



<b>Name of Mutual Fund</b>	<b>Taurus Mutual Fund</b>
<b>Name of Asset Management Company</b>	<b>Taurus Asset Management Company Limited</b> CIN: U67190MH1993PLC073154
<b>Name of Trustee Company</b>	<b>Taurus Investment Trust Company Limited</b> CIN: U65990MH1993PLC072984
<b>Name of Sponsor</b>	<b>HB Portfolio Limited</b>
<b>Head Office/ Registered Office</b>	Taurus Asset Management Company Limited 3rd Floor, 301-304, Chandravillas Co-op Premises Society Ltd., AML Centre 2, 8 Mahal Industrial Estate, Off. Mahakali Caves Road, Andheri-East, Mumbai - 400 093 Ph: (022) 66242700 <b>Website:</b> <a href="http://www.taurusmutualfund.com">www.taurusmutualfund.com</a> Toll Free No. <b>1800 108 1111</b>

This Statement of Additional Information (SAI) 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)

This SAI is dated June 30, 2025.

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**I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANIES****A. Constitution of the Mutual Fund**

Taurus Mutual Fund (the "Mutual Fund") has been constituted as a Trust on August 20, 1993 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882). HB Portfolio Limited is the present Sponsor of the Fund with Taurus Investment Trust Company Limited as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI on September 21, 1993 under Registration Code No. MF/002/93

**B. Sponsor**

HB Portfolio Limited ('HBPL') is the present Sponsor of the Fund. The Sponsor is the Settler of the Mutual Fund Trust. The Sponsor has entrusted a sum of Rs.2 Lacs to the Trustee as the initial contribution towards the corpus of the Mutual Fund.

**Activities of the Sponsor:**

HB Portfolio Limited carries on the activity of Financial Services, Investments & Commodities trading.

**Financial Performance of the Sponsor (past three years):**

Particulars	(Rs. In Lacs)		
	2024-25 (Ind-AS)	2023-24 (Ind-AS)	2022-23 (Ind-AS)
Net Worth (Equity + Other Equity)	21925.72	24212.19	16113.26
Total Income	1495.93	3774.45	1193.18
Profit after tax	(76.98)	138.57	223.04
Assets Under Management (if applicable)	1495.93	3774.45	1193.18

**C. The Trustee**

Taurus Investment Trust Company Limited (the "Trustee") through its Board of Directors shall discharge its obligations as trustee of the Taurus Mutual Fund. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI Regulations and will also review the activities carried on by the AMC.

**Details of Trustees Directors:-**

Sr. No.	Name of Director	Age	Qualification	Brief Experience
1.	Mr. Vijay Ranjan	77 years	Master's degree in English literature, Bachelor's Degree in Law and Diploma in Fiscal studies, University of Bath (UK)	Mr. Ranjan has a vast experience of 36 Years, with Indian Revenue Service and retired as Chief Commissioner of Income Tax, Udaipur, Rajasthan in August 2017. During his tenure he was in deputation with SEBI between 1992-1999 and worked as Executive Director on various positions. He was also on the Board of National Multi Commodity Exchange of India Limited between 2014 to 2017.
2	Mr. Jayant Kumar Dang	75 years	B. Tech (IIT- Kanpur), MBA	Mr. Dang has over 48 years of experience with various corporates such as Taj Group of Hotels, Citibank, Escorts Finance Limited etc. He retired as independent director and Member of sub Committee, credit & risk management from PNB Housing Finance in 2018. He is also on the Board of Bracknell Investments Private Limited as Promoter Director.

3.	Mr. Alok Kumar Mittal	66 years	M.com, ACA	Mr. Mittal is senior level professional Chartered Accountant with more than 30 years of experience of running his CA practice in fields of Audit, Taxation, Litigation and Business Advisory. He is Director on the Boards of Norisys Technology Private Limited and Vingro Developers Private Limited
4.	Mr. Lalit Bhasin	56 Years	B.Com.	Mr. Lalit Bhasin is a first-class commerce graduate from Shri Ram College, Delhi University. He is an expert in investments and capital market by virtue of more than 2 and half decades of association with the Securities Market presently he is on the board of various companies.

**RIGHTS AND OBLIGATIONS OF THE TRUSTEES:**

1. The trustees and the asset management company shall with the prior approval of the Board enter into an investment management agreement.
2. The investment management agreement shall contain such clauses as are mentioned in the Fourth Schedule and such other clauses as are necessary for the purpose of making investments.
3. The trustees shall have a right to obtain from the asset management company such information as is considered necessary by the trustees
4. The Trustee shall approve the policy for empanelment of brokers by the AMC and shall ensure that the AMC has been diligent in empaneling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
5. The Trustee shall ensure that –
  - a. the Asset Management Company has not given any undue or unfair advantage to any associates or dealt with any of the associates of the Asset Management Company in any manner detrimental to interest of the Unit holders.
  - b. the transactions entered into by the Asset Management Company are in accordance with the SEBI Regulations and the scheme.
  - c. the Asset Management Company has been managing the Mutual Fund schemes independently of other activities and have taken adequate steps to ensure that the interest of investors of one scheme are not being compromised with those of any other scheme or of other activities of the Asset Management Company; and
  - d. All the activities of the Asset Management Company are in accordance with the provisions of the SEBI Regulations.
6. Where the Trustee have reason to believe that the conduct of business of the Mutual Fund is not in accordance with the SEBI Regulations, it shall forthwith take such remedial steps as are necessary by them and shall immediately inform SEBI of the violation and the action taken by them.
7. The Trustee shall take steps to ensure that the transactions of the Mutual Fund are in accordance with the provisions of the Trust Deed and SEBI Regulations.
8. The Trustee shall ensure that the income calculated by the AMC under sub-regulation (25) of regulation 25 of these regulations is in accordance with the SEBI Regulations and the Trust Deed.
9. The Trustee shall obtain the consent of the Unit holders.
  - a. whenever required to do so by SEBI in the interest of the Unit holders; or
  - b. whenever required to do so on the requisition made by three fourths of the Unit holders of any scheme: or
  - c. when the majority of the trustees decide to wind up a scheme in terms of clause (a) of sub regulation (2) of regulation 39 or prematurely redeem the units of a close ended scheme.
10. The trustees shall ensure that no change in the fundamental attributes of any scheme, the fees and expenses payable or any other change which would modify the scheme and affect the interest of the unit holders is carried out by the asset management company, unless it complies with sub-regulation (26) of regulation 25 of these regulations.
11. The Trustee shall quarterly review all transactions carried out between the Mutual Fund, Asset Management

Company and its associates.

12. Each Trustee shall file the details of his transactions of dealing in securities with the Mutual Fund within the time and manner as may be specified by the Board from time to time.
13. The Trustee shall call for the details of transactions in securities by the key personnel of the asset management company in his own name or on behalf of the asset management company and shall report to the SEBI, as and when required.
14. The Trustee shall quarterly review the net worth of the Asset Management Company and in case of any shortfall, ensure that the Asset Management Company make up for the shortfall as per clause (f) of sub-regulation (1) Regulation 21 of SEBI Regulations on a continuous basis.
15. The Trustee shall periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy itself that such contracts are executed in the interest of the Unit holders.
16. The Trustee shall ensure that there is no conflict of interest between the manner of deployment of its net worth by the Asset Management Company and the interest of the Unit holders.
17. The Trustee shall be accountable for, and be the custodian of, the funds and property of the respective schemes and shall hold the same in trust for the benefit of the unit holders in accordance with SEBI Regulations and the provisions of Trust Deed.
18. The Trustee shall periodically review the investor complaints received and the redressal of the same by the Asset Management Company.
19. The Trustee shall furnish to the SEBI on a half yearly basis, -
  - a. report on the activities of the mutual fund.
  - b. a certificate stating that the trustees have satisfied themselves that there have been no instances of self-dealing or front running by any of the trustees, directors and key personnel of the asset management company;
  - c. a certificate to the effect that the asset management company has been managing the schemes independently of any other activities and in case any activities of the nature referred to in [clause (b)] of regulation 24 have been undertaken by the asset management company and has taken adequate steps to ensure that the interest of the unitholders is protected.
20. The independent trustees referred to in sub-regulation (5) of Regulation 16 shall give their comments on the report received from the asset management company regarding the investments by the mutual fund in the securities of group companies of the Sponsor.
21. The Sponsor or the Trustee shall be entitled by one or more Deed/s supplemental to the Trust Deed to amend, modify, alter or add to the provisions of the Trust Deed in such manner and to such extent as they may consider expedient for any purpose, provided that:
  - a. no such amendment, modification, alteration or addition shall be made without the approval of the Unitholders and SEBI.
  - b. no such modification, alteration or addition shall impose upon any Unitholder any obligation to make any further payment in respect of his Units or to accept any liability in respect thereof.
22. Where the SEBI Regulations provide for seeking the approval of the Unitholders for any purpose, the Trustee may adopt any of the following procedures:
  - a. Seeking approval by Postal Ballot or
  - b. Approval of the Unitholders present and voting at a meeting to be specifically convened by the Trustee for the purpose. For this purpose, the Trustees shall give 21 day's notice to the Unitholders and the Trustees may lay down guidelines for the actual conduct and accomplishment of the voting at the meeting and announcement of the results or  
Such other means as may be approved by SEBI.
23. To ensure that no director of the Trustee participates in meetings of the Board of Directors of the Trustee or in any decision-making process for any investments in which he/she may be deemed to be interested.
24. To furnish to the Trustee, particulars of interest that each of the directors of the Trustee may have in any other company or institution or financial intermediary or any corporate by virtue of his/her position as director, partner or with which he/she may be associated in any other capacity.

25. The Trustee shall abide by the Code of Conduct as specified in PART-A of the Fifth Schedule to the SEBI Regulations.
26. The Trustee shall exercise due diligence as under.
- a. General Due Diligence:**
- i. The Trustee shall be discerning in the appointment of the Directors on the Board of the Asset Management Company.
  - ii. Trustee shall review the desirability of continuance of the Asset Management Company if substantial irregularities are observed in any of the schemes and shall not allow the Asset Management Company to float new schemes.
  - iii. The Trustee shall ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons.
  - iv. The Trustee shall ensure that all service providers are holding appropriate registrations from SEBI or concerned regulatory authority.
  - v. The Trustees shall arrange for test checks of service contracts.
  - vi. Trustees shall immediately report to SEBI of any special developments in the Mutual Fund.
- b. Specific Due Diligence:**
- The Trustee shall:
- i. Obtain internal audit reports at regular intervals from independent auditors appointed by the Trustee.
  - ii. Obtain compliance certificates at regular intervals from the Asset Management Company.
  - iii. Hold meeting of Trustee more frequently.
  - iv. Consider the reports of the independent auditor and compliance reports of Asset Management Company at the meetings of Trustee for appropriate action.
  - v. Maintain records of the decisions of the Trustee at their meetings and of the minutes of the meetings.
  - vi. Prescribe and adhere to a code of ethics by the Trustee, Asset Management Company and its personnel.
  - vii. Communicate in writing to the Asset Management Company of the deficiencies and checking on the rectification of deficiencies.
  - viii. The trustees shall also exercise due diligence on such matters as may be specified by the Board from time to time.
27. The Independent Directors of the Trustee or Asset Management Company shall pay specific attention to the following, as may be applicable, namely:
- a. The Investment Management Agreement and the compensation paid under the agreement.
  - b. Service contracts with associates – whether the Asset Management Company has charged higher fees than outside contractors for the same services.
  - c. Selection of the Asset Management Company's independent Directors
  - d. Securities transactions involving associates to the extent such transactions are permitted.
  - e. Selecting and nominating individuals to fill independent Director's vacancies.
  - f. Code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.
  - g. The reasonableness of fees paid to Sponsor, Asset Management Company and any others for services provided.
  - h. Principal underwriting contracts and their renewals.
  - i. Any service contract with the associates of the Asset Management Company.
28. Notwithstanding anything contained in the SEBI Regulations 18 (1) to 18 (25), the Trustee shall not be held liable for acts done in good faith if they have exercised adequate due diligence honestly

**Amendments to the Trust Deed**

No amendments to the Trust Deed shall be carried out without the prior approval of SEBI and Unitholders approvals would be obtained where it affects the interest of unit holder.

**Supervisory Role**

Board of Trustees monitors the activities of TAMCO, the Asset Management Company on an on-going basis for which number of checks and balances have been introduced. Accordingly, TAMCO submits periodic MIS information to the Board of Trustees, which interalia includes.

- Movement in net assets and calculation of NAV.
- Balance sheet and Revenue & Expenditure account.
- Industry wise exposure in each scheme.
- Details of investment in Associate/Group companies.
- Investment in shares of those corporates, who have invested more than 5% of the Net Asset Value of a scheme.
- Detailed portfolio of each scheme.
- Broker-wise transaction.

Besides the above, quarterly compliance reports, which are submitted to SEBI by TAMCO are also placed before the Board of Trustees. Trustees have appointed separate Audit Firm to undertake internal audit of all the schemes of the Fund and submit their quarterly report to them. Trustees have also appointed another Audit Firm to check and audit the operation of R&T Agents and submit their report on half-yearly basis. Therefore, Internal Audit Reports are placed before the Audit Committee of Board of Trustees, which submit their views / opinion to the Board of Trustees. Similarly, periodic declaration by staff and Directors of TAMCO are also placed before the Board of Trustees to ascertain that there have been no instances of self-dealing or front running.

In terms of the Third Schedule to the Regulations, a meeting of the Trustee shall be held at least once in every two calendar months and at least six such meetings shall be held in every year.

Board of Trustees meeting is also held every two months and during the period from 01/04/2024 to 31/03/2025. 7 (seven) meetings of Board of TITCO held on the following dates: 29<sup>th</sup> April 2024, 09<sup>th</sup> May 2024, 28<sup>th</sup> June 2024, 30<sup>th</sup> August 2024, 25<sup>th</sup> October 2024, 28<sup>th</sup> December 2024 and 27<sup>th</sup> February 2025.

**II. Asset Management Company**

Taurus Asset Management Company Limited (TAMCO) is a public limited company incorporated under the Companies Act, 1956 on July 27, 1993, having its Registered Office at Ground Floor, AML Centre-1, 8 Mahal Industrial Estate, Mahakali Caves Road, Andheri (E), Mumbai 400093. TAMCO has been appointed as the Asset Management Company of the Taurus Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated August 20, 1993, executed between Taurus Investment Trust Company Limited and Taurus Asset Management Company Limited

**Shareholding pattern of Asset Management Company**

(A) Authorized Share Capital: 1.7 crores equity shares of Rs 10/- each and 30 lacs preference share @ Rs 10/- each.

(B) (i) Equity Shareholding Pattern as on 31.03.2025 (Face Value @ Rs 10/- each)

S. No.	Shareholders Name	No. of Shares	% of Shareholding*
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1.	HB Portfolio Ltd.	1,69,31,176	99.99
2.	Others	60	Insignificant
	<b>TOTAL</b>	<b>1,69,31,236</b>	<b>100</b>

(ii) Preference Shareholding Pattern as on 31.03.2025: Nil

**Details of AMC Directors:**

Sr. No.	Name of Director	Age	Educational Qualification	Brief Experience
1.	Mr. Harbans Lal	83 years	M.A (Public Administration)	Mr. Harbans Lal is a seasoned banking professional with extensive experience in Corporate Lending and Industrial Rehabilitation. He has over 40 years of experience working with State Bank of India and retired as Chief General Manager (Delhi Circle), Delhi. He was also on the Arbitration panel of Multi Commodity Exchange of India (MCX) and NCDEX. He was also on the panel of Indian Counsel Arbitration.
2.	Mr. R K Gupta Managing Director	77 years	Post Graduate Diploma in Sugar Technology	Mr. R K Gupta, Managing Director of the Company is having very rich experience in the field of banking and finance and the Mutual Fund industry in particular. He had served in the premier bank of the Country as a Senior Level from February 1979 to December 1991. In the same bank, he was posted in its Asset Management Company as Executive Vice President in January 1992 and later on promoted as Managing Director of the same Asset Management Company in June 1994, to which position he continued till March 1996. Later, he joined HB Asset Management Company Limited as its Chief Executive Officer in March 1996 and continued to work in this capacity till August 21, 2003
3.	Mr. Rajendra Prasad Tulsian	70 years	B.Com. (H), M.Com, LLB, FCS (Institute of Company Secretaries of India)	Mr. Tulsian is Head of Department of Commerce, Shahid Bhagat Singh College, Delhi University. He has an experience of over 40 years. He is a law graduate, FCS and is also associated with a number of organizations.
4.	Mr. Krishan Kumar Narula	86 years	M.Com, CAIIB (Certified Associate of Indian Institute of Bankers)	Mr. Krishan Kumar Narula is a postgraduate in Commerce from Shri Ram College of Commerce (SRCC), University of Delhi. He has a rich experience of 36 years in the banking sector. He retired as Chief General Manager from State Bank of India in 1999. At present, he is on the Board of Surya Roshni Ltd. Besides, he had also worked with Trident Ltd. as a Member of Management Advisory Group and Federation of Indian Export Organisation (FIEO) as an Advisor.

5.	Dr. Ashok Aggarwal	61 years	Fellow of Indian Institute of Management, Ahmedabad (IIMA) MBA from HP University, Shimla	Dr. Ashok Aggarwal is a financial professional with more than 28 years of industry experience. He was MD and CEO of Escorts Asset Management Co. Ltd. and Escorts Securities Ltd.
6.	Mr. Kanishk Kapur	29 years	Bachelor of Arts in Econometrics, minor in Financial Economics from Claremont McKenna College, Claremont, California, USA.	Mr. Kapur has the expertise in Product and Business Operations in Overseas market with Scratch San Francisco, USA, Treasury Management, Research Analyst with ISME ACE San Francisco, USA & Mumbai, CLSA Hong Kong, Hong Kong etc
7.	Mr. Anil Goyal	66 years	Chartered Accountant	Mr. Goyal is a Managing Director of M/s. HB Portfolio Ltd., Sponsor of Taurus Mutual Fund. He brings with him more than 4 decades of expertise in the field of Finance, Taxation, Investment Banking, Corporate Restructuring and Strategic Planning.
8.	Mr. Luv Malhotra	52 Years	M.Sc. (Economics), University of Buckingham, (UK) B.Sc. (Economics), University of Buckingham, (UK)	Mr. Malhotra has more than twenty-five years of experience as a Strategic Policy Maker, Thinker & Planner with Proven Leadership skills in Board Governance. His key areas of expertise are Project Financing & Corporate Financial, Planning and Policy maker for Cost & Budgetary Control

### The duties and obligations of Taurus Asset Management Company Limited

1. Be responsible for formulating and floating one or more Schemes for the Mutual Fund after approval of the same by the Trustee and SEBI, and managing the funds mobilised under various Schemes, in accordance with the provisions of the Trust Deed, investment guidelines, if any, laid down by the Trustee from time to time, the SEBI Regulations, the Scheme Information Document, the investment objectives of each Scheme and the IMA. Further the AMC shall exercise due diligence and care in managing and/ or taking all its investment decisions with respect to the funds mobilised under various Schemes as would be exercised by other persons engaged in the same business.  
The Asset Management Company shall obtain prior in-principal approval from the recognized stock exchange(s) where units are proposed to be listed in case of Close ended / interval income schemes (other than an equity linked savings scheme).
2. Provide or cause to be provided to the Trustee, reports on its performance of duties, as the Trustee may reasonably require, from time to time.
3. Ensure that adequate instructions are issued to and duly complied with by the custodian, stockbrokers, agents (including registrars and share transfer agents) for discharging its duties under the SEBI Regulations and / or the IMA.
4. The Asset Management Company shall take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any scheme is not contrary to the provisions of the SEBI Regulations and the Trust Deed.
5. Provide information to SEBI and the Unitholders as required under the SEBI Regulations or as otherwise required by SEBI.
6. The Asset Management Company shall exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
7. Maintain arm's length relationship with other companies, or institutions or financial intermediaries or anybody

corporate with which it may be associated.

8. The Asset Management Company shall be responsible for the acts of commission or omission by its employees or the persons whose services have been procured by the Asset Management Company.
9. The Asset Management Company shall submit to the Trustees quarterly reports of each year on its activities and the compliance with the SEBI Regulations.
10. Ensure that it does not give any undue or unfair advantage to any associates or deals with any of the associates of the AMC in any manner detrimental to the interest of the Unitholders.
11. Keep or cause to be kept on behalf of the Mutual Fund at the AMC's head office, and at such other places as may be required under any law or by the Trustee, such books, records and statements expressed in such currencies as may be necessary to give a proper and complete record of all transactions carried out by the AMC for or on behalf of the Mutual Fund and such other books, records and statements as may be required by any law or the Trustee and shall permit the employees, authorised agents and auditors of the Trustee, to inspect such books, records, and statements at all reasonable times and on request of the Trustee, furnish true copies thereof.
12. The Asset Management Company shall not take up any activity that is in contravention of the SEBI Regulations.
13. The Asset Management Company shall not acquire any of the assets out of the scheme property which involves the assumption of any liability which is unlimited, or which may result in encumbrance of the scheme property in any way.
14. The Trustees at the request of the Asset Management Company may terminate the assignment of the Asset Management Company at any time:  
Provided that such termination shall become effective only after the Trustees have accepted the termination of assignment and communicated their decision in writing to Asset Management Company.
15. Notwithstanding anything contained in any contract or agreement or termination, the Asset Management Company or its directors or other officers shall not be absolved of liability to the mutual fund for their acts of commission or omission, while holding such position or office.
16. The Chief Executive Officer (whatever his designation may be) of the Asset Management Company shall ensure that the mutual fund complies with all the provisions of SEBI Regulations and the guidelines or circulars issued in relation thereto from time to time and that the investments made by the fund managers are in the interest of the unit holders and shall also be responsible for the overall risk management function of the mutual fund.
17. The Asset Management shall not through any broker associated with the Sponsor, purchase or sell securities, which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes:  
Provided that for the purpose of the above, the aggregate purchase and sale of securities shall exclude sale and distribution of units issued by the mutual fund:  
Provided further that the aforesaid limit of 5% shall apply for a block of any 3 months.  
The Asset Management Company shall not purchase or sell securities through any broker [other than a broker referred to in clause (a) of sub-regulation 7 of Regulation 25 of SEBI Regulations] which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes, unless the Asset Management Company has recorded in writing the justification for exceeding the limit of 5% and reports of all such investments are sent to the Trustees on a quarterly basis:  
Provided further that the aforesaid limit shall apply for a block of 3 months.
18. The Asset Management Company shall not utilize the services of the Sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities:  
Provided that the Asset Management Company may utilize such services if disclosure to the effect is made to the unit holders and the brokerage or commission paid is also disclosed in the half-yearly accounts of the mutual fund:  
Provided further that the mutual funds shall disclose at the time of declaring half-yearly and yearly results:
  - a. any underwriting obligations undertaken by the schemes of the mutual fund with respect to issue of securities associate companies,
  - b. devolvement, if any,
  - c. subscription by the schemes in the issues lead managed by associate companies,
  - d. subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies

have acted as arranger or manager.

19. The Asset Management Company shall file with the Trustees the details of transactions in securities by the key personnel of the Asset Management Company in their own name or on behalf of the Asset Management Company and shall report to the SEBI, as when required by SEBI.
20. In case the Asset Management Company enters into any securities transactions with any of its associates a report to that effect shall be sent to the Trustee at its next meeting.
21. In case any company has invested more than 5% of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the same mutual fund in that company or its subsidiaries shall be brought to the notice of the trustees by the Asset Management Company and be disclosed in the half-yearly & annual accounts of the respective schemes with justification for such investment provided the latter investment has been made within 1 year of the date of the former investment calculated on either side.
22. The Asset Management Company shall file with the Trustees and the SEBI –
  - a. detailed biodata of all its directors along with their interest in other companies within 15 days of their appointment.
  - b. any change in the interests of directors every 6 months.
  - c. a quarterly report to the Trustees giving details and adequate justification about the purchase and sale of the securities of the group companies of the sponsor or the Asset Management Company, as the case may be, by the mutual fund during the said quarter.
23. Each director of the Asset Management Company shall file the details of his transactions of dealing in securities with the Trustees in a quarterly basis in accordance with guidelines issued by the SEBI.
24. The Asset Management Company shall not appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.
25. The Asset Management Company shall appoint registrars and share transfer agents who are registered with the SEBI:

Provided if the work relating to the transfer of units are processed in-house, the charges at competitive market rates may be debited to the scheme and for rates higher than the competitive market rates, prior approval of the Trustees shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.
26. Suspension or restriction of repurchase / redemption facility under any scheme of the Mutual Fund shall be made applicable only after the approval from the Board of Directors of the Asset Management Company and the Trustees. The approval from the AMC Board and the Trustees giving details of circumstances and justification for the proposed action shall also be informed to SEBI in advance.
27. Chief Executive Officer (whatever be the designation) shall also ensure that the Asset Management Company has adequate systems in place to ensure that the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of these regulations are adhered to in letter and spirit. Any breach of the said Code of Conduct shall be brought to the attention of the Board of Directors of the Asset Management Company and Trustees. The Dealers (whatever be the designation) shall ensure that orders are executed on the best available terms, taking into account the relevant market at the time for transactions of the kind and size concerned to achieve the objectives of the scheme and in the best interest of all the unit holders.
28. The Fund Managers (whatever the designation may be) shall ensure that the funds of the Scheme(s) are invested to achieve the objectives of the scheme and in the interest of the unit holders.
29. The Fund Managers (whatever be the designation) shall abide by the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and submit a quarterly self-certification to the Trustees that they have complied with the said code of conduct or list exceptions, if any
30. The Dealers (whatever be the designation) shall abide by the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and submit a quarterly self-certification to the Trustees that they have complied with the said code of conduct or list exceptions, if any.
31. The asset management company shall abide by the Code of Conduct as specified in [PART-A of] the Fifth Schedule.
32. The Asset Management Company shall not invest in any of its scheme, unless full disclosure of its intention to invest has been made in the offer documents.

Provided that an asset management company shall not be entitled to charge any fee on its investment in that scheme.
33. The Asset Management Company shall not carry out its operations including trading desk, unit holder servicing and

investment operations outside the territory of India.

34. The Asset Management Company shall compute and carry out valuation of investments made by its scheme(s) in accordance with the investment valuation norms specified in Eighth Schedule of SEBI Regulations and shall publish the same.
35. The Asset Management Company and the sponsor of the mutual fund shall be liable to compensate the affected investors and/or the scheme for any unfair treatment to any investor as a result of inappropriate valuation.
36. The Asset Management Company shall report and disclose all the transactions in debt and money market securities, including inter scheme transfers, as may be specified by SEBI from time to time.
37. The board of directors of the asset management company shall exercise due diligence as follows:

a. The board of directors of the asset management company shall ensure before the launch of any scheme that the asset management company has-

- (i) systems in place for its back office, dealing room and accounting.
- (ii) appointed all key personnel including fund manager(s) for the scheme(s) and submitted their biodata which shall contain the educational qualifications and past experience in the securities market with the Trustees, within fifteen days of their appointment.
- (iii) appointed auditors to audit its accounts.
- (iv) appointed a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines, instructions, etc., issued by the Board or the Central Government and for redressal of investors grievances.
- (v) appointed a registrar to an issue and share transfer agent registered under the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and laid down parameters for their supervision.
- (vi) prepared a compliance manual and designed internal control mechanisms including internal audit systems.
- (vii) specified norms for empanelment of brokers and marketing agents.
- (viii) obtained, wherever required under these regulations, prior in principle approval from the recognized stock exchange(s) where units are proposed to be listed.

b. The board of directors of the asset management company shall ensure that –

- (i) the asset management company has been diligent in empaneling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with specific brokers.
- (ii) the AMC has not given any undue or unfair advantage to any associate or dealt with any of the associate of the asset management company in any manner detrimental to interest of the unit holders.
- (iii) the transactions entered into by the asset management company are in accordance with these regulations and the respective schemes.
- (iv) the transactions of the mutual fund are in accordance with the provisions of the trust deed.
- (v) the net worth of the asset management company is reviewed on a quarterly basis to ensure compliance with the threshold provided in clause (f) of sub-regulation (1) of regulation 21 on a continuous basis;
- (vi) all service contracts including custody arrangements of the assets and transfer agency of the securities are executed in the interest of the unit holders.
- (vii) there is no conflict of interest between the manner of deployment of the net worth of the asset management company and the interest of the unit holders.
- (viii) the investor complaints received are periodically reviewed and redressed.
- (ix) all service providers are holding appropriate registrations with the Board or with the concerned regulatory authority.
- (x) any special developments in the mutual fund are immediately reported to the trustees.
- (xi) there has been exercise of due diligence on the reports submitted by the asset management company to the trustees.
- (xii) there has been exercise of due diligence on such matters as may be specified by the Board from time to time.

38. The compliance officer appointed under sub-clause (iv) of clause (a) of sub-regulation (22) shall independently and

immediately report to the Board any non-compliance observed by him.

39. The AMC shall constitute a Unit Holder Protection Committee in the form and manner and with a mandate as may be specified by SEBI.
40. The AMC shall be responsible for calculation of any income due to be paid to Mutual Fund and also any income received in the mutual fund, for the unit holders of any scheme of the mutual fund, in accordance with these regulations and the trust deed.
41. The AMC shall ensure that no change in the fundamental attributes of any scheme or the trust, fees and expenses payable or any other change which would modify the scheme and affect the interest of unit holders, shall be carried out unless,
  - (i) a written communication about the proposed change is sent to each unit holder and an advertisement is issued 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; and
  - (ii) the unit holders are given an option to exit at the prevailing Net Asset Value without any exit load

#### **Restrictions on business activities of the asset management company**

The asset management company shall, -

- (a) not act as a trustee of any mutual fund.
- (b) not undertake any business activities other than in the nature of management and advisory services provided to pooled assets including offshore funds, insurance funds, pension funds, provident funds, if any of such activities are not in conflict with the activities of the mutual fund:  
Provided that the asset management company may itself or through its subsidiaries undertake such activities, as permitted under clause (b) if, -
  - (i) it satisfies SEBI that bank and securities accounts are segregated activity wise.
  - (ii) it meets with capital adequacy requirements, if any, separately for each such activity and obtain separate approval, if necessary, under the relevant regulations.
  - (iii) it ensures that there is no material conflict of interest across different activities.
  - (iv) the absence of conflict of interest shall be disclosed to the trustees and Unitholders in scheme information document and statement of additional information.
- (v) there are unavoidable conflict of interest situations, it shall satisfy itself that disclosures are made of source of conflict, potential 'material risk or damage' to investor interests and detailed parameters for the same;
- (vi) it appoints separate fund manager for each separate fund managed by it unless the investment objectives and asset allocation are same and the portfolio is replicated across all funds managed by the fund manager, within a period of six months from the date of notification of Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2011.
- (vii) it ensures fair treatment of investors across different products that shall include, but not limited to, simultaneous buy and sell in the same equity security only through market mechanism and a written trade order management system; and
- (viii) it ensures independence to key personnel handling the relevant conflict of interest is provided through removal of direct link between remuneration to relevant asset management company personnel and revenues generated by that activity.

Provided further that the asset management company may, itself or through its subsidiaries, undertake portfolio management services and advisory services for other than broad based fund till further directions, as may be specified by SEBI, subject to compliance with the following additional conditions: -

- (i) it satisfies SEBI that key personnel of the asset management company, the system, back office, bank and securities accounts are segregated activity wise and there exist system to prohibit access to inside information of various activities.
- (ii) it meets with the capital adequacy requirements, if any, separately for each of such activities and obtain separate approval, if necessary, under the relevant regulations.

Provided further that the asset management company may become a proprietary trading member for carrying out trades in the debt segment of a recognized stock exchange, on behalf of a mutual fund.

*Explanation:* -For the purpose of this regulation, the term 'broad based fund' shall mean the fund which has at least twenty investors and no single investor account for more than twenty five percent corpus of the fund.

**“Taurus Asset Management Company Limited is not undertaking any other business activity as provided under Regulation 24(2) of the SEBI (Mutual Funds) Regulations, 1996”**

#### Information on Key Personnel

Name	AGE	Designation	Education Qualification	Brief Experience
<b>Mr. Prashant Soni</b>	54 Years	Chief Executive Officer	MBA from IIM Calcutta, B.E. from SCRA, Jamalpur and B.Tech (1 <sup>st</sup> Year) from IIT Bombay	Mr. Soni brings with him 29 years of experience and has worked across industries and diverse roles and organizations His experience includes over 15 Years in leadership roles including as CEO of Sundaram BNP Paribas Fund Services, Chief Process Officer of CAMS, and as Head RTA Operations at UTI Mutual Fund. Prior to that, he has worked as an IRSME officer with the Indian Railways and with the Murugappa group and Reliance Industries.
<b>Mr. Kanishk Kapur</b>	29 years	Whole-Time Director & Chief Investment Officer	Bachelor of Arts in Econometrics, minor in Financial Economics from Claremont McKenna College, Claremont, California, USA.	He has overall experience of 6 years. He expertise in Product and Business Operations in Overseas market with Scratch San Francisco, USA. Investing in listed and unlisted equities in domestic and international markets and equity research analysis with ISME ACE San Francisco, USA & Mumbai, CLSA Hong Kong, etc.
<b>Mr. Chandrakant Gajane</b>	54 Years	Vice President – Operations & Customer Service	BA & Customer Service	Mr. Chandrakant Gajane has over 22 years of experience in the financial world out of which more than 13 years with Taurus Mutual Fund. He has also worked with Chola Mutual Fund.

