

Notice - cum - Addendum to the Scheme Information Document, Statement of Additional Information & Key Information Memorandum of Taurus Liquid Fund, Taurus Ultra Short Term Bond Fund, Taurus Dynamic Income Fund, Taurus Starshare, Taurus Bonanza Fund, Taurus Discovery Fund, Taurus Ethical Fund, Taurus Infrastructure, Taurus Tax Shield, Taurus Nifty Index Fund, Taurus Short Term Income Fund & Taurus MIP Advantage.

Notice is hereby given that the Trustees of Taurus Mutual Fund, propose to introduce "Dividend Sweep" sub - option under Dividend Option for the following schemes-Taurus Liquid Fund, Taurus Ultra Short Term Bond Fund, Taurus Dynamic Income Fund, Taurus Starshare, Taurus Bonanza Fund, Taurus Discovery Fund, Taurus Ethical Fund, Taurus Infrastructure, Taurus Tax Shield, Taurus Nifty Index Fund, Taurus Short Term Income Fund & Taurus MIP Advantage

"Highlights / Summary of the Scheme".

Plan and Options offered:	Dividend Sweep Option Under the Dividend Sweep Option (DSO), the investors may opt to automatically sweep (invest) the net dividend amount payable under the Scheme (hereinafter referred to as "Source Scheme") into any other open ended schemes (excluding Taurus Gift Fund) (hereinafter referred to as "Target Scheme") of Taurus Mutual Fund on the ex-dividend date (i.e., the immediate next business day after the Record Date) into the Target Scheme specified by the investor, at the applicable NAV of the Target Scheme and accordingly applicable number of units will be allotted in the Target Scheme. There is no minimum amount prescribed for dividend amount to be swept to the Target Scheme via DSO. Accordingly, the provision for 'Minimum Application Amount' specified in the respective Target Scheme's SID will not be applicable for investment made via DSO
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Dividend Sweep Option (DSO)

- Under the Dividend Sweep Option (DSO), the investors may opt to automatically transfer (invest) the net dividend amount (i.e., net of statutory levy / taxes, if any) payable under the Scheme (hereinafter referred to as "Source Scheme") into any other scheme (hereinafter referred to as "Target Scheme") of Taurus Mutual Fund on the ex-dividend date (i.e., the immediate next business day after the Record Date) into the Target Scheme specified by the investor, at the applicable NAV of the Target Scheme and accordingly applicable number of units will be allotted in the Target Scheme, subject to the terms and conditions of the respective Target Scheme.
- The minimum amount of investment is not applicable for investment made through DSO in the Target Schemes.
- The Units allotted in the Target scheme against investment via DSO will be subject to the applicable Exit Load of the Target scheme.
- Unitholder(s) are advised to read the SID/KIM of Target Scheme(s) carefully before opting for DSO.
- Unit holders who wish to enroll for the DSO facility are required to fill in and submit a prescribed DSO Enrolment Form complete in all respects at any of the Official Point of Acceptance (OPA) of TMF, separately for each Scheme/Plan/Option. The enrolment for DSO facility shall be for all units under the Dividend Option of the respective Source Scheme. Request for dividend sweep to multiple schemes are not allowed, partial Dividend Sweep and partial Dividend Payout / Reinvestment are also not permitted. If the unitholder fails to specify the option i.e growth, bonus or dividend of the target schemes then, the default shall be growth option and the default option under dividend shall be dividend re-investment option.
- The DSO Enrolment Form is available with the OPAs and distributors of TMF as well as on the website of TMF, namely, www.taurusmutualfund.com
- Enrolment under the DSO facility will automatically override any previous instructions of the Unitholder for 'Dividend Payout' or 'Dividend Reinvestment' facility, as the case may be, in the Source Scheme and will also apply to additional units allotted in the Source Scheme subsequently on account of additional subscription / switch-in/SIP/STP etc.
- The request for enrolment for DSO must be submitted at least seven (7) working days prior to the Record Date for the dividend in the Source Scheme. Hence investors should submit the DSO enrolment request sufficiently in advance. In case of this condition not being met, the DSO enrolment would be effective from the immediately succeeding Record Date of the dividend in the Source Scheme. Consequently, any dividend declared between the date of acceptance of the DSO Enrolment Form and date of registration thereof by the Registrar, will be paid out or reinvested in the Source Scheme, as applicable.
- Unit holders will have the right to opt out of DSO facility at any time by submitting a written request. At the time of discontinuation of DSO facility, the unit holders should specify their choice of option i.e. Dividend Reinvestment or Dividend Payout, in the Source Scheme, failing which, the default sub-option, i.e., Dividend Reinvestment will be applicable.
- Request for cancellation of DSO must be submitted at least seven (7) working days prior to the Record Date for the dividend in the Source Scheme. Any dividend declared in the Source Scheme during the interim period will be swept to the Target Scheme.
- The Account Statement for DSO transactions will be sent by post or by email (if email id. is provided) within 30 days of dividend sweep.
- It is expressly clarified that the dividends so swept and invested in Target Scheme shall be constructive payment of dividends to the Unit holder/s and constructive receipt of the same amount from each Unit holder for investment in units of Target Scheme. It is further clarified that the dividend amount transferred would be treated as switch-in / subscription transaction in the Target Scheme and will be liable to PAN and KYC provisions, as may be applicable.
- TMF is not guaranteeing or assuring any dividend under any of the schemes. All dividend distributions are subject to investment performance of the respective schemes, availability of distributable surplus and at the discretion of the Trustee.
- The AMC reserves the right to change/ modify the terms and conditions of the DSO without prior notice or without assigning any reason thereof. If DSO facility is withdrawn from any Source Scheme or Target Scheme, all investors who have opted for DSO will be shifted under Dividend Reinvestment Option in the Source Scheme and the unitholders will be sent suitable intimation.

