

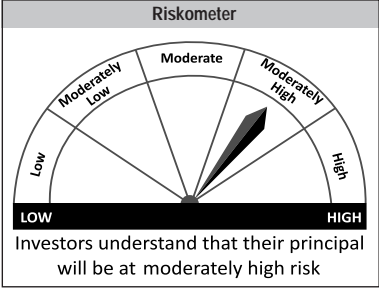
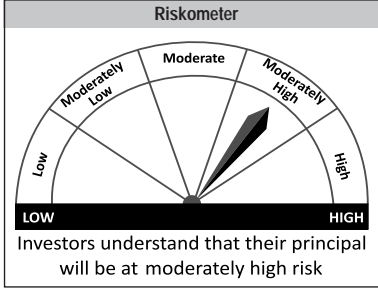
NOTICE CUM ADDENDUM



Notice cum Addendum to the Scheme Information Document (SID) and Key Information Memorandum (KIM) of Taurus Discovery (Midcap) Fund (earlier known as Taurus Discovery Fund), Midcap Fund - an Open-ended equity scheme predominantly investing in mid cap stocks

CHANGE IN THE FUNDAMENTAL ATTRIBUTES OF TAURUS DISCOVERY (MIDCAP) FUND

NOTICE IS HEREBY GIVEN THAT the Board of Directors of Taurus Investment Trust Company Limited (Trustees to Taurus Mutual Fund) has decided to modify the features of **Taurus Discovery (Midcap) Fund (earlier known as Taurus Discovery Fund)**, Midcap Fund - an Open-ended equity scheme predominantly investing in mid cap stocks ("the Scheme"). These changes will be effective from May 03, 2018 ("Effective Date") as under:

