

Pursuant to SEBI Circular No. CIR/IMD/DF/21/2012 dated 13.09.2012 and Gazette Notification dated 26.09.2012, Taurus Investment Trust Co Ltd, the Trustee of Taurus Mutual Fund, has decided to make the following changes/additions to the Scheme Information Document/Statement of Additional Information and Key Information Memorandum of the schemes of Taurus Mutual Fund as under:

A] Applicable NAVs for debt and equity schemes excluding Taurus Liquid Fund:

The present rules for NAV applicability will apply to all applications for amounts less than ₹ 2 lakhs. In respect of valid applications for purchase/switch/SIP/STP for ₹ 2 lakhs and above received upto 3 pm at the official points of acceptance, the closing NAV of the day, on which the funds are available for utilization before the cut off time of 3 pm, shall be applicable for allotment of units. It is clarified that funds availability will be determined by the AMC based on cash management feeds received from the bank as regards the funds credited to its collection accounts. The decision of the AMC in this regard will be final.

These rules will apply for all applications received on or after October 1, 2012.

B] Exit Load:

With effect from October 1, 2012, Exit load, if any, charged to the investor will be credited to the Scheme, net of service tax.

C] Annual Scheme Recurring Expenses:

The SIDs/SAs/KIMs of each scheme define the investment management fees and other expenses and their respective limits that can be charged to the schemes.

Pursuant to aforesaid SEBI Circular and Gazette Notification, following changes have been effected in the Scheme recurring expenses.

(1) In addition to the limits specified, the following costs or expenses may be charged to the scheme w.e.f. October 01, 2012, namely -

(a) Expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such cities as specified by SEBI from time to time are at least -

(i) 30 per cent of gross new inflows in the scheme, or (ii) 15 per cent of the average assets under management (year to date) of the scheme, whichever is higher:

Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub-clause (ii), such expenses on daily net assets of the scheme shall be charged on proportionate basis:

Provided further that expenses charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities.

Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the Scheme in case the said inflows are redeemed within a period of one year from the date of investment.

(b) Additional expenses towards different heads not exceeding 0.20 per cent of daily net assets of the scheme.

(c) Service Tax on investment and advisory fees charged on the daily net assets of the schemes.

(d) Brokerage and transaction costs incurred for purpose of execution of trade and included in the cost of investment not exceeding 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions will be charged to the scheme.

(2) AMC shall annually set apart at least 2 basis points on daily net assets within the maximum limit of expenses for investor education and awareness initiatives.

(3) Under Regulation 52, AMC reserves the right to charge Investment Management and Advisory fees (IMA Fees) and other expenses at its discretion subject to the maximum limit of total expense ratio prescribed under SEBI (Mutual Funds) Regulations, 1996. The IMA Fees charged by the AMC to the respective scheme(s) will be within the total expenses limit as prescribed by Regulation 52(6) and 52(6A) of SEBI (Mutual Funds) Regulations, 1996 with no sub-limit on said IMA Fees as currently mentioned under SIDs of the respective Schemes.

D] Single Plan structure for Taurus Liquid Fund & Taurus Ultra Short Term Bond Fund:

i) Pursuant to SEBI mandate for the single plan structure vide aforesaid circular, w.e.f. October 1, 2012, Taurus Liquid Fund and Taurus Ultra Short Term Bond Fund will offer only a single plan i.e. Super Institutional plan. Retail & Institutional plans under these two Schemes will be discontinued for fresh subscriptions/ additional purchase/ switch-ins. These plans will continue as long as existing investors continue to stay invested in these plans.

ii) All new subscriptions/switch-ins/SIP/STPs will be made only in the Super Institutional (SI) Plan of these two schemes. Taurus Liquid Fund & Taurus Ultra Short Term Bond Fund will offer the following options - Growth, Daily Dividend Re-investment, Weekly Dividend Re-investment & Dividend Sweep.

iii) For Growth & Weekly Dividend Reinvestment Options : The minimum amount of investment will be ₹ 5,000 and in multiples of ₹ 1 thereafter. The minimum amount for additional purchase will be ₹ 1,000 and in multiples of ₹ 1 thereafter.

For Daily Dividend Reinvestment Option & Sweep Option: The minimum amount of investment will be ₹ 1,00,000 and in multiples of ₹ 1 thereafter. The minimum amount for additional purchase will be ₹ 5,000 and in multiples of ₹ 1 thereafter.

iv) From October 1, 2012, fresh subscriptions/ additional purchase, if any, received under the Retail or Institutional Plans of Taurus Liquid Fund or Taurus Ultra Short Term Bond Fund shall automatically be processed for allotment under the corresponding or default sub-option (as applicable) of Super Institutional Plan of these two schemes.

v) Installments under SIP/ STP & dividend reinvestment facilities registered prior to October 1, 2012 under the Retail & Institutional Plans of Taurus Liquid Fund and Taurus Ultra Short Term Bond Fund shall cease to be processed after October 31, 2012.

vi) Unit holders to note that effective from November 1, 2012, Dividend, if any, will compulsorily be paid out to Unit holders who had opted for the dividend reinvestment facility under the Retail & Institutional Plans of Taurus Liquid Fund & Taurus Ultra Short Term Bond Fund. A separate communication in regard to the above will be sent by the Fund to the concerned Unit holders.

E] Monthly Portfolio Disclosures:

Monthly Portfolio of all schemes, as on the last day of the month, will henceforth be disclosed on the website of the Mutual Fund on or before the 10th day of the following month.

F] Half Yearly Financial Statements:

At present the unaudited half yearly financial results and portfolio of the schemes are being published in the newspapers as well as displayed on the website of the Fund. w.e.f. October 01, 2012, the unaudited half yearly financial results will not be published in newspapers and only be displayed on the website of the Fund. A notice announcing the availability of the same on the website will be published.

G] Portfolio concentration risk in Debt Mutual Fund Schemes:

i) The total exposure of debt schemes in a particular sector will not exceed 30% of the total net assets of the scheme. Investments in Certificates of Deposit issued by Banks, CBLO, Securities issued by the Government and AAA rated securities issued by Public Financial Institutions and Public Sector Banks will be exempt from this limit.

ii) Existing schemes, with more than the mandated exposure in any sector, will not be allowed to increase that exposure any more than that prevailing on September 13, 2012. The exposure norms are to be met on or before September 12, 2013.

H] Transaction Charges:

Investors may note that going forward the distributors can opt to receive transaction charges (₹ 150 for a first time investor across mutual funds and ₹ 100 for other investors) based on 'type of the scheme' instead of for all schemes. Accordingly, the transaction charges would be deducted from the subscription amounts, as applicable.

Place: **Mumbai**

Date: **October 01, 2012**

For **Taurus Asset Management Co. Ltd.**

Authorised Signatory

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

TAURUS ASSET MANAGEMENT COMPANY LIMITED

Registered Office: 305, Regent Chambers, 208, Jammalal Bajaj Marg, Nariman Point, Mumbai - 400 021. Tel. 022 - 2282 6847

Head Office: Ground Floor, AML Centre-1, 8 Mahal Industrial Estate, Mahakali Caves Road, Andheri (E), Mumbai - 400 093.

Tel: 022 - 6624 2700 • Email: customercare@taurusmutualfund.com A copy of SID, SAI and KIM along with application form may be obtained from Fund's Website: www.taurusmutualfund.com