<b>Mr. Manoj Kumar Bajoria</b>	42 Years	Executive Vice President	Company Secretary, ICSI Master in Business Law School of India University, Bangalore	Mr. Bajoria has over 17 years of experience in Heading the Compliances and Secretarial Function, ensuring compliances under Companies Act, and other Corporate Laws. His last association was with Navi AMC Limited as Chief Compliance Officer & Company Secretary. He has earlier worked with Bichitra Holding Private Limited as Compliance Officer & Company Secretary for 3 years, as Head-Compliance & Company Secretary of Peerless Funds Management Co. Limited for 4 years and as Principal Officer & Company Secretary of Peerless Trust Management Co. Limited for 2 years.
<b>Ms.Parul Gupta</b>	42 years	Chief Financial Officer	CA, MBA(Finance)	She has overall 19 years of rich experience in Finance and Accounts relating to Internal, External, Statutory Audits, Direct and Indirect Taxation, MIS reporting, Finalization of Books and Accounts, Handling of Income tax, GST related cases. Earlier she was working as AGM Finance in M/S Al stone International.
<b>Ms. Geetika Mehta</b>	37 years	Chief Risk Officer	CS and MBA Finance & International Business	She has 7 years of experience across various domains, including Accounts, Internal Audit, Compliance and Risk Management. She has held several key roles throughout her career. Earlier she was associated with Poddar Global Limited and Ashiana Homes
<b>Mr. Anuj Kapil</b>	44 years	Fund Manager – Equity	MBA/ PGDM	He has overall experience of 19 years in Managing wealth management and handling Risk Management Process for various Corporates. He worked with Religare Securities Ltd as AVP – Risk & Operations, FCH Centrum Wealth Managers Ltd. as Manager Risk and in Priviwealth Pvt Ltd. as Head of Research.
<b>Mr. Hemanshu Srivastava</b>	35 years	Fund Manager – Equity	B.E (Biotechnology)/ MBA	He has overall 12 years of experience in the Indian equity markets. He has worked as the Head of Research and Co-Fund Manager in Kaizen Asset Management (FPI). Before this, he worked with Dal Investments (Family Office) as Head of Research. Prior to that, he has also worked as Head of Research in quant Money Manager & Lead Sector Analyst in Quant Capital, KR Choksey, Elara Capital & Bonanza Portfolio.
<b>Ms. Priyanka Walia</b>	36 years	<b>Company Secretary</b>	Company Secretary, ICSI MCOM, MBA & LLB	Ms. Walia is a qualified Company Secretary and has a post qualification experience of 8 years in Company Law Matters, Corporate Governance, Compliances under the Companies Act, 2013.



				She has worked with Taurus Asset Management Company Limited for 4 years as Assistant Company Secretary & Compliance Manager. Earlier to this she was with Shimla Tolls & Projects Private Limited as Company Secretary and Bansal Surinder & Co. as Head Legal and Company Secretary.
<b>Ms. Nikita Maggon</b>	33 years	Compliance Officer	CS (ICSI), M.Com from Delhi University and B. Com (Honours) from Shri Ram College of Commerce, Delhi University	Ms. Nikita Maggon has 11 years of rich experience in handling compliances under corporate law, SEBI registered Alternative Investment Funds, Regulatory and Legal affairs, policy framing and implementation, Environment Social and Governance (ESG) and Anti Money Laundering (AML) compliances. Prior to joining AMC, she was serving as Compliance Officer of Amaya Growth Fund (Investment Division of Phoenix Family Office Advisers Private Limited). She has also worked with CX Advisers LLP (leading private equity firm) for 4 years and has exposure in working on compliances for SEBI registered CAT II and III AIF, investor relations and regulatory reporting. She started her career with secretarial department of IL&FS Energy Development Company Limited
<b>Mr. Lokesh Kumar</b>	50 Years	Dealer	B.Com.	He has overall experience of 26 Years. Prior to joining Taurus, he worked with Edelwiess Broking Limited and was handling RMS and North India Dealing Desk.
<b>Ms. Priya Nigam</b>	28 years	Manager-HR	B.com (Hons.)- Amity University, PGDM- Jaipuria Institute of Management	Ms. Priya has overall experience of 5 years in Human Resources with focus on Talent Management, HR Operations, Employee Relations, prior to joining Taurus AMC she has worked with Mirae Asset Global Investments
<b>Ms. Additi Bhardwaj</b>	44 years		B.E. from Pune University	Ms. Additi brings with her a rich experience of 2 decades of handling Customer Service, Branch Operations & RTA Operations in the Mutual Fund industry. She has worked with HDFC Asset Management Co Ltd & Bandhan Asset Management Co Ltd (Erstwhile IDFC Asset Management Co Ltd). She is a Bachelor of Engineering in Computers from University of Pune.

## Details of the Fund Management Team

Name	Age	Designation	Educational Qualification	Brief Experience
Mr. Anuj Kapil	44 years	Fund Manager – Equity	MBA/ PGDM	He has overall experience of 19 years in Managing wealth management and handling Risk Management Process for various Corporates. He worked with Religare Securities Ltd as AVP – Risk & Operations, FCH Centrum Wealth Managers Ltd. as Manager Risk and in Priviwealth Pvt Ltd. as Head of Research.
Mr. Hemanshu Srivastava	35 years	Fund Manager – Equity	B.E (Biotechnology)/ MBA	He has overall 12 years of experience in the Indian equity markets. He has worked as the Head of Research and Co-Fund Manager in Kaizen Asset Management (FPI). Before this, he worked with Dal Investments (Family Office) as Head of Research. Prior to that, he has also worked as Head of Research in quant Money Manager & Lead Sector Analyst in Quant Capital, KR Choksey, Elara Capital & Bonanza Portfolio.

### Procedure followed for investment decisions

Before making any fresh investment through primary market or secondary market, the research team prepares a detailed Research Report on each investment based on the fundamental as well as the technical analysis. The Board of Trustees in terms of SEBI's guidelines has approved the format of the Research Reports. The companies are identified for investment based on top down/ bottom-up approach as well as in depth market analysis. Thereafter, the Research Report is discussed amongst the Investment Committee members comprising of the CEO, Fund Managers

- Equity & Vice President - Ops, The Investment Committee approves or rejects a stock. The stocks approved form a part

of the stock universe. The Fund Manager then decides on the timing, quantity & price at which to buy or sell a share within the framework of the Investment Policy. The Fund Manager also takes into account the market conditions, investment/ redemption flows and other external factors. The reasons for subsequent purchase and sale of the same instrument are also being recorded.

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

### III. Service Providers

#### 1. Custodian & Fund Accountant

Name	Address	SEBI Registration No.
SBI-SG Global Securities Services Pvt. Ltd. (CIN: U74900MH2008PTC182269)	"Jeevan Seva" Annexe Bldg. Ground Floor, S.V. Road, Santacruz (West) Mumbai 400 054	IN/CUS/022

#### 2. Transfer Agent

Kfin Technologies Ltd (Formerly known as Karvy Fintech Pvt. Ltd.) is the Registrar & Transfer Agent and Dividend (renamed as – IDCW – Income Distribution & Capital Withdrawal) paying agent of the scheme. Its principal

business address is:

**Kfin Technologies Ltd.**

Unit: Taurus Mutual Fund

1st Floor, Karvy Selenium Tower B, Plot No 31 & 32,

Financial District, Nanakramguda, Serilingampally

Mandal, Hyderabad –500032.

Phone: [040 6716 2222](tel:04067162222)

Email: [customercare@taurusmutualfund.com](mailto:customercare@taurusmutualfund.com)

The Board of the Trustees and the AMC has ensured that the Registrar has adequate capacity to discharge responsibilities with regard to processing of applications and dispatching unit certificates to Unitholders within the time limit prescribed in the Regulations and also has sufficient capacity to handle investor complaints. It is registered with SEBI as Registrar and Transfer Agent vide Registration No. INR 000000221

### 3. STATUTORY AUDITORS

Name & Address	Schemes
M/s. Chokshi & Chokshi LLP. Chartered Accountants 15/17, Raghavji B Bldg, Gowalia Tank, Off Kemps Corner, Mumbai 400 036	All Schemes

**Auditors to the Asset Management Company**

M/s Thakur Vaidyanath Aiyar & Co. 221-223, Deen Dayal Marg, New Delhi – 110002.

**Auditors to the Trustee Company**

M/s N M Raiji & Co. E-7/14, Vasant Vihar, New Delhi – 110057.

**Internal Auditors to the Schemes**

M. P. Chitale & Co. 701,

1/11, Prabhadevi Industrial Estate, Veer Savarkar Marg,

Opp. Siddhivinayak Temple, Prabhadevi, Mumbai 400025

### 4. Legal Counsel

There are no retained legal counsels to the Mutual Fund or AMC. Depending on the requirements, the AMC hires relevant legal firms or legal counsel.

### 5. Fund Accountant

SBI-SG Global Securities Services Pvt. Ltd. (CIN: U74900MH2008PTC182269)

“Jeevan Seva” Annexe Bldg. Ground Floor,

S.V. Road, Santacruz (W) Mumbai 400 054

### 6. Collection Bankers

Our Principal Bank:

HDFC Bank Ltd.

Gr. Floor, Motwani Chambers, Nanik Motwani Marg,

Fort, Mumbai – 400001.

The names and addresses of the collection bankers will be available in the Scheme Information Document and Key Information Memorandum of the respective schemes as and when any new scheme is launched.

#### IV. Condensed Financial Information (CFI)

**CFI in respect of schemes launched during the last three fiscal years (excluding redeemed schemes) is as under: -**

No Scheme was launched during the last three Fiscal years

#### V. RISK FACTORS

##### 1. Standard Risk Factors

###### a. Standard Risk Factors for investments in mutual fund

- 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 Schemes invest fluctuate, the value of your investment in the Schemes may go up or down
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Schemes.
- The names of the Schemes do not in any manner indicate either the quality of the Schemes or their future prospects and returns.
- The Sponsor is not responsible or liable for any loss resulting from the operations of the Scheme beyond the initial contribution of ₹ 2,00,000/- (Rupees Two Lacs Only) made by it towards the setting up of the Mutual Fund.
- The present schemes are not guaranteed or assured return schemes

###### b. Risk factors of not maintaining average AUM of Rs. 20 crores on half yearly rolling basis (Applicable only for open ended debt-oriented schemes) – NOT APPLICABLE

###### c. Risks associated with different derivative strategies

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Fund Manager to identify such opportunities. Identification and execution of the strategies to be pursued by a Fund Manager involve uncertainty and decision of a Fund Manager may not always be profitable. No assurance can be given that a Fund Manager will be able to identify or execute such strategies. The scheme may invest in Derivative and will allow a max exposure of 20% of the portfolio in Derivatives.

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

###### d. Other risk factors (viz. Swing Pricing, investments in CDMDF, LRM etc.)

**Swing Pricing** – Not Applicable

**Investment in CDMDF** – Not Applicable

**LRM – Not Applicable**

## **2. Special Considerations**

- Prospective investors should study this Scheme Information Document and Statement of Additional Information carefully in its entirety and should not construe the contents hereof as advice relating to legal, taxation, financial, investment or any other matters and are advised to consult their legal, tax, financial and other professional advisors to determine possible legal, tax, financial or other considerations of subscribing to or redeeming units, before making a decision to invest / redeem / hold Units.
  
- Neither this Scheme Information Document, nor Statement of Additional Information or the Units have been registered in any jurisdiction. The distribution of this Scheme Information Document or Statement of Additional Information in certain jurisdictions may be restricted or totally prohibited to registration requirements and accordingly, persons who come into possession of this Scheme Information Document or Statement of Additional Information are required to inform themselves about and to observe any such restrictions and/ or legal compliance requirements.
  
- The AMC, Trustee or the Mutual Fund have not authorized any person to issue any advertisement or to give any information or to make any representations, either oral or written, other than that contained in this Scheme Information Document or the Statement of Additional Information in connection with offer of units under all the schemes. Prospective investors are advised not to rely upon any information or representation not incorporated in the Scheme Information Document or Statement of Additional Information as having been authorized by the Mutual Fund, the AMC or the Trustee.
  
- Redemption due to change in the fundamental attributes of a Scheme or due to any other reasons may entail tax consequences. The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any such tax consequences that may arise due to such redemptions.
  
- The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any of the tax consequences that may arise, in the event that a Scheme is wound up for the reasons and in the manner provided in 'Statement of Additional Information ('SAI')'.
  
- The tax benefits described in this Scheme Information Document and Statement of Additional Information are as available under the present taxation laws and are available subject to relevant conditions. The information given is included only for general purpose and is based on advice received by the AMC regarding the law and practice currently in force in India as on the date of this Scheme Information Document and the Unit holders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in a Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unit holder is advised to consult his / her own professional tax advisor.
  
- The Mutual Fund may disclose details of the investor's account and transactions there under to those intermediaries whose stamp appears on the application form. In addition, the Mutual Fund may disclose such details to the bankers, as may be necessary for the purpose of effecting payments to a investor. The Fund may also disclose such details to regulatory and statutory authorities/bodies as may be required or necessary.
  
- In case the AMC or its Sponsor or their affiliates/associates or group companies make substantial investments, either directly or indirectly in a Scheme, present or future, redemption of units by these entities may have an

adverse impact on the performance of a Scheme. This may also affect the ability of the other Unit holders to redeem their units.

- As the liquidity of a Scheme's investments may sometimes be restricted by trading volumes and settlement periods, the time taken by the Fund for Redemption of Units may be significant in the event of an inordinately large number of Redemption requests or of a restructuring of a Scheme's portfolio. In view of this, the Trustee has the right, in its sole discretion, to limit redemptions under certain circumstances - please refer to the section "Right to Limit Redemptions" in this document

## VI. HOW TO APPLY?

This section must be read in conjunction with the section 'Units and Offer' of the SID of the Scheme(s) of the Fund

### Plans

Each Scheme will offer two plans: Regular Plan and Direct Plan

**Regular Plan:** This Plan is for investors who wish to route their investment through any distributor.

**Direct Plan** shall be available for such investment applications which are not routed through a distributor. All the features of the Direct Plan under Scheme like the investment objective, asset allocation pattern, investment strategy, risk factors, facilities offered, load structure etc. will be the same except for a lower expense ratio. Brokerage/Commission paid to distributors will not be paid / charged under the Direct Plan.

### Default Plan

Investors subscribing for units under Direct Plan of a Scheme should indicate 'Direct Plan' against the scheme name in the application form. Investors should also mention 'Direct' in the ARN column of the application form. The table showing various scenarios for treatment of application under 'Direct Plan' or 'Regular (Existing) Plan' is as follows:

Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured
1	Not mentioned	Not mentioned	Direct Plan
2	Not mentioned	Direct	Direct Plan
3	Not mentioned	Regular	Direct Plan
4	Mentioned	Direct	Direct Plan
5	Direct	Not Mentioned	Direct Plan
6	Direct	Regular	Direct Plan
7	Mentioned	Regular	Regular Plan
8	Mentioned	Not Mentioned	Regular Plan

In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application 'shall be processed under Regular Plan. Taurus Asset Management Company Limited (TAMCO) shall contact and obtain the

correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, TAMCO shall reprocess the transaction under Direct Plan from the date of application without any exit load, if applicable.

Treatment of Transactions received with invalid ARNs in view of AMFI Best Practices Guidelines Circular No.111 /2023-24 dated Feb 02, 2024.

Guidelines for Processing of transactions received under Regular Plan with invalid ARN:

Transactions received in Regular Plan with Invalid ARN to be processed in Direct Plan of the same Scheme (even if reported in Regular Plan), applying the below logic

Transaction Type	Primary ARN			Sub Distributor ARN		EUI N*	Execution mentioned only	Regular Plan/ Direct Plan
	Valid	Invalid	Empaneled	Valid	Invalid	Valid	Yes	
Lumpsum/ Registration	Y		Y				Y	Regular
	Y		N	Not Applicable				Direct
	Y		Y	N. A	N. A	N. A	N	Regular*
	Y		Y	Y		Y		Regular
		Y						Direct
	Y		Y	Y			Y	Regular
	Y		Y		Y			Direct
Trigger	Y			Not Applicable				Regular
				Not Applicable				Direct

Note:

1)\*If the EUIN is invalid/missing, the transactions shall be processed in Regular plan, and the distributor/investor shall be given 30-day period from the date of the transaction for remediation of the EUIN. In such cases, the investor to be advised to either provide a different EUIN linked to the ARN who would be engaged in servicing the investor OR switch to Direct Plan. The commission shall not be paid to the ARN holder if the Switch transaction does not happen, or fresh EUIN is not provided within 30 days. The commission may be paid if the fresh EUIN is provided by client within 30 days.

2)For SIP & STP facilities, the ARN validity shall be verified / validated at the time of registration. For instances where the registration details not available in RTA records the transaction shall be treated as lumpsum purchase

for validations. Distributors must reconcile the active / inactive SIPs with RTA's at regular intervals.

3) SIPs registered under ARN of deceased to continue till end of SIP registration period or investor's request as per AMFI guidelines; No fresh transactions or SIPs to be booked under the ARN of deceased MFD post cancellation of ARN at AMFI.

4) Only Sub-distributor's ARN with valid "ARN-" values in the transaction will be considered for validation of Sub-distributor ARN for all types of transactions (lumpsum/SIP/STP).

5) If the ARN is invalid as on date of SIP / STP registration, such registration and future transactions thereunder will be processed under DIRECT plan

6) Transactions other than the physical mode which are found to be not in order basis above matrix, will be rejected at the time of upload / submission for following reasons: To give opportunity for the intermediary / platform to rectify details before submitting transactions or to report transactions as DIRECT

If these transactions are accepted and processed as DIRECT, the intermediary placing the transaction will not be receiving reverse feeds and hence will not be able to reconcile.

Since the validation cannot be carried out at the time of acceptance or transactions received in physical form, , the same will be done at the time of processing the transaction, and if found to be invalid, the transaction will be processed under DIRECT.

7) Transactions received from the stock exchange platforms in Demat mode with invalid ARN shall be rejected instead of processing in Direct Plan for following reasons-

a) Settlement of units will fail at clearing corporation due to mismatch of ISIN

b) If the RTA processes the transaction in DIRECT Plan, the AMC will face issues with corporate action wherein the clearing corporation will not be able to reconcile and credit the units

### **Introduction of Direct Plan for investing directly with the Fund (Applications not routed through distributors)**

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), 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**") has been introduced **w.e.f. January 01, 2013** 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 has been introduced in the following open-ended schemes of the Fund (except plans discontinued for further subscriptions):

**Equity Schemes:** (a) Taurus Flexi Cap Fund (b) Taurus Large cap Equity Fund (c) Taurus Discovery (Midcap) Fund (d) Taurus Infrastructure Fund (e) Taurus Tax Shield (f) Taurus Ethical Fund (g) Taurus Banking & Financial Services Fund

**Index Scheme:** Taurus Nifty Index Fund

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

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

Direct Plan has a lower expense ratio excluding distribution expenses, commission, etc. and no commission for distribution of units is paid/ charged under the Direct Plan.



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

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

**6. Eligible investors / mode 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 Platforms(s) where investors' applications for subscriptions 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 Flexi Cap Fund will have to indicate the Scheme/ Plan name in the application form as follows:

Name of the Scheme: **Taurus Flexi Cap Fund**

Plan: **Direct Plan**

**Option:** Growth or IDCW\*\*- Payout or IDCW^^- Reinvestment

\*\*IDCW – Payout => Payout of Income Distribution cum Capital Withdrawal option

^^IDCW – Reinvestment => Reinvestment of Income Distribution cum Capital Withdrawal option

[As per clause 11 of SEBI Master Circular dated June 27, 2024 – it is important for investors to note that under the "Dividend" option (renamed as IDCW w.e.f. Apr 1, 2021) certain portion of your capital (equalization reserve) can be distributed as Dividend. To understand this further, please note that when units are sold, and sale price (NAV) is higher than face value of the unit, a portion of sale price that represents realized gains shall be credited to an Equalization Reserve Account & which can be used to pay dividend.]

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 Regular (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 Regular (Existing) Plan (through lumpsum, systematic investments made with or without distributor code) to Direct Plan will have to switch/redeem their investments and apply under Direct Plan. See Pt. no. 11. "Exit Load", below.
- (b) Investors who have invested without Distributor code and have opted for IDCW-Reinvestment facility under Regular (Existing) Plan may note that the IDCW will continue to be reinvested in the Regular (Existing) Plan only.

**9. Investments through systematic route:**

- (a) In case of Systematic Investment Plan (SIP) / Systematic Transfer Plan (STP) / IDCW Sweep facility, etc., registered prior to 01/01/2013 **without any distributor code** under the Existing Plan, installments falling on or after 01/01/2013 will automatically be processed under the Direct Plan.
- (b) Investors who had registered for Systematic Investment Plan facility prior to 01/01/2013 **with distributor code** and wish to invest their **future installments** into the Direct Plan, should 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 Regular (Existing) Plan.

- (c) In case of the following facilities which were registered under the Regular (Existing) Plan prior to 01/01/2013, the future installments shall continue under the Existing Plan:
- (i) Systematic Transfer Facilities (registered with Distributor Code)
  - (ii) IDCW 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 Regular (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 folio number), failing which the request would be processed from the Regular (Existing) Plan. However, where Units under the requested Option are held under one Plan, the request would be processed under such Plan.

**11. Exit Load:**

- (a) Switch from Regular (Existing) Plan of a Scheme without ARN Code (whether the investments were made before or after 01/01/2013) to Direct Plan of the Scheme will not attract the applicable exit load, if any. For any subsequent switch-out or redemption from the Direct Plan, the holding period of applicability of load will be considered from the date of initial investment in the Regular (Existing) Plan.
- (b) Switch from Regular (Existing) Plan of a Scheme under ARN Code (whether the investments were made before or after 01/01/2013) to Direct Plan of the Scheme will not attract applicable exit load, if any; W.E.F. January 7, 2020. However, any subsequent switch-out or redemption of such investments from the Direct Plan, the holding period of applicability of load will be considered from the date of initial investment in the Regular (Existing) Plan.
- (c) Switch from Direct Plan of Scheme to Regular (Existing) Plan (under ARN code) of the Scheme will not attract applicable exit load. For any subsequent switch-out or redemption from the Regular (Existing) Plan, the holding period for applicability of load will be considered from the date of such switch to Regular (Existing) Plan.

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

**Purchase (applicable for Physical mode) -**

1. Application Forms for purchase of Units of the Schemes will be available /accepted at the offices of the AMC and Investor Service Centers of the Registrar & Transfer Agent. As and when any new scheme is launched, application forms would also be available with Collecting Bankers whose details would be given in the Scheme Information Document and Key Information Memorandum cum Application Form.
2. Applications duly filled up and signed by all investor(s) should be submitted along with the cheque/draft at a Official Point of Acceptance/ Transaction.
3. Applications should be made in adherence to the minimum amount requirements.
4. Applications must be completed in Block Letters in English.

5. The signature should be in English or in any of the Indian languages specified in the eighth schedule of the Constitution of India. Thumb impressions must be attested by a magistrate or a notary public or a special executive magistrate under his/her official seal. Applications by minors should be signed by the guardians. In case of HUF, the Karta should sign on behalf of HUF.
6. All cheques and bank drafts should be drawn in favor of "Scheme name" and crossed 'Account Payee Only'. A separate cheque or bank draft should accompany each application/each scheme.
7. Investors should write the existing folio no./ Application form number on the reverse of the cheques/ bank

drafts accompanying the Application Form.

KYC compliant investors who wish to make a purchase transaction via email for the first time or open a new folio in any scheme of Taurus Mutual Fund (TMF), would need to submit the following at: [customercare@taurusmutualfund.com](mailto:customercare@taurusmutualfund.com)  
=> • Scan copy of signed Common Application Form duly filled in and complete in all respects. • Copy of the cheque to ascertain the account from which the Funds will be transferred to the respective scheme collection account OR UTR number and confirmation of online payment. • The email subject should clearly mention: "New Purchase - <Scheme Name>"

### **Distributor Code – for scenarios with Valid code**

In case of purchase through a distributor, the ARN (AMFI Registration Number) of the distributor should be mentioned in the ARN box.

In case of purchase without distributor, mention the word 'DIRECT' in the ARN Box.

Distributor Code – Suspended (temporarily/permanently) by AMFI

Investors are requested to note that pursuant to Association of Mutual Funds in India (AMFI) Best Practices Guidelines Circular No. 81/2019-20 dated September 24, 2019, the financial transactions of an investor where his distributor's AMFI Registration Number (ARN) has been suspended temporarily or terminated permanently by AMFI shall be processed as follows with effect from October 31, 2019 –

- 1) During the period of suspension, no commission shall be accrued or payable to the distributor whose ARN is suspended. Commission on the business canvassed prior to the date of suspension shall stand forfeited.
- 2) All Purchase/Switch requests (including under fresh registration of SIP/STPs registered prior to the date of suspension or SIP/STPs registered prior to the suspension period) received during the period of suspension shall be processed under "Direct Plan" with a suitable intimation to the unitholder/s mentioning that the distributor has been suspended from doing mutual distribution. Such investments under Direct Plan shall continue perpetually, unless unitholder makes a written request to shift back to Regular Plan, under the ARN of the distributor, after the revocation of suspension of ARN.
- 3) All Purchase/Switch requests or SIP/STP transaction request received through the stock exchange platforms, from any suspended distributor whose ARN has been suspended, shall be rejected.
- 4) In cases where the ARN code is permanently terminated, the unitholder/s may choose to do one of the following -
  - (i) Switch their existing investments under Regular plan to Direct plan (with capital gains tax implications); or,
  - (ii) Continue their existing investments under Regular plan under ARN of another distributor of their choice

### **Employee Unique Identification Number (EUIIN)**

Pursuant to Securities and Exchange Board of India (SEBI) circular number CIR/IMD/DF/21/2012 dated September 13, 2012, investor/s shall have the provision in the application / transaction form to specify the unique identity number (EUIIN) of the employee/relationship manager/sales person (sales person) of the distributor interacting with the investor/s for the sale of mutual fund products, along with the Association of Mutual Fund in India (AMFI) Registration Number (ARN) of the distributor. Investors are hereby requested to note the following with respect to EUIIN:

1. AMFI has allotted EUIN to all the salesperson of AMFI registered distributors and to all the Individual ARN holders including senior citizens.
2. Investor/s shall specify the valid ARN code, and the valid EUIN of the salesperson/Individual ARN holders in the application/transaction form. This will assist in handling the complaints of mis-selling, if any, even if the salesperson on whose advice the transaction was executed leaves the employment of the distributor.
3. Investors are requested to use the new application /transaction forms which have space for sub-broker ARN code and EUIN.

**Mode of Holding**

An application can be made by up to a maximum of 3 applicants. Applicants should specify the mode of holding in the application form. The mode of holding may be “single”, “joint” or “anyone or survivor”.

Where the units are jointly held, the person first named in the application form will receive all notices and correspondences with respect to the account/folio, as well as any distributions through IDCWs, income, redemption or otherwise. Such person shall hold the voting right, if any, associated with the Units.

**Bank 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 are liable to be rejected. The Registrar/AMC may also ask the investor to provide a blank cancelled cheque for the purpose of verifying the bank account number.

**Updation of Records**

- i) All existing investors are advised to update the records with their updated information, not limited to latest bank account details, FATCA, CKYC, NOMINEE, mobile & email ID. Investors holding Unit Certificates are advised to surrender the certificate and collect the updated statement of account.
- ii) Where still not updated in the folio, investors are requested to provide their PAN/PEKRN number at the earliest.
- iii) Email Id & Mobile no. as provided in the application will be updated. In absence of this, the details available in KYC data may be updated by the AMC/RTA.
- iv) AMC reserves the right to ask for any additional document at its discretion, before processing any financial or non-financial transaction, in order to establish the identity of the investor & meet the required regulations.

Note: The email id & mobile no. provided by the investor should belong to the first holder only. It should not belong to any other third party (including advisors or distributor's). If a breach is found, AMC/RTA reserve the right to delete such information. As a general rule, the email address of one investor is not allowed to be updated against multiple folios, unless a specific written request (with proper reasons) is received in this regard duly signed by all investors, OR if the investors in such folios belong to the same family (self, spouse, dependent parents & dependent children). This should be treated as a mandatory and important requirement to not only ensure speedy & efficient communication between the investor(s) & AMC/RTA but also to prevent any fraudulent transactions.

**Mode of Payment Resident Investors**

Payment can be made by – Online mode – RTGS/NEFT/IMPS/Direct Credit/Debit Card/Net banking/UPI (to be activated soon) etc. The Offline mode is via MICR cheques only or bank draft/pay order drawn on any bank which is situated at and is a member of the Bankers' Clearing House, located at the place where the application is submitted. The following modes of payment are NOT accepted - Cash, Money Orders, Outstation Cheques, Post Dated Cheques, Non MICR cheques, Postal Orders etc.

**Non-Resident Investors/ FIIs**

- (i) **Repatriation basis:** In the case of NRIs, payment may be made either by inward remittance through normal banking channels or out of funds held in their Non-Resident (External) Rupee Account (NRE) / Foreign Currency (Non-Resident) Account (FCNR).

FII's shall pay their subscription either by inward remittance through normal banking channels or out of funds held in Foreign Currency Account or Non-Resident Rupee Account maintained by the FII with a designated branch of an authorised dealer.

- (ii) **Non-Repatriation basis:** In the case of NRIs, payment can be made either by inward remittance through normal banking channels or out of funds held in their NRE/FCNR/ Non-Resident Ordinary Rupee Account (NRO)

### Reimbursement of charges

For purchase by Cheque: Nil

For purchase by demand draft: The AMC will reimburse demand draft charges subject to maximum of Rs 10000 per transaction for purchase of units by investors residing at location where the AMC/Official Points of Acceptance (OPA) of ISC's are not located as per table below:

Amount of Investments	Rate of Charge of Demand Drafts
Up to Rs 10,000	All actual subject to a maximum of Rs 50
Above Rs 10,000	Re 1 per Rs 1,000
Maximum Charges	Rs 10,000

The AMC reserves the right to refuse bearing of demand draft charges, in case of investments made by the same applicant(s) through multiple applications at its own discretion which will be final and binding on the investor. Investors residing at places other than where the AMC / OPA of ISC's are located, may make the payment by way of demand draft(s) after deducting charges as indicated in the above table. The AMC reserves the right to insist for the proof of demand draft charges. It may be noted that additional charges, if any, incurred by the investor over and above the levels indicated above will not be borne by the AMC. Demand draft charges shall not be reimbursed for purchase of units by Investors residing at such locations where AMC offices / OPA of ISC's are located. Reimbursement of demand draft charges will be applicable only for the equity schemes.

Demand Draft charges shall not be reimbursed for investments made from overseas. DD charges shall not be reimbursed for investment by Banks.

### Online Transactions:

For the convenience of investors, the Mutual Fund provides the facility of transacting online through its website – Transact Online. A new/first time investor OR an existing investor can use this facility to make an online Purchase, , iSIP, Opti-iSIP or other applicable transactions. To use this facility, a Unit Holder needs to have a secured TPIN. Investors (who have a valid email & mobile registered in their folio) can instantly generate TPIN online or via the Toll-Free number – 1800 108 1111. To further enhance the investor's online security, log-in happens only after clicking on the relevant link to generate, receive & use an OTP (one-time-password) sent via SMS on investor's registered email Id & mobile. A new purchase, redemption & switch transactions are also OTP enabled. Validity of OTP is for 20 minutes; after which the investor will have to re-generate the same. Please DO NOT share your OTP

with any un-authorised person. It is essential that for old folios (where full investor details are not updated), the original Unit Certificate (if held by the investors, as applicable) are returned back along with mandatory updation of Bank details, KYC, PAN, FATCA, Email ID & Mobile no. in the folio to enable Online access. Only those investors with a valid folio with mode of holding as “Joint” will be required to submit a physical TPIN Agreement form by filling up and signing the relevant portions in the TPIN Agreement that can be downloaded from the website of the Mutual Fund [www.taurusmutualfund.com](http://www.taurusmutualfund.com). By signing & submitting the relevant form, the Unit holder/s expressly agrees to have read and understood the terms and conditions related to PIN issuance by the AMC/ Registrar and PIN usage by the Unit holder. For more details on conditions & process of TPIN issuance, also read the “Transact Online FAQs” on the website. iSIP & Opti-iSIP is available via “Transact Online” (Taurus MF Website) to enable investors to invest in Taurus Mutual Fund Schemes via Online SIP.

Following is the list of Banks available to transact in New Purchase/Additional Purchase/SIP/iSIP via our website – Kotak Mahindra Bank, Andhra Bank, Allahabad Bank, Andhra Pragathi Grameena Bank, Axis Bank, Bank of Baroda, Bank of Bahrain and Kuwait, Bandhan Bank, Bank Of India, Bank of Maharashtra, Central Bank of India, Canara Bank, Cosmos Bank, Punjab National Bank, Corporation Bank, Catholic Syrian Bank, City Union Bank, Deutsche Bank, DIGI Bank, Development Credit Bank, Dena Bank, Dhanalakshmi Bank, Federal Bank, Fin care Small Finance Bank, HDFC Bank Limited, ICICI Bank, IDBI Bank, IndusInd Bank Debit card, IDFC Bank, IndusInd Bank, Indian Bank, Indian Overseas Bank, Jammu & Kashmir Bank Limited, Janata Sahakari Bank, Karnataka Bank, Kerala Gramin Bank, Kalupur Coop Bank, Karur Vysya Bank Limited, Lakshmi Vilas Bank, NKGSB Bank, ORIENTAL BANK OF COMMERCE, Pragathi Krishna Bank, Punjab & Maharashtra Co-op Bank, Punjab National Bank, Punjab and Sind Bank, Ratnakar Bank, State Bank of India, Shivalik Bank, South Indian Bank Ltd, Shamrao Vithal Co. Operative Bank Ltd, Saraswat Bank, Syndicate Bank, TJSB, Tamilnad Mercantile Bank Ltd, TNSC Bank, Union Bank of India, UCO Bank, United Bank of India, Axis Bank, Vijaya Bank & YES Bank.

**Transactions through Electronic Mode:**

The AMC may from time to time offer various facilities to the Unitholders through electronic mode such as internet (online transaction facility), mobile phones, Kiosk, etc. to facilitate transactions in units of the scheme. The AMC may enter into such arrangements/ agreements as it may deem fit to give effect to the above.

However, investors intending to take benefit of these facilities should note that they should use these services at their own risk. The Fund, the AMC, the Trustee, along with its directors, employees and representatives shall not be liable for any damages or injuries arising out of or in connection with the use of internet, mobile phones, Kiosk, etc. or its non-use including, without limitation, non-availability or failure of performance, loss or corruption of data, loss of or damage to property (including profit and goodwill), work stoppage, computer failure or malfunctioning, or interruption of business; error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communication line failure, unauthorized access or use of information.

