affect portfolio turnover, it is difficult to give an estimate, with any reasonable amount of accuracy.

**PORTFOLIO REBALANCING**

Given the fact that the Scheme is a Fixed Maturity Plan we do not envisage a requirement of churning of the securities and would prefer buying the securities which match the maturity of the FMP. The Portfolio will always adhere to the overall investment objectives of the Scheme. As of now the SEBI Regulations allow Mutual Funds to hold paper in FMPs which is maturing on or before the date of maturity of the FMP. In case the Regulations change we would look at the investment pattern in the light of the changed Regulations within the overall investment objectives of the Scheme. In case any change is made to the investment pattern due to circumstances arising due to the above it will be for the short term and the portfolio will be rebalanced within 3 months, which if not done in 3 months, an explanation shall be provided to the Investment Committee recording the explanation in writing and we would then be guided by the directions of the Investment Committee.

**F. FUNDAMENTAL ATTRIBUTES**

Following are the fundamental attributes of the scheme, in terms of Regulation 18 (5A) of SEBI (MF) Regulations:

1. Type of the scheme: Taurus Fixed Maturity Plan 15 Months- Series 1, A Close ended debt scheme
2. Investment Objective: The investment objective of the Scheme is to generate returns through investments in debt and money market instruments with a view to significantly reduce the interest rate risk.

3. Investment Pattern : As mentioned under the heading “How will the scheme allocate its assets”
4. Terms of Issue:

The units of the plans under the scheme will be listed on the National Stock Exchange of India Ltd. (NSE) or any other Stock Exchange.

Since units are proposed to be listed on the NSE or any other Stock Exchange, an investor can buy/sell units of the Plans under the Scheme on a continuous basis on the NSE and other stock exchanges where units will be listed. The requirement of minimum investment will not be applicable on listing of units. The trading lot is one unit of the Plan. Investors can purchase units at market prices, which may be at a premium/discount to the NAV of the scheme depending upon the demand and supply of units at the exchanges. Buying / Selling units on the stock exchange is just like buying / selling any other normal listed securities. If an investor has bought units, an investor has to pay the purchase amount to the broker /sub-broker such that the amount paid is realised before the funds pay-in day of the settlement cycle on the exchange. If an investor has sold units, an investor has to deliver the units to the broker/sub broker before the securities pay-in day of the settlement cycle on the exchange.

The provisions in respect of fees and expenses are indicated in this scheme information document.

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme and the Plan/Option thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme and the Plan/Option thereunder and affect the interests of Unitholders is carried out unless:

- A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unitholders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load.

#### **G. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?**

The performance of the scheme will be measured against CRISIL Composite Bond Fund Index. The same has been selected for the scheme as the benchmark as it is widely used in the market as a benchmark for products with similar tenor/average maturity etc.

#### **H. WHO MANAGES THE SCHEME?**

S.No.	Name of Fund Manager	Age/Qualification	Brief Experience
1.	Pankaj Jain	30 / PGDBM (IIM Bangalore-2005)	Pankaj Jain has worked with Edelweiss Mutual Fund as Fund Manager (Fixed Income) and Edelweiss Securities in Debt & Forex Fund Management for 2.5 years and with State Bank of India as Forex Trader for 2 years.

#### **I. WHAT ARE THE INVESTMENT RESTRICTIONS?**

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

- The Scheme shall not invest more than 30% of its net assets in money market instruments issued by a single issuer.  
Provided that such limit shall not be applicable for investments in Government securities, treasury bills and collateralized borrowing and lending obligations.
- The 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 the 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.

- The 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 the Scheme. All such investments shall be made with the prior approval of the Trustees and Board of Asset Management Company.
- The Scheme shall not invest more than 30% of its net assets in money market instruments of an issuer.  
Provided that such limit shall not be applicable for investments in Government securities, treasury bills and collateralized borrowing and lending obligations.
- 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.
- If any company invests more than 5 percent of the NAV of the scheme then investment made by any other scheme of the Mutual Fund in that company or its subsidiaries will be disclosed in accordance with SEBI Regulations.
- Pending deployment of funds of the Scheme in securities in terms of investment objective of the Scheme, the Fund can invest the funds of the Scheme in short term deposits of scheduled Commercial banks. The investment in these deposits shall be in accordance with SEBI Circular dated April 16, 2007 and October 26, 2007 or such other guidelines that SEBI may issue from time to time.
- Every Mutual Fund will buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities, provided that a Mutual Fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by Board:-

“Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by Reserve Bank of India in this regard.”

