

STATEMENT OF ADDITIONAL INFORMATION (SAI)

This Statement of Additional Information (SAI) contains details of Baroda Pioneer 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).

The SAI is dated December 24, 2012.

I. INFORMATION ABOUT THE SPONSOR, AMC AND TRUSTEE COMPANY

A. CONSTITUTION OF THE MUTUAL FUND

Baroda Pioneer Mutual Fund ("Mutual Fund"), formerly known as BOB Mutual Fund, was constituted as a Trust in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) on 30th October 1992, originally with Bank of Baroda ("BOB") as the Sponsor and the Board of Trustees to the Mutual Fund as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI on November 24, 1994 under Registration Code, MF/018/94/2.

Pioneer Global Asset Management SpA ("Pioneer") acquired 51% stake in BOB Asset Management Company Limited in 2008 and became a co-sponsor of BOB Mutual Fund. The name of BOB Mutual Fund was then changed to Baroda Pioneer Mutual Fund, for which SEBI approval was received vide their letter IMD/RB/134922/08 dated August 12, 2008.

B. SPONSORS

The Mutual Fund was set up as a Trust under the name of BOB Mutual Fund by BOB. BOB was, therefore, the sole sponsor of the Mutual Fund, and the settlor of the Mutual Fund Trust. BOB entrusted a sum of Rs. 10,00,000/- to the Board of Trustees of the Mutual fund as the initial contribution towards the corpus of the Mutual Fund. Following its acquisition of 51% of BOB Asset Management Company Limited in 2008, Pioneer became a co-sponsor of the Mutual Fund.

(i) PIONEER

Pioneer is the asset management division of the UniCredit Group, one of Europe's leading banking groups. A wholly owned subsidiary of Unicredit and a multi-discipline investment management firm, Pioneer offers a complete range of traditional, institutional and alternative investment services. Pioneer operates in markets through its trademark, "Pioneer Investments".

The history of Pioneer dates back to 1928, when legendary investor, Philip L. Carret, then a young journalist working for the business publication Barron's, founded the Pioneer Fund, now the third-oldest mutual fund in the United States. Since its inception, Pioneer Fund has endured the test of time, using a consistent investment approach aimed at identifying undervalued securities around the globe. Few investment funds can look back on a comparable history of success.

As of end March 2012, Pioneer's assets under management total €156 billion. Pioneer has a presence in 26 countries and an experienced team of approximately 2,000 employees globally, including more than 320 investment professionals. Pioneer's Global Investment Centers in Boston, Dublin, and London are staffed by teams of investors focused on producing the best possible results for their clients.

The financial performance of Pioneer Investments during the last 3 years is as under (All numbers in Rupees in Crore).

Particulars	2009	2010	2011
Net worth	16,515.26	16,548.12	14,657.83
Total Income	2,101.32	1,631.76	2,302.02
Profit After Tax	1,673.99	1,310.02	1,314.45
Assets Under Management (if applicable)	N.A.	N.A.	N.A.

(ii) BOB

BOB, a Body Corporate constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and having its Head office at Mandvi, Baroda, and Central Office at Baroda Corporate Centre, C-26, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, is the co- sponsor of the Mutual Fund. BOB has contributed a sum of Rupees Ten Lakh towards the establishment of the Mutual Fund Trust. The Sponsor is not responsible or liable for any loss resulting from the operation of the schemes of the Mutual Fund beyond the initial contribution of the said sum of Rupees Ten Lakh made by it towards setting up the Mutual Fund Trust.

BOB was established in July 1908 by the visionary Maharaja - Sir Sayajirao Gaikwad III. During the period since inception, it has maintained its practice of sound value based banking to emerge as one of the premier public sector banks of the country today. It has a track record of uninterrupted profits since its inception in 1908. The financial strength of BOB and its long tradition of efficient customer service are drawn substantially from the extensive reach of its 3904 strong branch network as on March 31, 2012, covering almost every State and Union Territory in the Country. BOB is also one of the few Indian banks with a formidable presence overseas with 55 branches as on March 31, 2012. To diversify its business activities and to perform specialised functions, BOB has the following subsidiaries in India:

Name of the Subsidiary	Principal Business
BOB Capital Markets Ltd.	Merchant Banking & Primary Dealership in Govt. Securities
BOBCARDS Ltd.	Credit Card Operations
Nainital Bank Limited	Banking

The financial performance of BOB during the last 3 financial years is as under (Rs. Crore):

Particulars	2009-2010	2010-2011	2011-2012
Networth	13,758.14	19,750.63	26,203.67
Total Income	19,504.70	24,695.10	33096.05
Profit After Tax	3,058.00	4,241.68	5006.96
Assets Under Management (if applicable)	N.A.	N.A.	N.A.

C. THE TRUSTEE TO THE MUTUAL FUND

Pursuant to the No-Objection Certificate received from SEBI vide their letter OW/24482/2011 dated July 28, 2011, Baroda Pioneer Trustee Company Pvt. Ltd. ("Trustee"), was incorporated and received its certificate of incorporation on December 23, 2011, with Pioneer and BOB holding 51% and 49% respectively of its share capital.

Thereafter, approval of the Unit holders of the schemes of the Mutual Fund was obtained to modify the Trust Deed of the Mutual Fund by way of a Supplemental Trust Deed. The Supplemental Trust Deed was registered on July 30, 2012, and from this date, the Board of Trustees to the Mutual Fund ceased to be the trustee to the Mutual Fund and the Trustee has taken charge as the sole trustee to the Mutual Fund.

The Trustee shall discharge its obligation as the trustee of the Mutual Fund. The Trustee ensures that the transactions entered into by Baroda Pioneer Asset Management Company Limited ("AMC") are in accordance with the SEBI (Mutual Funds) Regulations, 1996 ("Regulations"), and also reviews the activities carried on by the AMC.

The registered address of the Trustee is 501, Titanium, 5th Floor, Western Express Highway, Goregaon (E), Mumbai - 400 063.

(i) DETAILS OF TRUSTEE DIRECTORS:

Name	Age / Qualification	Brief Experience
Shri. R. L. Baxi Chairman and Independent Director	74 / B.Com, LLB, F.C.I.I (London), F.F.I.I.	Mr. R L Baxi has more than 50 years of experience in the general insurance industry, investments, accounts and general administration. He also served as Director & General Manager with The National Insurance Co. Ltd. And The New India Assurance Co. Ltd. Mr. Baxi is a director in a few companies.
Shri. Shrinivas K. Suvarna Independent Director	69 / B. Com, LLB, CAIIB	Mr. Shrinivas K. Suvarna has over 35 years of experience in Banking, Finance, Accounts, General Administration and consultancy. He retired from BOB as a Deputy General Manager.

Name	Age / Qualification	Brief Experience
Shri. V. H. Bhatia Independent Director	74 / B. Com, ACA	Mr. V H Bhatia has more than 40 years of experience in Banking, Finance, Accounts and General Administration. He retired from BOB as a General Manager.
Mr. P. H. Ramaswamy Independent Director	61/ MSc, M.B.A.(Finance), A.C.I.B.	Mr. Ramaswamy is the founder partner of Vrusha International. Prior to this, he was associated with renowned organizations such as Natixis, Calyon Bank and Credit Lyonnais, in various capacities.
Ms. Michelle Ang Associate Director	41/ B.A.,C.P.A	Ms. Ang has been the Chief Administrative Officer at Pioneer since early 2004 and prior to that, was the Financial & Risk Controller. Before joining Pioneer, she was with HSBC Trustee Singapore Ltd. Ms. Ang is also a director of Pioneer Global Investments (Taiwan) Ltd.
Mr. V K Gupta Associate Director	58 / B.Com (Hons), FCA, CAIIB	Mr. Vijay Kumar Gupta is General Manager, Corporate Accounts, Taxation and CFO at Bank of Baroda. He has been with the Bank since January 2002 and has served the Bank at various levels before taking charge as General Manager in May 2011.

(iii) RIGHTS, OBLIGATIONS, DUTIES AND RESPONSIBILITIES OF THE TRUSTEE

As per the Trust Deed and the Regulations, the Trustee has several rights, obligations, duties and responsibilities including the following:

1. To enter into an investment management agreement with the AMC with the prior approval of SEBI.
2. To ensure that the investment management agreement contains such clauses as are mentioned in the Fourth Schedule of SEBI Regulation and such other clause as are necessary for the purpose of making investment.
3. To obtain from the AMC such information as is considered necessary by the Trustee.
4. To ensure before the launch of any scheme that the AMC has: -
 - a. Systems in place for its back office, dealing room and accounting;
 - b. Appointed all key personnel including fund manager(s) for the scheme(s) and submitted their bio- data which shall contain the educational qualification, past experience in the securities market with the trustees, within 15 days of their appointment;
 - c. Appointed auditors to audit its accounts;
 - d. Appointed a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulation, notification, guidelines instruction, etc. issued by SEBI or the Central Government and for redressal of investor grievances;
 - e. Appointed a registrar and laid down parameters for their supervision;
 - f. Prepared a compliance manual and designed internal control mechanisms including internal audit systems;
 - g. Specified norms for empanelment of broker and marketing agents;
 - h. Obtained, wherever required under the Regulations, prior in-principal approval from the recognized stock exchange(s) where the units are proposed to be listed.
5. To ensure that the AMC has been diligent in empanelling brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
6. To ensure that the AMC has not given any undue and unfair advantage to any associate or dealt with any of the associates of the AMC in any manner detrimental to the interest of the unit holders.

7. To ensure that the transactions entered into by the AMC are in accordance with the Regulations and the terms of the schemes of the Mutual Fund.
8. To ensure that the AMC has been managing the schemes of the Mutual Fund independently of other activities and that the AMC has taken adequate steps to ensure that the interests of one scheme are not being compromised with those of any other scheme or of other activities of the AMC.
9. To ensure that all the activities of the AMC are in accordance with the provisions of the Regulations.
10. Where the Trustee has reason to believe that the conduct of the business of the Mutual Fund is not in accordance with the Regulations and the terms of the schemes of the Mutual Fund, it shall forthwith take such remedial steps as are felt necessary and immediately inform SEBI of the violation and the action taken by it.
11. To file with the Mutual Fund on a quarterly basis, the details of the transactions of individual Directors on dealing in securities.
12. To be accountable for, and be the custodian of, the funds and the property of the respective scheme and to hold the same in trust for the benefit of the unit holders in accordance with the Regulations and the provisions of the Trust Deed, as amended from time to time.
13. To take steps to ensure that the transactions of the Mutual Fund are in accordance with the provisions of the Trust Deed, as amended from time to time.
14. To be responsible for the calculation of any income due to be paid to the Mutual Fund/scheme, and also of any income received in the Mutual Fund for the holder of the units of any schemes in accordance with the Regulations and the Trust Deed, as amended from time to time.
15. To obtain consent of the unit holders:
 - a. Whenever required to do so by the 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 schemes; or
 - c. When the majority of the Directors of Trustee Company decide to wind up or prematurely redeem the units.
16. To ensure that no change in the fundamental attribute of any scheme or the trust or fees and expenses payable or any change which would modify the schemes and affects the interest of unit holders, is carried out unless:
 - a. a written communication about the proposed change is sent to each unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the mutual fund is situated; and
 - b. the unit holders are given an option to exit at the prevailing Net Asset Value without any exit load.
17. To call for details of transaction in securities by the Key personnel of the AMC in their own name or on behalf of the AMC and to report to the SEBI, as and when required.
18. To review, on a quarterly basis, all transactions carried out between the Mutual Fund, the AMC and its associates.
19. To review, on a quarterly basis, the net worth of the AMC and in case of any shortfall, ensure that the AMC makes up for the shortfall as per Regulation 21(1)(f) of the Regulations.
20. To 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.
21. To ensure that there is no conflict of interest between the manner of deployment of its net worth by the AMC and the interest of unit holders.
22. To periodically review investor complaints received and their redressal by the AMC.
23. To abide by the Code of Conduct as specified in the Fifth Schedule of the Regulations.

