

NOTICE CUM ADDENDUM



Notice-cum-Addendum to the Scheme Information Document, Statement of Additional Information & Key Information Memorandum-cum-Application Form of Schemes of Taurus Mutual Fund.

Introduction of Direct Plan for Investing Directly with the fund (Applications Not Routed Through Distributors).

NOTICE is hereby given that in accordance with Para D titled "**Separate Option for direct investments**" under Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 issued by Securities and Exchange Board of India (SEBI), Taurus Investment Trust Company Limited, Trustee of Taurus Mutual Fund ("**Fund**"), has decided to introduce a separate plan for direct investments (i.e. investments not routed through an AMFI Registration Number (ARN) Holder ("**Distributor**") (hereinafter referred to as "**Direct Plan**") with effect from **January 1, 2013 ("Effective Date")** as under:

- 1. Introduction of Direct Plan:** Direct Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.
- 2. Scheme eligibility:** Direct Plan shall be introduced in the following open-ended schemes of the Fund (except plans discontinued for further subscriptions) :**Equity Schemes:** (1) Taurus Starshare (2) Taurus Bonanza Fund (3) Taurus Discovery Fund (4) Taurus Infrastructure Fund (5) Taurus Tax Shield (6) Taurus Ethical Fund (7) Taurus Banking & Financial Services Fund

Index Scheme: Taurus Nifty Index Fund

Debt Schemes : (1) Taurus MIP Advantage (2) Taurus Short Term Income Fund (3) Taurus Dynamic Income Fund (4) Taurus Ultra Short Term Bond Fund (5) Taurus Gilt Fund (6) Taurus Liquid Fund (hereinafter collectively referred to as "the Schemes").

- 3. Plans / Options / Sub-options:** All Plans / Options / Sub-Options offered under the Schemes ("**Existing Plan**") will also be available for subscription under the Direct Plan. Thus, from the Effective Date, there shall be 2 Plans available for subscription under the Schemes viz., Existing Plan and Direct Plan. Portfolio of the Scheme under the Existing Plan and Direct Plan will be common.

- 4. Scheme characteristics:** Scheme characteristics such as Investment Objective, Asset Allocation Pattern, Investment Strategy, risk factors, facilities offered and terms and conditions including load structure will be the same for the Existing Plan and the Direct Plan except that:

(a) Switch of investments from Existing Plan (whether the investments were made before or after the Effective Date) to Direct Plan shall be subject to applicable exit load, if any. However, no exit load shall be levied in case of switches from Direct Plan to Existing Plan.

(b) Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under Direct Plan.

- 5. Applicable NAV and allotment of units:**

(a) The starting Net Asset Value (NAV) for the Direct Plan will not be at par, but at the same NAV of Existing Plan on the day of first purchase in Direct Plan.

(b) **Liquid Scheme:** Units shall be allotted for valid applications received before cut off time (subject to provisions on realization of funds) on January 01, 2013 under Direct Plan at the NAV of December 31, 2012 of corresponding option under Existing plan, thereafter, separate NAV shall be calculated for Direct Plan.

(c) **Non-Liquid Schemes:** Units shall be allotted for valid applications received before cut off time (subject to provisions on realization of funds, where applicable) on January 01, 2013 under Direct Plan(s) at the NAV of January 01, 2013 of corresponding options under Existing plan(s), thereafter, separate NAV shall be calculated for Direct Plan.

(d) Where application is received without any Distributor Code in the Existing Plan **before cut-off time** on December 31, 2012, but the Applicable NAV based on realization of funds is on or after the Effective Date e.g. January 2, 2013, the Units will be allotted under Existing Plan and not under Direct Plan.

(e) Where application is received without any Distributor Code in the Existing Plan **after cut-off time** on December 31, 2012, the same shall be deemed to have been received on the next Business Day and hence the Units will automatically be allotted under the Direct Plan at Applicable NAV.

- 6. Eligible investors / modes for applying:** All categories of investors (whether existing or new Unitholders) as permitted under the Scheme Information Document of the Schemes are eligible to subscribe under Direct Plan. Investments under Direct Plan can be made through various modes offered by the Fund for investing directly with the Fund (except Stock Exchange Platform(s) and all other Platform(s) where investors' applications for subscription of units are routed through Distributors).