Further, Mutual Fund may enter into derivative transactions in a recognized stock exchange, subject to the framework specified by the Board.

- The Fund shall get the securities purchased transferred in the name of the Fund on account of the concerned scheme, wherever investments are intended to be of long term nature.
- No scheme of the Fund shall make any investment in: -
  - a. Any unlisted securities of an associate or group companies of the sponsor; or
  - b. Any securities issued by way of private placement by an associate or group company of the sponsor; or
  - c. The listed securities of group companies of the sponsor, which is in excess of 25% of net assets.

- The scheme shall not make any investment in any funds of funds scheme. The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of repurchase/redemption of units or payment of interest and dividend to the unitholders.

Provided that the Fund shall not borrow more than 20% of the net assets of any individual scheme and the duration of the borrowing shall not exceed a period of 6 months.

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.

The Mutual Fund having an aggregate of securities which are worth Rs.10 crores or more, as on the latest balance sheet date, shall subject to such instructions as may be issued by SEBI from time to time, settle the transactions entered on or after January 15, 1998 only through dematerialized securities. Further, all transactions in Government securities shall be dematerialized form.

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.

**Investment by TAMCO in the scheme**

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

**Internal Norms for Investment Restrictions**

Fund has policy of Internal Norms for Investment Restrictions within the overall limit prescribed by SEBI. According to this policy, limits on exposure to sectors, industries, companies etc. will be fixed to avoid concentration of portfolio in particular sectors so as to ensure appropriate diversification/security for the Fund. The purpose of this policy will be to make investments in the full spectrum of permitted investments in order to achieve the investment objective of the scheme.

**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>	
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	<b>Scheme Name</b>  Taurus Fixed Maturity Plan 15 Months -Series 1	<b>NFO Opens on</b>  <b>February 4, 2010</b>	<b>NFO Closes on</b>  <b>February 8, 2010</b>
New Fund Offer Price:  This the price per unit that the investor have to pay to invest during the NFO	Rs.10/- per unit (The Trustee reserves the right to introduce an entry load at the time of launch)		
Minimum Amount for Application in the NFO	<b>Retail Plan</b> : Rs.10,000/-  <b>Institutional Plan</b> : Rs.25,00,000/-  And in multiple of Rs.10/- thereafter.		
Minimum Target amount  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.	The Fund seeks to collect a minimum of Rupees One Lakh in the New Fund Offer.		
Maximum Amount to be raised (if any)	There is no upper limit on the total amount to be raised. After the minimum target amount has been raised, allotment will be made for all valid applications.		
Plans /Options offered	The Scheme offers two plans namely Retail Plan and Institutional Plan. Both Retail and Institutional Plans will offer following options:-  <b>Growth Option</b> Under this option, there will be no distribution of income and the return to the investors will be only by way of capital gains, if any, at the time of maturity of the Scheme.  If the investor does not clearly specify the choice of Plan at the time of investing, it will be treated as growth option.  <b>Dividend Option</b>		