24. To furnish to SEBI on a half yearly basis:-
 - a. a report on the activity of the Mutual Fund;
 - b. a certificate stating that the Trustee has satisfied itself that there have been no instances of self dealing or front running by any of the Directors of the Trustee and directors and key personnel of the AMC;
 - c. a certificate to the effect that the AMC has been managing the schemes independently of any other activities and in case any activities of the nature referred to in Regulation 24 of the Regulations have been undertaken by the AMC, that the AMC has taken adequate steps to ensure that that the interests of the unit holders of the schemes of the Mutual Fund are protected.
25. The independent trustee(s) referred to in Regulation 16(5) of the Regulations shall give his/her/their comments on the report received from the AMC regarding investments made by the schemes in the securities of group companies of the sponsor.
26. To maintain arms' length relationship with other companies, or institutions or financial intermediaries or any body corporate with which any of the Directors of the Trustee may be associated.
27. To ensure that no trustee participates in the meetings of the Board of Directors of the Trustee when any decisions for investments in which he/she may be interested are taken.
28. To furnish to the Trustee Company, particulars of interest that each of its Director 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.
29. To appoint a custodian and be responsible for the supervision of its activities in relation to the Mutual Fund and to enter into a custodian agreement with the custodian for this purpose.
30. To ensure that the removal of Directors of trustee in all case is done with the prior approval of SEBI.
31. To ensure that the Trustee dismisses the AMC under the specified events only with the approval of SEBI and in accordance with the Regulations.
32. To forbid the acquisition of any asset out of the trust property which involves the assumption of any liability which is unlimited and which shall not result in encumbrance of the trust property in any way.
33. To provide or cause to provide information to Unit holders and SEBI as may be specified by SEBI.
34. As per Regulation 18(25) of the Regulations, the Trustee shall exercise due diligence as under:
 - a. The Trustee shall be discerning in the appointment of directors on the Board of the AMC;
 - b. The Trustee shall review the desirability of continuance of the AMC if substantial irregularities are observed in any of the schemes and shall not allow the AMC to float the new schemes;
 - c. 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;
 - d. The Trustee shall ensure that all services providers are holding appropriate registration from the board of concerned regulatory authority;
 - e. The Trustee shall arrange for test checks of service contracts;
 - f. The Trustee shall immediately report to SEBI of any special development in the Mutual Fund.
 - g. The Trustee shall obtain internal audit reports at regular intervals from independent auditors appointed by the Trustee;
 - h. The Trustee shall obtain compliance certificates at regular intervals from the AMC;
 - i. The Trustee shall hold meetings of the Trustee at frequent intervals;
 - j. The Trustee shall consider the reports of the independent auditors and compliance reports of the AMC at the meetings of the Trustee for appropriate action;

- k. The Trustee shall maintain records of the decisions of the Trustee at its meetings and of the minutes of the meetings;
- l. The Trustee shall prescribe the adhere to a code of ethics by the Trustee, the AMC and its / their personnel;
- m. The Trustee shall communicate in writing to the AMC of the deficiencies and checking on the rectification of deficiencies.

Notwithstanding the aforesaid, the Trustee shall not be held liable for acts done in good faith, if it has exercised adequate due diligence honestly.

35. The Directors of the Trustee and AMC 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 affiliates - whether the AMC has charged higher fees than outside contracts for the same services;
 - c. Selection of the AMC's independent directors;
 - d. Securities transactions involving affiliates to the extent such transactions are permitted;
 - e. Selecting and nominating individuals to fill independent directors' 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 the sponsors, AMC and any others for service provided;
 - h. Principal underwriting contracts and their renewals;
 - i. Any service contracts with the associates of the AMC.

(iv) SUPERVISORY ROLE OF THE TRUSTEE

The Trustee monitors the activities of the AMC. From time to time, it seeks information from the AMC in the form of performance reports, compliance reports, etc. On a quarterly basis, a review report is prepared by the AMC and placed at Board meetings of the Trustee. Specific approval of the Trustee is also obtained on various important matters. An Audit Committee, comprising four Directors from the Board of Directors, with an Independent Director chairing the Committee, has been constituted, pursuant to SEBI circular MFD/CIR/010/024/ 2000 dated January 17, 2000 to, *inter alia*, review internal audit systems and reports from internal and concurrent auditors. During the year 2011-12, six meetings of the Board of Trustees were held and from April 2012, three meetings of the Board of Trustees have been held. The remaining meetings of 2012-13 will be of the Trustee Company, as it has taken charge from the Board of Trustees as the sole trustee to the Fund.

(v) MODIFICATION OF THE TRUST DEED

No amendment to the Trust Deed will be carried out without the prior approval of SEBI, and unit holders' approval will be obtained, where it affects the interest of unit holders.

D. ASSET MANAGEMENT COMPANY

The AMC is a public limited company, which was incorporated under the Companies Act, 1956 on November 5, 1992 under the name, BOB Asset Management company Limited. The AMC's registered office is situated at 501, Titanium, 5th Floor, Western Express Highway, Goregaon (E), Mumbai - 400 063. The AMC has been appointed as the asset management company of the Mutual Fund by the Trustee vide Investment Management Agreement ("IMA") dated November 24, 1992. Further details of the AMC are as follows.

The AMC was a wholly owned subsidiary of BOB, operating under the name, BOB Asset Management Company Ltd. On June 27, 2008, Pioneer acquired a 51% shareholding in BOB Asset Management Company Limited. Subsequently, the name of the AMC was changed to Baroda Pioneer Asset Management Company Limited and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Mumbai, Maharashtra, on July 8, 2008. In compliance of the requirement of the Regulations, 50% of the Board of Directors of the AMC comprises independent directors and the remaining are nominated for appointment by the sponsors of the Mutual Fund.

The AMC provides non-binding investment advice ("Advisory Business") to Pioneer Investment Management Limited for investment in the Indian equity market by SEBI registered FII sub-accounts. SEBI has given their NOC to the AMC for this vide their letter OW/20656/2011 dated June 29, 2011. There is no conflict of interest between this activity and the mutual fund business.

For the Advisory Business:

- the AMC has satisfied SEBI that there are no securities accounts for the Advisory Business and that the bank account for the Advisory Business is segregated and distinct from those in the mutual fund business;
- there are no separate capital adequacy requirements and the AMC has obtained an NOC, as mentioned above;
- the AMC has ensured that there is no conflict of interest vis-à-vis the mutual fund business;
- the AMC has ensured independence to the key person handling the Advisory Business through removal of direct link between remuneration to the said key person and revenues generated by the Advisory Business.

The present shareholding pattern of the AMC is as follows:

Name of Shareholders	% Holding
Pioneer	51%
BOB	49%

The AMC manages the schemes of the Mutual Fund in accordance with the provisions of the IMA, the Trust Deed, the Regulations and the objectives of each of the schemes.

(i) DETAILS OF AMC DIRECTORS:

Name	Age/Qualification	Brief Experience
Mr. Jack Lin - Chairman and Associate Director	46 / BA in Economics, Law and MBA in Finance	Mr. Jack Lin is the head of Asia & Middle East at Pioneer. Prior to joining Pioneer, Mr. Lin was the Managing Director - Asia Pacific of Janus Capital Asia Ltd. Mr. Lin has 18 years of experience with leading global asset management firms in the areas of investment & research, business development, strategy formulation and general management with P&L responsibilities.
Mr. Sandro Pierri – Associate Director	48 / BA in Economics – Turin University	Mr. Sandro Pierri is the CEO of Pioneer Global Asset Management S.p.A. He is also the Chairman of the Supervisory Board and Vice Chairman of the Board of Directors of Pioneer Investments KAG MbH (Germany) and Pioneer Investment Management USA Inc (USA) respectively. He is also on the Board of various Group Companies of Pioneer.
Mr. Jaideep Bhattacharya - Managing Director	46 / M.A. (Economics) Jadavpur University, Calcutta	Mr. Jaideep Bhattacharya joined the AMC on July 17, 2012 as Managing Director. A well-known name in the Indian financial services space. Mr. Bhattacharya last served UTI Mutual Fund, where he was Group President and Chief Marketing Officer. He has also had the privilege of working in various capacities with other ace Indian and multinational brands in the banking and financial sector, such as ICICI Bank, Standard Chartered Bank, ANZ Grindlays Bank and HSBC. The numerous awards he has been bestowed with at Indian and international fora, such as Marketing Personality of the Year for Asia – Asia Asset Management, Hongkong and Youth Icon Award – 2010, to name a few, are a testimony of his illustrious career and achievements thus far. A postgraduate in Economics, Mr. Bhattacharya has also been playing an active role in striving for the betterment of mutual fund investors and the advancement of the mutual fund industry, a fact evidenced by his three-year stint as a member of the AMFI Board and a two-year spell as a member of the SEBI Mutual Fund Advisory Committee. He is presently back on the AMFI

Name	Age/Qualification	Brief Experience
		Board as a Director
Mr. S. K. Das - Associate Director	59 / M.Sc., MMS (Finance), CAIIB	Mr. S. K. Das is General Manager (Human Resource Management), BOB. He is also a Director on Nainital Bank Ltd.
Mr. Rohit Arora - Independent Director	54 / B.Com (Hons), Chartered Accountant	Mr. Rohit Arora is a founder and the Chairman of EMR Technology Ventures Pvt. Ltd. Mr. Arora has over two decades of experience in business process outsourcing, investment banking and management consulting. Mr. Arora is also the founder director of AR Credit, a transaction processing company focused on the domestic BPO market. He was earlier the Managing Director of AIA Capital India Pvt. Ltd, the Investment Banking arm of AIG - American International Group. Mr. Arora is a fellow member of the Institute of Chartered Accountants of India. He is also a director of various companies.
Mr. Shiv Dayal - Independent Director	48 / Masters from London Business School	Mr. Shiv Dayal is a founder and the Managing Director of Langham Capital, and is responsible for managing all aspects of the firm's activities, including origination and executing transactions, client relationship management and financial management. He is also the Chairman of F1F9 (India) Private Ltd. Immediately prior to founding Langham Capital, Mr Dayal managed two technology ventures in Europe, worked in the Mergers & Acquisitions groups at JPMorgan and Dresdner Kleinwort Benson in London and New York. Mr. Shiv Dayal has a Bachelor's degree in Economics from the University of Sussex, a Master's degree in Development Economics from the University of East Anglia and an MBA from London Business School. He is also a director in various companies.
Mr. M. P. Mehrotra - Independent Director	72 / FCA, LLB, B.Com	Mr. M.P. Mehrotra is a founder partner of Mehrotra & Mehrotra, a firm of chartered accountants in existence for over 49 years. During this period, Mr. Mehrotra has supervised audits for a number of leading Indian conglomerates, companies, financial services entities and banks, including the Essar Group, ABG Group, SAIL, BHEL, NTPC, LIC, Punjab National Bank etc. Mr. Mehrotra has also handled varying matters under the Companies Act, 1956 and the Income Tax Act, 1961, in addition to handling takeovers, mergers, acquisitions etc. He has also held important Government offices, such as member of the Central Board of Trustees, EPFO, member of the Task Force for MOU, Ministry of Heavy Industries & Public Enterprises, Govt. of India, trustee of Cochin Port Trust etc. Currently Mr. Mehrotra serves as the official advisor to the High Commission of Malta, New Delhi, in addition to being director on various companies of repute. Mr. Mehrotra is a fellow member of the Institute of Chartered Accountants of India, and holds a degree in law and a bachelor's degree in commerce.
Mr. P. K. Gupta -	64 / CAIIB, Diploma in	Mr. P. K. Gupta enjoyed a long and illustrious

Name	Age/Qualification	Brief Experience
Independent Director	International Banking and Finance, M.Com, LLB	career in the banking industry, spanning over 37 years, which culminated in his retiring as Chairman & Managing Director of United Bank of India (UBI) in September 2008. Mr. Gupta is credited for bringing about a complete turnaround in the performance of UBI, wiping off its carried over loss, making it a dividend paying bank and doubling its business. Prior to serving UBI, Mr. Gupta was Chairman, Managing Director at National Housing Bank, an apex level Institution for the Housing Sector in India. He began his career with Punjab National Bank as a probationary officer in 1971, and served the Bank for 30 years, rising to the rank of General Manager, before taking charge as Executive Director at Corporation Bank in February 2001. Mr. Gupta is a CAIIB and a fellow of the Indian Institute of Banking and Finance (IIBF), besides holding a diploma in International Banking and Finance. He also has a Master's Degree in Commerce and a degree in Law. Mr. Gupta has a number of professional contributions to his credit, including having been member of prominent committees and councils, such as Committee on NPAs of Public Sector Banks, RBI Committee on Financial Sector Planning for North Eastern Region, Governing Council of IIBF, Managing Committee of Indian Banking Association etc., to name a few. He is also a director in various companies of repute.