**Trading through Stock Exchange Mechanism:**

Open-ended schemes of Taurus Mutual Fund are enabled for transactions - lump sum Purchase, SIP & Redemptions

- through the stock exchange infrastructure (Exchange Platform) of the Bombay Stock Exchange (BSE) on Bombay Stock Exchange. Platform for Allotment & Redemption of Mutual Fund units (BSE - Star MF) AND National Stock Exchange (NSE) on the National Stock Exchange - Mutual Fund Service System (NSE - MFSS).

AMFI/NISM certified Brokers/ Clearing Members who are eligible to enable transactions through the Exchange

Platform would be considered as Official Points of Acceptance (OPA) for accepting all mutual fund transactions. All other terms & conditions of the Schemes will remain unchanged. The above shall be subject to SEBI (Mutual Funds) Regulations, 1996 and guidelines issued by NSE & NSDL / BSE & CDSL in this regard, as applicable and as amended from time to time.

SEBI vide its circular no. CIR/MRD/DSA/32/2013 dated October 04, 2013, had permitted Mutual Fund Distributors to use recognized stock exchanges' infrastructure to purchase and redeem mutual fund units directly from Mutual Fund / Asset Management Companies on behalf of their clients. Further SEBI vide its circular no. CIR/MRD/DSA/33/2014 dated December 09, 2014, has permitted non demat transactions also in the Mutual fund through stock exchange platform.

Accordingly, it has been decided to make the following changes for Trading in units through stock exchange mechanism:

1. Mutual Fund Distributor (MF distributor) registered with Association of Mutual Funds in India (AMFI) and permitted by the concerned recognized stock exchange shall be eligible to use recognized stock exchanges' infrastructure to purchase and redeem mutual fund units on behalf of their clients directly from Taurus Mutual Fund ('Fund')
2. The MF distributor shall not handle payout and pay in of funds as well as units on behalf of investor. Pay in will be directly received by recognized clearing corporation and payout will be directly made to investor account. In the same manner, units shall be credited and debited directly from the demat account of investors.
3. Non- demat transactions are also permitted through stock exchange platform.
4. In addition to the existing facility of purchase and redemption of units of the eligible units of the eligible Schemes/Plans of the Fund on Stock Exchange Infrastructure viz. BSE StAR MF Platform & NSE NMF II, the facility for Switching of units among the eligible Schemes/Plans of the Fund is also being made available to the investors. Investors can give a request for Switch only in number of units.
5. The switch transaction facility is available on the NSE NMF II platform but only for units held in non-demat mode.
6. W.E.F. June 1, 2020, BSE StAR MF has activated SIP PAUSE Facility. This allows an investor to "Pause" their ongoing SIPs up to 2 times, for the fixed period of 3 months or 6 months, during the period of registration.
7. The facility of transacting in mutual fund schemes including switch transaction facility through Stock Exchange(s) infrastructure will be in accordance with the procedures and guidelines, terms & conditions as prescribed by the respective Stock Exchange(s) from time to time.

The Trustees reserves the right to change / modify the features of this facility at a later date and issue such other rules, circulars, guidelines as may be required based on instructions, circulars, etc. issued by the depositories from time to time.

### **Mutual Fund Utility (MFU)**

MF Utilities India Private Limited (MFUI) shall be an official point of acceptance for all financial and non- financial transactions. The updated list of POS of MFUI is available on [www.mfuindia.com](http://www.mfuindia.com). The online transaction portal of MFU is [www.mfuonline.com](http://www.mfuonline.com). Further, Investors can also subscribe units of the Scheme during the NFO Period by availing the platforms/facilities made available by the Stock Exchanges.

### **ASBA Facility to Investors:**

Investors are provided ASBA facility for all NFOs. ASBA means "Application Supported by Blocked Amount". ASBA is an application containing an authorization to block the application money in the bank account, for applying during the NFO. An ASBA investor shall submit an ASBA physically or electronically through the internet banking facility, to the Self Certified Syndicate Bank (SCSB) with whom, the bank account to be blocked, is maintained. Self-Certified Syndicate Bank has the same meaning as given to it in clause (zi) of sub regulation (1) of regulation 2 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. SCSB is a bank which is recognized as a bank capable of providing ASBA services to its customers. Names of such banks would appear in the list available

on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)).

The SCSB shall then block the application money in the bank account specified in the ASBA, on the basis of an authorization to this effect given by the account holder in the ASBA. The application money shall remain blocked in the bank account till the allotment of the issue or till withdrawal/ rejection of the application, as the case may be. ASBA facility will be available to all the category of investors mentioned under “Who can invest” Section of the respective SID. An investor, who is eligible for ASBA facility, has the option of making application through ASBA or through the existing facility of applying with cheque / demand draft as mentioned in the SID.

### **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.

However, vide Circular No. MRD/DOP/MF/CIR.08/2008 dated April 3, 2008, issued by SEBI, it has been clarified that Individuals and Non-Individuals residing in Sikkim location are exempted from submission of PAN. They have, however, to comply with KYC norms.

\*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.

W.E.F. Oct 1, 2019, in absence of PAN details, for non-PAN-exempt investors, all financial transactions will be rejected by the AMC/RTA. Non-PAN exempt Unitholder of Schemes of Taurus Mutual Fund are advised to get their PAN details updated where PAN is not registered in respective folio(s) held by them.

Unitholders may update the PAN details online OR via PAN Updation form (Downloads – Other Forms - Updation Form - "Form for updating - Address/PAN/Mobile/Email Id") by visiting [www.taurusmutualfund.com](http://www.taurusmutualfund.com); duly filled forms may be submitted at your nearest Kfin/Taurus Mutual Fund branch.

### **Applications incomplete in any respect (other than mentioned above) will be liable to be rejected.**

In order to protect investors from frauds, it is advised that the Application Form number and name of the first investor should be written overleaf the cheque / draft, before they are handed over to any courier / messenger / distributor / ISC.

### **Know Your Customer (KYC) Compliance**

A financial transaction (including redemption, switch and all types of systematic plans) will not be processed if all the unit holders (including guardian & POA holder, as applicable) have not completed KYC/CKYC requirements.

#### **a. KYC registered under KYC Registration Agency (KRA):**

##### **Units held in account statement (non-demat) form**

It is mandatory for the investors to quote the KYC Compliance Status of each applicant (guardian in case of minor) in the application and attach proof of KYC Compliance viz. KYC acknowledgement letter for all purchases/ switches/ registrations for Systematic Investment Plan (SIP)/ Systematic Transfer Plan (STP) IDCW Transfer Plan (DTP). Applicants intending to apply for units through a Power of Attorney (PoA) must ensure that the issuer of



the PoA and the holder of the PoA must mention their KYC Compliance Status and attach proof of KYC Compliance at the time of investment.

New investors (also see CKYCR – pt. b) below) are therefore requested to use the common KYC Application Form and carry out the KYC process including In-Person Verification (IPV) (applicable for Individual investors only) with any SEBI registered intermediaries including mutual funds. The KYC Application Forms are also available on our website [www.taurusmutualfund.com](http://www.taurusmutualfund.com). Existing KYC compliant investors of the Fund can continue the practice of providing KYC Acknowledgement Letter/ Printout of KYC Compliance Status downloaded from CDSL Ventures Ltd. (CVL) website ([www.cvlindia.com](http://www.cvlindia.com)) using the PAN at the time of investment.

Once the investor has done KYC with any SEBI registered intermediary, the investor need not undergo the same process again with the Fund.

With effect from Feb 1, 2017, the following will be applicable - CKYC (for Individuals) and KYC (for Non- Individuals, as per existing process). KYC or CKYC may be used interchangeably though with the clear understanding that CKYC is applicable for Individuals only.

### **Units held in electronic (demat) form**

For units held in demat form, the KYC performed by the Depository Participant of the applicants will be considered as KYC verification done by the Trustee / AMC. In the event of non-compliance of KYC requirements, the Trustee/AMC reserves the right to freeze the folio of the investor(s) and effect mandatory redemption of unit holdings of the investors at the applicable NAV, subject to payment of exit load, if any.

For further details, please refer Section 'Know Your Customer (KYC) Compliance' under Statement of Additional Information available on our website [www.taurusmutualfund.com](http://www.taurusmutualfund.com).

### **b. Central KYC Records Registry (CKYCR):**

The Government of India vide their Notification dated November 26, 2015, authorized the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) to act as and to perform the functions of the Central KYC Records Registry under the said rules, including receiving, storing, safeguarding and retrieving the KYC records under the Prevention of Money-Laundering Act, 2002. SEBI required all the market intermediaries to update/upload KYC details of the **new customer/investors (not KYC-KRA compliant)** on CERSAI's online platform. CERSAI is a centralized repository of KYC records of customers/investors in the financial sector with

uniform KYC norms and inter-usability of the KYC records across the sector with an objective to reduce the burden of producing KYC documents and getting those verified every time when the customer/investors create a new relationship with a financial entity. Central KYC (CKYC) will store all the customer/investor information at one central server that is accessible to all the financial institutions. After opening a KYC account under the CKYC, customer/investor will get a 14-digit identification number ("KYC Number") and that the same may be quoted by the investor wanting to invest in mutual funds. Further, the Mutual Fund/AMC is required to check whether the PAN of the investor has been updated in CKYCR. In case the PAN has not been updated, the Mutual Fund/AMC

shall collect a self-certified copy of the investor's PAN card and update/upload the same in CKYCR. In case the Investor uses the old KRA KYC form for updating of any KYC information, such investor shall be required to provide additional/missing information only by using the supplementary CKYC form or fill the new "CKYC form".

### **Non-PAN based KYC applicability through KRA:**

For certain nature of transactions and type of clients, PAN is not mandatory. In such cases common standard KYC through CVL/NDML will not continue to apply. Such nature of transactions and type of clients and the documents required for successful completion of KYC is mentioned below:

1. In case of transactions undertaken on behalf of Central Govt. and /or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc.
2. Investors residing in the state of Sikkim\*\*.
3. UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.
4. Micro schemes such as Systematic Investment Plan (SIP), where aggregate of installments in a rolling 12-month period or in a financial year i.e. April to March does not exceed Rs 50,000

**\*\*Investments from Investors residing in Sikkim** Special condition:

1. Proof of address of Sikkim state and application form should mention the same address.

**Documents required:**

1. Standard specified identification instruments like Voter ID card, Government/Defense ID card, Card of Reputed employer, Driving License, Passport in lieu of PAN.
2. Proof of address copy. It is clarified that where identification documents photo contains the address of the investor, a separate proof of address is not required.
3. Supporting documents copy shall be attested by a KYD Compliant ARN holder mentioning the ARN number or attested by any competent authority, as described above. These documents will be required to be submitted along with a KYC application form with valid IPV, as described above.

However, it is clarified that Investors with PAN are required to follow PAN based common standard KYC through KRA procedure as mentioned above.

For complying with the CKYC requirement all the investors could approach POS or KRA for submitting their C/KYC Application Form (KAF) and the mandatory documents of Proof of Identity and Proof of Address. The list of documents required for a valid C/KYC Application by Resident Indian and the process is mentioned above. Please also read more detailed instructions on the reverse of the C/KYC application form. After verification of the C/KYC application form and accompanying documents, investors will receive a letter certifying their C/KYC compliance. Investors are requested to read the C/KYC section of Statement of Additional Information (SAI) in detail. Investors are requested to note that C/KYC would be subject to verification of the veracity of the claim of the investors by collecting sufficient documentary evidence. The AMC reserves the right to ask for the necessary documentation to the satisfaction of the Mutual Fund. The AMC, under powers delegated by the Trustee, shall have absolute discretion to reject any application, prevent further transactions by a unitholder, if after due diligence, the investor/ unitholder/ person making the payment on behalf of the investor does not fulfill the requirements of the C/KYC Policy or the AMC believes that the transaction is suspicious in nature with regard to moneylaundering.

Currently, the AMC is also acting as POS at its offices as listed at [www.taurusmutualfund.com](http://www.taurusmutualfund.com)

If TAMCO finds that the name of the first holder in the application is slightly different (spelling error/spelling different / full form vs short name/etc.) than the name on investor's PAN/KYC/CKYC/Bank Account; then TAMCO reserves the right to update the name reflecting on investor's PAN/KYC/CKYC/Bank Account to ensure uniformity. TAMCO may seek additional proof & letter from the investor, including a suitable Affidavit, to ensure that the correct name of the investor is updated in our records.

**Ultimate Beneficial Ownership (UBO):**

In line with the Prevention of Money Laundering Act 2005, (PMLA) and SEBI Circular no. CIR/MIRSD/2/2013 dated January 24, 2013 and AMFI's Best Practices Guidelines Circular no. 62/2015-16 dated September 18, 2015, investors may note **w.e.f. January 01, 2016** it shall be mandatory for existing investors/ unitholders to provide Ultimate Beneficial Ownership details failing which the AMC shall reject the transaction for additional subscription

(including switches)

Taurus Mutual Fund reserves the right to reject application / restrict further investments or seek additional information from investors who have not provided the requisite information on beneficial ownership. In the event of change in UBO, investors are required to immediately update the details with Taurus Mutual Fund / Kfin Technologies Limited (Registrar).

### **Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS):**

FATCA is an acronym for Foreign Account Tax Compliance Act (FATCA), a United States Federal law to increase compliance by US taxpayers and is intended to bolster efforts to prevent tax evasion by the US taxpayers with off-shore investments. The Government of India and the United States of America (US) have reached an agreement in substance on the terms of an Inter-Governmental Agreement (IGA) and India is now treated as having an IGA in effect from April 11, 2014. The AMC/Mutual Fund are likely to be classified as a Foreign Financial Institution (FFI) (Investment Entity as per Annexure 1(i) under the FATCA provisions).

In accordance with the regulatory requirements related to FATCA/CRS read along with SEBI Circular no. CIR/MIRSD/2/2015 dated August 26, 2015 and AMFI's Best Practices Guidelines Circular no. 63/2015-16 dated September 18, 2015 regarding uniform implementation of FATCA/ CRS requirements, **w.e.f. January 01, 2016** all investors will have to mandatorily provide the details and declaration pertaining to FATCA/ CRS for all new/ existing accounts opened, failing which the AMC shall reject the application.

### **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.

### **Demat Details**

Investors/Unitholders are provided with an option to hold their Units in DEMAT form while subscribing to the Units of the above schemes of TMF. Such Unitholders are required to have a beneficiary account with a Depository Participant (DP) registered with NSDL/CDSL. The DP can process only Redemption request of units held in demat form.

In case, the unitholder desires to hold the units in DEMAT or Re-materialized (REMAT) mode at a later date, the request for conversion of units held in non-DEMAT into DEMAT mode or vice-versa should be submitted along with a DEMAT/REMAT Request Form to their DP.

During the de-materialisation and re-materialisation process, NO financial and non-financial transactions are allowed.

The facility of holding units in de-mat form is available for Systematic Investment Plan (SIP) transactions.

Further, units for SIP transactions will be allotted based on the applicable NAV and will be credited to investors de- mat account on a weekly basis after the realization of funds.

### **Redemption**

Unitholders can redeem their Units on any business day. The Redemption Price of the Units will be at the Applicable NAV subject to the exit load if any.

A Unit holder may request redemption of any amount or any number of units. Investors holding Unit Certificates are advised to surrender the same along with updation of their latest information including, but not limited to, bank details, PAN & FATCA to enable the redemption request to be processed. AMC may request for submission of any additional documents as per its discretion in order to adhere with the extant regulations.

- Redemption requests will be honored to the extent of credit balance in the Unit holder's account. The number of Units so redeemed will be reduced from the Unit holder's account and a statement to this effect will be issued to the Unit holder.
- If the redemption request exceeds the Balance in the account, then the available balance in account will be redeemed.
- Unitholders may also request for redemption of their entire holdings (all Units) by indicating the same at the appropriate place in the Redemption request form. In case there is no mention of the number of units or amount in the redemption request, the entire balance shall be redeemed.

All redemption requests must contain the Unit holder's Account Number and be duly signed by the Unitholders on record as per the mode of holding.

Redemption proceeds will be paid by cheque / direct credit and payments will be made in favor of the sole/first Unit holder's registered name and Bank account number and will be sent to the registered address of the sole/first holder as indicated in the original application form/in most recent C/KYC details. As per the SEBI Regulations and SEBI Circular no. SEBI/HO/IMD/IMD-I DOF2/P/CIR/2022/161 dated November 25, 2022, the Fund shall dispatch the redemption proceeds within three working Days from the date of receipt of the redemption request. Please refer to 'Redemption' section of Common SID.

### **IDCW and Distributions**

The Trustee may consider declaration of IDCW from time to time, subject to availability of distributable surplus, as computed in accordance with SEBI (Mutual Funds) Regulations, 1996. IDCWs 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 may be distinctly understood that the actual declaration of IDCW and the frequency thereof will inter alia depend on the availability of distributable surplus as computed in accordance with SEBI (Mutual Funds) Regulations, 1996. The decision of the Trustee in this regard shall be final.

There is no assurance or guarantee to the Unit holder as to the rate of IDCW distribution nor that will the IDCWs be paid regularly. On payment of IDCWs, the NAV will stand reduced by the amount of IDCW and IDCW tax (if applicable) paid.

Pursuant to SEBI Circular no. SEBI/HO/IMD/IMD-I DOF2/P/CIR/2022/161 dated November 25, 2022, the timelines for transfer of dividend/IDCW and redemption proceeds to unitholders stands modified with effect from January 14, 2023:

-Transfer of IDCW Payments: The payment of dividend to the unitholders shall be made within seven working days from the record date.

Further, as clarified vide above referred circular, the record date shall be two working days from the issue of public notice, wherever applicable, for the purpose of payment of dividend.

If the Fund declares a IDCW under a Scheme, the AMC shall dispatch the IDCW warrants within seven working days from the date of declaration of the IDCW. The AMC reserves the right to change the Record date from time to time, subject to SEBI regulations.

**Reinvestment of IDCW Below the Threshold Amount (Taurus Flexi Cap Fund, Taurus Large cap Equity Fund, Taurus Discovery (Midcap) Fund, Taurus Ethical Fund, Taurus Infrastructure Fund, Taurus Nifty 50 Index Fund &Taurus Banking & Financial Services Fund,):**

If the IDCW amount payable to the Unitholders under the IDCW payout option of the aforesaid Schemes/Plans is less than the threshold limit of Rs.250, then such amount will be compulsorily and automatically reinvested in the respective Schemes/Plans, with effect from February 1, 2011 ("Effective Date"). The IDCW distributed (net of tax deducted at source, whenever applicable) for an amount equal to or less than the threshold limit will be reinvested in the Scheme/Plan by issuing additional Units of the Scheme at the prevailing ex-IDCW Net Asset Value of the record date. There shall be no exit load on the IDCW so invested. The IDCW so reinvested shall constitute a constructive payment of IDCW to the Unitholders and a constructive receipt of the same amount from each Unit Holder for reinvestment in Units.

#### **Discontinuation of the IDCW Reinvestment Sub-option under IDCW Option of Taurus Tax Shield**

The IDCW Reinvestment Sub-option (hereinafter referred to as "Reinvestment option") under the IDCW Option of Taurus Tax Shield (an open-end equity linked tax saving scheme) has been discontinued with effect from February 16, 2015 ("Effective Date"). Accordingly, the revised options under Taurus Tax Shield ("the Scheme") will be Growth and IDCW with Growth being the default option. Thus, the IDCW option under the Scheme will only offer IDCW Payout Sub-option.

Consequently, no fresh subscriptions (including systematic transactions) would be accepted under the IDCW Reinvestment Sub-option of the Scheme from the Effective Date.

The outstanding units under IDCW Reinvestment Sub-option will be converted into the IDCW Payout Sub-option from the Effective Date and the IDCW declared, if any, will be compulsorily paid out instead of reinvestment.

The Systematic Investment Plans (SIP) that were registered under the IDCW Reinvestment Sub-option of the Scheme will be processed under the IDCW Payout Sub-option.

#### **Registration of Multiple Bank Accounts:**

An Individual investor may register up to 5 bank accounts while a non-individual investor may register up to 10 bank accounts with Taurus Mutual Fund and choose any one of these accounts as the preferred bank account which will be used to make the IDCW / redemption proceeds by the Fund. The investor may also choose any one of the remaining bank accounts from the registered list for the said purposes. In case the investor fails to mention any preference, then by default the first number indicated in the list shall be the preferred account number. However, the entire proceeds will necessarily be credited to a Single Account and shall not be allocated to multiple bank accounts. For any Change of Bank or Multiple Bank Registration request, the following is mandatory submission ==> ORIGINAL of any one of the following Or originals to be produced for verification Or True attested copy by the bank - i) Cancelled original cheque of the new bank mandate with first unit holder name and bank account number printed on the face of the cheque OR ii) Self attested copy of bank statement OR iii) Bank passbook with current entries not older than 2 months OR iv) Bank Letter duly signed by branch manager / authorized personnel.

For bank change/multiple registration in existing folios, where there are no existing bank details, in addition to the above documents an additional requirement is submission of a Photo ID proof of the first holder.

All bank change/multiple bank registration requests will take 10 calendar days, from the date of submission of all valid documents, to become effective

#### **Bank Mandate Registration as Part Of Fresh Purchase Application/ New Folio Creation**

Investors / Unitholders are required to submit one of the following documents for the bank mandate specified in the application form, in case the cheque provided along with fresh subscription / new folio creation does not belong to the bank mandate specified in the application form (for redemption/ IDCW payment):

1. Original cancelled cheque having First Holder's Name & Bank Account Number printed on the face of the cheque  
(or)
2. Original Bank Statement reflecting the First Holder's Name, Bank Account Number and Bank Name as specified

in the application (or)

3. Photocopy of the bank statement or bank passbook with current entries not older than 2 months duly attested by the Bank Manager / Authorized Official (or)
4. Bank letter confirming the Name & Bank Account Number of the First Holder along with the MICR & IFSC details (if available) duly signed by the Bank Manager / Authorized Official.

### **Restrictions on acceptance of third-party instruments**

TAMCO will not accept any application for subscription to units of schemes of Taurus Mutual Fund where such application is accompanied by Third Party Payment other than the exceptions given in paragraph below.

‘Third-Party Payment’ means a payment made through instruments issued from a bank account other than that of bank account of first named applicant/investor. In case of payments from a joint bank account, the first named unit holder/investor must be one of the joint holders of bank account from which payment is made.

### **Exception to Third-Party Payments:**

TAMCO will accept subscriptions to schemes of Taurus Mutual Fund accompanied by Third Party Payment Instruments only in following exceptional cases:

- a) Payment by Parents/Guardians\* on behalf of a minor
- b) Payment by an Employer on behalf of employees under Systematic Investment Plans (SIP) or lump sum / one-time subscription, through Payroll deductions or deductions out of expense reimbursements.
- c) A Custodian on behalf of a Foreign Institutional Investor (FII/FPI) or a client.
- d) Payment by TAMCO to a Distributor empaneled with it on account of commission/ incentive etc. in the form of the units of schemes of Taurus Mutual Fund through SIP or lump sum / one-time subscription, subject to compliance with SEBI Regulations and Guidelines issued by AMFI from time to time.
- e) Payment by a Corporate to its Agent / Distributor / Dealer (similar arrangement with Principal-agent relationship), on account of commission / incentive payable for sale of its goods / services, in the form of Mutual Fund units through Systematic Investment Plans or lump sum / one-time subscription, subject to compliance with SEBI Regulations and Guidelines issued by AMFI, from time to time.

\* ‘Guardians’ means either a natural guardian (i.e. father or mother - Parent) or a court appointed legal guardian

In case of exceptions mentioned above, investors will be required to comply with the following requirements without which application for subscription to units will be rejected:

- a) Mandatory Know Your Customer (‘KYC’) for all investors (guardian in case of minor) and the person making the payment. KYC Acknowledgement Letter for all the investors as well as the person making the payment should be attached to the application form.
- b) Third Party Declaration from the investors (guardian in case of minor) and the person making the payment (third party) stating details of bank account from which the payment is made and the relationship with the investor(s). In addition, TAMCO reserves the right to ask for cancelled cheque leaf or copy (showing entries not more than 2 months old) of bank statement / passbook page mentioning bank account number, account holders’ name and address or such other document as TAMCO may require for verifying the source of funds to ensure that funds have come from the drawer’s account only.
- c) If the subscription is settled with pre-funded instruments such as Pay Order, Demand Draft, Banker’s Cheque etc., a Certificate from the issuing banker must accompany the purchase application, stating the Account holder’s name and the Account number which has been debited for issue of the instrument. TAMCO shall check that the funds have been debited from a pre-registered pay in account, or from the account of the first named unit holder.
- d) A pre-funded instrument issued by the Bank against Cash shall not be accepted for investments of Rs 50,000/- or more.
- e) If payment is made by RTGS, NEFT, ECS, bank transfer etc., a copy of the instruction to the bank stating the

account number debited must accompany the purchase application. TAMCO shall check that the account number mentioned on the transfer instruction copy is a registered pay-in account or belonging to the first named unit holder.

f) If aggregated payments are received via Channel distributors, TAMCO shall ensure that the settlement model has satisfactory checks and balances against third party payments.

g) If TAMCO finds that the name of the first holder in the application is slightly different (spelling error/spelling different/full form vs short name/etc.) than the name on investor's PAN/KYC/CKYC/Bank Account; then TAMCO reserves the right to update the name reflecting on investor's PAN/KYC/CKYC/Bank Account to ensure uniformity. TAMCO may seek additional proof & letter from the investor, including a suitable Affidavit, to ensure that the correct name of the investor is updated in our records.

h) For payments through net banking and debit cards (as and when made applicable), TAMCO shall endeavor to obtain the details of the bank account debited from the payment gateway service provider/use other services like Penny Drop etc. and match the same with the registered pay-in accounts. If it is found that the payment is not made from a registered bank account or from an account not belonging to the first named unit holder, TAMCO shall reject the transaction with due intimation to the investor. Currently, where the investor account details are not made available by the payment gateway service provider, TAMCO shall obtain the name of the bank making payment for the subscription.

#### **Transaction Charge (applicable for Regular (Existing) Plan):**

TAMCO shall deduct a "Transaction charge" (TC) on all Purchases/ SIP amount, received from first time mutual fund investors (New\*) and existing mutual fund investors through our empaneled distributor/agent (who has chosen for "Opt-in"), and units will be allotted for the balance amount. The TC will be as follows:

<b>Description</b>	<b>New Investor</b>	<b>Existing Investor</b>
Lumpsum investment of Rs 10000 and Above	TC = Rs 150	TC = Rs 100
SIP/Micro SIP/Opti SIP Purchase where total commitment (installment amount x No of installment) is Rs 10000 & above	TC = Rs 150	TC = Rs 100

There shall be no transaction charge on subscription below Rs10,000/-.

In case of SIPs, the transaction charge shall be applicable only if the total commitment through SIPs amount to Rs 10,000/- and above. In such cases the transaction charge shall be recovered in 3-4 installments.

Distributors shall have the option to either opt in or opt out of levying transaction charge based on type of the product. Accordingly, the transaction charges would be deducted from the subscription amounts, as applicable.

#### **Statement of accounts or unit certificates**

- (1) The AMC shall issue to the applicant whose application has been accepted, a statement of accounts specifying the number of units allotted to the applicant, as soon as possible but not later than five working days from the date of closure of the initial subscription list and/or from the date of receipt of the request from the unitholders in any open-ended scheme:
- (2) An applicant in a close ended scheme whose application has been accepted shall have the option to either receive the statement of accounts or to hold units in dematerialised form and the AMC shall issue to such applicant, a

- statement of accounts specifying the number of units allotted to applicant or issue units in dematerialized form as soon as possible but not later than five working days from the date of closure of the initial subscription list.
- (3) The AMC shall issue units in dematerialized form to a unitholder in a close ended scheme listed on a recognised stock exchange within two working days of the receipt of request from the unitholder.

### Consolidated Account Statement:

Common Account Statement for each calendar month would be sent to the investor/s those who have transacted during the month.

The investor whose transaction\*\* has been accepted by the AMC/Mutual Fund shall receive the following:

- (i) On acceptance of the application for subscription, an allotment confirmation specifying the number of units allotted by way of email and/or SMS within 5 Business Days from the date of receipt of transaction request will be sent to the Unitholders registered e-mail address and/or mobile number.
- (ii) Thereafter, a consolidated account statement (CAS)^ for each calendar month to the Unit holder(s) in whose folio(s) transaction\*\*(s) has/have taken place during the month on or before 15th of the succeeding month shall be sent by mail/e-mail.
 

^Consolidated Account Statement (CAS) shall contain details relating to all the transactions\*\* carried out by the investor across all schemes of all mutual funds during the month and holding at the end of the month including transaction charges paid to the distributor.

\*\*The word 'transaction' shall include purchase, redemption, switch, IDCW payout, IDCW reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions.
- (iii) For the purpose of sending CAS, common investors across mutual funds shall be identified by their Permanent Account Number (PAN).
- (iv) In case of a specific request received from the Unitholders, the AMC/Fund will provide the account statement to the investors within 5 Business Days from the receipt of such request.
- (v) In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/account statement.
- (vi) The CAS shall not be received by the Unitholders for the folio(s) not updated with PAN details. The Unitholders are therefore requested to ensure that the folio(s) are updated with their PAN.

Further, the CAS detailing holding across all schemes of all mutual funds at the end of every six months (i.e. September/ March), shall be sent by mail/e-mail on or before 21st day of succeeding month, to all such Unitholders in whose folios no transaction has taken place during that period. The half yearly consolidated account statement will be sent by e-mail to the Unitholders whose e-mail address is available, unless a specific request is made to receive in physical.

The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective DPs periodically.

Investors are requested to note the following (effective from 02/07/2012):

- (a) The Consolidated Account Statement (CAS) for each calendar month will be issued on or before 15<sup>th</sup> day of succeeding month to the investors who have provided valid PAN. Physical account statements will not be sent to the investors after every financial transaction including systematic transaction. Further CAS will be sent via e-mail where any of the folios consolidated has an e-mail id or to the e-mail id of the first unit holder as per KYC records.
- (b) For folios not included in CAS, the AMC shall henceforth issue Account Statement to the investors on a monthly basis, pursuant to any financial transaction in such folios on or before 10<sup>th</sup> day of succeeding month. In case of a New Fund Offer (NFO), the AMC shall send confirmation specifying the number of units allotted to the applicant by way of a physical statement (SOA) or an e-mail/and/or SMS's to the investor's registered address and/or mobile number not later than 5 business days from the date of closure of the NFO.
- (c) In case of a specific request received from the unit holder, the AMC shall provide the account statement to the investor within 5 business days from the receipt of such request.



Half-yearly CAS shall be issued to all Fund investors, excluding those investors who do not have any holdings in Fund schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.

With a view to create transparency of information to investors, to SEBI vide its Circular No. SEBI/HO/IMD/DF2/CIR/P/2016/89 dated September 20, 2016(modified via Circular No. SEBI/HO/IMD/DF2/CIR/P/2018/137 dated Oct 22, 2018), issued guidelines for Consolidated Account Statement (CAS) effective from October 01, 2016. In accordance with this, each CAS issued for the half year (ended September/ March) to the investors shall inter-alia contain:

1. Total purchase value / cost of investment in each scheme.
2. The amount of actual commission paid by AMCs/ Fund to distributors during the half-year period
3. The scheme's average Total Expense Ratio (in percentage terms), along with the break-up between Investment & Advisory Fees) & Other expenses,) for the half-year period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in.

#### **Applicable for unit holders having a Demat Account**

With a view to create one record for all financial assets of every individual, SEBI vide its Circular no. CIR/MRD/DP/31/2014 dated November 12, 2014, enabled a single consolidated view of the investments of an investor in Mutual Funds (MF) and securities held in demat form with the Depositories.

In accordance with the above, the following shall be applicable for unit holders having a Demat Account:

- Investors having Mutual Fund investments and holding securities in demat account shall receive a single Consolidated Account Statement from the Depository.
- Consolidation of account statement shall be done on the basis of PAN. In case of multiple holding, it shall be the PAN of the first holder and pattern of holding. The CAS shall be generated on a monthly basis.
- If there is any transaction in any of the demat accounts of the investor or in any of his mutual fund folios, depositories shall send the CAS within ten days from the month end. In case there is no transaction in any of demat accounts or mutual fund folios then CAS with holding details shall be sent to the investor on half yearly basis.

The unit holders who do not have Demat Account shall continue to receive the Consolidated Account Statements (CAS) as per the existing practice.

A. Special Products / Facilities offered by the AMC / Schemes - Not Applicable

B. Default scenarios available to the investors under plans/options of the Schemes.

#### **Plans**

Each Scheme will offer two plans: Regular Plan and Direct Plan

**Regular Plan:** This Plan is for investors who wish to route their investment through any distributor.

**Direct Plan** shall be available for such investment applications which are not routed through a distributor. All the features of the Direct Plan under Scheme like the investment objective, asset allocation pattern, investment strategy, risk factors, facilities offered, load structure etc. will be the same except for a lower expense ratio. Brokerage/Commission paid to distributors will not be paid / charged under the Direct Plan.

#### **Default Plan**

Investors subscribing for units under Direct Plan of a Scheme should indicate 'Direct Plan' against the scheme name in the application form. Investors should also mention 'Direct' in the ARN column of the application form. The table showing various scenarios for treatment of application under 'Direct Plan' or 'Regular (Existing) Plan' is as follows:

Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured
1	Not mentioned	Not mentioned	Direct Plan
2	Not mentioned	Direct	Direct Plan
3	Not mentioned	Regular	Direct Plan
4	Mentioned	Direct	Direct Plan
5	Direct	Not Mentioned	Direct Plan
6	Direct	Regular	Direct Plan
7	Mentioned	Regular	Regular Plan
8	Mentioned	Not Mentioned	Regular Plan

In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application 'shall be processed under Regular Plan. Taurus Asset Management Company Limited (TAMCO) shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, TAMCO shall reprocess the transaction under Direct Plan from the date of application without any exit load, if applicable.

Treatment of Transactions received with invalid ARNs in view of AMFI Best Practices Guidelines Circular No.111 /2023-24 dated Feb 02, 2024.