	<p>Under the Dividend option, the Trustee may at any time decide to distribute by way of dividend, the surplus by way of realised profit and interest, net of losses, expenses and taxes, if any, to Unitholders if, in the opinion of the Trustee, such surplus is available and adequate for distribution. The Trustee's decision with regard to such availability and adequacy of surplus, rate, timing and frequency of distribution shall be final. The Trustee may or may not distribute surplus, even if available, by way of dividend.</p> <p>The dividend will be paid to only those Unitholders whose names appear on the register of Unitholders of the Scheme/Option at the close of the business hours on the record date, which will be announced in advance. The Fund is required to dispatch dividend warrants within 30 days of the date of declaration of the dividend.</p> <p>However, the Trustees reserve the right to introduce new options and / or alter the dividend payout intervals, frequency, including the day of payout.</p> <p>Trading price on the National Stock Exchange or any other Stock Exchange where the units will be listed may or may not be the same as NAV of the units. Both Retail &amp; Institutional Plans will have a common portfolio.</p>
Dividend Policy	<p>Under the Dividend Plan, it is proposed to declare dividends subject to availability of distributable profits, as computed in accordance with SEBI Regulations. Dividends, if declared, will be paid (subject to deduction of tax at source, if any) to those Unitholders 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 units against receipt of clear funds by the Scheme or the investor has to be a unitholder by virtue of transfer on account of purchase from secondary market through NSE or any other Stock Exchange. 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 /Dividend amount will be credited to the bank accounts of investors available in beneficiary position details received from depositories.</p>
Allotment	<p>Subject to the receipt of the specified Minimum Subscription amount for the Scheme, full allotment will be made to all valid applications received during the New Fund Offer. The Trustee reserves the right, at their discretion without assigning any reason thereof, to reject any application. Allotment will be completed within 30 (Thirty) days after the closure of the New Fund Offer</p>

Refund	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> <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>	<p>The following persons may apply for subscription to the Units of the Scheme (subject, wherever relevant, to purchase of units of Mutual Funds being permitted under respective constitutions, relevant statutory regulations and with all applicable approvals):</p> <ul style="list-style-type: none"> <li>• Resident adult individuals either singly or jointly</li> <li>• Minor through parent/lawful guardian</li> <li>• Companies, Bodies Corporate, Public Sector Undertakings, association of persons or bodies of individuals whether incorporated or not and societies registered under the Societies Registration Act, 1860 (so long as the purchase of units is permitted under the respective constitutions).</li> <li>• Trustee(s) of Religious and Charitable and Private Trusts under the provision of Section 11(5) (xii) of the Income Tax Act, 1961 read with Rule 17C of Income Tax Rules, 1962 (subject to receipt of necessary approvals as “Public Securities” where required)</li> <li>• The Trustee of Private Trusts authorised to invest in mutual fund Schemes under their trust deed.</li> <li>• Partner(s) of Partnership Firms.</li> <li>• Karta of Hindu Undivided Family (HUF).</li> <li>• Banks (including Co-operative Banks and Regional Rural Banks), Financial Institutions and Investment Institutions.</li> <li>• Non-resident Indians/Persons of Indian origin residing abroad (NRIs) on full repatriation basis or on non-repatriation basis.</li> <li>• Foreign Institutional Investors (FIIs) registered with SEBI on full repatriation basis.</li> <li>• Army, Air Force, Navy and other para-military funds.</li> <li>• Scientific and Industrial Research Organizations.</li> <li>• Mutual fund Schemes.</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.</li> <li>• Others who are permitted to invest in the Scheme as per their respective constitutions</li> <li>• Other Schemes of Taurus Mutual Fund subject to the conditions and limits prescribed in SEBI Regulations and/or by the Trustee, AMC or sponsor may subscribe to the units under this Scheme.</li> </ul> <p>Subscriptions from residents in the United States of America and Canada shall not be accepted by the Schemes.</p> <p>The Fund reserves the right to include/exclude new/existing categories of investors to invest in this Scheme from time to time, subject to regulatory requirements, if any.</p> <p>This is an indicative list and investors are requested to consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.</p>