(ii) DUTIES AND OBLIGATIONS OF THE AMC

Duties and obligations of the AMC as specified in the Regulations are as under:

1. The AMC 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 Regulations and the Trust Deed.
2. The AMC shall exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
3. The AMC shall obtain, wherever required under the Regulations, prior in-principle approval from the recognized stock exchange(s) where units of the schemes of the Mutual Fund are proposed to be listed.
4. The AMC shall be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the AMC.
5. The AMC shall submit to the Trustee, quarterly reports of each year on its activities and the compliance with the Regulations.
6. The Trustee, at the request of the AMC, may terminate the assignment of the AMC at any time:

Provided that such termination shall become effective only after the Trustee has accepted the termination of assignment and communicated its decision in writing to the AMC.
7. Notwithstanding anything contained in any contract or agreement or termination, the AMC or its directors or other officers shall not be absolved of liability to the Mutual Fund for their acts of commission or omissions, while holding such position or office.
8. The Chief Executive Officer (whatever his designation may be) of the AMC shall ensure that the Mutual Fund complies with all the provisions of the 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.
9. The fund manager (whatever the designation may be) shall ensure that the funds of the schemes are invested to achieve the objectives of the schemes and in the interest of the unit holders.

10. (a) The AMC 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 this clause, 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 three months.

(b) The AMC shall not purchase or sell securities through any broker [other than a broker referred to in Regulation 25(7)(a) of the 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 AMC has recorded in writing the justification for exceeding the limit of 5%, and reports of all such investments are sent to the Trustee on a quarterly basis:

Provided that the aforesaid limit shall apply for a block of three months.

11. The AMC shall not utilise 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 AMC may utilise such services if disclosure to that effect is made to the unit holders and the brokerage or commission paid is also disclosed in the half yearly annual accounts of the Mutual Fund:

Provided further that the Mutual Fund 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; and
- 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.

12. The AMC shall file with the Trustee, the details of transactions in securities by the key personnel of the AMC in their own name or on behalf of the AMC and shall also report to SEBI as and when required by the SEBI.

In case the AMC 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.

13. In case any company has invested more than 5 per cent of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the Mutual Fund in that company or its subsidiaries shall be brought to the notice of the Trustee by the AMC and be disclosed in the half yearly and annual accounts of the respective schemes with justification for such investment provided the latter investment has been made within one year of the date of the former investment calculated on either side.

14. The AMC shall file with the Trustee and SEBI –

- (a) Detailed bio-data of all its directors along with their interest in other companies within fifteen days of their appointment;
- (b) Any change in the interests of directors every six months; and
- (c) A quarterly report to the Trustee 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.

15. Each director of the AMC shall file the details of his transactions of dealing in securities with the Trustee on a quarterly basis in accordance with the guidelines issued by SEBI.

16. The AMC shall not appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.

17. The AMC shall appoint registrars and share transfer agents who are registered with SEBI:

Provided that if the work relating to the transfer of units is processed in-house, the charges at competitive market rates may be debited to the schemes and for rates higher than the competitive market rates, prior approval of the Trustee shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.

18. The AMC shall abide by the Code of Conduct as specified in the Fifth Schedule of the Regulations.

Further the AMC shall ensure the following:

- a) Not to acquire any of the assets out of the schemes' property which involves the assumption of any liability which is unlimited or which may result in encumbrance of the schemes' property in any way;
- b) Not to take up any activity in contravention of the Regulations; and
- c) To ensure that no loss or damage or expenses incurred by the AMC or officers of the AMC or any person delegated by the AMC is met out of the trust property.

(iii) KEY PERSONNEL AND ANALYST OF THE AMC

Details of the key personnel and research analyst of the AMC are as under:

Name & Designation	Age / Qualification	Brief Experience
Mr. Rajeev Thakkar Chief Operating Officer	40 / B.Com, BGL, C.A., CFP	Mr. Rajeev Thakkar is a commerce graduate, and a CA. He has over 15 years of experience in the financial sector. Prior to his appointment with the AMC, he worked with Reliance Asset Management Singapore as Head of Operations, ING Investment Management, Hong Kong, as Head of Operations, ING Investment Management, Mumbai, as Chief Operating Officer & CFO, Kotak Mahindra Asset Management Company Limited as VP Operations and Kotak Mahindra Finance Limited as Manager. He started his career with AF Ferguson & Co.
Ms. Rashmi Pandit Company Secretary, Risk & Compliance Officer	36 / B.Com, ACS, MFM	Ms. Rashmi Pandit is a commerce graduate and an ACS, with a Masters degree in Financial Management (MFM). She began her career with Kotak Mahindra Asset Management Company Limited in June 2000 as a management trainee, and eventually became the company secretary, while continuing to assist the compliance officer in all mutual fund compliances. Her next assignment was with DSP BlackRock Investment Managers Pvt. Ltd. (DSP), which she joined in June 2004. In due course, she became the company secretary and compliance officer at DSP, and handled the secretarial, legal and compliance functions, including compliance for the PMS business of DSP.
Mr. Alok Sahoo Head- Fixed Income	36 / BE, MBA (Finance, Xavier Institute of Management, Bhubaneswar)	Mr. Alok Sahoo is a management graduate in Finance from XIM, Bhubaneswar having BE degree from NIT, Rourkela. He has been working in the investment area in asset management for 12 years. Prior to joining the AMC, he has been fixed income fund manager at UTI Mutual Fund and HSBC Mutual Fund. He was also the Fund Manager for the Employee Provident Fund at HSBC Asset Management. He has experience in the credit research of companies as well.
Mr. Dipak Acharya Fund Manager (Equity)	48 / M.Com. AICWA, CAIIB and PGPMS	Mr. Dipak Acharya is an M.Com. with the added qualifications of AICWA, CAIIB and PGPMS. He is the Fund Manager for the equity schemes of the Mutual Fund and has been with the organization since September 2008. Prior to this, Mr. Acharya was with BOB for 10 years, where he worked in the Treasury Dept. and Credit Dept.
Ms. Hetal P. Shah Fund Manager (Debt)	32 / B.Com, MBA, and JAIIB	Ms. Hetal P. Shah is a B.Com, MBA, and JAIIB having 12 years of experience in

Name & Designation	Age / Qualification	Brief Experience
		treasury and fund management. Before joining the AMC, she was working in the treasury department of Bank of India from May 1999.
Mr. Abhay Nagar Vice President and Head of Sales & Distribution	39 / B.Com (H), MBA Finance	Mr. Abhay Nagar is a B.Com. (Hons) and a management graduate with specialization in finance. Prior to joining the AMC as Vice President and Head of Sales and Distribution, he was associated with Tata Asset Management Ltd. for 6 years in various capacities such as Head of North zone (Sept 2002 – July 2003), Vice President and Head of Retail Sales (Aug 2003-Sept 2008), reporting to the Managing Director. Prior to that, he worked for RR Financial Consultants Ltd (Sept 1995- Aug 2002) in various capacities such as Regional Head (West), Asst. Vice President - Retail Distribution and later on as Vice President & All India Head, reporting to the Managing Director.
Mr. Amitabh Ambastha Head - Transfer Agency Services (Investor Relations Officer)	40 / B.Sc (Ho), PGDM,CAIIB	Mr. Amitabh Ambastha is a B.Sc (Ho), PGDM, CAIIB, with 13 years of experience in Investor Service Operations. Before joining the AMC, he worked with TATA Asset Management Co. Ltd. (July 2005 - August 2008) and UTI Technology Services Ltd. (June 1998 - June 2005).
Mr. Ashwani Kumar Agarwalla Equity Analyst	34 / B.Com (H), MBA Finance	Mr. Ashwani Kumar Agarwalla is a B.Com. (Hons) and a Management Graduate with specialization in finance. Prior to joining the Mutual Fund as an Equity Analyst, he was working for JM Financial Mutual Fund for 4 years (Aug 2008 to May 2012) as an equity analyst reporting to the Fund Manager, and prior to that, for Pioneer Investcorp Ltd (Dec 2006- Aug 2008) as a sell-side equity analyst, Adventity India as an analyst (Mar 2006 to Oct 2006) and CARE Ratings (May 2005- Feb 2006) also as an analyst.

All Key Personnel and analysts are based in the registered office of the AMC in Mumbai.

(iv) PROCEDURE FOLLOWED FOR INVESTMENT DECISIONS

The Board of Directors of the AMC has appointed an "Investment Committee" to review the investment activities of the schemes of the Mutual Fund. First time investment decisions in respect of equities / equity related instruments of a company are approved by the Investment Committee, after taking into consideration the fundamentals of business and market capitalization of the company, industry structure, quality of management, etc., and then these are included in the investment universe for the schemes. Investments in such equities which are not in the investment universe, either through the secondary market or in an IPO, may be made up to 5% of the total net asset value of the respective scheme, as long as such investments fall within the investment guidelines of that scheme and the fund manager (equity) does so subject to the approval of the CEO / Managing Director, by whatever name called. Such investments are reported to the Investment Committee at their next meeting for ratification.

The process of approval and execution of individual transactions is carried out by the investment team, presently comprising the Head of Fixed Income, Fund Manager - Equity and Fund Manager - Fixed Income. Investment decisions are taken after considering factors such as economic scenario, fundamental analysis, technical analysis, interest rate movements, liquidity, industry weight age, etc. All investment decisions are recorded on a daily basis.

Performance of the schemes is monitored by the Boards of AMC and Trustee on a periodic basis vis-à-vis their respective benchmark indices, as mentioned in the relevant Scheme Information Document.

Industry-wise exposure of the schemes is reported to the Investment Committee on a regular basis.

E. SERVICE PROVIDERS

(i) CUSTODIAN

CITI BANK N.A.

Trent House, 3rd Floor
G Block, Plot No.60
Next to Citibank
Bandra Kurla Complex
Bandra (E), Mumbai - 400 051.

SEBI Registration Number: IN/CUS/004

The important duties and obligations of the Custodians in terms of the Custodial Agreement entered into with them are as under:

- a) All securities/investments of the schemes of the Mutual Fund shall be in the custody of the Custodian.
- b) The Custodian will deliver / receive securities directly to and from the parties and shall receive or make payment on receipt of written instructions from the Mutual Fund or any other person authorised by the Mutual Fund.
- c) The Custodian will be responsible for loss or damage to the securities due to its negligence or negligence of its employees and approved agents.
- d) The Custodian will ensure smooth inflow/outflow of securities and such other instruments as and when necessary in the best interest of the investors.
- e) The Custodian will ensure that the benefits due to the holdings are recovered.
- f) The Custodian is entitled to remuneration for its services in accordance with the terms of the existing Custodial Agreement, which *inter-alia*, provides that the custodian will charge the schemes of the Mutual Fund a fee at specified and agreed upon rates, apart from reimbursement of out of pocket expenses.

(ii) REGISTRAR AND TRANSFER AGENT

Karvy Computershare Pvt. Ltd.

8-2-596, Karvy Plaza
Avenue-4, street No. 1
Banjara Hills
Hyderabad - 500 034.