Guidelines for Processing of transactions received under Regular Plan with invalid ARN:

Transactions received in Regular Plan with Invalid ARN to be processed in Direct Plan of the same Scheme (even if reported in Regular Plan), applying the below logic

Transaction Type	Primary ARN			Sub Distributor ARN		EUI N*	Execution only mentioned	Regular Plan/ Direct Plan
	Valid	Invalid	Empanelled	Valid	Invalid	Valid	Yes	
Lumpsum/ Registration	Y		Y				Y	Regular
	Y		N	Not Applicable				Direct
	Y		Y	N. A	N. A	N. A	N	Regular*
	Y		Y	Y		Y		Regular
		Y						Direct
	Y		Y	Y			Y	Regular
	Y		Y		Y			Direct
Trigger	Y			Not Applicable				Regular
				Not Applicable				Direct

Note:

1)\*If the EUIN is invalid/missing, the transactions shall be processed in Regular plan, and the distributor/investor shall be given 30-day period from the date of the transaction for remediation of the EUIN. In such cases, the investor to be advised to either provide a different EUIN linked to the ARN who would be engaged in servicing the investor OR switch to Direct Plan. The commission shall not be paid to the ARN holder if the Switch transaction does not happen, or fresh EUIN is not provided within 30 days. The commission may be paid if the fresh EUIN is provided by client within 30 days.

2)For SIP & STP facilities, the ARN validity shall be verified / validated at the time of registration. For instances where the registration details not available in RTA records the transaction shall be treated as lumpsum purchase for validations. Distributors must reconcile the active / inactive SIPs with RTA's at regular intervals.

3) SIPs registered under ARN of deceased to continue till end of SIP registration period or investor's request as per AMFI guidelines; No fresh transactions or SIPs to be booked under the ARN of deceased MFD post cancellation of ARN at AMFI.

4) Only Sub-distributor's ARN with valid "ARN-" values in the transaction will be considered for validation of Sub-distributor ARN for all types of transactions (lumpsum/SIP/STP).

5) If the ARN is invalid as on date of SIP / STP registration, such registration and future transactions thereunder will be processed under DIRECT plan

6) Transactions other than the physical mode which are found to be not in order basis above matrix, will be rejected at the time of upload / submission for following reasons: To give opportunity for the intermediary / platform to rectify details before submitting transactions or to report transactions as DIRECT

If these transactions are accepted and processed as DIRECT, the intermediary placing the transaction will not be receiving reverse feeds and hence will not be able to reconcile.

Since the validation cannot be carried out at the time of acceptance or transactions received in physical form, , the same will be done at the time of processing the transaction, and if found to be invalid, the transaction will be processed under DIRECT.

7) Transactions received from the stock exchange platforms in Demat mode with invalid ARN shall be rejected instead of processing in Direct Plan for following reasons-

a) Settlement of units will fail at clearing corporation due to mismatch of ISIN

b) If the RTA processes the transaction in DIRECT Plan, the AMC will face issues with corporate action wherein the clearing corporation will not be able to reconcile and credit the units

Introduction of Direct Plan for investing directly with the Fund (Applications not routed through distributors)

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), 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") has been introduced w.e.f. January 01, 2013 as under:

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.

Scheme eligibility: Direct Plan has been introduced in the following open-ended schemes of the Fund (except plans discontinued for further subscriptions):

Equity Schemes: (a) Taurus Flexi Cap Fund (b) Taurus Largecap Equity Fund (c) Taurus Discovery (Midcap) Fund (d) Taurus Infrastructure Fund (e) Taurus Tax Shield (f) Taurus Ethical Fund (g) Taurus Banking & Financial Services Fund

Index Scheme: Taurus Nifty Index Fund

**Plans / Options/ Sub-options:** All Plans / Options/ Sub-options offered under the Schemes (**“Regular (Existing) Plan”**) are also available for subscription under the Direct Plan. Thus from the Effective Date, there are two plans available for subscription under the Schemes viz., Regular (Existing) Plan and Direct Plan. Portfolio of the Scheme under the Regular (Existing) Plan and Direct Plan are common.

**Scheme characteristics:** Scheme characteristics such as Investment Objective, Asset Allocation Pattern, Investment Strategy, risk factors, facilities offered and terms & conditions including load structure is the same for the Regular (Existing) Plan and the Direct Plan except that :

Direct Plan has a lower expense ratio excluding distribution expenses, commission, etc. and no commission for distribution of units is paid/ charged under the Direct Plan.

**Applicable NAV and allotment of units:**

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

**Eligible investors / mode 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 Platforms(s) where investors’ applications for subscriptions of units are routed through Distributors).

**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 Flexi Cap Fund will have to indicate the Scheme/ Plan name in the application form as follows:

Name of the Scheme: **Taurus Flexi Cap Fund**

Plan: **Direct Plan**

**Option: Growth or IDCW\*\* - Payout or IDCW^^ - Reinvestment**

\*\*IDCW – Payout => Payout of Income Distribution cum Capital Withdrawal option

^^IDCW – Reinvestment => Reinvestment of Income Distribution cum Capital Withdrawal option

[As per clause 11 of SEBI Master Circular dated June 27, 2024 – it is important for investors to note that under the “Dividend” option (renamed as IDCW w.e.f. Apr 1, 2021) certain portion of your capital (equalization reserve) can be distributed as Dividend. To understand this further, please note that when units are sold, and sale price (NAV) is higher than face value of the unit, a portion of sale price that represents realized gains shall be credited to an Equalization Reserve Account & which can be used to pay dividend.]

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 Regular (Existing) Plan without Distributor code or “Direct” mentioned in the ARN Column, the application will be processed under Direct Plan

## VII. RIGHTS OF UNITHOLDERS OF THE SCHEME

1. Unitholders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme.
2. When the Mutual Fund declares an Income Distribution cum Capital Withdrawal (IDCW)/dividend under a scheme, IDCW/ dividend warrants shall be dispatched to the Unit Holders within 7 working days from the record date of IDCW/dividend. Consolidated Account Statement (‘CAS’) at mutual fund industry level for each calendar month will be issued on or before 15th day of succeeding month to all unit holders having financial transactions and who have provided valid Permanent Account Number (PAN). For folios not included in the CAS, the AMC shall

issue a monthly account statement to the unit holders, pursuant to any financial transaction done in such folios; the monthly statement will be sent on or before 15th day of succeeding month. In case of a specific request received from the unit holders, the AMC shall provide the account statement to the unit holder within 5 business days from the receipt of such request. If a Unit holder so desires the Mutual Fund shall issue a Unit certificate (non-transferable) within 5 Business Days of the receipt of request for the certificate. The Mutual Fund shall dispatch redemption or repurchase proceeds within 3 working days of accepting the valid redemption or repurchase request. For schemes investing at least 80% of total assets in such permissible overseas investments, 5 Working Days of accepting the valid redemption or repurchase request. Further, in case of exceptional scenarios as prescribed by AMFI vide its communication no. AMFI/ 35P/ MEM-COR/ 74 / 2022-23 dated January 16, 2023, read with clause 14.1.3 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 (SEBI Master Circular), the AMC may not be able to adhere with the timelines prescribed above. The Trustee is bound to make such disclosures to the Unitholders as are essential in order to keep the unitholders informed about any information known to the Trustee which may have a material adverse bearing on their investments.

3. The appointment of the AMC for the Mutual Fund can be terminated by majority of the Directors of the Trustee Board or by 75% of the Unitholders of the Scheme.

4. 75% of the Unitholders of a Scheme can pass a resolution to wind- up a Scheme.

5. The Trustee shall obtain the consent of the Unitholders:

- whenever required to do so by SEBI, in the interest of the Unit holders.
- whenever required to do so if a requisition is made by three- fourths of the Unit holders of the Scheme.
- when the majority of the trustees decide to wind up a scheme in terms of clause (a) of sub regulation (2) of regulation 39 of SEBI (Mutual Funds) Regulations, 1996 or prematurely redeem the units of a close ended scheme.

6. The trustees shall ensure that no change in the fundamental attributes of any scheme, the fees and expenses payable or any other change which would modify the scheme and affect the interest of the unit holders is carried out by the asset management company, unless it complies with sub-regulation (26) of regulation 25 of SEBI (Mutual Funds) Regulations, 1996.

7. In specific circumstances, where the approval of unitholders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.

## **VIII. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS**

The Securities and Exchange Board of India (SEBI) has outlined investment valuation norms and accounting policies under SEBI (Mutual Funds) Regulations, 1996 (the Regulations) as amended from time to time. The Investment Valuation Norms are prescribed in the Eighth Schedule of the Regulations (regulation 47) and circulars issued by SEBI from time to time. Further, SEBI has amended Regulation 47 and the Eighth Schedule and has introduced overriding guiding principles in the form of "Principles of Fair Valuation".

It further prescribed that the valuation shall be reflective of the realizable value of securities and shall be done in good faith and in true and fair manner through appropriate valuation policies and procedures approved by the Board of the AMC.

The amendment also states that in case of any conflict between the principles of fair valuation and valuation guidelines as per Eighth Schedule and circulars issued by SEBI, the Principles of Fair Valuation shall prevail.

Based on the said amendment by SEBI, the Board of Taurus AMC and Trustee has adopted a comprehensive policy on investment valuation and procedures.

**VALUATION POLICY**

This Valuation Policy documents the policies and procedures to be adopted for valuation of the securities of the schemes of Taurus Mutual Fund. As required by the SEBI (Mutual Funds) Regulations, 1996, the Valuation Policy lays down the valuation policies and procedures approved by the Boards of Taurus Asset Management Company Limited (TAMCO) and Taurus Investment Trust Company Limited (TITCO).

The regulations require that mutual funds shall value their investments in accordance with principles of fair valuation so as to ensure fair treatment to all investors i.e. existing investors as well as investors seeking to subscribe or redeem units.

It also states that in case of any conflict between the principles of fair valuation and valuation guidelines as per Eighth Schedule and circulars issued by SEBI, the Principles of Fair Valuation shall prevail.

The following guidelines will be used for valuation of different securities with effect from January 01, 2025:

**Valuation Committee**

Valuation committee is formed to oversee the valuation of investments purchased by the schemes of Taurus Mutual Fund. The Committee will constitute of CEO, Fund Managers, Vice President- Operations, COO, Compliance Officer & CFO. AMC will ensure composition of committee in such a way that there is no conflict of interest between investment function and valuation of investments.

**Following shall be duties and responsibilities of the committee:**

- a) Recommendation and drafting of valuation policy for approval from the AMC Board and from Board of Trustees
- b) Review the accuracy and appropriateness of methods used in arriving at the fair value of securities and recommend changes, if any. Valuation will done be in good faith and in true and fair manner to reflect the net realizable value of the securities /asset as determined by Valuation Committee.
- c) Lay down procedures to detect and prevent incorrect valuation.
- d) Inter-scheme transfers will be done in line with regulatory requirements and applicable internal policies as determined by the Valuation Committee as described in inter scheme transfer.
- e) Decide on valuation method during exceptional events including instances where market quotations are no longer reliable for a particular security as specified in Exceptional events.
- f) Decide on valuation methodology for a new type of security (other than those mentioned in equity and equity related securities). Describe the methodologies used for valuing each type of securities/assets held by the Scheme(s);
- g) Report to the Boards regarding any deviations or incorrect valuations.
- h) ensure that the securities/assets are consistently valued as per the approved methodology/ies.
- i) ensure the appropriateness and accuracy of the methodologies used and its effective implementation in valuing the securities/assets;
- j) Seek to address the conflict of interest;
- k) Ensure transparency by making appropriate disclosures.
- l) Further, the investments held by schemes of the Fund would normally be valued according to the Valuation Guidelines specified by SEBI from time to time. In case of any conflict between the Principles of Fair Valuation and valuation guidelines specified by SEBI from time to time, the Principles of Fair Valuation shall prevail.

**Conflict of Interest:**

The implementation of valuation policy and methodologies as adopted / authorised by the Board and

Trustee shall be subject to review by Valuation Committee. The Valuation Committee will be responsible for addressing areas of conflict of interest and therein recommend changes, if any, in policy/methodology. The same shall be ratified with the Board and Trustee.

**Deviation:**

Deviation in the valuation policy and procedures as stated above shall be allowed only with the prior approval of the Valuation Committee followed by reporting to the Board of AMC Director and Board of Trustee Co. Directors. Such deviations shall be appropriately disclosed to the Investors as may be decided by the Valuation committee.

**Record Maintenance:**

Company shall maintain and preserve documentation for valuation (including inter scheme transfers) either in electronic or physical form for a period of 8 years or such period as specified by SEBI from time to time.

**A. Debt securities:**

Investments in debt securities can be classified into the following types:

1. Overnight instruments like TREPS and term deposits;
2. Money Market Instruments, Bonds/Debentures, Pass Through Certificates, etc
3. Central/State Government securities including Treasury Bills and Cash Management Bills

The valuation policy and process for the above securities is as under:

1. Overnight instruments like Reverse Repo/TREPS will be valued at cost plus accrual basis. The valuation of repurchase (repo) transactions including TREPS (except for Overnight) will be valued the average of the prices of each such security provided by AMFI approved agencies (CRISIL and ICRA ). Investments in term/fixed deposits will be valued at cost and interest will be accrued daily (daily basis). In the case of deposits with step up rates, interest will be accrued on a daily basis as per the interest rates provided.
2. Valuation of Money Market Instruments like Certificate of Deposits, Commercial Papers, Non-Convertible Debentures, Pass Through Certificates, Bills Rediscounting instruments and other similar securities.

**Valuation of money market and debt securities**

Debt & Money Market securities will be valued at the average prices provided by AMFI approved agencies. In case of price being available from only one agency, the same will be considered for valuation.

In case of non-availability of prices from AMFI approved agencies-

- Traded (Own) securities will be valued at weighted average traded price /yield on the date of trade.
  - In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued at purchase yield on the date of allotment / purchase.
  - Non-traded securities will be at the fair value as per procedures determined by the Valuation Committee.
3. **Valuation of Government Securities:** Government Securities (including T Bills) will be valued at average of the prices provided by AMFI approved agencies (currently CRISIL and ICRA).

**Valuation of Securities with Put /Call Options:**

1. Securities with put /call options on the same day and having same put and call price, shall be deemed to mature on such put/call date and shall be valued accordingly. In all other cases, the cash flow of each put/call option shall be evaluated and security shall be valued on following basis:

Identify a 'Put Trigger Date' a date on which 'Price to put option' is the highest when compared with price to other put options and maturity price.

Identify a 'Call Trigger Date' a date on which 'Price to Call option' is the lowest when compared with price to other call options and maturity price.

In case one trigger date is available then valuation would be done as to the said trigger date. In case both Trigger dates are available, then valuation would be done to the earliest date.

If a put option is not exercised by a mutual fund when exercising such put option would be in favour of the scheme, a justification for not exercising the put option shall be provided to the board of AMC / Trustees by the fund manager.

**Securities with Call Option:**

The securities with call option shall be valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option. In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instrument.

**Securities with Put Option:**

The securities with put option shall be valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option. In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instrument.

Any put option inserted subsequent to the issuance of the security shall not be considered for the purpose of valuation and original terms of the issue will be considered for valuation.

**Security to be valued in case of default or traded below investment grade:**

A money market or debt security shall be classified as "below investment grade" if the long-term rating of the security issued by a SEBI registered Credit Rating Agency (CRA) is below BBB- or if the short-term rating of the security is below A3.

A money market or debt security shall be classified as "Default" if the interest and / or principal amount has not been received, on the day such amount was due or when such security has been downgraded to "Default" grade by a CRA. The Valuation Committee may subject to a provision in the Offer Document of the said debt scheme which holds the security in "default" may decide to recommend to the Board to "Segregate" the security.

Securities, which are rated below investment grade or default, shall be valued at the price provided by AMFI appointed valuation agencies.

Till such time the valuation agencies compute the valuation of money market and debt securities classified as below investment grade or default, such securities shall be valued on the basis of indicative haircuts provided by these agencies as listed in the table below. These indicative haircuts shall be applied on the date of credit event i.e. migration of the security to sub-investment grade or default and shall continue till the valuation agencies compute the valuation price of such securities. These haircuts shall be updated and refined, as and when there is availability of material information, which impacts the haircuts.

In case of trades after the valuation price is computed by the valuation agencies as referred above and where the traded price is lower than such computed price, such traded price shall be considered for the purpose of valuation and the valuation price may be revised accordingly.

In case of trades during the interim period between date of credit event and receipt of valuation price from valuation agencies, Taurus MF shall consider such traded price for valuation if it is lower than the price post standard haircut. The said traded price shall be considered for valuation till the valuation price is determined by the valuation agencies.



Taurus MF may deviate from the indicative haircuts and/or the valuation price for money market and debt securities/instruments rated below investment grade provided by the AMFI approved agencies by recording detailed rationale for such deviation with the approval of Valuation Committee. The AMC shall follow the procedure as mentioned in Master Circular for Mutual Funds dated June 27, 2024 and other applicable guidelines as may be issued by SEBI from time to time.

**Treatment of outstanding accrued interest and future accrual of interest, in case of money market and debt securities classified as below investment grade or default:**

- The indicative haircut that has been applied to the principal outstanding will also be applied to any outstanding accrued interest on the date of downgrade.
- In case of securities classified as below investment grade but not default, interest accrual will continue with the same haircut applied to the principal.
- In case of securities classified as default, no further interest accrual shall be made.

**Treatment of accounting of any future recovery in terms of principal or interest, in case of money market and debt securities classified as below investment grade or default:**

- Any recovery shall first be adjusted against the outstanding interest recognized in the NAV and any balance shall be adjusted against the value of principal recognized in the NAV.
- Any recovery in excess of the carried value (i.e. the value recognized in NAV) will be applied first towards amount of interest written off and then towards amount of principal written off.

Haircuts for below investment grade securities:

a) Haircuts for senior, secured securities:

Rating/sector	Infrastructure, Real Estate, Hotels, Loan against shares and Hospitals	Other Manufacturing and Financial Institutions	Trading, Gems & Jewellery and Others
BB	15%	20%	25%
B	25%	40%	50%
C	35%	55%	70%
D	50%	75%	100%

b) Haircuts on subordinated and unsecured (or both) securities

Rating/sector	Infrastructure, Real Estate, Hotels, Loan against shares and Hospitals	Other Manufacturing and Financial Institutions	Trading, Gems & Jewellery and Others
BB	25%	25%	25%
B	50%	50%	50%
C	70%	70%	70%
D	100%	100%	100%

**Treatment of Upfront Fees on Trades**

1. Upfront fees on all trades (including primary market trades), by whatever name and manner called, would be considered by the valuation agencies for the purpose of valuation of security.
2. Details of such upfront fees should be shared by the AMC on the trade date to the valuation agencies as part of the trade reporting to enable them to arrive at the fair valuation for that date.
3. For the purpose of accounting, such upfront fees should be reduced from the cost of the investment in the scheme that made the investment.
4. In case upfront fees are received across multiple schemes, then such upfront fees should be shared on a pro-rata basis across such schemes.

**Impact of any Changes to terms of an investment:**

- i) While making any change to terms of an investment, AMC shall adhere to the following conditions:
  - a) Any changes to the terms of investment, which may have an impact on valuation, shall be reported to the valuation agencies immediately.
  - b) Any extension in the maturity of a money market or debt security shall result in the security being treated as "Default", for the purpose of valuation.
  - c) If the maturity date of a money market or debt security is shortened and then subsequently extended, the security shall be treated as "Default" for the purpose of valuation.
  - d) Any put option inserted subsequent to the issuance of the security shall not be considered for the purpose of valuation and original terms of the issue will be considered for valuation.

**Waterfall Mechanism for valuation of money market, debt and government securities:**

The broad principles as mentioned in AMFI best practices circular (135/BP/83/2019-20) dated November 18, 2019 pertaining to the waterfall mechanism will be adopted. for considering the traded yields for valuation of Debt, money market and government securities. The said circular prescribes AMFI shall ensure valuation agencies have a documented waterfall approach for valuation of Debt & money market securities.

For arriving at security level pricing, a waterfall mechanism to be used by valuation agencies as provided by AMFI in consultation with SEBI (refer Waterfall Mechanism for valuation of money market, debt and government securities **(refer Annexure I)**).

Guidelines issued by AMFI on polling by valuation agencies and on the responsibilities of Mutual Funds in the polling process, as part of the aforesaid waterfall approach is attached at (refer Guidelines on Polling Process for Money Market and Debt Securities **(refer Annexure II)**).

Valuation of Bonds issued under Basel III framework as per SEBI circular SEBI/HO/IMD/DF4/CIR/P/2021/034 dated March 22, 2021 and AMFI Best Practices circular 135/BP/ 91 /2020-21 dated March 24, 2021. Relevant extract of AMFI Best Practices is being reproduced in [Guidelines for Valuation of Bonds (AT 1 Bonds and Tier 2 Bonds)] **(refer Annexure III)**

**B. Equity and equity related securities:**

1. Traded Equity shares will be valued at their closing prices reported on the Bombay Stock Exchange, which is the principal stock exchange for all schemes of Taurus Mutual fund (except Taurus Nifty 50 Index Fund). Equity Shares of Taurus Nifty 50 Index Fund will be valued at the closing prices reported on the National Stock Exchange, if the shares are not traded on the Bombay Stock exchange, they will be valued at the closing price of National Stock Exchange which is the secondary stock exchange for all the schemes. If security is not traded on Bombay Stock Exchange or National Stock Exchange then same will be valued at closing price of any other stock exchange where the share is traded. If the share is not traded on any exchange, it should be valued at the closing price of the earliest previous day provided such date is not more than thirty days prior to the valuation date.

The securities held under the portfolio of Index Scheme(s) and Exchange Traded Funds will be valued using

the closing value of the underlying index of the scheme(s).

2. Ill-liquid equity instruments: Unlisted, thinly traded, non-traded or ill-liquid equity instruments which have not traded on any recognized stock exchange for more than thirty days will be valued at fair value as mentioned below.
3. Definition of Thinly Traded Equity/Equity Related Securities: When trading in an equity/equity related security (such as convertible debentures, equity warrants, etc.) in a month is less than Rs. 5 lacs and the total volume is less than 50,000 shares, it shall be considered as a thinly traded security.

Point 2 and 3 Valuation of Non-traded / thinly traded equity securities:

- a) Based on the latest available Balance Sheet, net worth shall be calculated as follows:
- b) Net Worth per share = [share capital+ reserves (excluding revaluation reserves) – Misc. expenditure and Debit Balance in P&L A/c] Divided by No. of Paid up Shares.
- c) Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.
- d) The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for ill-liquidity so as to arrive at the fair value per share.
- e) In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.
- f) In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.
- g) In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security.
4. Equity derivatives: Settlement prices of NSE will be used for valuation. If the same are not available, then the closing prices will be used.
5. IPO application monies will be valued at application cost till the date of listing and thereafter will be valued in accordance with the procedure for valuation of traded equity shares. This will apply to Follow on public offers as well as offer for sale applications.

#### 6. Rights:

A. If underlying security is traded: Until rights are traded, rights entitlement will be valued at the difference between closing price and the rights offer price. In case the Offer price is higher than the Ex-right price then the rights would be valued at Zero.

B. If underlying security is Non-traded or Unlisted: If the underlying security are non-traded shares or unlisted shares then the rights would be valued at Zero.

Note: Where it is decided not to subscribe to the rights but to renounce them and renunciations are being traded, the rights can be valued at the renunciation value. Where it is decided to subscribe the rights. The rights entitlement shall continue to be valued at the difference between closing price and the rights offer price.

7. Equity warrants: Equity warrants will be valued at traded price if traded. In case these are ill- liquid, the same will be valued at closing price of share reduced by the amount payable on exercise of the warrant. The value arrived will be reduced by appropriate discount as decided by Valuation Committee. If amount payable on exercise is higher, then it will be valued at zero.

8. Preference share can be convertible or non- convertible. The non-convertible preference share will be

valued at the present value of all the future expected dividend payments and the maturity value, discounted at the expected return on preference share.

The value of convertible preference share can be expressed as follows:

$$\text{Price of convertible} = \frac{\text{Preference shares dividend}}{\text{Expected return on Preference Share}} \times \text{Face Value}$$

9. Valuation in case of demerger and other corporate actions: In case of demerger following situation may arise:

a. Both the shares are traded on demerger: In such cases, both the shares are valued at their closing prices.

b. Shares of only one company continued to be traded on de-merger:

1. Traded shares will be valued at closing prices.

2. (i) In case Pre-open Session price is not available: Valuation price of non-traded / unlisted resulting company will be arrived at using traded price of demerged company on the day before de-merger less value of traded share of resulting company post demerger.

(ii) In case Pre-open Session price is available: Valuation price of non-traded / unlisted resulting company will be arrived at using traded price of demerged company on the day before de-merger less value of Pre-open Session price on ex-date in case conducted by exchange / value of traded share of resulting company post demerger.

3. In case value of non-traded / unlisted resulting company arrived at is less than zero, then same will be valued at zero.

c. Both the shares are not traded on de-merger: In such a scenario, market capitalization of demerged company prior to demerger will be allocated to resulting companies on appropriate basis such as cost of shares, Price Earnings ratio or on other basis as considered appropriate by Valuation Committee.

d. In case of any other corporate action such as merger, amalgamation etc where in shares of companies are listed, valuation of resulting companies would be summation of valuation of entities immediately prior to merger date.

In case, one of the merging / amalgamating companies being unlisted, valuation of resulting companies would be valued on the principles of fair valuation as guided by the valuation committee

If the above companies remained unlisted for more than 3 months, the Valuation Committee to decide on application of illiquidity discount as deemed appropriate on case to case basis.

Valuation Committee may decide fair price other than the mentioned above, post considering the facts on case to case basis.

10. Shares acquired / allotted with lock-in period: In case of shares under lock-in for more than 3 months:

(a) from the date of purchase, in case of shares already listed on the date of purchase;

(b) from the date of IPO allotment, in case of shares acquired under Private Placement or under Pre-IPO;

The shares would be valued as per the valuation guidelines applicable to Traded and Thinly Traded / Non-Traded equity shares, further appropriate discount for illiquidity may be applied by Valuation Committee on case to case basis.

Buy-back of Securities: If a company offers to buy-back hundred percent of the shares tendered then shares will be valued at the price of buy-back and ignoring the market price. Else, market price of the shares will be considered for valuation till formal confirmation of acceptance of shares tendered under the buyback schemes. Quantum of shares accepted under buy-back will be accounted as a sale trade.

**C. Other securities:**

1. Mutual Fund units: Investments in units of Mutual Fund schemes shall be valued at the last declared / latest Net Asset Value made available per Unit by the respective mutual fund scheme, as at the close of the relevant valuation day. Mutual Fund units shall be valued at prices available on AMFI site.

2. Exchange Traded Funds: Units of Exchange Traded Funds will be valued at the closing prices on the primary stock Exchange. If the shares are not traded on the Bombay Stock exchange, they will be valued at the closing price of National Stock Exchange which is the secondary stock exchange and if price are not available on any stock exchange, then the NAV per unit will be used for valuation from AMFI website
3. Convertible debentures: The non-convertible and convertible components of convertible debentures and bonds shall be valued separately. The nonconvertible component would be valued on the same basis as would be applicable to a debt instrument. The convertible component shall be valued on the same basis as would be applicable to an equity instrument. If, after conversion the resultant equity instrument would be traded pari passu with an existing instrument, which is traded, the value of later instrument can be adopted after an appropriate discount for the non-tradability of the instrument during the period preceding conversion. While valuing such instruments, the fact whether the conversion is optional will also be factored in.
4. Convertible Preference Share will be valued at the traded prices. If it is not traded it will be valued based on the procedures as Valuation Committee may decide.
5. Fixed Deposits: Fixed deposits will be valued at cost.

6. Listed Foreign Securities (including ADR/GDR and Overseas Mutual Fund Units)

i) Traded Securities

Traded foreign securities (including ADR/GDR and units of overseas mutual funds) shall be valued based on the latest available closing market price of the stock exchange on which the security is listed. If the security is listed on more than one stock exchange, the AMC shall select the appropriate stock exchange and the reasons for selection of the stock exchange shall be recorded in writing and approved by Valuation Committee. If the security is listed in a time zone ahead of ours than the same day's closing market price would be used for Valuation. If the security is listed in the time zone behind ours then the previous day's closing market price would be used for valuation. When on a particular valuation day, a security has not been traded on the selected stock exchange; the value at which it is traded on another stock exchange or last available price on the selected stock exchange shall be used provided such date is not more than thirty days prior to the valuation date. On valuation date, all assets and liabilities in foreign currency shall be valued in Indian Rupees at the FBIL reference rate as at the close of banking hours on the relevant business day in India. If the security is listed in currency for which FBIL reference rate is not available, the exchange rates available from Reuters will be used. In case the direct exchange rates are not available on Reuters, then cross currency rate with USD would be considered and converted as per the INR/USD FBIL reference rate.

ii) Listed Overseas Exchange Traded Fund

Exchange Traded Funds units which are listed in the country having time zone before the country of underlying securities of the Fund, the units of such ETF will be valued at last published NAV as on the valuation day. In case, on any valuation day the overseas ETF is having a non-business day then previous day NAV would be considered for valuation. All other Exchange Traded Funds units shall be valued based on the latest available closing price of the stock exchange on which the security is listed. If the security is listed on more than one stock exchange, the AMC shall select the appropriate stock exchange and the reasons for selection of the stock exchange shall be recorded in writing and approved by Valuation Committee. When on a particular valuation day, a security has not been traded on the selected stock exchange; the value at which it is traded on another stock exchange or last available price on the selected stock exchange shall be used provided such date is not more than thirty days prior to the valuation date. On valuation date, all assets and liabilities in foreign currency shall be valued in Indian Rupees at the FBIL reference rate as at the close of banking hours on the relevant business day in India. If the security is listed in currency for which FBIL reference rate is not available, the exchange rates available from Reuters will be used. In case the direct exchange rates are not available on Reuters, then cross currency rate with USD would be considered and converted as per the INR/USD FBIL reference rate.

## iii) Non Traded Securities

Non traded foreign security shall be valued by AMC at fair value after considering relevant factors on case to case basis. Non-traded ADR/ GDR shall be valued after considering prices/issue terms of underlying security. Valuation committee shall decide the appropriate discount for illiquidity.

## Units of Unlisted overseas Mutual Funds:

Valuation will be based on latest available Net Asset Value (NAV) of Mutual Fund units. On valuation date, all NAV's in foreign currency shall be valued in Indian Rupees at the FBIL reference rate as at the close of banking hours on the relevant business day in India. If the Units NAV is quoted in currency for which FBIL reference rate is not available, the exchange rates available from Reuters will be used. In case the direct exchange rates are not available on Reuters, then cross currency rate with USD would be considered and converted as per the INR/USD FBIL reference rate.

## Note:

(a) Due to differences in the time zones across different markets, the AMC would consider a cut off time of 5.00 PM (IST) for availability of the closing market price for the purpose of valuation i.e. if any market closes on or before 5.00 PM (IST) that day's last closing market price will be considered for valuation else the previous day's closing market price of that stock exchange will be considered. Accordingly, the valuation of the units will be done based on T day prices or T-1 day prices, depending upon the closure of business hours of the stock exchange on which the particular units are traded / listed.

b) All the corporate action for Overseas Mutual Fund units will be recorded on the same basis as valuation of Overseas Mutual Fund units by considering a cut off time of 5.00 PM (IST). The corporate action of the units will be recorded on T day or T+1 day, depending upon the closure of business hours of the stock exchange on which the particular units are traded / listed.

## 7. Listed Units of InvITs / REITs :

The units of InvIT and REIT will be valued at the closing market price at the principal stock exchange. If units are not traded on principal stock exchange on a particular valuation day, the closing market price on any other stock exchange where units are traded will be used. If units are not traded on any stock exchange on a particular valuation day, then closing market price at which it traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day will be used provided such date is not more than 30 days prior to valuation date.

## Unlisted / Non-Traded Units of InvITs /REITs:

Where units of InvIT and REIT are not traded on any stock exchange for a continuous period of 30 days then the valuation for such units of InvIT and REIT will be determined based on the procedure determined by Valuation Committee.

**D. Exceptional events:**

The Valuation Committee shall identify and monitor exceptional events and recommend appropriate procedures / methodologies with necessary guidance from the Board of Taurus AMC and Trustee, wherever required, and get the same ratified.

Such exceptional events where current market information may not be available / sufficient for valuation of securities are classified as under:

- a) Policy announcements by the Reserve Bank of India (RBI), the Government or

- any Regulatory body like (SEBI/IRDA/PFRDA).
- b) Natural disasters or public disturbances that may impact the functioning of the capital markets.
- c) Absence of trading in a specific security or similar securities.
- d) Sufficient market information may not be available for the Valuation of Securities.
- e) Significant volatility in the capital markets.
- f) Deviation from the indicative haircuts and/or the valuation price
- g) Valuation Agencies do not provide Valuation for Securities.

**Note:**

1. Any change/modification to the above list of exceptional events shall be updated from time to time.
2. The Valuation Committee shall identify and monitor the exceptional events and recommend appropriate procedures/methodologies with necessary guidance from the Board and Trustee, wherever required, and get the same ratified.

**E. Deviation from Valuation guidelines:**

1. In case AMC decides to deviate from the valuation price given by the valuation agencies, the detailed rationale for each of the instance of deviation shall be recorded by AMC.
2. The rationale for deviation along with details such as information about the security (ISIN, issuer name, rating etc.), price at which the security was valued vis- a –vis the price as per valuation agencies and the impact of such deviation on the scheme NAV (in amount and percentage terms) shall be reported to the board of AMC and Trustees
3. The rationale for deviation along with details as mentioned under paragraph 2 above shall be disclosed immediately and prominently, under a separate head on the AMC Website.
4. Further, while disclosing the total number of instances of deviation in the monthly and half yearly portfolio statements, AMC will disclose exact link to their website for accessing the information mentioned at paragraph 3 above.

**Segregated Portfolio valuation:**

Notwithstanding the decision to segregate the debt and money market instrument in accordance with the SEBI Circular dated December 28, 2018, the valuation should consider the credit event and value the portfolio based on the principles of fair valuation. (i.e. realizable value of the assets) in terms of relevant provisions of SEBI (Mutual Funds) Regulation, 1996 and Circular(s) issued thereunder. In case of AT-1 Bonds) and Tier 2 Bonds, the financial stress of the issuer and the capabilities of issuer to repay the dues/borrowings are considered in the valuation of the securities from the trigger date onwards i.e. date on which the instrument is to be written off or converted to equity pursuant to any proposal or otherwise. Irrespective of the above policy, the valuation committee might adopt valuation principles to align with fair valuation norms.