Where can you submit the filled up applications.	Filled up applications alongwith cheque/draft can be submitted at the specified branches of collecting bankers, office of the AMC and specified Investor Service Centres of Karvy Computershare Pvt. Ltd. as per the details given on the last page(s) of this document.
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.
How to Apply	Application form and Key Information Memorandum may be obtained from the offices of AMC or Investor Services Centers of the Registrar or distributors or downloaded from <a href="http://www.taurusmutualfund.com">www.taurusmutualfund.com</a> . Investors are also advised to refer to Statement of Additional Information before submitting the application form.  All cheques and drafts should be crossed "Account Payee Only" and drawn in favour of " <b>Taurus Fixed Maturity Plan</b> "  Please refer to the SAI and Application form for the instructions.
Listing	It is proposed to list the scheme on National Stock Exchange or any other Stock Exchange(s) in India. In-principle approval has been obtained from National Stock Exchange of India Limited.
Special Products/facilities available during the NFO	Systematic Investment Plan, Systematic Transfer Plan, Systematic Withdrawal Plan are not available under the scheme as the scheme is close ended.
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.	No repurchase facility is made available by the Fund as the units will be listed on National Stock Exchange/ or other Stock exchange (s) and are transferable if held in Demat form.
Restrictions, if any, on the right to freely retain or dispose of units being offered.	The Units of the Scheme are available for trading and transfer only in demat mode via the stock exchanges.

## B. ONGOING OFFER DETAILS

<p><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.</p>	Investors can only invest with the Fund during NFO as the scheme is close ended. However, on an ongoing basis units can be purchased on the National Stock Exchange or any other stock exchange(s) where they are listed from the existing investors willing to sell their units. The applicants intending to purchase/sell the units will be required to have a beneficiary account with a Depository Participant of NSDL/CDSL. Applicants should note that the application for purchase of units should be in the same names and order as in the demat account, otherwise applications
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	are liable to be rejected.
<p>Ongoing price for subscription (purchase)/switch-in (from other schemes/plans of the mutual fund) by investors.</p> <p>This is the price you need to pay for purchase/switch-in.</p> <p>Example: If the applicable NAV is Rs. 10, entry load is Nil then sales price will be Rs 10</p>	Not Applicable as the Scheme is Close ended.
<p>Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors.</p> <p>This is the price you will receive for redemptions/switch outs.</p> <p>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</p>	Not Applicable as the units of the Scheme will be listed on National Stock Exchange / any other stock exchange (s).
<p>Cut off timing for subscriptions/ redemptions/switches This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>	<p>Units will be available for subscription only during the New Fund Offer Period.</p> <p>Redemption/Switch facility is not available after the closure of the New Fund Offer Period as the units will be listed on National Stock Exchange /any other Stock Exchange and will be redeemed on maturity.</p>
<p>Where can the applications for purchase/redemption / switches be submitted?</p>	<p>Applications for purchase/switch-in will be accepted at the official points of transactions only during NFO period. No redemption/switch-outs will be allowed by the Fund before maturity of the Scheme. Units will be compulsorily redeemed on maturity.</p>
<p>Minimum amount for purchase/ redemption/ switches</p>	Not Applicable
<p>Minimum balance to be maintained and consequences of non maintenance.</p>	<p>The requirement of minimum balance will not be applicable on listing of units. The trading lot is one unit of the Scheme.</p> <p>It is mandatory for the investors of Mutual Fund schemes to mention their bank account numbers in their applications/request for redemption at the time of maturity of the scheme.</p>
<p>Special Products available</p>	<p>Systematic Investment Plan, Systematic Withdrawal Plan and Systematic Transfer Plan are not available under the Scheme to the investors as the scheme is close-ended.</p>
<p>Accounts Statements</p>	<p><u>NFO Period</u> Account Statements will be issued to investor who opt for A/c statement and not opt for demat. In case any investor has opted to hold the units in demat form, units issued by the Fund under the Scheme shall be credited to the investors' beneficiary account with a Depository Participant (DP) of NSDL/CDSL. The Fund shall issue an Account Statement about the allotment of units to investors whose beneficiary accounts are credited on allotment of units under the Scheme within 30 days of allotment either through</p>