SEBI Registration Number: INR000000221

The Trustee and the AMC have ensured that Karvy Computershare Pvt. Ltd. ("Registrar") is registered with SEBI, with a valid certificate, and that it has adequate facilities to discharge its responsibilities with regard to processing of applications, dispatch of account statements / Unit certificates to Unit holders, if applicable, within the time limit prescribed by the Regulations, and that it also has sufficient capacity to handle investors' complaints. It has also been ensured that the Registrar has adequate facilities, processes, etc. to address the risk management issues prescribed by SEBI.

(iii) STATUTORY AUDITORS OF THE MUTUAL FUND

M/s. Borkar & Muzumdar, Chartered Accountants,

235-37, Piramal Mansion
D. N. Road
Mumbai - 400 001.

M/s. Borkar & Muzumdar, Chartered Accountants, have been appointed as the Statutory Auditors of THE Mutual Fund for FY 2012-13. The Auditors of the schemes of the Mutual Fund are different from those of the AMC.

(iv) LEGAL COUNSEL

Based on the issue on hand, the AMC appoints appropriate legal counsel on a case to case basis.

(v) FUND ACCOUNTANT

CITI BANK N.A.

Trent House, 3rd Floor

G Block, Plot No.60

Next to Citibank, BKC

Bandra (E), Mumbai - 400 051.

SEBI Registration Number: IN/CUS/004

(vi) COLLECTING BANKERS

For collecting bankers for New Fund Offers (“NFO”), if any, investors may refer the Scheme Information Document of the relevant schemes of the Mutual Fund.

F. CONDENSED FINANCIAL INFORMATION

The last three years, the Mutual Fund has launched four open ended schemes, i.e. Baroda Pioneer Treasury Advantage Fund, Baroda Pioneer Public Sector Undertaking (PSU) Bond Fund, Baroda Pioneer Short term Bond Fund, Baroda Pioneer PSU Equity Fund and Baroda Pioneer Infrastructure Fund. The Condensed Financial Information of these schemes is as follows:

Sr. No	Scheme Name	BARODA PIONEER TREASURY ADVANTAGE FUND			BARODA PIONEER PUBLIC SECTOR UNDERTAKING (PSU) BOND FUND			BARODA PIONEER SHORT TREM BOND FUND		BARODA PIONEER PUBLIC SECTOR UNDERTAKING (PSU) EQUITY FUND		BARODA PIONEER INFRASTRUCTURE FUND	
		2011-2012	2010-2011	2009-2010	2011-2012	2010-2011	2009-2010	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
	Financial Year	2011-2012	2010-2011	2009-2010	2011-2012	2010-2011	2009-2010	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
	Allotment Date	24-Jun-09			24-Dec-09			30-Jun-10		4-Oct-10		21-Jun-10	
1	NAV at the beginning of the year (as on allotment date / April 1)												
	Retail Plan - Growth	1105.0219 ^	10.3612 ^	10.0000	10.6379 ^	10.1754 ^	10.0000	10.3089 ^	10.0000	8.99	10.00	9.50	10.00
	Retail Plan - Dividend	-	-	-	-	-	-	10.1802 ^	10.0000	8.99	10.00	9.50	10.00
	Retail Plan - Daily Dividend	1000.5593 ^	10.0106 ^	10.0000	-	-	-	-	-	-	-	-	-
	Retail Plan - Weekly Dividend	1000.1824 ^	10.0028 ^	-	-	-	-	-	-	-	-	-	-
	Retail Plan - Monthly Dividend	1000.7387 ^	10.0401 ^	10.0000	10.1585 ^	10.0305 ^	10.0000	-	-	-	-	-	-
	Retail Plan - Quarterly Dividend	-	-	-	10.0555 ^	10.0551 ^	10.0000	-	-	-	-	-	-
	Institutional Plan - Growth	1106.3531 ^	10.3740 ^	10.0000	-	-	-	-	-	-	-	-	-
	Institutional Plan - Dividend	-	-	-	-	-	-	-	-	-	-	-	-
	Institutional Plan - Daily Dividend	1000.5193 ^	10.0102 ^	10.0000	-	-	-	-	-	-	-	-	-
	Institutional Plan - Weekly Dividend	1000.5379 ^	10.0028 ^	-	-	-	-	-	-	-	-	-	-
	Institutional Plan - Monthly Dividend	-	-	-	-	-	-	-	-	-	-	-	-
	Institutional Plan - Quarterly Dividend	-	-	-	-	-	-	-	-	-	-	-	-
2	Dividends * (net dividend per unit)												
	Individual & HUF												
	Retail Plan - Dividend	-	-	-	-	-	-	0.697194	0.110512	-	-	-	-
	Retail Plan - Daily Dividend	81.217537	33.417028	0.302001	-	-	-	-	-	-	-	-	-
	Retail Plan - Weekly Dividend	79.762602	32.928630	0.303447	-	-	-	-	-	-	-	-	-
	Retail Plan - Monthly Dividend	78.895186	32.899960	0.276838	0.700096	0.281517	0.126125	-	-	-	-	-	-

Sr. No	Scheme Name	BARODA PIONEER TREASURY ADVANTAGE FUND			BARODA PIONEER PUBLIC SECTOR UNDERTAKING (PSU) BOND FUND			BARODA PIONEER SHORT TREM BOND FUND		BARODA PIONEER PUBLIC SECTOR UNDERTAKING (PSU) EQUITY FUND		BARODA PIONEER INFRASTRUCTURE FUND	
		2011-2012	2010-2011	2009-2010	2011-2012	2010-2011	2009-2010	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
	Financial Year												
	Retail Plan - Quarterly Dividend	-	-	-	0.664001	0.395289	0.105113	-	-	-	-	-	-
	Institutional Plan - Dividend	-	-	-	-	-	-	-	-	-	-	-	-
	Institutional Plan - Daily Dividend	81.188068	33.195673	0.312624	-	-	-	-	-	-	-	-	-
	Institutional Plan - Weekly Dividend	78.858320	32.847573	0.150859	-	-	-	-	-	-	-	-	-
	Institutional Plan - Monthly Dividend	4.831312	-	-	-	-	-	-	-	-	-	-	-
	Institutional Plan - Quarterly Dividend	-	-	-	-	-	-	-	-	-	-	-	-
3	Others												
	Retail Plan - Dividend	-	-	-	-	-	-	0.606765	0.102999	-	-	-	-
	Retail Plan - Daily Dividend	70.608421	31.144844	0.281078	-	-	-	-	-	-	-	-	-
	Retail Plan - Weekly Dividend	69.396299	30.689865	0.282426	-	-	-	-	-	-	-	-	-
	Retail Plan - Monthly Dividend	68.591494	30.663205	0.257661	0.579755	0.262292	0.117387	-	-	-	-	-	-
	Retail Plan - Quarterly Dividend	-	-	-	0.569117	0.368414	0.097831	-	-	-	-	-	-
	Institutional Plan - Dividend	-	-	-	-	-	-	-	-	-	-	-	-
	Institutional Plan - Daily Dividend	70.584267	30.939134	0.290963	-	-	-	-	-	-	-	-	-
	Institutional Plan - Weekly Dividend	68.621303	30.614260	0.140411	-	-	-	-	-	-	-	-	-
	Institutional Plan - Monthly Dividend	4.140923	-	-	-	-	-	-	-	-	-	-	-
	Institutional Plan - Quarterly Dividend	-	-	-	-	-	-	-	-	-	-	-	-
4	NAV at the end of the year (as on March 31)												
	Retail Plan - Growth	1212.3847 ^	1105.4535	10.3601	11.4708 ^	10.6357	10.1735	11.1776 ^	10.3064	7.33 ^	8.98	7.74 ^	9.45
	Retail Plan - Dividend	-	-	-	-	-	-	10.2109 ^	10.1778	7.33 ^	8.98	7.74 ^	9.45
	Retail Plan - Daily Dividend	1001.2250 ^	1000.9500	10.0095	-	-	-	-	-	-	-	-	-
	Retail Plan - Weekly Dividend	1002.4216 ^	1000.5730	10.0017	-	-	-	-	-	-	-	-	-
	Retail Plan - Monthly Dividend	1004.3078 ^	1001.1295	10.0390	10.1685 ^	10.1565	10.0286	-	-	-	-	-	-
	Retail Plan - Quarterly Dividend	-	-	-	10.0642 ^	10.0535	10.0532	-	-	-	-	-	-

Sr. No	Scheme Name	BARODA PIONEER TREASURY ADVANTAGE FUND			BARODA PIONEER PUBLIC SECTOR UNDERTAKING (PSU) BOND FUND			BARODA PIONEER SHORT TREM BOND FUND		BARODA PIONEER PUBLIC SECTOR UNDERTAKING (PSU) EQUITY FUND		BARODA PIONEER INFRASTRUCTURE FUND	
		2011-2012	2010-2011	2009-2010	2011-2012	2010-2011	2009-2010	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
	Institutional Plan - Growth	1213.8448 ^	1106.7852	10.3729	-	-	-	-	-	-	-	-	-
	Institutional Plan - Dividend	-	-	-	-	-	-	-	-	-	-	-	-
	Institutional Plan - Daily Dividend	1001.1850 ^	1000.9100	10.0091	-	-	-	-	-	-	-	-	-
	Institutional Plan - Weekly Dividend	1003.9416 ^	1000.9286	10.0017	-	-	-	-	-	-	-	-	-
	Institutional Plan - Monthly Dividend	-	-	-	-	-	-	-	-	-	-	-	-
	Institutional Plan - Quarterly Dividend	-	-	-	-	-	-	-	-	-	-	-	-
5	Annualised Return												
	Regular Plan - Growth	7.22%	5.84%	3.60% **	6.25%	4.99%	1.74% **	6.57%	3.06% **	-18.74%	(10.20)% **	-13.40%	(5.50)% **
	Institutional Plan - Growth	7.27%	5.91%	3.73% **	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
6	Benchmark Returns #	8.44%	6.21%	N.A.	7.68%	5.06%	N.A.	8.28%	N.A.	-18.40%	N.A.	-8.96%	N.A.
7	Additional Benchmark (Rs.)#	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
8	Additional Benchmark CAGR (%)# ~	6.60	-	-	2.43	-	-	2.43	-	-9.23	-	-9.23	-
9	Net Assets end of Period (Rs. In Crs.)												
	Retail Plan - Growth	19.33	7.15	2.70	30.69	51.23	60.47	0.88	21.83	58.61	76.39	21.18	22.60
	Retail Plan - Dividend	-	-	-	-	-	-	0.93	2.21	14.26	19.31	6.49	8.54
	Retail Plan - Daily Dividend	32.28	17.83	13.75	-	-	-	-	-	-	-	-	-
	Retail Plan - Weekly Dividend	1.51	1.70	2.08	-	-	-	-	-	-	-	-	-
	Retail Plan - Monthly Dividend	1.19	0.04	0.52	6.06	1.86	47.13	-	-	-	-	-	-
	Retail Plan - Quarterly Dividend	-	-	-	2.36	2.46	28.40	-	-	-	-	-	-
	Institutional Plan - Growth	97.49	1.57	482.72	-	-	-	-	-	-	-	-	-
	Institutional Plan - Dividend	-	-	-	-	-	-	-	-	-	-	-	-
	Institutional Plan - Daily Dividend	239.82	352.71	442.84	-	-	-	-	-	-	-	-	-
	Institutional Plan - Weekly Dividend	0.02	3.69	131.57	-	-	-	-	-	-	-	-	-
	Institutional Plan - Monthly	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No	Scheme Name	BARODA PIONEER TREASURY ADVANTAGE FUND			BARODA PIONEER PUBLIC SECTOR UNDERTAKING (PSU) BOND FUND			BARODA PIONEER SHORT TERM BOND FUND		BARODA PIONEER PUBLIC SECTOR UNDERTAKING (PSU) EQUITY FUND		BARODA PIONEER INFRASTRUCTURE FUND	
		2011-2012	2010-2011	2009-2010	2011-2012	2010-2011	2009-2010	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
	Financial Year												
	Dividend												
	Institutional Plan - Quarterly Dividend	-	-	-	-	-	-	-	-	-	-	-	-
10	Ratio of Recurring Expenses to Net Assets	0.48%	0.29%	0.19%	1.45%	1.19%	0.99%	0.75%	0.75%	2.50%	2.50%	2.50%	2.50%

Note 1: In Baroda Pioneer Treasury Advantage Fund and Baroda Pioneer Liquid Fund, face value per unit was changed from Rs.10.00 to Rs.1000.00 w.e.f. February 07, 2011.