**5. Guidelines for valuation of Debt & Debt Related Instruments:**

All Debt & Debt related Instruments are valued based on AMFI and SEBI circulars/guidelines, by the independent valuation agencies nominated by AMFI for determining valuation for such securities

Marketable lot defined by AMFI in consultation with SEBI is as under: - The following volume criteria shall be used for recognition of trades by valuation agencies:

Parameter	Minimum Volume of Criteria for marketable lot
Primary	25 cr for both/ NCD/ CP/ CD and any other money market

	instruments
Secondary	25 cr for CP/CD, T-Bills and any other money market instruments
Secondary	5 cr for Bonds/ NCD/ G-Secs

A money market or debt security shall be considered as non-traded when, on the date of valuation, there are no trades (in marketable lots) in such security on any recognized Stock Exchange or no trades (in marketable lots) have been reported on any of the aforementioned trade reporting platforms.

#### F. Inter scheme Transfers

Inter-scheme transfers will be done in line with regulatory requirements and applicable internal policies as determined by the Valuation Committee as described below-

Security Type	Inter scheme Policy
Listed Equity Shares	Inter scheme to be done on latest quote for a particular security on primary stock exchange.
Debt & Money Market Securities (Government Securities/ Treasury bills/Commercial Paper/ Certificate of	<p>i. IST of Securities will be done as per the average prices provided by AMFI approved agencies currently CRISIL &amp; ICRA.</p> <p>ii. If prices from the valuation agencies are received within the pre-agreed TAT as per AMFI, an average of the prices so received shall be used for IST pricing.</p> <p>iii. If price from only one valuation agency is received, that price may be used for IST pricing.</p> <p>iv. If prices are not received from any of the valuation agencies, AMC may determine the price for the IST, in accordance with Clause 3 (a) of Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996</p>

#### G. Periodic Review

The Valuation Policy shall be reviewed at least annually and any modification shall be approved by the AMC and Trustee Boards. The Valuation Policy shall also be reviewed by Statutory Auditors at least once in a Financial Year to ensure the appropriateness of the valuation methodologies.



**Annexure 1****Part A: Valuation of Money Market and Debt Securities other than G- Secs****1. Waterfall Mechanism for valuation of money market and debt securities:**

The following shall be the broad sequence of the waterfall for valuation of money market and debt securities:

- i) Volume Weighted Average Yield (VWAY) of primary reissuances of the same ISIN (whether through book building or fixed price) and secondary trades in the same ISIN
- ii) VWAY of primary issuances through book building of same issuer, similar maturity (Refer Note 1 below)
- iii) VWAY of secondary trades of same issuer, similar maturity
- iv) VWAY of primary issuances through fixed price auction of same issuer, similar maturity
- v) VWAY of primary issuances through book building of similar issuer, similar maturity (Refer Note 1 below)
- vi) VWAY of secondary trades of similar issuer, similar maturity.
- vii) VWAY of primary issuance through fixed price auction of similar issuer, similar maturity
- viii) Construction of matrix (polling may also be used for matrix construction)
- ix) In case of exceptional circumstances, polling for security level valuation (Refer Note 2 below)

**Note 1**

Except for primary issuance through book building, polling shall be conducted to identify outlier trades. However, in case of any issuance through book building which is less than INR 100 Cr, polling shall be conducted to identify outlier trades.

**Note 2**

Some examples of exceptional circumstance would be stale spreads, any event/news in particular sector/issuer, rating changes, high volatility, corporate action or such other event as may be considered by valuation agencies. Here stale spreads are defined as spreads of issuer which were not reviewed/updated through trades/primary/polls in same or similar security/issuers of same/similar maturities in waterfall approach in last 6 Months.

Further, the exact details and reasons for the exceptional circumstances which led to polling shall be documented and reported to AMCs. Further, a record of all such instances shall be maintained by AMCs and shall be subject to verification during SEBI inspections.

**Note 3**

All trades on stock exchanges and trades reported on trade reporting platforms till end of trade reporting time (excluding Inter-scheme transfers) should be considered for valuation on that day.

**Note 4**

It is understood that there are certain exceptional events, occurrence of which during market hours may lead to significant change in the yield of the debt securities. Hence, such exceptional events need to be factored in while calculating the price of the securities. Thus, for the purpose of calculation of VWAY of trades and identification of outliers, on the day of such exceptional events, rather than considering whole day trades, only those trades shall be considered which have occurred post the event (on the same day).

The following events would be considered exceptional events:

- i) Monetary / Credit Policy
- ii) Union Budget
- iii) Government Borrowing/Auction Days
- iv) Material Statements on Sovereign Rating

- v) Issuer or Sector Specific events which have a material impact on yields
- vi) Central Government Election Days
- vii) Quarter end days

In addition to the above, valuation agencies may determine any other event as an exceptional event. All exceptional events along-with valuation carried out on such dates shall be documented with adequate justification.

## 2. Definition of tenure buckets for Similar Maturity

When a trade in the same ISIN has not taken place, reference should be taken to trades of either the same issuer or a similar issuer, where the residual tenure matches the tenure of the bond to be priced. However, as it may not be possible to match the exact tenure, it is proposed that tenure buckets are created and trades falling within such similar maturity be used as per table below.

Residual Tenure of Bond to be priced	Criteria for similar maturity
Up to 1month	Calendar Weekly Bucket
Greater than 1month to 3 months	Calendar Fortnightly Bucket
Greater than 3 months to 1year	Calendar Monthly Bucket
Greater than 1year to 3 years	Calendar Quarterly Bucket
Greater than 3 years	Calendar Half Yearly or Greater Bucket

### In addition to the above:

- a. In case of market events, or to account for specific market nuances, valuation agencies may be permitted to vary the bucket in which the trade is matched or to split buckets to finer time periods as necessary. Such changes shall be auditable. Some examples of market events / nuances include cases where traded yields for securities with residual tenure of less than 90 days and more than 90 days are markedly different even though both may fall within the same maturity bucket, similarly for less than 30 days and more than 30 days or cases where yields for the last week v/s second last week of certain months such as calendar quarter ends can differ.
- b. In the case of illiquid/ semi liquid bonds, it is proposed that traded spreads be permitted to be used for longer maturity buckets (1 year and above). However, the yield should be adjusted to account for steepness of the yield curve across maturities.
- c. The changes / deviations mentioned in clauses a and b, above, should be documented, along with the detailed rationale for the same. Process for making any such deviations shall also be recorded. Such records shall be preserved for verification.

## 3. Process for determination of similar issuer

Valuation agencies shall determine similar issuers using one or a combination of the following criteria. Similar issuer do not always refer to issuers which trade at same yields, but may carry spreads amongst themselves & move in tandem or they are sensitive to specific market factor/s hence warrant review of spreads when such factors are triggered.

- i. Issuers within same sector/industry and/or
- ii. Issuers within same rating band and/or
- iii. Issuers with same parent/ within same group and/or
- iv. Issuers with debt securities having same guarantors and/or
- v. Issuers with securities having similar terms like Loan Against Shares (LAS)/ Loan Against Property (LAP)

The above criteria are stated as principles and the final determination on criteria, and whether in combination or isolation shall be determined by the valuation agencies. The criteria used for such determination should be documented along with the detailed rationale for the same in each instance. Such

records shall be preserved for verification. Similar issuers which trade at same level or replicate each other's movements are used in waterfall approach for valuations. However, similar issuer may also be used just to trigger the review of spreads for other securities in the similar issuer category basis the trade/news/action in any security/ies within the similar issuer group.

#### 4. Recognition of trades and outlier criteria

##### i. Volume criteria for recognition of trades (marketable lot)

Master Circular for Mutual Funds on on Valuation of money market and debt securities, prescribes that the marketable lots shall be defined by AMFI, in consultation with SEBI. In this regard, marketable lot is defined as under.

The following volume criteria shall be used for recognition of trades by valuation agencies:

Parameter	Minimum Volume Criteria for marketable lot
Primary	INR 25 cr. for both Bonds/NCD/CP/CD and other money market instruments
Secondary	INR 25 cr. for CP/ CD, T-Bills and other money market instruments
Secondary	INR 5 Cr for Bonds/NCD/G-secs

Trades not meeting the minimum volume criteria i.e. the marketable lot criteria as stated above shall be ignored.

##### ii. Outlier criteria

It is critical to identify and disregard trades which are aberrations, do not reflect market levels and may potentially lead to mispricing of a security or

group of securities. Hence, the following broad principles would be followed by valuation agencies for determining outlier criteria.

- Outlier trades shall be classified on the basis of liquidity buckets (Liquid, Semi-liquid, and Illiquid). Price discovery for liquid issuers is generally easier than that of illiquid issuers and hence a tighter pricing band as compared to illiquid issuers would be appropriate.
- The outlier trades shall be determined basis the yield movement of the trade, over and above the yield movement of the matrix. Relative movement ensures that general market movements are accounted for in determining trades that are outliers. Hence, relative movement over and above benchmark movement shall be used to identify outlier trades.
- Potential outlier trades which are identified through objective criteria defined below will be validated through polling from market participants. Potential outlier trades that are not validated through polling shall be ignored for the purpose of valuation.
- The following criteria shall be used by valuation agencies in determining Outlier Trades

Liquidity Classification	Bps Criteria (Yield movement over Previous Day yield after accounting for yield movement of matrix)		
	Up to 15 days	15-30 days	Greater than 30 days
Liquid	30 bps	20 bps	10 bps

Semi-liquid	45 bps	35 bps	20 bps
Illiquid	70 bps	50 bps	35 bps

The above criteria shall be followed consistently and would be subject to review on a periodic basis by valuation agencies and any change would be carried in consultation with AMFI.

- e. In order to ensure uniform process in determination of outlier trades the criteria for liquidity classification shall be as detailed below.

Liquidity classification criteria-liquid, semi Liquid and Illiquid definition

Valuation agencies shall use standard criteria for classifying trades as Liquid, Semi-Liquid and illiquid basis the following two criteria

- Trading Volume
- Spread over reference yield

Such criteria shall be reviewed on periodic basis in consultation with AMFI.

Trading Volume (Traded days) based criteria:

Number of unique days an issuer trades in the secondary market or issues a new security in the primary market in a calendar quarter

- Liquid = 50% of trade days
- Semi liquid = 10% to 50% trade days
- Illiquid = < 10% of trade days

**Spread based criteria:**

Spread over the matrix shall be computed and based on thresholds defined, issuers shall be classified as liquid, semi liquid and illiquid. For bonds thresholds are defined as up to 15 bps for liquid; >15-75 bps for semi-liquid;

> 75 bps for illiquid. (Here, spread is computed as average spread of issuer over AAA Public Sector Undertakings/Financial Institutions/Banks matrix), For CP/ CD- up to 25 bps for liquid; >25- 50 bps for semi liquid; >50 bps for illiquid. (Here, spread is computed as average spread of issuer over A1+/AAA CD Bank matrix).

The thresholds shall be periodically reviewed and updated having regard to the market. The best classification (liquid being the best) from the above two criteria (trading volume and spread based) shall be considered as the final liquidity classification of the issuer. The above classification shall be carried out separately for money market instruments (CP/ CDs) and bonds.

**5. Process for construction of spread matrix**

Valuation agencies shall follow the below process in terms of calculating spreads and constructing the matrix:

Steps	Detailed Process
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Step 1	<p><b>Segmentation of corporate</b></p> <p>The entire corporate sector is first categorised across following four sectors i.e. all the corporates will be catalogued under one of the below mentioned bucket:</p> <ol style="list-style-type: none"> <li>1. Public Sector Undertakings/Financial Institutions/Banks;</li> <li>2. Non-Banking Finance Companies -except Housing Finance Companies;</li> <li>3. Housing Finance Companies;</li> <li>4. Other Corporates</li> </ol>
Step 2	<p><b>Representative issuers-</b></p> <p>For the aforesaid 4 sectors, representative issuers (Benchmark Issuers) shall be chosen by the valuation agencies for only higher rating {I.e. "AAA" or AA+}. Benchmark/Representative Issuers will be identified basis high liquidity, availability across tenure in AAA/AA+ category and having lower credit/liquidity premium. Benchmark Issuers can be single or multiple for each sector.</p> <p>It may not be possible to find representative issuers in the lower rated segments, however in case of any change in spread in a particular rating segment, the spreads in lower rated segments should be suitably adjusted to reflect the market conditions.</p> <p>In this respect, in case spreads over benchmark are widening at a better rated segment, then adjustments should be made across lower rated segments, such that compression of spreads is not seen at any step. For instance, if there is widening of spread of AA segment over the AAA benchmark, then there should not be any compression in spreads between AA and A rated segment and so on.</p>
Step 3	<p><b>Calculation of benchmark curve and calculation of spread</b></p> <ol style="list-style-type: none"> <li>1. Yield curve to be calculated for representative issuers for each sector for maturities ranging from 1month till 20 years and above.</li> <li>2. Waterfall approach as defined in Part A (1) above will be used for construction of yield curve of each sector.</li> <li>3. In the event of no data related to trades/primary issuances in the securities of the representative issuer is available, polling shall be conducted from market participants</li> <li>4. Yield curve for Representative Issuers will be created on daily basis for all 4 sectors. All other issuers will be pegged to the respective benchmark issuers depending on the sector, parentage</li> </ol>

	<p>and characteristics. Spread over the benchmark curve for each security is computed using latest available trades/primaries/polls for respective maturity bucket over the Benchmark Issuer.</p> <p>5. Spreads will be carried forward in case no data points in terms of trades/primaries/polls are available for any issuer and respective benchmark movement will be given</p>
Step 4	<p>1. The principles of VWAY, outlier trades and exceptional events shall be applicable while constructing the benchmark curve on the basis of trades/primary issuances.</p> <p>2. In case of rating downgrade/credit event/change in liquidity or any other material event in Representative Issuers, new Representative Issuers will be identified. Also, in case there are two credit ratings, the lower rating to be considered.</p> <p>3. Residual tenure of the securities of representative issuers shall be used for construction of yield curve.</p>

#### Part B: Valuation of G-Secs (T-Bill, Cash management bills, G-Sec and SDL)

The following is the waterfall mechanism for valuation of Government securities:

- VWAY (Volume Weighted Average Yield) of last one hour, subject to outlier validation
- VWAY for the day (including a two quote, not wider than 5 bps on NDSOM), subject to outlier validation
- Two quote, not wider than 5 bps on NDSOM, subject to outlier validation
- Carry forward of spreads over the benchmark
- Polling etc.

#### Note:

1. VWAY shall be computed from trades which meet the marketable lot criteria stated in Part A of these Guidelines.
2. Outlier criteria: Any trade deviating by more than +/- 5 bps post factoring the movement of benchmark security shall be identified as outlier. Such outlier shall be validated through polling for inclusion in valuations. If the trades are not validated, such trades shall be ignored.

**Annexure II****II. AMFI GUIDELINES ON POLLING PROCESS FOR MONEY MARKET AND DEBT SECURITIES****Polling Guidelines:**

1. Valuation agencies shall identify the Mutual Funds who shall participate in the polling process on a particular day, taking into account factors such as diversification of poll submitters and portfolio holding of the Mutual Funds. Mutual Funds who are identified by the valuation agencies shall necessarily participate in the polling process. However, in case any Mutual Fund does not participate in the polling process, detailed reason for the same shall be recorded at the time and subsequently made available during SEBI inspections. In this respect, since a Mutual Fund may have investments in similar securities, a security not forming part of investment universe may not be considered as an adequate reason for not participating in the polling process.
2. Polling will be carried out on a daily basis by the valuation agencies, in terms of points 9-11 below.
3. Each valuation agency needs to take polls from at least 5 unique Mutual Funds on a daily basis. Hence, between the two valuation agencies 10 unique Mutual Funds to be polled. They may cover more Mutual Funds, over and above this. For benchmark securities a poll constituting at least 5 responses will be considered as valid. In case of non-benchmark securities a poll constituting at least 3 responses will be considered as valid. The responses received by each valuation agency will be shared with the other agency also.
4. Median of polls shall be taken for usage in valuation process.
5. The valuation agencies will also need to cover as many non- Mutual Fund participants as possible, over and above the Mutual Funds, to improve on the polling output quality.
6. Endeavour would be made to have adequate representation of both holders and non- holders of the same bond/same issuer for non-benchmark securities in the poll process. Where this is not possible, valuation agencies may seek polls from holders of bonds with a similar structure.
7. In the case of issuers with multiple notch rating upgrades / downgrades over short periods of time, valuation agencies shall:
  - a. Conduct polls with a larger universe of pollers.
  - b. Increase the frequency of polling
8. Suo moto feedback on valuations should be entertained only through formal mails from persons designated by AMC for said purpose, and the same shall be validated through re-polling. Any such feedback shall be duly recorded by the valuation agencies, including the reason for the challenge, results of re-polling and subsequent changes in valuation on re polling, if any. Such records shall be preserved by the valuation agencies, for verification.
9. Polling will be done for two sets of securities, Benchmark & Others.
10. Benchmark will be defined for the following categories across tenors. a)
  - a) Treasury Bills
  - b) Central Government Securities
  - c) State Government Securities
  - d) AAA PSU/PFI/PSUBanks
  - e) AAA Private
  - f) NBFC

- g) HFC
- h) Any other as required for improving fair valuations.

11. Polling shall be conducted in the following two scenarios:

- a) Validation of traded levels if they are outlier trades.
- b) Non-traded Securities (in exceptional circumstances as defined in the waterfall mechanism for valuation of money market and debt securities).

12. Best efforts should be made by poll submitters to provide fair valuation of a security.

13. The polling process will be revalidated by external audit of the valuation agencies with at least an annual frequency

14. AMCs shall have a written policy, approved by the Board of AMC and Trustees, on governance of the polling process. The aforesaid policy shall include measures for mitigation of potential conflicts of interest in the polling process and shall identify senior officials, with requisite knowledge and expertise, who shall be responsible for polling. Further, the policy should outline the following aspects:

- a. The process of participating in a polling exercise.
- b. Identify the roles and responsibilities of persons participating in the polling.
- c. Include policies and procedures for arriving at the poll submission
- d. Cover the role of the Board of AMC and Trustees, and the periodic reporting that needs to be submitted to them.
- e. All polling should be preferably over email. In case for any reason, the polling is done by way of a telephonic call then such a call should be over recorded lines, followed subsequently by an email.
- f. AMCs should have adequate business continuity arrangements for polling, with the necessary infrastructure /skill to ensure that consistent delivery of poll submissions is made without material interruption due to any failure, human or technical.

15. All polling done will have to be documented and preserved in format approved by the Board of AMC, for a period of eight years, along-with details of the basis of polling (such as market transactions, market quotes, expert judgement etc.)

16. AMCs shall ensure that participation in the polling process is not misused to inappropriately influence the valuation of securities. The officials of the AMC who are responsible for polling in terms of point no. 14 above, shall also be personally liable for any misuse of the polling process.

17. AMCs shall maintain an audit trail for all polls submitted to valuation agencies.



**Annexure III****Guidelines for Valuation of Bonds (AT 1 Bonds and Tier 2 Bonds)**

1. Currently a bond is considered traded, if there is at least one trade in market lot in that particular ISIN. If the bond does not get traded there is a defined waterfall mechanism for valuation of that bond as per AMFI Best Practice Guideline circular no. NO.83 / 2019-20 dated November 18, 2019.
2. The said waterfall requires grouping of same issuer with similar maturity and similar issuers with similar maturity. However, in case any ISIN of issuer has not traded, the valuation of AT 1 Bonds is currently done based on adjusting spread directly to the benchmark security.
3. In order to improve existing valuation of these bonds and implement the defined waterfall, following is being done:
  - i) Form two types of ISINs:
    - a) Benchmark ISINs (a non-benchmark ISIN can be linked to only one benchmark ISIN. Currently, SBI ISINs happens to be the benchmark ISINs across all maturities for AT-1 Bonds.)
    - b) Non-benchmark ISINs (Will be divided into multiple groups based on similar issuer and similar maturity).
    - c) The groups will be decided in consultation with valuation agencies. The two main criteria envisaged to be used here would be Tier 1 / Tier 2 ratings of the ISINs / Issuers, and the spread range in which the group of ISINs / Issuer's trade over the benchmark.
  - ii) Take a look back period for trade recognition as under:
    - a) 15 working days for benchmark ISINs
    - b) 30 working days for non-benchmark ISINs
    - c) This will be revised to 7 working days for benchmark ISIN and 15 working days for non- benchmark ISINs from October 01, 2021.
4. If the ISIN gets traded, the traded YTM will be taken for the purpose of valuation. Further, if 1 ISIN of the issuer trades all other ISINs of issuers will be considered as traded but with necessary adjustment of spread to YTM. If none of the ISIN of the issuer gets traded, the trade of similar issuer in the group will be taken to valuation however with necessary adjustment of spread to YTM of similar issuer similar maturity. If none of the ISIN in a group gets traded on any particular day, an actual trade in a look back period will be seen. If there is an actual trade in look back period the security will be considered as traded and valued with necessary adjustment of spread to YTM. According to this valuation will be done based on the trade of issuer, trade of similar issuer and as an additional layer a look back period of is requested. It is confirmed that spread over YTM will be taken without any adjustment of modified duration to call.
5. Further, as the valuation is based on trade during the look back period, it is confirmed that a spread is adjusted to reflect adverse news, change in credit rating, interest rate etc., which has bearing on the yield of ISIN being valued.
6. However, if there is no actual trade of any ISIN of the issuer as well as similar issuer during look back period, the valuation will be done by taking spread over matrix and/or polling in line with the waterfall mechanism prescribed by AMFI.
7. Maturity of 100 years will be adopted for perpetual bond issued by banks. There will be a glide path

for these bonds as indicated below. The Deemed Residual Maturity for the Purpose of Calculation of valuation as well as Macaulay Duration for existing as well as new perpetual bonds issued:

Time Period	Deemed Residual Maturity (Years)
Till March 31, 2022	10
April 01, 2022 – September 31, 2022	20

October 01, 2022 – March 31, 2023	30
March 31, 2023 onwards	100

# the residual maturity will always remain above the deemed residual maturity proposed above.

8. Valuation methodology, as mentioned above, for AT-1 Bonds is to be followed for the valuation of tier II bonds also. Further, the Macaulay Duration is proposed to be calculated as under for Tier II bonds:

Time Period	Deemed Residual Maturity for all securities (Years)
April 01, 2021 – March 31, 2022	10 years or contractual maturity whichever is earlier
April 01, 2022 onwards	Actual Maturity

9. Besides, AT-1 bonds and Tier 2 bonds being different categories of bonds, the valuation of these bonds will be done separately (i.e.) ISIN of AT-1 bond traded will not mean that ISIN of Tier-2 bonds of the same issuer have also traded. However, if any issuer does not exercise call option for any ISIN, then the valuation and calculation of Macaulay Duration should be done considering maturity of 100 years from the date of issuance for AT-1 Bonds and Contractual Maturity for Tier 2 bonds, for all ISINs of the issuer.
10. It is confirmed that the Macaulay Duration of ISINs will be calculated based on the deemed residual maturity proposed in para 7 and 8 above to reflect the duration risk.
11. Further, henceforth mutual funds will disclose both Yield to Call and Yield to Maturity.

#### Trading in Derivatives and Strategies:

In accordance with SEBI Circular No Cir/IMD/DF/11/2010 dated August 18, 2010, the following exposure limits for investment in derivatives will be applicable to the schemes.

- i) The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the Net Assets of the Schemes.
- ii) Schemes shall not write options or purchase instruments with embedded written options.
- iii) The total exposure related to option premium paid must not exceed 20% of the Net Assets of the Scheme.
- iv) Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
- v) Exposure due to hedging positions may not be included in the above-mentioned limits subject to the following -
  - a) Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
  - b) Hedging position cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
  - c) Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
  - d) The quantity of underlying associated with the derivative position taken for hedging purpose does not exceed the quantity of the existing position against which hedge has been taken.
- vi) Schemes may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.

vii) Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.

viii) Definition of exposure in case of Derivative Positions

Each position taken in derivative shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows

Position	Exposure
Long Future	Future Price * Lot Size * Number of Contracts
Short Future	Future Price * Lot Size * Number of Contracts
Option bought	Option Premium paid * Lot Size * Number of Contracts

In accordance with SEBI circular DNP/Cir-29/2005 dated September 14, 2005 (including circular issued by SEBI/RBI/FEMA and other Regulatory bodies thereafter from time to time) Mutual Funds are allowed to trade in derivatives. Mutual Funds can trade in index futures, index options, stock options, stock futures contracts etc.

#### Position Limits

The position limits for Mutual Funds and its schemes shall be as under:

##### Position limit for Mutual Funds in index options contracts

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

##### Position limit for Mutual Funds in index futures contracts:

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

#### Additional position limit for hedging

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

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

#### Position limit for Mutual Funds for stock based derivative contracts

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

- For stocks in which the market wide position limit is less than or equal to Rs. 500 crore, the Mutual Fund position limit in such stock shall be 20% of the market wide position limit or Rs. 50 cr, whichever is lower.
- For stocks in which the market wide position limit is greater than Rs. 500 crore, the Mutual Fund position

limit in such stock shall be 20% of the market wide position limit or Rs. 150 crores, whichever is lower.

#### **Position limit for each scheme of a Mutual Fund**

- For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a mutual fund shall not exceed the higher of:  
1% of the free float market capitalization (in terms of number of shares). Or  
5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
- This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
- For index-based contracts, Mutual Funds shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.
- Each mutual fund shall have a maximum derivatives net position of 50% of the portfolio (i.e. net assets including cash). Each fund shall decide in advance with formal approval of Board of Trustees the maximum net derivatives exposure in terms of percentage of portfolio value it would allow.
- Within the overall limits of a maximum derivatives net position of 50% of the portfolio (i.e. net assets including cash), the limits per Scrip/ Instrument shall be specified by the Board of Trustees. Thus, the Board of Trustees shall determine the overall exposure limit to derivatives, as well as the derivative limits on individual stocks. Trustees should satisfy themselves that the risk containment measures are in place.
- At no point in time, the derivative position shall result, even for a few moments on an Intra-day basis, in actual or potential leverage or short sale / short position on any underlying security. No shorting of individual stock without the underlying.
- All derivative positions shall be backed by cash or stock as the case may be i.e. all current or potential long positions shall be backed by cash and equivalents at the time of exposure and all current or potential short positions will be fully backed by stock (stocks portfolio for index derivatives).
- The tenure of the Term deposit placed as margin for trading in derivative shall not exceed 182 days. The gross position of the underlying securities and derivatives shall be considered for the purpose to complying and monitoring stock exposure limit as per Clause 2 of VII th schedule of SEBI (Mutual Funds) Regulations 1996.

While calculating the industry exposure for disclosure on monthly basis, the total exposure per scrip including derivative exposure shall be considered.

**In addition to the above, SEBI vide its circular SEBI/HO/IMD/DF2/CIR/P/2017/109 dated September 27, 2017, has laid down the following guidelines for exposure to Interest Rate Futures (IRF)**

#### **1. Exposure Limits**

In addition to the existing provisions of SEBI circular No. IMD/DF/11/2010 dated August 18, 2010, the following are prescribed:

- i. To reduce interest rate risk in a debt portfolio, mutual funds may hedge the portfolio or part of the portfolio (including one or more securities) on weighted average modified duration basis by using Interest Rate Futures (IRFs). The maximum extent of short position that may be taken in IRFs to hedge interest rate risk of the portfolio or part of the portfolio is as per the formula given below:

(Portfolio Modified Duration\*Market Vale of the Portfolio) (Futures Modified Duration\*Futures Price/PAR)

ii. In case the IRF used for hedging the interest rate risk has different underlying security(s) than the existing position being hedged, it would result in imperfect hedging.

iii. Imperfect hedging using IRFs may be considered to be exempted from the gross exposure, up to maximum of 20% of the net assets of the scheme, subject to the following:

a) Exposure to IRFs is created **only for hedging** the interest rate risk based on the weighted average modified duration of the bond portfolio or part of the portfolio.

b) Mutual Funds are permitted to resort to imperfect hedging, without it being considered under the gross exposure limits, if and only if, the correlation between the portfolio or part of the portfolio (*excluding the hedged portions, if any*) and the IRF is at least 0.9 at the time of initiation of hedge. In case of any subsequent deviation from the correlation criteria, the same may be rebalanced within 5 working days and if not rebalanced within the timeline, the derivative positions created for hedging shall be considered under the gross exposure computed in terms of Para 3 of SEBI circular dated August 18, 2010. The correlation should be calculated for a period of last 90 days.

Explanation: If the fund manager intends to do imperfect hedging up to 15% of the portfolio using IRFs on weighted average modified duration basis, either of the following conditions need to be complied with:

- i. The correlation for past 90 days between the portfolio and the IRF is at least 0.9 or
- ii. The correlation for past 90 days between the part of the portfolio (excluding the hedged portions, if any)
  - i.e. at least 15% of the net asset of the scheme (including one or more securities) and the IRF is at least 0.9.
- c) At no point of time, the net modified duration of part of the portfolio being hedged should be negative.
- d) The portion of imperfect hedging in excess of 20% of the net assets of the scheme should be considered as creating exposure and shall be included in the computation of gross exposure in terms of Para 3 of SEBI circular dated August 18, 2010.
- iv. The basic characteristics of the scheme should not be affected by hedging the portfolio or part of the portfolio (including one or more securities) based on the weighted average modified duration.

Explanation: In case of long-term bond fund, after hedging the portfolio based on the modified duration of the portfolio, the net modified duration should not be less than the minimum modified duration of the portfolio as required to consider the fund as a long-term bond fund.

v. The interest rate hedging of the portfolio should be in the interest of the investors.

2. Mutual Fund schemes may imperfectly hedge their portfolio or part of their portfolio using IRFs, subject to the following conditions:

i. Prior to commencement of imperfect hedging, existing schemes shall comply with the provisions of Regulation 18 (15A) of SEBI (Mutual Funds) Regulations, 1996 and all unit holders shall be given a time-period of at least 30 days to exercise the option to exit at prevailing NAV without charging of exit load.

The risks associated with imperfect hedging shall be disclosed and explained by suitable numerical examples in the offer documents and also needs to be communicated to the investors through public notice or any other form of correspondence.

ii. In case of new schemes, the risks associated with imperfect hedging shall be disclosed and explained by suitable numerical examples in the offer documents.

**3. Disclosure of Derivative Positions**

In addition to the existing provisions, the mutual funds shall also make the following disclosures:

i. Separately disclose the hedging positions through IRF (both perfectly and imperfectly) in respective debt portfolios as per the format prescribed in para-13 of SEBI circular no. IMD/DF/11/2010 dated August 18, 2010,

ii. Investment in interest rate derivatives (both IRS/IRF) shall also be disclosed in the monthly portfolio disclosure as per para-H of SEBI Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012, and

iii. Disclosure of the details of interest rate derivatives (both IRS/IRF) used for hedging along with debt and money market securities transacted on its website and also forwarded to AMFI as per para-B (3) of SEBI Circular No. Cir/IMD/DF/6/2012 dated February 28, 2012.

**ACCOUNTING POLICIES**

In accordance with the Regulations, the AMC will follow the accounting policies and standards, as detailed below:

a) The AMC, for each Scheme and its Plans, shall keep and maintain proper books of account, records and documents, so as to explain its transactions and to disclose at any point of time the financial position of the Scheme and, in particular, give a true and fair view of the state of affairs of the Fund.

b) For the purposes of the financial statements, the Scheme and its Plans shall mark all investments to market and carry investments in the balance sheet at market value. However, since the unrealized gain arising out of appreciation on investments cannot be distributed, provision shall be made for exclusion of this item when arriving at distributable income.

c) Dividend income earned by the Scheme and its Plans shall be recognized, not on the date the dividend is declared, but on the date the share is quoted on an ex-dividend basis. For investments, which are not quoted on the stock exchange, dividend income would be recognized on the date of declaration of dividend.

d) In respect of all interest-bearing investments, income shall be accrued on a day-to-day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date up to the date of purchase should not be treated as a cost of purchase but shall be debited to Interest Recoverable Account. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale must not be treated as an addition to sale value but shall be credited to Interest Recoverable Account.

e) In determining the holding cost of investments and the gains or loss on sale of investments, the "average cost" method shall be followed for each security.

f) Transactions for purchase or sale of investments shall be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year are recorded and reflected in the financial statements for that year. Where investment transactions take place outside the stock market, for example, acquisition through private placement or purchases or sales through private treaty, the transaction would be recorded, in the event of a purchase, as of the date on which the Scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the Scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the

instruments sold.

g) Bonus shares to which the Scheme and the Plans thereunder becomes entitled shall be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, rights entitlements shall be recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-right basis.

h) Where income receivable on investments has accrued but has not been received for the period specified in the guidelines issued by SEBI, provision shall be made by debiting to the revenue account the income so accrued in the manner specified by guidelines issued by SEBI.

i) When in case of an open-ended scheme units are sold, the difference between the sale price and the face value of the unit, if positive, should be credited to reserves and if negative be debited to reserves, the face value being credited to Capital Account. Similarly, when in respect of such a scheme, units are repurchased the difference between the purchase price and face value of the unit, if positive should be debited to reserves and, if negative, should be credited to reserves, the face value being debited to the capital account.

j) In the case of open-ended scheme, when units are sold in the Scheme, an appropriate part of the sale proceeds shall be credited to an Equalization Account and when units are repurchased an appropriate amount shall be debited to Equalization Account. The net balance on this account shall be credited or debited to the Revenue Account. The balance on the Equalization Account debited or credited to the Revenue Account shall not decrease or increase the net income of the Fund but is only an adjustment to the distributable surplus. It should, therefore, be reflected in the Revenue Account only after the net income of the Fund is determined.

k) In a close-ended scheme [launched prior to the commencement of the SEBI (Mutual Funds) (Amendment) Regulations, 2009] which provide to the unitholders the option for an early redemption or repurchase their own units, the par value of the unit has to be debited to Capital Account and the difference between the purchase price and the par value, if positive, should be credited to reserves and, if negative, should be debited to reserves. A proportionate part of the unamortized initial issue expenses should also be transferred to the reserves so that the balance carried forward on that account is proportional to the number of units remaining outstanding.

l) The cost of investments acquired or purchased shall include brokerage, stamp charges, security transaction tax and any charge customarily included in the broker's bought note. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment.

m) Underwriting commission shall be recognized as revenue only when there is no development on the Scheme and its Plans. Where there is development on the Scheme and the Plans thereunder, the full underwriting commission received and not merely the portion applicable to the development shall be reduced from the cost of the investment.