	physical form or through e-mail as may be decided by the Fund from time to time. The Account Statement of the Beneficiary Account with the DP will be sent by the respective DPs periodically.
Dividend	The dividend warrants shall be dispatched to the unitholders within 30 days of the date of declaration of the dividend.  Dividend may also be paid to the Unitholder in any other manner viz., through ECS, Direct Credit or NEFT in to Bank account, RTGS facility offered RBI or through Banker's cheque, etc as the AMC may decide, from time to time for the smooth and efficient functioning of the Scheme.
Redemption	No redemption/repurchase of units shall be allowed prior to the maturity of the scheme. Investors wishing to exit may do so by selling their units through stock exchanges. The scheme shall be fully redeemed on the date of maturity and redemption proceeds shall be paid out within 10 business days, subject to availability of all relevant documents and details.
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). A delay arising on any account other than delay in action by AMC will, however, be considered on case to case basis as delay.
Maturity	The redemption proceeds on maturity, subject to availability of all relevant documents/details, shall be dispatched to the unitholders within 10 working days from the date of maturity of the scheme.
Trading and Demat	The scheme shall be available for subscription in demat mode also. Since the scheme is going to be listed and no direct repurchase facility is available with the Mutual Fund, the investors who intend to trade in units are required to have a Demat Account and hold the units in the dematerialised form only. This being a Closed Ended Scheme, no premature redemption can be made through redemption instruction to the Mutual Fund until Maturity. However, the Scheme provides for liquidity through listing on the NSE (and any other recognized stock exchange where the units are listed). Unitholders who intend to avail of the facility to trade in units are required to have a Demat Account.
Pledge/Lien	In case of pledged units, the parties to the pledge shall report the details to the Registrar after the suspension of trading but prior to maturity.
Shut out Periods for the payment of Dividends	To facilitate payment of dividend to the unitholders entitled for the same, the Trustees may declare shut out periods to facilitate the above payment in terms of SEBI Regulations and listing agreements, if applicable. For this purpose, necessary advertisements will be released in the newspapers.

### C. PERIODIC DISCLOSURES

Net Asset Value	Net Asset Value of the Units of the Plan /Plans and Options therein, calculated on a daily basis in the manner provided in this Scheme information document or as may be prescribed by Regulations from time to time. If such date happens to be a non-business day, it would be computed on the day following the non-business day.
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.	

Half yearly Disclosures: Portfolio/Financial Results  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.	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 i.e. 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)
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 <b>e-mail: <a href="mailto:sasidhar.v@taurusmutualfund.com">sasidhar.v@taurusmutualfund.com</a></b>

### Taxation

The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.

	Resident Investors	Mutual Fund
Tax on Dividend	Nil	Dividend Distribution Tax <b>Individual/HUF</b> @12.50% + 10% surcharge + 3% Education cess = effective rate is 14.1625% <b>Others</b> @ 20% + 10% surcharge + 3% Education cess = effective rate is 22.66%
<b>Capital Gains:</b>  Long Term	10%** without Cost Inflation Index benefit or 20%** with Cost Inflation Index benefit	N.A.

Short Term	Income tax rate Applicable to the Unit holders as per their income slabs**	N.A.
**Plus surcharge (where applicable) + education cess of 3% in all cases.		

The scheme(s) shall bear the dividend distribution tax as per section 115R of Income Tax Act 1961. As per extant Income Tax regulations, dividends distributed by mutual funds are tax free in the hands of the investor. Any additional tax liability due to demand raised on the fund by the IT authorities and deemed payable would be borne by the scheme. Any additional tax liability due to demand raised on the Investor by the IT authorities and deemed payable would be borne by the respective investor.

**For further details on taxation, Investors are requested to refer to the section on Taxation in the Statement of Additional Information (SAI).**

#### D. COMPUTATION OF NAV

The NAV of the Units of the Scheme will be computed by dividing the net assets of the Scheme by the number of Units outstanding on the valuation date.

The Fund shall value its investments according to the valuation norms, as specified in the Eighth Schedule of the Regulations, or such guidelines / recommendations as may be specified by SEBI/AMFI from time to time. The broad valuation norms are detailed in the Statement of Additional Information.

NAV of Units under the Scheme will be calculated as shown below:

$$\text{NAV Rs. Per unit} = \frac{\text{Market or Fair value of Scheme's investments} + \text{Current assets including accrued income} + \text{Current Liabilities and Provisions including accrued income}}{\text{No. of units outstanding under the scheme}}$$

NAV for the Scheme will be calculated and announced at the close of each Business Day.. The NAV shall be computed upto four decimals.