* Excluding dividend details of liquid scheme.

** Absolute Return since the period is not more than 1 year.

^ Computed NAV

#Additional Benchmark

Sr. #	Name of the Scheme	Benchmark	Additional Benchmark
1	Baroda Pioneer Treasury Advantage Fund	CRISIL Liquid Fund Index	CRISIL 1 Year T-Bill Index
2	Baroda Pioneer PSU Bond Fund	CRISIL Composite Bond Fund Index	CRISIL 10 Year Gilt Index
3	Baroda Pioneer Short Term Bond Fund	CRISIL Short-Term Bond Fund Index	CRISIL 10 Year Gilt Index
4	Baroda Pioneer PSU Equity Fund	BSE PSU	S&P Nifty
5	Baroda Pioneer Infrastructure Fund	CNX 100	S&P Nifty

~ Compounded Annualised Growth Rate

II. HOW TO APPLY

A. PURCHASE

- 1) New investors may purchase units by using an application form. Existing investors may use an application form (eg. for purchase in an NFO) or a transaction slip (for additional purchase). Application forms / transaction slips are available at Investor Service Centers ("ISC"), with distributors and the Registrar, or may be downloaded from the website of the AMC, viz., www.barodapioneer.in.
- 2) Investors are requested to provide the details asked for in the relevant space provided for them in the application form. This measure is intended to avoid fraud / misuse or theft while investing in the units of any of the schemes of the Mutual Fund.
- 3) Application forms / transaction slips, complete in all respects, together with the necessary payment instrument or other remittance, may be submitted at any of the Official Points of Acceptance, as mentioned in the respective Scheme Information Document, and/or as may be designated by the AMC from time to time. The relevant Official Point of Acceptance will sign/stamp and return the acknowledgement slip in the application form, to acknowledge receipt of the application, subject to verification. Investors are advised to retain the acknowledgement slip signed/stamped by the ISC where they submit the application form.
- 4) Investments may be made by way of a cheque or a Demand Draft ("DD") or through a fund-transfer request or National Electronic Funds Transfer ("NEFT") or Real Time Gross Settlement ("RTGS"). Investors may note that the Mutual Fund will not accept any third-party payment instrument. For more on third-party payments, please refer page --. Investors may also note that payments by cash and post-dated cheques will not be accepted, provided that payment by post-dated cheques will be accepted only for investments made through the Systematic Investment Plan ("SIP") facility. The AMC may, at a later date, provide investors with the facility of transacting using debit cards and/or net banking. For payments through net banking and debit cards, when such facilities are made available by the AMC, if it is found that the payment is not made from a registered bank account or that the payment is made from an account not belonging to the first named investor, the AMC will reject the transaction with due intimation to the investor.
- 5) If payment is made by way of a cheque / DD, such instrument shall be payable in favour of the scheme concerned and crossed "ACCOUNT PAYEE & NOT NEGOTIABLE" (Please see the Common Key Information Memorandum & Application Form or the Key Information Memorandum & Application Form of the respective scheme of the Mutual Fund for relevant instructions). Cheques / DDs should be payable at the center where the application is lodged.
- 6) Returned cheques are liable not to be presented again for collection, and the accompanying application forms are liable to be rejected. In case returned cheques are presented again, the necessary charges are liable to be debited to the investor.
- 7) If payment is made by way of RTGS, NEFT, ECS, bank transfer, etc., the investor should attach with the purchase application an acknowledged copy of his/her/its instruction to the bank stating the account number to be debited. The AMC / the Registrar will check whether the account number mentioned on the copy of the instruction attached is a registered pay-in account or belongs to the first named applicant / investor. Investors should mention the UTR No. on the application form if the payment is made through electronic mode (RTGS & NEFT).

DD / bank charges for applicants who are residents of a city, the banking clearing circle of which is different from that of an ISC, will be borne by the AMC. The AMC will not refund any DD charges incurred by investors. In case of applications for debt / income schemes, the AMC will not bear or refund any DD / Bank charges incurred by the applicant. In case of applications pertaining to equity schemes, the AMC may, at its own discretion, refuse to bear any DD / Bank charges incurred by the applicant. Applications accompanied by cheques / drafts not fulfilling the above criteria are liable to be rejected.

- 8) In order to protect the interest of Unit holders from fraudulent encashment of cheques, SEBI has made it mandatory for investors to state their bank account number(s) in their application forms. Investors are therefore advised to fill up the details of their bank account number(s) in the application form in the space provided. **Application forms without the mandatory bank details are liable to be rejected. In case the investor wants to furnish details of more than one bank, he/she/it has to fill in the Multiple Banks Registration Form. This form can be downloaded from www.barodapioneer.in. For details on Multiple Banks Registration, please refer Section F.**
- 9) The AMC reserves the right to reject an application form, or call for additional details, if the payment bank account and other details are not mentioned on the application form and/or do not match with the payment instrument and/or necessary documents and declaration, as applicable to respective investors and transactions, are not attached or are insufficient. In case the funds are transferred to the Scheme's account

prior to the rejection of the application form, the amount transferred may not be refunded or redeemed unless the investor establishes KYC with additional documentation.

- 10) Subject to the Regulations, any application for purchase of Units may be accepted or rejected at the sole and absolute discretion of the AMC. For example, the AMC may reject any application for purchase of Units, if the application is invalid or incomplete or if, in its opinion, increasing the size of any or all of the schemes' Unit capital is not in the general interest of the Unit holders, or if the Trustee for any other reason does not believe that it would be in the best interest of the schemes or its Unit holders to accept such an application. Also, defective applications are liable for rejection. So, application forms (i) which are incomplete or (ii) which have any over writing on any field without the counter signature of all the applicants or (iii) which are invalid / ambiguous / not accompanied by necessary supporting documents or (iv) not accompanied by a payment instrument or an account-to-account transfer instruction for the amount payable or (v) the Trustee chooses to reject for any other reason determined at its sole discretion are liable to be rejected. In the event of non-allotment of Units, no interest will be paid on the money refunded to the applicant, subject to applicable regulatory requirements. In case of any representation to the AMC against the disqualification of any application, the decision of the AMC will be final.
- 11) The AMC / the Trustee may need to obtain from investors, verification of identity or other details relating to the subscription of Units as may be required under any applicable law, which may result in delay in processing applications.
- 12) Unit holders may opt to hold their Units in demat mode, for which they must provide their Demat account details in the relevant section of the application form. Unit holders who opt to hold their Units in Demat mode shall have a beneficiary account with a Depository Participant ('DP') registered with NSDL or CDSL and will be required to indicate in the application form, the DP's name, DP ID number and the beneficiary account number of the Unit holder with the DP. In case a Unit holder does not provide his/her/its Demat account details or provides incomplete details, or the details do not match with the records as per the Depository(ies), he/she/it will not get credit of units in his demat account and will have to hold the units in physical form. Such a Unit holder will not be able to trade on the stock exchange till the holdings are converted into Demat mode. Unit holders who wish to convert their physical units into demat form at a later date, will be required to open a beneficiary account with a DP of NSDL or CDSL and submit a Conversion Request Form ('CRF') along with Statement of Account (SoA) asking for conversion of units into demat form. CRF form is available on our website site www.barodapioneer.in Such Unit holder will be required to fill in the CRF in triplicate along with the relevant details and submit it to the Registrar. The combination of names in the folio must be same as that in the demat account. Rematerialization of Units will be in accordance with the provisions of SEBI (Depositories & Participants) Regulations, 1996, as amended from time.
- 13) The Mutual Fund offers investors of select schemes of the Mutual Fund, as mentioned in their respective Scheme Information Documents, the facility of transacting in their units, through the mutual fund trading platform of the National Stock Exchange ("NSE") and/or the Bombay Stock Exchange ("BSE"). Investors who wish to transact through the stock exchange mechanism will need to have a demat account with a Depository Participant ("DP") of NSDL or CDSL. The AMC may extend this facility to other schemes in future. Investors who wish to transact through the stock exchange mechanism, for the specified schemes, shall submit their application form to any of the registered stock brokers of NSE/BSE for transacting through MFS or BSE StAR MF, which are the currently available stock exchange trading platforms.
- 14) In order to help enhance the reach of the Schemes amongst small investors, who may not be tax payers and may not have PAN/bank accounts, such as farmers, small traders/businessmen/workers, cash transactions in the Schemes to the extent of Rs. 20,000/- per investor, per mutual fund, per financial year will be allowed subject to (i) compliance of PMLA and Rules framed there under, SEBI circulars on AML and other applicable AML rules, regulations and guidelines and (ii) sufficient systems and procedures in place.

The AMC is currently working on the operational aspects and on getting the systems and procedures in place for acceptance of cash. Hence, the exact date from which cash will be accepted by the AMC as a mode of payment for purchase of units of the Schemes of the Fund will be intimated to investors by way of an appropriate notice displayed at the ISCs.

B. ADDITIONAL MODE OF PAYMENT THROUGH APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA) FOR INVESTING IN NFOs

Pursuant to SEBI circular vide ref no. SEBI/IMD/CIR No. 18/198647/2010 dated March 15, 2010, an investor can subscribe to the units of mutual fund schemes during NFO through the ASBA facility using the ASBA application form and following the requisite procedure.

What is ASBA?

ASBA is an application containing an authorization by an investor to block the application money in his specified bank account towards the subscription of units offered during the NFO of scheme(s) of mutual funds.

What is a Self Certified Syndicate Bank (SCSB)?

An SCSB is a banker to an issue which is registered with SEBI and offers the facility of applying through the ASBA process. Please visit www.sebi.gov.in/pmd/scsb.html or www.nseindia.com for the list of currently available SCSBs offering ASBA facility through their designated branches.

What are the key points with regard to investing through ASBA?

1. If an investor wishes to invest in the schemes of the Mutual Fund using the ASBA facility, he/she/it should submit the ASBA Application Form at any of the designated branches of an SCSB with which he/she/it holds a bank account which is intended to be blocked for the subscription amount and will be mentioned as such in the ASBA Application Form ("Bank Account"). The investor should check with his/her/it's bank branch and confirm whether the branch offers ASBA facility. The investor may submit the ASBA Application Form physically or electronically. In case the investor wishes to submit the ASBA Application Form in physical mode, he/she/it may submit it at any of the designated branches of the SCSB concerned. If, however, the investor wishes to submit the ASBA Application Form in electronic mode, he/she/it may submit the ASBA Application Form either through the internet banking facility available with the SCSB concerned, or through any other electronically enabled mechanism for subscribing to the units of the schemes of the Mutual Fund, which authorizes the SCSB concerned to block the subscription money. Please note that the ASBA Application Form will not be accepted by the AMC at any of the ISCs or by the Registrar.
2. Investors shall ensure to mention in the ASBA Application Form, the correct number of their Bank Account with the SCSB concerned, and that funds equal to their subscription amount are available in the said bank account at the time of submission of the ASBA Application Form in physical or electronic mode.
3. Upon submission of the ASBA Application Form with the SCSB concerned, whether in physical or electronic mode, investors shall have deemed to agree to block the entire subscription amount specified in the said form, and have authorized the designated branch of the SCSB concerned to block such amount in the Bank Account. Investors should note the following in respect of submission of the form with the SCSB concerned:
 - a) The SCSB concerned will not accept any ASBA after 3.00 p.m. on the date of closure of the NFO Period; and
 - b) The SCSB concerned will give an acknowledgment for the receipt of the ASBA Application Form.
4. On the basis of the authorization given by the investor through the ASBA Application Form, the SCSB concerned will block the subscription money in the Bank Account. The subscription money will remain blocked in the Bank Account till allotment of units under the Scheme of the Mutual Fund or till rejection of the application or refund, as the case may be.
5. If the Bank Account does not have sufficient credit balance to meet the subscription money, the ASBA application will be rejected by the SCSB concerned.
6. Investors shall not enclose, along with the ASBA Application Form, a cheque, a DD or any mode of payment, as the ASBA Application Form already contains an authorization to block the subscription amount in the Bank Account.
7. Investors shall submit a copy of the acknowledgment receipt of the ASBA Application Form (as submitted with the SCSB concerned) along with the NFO application form at any of the official points of acceptance for the AMC.
8. In case of application for units in demat mode, all investor related details for allotment of Units, such as names of the applicants, mode of holding, bank account, etc., will be updated as per the demat account, and investors should check their demat accounts for allotment of Units within 10 working days of the NFO closure.