The dividend sweep facility under Taurus MIP Advantage and Taurus Short Term Income Fund allows for dividend sweep to any other open ended equity schemes. Now, this facility is extended to all the open ended schemes (excluding Taurus Gift Fund)

The above is effective from March 14, 2011 under all the open ended schemes (excluding Taurus Gift Fund)

This Addendum forms an integral part of the SID & KIM of Taurus Liquid Fund, Taurus Ultra Short Term Bond Fund, Taurus Dynamic Income Fund, Taurus Starshare, Taurus Bonanza Fund, Taurus Discovery Fund, Taurus Ethical Fund, Taurus Infrastructure, Taurus Tax Shield, Taurus Nifty Index Fund, Taurus Short Term Income Fund & Taurus MIP Advantage. All other terms and conditions appearing in the respective SID & KIM remain unchanged.

Taurus Liquid Fund (Retail Plan)

An open-end liquid scheme

Investment Objective: To generate steady and reasonable income, with low risk and high level of liquidity from a portfolio of money market securities and high quality debt.

Load Structure: Entry Load - NIL, Exit Load - NIL, (Switch: Exit Load NIL.)

Asset allocation: CBLO/repo/ reverse repo: 0% to 100%, Money Market Instruments (Mibor Linked Instruments, T-Bills, CPs, CDs) and/or other short term debt instruments (Floating Rate Notes, Short Term NCDs, PTCs and /or Less than 1 year maturity G-Secs 0% to 100%.

Taurus Ultra Short Term Bond Fund

An open end debt scheme

Investment Objective : To generate returns with higher liquidity and low volatility from a portfolio of money market and debt instruments.

Load Structure: Entry Load - NIL, Exit Load - Retail Plan, Institutional Plan & Super Institutional Plan - NIL (Switch: Exit Load NIL)

Asset allocation: Money market & debt instruments which have residual maturity and repricing tenor not exceeding one year: 50% to 100%, Debt Instruments which have residual and repricing tenor exceeding one year *: 0% to 50% (*Debt instruments may include securitized debt upto 50% of net assets. Derivatives may be used upto 50% of the scheme's net assets to hedge and portfolio balancing in order to protect the interest of the unitholders.)

Taurus Dynamic Income Fund

An open end income scheme

Investment Objective : To generate optimal returns with high liquidity through active management of the portfolio by investing in high quality Debt and Money Market Instruments.