The accounting policies and standards outlined above are as per the existing Regulations and are subject to change as per changes in the Regulations.

“Securities classified as below investment grade or default”.

A money market or debt security shall be classified as “below investment grade” if the long-term rating of the security issued by a SEBI registered Credit Rating Agency (CRA) is below BBB- or if the short-term rating of the security is below A3.

A money market or debt security shall be classified as “Default” if the interest and / or principal amount has not been received, on the day such amount was due or when such security has been downgraded to “Default” grade by a CRA. The Valuation Committee subject to a provision in the Offer Document of the said debt scheme which holds the security in “default” may decide to recommend to the Board to “Segregate” the security.

Securities which are rated below investment grade or default shall be valued at the price provided by AMFI appointed valuation agencies.

Till such time the valuation agencies compute the valuation of money market and debt securities classified as below investment grade, such securities shall be valued on the basis of indicative haircuts provided by these agencies. These indicative haircuts shall be applied on the date of credit event i.e. migration of the security to sub-investment grade and shall continue till the valuation agencies compute the valuation price of such securities. These haircuts shall be updated and refined, as and when there is availability of material information which impacts the haircuts.

In case of trades during the interim period between date of credit event and receipt of valuation price from valuation agencies, Taurus MF shall consider such traded price for valuation if it is lower than the price post standard haircut. The said traded price shall be considered for valuation till the valuation price is determined by the valuation agencies.

Taurus MF may deviate from the indicative haircuts and/or the valuation price for money market and debt securities rated below investment grade provided by the valuation agencies with detailed rationale for deviation, as per prescribed in SEBI Circulars, Rules, Regulation and Master Circulars from time to time and taking into account any other specific factor the Valuation Committee may decide upon to value any security.

**Treatment of accrued interest and future accrual of interest, in case of money market and debt securities classified as below investment grade or default:**

- The indicative haircut that has been applied to the principal will also be applied to any accrued interest.
- In case of securities classified as below investment grade but not default, interest accrual will continue with the same haircut applied to the principal.
- In case of securities classified as default, no further interest accrual shall be made.

**Treatment of accounting of any future recovery in terms of principal or interest, in case of money market and debt securities classified as below investment grade or default:**

- Any recovery shall first be adjusted against the outstanding interest recognized in the NAV and any balance shall be adjusted against the value of principal recognized in the NAV.
  - Any recovery in excess of the carried value (i.e. the value recognized in NAV) will be applied first towards amount of interest written off and then towards amount of principal written off.

Haircuts for below investment grade securities:

a) Haircuts for senior, secured securities:

Rating/sector	Infrastructure, Real Estate, Hotels, Loan against shares and Hospitals	Other Manufacturing and Financial Institutions	Trading, Gems & Jewelry and Others
<b>BB</b>	15%	20%	25%
<b>B</b>	25%	40%	50%
<b>C</b>	35%	55%	70%
<b>D</b>	50%	75%	100%



## b) Haircuts on subordinated and unsecured (or both) securities

Rating/sector	Infrastructure, Real Estate, Hotels, Loan against shares and Hospitals	Other Manufacturing and Financial Institutions	Trading, Gems & Jewelry and Others
<b>BB</b>	25%	25%	25%
<b>B</b>	50%	50%	50%
<b>C</b>	70%	70%	70%
<b>D</b>	100%	100%	100%

**COMPUTATION OF NAV****B. POLICY OF COMPUTATION OF NAV**

The Net Asset Value (NAV) per Unit of the options of the Plan(s) under the Scheme will be computed by dividing the net assets of the options of the Plan(s) under the Scheme by the number of Units outstanding under the options of the Plan(s) under the Scheme on the valuation date. The Mutual Fund will value its investments according to the valuation norms, as specified in Schedule VIII of the SEBI (MF) Regulations, or such norms as may be specified by SEBI from time to time. In case of any conflict between the Principles of Fair Valuation and valuation guidelines specified by SEBI, the Principles of Fair Valuation shall prevail.

The NAV of the units under each option of the Plan(s) under the Scheme shall be calculated as shown below:

$$\text{NAV per Unit (Rs.)} = \frac{\text{Market or Fair Value of the Plan's Investments} + \text{Current Assets} - \text{Current Liabilities and Provisions}}{\text{No. of Units outstanding under each option of the Plan(s) under the Scheme}}$$

Separate NAVs will be calculated and announced for each of the Plan(s) & option(s) under the scheme. The NAVs will be rounded off up to 2 decimal places for the Scheme. The units will be allotted up to 3 decimal places.

Valuation of the scheme's assets, calculation of the scheme's NAV and the accounting policies & standards will be subject to such norms and guidelines that SEBI may prescribe from time to time and shall be subject to audit on an annual basis.

Pursuant to Regulation 49 (3) the repurchase Price of the units of an open-ended scheme will not be lower than 95% of the NAV. Any imposition or enhancement of Load in future shall be applicable on prospective investments only

**C. POLICY FOR COMPUTATION OF NAV IN FOREIGN SECURITIES**

Computation NAV in case of investment in foreign securities: On the valuation day, all the assets and liabilities denominated in foreign currency will be valued in Indian Rupees. The valuation price of the security will be converted to INR based on a reference rate provided by the designated agency at the close of banking hours in India. If required, the AMC may change the source of determining the exchange rate. 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 from time to time.

**D. PROCEDURE IN CASE OF DELAY IN DISCLOSURE OF NAV**

The AMC shall declare the Net Asset Value (NAV) of the scheme on every Business Day on AMFI's website ([www.amfiindia.com](http://www.amfiindia.com)) by 11.00 p.m. (10 am on next business day in case of Fund of Fund scheme) and also on its website ([www.taurusmutualfund.com](http://www.taurusmutualfund.com)). The NAV shall be calculated for all Business Days. In case of any delay, the reasons for such delay would also be explained to AMFI & SEBI in writing and the number of such instances would also be reported to SEBI on a quarterly basis. If the NAVs are not available before the commencement of business hours of the following day due to any reason, the AMC/Mutual Fund shall issue a press release providing reasons and explaining when the AMC/Mutual Fund would be able to publish the NAVs. The NAV shall also be made available to Unit Holders through SMS upon receiving a specific request in this regard on its website.

### **Soft-Dollar Arrangements**

In terms of SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2016/42 dated March 18, 2016, Soft- Dollar arrangements between AMCs and brokers in which the AMC executes trades through a particular broker and in turn the broker may provide benefits such as free research, hardware, software or even non-research-related services, etc., to the AMC should be limited to only benefits (like free research report, etc.) that are in the interest of investors and the same should be suitably disclosed.

Taurus Asset Management Company Limited discloses that it does not engage in soft dollar agreements or arrangements with any of the brokers empaneled with it. However, brokers empaneled and otherwise may provide research reports to us on voluntary basis. We evaluate these reports with the objective of taking more well-informed decisions to benefit the investors. We are not obliged to use the services of any broker for using these research reports.

## **IX. TAX & LEGAL & GENERAL INFORMATION**

### **A. Taxation on investing in Mutual Funds**

#### ***Tax treatment for Investors (unit holders) and the Mutual Fund***

The taxability of any income of a mutual fund and income from investments in mutual funds in the hands of the investors (unitholders) is subject to the provisions of the Indian Income Tax Act, 1961 ("the Act"), the Income-tax Rules, 1962 ("the Rules") and the circulars and notifications issued thereunder. The information provided below summarizes the tax implications of various incomes in the hands of the investors (unit holders) as well as the Mutual Fund, as amended vide Finance Act 2024 presently in force in India as at the date of this document. Special reference needs to be made in respect of provisions related to tax on income distributions from mutual funds, capital gains, business income and all other relevant provisions of the Act. Provisions related to tax deduction at source ("TDS") shall also apply, wherever applicable. Provisions related to tax deduction at source ("TDS") shall also apply, wherever applicable.

#### **Note:**

The tax benefits described in this document are available under the present taxation laws and are subject to fulfillment of stipulated conditions. The information given is included only for general purpose and is based on the law and practice currently in force in India. Investors should be aware that the relevant fiscal rules or their interpretation may change. In view of the individual nature of tax implications, each investor is advised to consult his/her own tax advisor to understand the tax implications arising out of their transactions.

#### **FOR TAURUS MUTUAL FUND:**

##### **1. Registered with SEBI**

TAURUS Mutual Fund ("TAURUS MF") is registered with Securities and Exchange Board of India (SEBI) and is as such eligible for benefits u/s. 10(23D) of the Act. Accordingly, the entire income of TAURUS MF is exempt from income-tax.

##### **2. No tax deducted at source (TDS) on receipt of income**

TAURUS MF will receive all its income without deduction of tax at source as per provisions of Section 196 of the Act.

**3. Goods and Service Tax (GST)**

The services provided by mutual fund agent/distributor to a mutual fund or asset management company, are taxable under forward charge. Accordingly, GST in respect of mutual fund agents and mutual fund distributor's services shall be paid by the agent or, as the case may be, by the distributor being service providers. Under the current applicable GST regime, the rate of GST is 18%.

**FOR INVESTORS (UNIT HOLDERS):**

**1. DISTRIBUTED INCOME (OTHER THAN CAPITAL GAINS) IN RESPECT OF UNITS**

With effect from April 1, 2020, income distributed by a mutual fund in respect of units of mutual funds is taxable in the hands of the unitholders at normal tax rates (plus applicable surcharge and cess<sup>\$</sup>).

In case of resident unitholders, the standard rate of TDS is 10% on income distributed in excess of Rs.5,000 by a mutual fund.

In case of non-resident unitholders, TDS is applicable at lower of 20%<sup>\$</sup> or rate of income-tax provided in relevant Double Taxation Avoidance Agreement ('DTAA') read with CBDT Circular no. 3/2022 dated 3rd February 2022, provided such investor furnishes valid Tax Residency Certificate (TRC) for concerned FY. Please note that grant of DTAA benefit, if any, is subject to fulfilment of stipulated conditions under the provisions of the Income-tax Act, 1961 and the relevant DTAA as well as interpretation of relevant Article of such DTAA.

In case PAN is not furnished, then TDS at the rate of 20% would apply as per Section 206AA of the Act (except in case of non-residents who provide specified documents). As per Section 206AB of the Act, tax shall be deducted at twice the applicable rate in case of payment made to a specified person (excluding a non-resident who does not have a Permanent Establishment in India) who has not furnished the Income Tax Return (ITR) for the assessment year relevant to previous year immediately preceding the financial year in which tax is required to be deducted, for which time limit for filing ITR has expired and the aggregate of TDS in his case is Rs.50,000 or more in the said previous year. In case PAN is not furnished, then TDS at higher of the rates as per Section 206AB or Section 206AA would apply.

In case unitholder has PAN Exempted KYC Reference Number ('PEKRN'), this would be considered as 'PAN not available' and TDS would apply at higher rates as per Section 206AA of the Act.

*(\$) Refer Point no.3 below for rates of Surcharge & Health & Education Cess.*

## 2. CAPITAL GAINS

The tax implications on Mutual Funds are determined based on:

- i. the type of Mutual Fund (classified based on the % holding in the equity shares of domestic companies); and
- ii. the holding period (from date of acquisition up to the date of the redemption/transfer).

### **In case of Equity-Oriented Mutual Funds [Subject to Securities Transaction Tax (STT)]:**

An Equity-Oriented Fund ('Equity Fund') refers to a scheme of a Mutual Fund wherein minimum of 65% of the total proceeds of such fund are invested in the equity shares of domestic companies listed on a recognised stock exchange. A Fund of Fund (FOF) structure is treated as an Equity Fund if a minimum of 90% of the total proceeds of such fund are invested in the units of another fund and such other fund also invests a minimum of 90% of its total proceeds in the equity shares of domestic companies listed on a recognised stock exchange. The equity holding is computed with reference to the annual average of the monthly averages of the opening and closing figures.

Thus, mutual fund schemes having less than 65% holding in listed equity shares of domestic companies (computed as per above criteria) shall be classified as Non-Equity Funds.

Type of Capital Gain	SHORT TERM CAPITAL GAINS	LONG TERM CAPITAL GAINS
Period of Holding	Up to 12 months	More than 12 months
Tax Rate	Section 111A: 15% <sup>\$ #</sup>	Section 112A: 10% <sup>\$ #</sup> on gains exceeding Rs.1,00,000 in a year (without indexation benefit)

**In case of Non-Equity Funds:**

**(a) For investments in Non-Equity Funds made on or after April 1, 2023**

% of Equity Holding	Up to 35% **	More than 35%	More than 35%
Type of Capital Gain	SHORT TERM CAPITAL GAINS	SHORT TERM CAPITAL GAINS	LONG TERM CAPITAL GAINS (Section 112)
Period of Holding	Irrespective of Holding Period	Up to 36 months	More than 36 months
(A) Resident Individual / HUF	Applicable Slab rates <sup>\$</sup>	Applicable Slab rates <sup>\$</sup>	20% <sup>\$</sup> (with indexation)
(B) Domestic Company	Applicable Tax rates <sup>\$</sup>	Applicable Tax rates <sup>\$</sup>	
(C) Non-Resident (other than FII)	Applicable Slab rates <sup>\$ #</sup>	Applicable Slab rates <sup>\$ #</sup>	Listed: 20% <sup>\$ #</sup> (with indexation) Unlisted: 10% <sup>\$ #</sup> (without indexation)
(D) Foreign Institutional Investor (FII)	30% <sup>\$</sup>	30% <sup>\$</sup>	10% <sup>\$</sup>

**(b) For investments in Non-Equity Funds made on or before March 31, 2023 (% of equity holding in MF is less than 65%):**

Type of Capital Gain	SHORT TERM CAPITAL GAINS	LONG TERM CAPITAL GAINS (Section 112)
Period of Holding	Up to 36 months	More than 36 months
(E) Resident Individual / HUF	Applicable Slab rates <sup>\$</sup>	20% <sup>\$</sup> (with indexation)
(F) Domestic Company	Applicable Tax rates <sup>\$</sup>	
(G) Non-Resident (other than FII)	Applicable Slab rates <sup>\$ #</sup>	Listed: 20% <sup>\$ #</sup> (with indexation) Unlisted: 10% <sup>\$ #</sup> (without indexation)
(H) Foreign Institutional Investor (FII)	30% <sup>\$</sup>	10% <sup>\$</sup> (without indexation)

**(\*\*)** "Specified Mutual Fund" means a Mutual Fund by whatever name called, where not more than 35% of its total proceeds is invested in the equity shares of domestic companies. The percentage of equity shareholding held in respect of the Specified Mutual Fund shall be

computed with reference to the annual average of the daily closing figures. Investments in Specified Mutual Funds on or after April 1, 2023, shall be deemed to be short term capital assets irrespective of holding period.

**(§)** Refer Point no.3 below for rates of Surcharge & Health & Education Cess

**(#)** Tax will be deducted on Short-term/Long-term capital gains at the tax rates (plus applicable Surcharge and Health and Education Cess) specified in the Finance Act 2024 at the time of redemption of units in case of Non-Resident investors (other than FIIs) only. Please note that grant of DTAA benefit, if any, is subject to fulfilment of stipulated conditions under the provisions of the Income-tax Act, 1961 and the relevant DTAA as well as interpretation of relevant Article of such DTAA.

### **3. SURCHARGE AND HEALTH & EDUCATION CESS:**

If taxpayer (Individual/HUF/AOP/BOI/AJP) opts for Old Tax Regime, then Surcharge to be levied on basic tax at:

- 37% where specified income exceeds Rs.5 crore;
- 25% where specified income exceeds Rs.2 crore but does not exceed Rs.5 crore;
- 15% where total income exceeds Rs.1 crore but does not exceed Rs.2 crore; and
- 10% where total income exceeds Rs.50 lakhs but does not exceed Rs.1 crore.

If taxpayer (Individual/HUF/AOP/BOI/AJP) pays tax as per default New Tax Regime u/s. 115BAC(1A), then maximum rate of Surcharge will be 25% where income exceeds Rs.2 crore.

'Specified income' refers to total income excluding dividend income on shares, STCG on EOF and LTCG on mutual fund units. Enhanced surcharge of 25% or 37%, as the case may be, will not apply in case of income by way of dividend or capital gains on securities covered under Section 111A (STCG on Equity Funds), Section 112 (LTCG on non-Equity Funds acquired up to March 31, 2023 and LTCG on non-Equity Funds acquired from April 1, 2023 where equity exposure in such non-Equity Fund > 35%), Section 112A (LTCG on Equity Funds) & Section 115AD (tax on income earned by FIIs).

In case of an AOP consisting of only companies as its members, the rate of surcharge shall not exceed 15%.

Surcharge for firms and companies to be levied on basic tax:

- Partnership Firms: 12% where income exceeds Rs.1 crore
- Domestic Company: 12% where income exceeds Rs.10 crore and 7% where income exceeds Rs.1 crore but less than Rs.10 crore. If domestic company opts for concessional tax regime u/s. 115BAA/115BAB: then flat rate of 10% on basic tax
- Non-resident Company: 5% where income exceeds Rs.10 crore and 2% where income exceeds Rs.1 crore but less than Rs.10 crore

Health & Education Cess @ 4% is applicable on aggregate of basic tax & surcharge.

Please note that surcharge and cess shall be applied on basic tax while deducting TDS, if any, on income of non-resident investors only.

### **4. LOSSES UNDER THE HEAD 'CAPITAL GAINS'**

Losses incurred under the head "Capital gains" during the year cannot be set off against income under other heads of income. Long-term capital loss cannot be set off against any income other

than income from long-term capital gain. However, short-term capital loss can be set off against long-term or short-term capital gain.

If loss under the head "Capital gains" incurred during a year cannot be adjusted in the same year, then unadjusted capital loss can be carried forward to next year. In the subsequent year(s), such loss can be adjusted only against income chargeable to tax under the head "Capital gains", however, long-term capital loss can be adjusted only against long-term capital gains. Short-term capital loss can be adjusted against long-term capital gains as well as short-term capital gains. Such loss can be carried forward for eight years immediately succeeding the year in which the loss is incurred. Such loss can be carried forward only if the income-tax return of the year in which loss is incurred is furnished on or before the due date of furnishing such income-tax return, as prescribed under section 139(1) of the Income-Tax Act, 1961.

## 5. SECURITIES TRANSACTION TAX (STT)

STT is applicable only in respect of sale / redemption of units of Equity-oriented funds on a recognised stock exchange at the following rates:

Particulars	Rates	Payable by
Purchase of units of equity-oriented mutual fund (delivery based)	NIL	Not Applicable
Sale of units of equity-oriented mutual fund (delivery based)	0.001%	Seller
Sale of units of equity-oriented mutual fund (non-delivery based)	0.025%	Seller
Sale of units of equity-oriented fund to the Mutual Fund	0.001%	Seller

## 6. BONUS STRIPPING

As per Section 94(8) of the Act, the loss arising on sale of original units (wholly or partly), which were bought within a period of 3 months prior to the record date (i.e. the date fixed by the Mutual Fund for the purposes of entitlement of bonus units to the unit holders) and sold within 9 months of the record date, shall be ignored for the purpose of computation of income chargeable to tax. However, such loss shall be considered as the cost of acquisition of the 'bonus shares' of the unit holders.

## 7. EXEMPTION AVAILABLE FROM CAPITAL GAIN TAX IN CERTAIN CIRCUMSTANCES

- Investors can claim exemption from long-term capital gains under Section 54F by making specified investment in a residential house property as per the conditions specified therein.
- Transfer of units upon consolidation of two or more schemes of Equity Funds or two or more schemes of a fund other than Equity Fund in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains.
- Transfer of units upon consolidation of plans within mutual fund schemes in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains.

**8. RECEIPT OF MUTUAL FUND UNITS WITHOUT CONSIDERATION OR FOR INADEQUATE CONSIDERATION:**

As per Section 56(2)(x) of the Act, any sum of money or movable property or immovable property received by any person without consideration or for inadequate consideration is chargeable to tax if it exceeds Rs.50,000. The following amount is chargeable to tax in case a person receives units of a Mutual Fund without consideration or for inadequate consideration:

- i. Without consideration where the aggregate fair market value (FMV) of the units exceeds Rs.50,000: the whole of the aggregate FMV of such units is taxable
- ii. Inadequate consideration which is less than the aggregate FMV of the units by an amount exceeding Rs.50,000: the aggregate FMV of the units as exceeds such consideration

**9. DEDUCTION U/S. 80C IN RESPECT OF AMOUNT INVESTED**

As per Section 80C of the Act, an individual and HUF can claim a deduction for the amount paid or deposited in certain eligible schemes or investments, subject to maximum amount of Rs.150,000. The benefit of deduction under Section 80C of the Act can be availed by a unitholder (being individual or HUF) by investing in "TAURUS Equity Fund", provided such unitholder opts to pay tax under the Old Regime in accordance with provisions of Section 115BAA of the Act.

**10. INVESTMENTS BY CHARITABLE AND RELIGIOUS TRUSTS**

Units of a Mutual Fund Scheme referred to in Section 10(23D) of the Act constitute an eligible avenue for investment by charitable or religious trusts as per Rule 17C of the Rules read with Section 11(5)(xii) of the Act.

Investors are requested to note that the tax position prevailing at the time of investment may change in future due to statutory amendment(s). The Mutual Fund will pay/deduct taxes as per the applicable tax laws on the relevant date. Additional tax liability, if any, imposed on investors due to such changes in the tax structure, shall be borne solely by the investors and not by the AMC or Trustee.

**A. LEGAL INFORMATION****B.1 Nomination Facility**

Pursuant to Regulation 29A of the SEBI Regulations, the AMC provides an option to the Unit Holder to nominate (in the manner prescribed under the SEBI Regulations), a person(s) in whom the Units held by him shall vest in the event of his death. Where the Units are held by more than one person jointly, the joint Unit Holder may together nominate a person(s) in whom all the rights in the Units shall vest in the event of death of all the joint Unitholders. By provision of this facility the AMC is not in any way attempting to grant any rights other than those granted by law to the nominee(s).

A nomination in respect of the Units does not create an interest in the property after the death of the Unit holder. The nominee(s) shall receive the Units only as an agent and Trustee for the legal heirs or legatees as the case may be. It is hereby clarified that the nominee(s) under the nomination facility provided herein shall not necessarily acquire any title or beneficial interest in the property by virtue of this nomination.

As per AMFI Circular dated 3rd January, 2008, a Unitholder can, at the time an application or by writing to an ISC, request for a nomination form in order to nominate multiple persons to receive the Units upon his / her death, subject to the completion of certain necessary formalities e.g. providing proof of the death of the Unit Holder, signature of the nominee, furnishing proof of guardianship if the nominee is a minor, and the execution of an indemnity bond or such other documents as may be required from the nominee in favor of and to the satisfaction of the AMC / Registrar.

Nomination can be made only by individuals on their own behalf, either singly or jointly. If the Units are held jointly, all joint Unitholders must sign the nomination form. Non-individuals including society, trust, body corporate, partnership firm, Karta of HUF, holder of POA cannot nominate.

Only the following categories of Indian residents can be nominated: (a) individuals; (b) minors through parent/legal



guardian (whose name and address must be provided); (c) religious or charitable trusts; and (d) Central Government, State Government, a local authority or any person designated by virtue of his office.

Nomination can be made for a maximum of 3 nominees. In case of multiple nominees, the percentage of allocation, share in favor of each of the nominees should be indicated against their name and such allocation / share should be in whole numbers without any decimals making a total of 100 percent. In the event of Unitholders not indicating the percentage of allocation / share for each of the nominees, the Mutual Fund/ the AMC, by invoking the default option shall settle the claim equally amongst all the nominees.

A nomination in respect of Units will be treated as rescinded upon the Redemption of all Units. Cancellation of a nomination can be made only by the Unitholders who made the original nomination and must be notified in writing. On receipt of a valid cancellation, the nomination shall be treated as rescinded, and the AMC / Fund shall not be under any obligation to transfer the Units in favor of the nominee.

The nomination facility extended under the Scheme is subject to existing laws. The AMC shall, subject to production of such evidence which in their opinion is sufficient, proceed to affect the payment/ transfer to the Nominee(s). The transfer of Units / payment to the nominee of the Redemption proceeds shall be valid and effectual against any demand made upon the Fund / AMC / Trustee and shall discharge the Fund /AMC / Trustee of all liability towards the estate of the deceased Unit Holder and his / her legal heirs or other successors.

The Fund, the AMC and the Trustee are entitled to be indemnified from the deceased Unit Holder's estate against any liabilities whatsoever that any of them may suffer or incur in connection with a nomination.

Investors may note that where the Units are transferred in favor of the nominee, the "Know Your Customer" norms, where applicable will have to be fulfilled by the nominee.

The nomination details as registered with the Depository Participant shall be applicable to Unitholders who have opted to hold units in Demat mode.

### **Account of Minor, Account Status Change, Minor attaining Majority and Change of Guardian.**

#### **A] i) New Account / Folio is opened on behalf of a Minor**

- The minor shall be the first and the sole holder in an account, OR a Joint Holder with the Guardian, as applicable.
- Guardian in the account / folio on behalf of the minor should be either a natural guardian (i.e. father or mother) or a court appointed legal guardian. Further, the minor's Date of Birth (DOB) too should be mentioned on the application form. Documents supporting the DOB of the minor and also the relationship of the Guardian & the Minor have to be enclosed.

ii) Existing Minor Unit holders – are requested to review the Bank Account registered in the folio and ensure that the registered Bank Mandate is in favor of minor or joint with registered guardian in folio. If the registered Bank Account is not in favor of minor or not joint with registered guardian, kindly submit the change of bank mandate where minor is also a bank account holder (either single or joint with registered guardian).

#### **B] Minor attaining Majority - Status change**

- On the Minor becoming a Major, the status of the same needs to be incorporated in the folio. For this, the Investor has to submit KYC acknowledgement, details of bank account wherein the Major has operating powers as well as signature of the Major, suitably attested. The sign attestation may be done by the parent/guardian whose signature is registered in our records against the folio; OR by the competent person from the bank in which the investor holds the account
- Systematic Investment Plan (SIP), Systematic Transfer Plan (STP) and Systematic Withdrawal Plan (SWP), on the basis of which the standing instruction was issued, will be suspended when the minor attains majority, till the status is changed to major.
- In case of non-receipt of request for change of status along with relevant documents, minor folio/account will be frozen, for operation by guardian, from the date of minor attaining the status of majority as per the records.

**C] Change in Guardian**

- In case of a change in guardian, the new guardian must either be a natural guardian (i.e. Father or mother) or a court appointed legal guardian, and such guardian shall mandatorily submit the supporting documents showing the relationship with the minor, KYC acknowledgement, Bank attestation of signature of the new guardian in a bank account of the minor where the new guardian is registered as the guardian, etc.

**Nomination Facility**

The AMC provides an option to the Unitholders to nominate (in the manner prescribed under SEBI regulation), a person (s) in whom the units held by him shall vest in the event of his death.

Nomination can be made only by individuals on their own behalf, either singly or jointly. If the Units are held jointly, all joint Unitholders must sign the nomination form. Non-individuals including society, trust, body corporate, partnership firm, Karta of HUF, holder of POA cannot nominate.

Only the following categories of Indian residents can be nominated: (a) individuals; (b) minors through parent/legal guardian (whose name and address must be provided); (c) religious or charitable trusts; and (d) Central Government, State Government, a local authority or any person designated by virtue of his office.

Nomination can be made for a maximum of 3 nominees. In case of multiple nominees, the percentage of allocation, share in favor of each of the nominees should be indicated against their name and such allocation / share should be in whole numbers without any decimals making a total of 100 percent. In the event of Unitholders not indicating the percentage of allocation / share for each of the nominees, the Mutual Fund/ the AMC, by invoking the default option shall settle the claim equally amongst all the nominees.

**Nomination mandatory where mode of holding is single**

Nomination is mandatory for all the folios/accounts, where the mode of holding is single, or the folio/account is opened by individual without any joint holding.

- In case investor does not wish to nominate for specific folio / account, he should fill the specific field by writing "Nomination not required" and sign on the application form. Application forms which have neither a nominee nor the request for "no nomination" will be rejected.
- Nomination will not be allowed for the folios/accounts opened by minors.

**B.2 Transfer & Transmission of Units**

Transmission of units is required, on the death of unit holder/s, to their nominees, etc. Transmission could be to surviving Unitholders, nominees or to the legal heirs of the unit holder. A request for transmission should be sent separately. If a redemption request accompanies the transmission request, the redemption request will be rejected.

Depending upon the facts and circumstances of each case, various information and documents are required to be submitted for transmission of units. Please contact any of the offices of Taurus Asset Management Co. Ltd. or its Registrar & Transfer Agent for further details.

In case of death of the unitholder, units will be transmitted in favor of the second named joint holder or nominee, as the case may be, on production of a certified copy of the death certificate or such other document(s) to the satisfaction of the Fund/ AMC.

If the Unitholder has not appointed a nominee or in the case where the nominee dies before the Unitholder, the Units shall be transmitted in favor of the unitholder's executor / administrator of estate / legal heir(s), as the case may be, on production of death certificate and any other legal document (Succession Certificate and /or Indemnity & Affidavit) to the satisfaction of the Mutual Fund/ AMC.

Under the terms of Equity Linked Saving Scheme notification issued by Ministry of Finance, Government of India, in the event of death of the first applicant, the nominee or the legal heir as the case may be, shall be able to withdraw the investment only after the completion of one year from the date of allotment.

**Transfer of Units**

(1) A unit unless otherwise restricted or prohibited under the scheme, shall be freely transferable by act of parties or by operation of law.

(1A) A unitholder, in a close ended scheme listed on a recognized stock exchange, who desires to trade in units shall hold units in dematerialised form.

For Units of the Scheme(s) held in demat form, the Units will be transferable and will be subject to the transmission facility in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time. The delivery instructions for transfer of units will have to be lodged with the DP in the requisite form as may be required from time to time and transfer will be affected in accordance with such rules/regulations as may be in force governing transfer of securities in dematerialized form.

**B. 3 Duration of the Scheme / Winding up Close ended schemes:**

Each closed-ended Scheme/ Plan will have a Maturity Date and will be compulsorily and without any act of the unit holder(s) redeemed on Maturity Date at the applicable NAV.

The Mutual Fund may convert the Scheme/Plans under the Scheme after the Maturity Date into an open-end Scheme/ plan, and this shall be in accordance with SEBI Regulations.

The Units of close-ended Scheme/Plan may be converted into open-ended scheme

- (a) If the SID of such scheme discloses the option and period of such conversion; or
- (b) The Unitholders are provided with an option to redeem their units in full

**Open ended schemes:**

The duration of the Scheme is perpetual. However, the Scheme may be wound up if: -

- (a) There are changes in the capital market, fiscal laws or any event or series of events occur, which, in the opinion of the Trustee, requires the Scheme to be wound up; or
- (b) 75% of the unitholders of the Scheme pass a resolution that the Scheme be wound up; or
- (c) SEBI directs the Scheme to be wound up in the interests of the unitholders; or
- (d) If the Scheme/Plan fails to meet the criteria for minimum number of investors and maximum holding by a single investor as prescribed by SEBI.

**B.4 Procedure and Manner of Winding up**

Regulation 39(2) of the SEBI (Mutual Funds) Regulations, 1996 provides that any scheme of a mutual fund may be wound up, after repaying the amount due to the unitholders. Winding up would be affected on account of following: -

- a) On the happening of any event which, in the opinion of the Trustees, requires the scheme to be wound up; or
- b) If 75% of the unitholders of a scheme pass a resolution that the scheme be wound up; or
- c) If the SEBI so directs in the interest of the unitholders.

Where a scheme is wound up under the above Regulation, the Trustee shall give notice disclosing the circumstances leading to the winding up of the scheme:

- (a) to SEBI; and
- (b) in two daily newspapers having circulation all over India, and in a vernacular newspaper circulating at the place where the Mutual Fund is formed.

**Effect of Winding up**

On and from the date of the publication of the notice as stated above, the Trustee or the AMC as the case may be, shall:

- (a) cease to carry on any business activities in respect of the Scheme so wound up.
- (b) cease to create or cancel units in the Scheme
- (c) cease to issue or redeem units in the Scheme

**Procedure and Manner of Winding up**

(1) The Trustee shall call a meeting of the Unitholders of the Scheme to approve by simple majority of Unitholders present and voting at the meeting for authorising the trustees or any other person/ agency to take the steps for winding up of the Scheme:

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

(2)(a) The Trustee or the person authorised as above, shall dispose of the assets of the Scheme concerned in the best interests of the Unitholders of that Scheme.

(b) The proceeds of the sale realised under clause (a), shall be first utilised towards discharge of such liabilities as are due and payable under the Scheme and after making appropriate provision for meeting the expenses connected with such winding up of the Scheme, the balance shall be paid to the unitholders of the Scheme in proportion to their respective interest in the assets of the Scheme as on the date when the decision of the winding up was taken.

(3) On the completion of the winding up, the Trustee shall forward to SEBI and the Unitholders, a report on the winding up containing particulars such as circumstances leading to the winding up, the steps taken for disposal of the assets of the Scheme before winding up, expenses of the Scheme for winding up, net assets available for distribution to the Unitholders and a certificate from the Auditors of the Fund.

(4) Notwithstanding anything contained herein, the application of the provision of SEBI Regulations in respect of disclosures of half yearly reports and annual reports shall continue to be applicable until the winding up is completed or the Scheme ceases to exist.

**Winding up of the Scheme**

After the receipt of report referred to the above under "Procedure and Manner of winding up" if SEBI is satisfied that all measures for winding up of the Scheme have been complied with, the Scheme shall cease to exist.

**B.5 Delisting of units**

The units of a mutual fund scheme shall be delisted from a recognised stock exchange in accordance with the guidelines as may be specified by SEBI.

**B.6 Pledge of Units**

The Units under the respective Scheme(s) (subject to completion of lock-in period, if any) may be offered as security by way of a pledge / charge in favor of scheduled banks, financial institutions, non-banking finance companies (NBFCs'), or any other body. The AMC will note and record such Pledged Units. The Unitholder may request for the requisite form from the AMC. The AMC shall mark a lien only upon receiving the duly completed form and documents as it may require. Disbursement of such loans will be at the entire discretion of the bank / financial institution / NBFC, or any other body concerned, and the Mutual Fund assumes no responsibility thereof.