9. The AMC, Registrar, and Trustee shall not be liable for any negligence or mistake committed by any SCSB.
10. All grievances relating to the ASBA facility may be addressed to the AMC / Registrar, with a copy to the SCSB concerned, giving full details such as name, address of the applicant, subscription amount blocked on application, Bank Account number and the designated Branch or the collection center of the SCSB where the ASBA Form was submitted.
11. The ASBA facility will operate in accordance with applicable SEBI guidelines in force from time to time.

C. PERMANENT ACCOUNT NUMBER (PAN):

1. SEBI has made it mandatory for all investors (including NRIs, Power of Attorney holders and Guardians of minors) to mention in the application form for purchase, their PAN, irrespective of the amount of purchase.
2. In case the application is in joint names, PAN of each of the investors shall be mentioned.
3. Where the investor is a minor and does not possess his / her own PAN, he / she shall quote the PAN of his/ her father or mother or the court appointed legal guardian, as the case may be.
4. In order that the AMC / Registrar may verify that the PAN of the investor (in case of application in joint names, PAN of each of the applicants) has been correctly quoted in the application form, investors are advised to attach along with the application form, a self-certified photocopy of the PAN card(s), or to provide the original PAN Card for verification. The original PAN Card will be returned immediately across the counter after verification.
5. Applications that are not accompanied by duly verified copy(ies) of the PAN card(s) are liable to be rejected.
6. Exemption from the requirement of PAN:
 - a. Investors residing in the state of Sikkim are exempt from the requirement of PAN, subject to the AMC verifying the veracity of the claim of the said investors that they are residents of Sikkim, by collecting sufficient documentary evidence in this behalf.
 - b. Investments by officials appointed by courts such as official liquidator, court receiver etc. and subscriptions by the Central Government and/or a State Government are also exempt from the requirement of PAN.
 - c. Investors mentioned in a and b above, however, need to complete the necessary KYC requirements, and get a unique reference number from the system of the KYC Registration Agency ("KRA"). A copy of the KRA issuance letter containing the unique reference number shall be attached with each application form.
 - d. SEBI, vide letter no. MRD/DoP/PAN/PM/166999/2009 dated June 19, 2009, has granted exemption from the requirement of PAN to SIPs upto Rs. 50,000/- per year per investor ("Micro SIP"). This exemption is subject to the following terms & conditions:
 - The aggregate of all installments in a rolling 12 month period or in a financial year, i.e. April to March, shall not exceed Rs 50,000/-;
 - The exemption will not be applicable to normal purchase transactions upto Rs. 50,000/-, as they will continue to be subject to PAN requirement;
 - This exemption will be available only to investments by individuals, including NRIs (but not PIOs), minors, sole proprietary firms and joint holders. HUFs and other categories of investors shall not be eligible for Micro SIPs;
 - For Micro SIPs, it shall be necessary to submit any one standard specified photo identification document in lieu of PAN card. Investors may contact the Registrar / any of the ISCs to get an idea of the acceptable documents which may be provided as proof of identification in lieu of PAN card. The supporting documents furnished by investors should be either self-attested or attested by the distributor concerned, with the ARN number of the distributor mentioned.
7. Verification of the photocopy of the PAN Card will be carried out with the Income tax database. In case of failure, communication will be sent to the investor concerned, requesting him/her/it to provide the

correct PAN details or communication from the Income Tax authorities, if any, evidencing the validity of the PAN. Such folios will be blocked for additional purchases and SIP registrations till receipt of the above documents and verification with the original. In case of web-based transactions, investors will be allowed to transact, subject to PAN validation.

8. In the event of any application form being subsequently rejected for mismatch of applicant's PAN details with the details on the website of the Income Tax Department, the investment transaction will be cancelled and the amount may be redeemed at the applicable NAV, subject to levy of exit load, if any.

D. WHO CAN INVEST?

Investors are advised to satisfy themselves that they are not prohibited by any law governing them and any Indian law from investing in the schemes of the Mutual Fund and that they are authorized to purchase units of mutual funds as per their respective constitution, charter document, corporate / other authorization and relevant statutory provisions. The following is an indicative list of persons who are generally eligible and may apply for subscription to the units of the schemes of the Mutual Fund:

- Indian resident adult individuals, either singly or jointly (not exceeding three);
- Minors through their parent / lawful guardian (please see Section E. below on 'Investment on Behalf of Minor' for details);
- Companies, bodies corporate, public sector undertakings, association of persons or bodies of individuals and societies registered under the Societies Registration Act, 1860;
- Religious and charitable trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private Trusts authorised to invest in mutual fund schemes under their trust deeds;
- Partnership firms constituted under the Partnership Act, 1932;
- A Hindu Undivided Family (HUF) through its Karta;
- Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions;
- Non-Resident Indians (NRIs) / Persons of Indian Origin (PIO), on full repatriation basis or on non repatriation basis;
- Foreign Institutional Investors (FIIs) registered with SEBI, on full repatriation basis;
- Army, Air Force, Navy and other para-military funds and eligible institutions;
- Scientific and Industrial Research Organisations;
- Provident / Pension / Gratuity and such other Funds, as and when permitted to invest;
- International Multilateral Agencies approved by the Government of India / RBI;
- The Trustee, AMC or Sponsor or their associates (if eligible and permitted under prevailing laws); and
- A mutual fund through its schemes, including fund of funds schemes.

Notes:

1. Non Resident Indians (NRI) and Persons of Indian Origin (PIO) residing abroad / Foreign Institutional Investors (FIIs) have been granted a general permission by the Reserve Bank of India [Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000] for investing in / redeeming units of mutual fund schemes, subject to the conditions set out in the aforesaid Regulations.
2. In case of an application under a Power of Attorney or by a company or a corporate body or an eligible institution or a registered society or a trust fund, the original Power of Attorney or a certified true copy thereof, duly notarized, or the relevant resolution or authority to make the application, as the case may be, or a duly notarised certified true copy thereof, alongwith a certified copy of the Memorandum and Articles of Association and/or bye-laws and/or trust deed and/or partnership deed and/or certificate of registration, if any, shall be submitted. The officials should sign the application under their official designation. A list of specimen signatures of the authorised officials, duly certified / attested should also be attached to the application form. In case of a trust / fund, it shall submit a resolution from the Trustee authorizing the purchase/redemption. All such documents should be in English or be a notarized translated copy in English Language. **Applications not complying with these requirements are liable to be rejected.**

3. Who Cannot Invest?

It should be noted that at present the following entities cannot invest in the schemes of the Mutual Fund:

- a. Any individual who is a foreign national; and

- b. Overseas Corporate Bodies (OCBs), i.e. firms and societies which are held directly or indirectly but ultimately to the extent of at least 60% by NRIs, and trusts in which at least 60% of the beneficial interest is similarly held irrevocably by such persons.
4. The Trustee of the Mutual Fund reserves the right to include new categories of investors in or exclude existing categories of investors from the list of eligible investors from time to time, subject to the Regulations and other prevailing regulations/laws etc., if any.
5. Any request for withdrawal of application made during the NFO Period will be treated as a redemption request and shall be processed at the Redemption Price based on the first NAV declared by the schemes of the Mutual Fund after the close of NFO.
6. **Investment on Behalf of Minor**

At the Time of Investment:

A minor can invest in any scheme of the Mutual Fund through his/her guardian only. For investments made on behalf of minors, investors may please note the following:

- a. The minor shall be the first and the sole holder in the account. There shall not be any joint holder.
- b. In a folio on behalf of a minor, the guardian can be either a natural guardian (i.e. father or mother) or a court appointed legal guardian.
- c. It is mandatory for the guardian to submit documentary evidence confirming the relationship status;
- d. It is mandatory to provide the minor's date of birth in the application form, along with a photocopy of any of the following supporting documents:
 - Birth certificate of the minor; or
 - School leaving certificate / mark sheet issued by the Higher Secondary Board of the respective state, ICSE, CBSE etc; or
 - Passport of the minor; or
 - Any other suitable proof evidencing the date of birth of the minor.

On Attaining Majority:

- a. The AMC / Registrar shall send advance notice, at the registered correspondence address, advising the minor and guardian to submit prescribed documents, in order to effect change of status from 'minor' to 'major';
- b. In case the requisite documents to change the status are not received by the date of the minor attaining the age of majority, no transaction (financial and non-financial) including fresh registration of SIP, Systematic Transfer Plan ("STP") and Systematic Withdrawal Plan ("SWP") will be permitted after the date of minor attaining the age of majority;
- c. Existing SIPs, SWPs and STPs registered prior to the minor attaining the age of majority, will continue to be processed till the time an instruction from the major to terminate the standing instruction is received by the AMC / Registrar along with the prescribed documents;
- d. New SIPs, SWPs and STPs will be registered in the folio of a minor upto the date of the minor attaining the age of majority, though the instruction may be for a period extending beyond that date;
- e. List of standard documents to be submitted along with the application form for change of account status from minor to major:
 - Service Request Form, duly filled-in, and containing details like name of major, folio numbers, etc.;
 - New Bank mandate where account changed from minor to major;
 - Signature attestation of the major by a manager of a scheduled bank / Bank Certificate/ Letter;
 - KYC acknowledgement of the major.

For Change in Guardian:

When there is a change in guardian either due to mutual consent or demise of existing guardian, the new guardian must be a natural guardian (i.e. father or mother) or a Court appointed legal guardian. The following documents shall be submitted to register the new guardian:

- a. Request letter from the new guardian;
- b. No Objection Letter ('NoC') or Consent Letter from existing guardian or Court Order for new guardian, in case the existing guardian is alive;
- c. Copy of death certificate of the deceased guardian either notarized or attested by special executive magistrate, AMC authorized official or manager of a scheduled bank;
- d. A document evidencing the relationship if the same is not available in documents submitted as per specified in point a. (3) above;
- e. Bank attestation attesting signature of new guardian in a bank account of the minor where the new guardian is registered as a guardian; and
- f. KYC of the new guardian.

7. Joint Applicants

- a. An application can be made by up to a maximum of three applicants. Applicants must specify the 'Mode of Holding' in the application form.
- b. Joint applicants can specify the mode of holding in the application form as 'Joint' or 'Any one or Survivor'. If the mode of holding is not mentioned in the application form, it will be deemed to be 'Joint'.
- c. In case the mode of holding is specified as 'Joint', redemption requests will have to be signed by all joint holders in the same order as registered with the Mutual Fund. However, in case the mode of holding is specified as 'Anyone or Survivor', any one of the Unit holders will have the power to make a redemption request, without it being necessary for all the Unit holders to sign. However, in all cases, the proceeds of the redemption will be paid only to the first-named holder.
- d. In the case of application by a minor, there shall not be any joint holder.
- e. In the event a folio/account has more than one registered holder, the first-named holder will receive allotment confirmations, notices and correspondence with respect to the account/folio, as well as the proceeds of any redemption request or dividend or other distribution. In addition, first-named holder will have the voting rights, as permitted, associated with such units, as per the applicable guidelines.
- f. In case of death/insolvency of any one or more of the persons named in the Register of Unit holders as the joint holders of any Units, the AMC shall not be bound to recognize any person(s) other than the remaining holders. In all such cases, the proceeds of the Redemption will be paid to the first-named of such remaining Unit holders.