Particulars	Taurus Discovery (Midcap) Fund (earlier known as Taurus Discovery Fund)																																						
	Existing		Revised																																				
Date of inception	5 th September 1994		5 th September 1994																																				
Name of Scheme	Taurus Discovery (Midcap) Fund (earlier known as Taurus Discovery Fund)		Taurus Discovery (Midcap) Fund (earlier known as Taurus Discovery Fund)																																				
Category of Scheme	Focused on Midcap and small cap stocks		Midcap Fund																																				
Type of Scheme	Midcap Fund - An Open ended equity scheme predominantly investing in mid cap stocks		Midcap Fund - An Open ended equity scheme predominantly investing in mid cap stocks																																				
Product Label	<p>This product is suitable for Investors who are seeking</p> <ul style="list-style-type: none"> Long term capital appreciation Investment in equity & equity related instruments through price discovery mechanism – mid cap in nature  <p>Investors understand that their principal will be at moderately high risk</p>		<p>This product is suitable for Investors who are seeking</p> <ul style="list-style-type: none"> Long term capital appreciation Investment in equity & equity related instruments predominantly in mid-cap stocks.  <p>Investors understand that their principal will be at moderately high risk</p>																																				
Plans/ Options	Regular & Direct Plan		Regular & Direct Plan																																				
Minimum application amount	₹ 5000 and in multiples of ₹ 1 thereafter		₹ 5000 and in multiples of ₹ 1 thereafter																																				
Benchmark	Nifty Free Float Midcap 100 TRI		Nifty Free Float Midcap100 TRI																																				
Investment objective	<p>The primary objective of the Scheme is to identify and select low priced stocks through price discovery mechanism, which would broadly include:</p> <ul style="list-style-type: none"> To capitalize on available opportunity on growth potential offered by undervalued stocks, especially in the midcap and smallcap space. Such stocks being low priced and if dividend paying, decent dividend yield will give desired cushion in the volatile capital market. Many of such cases where investment will be made may be turnaround cases, therefore, greater potential for improvement of NAV. 		<p>The prime objective of the Scheme is to achieve long term capital appreciation by investing in a portfolio consisting of equity and equity related securities predominantly of mid cap companies.</p>																																				
Asset Allocation	<p>Under normal circumstances the asset allocation (as % of Net Assets) will be as follows :</p> <table border="1"> <thead> <tr> <th rowspan="2">Instruments</th> <th colspan="2">% of Portfolio</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Minimum</th> <th>Maximum</th> </tr> </thead> <tbody> <tr> <td>Equity & Equity related Instruments</td> <td>75%</td> <td>100%</td> <td>High</td> </tr> <tr> <td>Debt Securities (including securitized debt)</td> <td>0%</td> <td>20%</td> <td>Medium</td> </tr> <tr> <td>Money Market & other assets</td> <td>0%</td> <td>20%</td> <td>Low</td> </tr> </tbody> </table> <p>Investment by the scheme in securitised debt will not normally exceed 50% of the debt component of the scheme.</p> <p>Investments in debentures will be restricted to investment grade rated instruments. In case of unrated debt instruments, specific approval of the Board of TAMCO shall be obtained.</p>	Instruments	% of Portfolio		Risk Profile	Minimum	Maximum	Equity & Equity related Instruments	75%	100%	High	Debt Securities (including securitized debt)	0%	20%	Medium	Money Market & other assets	0%	20%	Low		<p>Under normal circumstances the asset allocation (as % of Net Assets) will be as follows :</p> <table border="1"> <thead> <tr> <th rowspan="2">Instruments</th> <th colspan="2">% of Portfolio</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Minimum</th> <th>Maximum</th> </tr> </thead> <tbody> <tr> <td>Equity & Equity Related Securities – Mid Cap Companies</td> <td>65%</td> <td>100%</td> <td>High</td> </tr> <tr> <td>Equity & Equity Related Securities – Other Companies</td> <td>0%</td> <td>35%</td> <td>High</td> </tr> <tr> <td>Debt & Money Market Securities / Instruments</td> <td>0%</td> <td>20%</td> <td>Low</td> </tr> </tbody> </table> <p>Investment by the scheme in securitised debt will not normally exceed 50% of the debt component of the scheme.</p> <p>Investments in debentures will be restricted to investment grade rated instruments. In case of unrated debt instruments, specific approval of the Board of TAMCO shall be obtained.</p>	Instruments	% of Portfolio		Risk Profile	Minimum	Maximum	Equity & Equity Related Securities – Mid Cap Companies	65%	100%	High	Equity & Equity Related Securities – Other Companies	0%	35%	High	Debt & Money Market Securities / Instruments	0%	20%	Low
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Investment Strategy	<p>To identify and select low price stocks through price discovery mechanism. Discovery Stocks may be defined as follows :-</p> <ol style="list-style-type: none"> Those stocks, whose current market price is lower than the book value, Those stocks, whose current market price is lower than the last public offer either by way of IPO or Right Issue, Those scrips, which have not moved as per the movement in BSE Index, but have the potential, Such identified company is now doing well but on account of either initial high price or lack of investor's confidence, current market price is under pressure, Following parameters will be kept in mind while identifying such stocks: <ul style="list-style-type: none"> Market price/Book value ratio is not very high. Return on capital employed (ROCE) is satisfactory Return on networth (RONW) is positive Equity capital > ₹ 5 crores Dividend paying company <p>Investments can be considered in those companies, who are able to meet any of the three parameters given above. The Scheme will focus on Small and Midcap stocks. Trustees, however, reserve the right to modify or alter or add to these criteria depending upon the market conditions.</p>		<p>Investment in equities will be made through the secondary and the primary markets predominantly in stocks of midcap companies (as defined in the below mentioned SEBI circular).</p> <p>In terms of SEBI Circular no. SEBI/HO/IMD/DF3/CIR/PI/2017/114 dated October 6, 2017 on Categorization and Rationalization of Mutual Fund Schemes, mid cap companies are defined as 101-250 companies in terms of full market capitalization. The list of these companies will be prepared by AMFI and same would be updated every six months based on the data as on the end of June and December of each year. Subsequent to any updation in the list, the Fund Management team will rebalance its portfolio (if required) in line with the updated list, within a period of one month.</p> <p>Fund will predominantly follow a bottom up strategy of stock selection, other aspects like asset allocation, sector allocation, shall also be considered.</p>																																				
Exit Load	0.50%, if exited on or before 180 days; Nil, if exited after 180 days		0.50%, if exited on or before 180 days; Nil, if exited after 180 days.																																				
Taxation	<p>In case of Equity scheme,</p> <ul style="list-style-type: none"> Dividend is tax free in the hands of unitholders. Long term capital gain tax is exempt. For equity oriented scheme, no additional tax under section 115R of the Income Tax Act, 1961 is payable on income distribution, if any, made by the scheme. Short term capital gain tax @ rate of 15% plus applicable surcharge and education cess is to be levied. Sale of units of equity oriented mutual fund schemes to the Mutual Fund would be liable to Securities Transaction Tax (STT). STT would be payable at the rate of 0.001% on the redemption value. 		<p>In addition to tax implication discussed in Current section, unitholders may note:</p> <ol style="list-style-type: none"> Redemption / Switch-out by the unitholders due to exercise of exit option or otherwise, may entail tax consequences. This would result in capital gain / capital loss in the hands of the investors, entailing tax consequences. In addition, Securities Transaction Tax (STT) on redemption/switch-out of units, if any, exercised during the exit option or otherwise would be payable at the rate of 0.001% on the redemption value. <p>The Finance Bill 2018, with effect from April 01, 2018 has proposed to levy</p> <ol style="list-style-type: none"> Long term capital gain tax @ 10% (plus applicable surcharge and cess) without any indexation benefit, on gains exceeding ₹ 1 lakh on redemption of units of equity oriented fund by the unitholder. Income Distribution Tax @10% (plus applicable surcharge and cess) on any income distributed by Equity Oriented Fund under section 115R of the Income Tax Act. <p>In view of the individual nature of the implications, each unitholder is advised to consult his own tax advisor.</p>																																				
Scheme Expenses	<ol style="list-style-type: none"> Maximum total expense ratio (TER) permissible under Regulation 52 (6): 2.50% of daily net assets. Additional expenses under Regulation 52 (6A) (c) – Up to 0.20% of daily net assets. Additional expenses for Gross new inflows from specified cities under Regulation 52 (6A) (b) – Up to 0.30% of daily net assets. <p>In addition to the limits specified above, the following cost or expenses may be charged to the scheme:</p> <ol style="list-style-type: none"> Goods & Service Tax (GST) on investment and advisory fees charged on the daily net assets of the schemes. GST on other than investment and advisory fees, if any, shall be borne by the scheme within the maximum limit of TER as per the regulation 52 of the Regulations. 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 transaction and 0.05 percent in case of derivatives transaction. 		<ol style="list-style-type: none"> Maximum total expense ratio (TER) permissible under Regulation 52 (6): 2.50% of daily net assets. Additional expenses under Regulation 52 (6A) (c) – Up to 0.20% of daily net assets. Additional expenses for Gross new inflows from specified cities under Regulation 52 (6A) (b) – Up to 0.30% of daily net assets. <p>In addition to the expense limits specified above, the following cost or expenses may be charged to the scheme:</p> <ol style="list-style-type: none"> Goods & Service Tax (GST) on investment and advisory fees charged on the daily net assets of the schemes. GST on other than investment and advisory fees, if any, shall be borne by the scheme within the maximum limit of TER as per the regulation 52 of the Regulations. 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 transaction and 0.05 percent in case of derivatives transaction. 																																				