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

Load Structure: Entry Load - NIL, Exit Load - 1.00% if exited upto 90 days from the date of allotment and Nil if exited after 90 days from the date of allotment

Asset allocation: Debt instruments with maturity of more than 1 year*: 1% - 100%, Money Market instruments including CBLO, debentures with residual maturity of less than 1 year*: 0% - 99% (* The Scheme will not invest in Securitized Debt)

Taurus Starshare

An open-ended equity scheme with a focus on multi cap stocks

Investment Objective : The basic objective of the Scheme is to provide long-term capital appreciation. Emphasis will be on sharing growth through appreciation as well as on distribution of income by way of dividend.

Load Structure: Entry Load - NIL, Exit Load - Up to any amount (Including SIP application): • 1% if exited before 1 year • Nil if exited after 1 year, (Switch: Equity to Equity-Exit Load Nil, Equity to Debt-Relevant exit load applicable as mentioned above, Equity to ELSS-Relevant exit load applicable as mentioned above.)

Asset allocation: Equity & Equity Related Instruments: 85% to 100%, Debt Instruments: 0% to 15%, Money Market & other Assets: 0% to 10%.

Taurus Bonanza Fund

An open-ended equity scheme with a large cap focus.

Investment Objective : Taurus Bonanza Fund is an open-end growth scheme. The investment objective is to provide investors long-term capital appreciation. Investments shall be primarily in Equity and Equity related instruments that offer scope for long-term capital appreciation. The Fund will also be invested in debt and money market instruments.

Load Structure: Entry Load - NIL, Exit Load - Up to any amount (Including SIP application): NIL

(Switch: Equity to Equity-Exit Load Nil, Equity to Debt-Relevant exit load applicable as mentioned above, Equity to ELSS-Relevant exit load applicable as mentioned above.)

Asset allocation: Equity & Equity Related Instruments: 70% to 100%, Debt Instruments: 0% to 10%, Money Market & other Assets: 0% to 25%.

Taurus Discovery Fund

An open-ended equity scheme with a mid and small cap focus

Investment Objective : The primary objective of the Scheme is to identify and select low priced stocks through price discovery mechanism, which would broadly include: • To capitalise on available opportunity on growth potential offered by undervalued penny stocks. • Such stocks being low priced and if dividend paying, decent dividend yield will give desired cushion in the volatile capital market. • Lower side risk is minimum in such investments. • Many of such cases where investment will be made, may be turnaround cases, therefore, greater potential for improvement in NAV.

Load Structure: Entry Load - NIL, Exit Load - Up to any amount (Including SIP application): • 1% if exited before 1 year • Nil if exited after 1 year, (Switch: Equity to Equity-Exit Load Nil, Equity to Debt-Relevant exit load applicable as mentioned above, Equity to ELSS-Relevant exit load applicable as mentioned above.)

Place: Mumbai

Date: March 14, 2011.

Statutory Details: Taurus Mutual Fund has been constituted as a Trust under the Indian Trust Act, 1882. **Sponsor:** HB Portfolio Limited **Trustee:** Taurus Investment Trust Company Limited, **Investment Manager:** Taurus Asset Management Company Limited **Risk Factors: All Investments in mutual funds and securities are subject to market risks and the NAV of the schemes may go up or down depending upon the factors and forces affecting the securities market. There can be no assurance that schemes investment objectives will be achieved. The past performance of the Mutual Fund is not indicative of the future performance of the schemes.** The Sponsor is not responsible or liable for any loss resulting from the operation of the schemes beyond the initial contribution of ₹2 Lacs made towards setting up of the Mutual Fund. **Taurus Liquid Fund, Taurus Ultra Short Term Bond Fund, Taurus Dynamic Income Fund, Taurus Starshare, Taurus Bonanza Fund, Taurus Discovery Fund, Taurus Ethical Fund, Taurus Infrastructure, Taurus Tax Shield, Taurus Nifty Index Fund, Taurus Short Term Income Fund & Taurus MIP Advantage are the name of the schemes, do not in any manner indicate the quality of the schemes or their future prospects or returns. There is no guarantee or assurance as to any return on investment of the unitholders.** The investments made by the schemes are subject to external risks on transfers, pricing, trading volumes, settlement, etc. of securities. **Please read the Scheme Information Document, Statement of Additional Information & Key Information Memorandum carefully before investing.**

TAURUS ASSET MANAGEMENT COMPANY LIMITED

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For Taurus Asset Management Company Ltd.

Authorised Signatory

Asset allocation: Equity & Equity Related Instruments: 75% to 100%, Debt Securities (including securitised debt): 0% to 20%, Money Market & other Assets: 0% to 20%.