E. THIRD PARTY PAYMENTS

- a. A third party payment means a payment made from a bank account other than that of the beneficiary investor. With respect to any payment made from a joint bank account, it shall be regarded as a third party payment, if the first holder of the folio / first applicant for subscription is not one of the joint holders of the said bank account.
- b. In order to mitigate risks associated with transactions involving third party payments, the AMC / Registrar will not accept any application for subscription to the units of the schemes of the Mutual Fund, where such application is accompanied by a third party payment. Therefore, the first applicant / investor has to be one of the joint holders of the bank account from which the payment is made via cheque / DD / Funds transfer / RTGS / NEFT etc. Also, the applicant / investor should mention the bank account number, bank name & branch address from where the payment is made and ensure that they match with the details on the payment instrument, where applicable.

- c. In the following exceptional situations, the AMC / Registrar will accept third party payments:
- Payment made by parents / grand parents / related persons (persons investing on behalf of minors in consideration of natural love and affection) or as a gift on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs.50,000/- for each regular purchase or per SIP installment.;
 - Payment made by a guardian on behalf of a minor, if the guardian's name is registered in the records of the Mutual Fund in the folio concerned;
 - Payment made by an employer on behalf of his/her/its employees under an SIP through payroll deductions; and
 - Payment made by a custodian on behalf of a Foreign Institutional Investor or a client.
- d. In the exceptional situations mentioned in c. above, investors will be required to submit the following documents, without which the application for subscription of units of the Mutual Fund are liable to be rejected:
- Mandatory Know Your Customer ("KYC") for all investors (for the guardian in case of minor) and for the person making the payment. KYC Acknowledgement Letter for the investor as well as the person making the payment should be attached to the application form; and
 - Third Party Declaration from the investors (for the guardian in case of minor) and for the person making the payment (third party), stating details of the bank account from which the payment is made and the relationship with the investor(s).
- e. The AMC / Registrar will not accept any purchase application accompanied by a pre-funded instrument issued by a bank against cash (eg. pay order, DD, banker's cheque, etc.), if the amount is Rs. 50,000/- or more. For purchase applications of amount less than Rs. 50,000/-, the AMC / Registrar may accept a pre-funded instrument if the investor attaches to the application form, a certificate from the Issuing banker to the purchase application, stating the details of the bank account which has been debited for issue of the instrument account. Details mentioned in the certificate shall include account holder's name, bank account number, account holder's address and PAN. The bank account number mentioned in the certificate must be the bank account which is registered with the Mutual Fund, or the first named applicant / investor should be one of the holders of the said bank account. The AMC / Registrar will check whether the name stated in the certificate matches with that of the first named applicant / investor.
- f. Investors are advised to visit www.barodapioneer.in for more details, including formats.

F. MULTIPLE BANK ACCOUNTS REGISTRATION FACILITY

- a. With a view to mitigating the risk related to simultaneous change of bank mandate and redemption requests on multiple occasions, the Mutual Fund offers its Unit holders the facility to register multiple bank accounts for pay-ins & pay-outs, and to designate one such registered bank account as the "Default Bank Account". The registered bank account details will also be used by the AMC / Registrar to ensure that third party payments are not made while subscribing to units of the schemes of the Mutual Fund.
- b. Investors are urged to register with the Mutual Fund, multiple bank accounts, by using the "Multiple Bank Accounts Registration Form", which is available at the ISCs and can also be downloaded from the website of the AMC, www.barodapioneer.in. Individuals, HUFs and sole proprietary firms can register upto five bank accounts and non-individual investors can register upto ten bank accounts in a folio. The first/sole unit holder in the folio should be one of the holders of the bank account being registered.
- c. Existing Unit Holders may update / change the bank accounts in their existing folios / accounts at any time either through the Multiple Bank Accounts Registration Form or through a standalone separate Change of Bank Mandate form. The AMC / Registrar / the Mutual Fund will accept a request for registration of additional bank accounts, only if there is scope to register additional bank accounts in the folio, subject to a maximum of five in the case of individuals and ten in the case of non-individuals.
- d. As mentioned in b. and c. above, new bank accounts / change of bank mandate can be registered using the Multiple Bank Accounts Registration Form or through a standalone separate Change of Bank Mandate form.
- e. In case a Unit holder provides a new and unregistered bank mandate or a change of bank mandate request along with a specific redemption / dividend payment request (with or without necessary supporting documents), such bank account will not be considered for payment of redemption / dividend proceeds. The proceeds of such a redemption / dividend payment request will be sent only to the bank account that is already registered and validated in the folio at the time of processing the transaction. Investors may note

that any payment to an unregistered bank account or a new bank account forming part of redemption request shall not be entertained or processed.

- f. Valid change of bank mandate requests with supporting documents will be processed within ten days of the documents reaching the head office of the Registrar, and any financial transaction request received in the interim will be carried out based on the previously registered details. Investors may note that a new unregistered bank account specified in any redemption request for receiving redemption proceeds will not be considered.
- g. For any request for registering new bank accounts / change of bank mandate using the Multiple Bank Accounts Registration Form or a standalone Change of Bank Mandate form, investors shall enclose any one of the following, in respect of the new bank account:
- an original cancelled cheque leaf of the new bank account, with the first unit holder's name and Bank account number printed on the face of the cheque;
 - a latest original Bank statement;
 - the original Bank passbook with current entries not older than 3 months;
 - an original letter duly signed by the branch manager/authorized personnel of the bank.

If photocopy of any document is submitted, the copy should be certified by the bank, or the original should be produced for verification.

In addition to the above, the AMC may require, in respect of the existing bank mandate which is undergoing a change on account of registering the new bank account, any one of the following documents:

- an original cancelled cheque with the first unit holder's name and bank account number printed on the face of the cheque;
- a latest original copy of bank statement/passbook (if photocopy is submitted, it has to be certified by the bank, or the original has to be produced for verification);
- original letter issued by the bank on the letterhead, confirming the bank account holder with the account details, duly signed and stamped by the branch manager; or
- in case the bank account is already closed, a duly signed and stamped original letter from such bank on the letter head of bank, confirming the closure of the account.

Investors may note that any request without the necessary documents will be treated as invalid and will not be acted upon, and any financial transaction, including redemption, will be carried out with the previously registered details only.

h. Default Bank Account:

As mentioned in a. above, investors shall designate, using the Multiple Bank Accounts Registration Form (Part B), one of the registered / to be registered bank accounts as the default bank account for credit of redemption and dividend proceeds. All dividends and redemption proceeds will be credited to this default bank account. However, if at the time of submitting a redemption request, an investor specifies any other bank account registered with the AMC / the Mutual Fund for credit of redemption proceeds, the proceeds will be credited to this other bank account specified by the investor, but the default bank account will not change pursuant / subsequent to such request.

- For existing investors, any existing bank mandate registered with the AMC / Mutual Fund will be treated as the default bank account till such time as they give a separate request to change the default bank account to any other registered bank account.
- For new investors, the bank account mentioned in the purchase application form will be treated as the default bank account till a separate request to register multiple bank accounts and / or change the default bank account to any registered bank account is submitted by such investors.
- The default bank account will be used for all dividend and redemption payouts, unless the Unit holder(s) specifies/specify one of the existing registered bank accounts in the redemption request for receiving redemption proceeds. However, in case Unit holder(s) does/do not designate any default bank account, the Mutual Fund reserves the right to designate any of the bank accounts registered with the AMC / Mutual Fund as the default bank account.

i. Deletion of Registered Bank Accounts:

- Investor may use Part C of the Multiple Bank Accounts Registration Form to delete a registered bank account.

- The AMC / the Mutual Fund / the Registrar will not allow an investor to delete a default bank account, unless the investor designates another registered bank account as the default bank account.

G. CHANGES IN STATIC INFORMATION

- Requests for change static information, viz. name, address, status, signature, dividend sub-option, etc. may be submitted to the AMC or its Registrar. Such changes will be effected within 5 days of the valid signed request reaching the office of the Registrar. Any interim financial transactions like purchase, redemption, switch, payment of dividend etc. will be effected with the previously registered details only. If any change in static information is submitted along with a financial transaction, the change will be handled separately and the financial transaction will be processed with the previously registered details. Unit Holders are therefore advised to provide requests for change in static information separately and not along with financial transactions.
- Investors transacting through the stock exchange mechanism should approach their respective Depository Participant for non-financial requests / applications such as change of address, change of bank, etc.
- Investors may note that any change in dividend sub option due to additional investment or request of the Unit Holder request will be applicable to the entire Units in the said dividend option of the Scheme / Plan concerned.
- Unit Holders may write to the AMC / Registrar to change the broker code of their transactions or to remove the broker code. Any such request will be handled on a prospective basis and the change in broker code will be effected within 5 days from the date when the Registrar's Back Office receives the request.
- How to Change Address - Investors shall provide the AMC / Fund / Registrar, the following documents along with a request for change in address:
 - If the investor / folio is not KYC compliant:
 - Proof of New Address;
 - Proof of Identity, i.e. PAN card copy, if PAN is updated in the folio, or PAN / other proof of identity, if PAN is not updated in the folio;
 - The AMC may additionally call for proof of old address, while effecting a change of address.
 - If the investor / folio is KYC compliant:
 - Proof of New Address;
 - Any other document/form specified by the KRA from time to time.
 - For Proof of New Address, investors may submit a photocopy of any one of the following (current and valid) documents:
 - Passport / Voters Identity Card / Ration Card / Registered Lease or Sale Agreement of Residence / Driving License / Flat Maintenance Bill / Insurance Copy; or
 - Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old;
 - Bank Account Statement / Passbook (Not more than 3 months old); or
 - Self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts; or
 - Proof of address issued by Bank Managers of Scheduled Commercial Banks / Scheduled Co-Operative Bank / Multinational Foreign Banks / Gazetted Officer / Notary Public / Elected representatives to the Legislative Assembly / Parliament / Documents issued by any Government or Statutory Authority; or
 - Identity Card / document with address, issued by any of the following:
 - Central / State Government and its Departments; or
 - Statutory / Regulatory Authorities; or
 - Public Sector Undertakings; or
 - Scheduled Commercial Banks; or
 - Public Financial Institutions; or
 - Colleges affiliated to Universities and Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members.
 - For FII / sub-account, Power of Attorney given by FII / sub-account to the Custodians (which are duly notarized and/or apostilled or consularised) that gives the registered address should be taken;

- Proof of Address in the name of spouse will be accepted.
- For Proof of Identity, investors may submit a photocopy of any one of the following (current and valid) documents:
 - Unique Identification Number (UID) (Aadhaar) / Passport / Voter ID Card / Driving license; or
 - Identity card / document with investor's photo, issued by any of the following:
 - Central/State Government and its Departments; or
 - Statutory/Regulatory Authorities; or
 - Public Sector Undertakings; or
 - Scheduled Commercial Banks; or
 - Public Financial Institutions; or
 - Colleges affiliated to Universities; or
 - Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; or
 - Credit cards/Debit cards issued by Banks.
- Investors / Unit holders are required to submit self-attested copies of the above documents. The originals of the above documents should be produced for verification at the ISC or Official Points of Acceptance of Transactions. The original will be returned across the counter after verification
- In case the original of any document is not produced for verification, then the copies should be properly attested / verified by entities authorized for attesting / verification of the documents as per the KYC guidelines.

H. CONSOLIDATED ACCOUNT STATEMENT ("CAS")

On acceptance of an application for subscription or allotment of units (including by way of SIP, STP, switch, bonus units and reinvestment of dividends), an allotment confirmation specifying the number of units allotted will be sent by way of an email and/or an SMS, within 5 Business Days from the date of receipt of the application, to the Unit holder's registered e-mail address and/or mobile number. Thereafter, the Unit Holder will be sent, on or before the 10th of the immediately succeeding month, by way of a mail / an e-mail, a CAS, containing the details of the transaction mentioned above as well as details of all other transactions effected by the Unit holder across schemes of all mutual funds during the preceding month, including his/her/its holdings at the end of the said month and details of transaction charges paid to distributors, as applicable. Investors may note that CAS will be issued on a monthly basis to all investors in whose folios transactions have taken place during the month concerned.