Computation of NAV will be done after taking into account dividends declared, if any, and the distribution tax thereon, if applicable. The income earned and the profits realized in respect of the Units remain invested and are reflected in the NAV of the Units.

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 scheme.

##### A. NEW FUND OFFER (NFO) EXPENSES

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

The NFO expenses 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, listing fees etc.

The AMC has estimated that the following percentage of the weekly average net assets of the Scheme will be charged to the Scheme as expenses.

Description	Estimated Expenses (%) (for both Retail & Institutional Plans)
Investment Management Fees	1.00
Trustee Fee	0.01
Custodian Fee	0.06
Marketing & Selling (incl. Agents Commissions)	0.35
Registrar & Transfer Agent	0.10
Other Fund related expenses	0.40
Investor Services & Misc Expenses	0.25
<b>Total Recurring Expenses</b>	<b>2.25</b>

These estimates are made in good faith by the Investment Manager and are subject to change, both interse and as an increase or decrease in the estimated total annual recurring expenses. Though the Investment Manager will make efforts to keep the recurring expenses to the minimum, actual expenses under any head and / or the total expenses may be more or less than the estimates. The Investment Manager retains the right to charge the actual expenses to the Fund, however the expenses charged will not exceed the statutory limit prescribed by the Regulations.

The recurring expenses of the Scheme (including investment and advisory fees) will be subject to the following maximum limits (as a percentage of Weekly Average Net Assets) as per Regulation 52(6). Expenses over and above the permitted limit under the applicable Regulations will be borne by the AMC.

Weekly Average Net Assets (Rs.)	
First 100 crores	2.25%
Next 300 crores	2.00%
Next 300 crores	1.75%
Balance Assets	1.50%

The AMC may charge the Scheme with following investment and advisory fees subject to the currently applicable maximum limits (as a percentage of Weekly Average Net Assets of the Scheme) as per Regulation 52(2).

Weekly Average Net Assets outstanding in each accounting year (Rs.)	Fees Chargeable
First 100 crores	1.25%
On Balance Assets	1.00%

### 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. The load structure applicable to the FMP Series will be as under:-

Entry Load : Nil

Exit Load : Being a listed scheme No Exit Load will be applicable.

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.

The repurchase price shall not be lower than 95% of the NAV.

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

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

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

(The above provisions regarding imposition or enhancement in the load are, however, not applicable as the units of the Scheme will be listed on National Stock Exchange and no redemption facility is made available by the Fund).

#### **D. WAIVER OF LOAD FOR DIRECT APPLICATIONS**

Not applicable

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

1. 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.
2. Applications through the AMC website without ARN of any distributor (as and when this facility is activated by the AMC)
3. 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.
4. 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.**

**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.**

**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 the Board Meeting held on 31st August 2009. It is ensured that the Scheme/ Plans has received in-principle approval from National Stock Exchange of India Limited for listing on September 29, 2009 and that the appropriate disclosures pertaining to listing of Units is made in this Scheme Information Document.

**Official Points of Transactions**

**OFFICES OF TAURUS ASSET MANAGEMENT CO. LTD.**

**AHMEDABAD:** Broadway Business Center, Cabin no- 1, 1st floor, Sahajanand Complex, Nr 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, Pallepady Junction Cochin-682035 Tel: 0484-3047230/31 **DELHI:** DCM Building, 3rd Floor, 16, Barakhamba Road, New Delhi-110001. 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: 033-65909991/ 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: 0452-6454644 **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

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**INVESTOR SERVICE CENTRES OF**

**Registrar & Transfer Agent – Karvy Computershare Pvt. Ltd.**

**Coimbatore:** Karvy Computershare Private Limited, 29/1, 1<sup>st</sup> Floor, Chinthamani Nagar, Opp To Indian Overseas Bank, Nsr Road, Saibaba Colony, Coimbatore- 641011, **Surat:** Karvy Computershare Private Limited, G-16 Empire State Building, Nr Udhna Darwaja, Ring Road, Surat-395009. **Ludhiana:** Karvy Computershare Private Limited, Sco-3, Bawa Building, Feroze Gandhi Market, Ludhiana - 141001



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