- 7. How to apply:** Investors subscribing under Direct Plan of a Scheme will have to mention "Direct Plan" against the 'Plan' Column in the application form

Example: Investors subscribing under Direct Plan of Taurus Starshare will have to indicate the Scheme / Plan name in the application form as follows:

Name of the Scheme : **Taurus Starshare**

Plan : **Direct Plan**

Option: **Growth or Dividend Payout or Dividend Reinvestment**

Investors should also indicate "Direct" in the ARN column of the application form. However, in case Distributor code is mentioned in the application form, but "Direct Plan" is indicated against the Scheme name, the Distributor code will be ignored and the application will be processed under Direct Plan. Further, where application is received for Existing Plan without Distributor code or "Direct" mentioned in the ARN Column, the application will be processed under Direct Plan.

- 8. Existing Investments:**

(a) Investors wishing to transfer their accumulated unit balance held under Existing Plan (through lumpsum / systematic investments made with or without Distributor code) to Direct Plan will have to switch /redeem their investments (subject to applicable Exit Load, if any) and apply under Direct Plan.

(b) Investors who have invested without Distributor code and have opted for Dividend Reinvestment facility under Existing Plan may note that the dividend will continue to be reinvested in the Existing Plan only.

- 9. Investments through systematic routes:**

(a) In case of Systematic Investment Plan (SIP) / Systematic Transfer Plan (STP)/ Dividend Sweep facility, etc. registered prior to the Effective Date **without any distributor code** under the Existing Plan, installments falling on or after the Effective Date will automatically be processed under the Direct Plan.

(b) Investors who had registered for Systematic Investment Plan facility prior to the Effective Date **with distributor code** and wish to invest their **future installments** into the Direct Plan, shall make a written request to the Fund in this behalf. The Fund will take at least 15 days to process such requests. Intervening installments will continue in the Existing Plan.

The terms and conditions of the existing registered enrolment shall continue to apply.

(c) In case of the following facilities which were registered under the Existing Plan prior to the Effective Date the future installments shall continue under the Existing Plan:

(i) Systematic Transfer Facilities (registered with Distributor Code)

(ii) Dividend Sweep Facilities (registered from a folio where investments were made with Distributor code)

In case such investors wish to invest under the Direct Plan through these facilities, they would have to cancel their existing enrolments and register afresh for such facilities.

- 10. Redemption requests:** Where Units under a Scheme are held under both Existing and Direct Plans and the redemption / Switch request pertains to the Direct Plan, the same must clearly be mentioned on the request (along with the folio number), failing which the request would be processed from the Existing Plan. However, where Units under the requested Option are held only under one Plan, the request would be processed under such Plan.

- 11. Exit Load:** No exit load will be charged for any switch between Existing Plan and Direct Plan where the transaction has been received without broker code in the Existing Plan. In case of transaction that has been received through broker code in the Existing Plan, the AMC will charge the applicable load structure, if any.

- 12. Tax consequences:** Switch / redemption may entail tax consequences. Investors should consult their professional tax advisor before initiating such requests.

All other terms & conditions of the Schemes will remain unchanged.

Changes to the list of Official Points of Transactions of Karvy Computershare Private Limited, Registrar & Transfer Agent of the Fund.

| Old Address | New Address | w.e.f. |
|---|--|---------------------|
| Karvy Computershare Private Limited Plot No. 104/105(P), Jaydev Vihar, Besides Hotel Pal Heights, Bhubaneswar-751013, Odisha. Tel: +91 674-6534585 | Karvy Computershare Private Limited 2nd & 3rd Floor, Janardan House, A 181, Saheed Nagar, Bhubaneswar - 751 007, Odisha. Tel: +91 674-6534585 | Dec 31, 2012 |

This addendum forms an integral part of the Scheme Information Document, Statement of Additional Information & Key Information Memorandum-cum-Application Form of the schemes of Taurus Mutual Fund.

Place: **Mumbai**

Date: **December 31, 2012.**

For **Taurus Asset Management Company Ltd.**

Authorised Signatory

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

TAURUS ASSET MANAGEMENT COMPANY LIMITED

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