### ***Statement of Additional Information***

### ***Taurus Mutual Fund***

The Pledgor will not be able to redeem Units that are pledged until the entity to which the Units are pledged provides written authorization to the Mutual Fund that the pledge / lien charge may be removed. As long as Units are pledged, the Pledgee will have complete authority to redeem such units.

**Process for Investments made in the name of a Minor through a Guardian: Pursuant to SEBI Circular No. SEBI/HO/IMD/DF3/CIR/P/2019/166 dated December 24, 2019, and SEBI/HO/IMD/PODII/CIR/P/2023/0069 dated May 12, 2023, with respect to investment made in the name of minor through a guardian:**

1. Payment for investment by or any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian. For existing folios, in case the pay-out bank mandate is not held solely by minor or jointly by minor and guardian, the investors are requested to provide a change of Pay-out Bank mandate request before providing redemption request. All redemption proceeds shall be credited only in verified bank account of the minor, i.e. the account the minor may hold with the parent/legal guardian after completing KYC formalities.
2. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide KYC/FATCA details, updated bank account details including cancelled original cheque leaf of the new account, and his/her specimen signature duly authenticated by banker/guardian. No further transactions shall be allowed till the status of the minor is changed to major.

### **B.5 The AMC shall have the right to carry out verification as required under the Prevention of Money Laundering Act (PMLA), which should, inter alia, include the following**

- a. Determining the identity of the investor and the person making payment i.e. mandatory KYC for Investor and the person making the payment.
- b. Obtaining necessary declaration from the Investor and the person making the payment. Declaration by the person making the payment should give details of the bank account from which the payment is made and the relationship with the beneficiary.
- c. Verifying the source of funds to ensure that funds have come from the drawer's account only

The AMC reserves a right to reject the transaction or call for additional details, if payment bank account and other details are not mentioned in the application form and / or do not match with payment instrument and / or necessary documents / declaration are not attached or are insufficient

### **C. General Information**

#### **C.1 Underwriting**

The Schemes may also undertake underwriting and sub underwriting activities (only for equity and equity related instruments) in order to augment its income, after complying with the approval and compliance process specified in the SEBI (underwriters) Rules & Regulations, 1993 and further subject to the following norms:

- The capital adequacy of the Mutual Fund for the purposes of SEBI (Underwriters) Rules and Regulations, 1993 shall be the net assets of the Scheme.
- The total underwriting obligation of the Scheme shall not exceed 25% of the total net asset value of the Scheme.
- No Underwriting commitment may be undertaken in respect of the Scheme during the period of 6 months prior to the date of redemption of the Scheme.
- The decision to take up any underwriting commitment shall be made as if the Scheme is actually investing in that particular security.
- As such, all investment restrictions and prudential guidelines relating to investments, individually and in aggregate as mentioned in SEBI Regulations shall, in so far as may be applicable, apply to underwriting commitments which may be undertaken under the Scheme.

These underwriting norms / parameters (as expressed / linked to the net asset/ net asset value/ capital) shall in the ordinary course apply as at the date of the most recent transaction of commitment to underwrite, and changes do not have to be effected merely because, owing to appreciations or depreciations in value or by reason of the receipt of any rights, bonuses or benefits in the nature of capital or of any scheme of arrangement or for amalgamation, reconstruction or exchange, or at any repayment or redemption or other reason outside the control of the Fund, any such limits would thereby be breached. If these limits are exceeded for reasons beyond its control, TAMCO shall adopt as a priority objective the remedying of that situation, taking due account of the interests of the Unitholders. As such all underwriting and sub-underwriting activities of the Fund will be undertaken in accordance with SEBI (Underwriters) Rules and Regulations, 1993, and the norms as laid down by SEBI Circular dated June 30, 1994, and as amended from time to time.

## C.2 Stock Lending by the Mutual Fund

Subject to the SEBI (MF) Regulations as applicable from time to time, the Mutual Fund may, engage in Stock Lending. Stock Lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation. The securities lent will be returned by the borrower on the expiry of the stipulated period.

For details, investors are requested to refer to the Scheme Information Document of the respective schemes.

## C.3 Borrowing

The Schemes may borrow from anybody - corporate including TAMCO, Sponsor and Commercial Banks, up to a maximum of 20% of the net assets of the Scheme for a maximum duration of 6 months, in order to meet the temporary liquidity needs of the Schemes, for the purpose of re-purchase/redemption or payment of interest or IDCW to the unitholders, as per clause 44(2) of SEBI (Mutual Fund) Regulations, 1996.

## C.4 Inter-scheme Transfer

Inter-Scheme Transfer of Investments:

Inter-scheme transfers will be done in line with regulatory requirements and applicable internal policies as determined by the Valuation Committee as described below-

Security Type	Inter scheme Policy
Listed Equity Shares	Inter scheme to be done on latest quote for a particular security on primary stock exchange.
Debt & Money Market Securities (Government Securities/ Treasury bills/Commercial Paper/ Certificate of Deposit / Bonds/Zero Coupon Bonds/ Bills/Floating rate securities/ etc.)	<p>i. IST of Securities will be done as per the average prices provided by</p> <p>AMFI approved agencies currently CRISIL &amp; ICRA.</p> <p>ii. If prices from the valuation agencies are received within the pre-agreed TAT as per AMFI, an average of the prices so received shall be used for IST pricing.</p> <p>iii. If price from only one valuation agency is received, that price may be used for IST pricing.</p> <p>iv. If prices are not received from any of the valuation agencies, AMC may determine the price for the IST, in accordance with Clause 3 (a) of Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996</p>

- (a) The securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

**Statement of Additional Information****Taurus Mutual Fund**

Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if -

(a) such transfers are done at the prevailing market price for quoted instruments on spot basis.

Explanation: “spot basis” shall have same meaning as specified by stock exchange for spot transactions.

(b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

**1. Aggregate investment in the Scheme under the following categories:**

In accordance with Paragraph on ‘Scheme Related Disclosures’ of SEBI Master Circular for Mutual Funds dated June 27, 2024, please find below the aggregate investment in the respective Scheme(s) by Board of Directors of TAMCO (AMC) and key personnel as on April 30, 2025

Scheme Name	Aggregate amount invested in the Scheme as on April 30, 2025 (market value in Rs.)		
	AMC’s Board of Directors	Key personnel (excluding Fund Manager)	Fund Manager
<b>Taurus Large Cap Fund</b>	194,307.56	1,212,048	26,826
<b>Taurus Mid Cap Fund</b>	473,193.36	3,311,034	300,517
<b>Taurus Ethical Fund</b>	630,939.51	4,016,315	128,349
<b>Taurus Infrastructure Fund</b>	34767.5	328,027	120,535
<b>Taurus ELSS Tax Saver</b>	354,350.8	2,541,500	42,000
<b>Taurus Flexi Cap Fund</b>	1,439,152.17	9,169,030	315,547
<b>Taurus Banking &amp; Financial Services Fund</b>	51,192.13	325,479	6,055

**C.5 Issue of Bonus Units**

The Bonus option under the Regular (Existing) & Direct plans of Taurus Ethical Fund (“the Scheme”) has been discontinued with effect from 15/06/2015. Accordingly, the Scheme would have only IDCW and Growth options w.e.f. 15/06/2015 under Regular & Direct Plans, with Growth option as the default option.

Consequently, no fresh subscriptions would be accepted under the Bonus Option of the Scheme – whether by way of fresh subscription or additional purchase or under Systematic Investment Plan (SIP).

The outstanding units in respect of the existing unit holders under the Bonus Option shall be continued, without allowing any fresh subscription from the unit holder, till all units under the Bonus Option of the scheme have been redeemed and subsequently, the Bonus Option shall be closed.

The aforesaid changes will be applicable with effect from 15<sup>th</sup> June 2015. Accordingly, SIP transactions if any under the Bonus Option of the Scheme would also be discontinued from the same date.

Henceforth, no Bonus Units would be declared under any Scheme and Bonus Option would not be offered under any Scheme.

**C.6 Suspension of Purchase and/or Redemption of Units**

**(a) Suspension of Purchase**

The purchase and / or redemption of Units may be suspended or restricted under any schemes of the Mutual Fund only after the approval from Board of TAMCO and the Board of Trustees when any of the following conditions exist at one/more Designated Investor Service Centers:

- The stock market stops functioning or trading is restricted
- Periods of extreme volatility in the stock market, fixed income or money market, which, in the opinion of the Investment Manager, are prejudicial or detrimental to the interest of the investors
- Natural calamity
- For any bulk processing like dividend, mergers, etc.
- If banks do not carry-out any of the normal banking activities at one or more Designated Investor Service Centers
- SEBI, by order, so directs.

Such decision of the respective Board along with the circumstances and justification shall also be informed to SEBI in advance.

The normal time taken to process redemption and/ or purchase requests, as mentioned earlier, may not be applicable during such extraordinary circumstances.

An order / request to purchase Units is not binding on and may be rejected by the Trustees, the AMC or their respective agents, unless it has been confirmed in writing by the AMC or its agents and / or payment has been received.

#### (b) Restriction on redemption in Mutual Funds

Pursuant to SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2016/57 dated May 31, 2016 the redemption/ purchase may be restricted under any Schemes of Taurus Mutual Fund only after the approval of Board of Taurus Asset Management Company Limited (TAMCO) and the Board of Taurus Investment Trust Company Limited (TITCO) when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the effective functioning of markets such as:

- i. **Liquidity issues** - when market at large becomes illiquid affecting almost all securities rather than any issuer specific security.
- ii. **Market failures, exchange closures** - when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies.
- iii. **Operational issues** - when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out). Such cases can only be considered if they are reasonably unpredictable and occur in spite of appropriate diligence of third parties, adequate and effective disaster recovery procedures and systems.

Restriction on redemption may be imposed for a specified period of time not exceeding 10 working days in any 90 days period.

The following procedure shall be followed when restriction on redemption is imposed:

- i. No restriction would be imposed on redemption requests up to INR 2 lakhs
- ii. Where redemption requests are above INR 2 lakhs, TAMCO shall redeem the first INR 2 lakh without such restriction and the remaining part over and above INR 2 lakhs would be subject to the restriction imposed.

#### C.7 Procedure for seeking approval of unitholders in specified circumstances

In terms of SEBI's (Mutual Funds) Regulations 1996 vide clause 18 (15A) and subsequent amendments issued from time to time, the Trustees shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would modify the scheme and affects the interest of unitholders, shall be carried out unless:

- (i) 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 region where the Head Office of the mutual fund is situated; and
- (ii) The unitholders are given an option to exit at the prevailing Net Asset Value without any exit load.



**C.8 Fund's Policy for dealing with unclaimed redemption amount**

As per SEBI guidelines, the unclaimed redemption amounts shall be deployed in money market instruments only or such other instruments, as permitted under Regulations. The investors who claim such amounts during the period of three years from the due date shall be paid at the prevailing Net Asset Value. After a period of three years, this amount will be transferred to a pool account and the investors can claim the amount at NAV prevailing at the end of the third year. The income earned on such funds shall be used for the purpose of investor education.

The Fund will make continuous efforts to remind the investors through letters to take their unclaimed amounts.

Further, the investment management fee charged by AMC for managing unclaimed amounts shall not exceed 50 basis points.

**C.9 ASBA Facility to Investors:**

Investors are provided ASBA facility for all NFOs. ASBA means "Application Supported by Blocked Amount". ASBA is an application containing an authorization to block the application money in the bank account, for applying during the NFO. An ASBA investor shall submit an ASBA physically or electronically through the internet banking facility, to the Self Certified Syndicate Bank (SCSB) with whom, the bank account to be blocked, is maintained. Self-Certified Syndicate Bank has the same meaning as given to it in clause (zi) of sub regulation (1) of regulation 2 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. SCSB is a bank which is recognized as a bank capable of providing ASBA services to its customers. Names of such banks would appear in the list available on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)).

The SCSB shall then block the application money in the bank account specified in the ASBA, on the basis of an authorization to this effect given by the account holder in the ASBA. The application money shall remain blocked in the bank account till the allotment of the issue or till withdrawal/ rejection of the application, as the case may be. ASBA facility will be available to all the category of investors mentioned under "Who can invest" Section of the respective SID. An investor, who is eligible for ASBA facility, has the option of making application through ASBA or through the existing facility of applying with cheque / demand draft as mentioned in the SID.

**C.10 Portfolio Turnover Details**

Sr. No	Scheme Name	Portfolio Turnover Rate
1	Taurus Flexi Cap Fund	0.97
2	Taurus Mid Cap Fund	1.17
3	Taurus Infrastructure Fund	1.21
4	Taurus Banking & Finance Service Fund	0.51
5	Taurus Large Cap Fund	0.96
6	Taurus Ethical Fund	0.99
7	Taurus Nifty 50 Index Fund	0.11
8	Taurus ELSS Tax Saver Fund	0.54

**C.11 Dematerialisation and Rematerialisation procedures**

A Process on allotment of units in Demat mode:

B In order to apply for/get allotment of units in Demat mode, investor needs to select the unit holding option mode as Demat in the application form and specify the Depository Participant (DP) name, DP ID / Client ID of beneficiary in the application. It is advisable to enclose copy of latest Client Master List (CML) received from the DP along with application form. Units will be directly credited to the investor's demat account after the realization of funds and depositories will issue a statement.

C Conversion of the units held in SoA mode to Demat mode.

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- D
- Investor needs to submit the Conversion Request Form (CRF) to his / her Depository Participant (DP), along with the latest Statement of Account (SOA), which enlists his / her MF holdings.
  - Investor submitting the CRF should declare to DP that units held in his / her name are not in demat mode as yet, and no certificates are issued against these units (Note: This self-declaration is a part of CRF).
  - Investor should submit a separate CRF for multiple SOAs, representing different scheme names and ISINs held under the same Folio number.
  - Investor should submit a separate CRF for each Demat Account held with the DP.
  - Investor should submit a separate CRF for locked in and free units held under the same for CRF.
  - After due verification, the DP will generate DRN number and share DRN images with respective RTA/AMC. Depository will send that physical CRF details to AMC/RTA. Post verification, AMC/RTA will confirm the conversion request raised by the DP and units will be credited in investor's demat account.
- E
- Re-Conversion the units held in Demat mode to Remat mode.
- Investor needs to submit the Re-Conversion Request Form (RRF) for conversion of units from demat mode to remat (SOA/physical) mode.
  - He / she needs to attach demat account statement along with form as a proof of holding units in the demat form.
  - After verification, DP will process & register the request in their system. An electronic number gets generated (RRN) and then DP forwards the request to the AMC/RTA.
  - AMC/RTA conduct due diligence and on completion of that they report the request and confirm conversion of Units into physical mode.

**A. Associate Transactions**

- The Fund has not carried out any transactions with the Sponsors or associate companies on a principal to principal basis under any scheme during the last three fiscal years.
- During the last three fiscal years, the existing schemes of the Fund have not entered into any underwriting obligation with respect to issues of associate companies and no scheme has subscribed to any issues lead managed by Sponsor or associate companies.
- Details on the Brokerage/ Commission paid to associates/related parties/group companies of Sponsor / AMC during the last three financial years

**Brokerage paid to associates/related parties/group companies of Sponsor/AMC**

Name of associate/ related parties/ group companies of Sponsor/AMC	Nature of Association/ Nature of Relation	Period Covered *	Value of transaction (in Rs Cr & % of total value of transaction of the fund)	Brokerage (Rs cr & % of total brokerage paid by the fund)
Not Applicable	Not Applicable	2022-2023	Nil	Nil

Name of associate/ related parties/ group companies of Sponsor/AMC	Nature of Association/ Nature of Relation	Period Covered *	Value of transaction (in Rs Cr & % of total value of transaction of the fund)	Brokerage (Rs cr & % of total brokerage paid by the fund)
Not Applicable	Not Applicable	2023-2024	Nil	Nil

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<b>Name of associate/ related parties/ group companies of Sponsor/AMC</b>	<b>Nature of Association/ Nature of Relation</b>	<b>Period Covered *</b>	<b>Value of transaction (in Rs Cr &amp; % of total value of transaction of the fund)</b>	<b>Brokerage (Rs cr &amp; % of total brokerage paid by the fund)</b>
Not Applicable	Not Applicable	2024-2025	Nil	Nil

**Commission paid to associates/related parties/group companies of Sponsor/AMC**

<b>Name of associate/ related parties/ group companies of Sponsor/AMC</b>	<b>Nature of Association/ Nature of Relation</b>	<b>Period Covered *</b>	<b>Value of transaction (in Rs Cr &amp; % of total value of transaction of the fund)</b>	<b>Commission (Rs cr &amp; % of total brokerage paid by the fund)</b>
Not Applicable	Not Applicable	2022-2023	Nil	Nil

<b>Name of associate/ related parties/ group companies of Sponsor/AMC</b>	<b>Nature of Association/ Nature of Relation</b>	<b>Period Covered *</b>	<b>Value of transaction (in Rs Cr &amp; % of total value of transaction of the fund)</b>	<b>Commission (Rs cr &amp; % of total brokerage paid by the fund)</b>
Not Applicable	Not Applicable	2023-2024	Nil	Nil

<b>Name of associate/ related parties/ group companies of Sponsor/AMC</b>	<b>Nature of Association/ Nature of Relation</b>	<b>Period Covered *</b>	<b>Value of transaction (in Rs Cr &amp; % of total value of transaction of the fund)</b>	<b>Commission (Rs cr &amp; % of total brokerage paid by the fund)</b>
Not Applicable	Not Applicable	2024-2025	Nil	Nil

- (d) The services of the Sponsor can be utilized by the Asset Management Company for the purpose of sale and distribution of units of the schemes of the Fund. However, Sponsor's services have not been utilized during the years, i.e. 2022-2023, 2023-2024 and 2024-2025 and hence no brokerage paid.

As and when Sponsors' services are utilized for sale and distribution of the units of existing schemes as well as any schemes launched in future, the rate of brokerage payable to them will be the same that is given to other agents/distributors.

- (e) The Asset Management Company, subject to Regulations, may subscribe on behalf of the schemes of the Fund, in the securities lead managed by the sponsors. The AMC shall ensure that the investments in such issues will be in line with the investment objectives of the schemes.
- (f) Subject to the Regulations, the sponsors, the mutual funds managed by them, their affiliates / associates and the AMC may invest either directly or indirectly in the Scheme during the Initial Offer Period or any time during the Continuous Offer Period. In accordance with the Regulations, AMC shall not charge any investment

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management and advisory services fee on its investment in the Scheme. The Funds managed by the affiliates / associates, Sponsors and the AMC may acquire a substantial portion of the Scheme's units and collectively constitute a majority investor in the Scheme.

#### **(g) Transactions with group companies:**

- The Scheme shall not make any investments in any unlisted securities of associate or group companies of the Sponsors.
- The Scheme will also not make investments in privately placed securities issued by associate or group companies of the Sponsors.
- The aggregate investments by any scheme in the listed securities of group companies of the Sponsors shall not exceed 25% of its net assets.

### **E.1 Policy of Investing in Group Companies of Sponsor Name of associates of Sponsor on AMC with which the Mutual Fund proposes to have dealings, transactions and those whose services may be used for marketing and distributing the scheme and the commissions that may be paid.**

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.

### **E.2 Jurisdiction**

Any dispute arising out of this issue shall be subject to the exclusive jurisdiction of the Courts in India. Statements in this Statement of Additional Information are, except where otherwise stated, based on the law, practice currently in force in India, and are subject to changes therein.

### **B. Documents Available for Inspection**

Copies of the following documents will be available for inspection at the Head Office / Registered Office of the Mutual Fund at Ground Floor, AML Centre-1, 8 Mahal Industrial Estate, Mahakali Caves Road, Andheri (East) Mumbai 400093 during business hours on any day (excluding Saturdays, Sundays and public holidays): -

- Memorandum and Articles of Association of the AMC
- Investment Management Agreement
- Trust Deed and amendments thereto, if any
- Mutual Fund Registration Certificate
- Agreement between the Mutual Fund and the Custodian
- Agreement with Registrar and Share Transfer Agents
- Consent of Auditors to act in the said capacity
- Consent of Legal Advisors to act in the said capacity
- Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments from time to time thereto.
- Indian Trusts Act, 1882.

### **C. Investor Grievances Redressal Mechanism**

As soon as any complaint/inquiry is received the same is forwarded to the Registrar and Transfer Agents. The complaints received and so forwarded are monitored on day-to-day basis and it is ensured that the complaints/inquiries are promptly redressed/ attended to.

**Ms. Additi Bhardwaj** (VP-Operations & Customer Service and Principal Officer)

Taurus Asset Management Company Limited  
2nd Floor, Plot No 31, Echelon Institutional Area  
Sector 32, Gurgaon-122001.  
Telephone No. 0124-4675500

Kfin Technologies Ltd. Unit: Taurus Mutual Fund  
1<sup>st</sup> Floor, Karvy Selenium Tower B,  
Plot No 31&32, Financial District, Nanakramguda Serilingampally Mandal, Hyderabad -500 032  
Tel: [040 6716 2222](tel:04067162222) E-mail: [customercare@taurusmutualfund.com](mailto:customercare@taurusmutualfund.com)

### Investor Complaints History:

### Details of Complaints received and resolved for the period of April 2022 to March 2023

[illegible]



<i>Statement of Additional Information</i>										<i>Taurus Mutual Fund</i>			
I B	Interest on delayed payment of amount declared under Income Distribution cum Capital Withdrawal option	0	0	0	0	0	0	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	0	3	3	0	0	0	7	0	0	0	0	0
I D	Interest on delayed payment of Redemption	0	0	0	0	0	0	0	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	0	0	0	0	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	0	0	0	0	0	0	0	0	0	0	0
II C	Data corrections in Investor details	0	2	2	0	0	0	1	0	0	0	0	0
II D	Non receipt of Annual Report/Abridged Summary								0	0	0	0	0
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	0	13	13	0	0	0	5	0	0	0	0	0
III F	Delay in allotment of Units	0	7	7	0	0	0	7	0	0	0	0	0
III G	Unauthorized Redemption	0	0	0	0	0	0	0	0	0	0	0	0
IV	Others **A	0	2	2	0	0	0	3	0	0	0	0	0

Note: \*\* Complaints not falling under the above given categories

Details of Complaints received and resolved for the period of April 2024 to March 2025

### Statement of Additional Information

***Taurus Mutual Fund***

[illegible]



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II D	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	0	6	6	0	0	0	1	0	0	0	0	0
III F	Delay in allotment of Units	0	0	0	0	0	0	0	0	0	0	0	0
III G	Unauthorized Redemption	0	0	0	0	0	0	0	0	0	0	0	0
IV	Others **	0	2	2	0	0	0	2	0	0	0	0	0

Note: \*\* Complaints not falling under the above given categories

## D. INFORMATION PERTAINING TO INVESTMENTS BY THE SCHEMES OF THE FUND

### 1. Derivatives Strategies

SEBI has permitted Mutual Funds to participate in derivatives trading subject to observance of guidelines issued by it in this behalf. Accordingly, Mutual Funds may use various derivative products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unitholders' interest.

The scheme intends to use derivatives instruments like interest rate swaps, forward rate agreements or such other derivative instruments as may be introduced from time to time for the purpose of hedging, portfolio balancing as may be permitted under SEBI (MF) Regulations.

The scheme intends to use derivative instruments stock options, stock futures, index options, index futures

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or other equity derivative instruments as may be introduced from time to time. RBI has permitted Mutual Funds to participate in Interest Rate Swaps and Forward Rate Agreements. SEBI has also permitted trading of interest rate derivatives through stock exchanges. The Scheme may also trade in these instruments. The Mutual Fund would comply with the provisions of para 7.5, 7.6, 12.24, 12.25 and 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024, such other amendments issued by SEBI from time to time while trading in derivatives.

## **2. Swing Pricing – Not Applicable**

## **3. Provision on Creation of Segregated Portfolio/Side Pocketing**

Creation of segregated portfolio is optional and is at the discretion of the Taurus Asset Management Company Limited (AMC)

In order to ensure fair treatment to all investors in case of a credit event and to deal with liquidity risk, SEBI has allowed creation of segregated portfolio of debt and money market instruments by mutual fund schemes.

Creation of segregated portfolio shall be subject to guidelines specified by SEBI from time to time and includes the following:

1) Segregated portfolio may be created, in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:

- Downgrade of a debt or money market instrument to 'below investment grade', or
- Subsequent downgrades of the said instruments from 'below investment grade', or
- Similar such downgrades of a loan rating

2) In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of segregated portfolio shall be based on issuer level credit events as mentioned above and implemented at the ISIN level.

3) Segregated portfolio may also be created, in the event TAMCO is convinced about adverse material impact on the credit quality of the issuer based on the information available and its internal credit assessment prior to downgrade in credit rating by a SEBI registered Credit Rating Agency.

4) Creation of segregated portfolio is optional and at the discretion of TAMCO.

Note: Below are the relevant definitions related to segregation of portfolio.

Segregated Portfolio - 'Segregated Portfolio' means a portfolio, comprising of debt or money market instrument affected by a credit event, which has been segregated in a mutual fund scheme.

Main Portfolio - 'Main Portfolio' means scheme portfolio excluding the segregated portfolio.

Total Portfolio - 'Total Portfolio' means the scheme portfolio including the securities affected by the credit event

Credit Event:

- (i) Credit Rating agencies downgrading the outstanding credit rating of the issuer to below investment grade; or
- (ii) Issuer fails to fulfill any of its financial obligations; or
- (iii) Any change in the operating/business environment of the issuer which substantially impairs its ability to fulfill its financial obligations.

### **Process for Creation of Segregated Portfolio** (pursuant to clause 4.4 of SEBI Master Circular dated June 27, 2024)

1. Once TAMCO decides on creation of segregated portfolio on the day of credit event/receipt of information about actual default of unrated debtor money market instruments, it shall follow the process laid down below:
  - i) TAMCO shall seek approval of Trustee prior to creation of the segregated portfolio.

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- ii) TAMCO shall immediately issue a press release disclosing its intention to segregate such debt and money market instrument and its impact on the investors. It shall also be disclosed that the segregation shall be subject to approval of Trustee. Additionally, the said press release shall be prominently disclosed on the website of the TAMCO.
  - iii) TAMCO shall ensure that till the time the Trustee approval is received, which in no case shall exceed 1 (one) business day from the day of credit event, the subscription and redemption in the scheme shall be suspended for processing with respect to creation of units and payment on redemptions.
2. Upon receipt of approval from Trustee:
- i) Segregated portfolio will be effective from the day of credit event
  - ii) TAMCO shall issue a press release immediately with all relevant information pertaining to the segregated portfolio. The said information shall also be submitted to SEBI.
  - iii) An e-mail or SMS will be sent to all unit holders of the concerned scheme(s).
  - iv) The NAV of both segregated and main portfolio(s) will be disclosed from the day of the credit event.
  - v) All existing investors in the scheme(s) as on the day of the credit event will be allotted equal number of units in the segregated portfolio as held in the main portfolio.
  - vi) No redemption and subscription will be allowed in the segregated portfolio. However, in order to facilitate exit to unit holders in segregated portfolio, TAMCO will enable listing of units of segregated portfolio on the recognized stock exchange within 10 working days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer requests.
  - vii) After creation of segregated portfolio, investors redeeming their units will get redemption proceeds based on the NAV of main portfolio and will continue to hold the units of segregated portfolio. Further, investors subscribing to the scheme will be allotted units only in the main portfolio based on its NAV.
3. If the Trustee does not approve the proposal to segregate portfolio, TAMCO will issue a press release immediately informing investors of the same and subscription and redemption applications will be processed based on the NAV of total portfolio.
4. Notwithstanding the decision to segregate the debt and money market instrument, the valuation shall take into account the credit event and the portfolio shall be valued based on the principles of fair valuation (i.e. realizable value of the assets) in terms of the relevant provisions of SEBI (Mutual Funds) Regulations, 1996 and Circular(s) issued thereunder.
5. Further, , Creation of segregated portfolio in mutual fund schemes has been permitted in respect of unrated debt or money market instruments by mutual fund schemes of an issuer that does not have any outstanding rated debt or money market instruments, subject to the following terms:
- i) Segregated portfolio of such unrated debt or money market instruments may be created only in case of actual default of either the interest or principal amount. The credit event is considered for creation of segregated portfolio, however, actual default by the issuer of such instruments shall be considered for creation of segregated portfolio.
  - ii) TAMCO shall inform AMFI immediately about the actual default by the issuer. Upon being informed about the default, AMFI shall immediately inform the same to all AMCs. Pursuant to dissemination of information by AMFI about actual default by the issuer, AMCs may segregate the portfolio of debt or money market instruments.
  - iii) All other terms and conditions as stated in SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018, shall remain the same.

### **Disclosures:**

In order to enable the existing as well as the prospective investors to take informed decision, the following shall be adhered to:

- i. A statement of holding indicating the units held by the investors in the segregated portfolio along with the NAV of both segregated portfolio and main portfolio as on the day of the credit event shall be communicated to the investors within 5 working days of creation of the segregated portfolio.

- ii. Adequate disclosure of the segregated portfolio shall appear in all scheme related documents, in monthly and half-yearly portfolio disclosures and in the annual report of the mutual fund and the scheme.
- iii. The Net Asset Value (NAV) of the segregated portfolio shall be declared on daily basis.
- iv. The information regarding number of segregated portfolios created in a scheme shall appear prominently under the name of the scheme at all relevant places such as SID, KIM-CAF Form (Common Application Form), advt., TAMCO and AMFI websites, etc.
- v. The scheme performance required to be disclosed at various places shall include the impact of creation of segregated portfolio. The scheme performance should clearly reflect the fall in NAV to the extent of the portfolio segregated due to the credit event and the said fall in NAV along with recovery(ies), if any, shall be disclosed as a footnote to the scheme performance.
- vi. The disclosures at point (d) and (e) above regarding the segregated portfolio shall be carried out for a period of at least 3 years after the investments in segregated portfolio are fully recovered/written-off.
- vii. The investors of the segregated portfolio shall be duly informed of the recovery proceedings of the investments of the segregated portfolio. Status update may be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.

**TER for the Segregated Portfolio**

- a) TAMCO will not charge investment and advisory fees on the segregated portfolio. However, TER (excluding the investment and advisory fees) can be charged, on a pro-rata basis only upon recovery of the investments in segregated portfolio.
- b) The TER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on daily basis on the main portfolio (in % terms) during the period for which the segregated portfolio was in existence.
- c) The legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER limit as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, shall be borne by TAMCO.
- d) The costs related to segregated portfolio will not be charged to the main portfolio.

**Monitoring by Trustees**

- a) In order to ensure timely recovery of investments of the segregated portfolio, Trustees shall (based on recommendations/confirmation from the TAMCO Board) ensure that:
- i) TAMCO puts in sincere efforts to recover the investments of the segregated portfolio.
- ii) Upon recovery of money, whether partial or full, it shall be immediately distributed to the investors in proportion to their holding in the segregated portfolio. Any recovery of amount of the security in the segregated portfolio even after the write off shall be distributed to the investors of the segregated portfolio.
- iii) An Action Taken Report (ATR) on the efforts made by TAMCO to recover the investments of the segregated portfolio is placed in every trustees meeting till the investments are fully recovered/written-off.
- iv) The Trustees shall monitor the compliance of aforesaid SEBI circular and disclose in the half-yearly trustees reports filed with SEBI, the compliance in respect of every segregated portfolio created.
- b) In order to avoid misuse of segregated portfolio, Trustees shall ensure to have a mechanism in place to negatively impact the performance incentives of Fund Managers, Chief Investment Officers (CIOs), etc. involved in the investment process of securities under the segregated portfolio, mirroring the existing mechanism for performance incentives of TAMCO, including claw back of such amount to the segregated portfolio of the scheme.

**Risks associated with segregated portfolio**

- a) Investor holding units of segregated portfolio may not be able to liquidate their holding till the time recovery of money from the issuer.
- b) Security(ies) held in segregated portfolio may not realize any value.

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- c) Listing of units of segregated portfolio in recognized stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.

**Illustration of Segregated Portfolio** Date: 30-Jun-19

Downgrade Event Date: 30-Jun-19

Downgrade Security: **7.65% Z Ltd from AA+ to B (senior secured security)**Valuation Marked Down: **25%**

The investor is holding 1000 Units of the Scheme, amounting to (1000\*15.0573) ₹15057.30

Security	Rating	Type of the Security	Quantity	Price Per Unit (₹)	Market Value (₹ in Lacs)	% of Net Assets
7.90% X Finance Ltd.	CRISIL AAA	NCD	32,00,000	102.8119	3,289.98	21.85
8.70 % Y Industries Ltd.	CRISIL AAA	NCD	32,30,000	98.5139	3,182.00	21.13
<b>7.65 % Z Ltd</b>	<b>CRISIL B*</b>	<b>NCD</b>	<b>32,00,000</b>	<b>73.8430</b>	<b>2,362.97</b>	<b>15.69</b>
D Ltd (15/May/2019)	ICRA A1+	CP	32,00,000	98.3641	3,147.65	20.90
7.65 % E Ltd.	CRISIL AA	NCD	30,00,000	98.6757	2,960.27	19.66
Cash/Cash Equivalents					114.47	0.76
Net Assets					<b>15,057.34</b>	
Unit Capital (no of units)					<b>1000.00</b>	
NAV (₹)					<b>15.0573</b>	

\*Marked down by 25% on the date of credit event. Before Mark-down the security was valued at ₹98.4570 per unit on the date of credit event i.e. on 30th June 2019, NCD of 7.65% Z which is a hotel operator will be segregated as separate portfolio.