Taurus Ethical Fund

An open-ended equity scheme

Investment Objective: To provide capital appreciation and income distribution to unitholders through investment in a diversified portfolio of equities, which are based on the principles of Shariah.

Load Structure: Entry Load - NIL, Exit Load - Up to any amount (Including SIP application): • 1% if exited before 1 year • Nil if exited after 1 year, (Switch: Equity to Equity-Exit Load Nil, Equity to Debt-Relevant exit load applicable as mentioned above, Equity to ELSS-Relevant exit load applicable as mentioned above.)

Asset allocation: Equity & Equity Related Instruments: 80% to 100%, Money Market Instruments: 0% to 20%.

Taurus Infrastructure Fund

An open-ended equity thematic scheme

Investment Objective: Scheme objective is to provide long term capital appreciation over the life of the scheme through investment pre-dominantly in equity shares, besides tax benefits.

Load Structure: Entry Load - NIL, Exit Load - Up to any amount (Including SIP application): • 1% if exited before 1 year • Nil if exited after 1 year, (Switch: Equity to Equity-Exit Load Nil, Equity to Debt-Relevant exit load applicable as mentioned above, Equity to ELSS-Relevant exit load applicable as mentioned above.)

Asset allocation: Equity & Equity Related Instruments: 70% to 100%, Debt & Money Market Instruments: 0% to 30%.

Taurus Tax Shield

An open - end equity linked tax saving scheme

Investment Objective: The investment objective of the scheme is to replicate the S&P CNX Nifty Index by investing in securities of the CNX Nifty Index in the same proportion/ weightage.

Load Structure: Entry Load - NIL, Exit Load - Up to any amount (Including SIP application): NA (Switch: Taurus Tax Shield to other schemes after lock in period of 3 years Exit Load: Nil) Lock-in-period: 3 years from the date of allotment. **Tax Benefits:** As per Section 80C of the Income Tax Act, an individual or a HUF is allowed deduction from income to an amount upto a maximum of ₹ 1 Lakh by investment in the scheme. Tax free dividends in the hands of investors.

Asset allocation: Equity and related instruments: 80-100%, Debt instrument: 0-20%, Money market instruments: 0-20%.

Taurus Nifty Index Fund

An open-ended index linked equity scheme

Investment Objective: The investment objective of the scheme is to replicate the S&P CNX Nifty Index by investing in securities of the CNX Nifty Index in the same proportion/ weightage.

Load Structure: Entry Load - NIL, Exit Load - Up to any amount (Including SIP application): NA, (Switch: Exit Load - NIL)

Asset allocation: Securities Covered by Nifty: 95% to 100%, Debt & Money Market Instruments: 0% to 5%.

Taurus Short Term Income Fund

An open-end bond scheme

Investment Objective: To generate income and capital appreciation with low volatility by investing in a diversified portfolio of short term debt and money market instruments.

Load Structure: Entry Load - NIL, Exit Load - Up to any amount (Including SIP application): • 0.25% if exited before 1 month • Nil if exited after 1 month, (Switch: Debt to debt/Equity - relevant exit load applicable as mentioned above.)

Asset allocation: Money Market Instruments: 65% to 100%, Debt Instruments maturing within 1 year: 0% to 30%, Debt Instruments with maturity between 1 to 3 years: 0% to 15%.

Taurus MIP Advantage

An open ended income scheme

Investment Objective: To generate regular income through a portfolio of fixed income securities, Gold ETFs and equity and equity related instruments.

Load Structure: Entry Load - NIL, Exit Load - Up to any amount (Including SIP application): 1% if exited upto 1 year, Nil if exited after 1 year (i) A Switch-Out/Withdrawal under SWP will also attract an exit load like any redemption.

ii) In case of SIP / STP, the above criteria for Exit Load will be applicable for each installment.

iii) Exit load is applicable for all the options under the Scheme by applying First in First Out basis

iv) No Exit Load is chargeable in case of switches made between different Sub options of the same option.

Asset allocation: Debt & Money Market Instruments*: 65% - 95%, Equity and Equity related instruments: 0-25%, Gold ETFs - 5% - 25% (*Includes investment in securitised debt up to 25 % of the net assets of the Scheme).