In terms of Regulation 18 (15A) of SEBI (Mutual Funds) Regulations 1996, there is change in the fundamental attribute of the Scheme and therefore, all the existing unitholders of the Scheme (i.e. whose name appears in the register of unitholders as on April 02, 2018) are given an option to redeem the units/switch to other available/eligible Schemes of Taurus Mutual Fund at the prevailing net asset value without payment of any exit load on such redemptions for a period of 30 days between April 03, 2018 to May 02, 2018 (both days inclusive). Accordingly, the above changes to the fundamental attribute of the Scheme will be effective from May 03, 2018.

Separate written communication is also being sent to the existing unitholders in this regard.

If any investor desires to redeem the units/ switch to any other Scheme of Taurus Mutual Fund, such redemption /switch requests should be lodged at any Official Points of Acceptance of Taurus Mutual Fund on or before May 02, 2018 (up to 3.00 p.m. on May 02, 2018) along with documents namely Self attested copy of PAN card, AADHAAR Card, Signature attestation by bank & a cancelled cheque and unit certificates (wherever investors are holding unit certificate).

Redemption cheque will be mailed within 10 business days of receipt of valid redemption request to the unitholders who exercise their exit option.

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.

In case any investor desires to continue in the Scheme, no action is required to be taken. This offer to exit is merely an option at the discretion of the unitholders and not compulsory. The Fund would like the unitholders to remain invested in the Scheme.

In view of the individual nature of the implications, each unitholder is advised to consult his tax advisor.

During the period April 03, 2018 to May 02, 2018, normal sale and purchase of units shall continue as per the prevailing NAV and applicable exit load.

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

This Addendum forms an integral part of the Scheme Information Document (SID) and Key Information Memorandum (KIM) of Taurus Discovery (Midcap) Fund (earlier known as Taurus Discovery Fund), as amended from time to time.

For **Taurus Asset Management Company Ltd.**
(Investment Manager for Taurus Mutual Fund)

Place : Mumbai
Date : March 26, 2018
Notice cum Addendum No. 18/2017-18

Sd/-
Authorised Signatory

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

TAURUS ASSET MANAGEMENT COMPANY LIMITED
CIN: U67190MH1993PLC073154

Registered Office: 305, Regent Chambers, 208, Jambhal Bajaj Marg, Nariman Point, Mumbai - 400 021.

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 CSID, SAI and CKIM along with application form may be obtained from Fund's Website: www.taurusmutualfund.com