**Main Portfolio as on June 30, 2019**

Security	Rating	Type of the Security	Quantity	Price Per Unit (₹)	Market Value (₹ in Lacs)	% of Net Assets#
7.90% X Finance Ltd.	CRISIL AAA	NCD	32,00,000	102.812	3,289.98	25.92
8.70 % Y Industries Ltd.	CRISIL AAA	NCD	32,30,000	98.5139	3,182.00	25.06
D Ltd (15/May/2019)	ICRA A1+	CP	32,00,000	98.3641	3,147.65	24.80
7.65 % E Ltd.	CRISIL AA	NCD	30,00,000	98.6757	2,960.27	23.32
Cash/Cash Equivalents					114.47	0.90
Net Assets					<b>12,694.37</b>	
Unit Capital (no of units)					<b>1,000.00</b>	
NAV (₹)					<b>12.6944</b>	

**# After creation of segregated portfolio Segregated Portfolio as on June 30, 2019****Segregated Portfolio as on June 30, 2019**

Security	Rating	Type of the Security	Quantity	Price Per Unit (₹)	Market Value (₹ in Lacs)	% of Net Assets#
7.65 % Z Ltd	CRISIL B	NCD	32,00,000	73.8430	<b>2,362.97</b>	100

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Net Assets		<b>2,362.97</b>	
Unit Capital (no of units)		<b>1,000.00</b>	
NAV (₹)		<b>2.3630</b>	

# After creation of segregated portfolio

**Value of Holding of the investor after creation of Segregated Portfolio:**

	<b>Segregated Portfolio</b>	<b>Main Portfolio</b>	<b>Total Value</b>
No. of units	1,000	1,000	-
NAV (₹)	2.3630	12.6944	-
Total value (₹)	2,362.97	12,694.33	15,057.30

**Note:** NAV of Main Portfolio + NAV of Segregated Portfolio = NAV of Total Portfolio of the Scheme

**4. Short Selling/Stock Lending**

The AMC shall adhere to the following limits should it engage in Stock Lending.

1. Not more than 20% of the net assets of the Scheme can be deployed in Stock Lending.
2. Not more than 5% of the net assets of the Scheme can be deployed in Stock Lending to any single approved intermediary, i.e. the limit of 5% will be at broker level.

The Mutual Fund may not be able to sell such lent out securities and this can lead to temporary illiquidity.

The Scheme may engage in short selling of securities in accordance with the framework relating to Short Selling and securities lending and borrowing specified by SEBI

**E. Transaction Charges and Stamp Duty**

Pursuant to para 10.5 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024; the AMC shall deduct transaction charges as per the following details from the subscription amount in case the investor invests through distributor / agent. The amount so deducted shall be paid to the distributor/agent of the investor (in case they have "opted in") and the balance shall be invested. The distributors shall have an option either to opt in or opt out of levying transaction charge based on type of the product.

1. **First time investor in Mutual Fund (across all the Mutual Funds):** Transaction charge of Rs. 150/- for subscription of Rs. 10,000 and above shall be deducted.
2. **Existing investor in Mutual Funds (across all the Mutual Funds):** Transaction charge of Rs. 100/- per subscription of Rs. 10,000 and above shall be deducted.
3. **For SIP -** The transaction charges in case of investments through SIP shall be deducted only if the total commitment (i.e. amount per SIP installment x No. of installments) amounts to Rs. 10,000/- and above. The transaction charges shall be deducted in 3-4 installments.
4. Transaction charges shall not be deducted for:
  - (i) purchases /subscriptions for an amount less than Rs. 10,000/-
  - (ii) transaction other than purchases/ subscriptions relating to new inflows such as Switch/ Systematic Transfer Plan (STP), Systematic Withdrawal Plan (SWP) etc.
  - (iii) purchases/ subscriptions made directly with the Fund (i.e. not through any distributor/agent).
  - (iv) transactions through stock exchange.

5. The statement of account shall reflect the net investment as gross subscription less transaction charge and the number of units allotted against the net investment.

As per para 10.4.1 (b) of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, the upfront commission to distributors shall be paid by the investor directly to the distributor by a separate cheque based on the investor's assessment of various factors including service rendered by the distributor.

### **Levy of Stamp Duty on Applicable Mutual Fund Transactions (effective July 01, 2020)**

Investors/Unit holders are requested to note that that pursuant to Notification No. S.O. 1226(E) and G.S.R 226 (E) dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of The Finance Act, 2019, notified on February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India, **a stamp duty @0.005% of the transaction value** would be levied on applicable mutual fund transactions. Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase/switch transactions (lumpsum and systematic) (including reinvestment of amounts under IDCW option i.e. dividend reinvestment) to the Investors/Unit holders would be reduced to that extent

## **X. Disclosures and Reports by the Fund**

### **1. Account Statement/Consolidated Account Statement**

1. On acceptance of an application for subscription or allotment of units (including by way of SIP, STP, switch, and reinvestment of IDCW), an allotment confirmation specifying the number of units allotted will be sent by way of an email and/or an SMS to the Unit holder's registered e-mail address and/or mobile number as soon as possible but not later than five working days of receipt of valid application /transaction or from the date of receipt of the request from the unit holder for Account Statement.
2. Thereafter, the AMC shall issue a Consolidated Account Statement (CAS) for each calendar month on or before fifteenth day of succeeding month detailing all the transactions and holding at the end of the month including transaction charges paid to the distributor, across all the schemes of all mutual funds in whose folios transaction has taken place during that month. Accordingly, for all the transactions from the month of October 2011, the CAS shall be issued on or before 15th day succeeding month. CAS is a statement reflecting holdings / transactions across all the mutual funds by the investor. The CAS for each calendar month will be issued on or before fifteenth day of succeeding month to the investors who have provided valid Permanent Account Number (PAN). Due to this regulatory change, AMC shall now cease to send physical account statement to the investors after every financial transaction including systematic transactions. Further, CAS will be sent via email where any of the folios which are consolidated has an email id or to the email id of the first unit holder as per KYC records. Further, in terms of para 14.4.3 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 ; each CAS issued to the investors shall also provide the total purchase value / cost of investment in each scheme.
3. For folios not included in the Consolidated Account Statement (CAS), the AMC shall henceforth issue account statement to the investors on a monthly basis, pursuant to any financial transaction in such folios on or before fifteenth day of succeeding month.
4. The AMC shall issue a CAS every half year (September / March) on or before twenty first day of succeeding month, detailing holding at the end of the six months, across all schemes of all mutual funds to all such investors in whose folios no transaction has taken place during that period. Further, in terms of para 14.4.3 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024; CAS issued for the half-year (ended September/ March) shall also provide:
  - The amount of actual commission paid by AMC/Mutual Fund to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. Further, a mention shall be made in such CAS indicating that

### ***Statement of Additional Information***

### ***Taurus Mutual Fund***

the commission disclosed is gross commission and does not exclude costs incurred by distributors such as goods and services tax (wherever applicable, as per existing rates), operating expenses, etc.

- The scheme's average total expense ratio (in percentage terms) along with the breakup between investment and advisory fees, commission paid to the distributor and other expenses for the period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in.
  - Such half-yearly CAS shall be issued to all investors, excluding those investors who do not have any holdings in Schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.
5. In case of a specific request received from the unit holder, the AMC shall provide the account statement to the investor within 5 business days from the receipt of such request.

**No Account statements will be issued to investors opted to hold units in electronic (demat) mode, since the statement of account furnished by depository participant periodically will contain the details of transactions**

The consolidated account statement/account statement will be sent by ordinary post / courier / email. The account statements shall be non-transferable. The account statements shall not be construed as a proof of title and is only a computer printed statement indicating the details of transactions under the Scheme.

The Mutual Fund / Trustee / AMC reserves the right to reverse the transaction of crediting Units in the unitholder's account, in the event of non realisation of any cheque or other instrument remitted by the investor.

The unitholders, who hold units in physical form, may request for an account statement at any time during the tenor of the scheme by writing to the AMC / RTA. Unitholders are requested to provide their e-mail ids for receipt of all correspondences including account statements using e-mail as the mode of communication. Unitholders whose e-mail id is available in the database of the Mutual Fund, electronic mail (e-mail) shall be the default mode of communication for those investors. In case, email address is not available, the AMC shall send all the communication, except for annual report or abridged summary thereof, monthly or half yearly statement of scheme portfolio and such other statutory communications as maybe specified by SEBI, in physical copies at the address available in the records of the AMC. However, in case the unitholder submits a request to receive any communication, including abridged annual report, monthly or half yearly statement of scheme portfolio, in physical mode then AMC shall provide the same within five working days from the date of receipt of request. If the Unitholder experiences any difficulty in accessing the electronically delivered account statement, the Unitholder shall promptly inform the Mutual Fund to enable the Mutual Fund to make the delivery through alternate means. Failure to inform the Mutual Fund of such difficulty within 24 hours after receiving the e-mail will serve as a confirmation regarding the acceptance by the Unitholder of the account statement

## **2. Half Yearly Disclosures/Portfolio Disclosures/Financial Results**

The AMC shall disclose portfolio (along with ISIN) in a user friendly & downloadable spreadsheet format, as on the last day of the month/half year for the scheme(s) on its website <https://taurusmutualfund.com/index.php/monthly-portfolio> and on the website of AMFI ([www.amfiindia.com](http://www.amfiindia.com)) within 10 days from the close of each month/half year.

In case of unitholders whose email addresses are registered with Taurus Mutual Fund, the AMC shall send via email both the monthly and half yearly statement of scheme portfolio within 10 days from the close of each month/half year respectively.

The AMC shall publish an advertisement every half-year, in the all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the half yearly statement of the schemes



portfolio on the AMC's website <https://taurusmutualfund.com/index.php/monthly-portfolio> and on the website of AMFI ([www.amfiindia.com](http://www.amfiindia.com)). The AMC shall provide physical copy of the statement of scheme portfolio without any cost, on specific request received from a unit holder

### **3. Half Yearly Results**

The Fund and Asset Management Company shall before the expiry of one month from the close of each half year that is on 31st March and on 30<sup>th</sup> September upload the unaudited half yearly financial results on the website of the Fund <https://taurusmutualfund.com/index.php/monthly-portfolio>. A notice announcing the availability of the same on the website will be published 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

### **4. Annual Reports**

The Scheme wise annual report or abridged summary thereof shall be provided to all Unitholders not later than four months (or such other period as may be specified by SEBI from time to time) from the date of closure of the relevant accounting year (i.e. 31 st March each year). Scheme wise annual report shall be displayed on the website of the AMC <https://taurusmutualfund.com/index.php/financials/annual-reports> and Association of Mutual Funds in India ([www.amfiindia.com](http://www.amfiindia.com)). Investor who has not registered their email id will have an option of receiving a physical copy of the Annual Report or Abridge Summary thereof. Taurus Mutual Fund will provide physical copy of the abridge summary without charging any cost on specific request receive from a unit holder. Physical copy of report will also be available to the unit holders at registered office at all times.

The AMC shall publish an advertisement every year, in the all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the scheme wise annual report on the AMC website <https://taurusmutualfund.com/index.php/addendum-notices> and on the website of AMFI ([www.amfiindia.com](http://www.amfiindia.com))

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

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

Sd/-  
Nikita Maggon

Place: Gurugram  
**Date: 30.06.2025**

**OFFICIAL POINTS OF TRANSACTIONS OFFICES OF TAURUS ASSET MANAGEMENT CO. LTD**

- CHENNAI: Taurus Asset Management Co. Ltd. 4th Floor (4R), East Coast Chambers, No. 92, G. N. Chetty Road, T. Nagar, Chennai-600017 Phone: 044-42634538
- GURUGRAM: Taurus Asset Management Co. Ltd. 2nd Floor, Plot No. 31, Echelon Institutional Area, Sector-32, Gurugram, Haryana - 122001 Phone: 0124-4531500
- MUMBAI: Taurus Asset Management Co. Ltd., 3rd Floor, 301-304, Chandravillas Co-op Premises Society Ltd., AML Centre 2, 8 Mahal Industrial Estate, Off. Mahakali Caves Road, Andheri-East, Mumbai - 400093 Phone: 022 6624 2700

**Other Branches of Taurus Asset Management Co. Ltd**

- AHMEDABAD: Office No 607, 6th Floor, 323 Corporate Park, NR. Samdura Complex, Nr. Girish Cold Drink Cross Road, C. G. Road, Navarangpura, Ahmedabad-380009

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

**Toll Free No.** 1800 108 1111

**INVESTOR SERVICE CENTRES OF  
Register & Transfer Agent – Kfin Technologies Limited**

S No	Consolidated Current Address	Contact Number	Branch Email
1	Kfin Technologies Ltd No 35 Puttanna Road Basavanagudi Bangalore 560004	08026603411/ 08026603914	bangaloremfd@Kfintech.com
2	Kfin Technologies Ltd Premises No.101 Cts No.1893 Shree Guru Darshani Tower Anandwadi Hindwadi Belgaum 590011	0831 4213717	mfsbelgaum@Kfintech.com
3	Kfin Technologies Ltd Ground Floor 3Rd Office Near Womens College Road Beside Amruth Diagnostic Shanthi Archade Bellary 583103	8392294649	mfsbellary@Kfintech.com
4	Kfin Technologies Ltd R R Mahalaxmi Mansion Above Indusind Bank 2Nd Floor Desai Cross Pinto Road Hubballi 580029	0836-2950643	mfshubli@Kfintech.com
5	Kfin Technologies Ltd Shop No - 305 Marian Paradise Plaza 3Rd Floor Bunts Hostel Road Mangalore - 575003 Dakshina Kannada Karnataka	0824-2951645	mangaloremfd@Kfintech.com
6	Kfin Technologies Ltd Shop No 21 Osia Mall 1St Floor Near Ktc Bus Stand Sgdpa Market Complex Margao - 403601	0832-2957253	mfsmargoa@Kfintech.com
7	Kfin Technologies Ltd No 2924 2Nd Floor 1St Main 5Th Cross Saraswathi Puram Mysore 570009	8213510066	mfsmysore@Kfintech.com
8	Kfin Technologies Ltd H. No: T-9 T-10 Affran Plaza 3Rd Floor Near Don Bosco High School Panjim 403001	0832 2996032	panjimmd@Kfintech.com
9	Kfin Technologies Ltd Office No. 401 On 4Th Floor Abc-I Off. C.G. Road - Ahmedabad 380009	9081903021	ahmedabadmfd@Kfintech.com
10	Kfin Technologies Ltd, 203 Saffron Icon , Opp Senior Citizen Garden , Mota Bazar , V V Nagar Anand 388120	9638836728 / Alternate No. 7323002114	mfsanand@Kfintech.com
11	Kfin Technologies Ltd 1St Floor 125 Kanha Capital Opp. Express Hotel R C Dutt Road Alkapuri Vadodara 390007	0265-3517567	barodamfd@Kfintech.com
12	Kfin Technologies Ltd 123 Nexus Business Hub Near Gangotri Hotel B/S Rajeshwari Petroleum Makampur Road Bharuch 392001	8000403762/ Alternate No.	mfsbharuch@Kfintech.com

**Statement of Additional Information****Taurus Mutual Fund**

13	Kfin Technologies Ltd 303 Sterling Point Waghawadi Road - Bhavnagar 364001	0278-3003149	mfsbhavnagar@Kfintech.com
14	Kfin Technologies Ltd Ff-21 Someshwar Shopping Mall Modhera Char Rasta - Mehsana 384002	7623002114Alternate No.	mfsmehsana@Kfintech.com
15	Kfin Technologies Ltd 103 1st Floor Landmark Mall Near Sayaji Library Navsari Gujarat Navsari 396445	9081903040	mfsnavsari@Kfintech.com
16	Kfin Technologies Ltd 302 Metro Plaza Near Moti Tanki Chowk Rajkot Rajkot Gujarat 360001	9725444799Alternate No.	rajkotmfd@Kfintech.com
17	Kfin Technologies Ltd Ground Floor Empire State Building Near Udhna Darwaja Ring Road Surat 395002	9081903041	suratmf@Kfintech.com
18	Kfin Technologies Ltd 406 Dreamland Arcade Opp Jade Blue Tithal Road Valsad 396001	02632-258481 / Alternate No. 8000403762	mfsvalsad@Kfintech.com
19	Kfin Technologies Ltd A-8 Second Floor Solitaire Business Centre Opp Dcb Bank Gidc Char Rasta Silvassa Road Vapi 396191	9081903028	mfsvapi@Kfintech.com
20	Kfin Technologies Ltd 9Th Floor Capital Towers 180 Kodambakkam High Road Nungambakkam   Chennai – 600 034	044-28309147 / 28309146	chennaibfd@Kfintech.com
21	Kfin Technologies Ltd Second Floor Manimuriyil Centre Bank Road Kasaba Village Calicut 673001	0495-4022480	mfsalicut@Kfintech.com
22	Kfin Technologies Ltd Door No:61/2784 Second floor Sreelakshmi Tower Chittoor Road, Ravipuram Ernakulam-Kerala-682015	0484 - 4025059	cochinbfd@Kfintech.com
23	Kfin Technologies Ltd Sree Vigneswara Bhavan Shastri Junction Kollam - 691001	474-2747055	mfskollam@Kfintech.com
24	Kfin Technologies Ltd 1st Floor Csiascension Square Railway Station Road Collectorate P O Kottayam 686002	4812300868	mfskottayam@Kfintech.com
25	Kfin Technologies Ltd No: 20 & 21 Metro Complex H.P.O.Road Palakkad H.P.O.Road Palakkad 678001	9633072271Alternate No.	mfsalghat@Kfintech.com
26	Kfin Technologies Ltd 4Th Floor Crown Tower Shakthan Nagar Opp. Head Post Office Thrissur 680001	9633072271Alternate No.	mfsrichur@Kfintech.com
27	Kfin Technologies Ltd, 3rdFloor, No- 3B TC-82/3417, CAPITOL CENTER, OPP SECRETARIAT, MG ROAD, TRIVANDRUM- 695001	0471-4618306	mfsrivandrum@Kfintech.com
28	Kfin Technologies Ltd 3Rd Floor Jaya Enclave 1057 Avinashi Road - Coimbatore 641018	0422 4388 451,011,013	mfscoimbatore@Kfintech.com
29	Kfin Technologies Ltd No. G-16/17 Ar Plaza 1st Floor North Veli Street Madurai 625001	0452-2605856	mfsmadurai@Kfintech.com
30	Kfin Technologies Ltd No 122(10B) Muthumariamman Koil Street - Pondicherry 605001	0413-4300710	mfspondy@Kfintech.com
31	Kfin Technologies Ltd No.6 Ns Complex Omalur Main Road Salem 636009	0427-4020300	mfsaleam@Kfintech.com
32	Kfin Technologies Ltd No 23C/1 E V R Road Near Vekkaiamman Kalyana Mandapam Putthur - Trichy 620017	0431-4020227	mfsrichy@Kfintech.com
33	Kfin Technologies Ltd No 2/19 1st Floor Vellore City Centre Anna Salai Vellore 632001	0416-4200381	mfsvellore@Kfintech.com
34	Kfin Technologies Ltd Ganapati Enclave 4Th Floor Opposite Bora Service Ullubari Guwahati Assam 781007	9435173219Alternate No.	mfsguwahati@Kfintech.com
35	Kfin Technologies Ltd, 2nd floor JBS Station, Lower Concourse 1, Situated in Jubilee Bus Metro Station, Secunderabad 500009	9959120147Alternate No.	mfsyderabad@Kfintech.com
36	Kfin Technologies Ltd Shop No:18-1-421/F1 City Center K.T.Road Airtel Backside Office Tirupathi - 517501	9885995544Alternate No.	mfstirupathi@Kfintech.com
37	Kfin Technologies Ltd Hno26-23 1st Floor Sundarammastreet Gandhinagar Krishna Vijayawada 520010	0866-2574429	vijayawadamfd@Kfintech.com

**Statement of Additional Information****Taurus Mutual Fund**

38	Kfin Technologies Ltd Dno : 48-10-40 Ground Floor Surya Ratna Arcade Srinagar Opp Roadto Lalitha Jeweller Showroom Beside Taj Hotel Ladge Visakhapatnam 530016	0891-2714125	vizagmfd@Kfintech.com
39	Kfin Technologies Ltd Selenium Plot No: 31 & 32 Tower B Survey No.115/22 115/24 115/25 Financial District Gachibowli Nanakramguda Serilingampally Mandal Hyderabad 500032	040-79615122	mfshyderabad@Kfintech.com
40	Kfin Technologies Ltd Shop No 25 Ground Floor Yamuna Tarang Complex Murtizapur Road N.H. No- 6 Opp Radhakrishna Talkies Akola 444001 Maharashtra	0724-2451874	mfsakola@Kfintech.com
41	Kfin Technologies Ltd Shop No. 21 2Nd Floor Gulshan Tower Near Panchsheel Talkies Jaistambh Square Amaravathi 444601	0721 - 2650399	mfsamaravathi@Kfintech.com
42	Kfin Technologies Ltd Shop No B 38 Motiwala Trade Center Nirala Bazar Aurangabad 431001	0240-2343414	mfsaurangabad@Kfintech.com
43	Kfin Technologies Ltd Sf-13 Gurukripa Plaza Plot No. 48A Opposite City Hospital Zone-2 M P Nagar Bhopal 462011	0755-4077948	bhopalmfs@Kfintech.com
44	Kfin Technologies Ltd. 101 Diamond Trade Center 3-4 Diamond Colony New Palasia Above Khurana Bakery Indore - 452001	0731-4266828	mfsindore@Kfintech.com
45	Kfin Technologies Ltd 2Nd Floor 290/1 (615-New) Near Bhavartal Garden Jabalpur - 482001	0761-4004897	mfsjabalpur@Kfintech.com
46	Kfin Technologies Ltd Plot No. 2 Block No. B / 1 & 2 Shree Apratment Khare Town Mata Mandir Road Dharampeth Nagpur 440010	0712-3513750	nagpurmfd@Kfintech.com
47	Kfin Technologies Ltd S-9 Second Floor Suyojit Sankul Sharanpur Road Nasik 422002	0253-6608999	nasikmfs@Kfintech.com
48	Kfin Technologies Ltd 112/N G. T. Road Bhanga Pachil G.T Road Asansol Pin: 713 303; Paschim Bardhaman West Bengal Asansol 713303	0341-2220077	mfsasansol@Kfintech.com
49	Kfin Technologies Ltd Office No.2 1St Floor Plot No. 9/6 Nehru Nagar [East] Bhilai 490020	7884901014	mfsbhilai@Kfintech.com
50	Kfin Technologies Ltd A/181 Back Side Of Shivam Honda Show Room Saheed Nagar - Bhubaneswar 751007	0674-4615576	bhubaneswarmfd@Kfintech.com
51	Kfin Technologies Ltd City Centre Plot No. He-07 Sector-Iv Bokaro Steel City Bokaro 827004	6542291255	mfsbokaro@Kfintech.com
52	Kfin Technologies Ltd Shop No-45 2Nd Floor Netaji Subas Bose Arcade (Big Bazar Building) Adjusent To Reliance Trends Dargha Bazar Cuttack 753001	0671-2956816	mfsuttack@Kfintech.com
53	Kfin Technologies Ltd 208 New Market 2Nd Floor Bank More - Dhanbad 826001	3267961457	mfsdhanbad@Kfintech.com
54	Kfin Technologies Ltd Mwav-16 Bengal Ambuja 2Nd Floor City Centre Distt. Burdwan Durgapur-16 Durgapur 713216	3432542615	mfsdurgapur@Kfintech.com
55	Kfin Technologies Ltd Madhukunj 3Rd Floor Q Road Sakchi Bistupur East Singhbhum Jamshedpur 831001	6572912171	jamshedpurmfd@Kfintech.com
56	Kfin Technologies Ltd 2/1 Russel Street 4Thfloor Kankaria Centre Kolkata 70001 Wb	033 66285900	mfskolkata@Kfintech.com
57	Kfin Technologies Ltd, Flat No.- 102, 2BHK Maa Bhawani Shardalay, Exhibition Road, Patna-800001	06124149382	mfsapatna@Kfintech.com
58	Kfin Technologies Ltd, Office No- 401, 4th Floor, Pithalia Plaza , Fafadih Chowk, Raipur -492001	0771-2990901	mfsraipur@Kfintech.com
59	Kfin Technologies Ltd Room no 103, 1st Floor, Commerce Tower,Beside Mahabir Tower,Main Road, Ranchi -834001	0651-2330160	mfsranchi@Kfintech.com
60	Kfin Technologies Ltd 2Nd Floor Main Road Udit Nagar Sundargarh Rourekla 769012	0661-4000616	mfsrourkela@Kfintech.com
61	Kfin Technologies Ltd Nanak Complex 2Nd Floor Sevoke Road - Siliguri 734001	0353-4078734	mfsiliguri@Kfintech.com

**Statement of Additional Information****Taurus Mutual Fund**

62	Kfin Technologies Ltd, 3rd Floor, 303 Corporate Park, Block no- 109, Sanjay Place, Agra -282002	0562-4336303	mfsagra@Kfintech.com
63	Kfin Technologies Ltd Shop No. TF-9, 3rd Floor Vinayak Vrindavan Tower, Built Over H.NO.34/26 Tashkent Marg, Civil Station, Allahabad (now Prayagraj)Uttar Pradesh, Pin Code: 211001	7518801803	allahabadmfd@Kfintech.com
64	Kfin Technologies Ltd 6349 2Nd Floor Nicholson Road Adjacent Kos Hospitalambala Cant Ambala 133001	0171-2991969	mfsambala@Kfintech.com
65	Kfin Technologies Ltd 1St Floorrear Sidea -Square Building 54-Civil Lines Ayub Khan Chauraha Bareilly 243001	7518801806	mfsbareilly@Kfintech.com
66	Kfin Technologies Ltd Shop No-809/799 Street No-2 A Rajendra Nagar Near Sheesha Lounge Kaulagarh Road Dehradun-248001	7518801810	dehradunmfd@Kfintech.com
67	Kfin Technologies Ltd A-2B 2Nd Floor Neelam Bata Road Peer Ki Mazar Nehru Groundnit Faridabad 121001	0129 4159915	mfsfaridabad@Kfintech.com
68	Kfin Technologies Ltd Ff - 31 Konark Building Rajnagar - Ghaziabad 201001	0120-4351421	mfsghaziabad@Kfintech.com
69	Kfin Technologies Ltd Shop No 8 & 9 4Th Floor Cross Road The Mall Bank Road Gorakhpur - 273001	7518801816	mfsgorakhpur@Kfintech.com
70	Kfin Technologies Ltd No: 212A 2Nd Floor Vipul Agora M. G. Road - Gurgaon 122001	0124 4140163	mfsurgaon@Kfintech.com
71	Kfin Technologies Ltd City Centre Near Axis Bank - Gwalior 474011	0751-4001582	mfsghwalior@Kfintech.com
72	Kfin Technologies Ltd Shop No. 20 Ground Floor R D City Centre Railway Road Hissar 125001	01662410376	mfsHissar@Kfintech.com
73	Kfin Technologies Ltd 15/46 B Ground Floor Opp : Muir Mills Civil Lines Kanpur 208001	0512-4000365	kanpurmfd@Kfintech.com
74	Kfin Technologies Ltd 1st Floor A. A. Complex 5 Park Road Hazratganj Thaper House Lucknow 226001	0522-4061893	lucknowmfd@Kfintech.com
75	Kfin Technologies Ltd Shop No. 9 Ground Floor Vihari Lal Plaza Opposite Brijwasi Centrum Near New Bus Stand Mathura 281001	7518801834	mfsmathura@Kfintech.com
76	Kfin Technologies Ltd Shop No:- 111 First Floor Shivam Plaza Near Canara Bank Opposite Eves Petrol Pump Meerut-250001 Uttar Pradesh India	0121-4330878	mfsmeerut@Kfintech.com
77	Kfin Technologies Ltd Chadha Complex G. M. D. Road Near Tadi Khana Chowk Moradabad 244001	7518801837	mfsmoradabad@Kfintech.com
78	Kfin Technologies Ltd First Floor Saroj Complex Diwam Road Near Kalyani Chowk Muzaffarpur 842001	7518801839	mfsmuzaffarpur@Kfintech.com
79	Kfin Technologies Ltd F-21 2Nd Floor Near Kalyan Jewelers Sector-18 Noida 201301	7518801840	mfsnoida@Kfintech.com
80	KFin Technologies Ltd Shop No. 20 1St Floor Bmk Market Behind Hive Hotel G.T.Road Panipat-132103 Haryana	0180-4067174	mfsPanipat@Kfintech.com
81	Kfin Technologies Ltd C/O Mallick Medical Store Bangali Katra Main Road Dist. Sonbhadra (U.P.) Renukoot 231217	7518801842	mfsrenukoot@Kfintech.com
82	Kfin Technologies Ltd Office No:- 61 First Floor Ashoka Plaza Delhi Road Rohtak 124001.	7518801844	mfsrohtak@Kfintech.com
83	Kfin Technologies Ltd 1St Floor Hills View Complex Near Tara Hall Shimla 171001	7518801849	mfsShimla@Kfintech.com
84	KFin Technologies Ltd D.64 / 52, G – 4 Arihant Complex , Second Floor ,Madhopur, Shivpurva Siga ,Near Petrol Pump Varanasi -221010	7518801856	varanasimfd@Kfintech.com
85	Kfin Technologies Ltd B-V 185/A 2Nd Floor Jagadri Road Near Dav Girls College (Uco Bank Building) Pyara Chowk - Yamuna Nagar 135001	7518801857	mfsyamunanagar@Kfintech.com
86	Kfin Technologies Ltd 605/1/4 E Ward Shahupuri 2Nd Lane Laxmi Niwas Near Sultane Chambers Kolhapur 416001	0231-2653656	mfskolhapur@Kfintech.com

**Statement of Additional Information****Taurus Mutual Fund**

87	Kfin Technologies Ltd 6/8 Ground Floor Crossley House Near Bse ( Bombay Stock Exchange)Next Union Bank Fort Mumbai - 400 001	022-46052082	mumbaimfd@Kfintech.com
88	Kfin Technologies Ltd Office # 207-210 Second Floor Kamla Arcade Jm Road. Opposite Balgandharva Shivaji Nagar Pune 411005	02066210449/ 02046033615	punemfd@Kfintech.com
89	Kfin Technologies Ltd Office No 103, 1st Floor, MTR Cabin-1, Vertex, Navkar Complex M.V .Road, Andheri East , Opp Andheri Court, Mumbai - 400069	022-46733669	VileParleext.mum@Kfintech.com
90	Kfin Technologies Ltd Gomati Smutiground Floor Jambli Gully Near Railway Station Borivali Mumbai 400 092	9673606377	Borivaliext.mum@Kfintech.com
91	Kfin Technologies Ltd Room No. 302 3Rd Floorganga Prasad Near Rbl Bank Ltd Ram Maruti Cross Roadnaupada Thane West Mumbai 400602	022 25303013	Thaneext.mum@Kfintech.com
92	KFIN Technologies Ltd, Shop no. 2 3rd Floor, Above Raymond Shop, Opp City Power House, Hathi Bhata, Ajmer-305001	0145-4058816	mfsajmer@Kfintech.com
93	Kfin Technologies Ltd Sco 5 2Nd Floor District Shopping Complex Ranjit Avenue Amritsar 143001	01835158158	mfsamritsar@Kfintech.com
94	Kfin Technologies Ltd Mcb -Z-3-01043 2 Floor Goniana Road Opporite Nippon India Mf Gt Road Near Hanuman Chowk Bhatinda 151001	0164-5000725	mfsbhatinda@Kfintech.com
95	Kfin Technologies Ltd First Floor Sco 2469-70 Sec. 22-C - Chandigarh 160022	0172-4021194	chandigarhmfd@Kfintech.com
96	Kfin Technologies Ltd Office No 101 1St Floor Okay Plus Tower Next To Kalyan Jewellers Government Hostel Circle Ajmer Road Jaipur 302001	0141-4917232	jaipurmfd@Kfintech.com
97	Kfin Technologies Ltd Office No 7 3Rd Floor City Square Building E-H197 Civil Line Next To Kalyan Jewellers Jalandhar 144001	01812921714	mfsjalandhar@Kfintech.com
98	Kfin Technologies.Ltd 1D/D Extension 2 Valmiki Chowk Gandhi Nagar Jammu 180004 State - J&K	191-2951822	mfsjammu@Kfintech.com
99	Kfin Technologies Ltd Shop No. 6 Gang Tower G Floor Opposite Arora Moter Service Centre Near Bombay Moter Circle Jodhpur 342003	0291-4077688	mfsjodhpur@Kfintech.com
100	Kfin Technologies Ltd 3 Randhir Colony Near Doctor J.C.Bathla Hospital Karnal ( Haryana ) 132001	0184-44037677	mfskarnal@Kfintech.com
101	Kfin Technologies Ltd D-8 Shri Ram Complex Opposite Multi Purpose School Gumanpur Kota 324007	0744-4059552	mfskota@Kfintech.com
102	Kfin Technologies Ltd Sco 122 Second Floor Above Hdfc Mutual Fun Feroze Gandhi Market Ludhiana 141001	0161-4670278	mfsludhiana@Kfintech.com
103	Kfin Technologies Ltd 305 New Delhi House 27 Barakhamba Road - New Delhi 110001	011-41911300	delhimfd@Kfintech.com
104	Kfin Technologies Ltd B- 17/423 Lower Mall Patiala Opp Modi College Patiala 147001	0175-2910976	mfspatiala@Kfintech.com
105	Kfin Technologies Ltd Shop No. 202 2Nd Floor Business Centre 1C Madhuvan Opp G P O Chetak Circle Udaipur 313001	0294-2429370	mfsudaipur@Kfintech.com
106	Kfin Technologies Ltd 11/Platinum Mall, Jawahar Road, Ghatkopar (East), Mumbai 400077	022-35105513	<a href="mailto:mfsghatkopar@kfintech.com">mfsghatkopar@kfintech.com</a>
107	Kfin Technologies Ltd G7, 465 A, Govind Park Satar Bazaar, Satara - 415001	0216-2455388	<a href="mailto:mfsatara@kfintech.com">mfsatara@kfintech.com</a>

In addition to the existing Official Point of Acceptance of transactions, authorized Points of Service (POS) of MF Utilities India Private Limited (MFUI) shall be an official point of acceptance for all financial and non- financial transactions. The updated list of POS of MFUI is available on [www.mfuindia.com](http://www.mfuindia.com). The online transaction portal of MFUI is [www.mfuonline.com](http://www.mfuonline.com). Further, Investors can also subscribe units of the Scheme during the NFO Period by availing the platforms/facilities made available by the Stock Exchanges

**Mutual Fund Investments are subject to market risks, read all Scheme related Documents carefully.**



TAURUS ASSET MANAGEMENT COMPANY LIMITED  
CIN: U67190MH1993PLC073154

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