The CAS for each calendar month will be issued on or before the 10th day of the succeeding month to investors who have provided a valid PAN. The AMC shall not send physical account statements to the investors after every financial transaction including systematic transactions. Further, CAS will be sent via email where any of the folios consolidated has an email id or to the email id of the first unit holder as per KYC records. The AMC shall not send physical account statements to the investors, if the CAS has been forwarded through email.

For folios not included in the CAS, the AMC will issue an account statement to the investors on a monthly basis, pursuant to any financial transaction in such folios on or before the 10th day of the succeeding month. In case of an NFO, the AMC shall send a confirmation specifying the number of units allotted to the applicant by way of a physical account statement or an email and/or SMS to the investor's registered address and / or mobile number not later than 5 business days from the date of closure of the NFO.

In case of a specific request received from a Unit holder, the AMC shall provide the account statement to the investor within 5 business days from the receipt of such request.

For further details, please refer the Scheme Information Documents.

III. RIGHTS OF UNIT HOLDERS OF THE SCHEMES

1. Unit holders of the schemes have a proportionate right in the beneficial ownership of the assets of the schemes.
2. When the Mutual Fund declares a dividend under the schemes, dividend warrants shall be dispatched within 30 days of the declaration of the dividend.

3. The Mutual Fund shall dispatch redemption proceeds within 10 Business Days of receiving / accepting the redemption request.
4. The Trustee is bound to make such disclosures to the Unit holders as are essential in order to keep the Unit holders informed about any information known to the Trustee which may have a material adverse bearing on their investments.
5. The appointment of the AMC for the Mutual Fund can be terminated by a majority of the Directors of the Trustee Board or by 75% of the Unit holders of the schemes.
6. 75% of the Unit holders of a scheme can pass a resolution to wind up the scheme.
7. 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.
 - b. Whenever required to do so if a requisition is made by three-fourths of the Unit holders of the schemes.
 - c. When the Trustee decides to wind up the schemes or prematurely redeem the Units.
8. The Trustee shall ensure that no change in the fundamental attributes of any scheme of the Mutual Fund or the trust or fees and expenses payable or any other change which would modify the schemes and affects the interest of Unit holders, is carried out unless:
 - (i) A written communication about the proposed change is sent to each Unit holder and an advertisement is to be given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the 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.
9. In specific circumstances, where the approval of Unit Holders 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.
10. 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 AMC and the Trustee. The approval from the AMC Board and the Trustee giving details of circumstances and justification for the proposed action shall also be informed to SEBI in advance.

IV. NET ASSET VALUE (NAV) AND VALUATION OF ASSETS OF THE SCHEMES

Valuation of assets

Valuation of Assets, computation of NAV, Repurchase Price and their frequency of disclosure will be in accordance with the provisions of SEBI Regulations /Guidelines/Directives issued by SEBI from time to time.

The assets of the schemes will be valued based on the following valuation norms:

1. Traded Securities:

(i) Equity / Equity related securities

- Traded securities shall be valued at the last quoted closing price on the National Stock Exchange of India Limited (NSE).NSE is principal stock exchange for the Mutual Fund.
- When on a particular valuation day, a security has not been traded on the NSE, the value at which it is traded on another stock exchange may be used.
- When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to valuation date.

(ii) Debt Securities

Valuation of Debt and Money Market Securities:

SEBI Notification dated February 21 2012, read with SEBI Circular CIR/MD/DF/6/2012, specifies that valuation of investments in mutual fund schemes shall be based on the principles of fair valuation, which reflects realizable value of securities under normal circumstances. In order to have fairness in the valuation of debt and money market securities invested in by the schemes of the Mutual Fund, the following valuation norms for Debt and Money Market Instruments shall be implemented effective July 01, 2012.

It is expected that going forward, the services of one or more agencies designated by the Association of Mutual Funds in India ("AMFI") / the AMC may be used in the process of valuation, for eg. to obtain scrip-wise valuation. Hence, these norms will remain applicable in their current substance only until such time as further changes are necessitated on account of such agencies getting involved in valuation, or other developments take place, whether of a regulatory nature or otherwise, which may affect these norms.

a. Principles for Fair Valuation / Fair Treatment

The guiding principles for fair valuation would be to minimize the difference in valuation of mutual fund assets relative to realizable values. This would enable fair treatment across all classes of investors (those investing, redeeming and staying in the scheme).

As differences in valuation mostly impact debt and money market instruments due to the relative illiquidity of these markets, this paper discusses valuation methods to reflect fair values of debt and money market instruments.

b. Instruments maturing up to 91 days (60 days from 30 Sep 2012)

For traded instruments maturing upto 90 days, the traded price may be taken if there are at least three trades aggregating to Rs. 100 crores or more.

Instruments may be valued by amortisation on a straight-line basis to maturity from cost or last valuation price whichever is more recent. However the AMCs should ensure that the amortised price is reflective of fair value by comparing it to the reference yield/price (yield matrix provided by Crisil and ICRA), in case the instrument is not traded.

Traded prices are to be considered for construction of the benchmark yield curve. In arriving at the benchmark yields, traded prices/yields across all public platforms are to be considered. Currently the benchmark yields being provided for tenors below 91 days for each fortnightly interval.

At the time of first purchase the spread between the purchase yield and the benchmark yield should be fixed. This spread should remain fixed through the life of the instrument & should be changed only if there is justification for the change. For example, market trades / AMC's trades at a different spread could be reflected through a change in the spread. Irrespective of amortisation, a change in the credit rating or credit profile of the issuer would require a re-evaluation of the appropriateness of the spread.

The amortised price may be used for valuation as long as it is within $\pm 0.10\%$ of the reference price. In case the variance exceeds $\pm 0.10\%$, the valuation shall be adjusted to bring it within the $\pm 0.10\%$ band.

In case of subsequent trades by the fund in the same security, the valuation must reflect the most recent trade as long as the trade is of market lot (5cr). The security such valued would be amortised to maturity with such amortised prices to be in line with $+ 0.10\%$ of the reference price as above.

c. Instruments having maturity greater than 91 days (60 days from 30 Sep 2012)

In case of traded instruments the traded price may be taken if there are at least three trades aggregating to Rs. 100 crores or more would be used for valuation; and in case of non-traded instruments, the valuation price would be the reference price calculated using benchmark yields.

Traded instruments

It has been observed that prices & yields reported on public platforms may not always be reflective of current market trading levels. To prevent frivolous and dated prices from distorting the valuation of mutual fund assets, it is proposed that:

- a. For instruments maturing above 1 year, the traded price may be taken if there are at least two trades aggregating to Rs. 25 crores or more.
- b. For instruments maturing upto 1 year, the traded price may be taken if there are at least three trades aggregating to Rs. 100 crores or more.

In the case of the AMC's own trades, only a trade of a market lot (5cr) or more is to be taken as reflective of the realizable value of the total holding in a single instrument.

All the amounts above refer to face value of securities. In addition, as the price may be distorted in case of forward settlement dates (e.g. across a weekend/holidays), the traded yields may be used to arrive at a price for valuation. In case of multiple trades, the weighted average price may be used for valuation.

In case there are both qualifying market trades and AMC trades, the market trades should be given a higher priority. In case of multiple platforms reporting trades on the same day, the order of preference would be FIMMDA, Exchange (NSE WDM, BSE) and own trades. The qualifying criteria are to be observed at the exchange/platform level (as the same trades may be reported on multiple platforms).

Exceptional Events – The following types of events could be classified as 'Exceptional Events', where current market information may not be available / sufficient for valuation of securities:

- a. Major policy announcements by the Central Bank, the Government or the Regulator.
- b. Natural disasters or public disturbances that force the markets to close unexpectedly.
- c. Absence of trading in a specific security or similar securities.
- d. Significant volatility in the capital markets.

Guidelines for inter-scheme transfer of debt and money market instruments

Transfer of securities between schemes should ensure fair treatment of investors in both schemes. Such transfers must take place at current market prices. Transfer of securities between schemes shall ensure fair treatment to investors of both the transferor and transferee scheme. Such transfers shall take place in the following manner:

Traded Instruments: In case the security is traded in the secondary market on the valuation day and the same is reported on the FIMMDA Plat form / Any other exchange, weighted average traded price at the time of trade shall be considered for the purpose of the inter-scheme transaction as described in "3 a" above., Inter-scheme trades reported by other mutual funds shall not be considered for valuation, as it will be difficult to ascertain fairness in such trades.

Non-Traded Instruments: In the case of a security, where there are no trades reported for the same security on the FIMMDA platform / Any other Exchange, the same shall be valued by (i) amortisation on a straight line basis to maturity from cost or last valuation price, whichever is more recent, for securities having maturity upto 91 days (60 days from 30th September 2012) and (ii) recommended yields/prices of Crisil based on Crisil Bond Valuer and agreed mark ups/markdowns, for securities having maturity greater than 91 days (60 days from 30th September 2012).

d. Abnormal situations & market disruptions

In normal situations the above methods may be used for valuation. However in abnormal market conditions, due to lack of market trading or otherwise it may not be possible to obtain fair valuation using "normal" means. In such a situations, the realizable value may be substantially different from the benchmark-based prices obtained. This could lead to, for example, an overvalued portfolio which could be used by some investors to redeem their holdings having an adverse impact on residual investors.

Under abnormal circumstances arising out of large redemptions, regulatory changes, abnormal market conditions or other situations, the Policy may be modified to protect the interests of Unit holders, with appropriate reporting regarding the modification(s) being provided to the Investment Committee of the AMC and the Trustee, with appropriate disclosures to investors. Disclosures to investors may be made by uploading the details of the deviations on the website of the AMC.

2. Thinly Traded Securities

a. Thinly traded equity/equity related securities

- Thinly Traded Equity / Equity related securities are those securities whose trade in a month, are both less than Rs. 5 lakhs and the total volume is less than 50,000 shares. Thinly Traded Equity/Equity related securities will be fair valued as per procedures determined by the AMC and approved by the Trustee, in accordance with the SEBI (MF) Regulations and related circulars. Further it is clarified that in order to determine whether a security is thinly traded or not, the volumes traded in all recognized stock exchanges in India may be taken into account.

- In case trading in an equity security is suspended upto 30 days, then the last traded price would be considered for valuation of that security. If an equity security is suspended for more than 30 days, then the AMC/Trustee will decide the valuation norms to be followed and such norms would be documented and recorded.
- Where a stock exchange identifies the “thinly traded” securities by applying the above parameters for the preceding calendar month and publishes/provides the required information along with the daily quotations, the same can be used by the scheme.
- If the share is not listed on the stock exchanges which provide such information, then it will be obligatory on the part of the Fund to make its own analysis in line with the above criteria to check whether such securities are thinly traded which would then be valued accordingly.

b. Thinly Traded Debt Securities

- A debt security (other than Treasury Bills with residual maturity over 91 days and Government Securities) is considered as a thinly traded security if on the valuation date, there are no individual trades in that security in marketable lots (presently Rs. 5 crore) on the principal stock exchange.
- A thinly traded debt security as defined above would be valued as per the norms set for non-traded debt security.

3. Non-Traded Securities

- Non-traded Equity / Equity related securities are those securities when it is not traded on any stock exchange for a period of thirty days prior to the valuation date. Non-traded Equity / Equity related Securities will be fair valued as per procedures determined by the AMC and approved by the Trustee in accordance with the SEBI (MF) Regulations and related circulars.

4. Thinly Traded / Non-traded Securities

Thinly traded/ Non traded securities shall be valued “in good faith” by the AMC on the basis of the valuation principles laid down below:

(i) Thinly traded / Non-traded equity/equity related securities:

Based on the latest available Balance Sheet, net worth shall be calculated as follows:

- 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.
- 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.
- 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.
- In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalized earning.
- 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.
- 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.

To determine if a security accounts for more than 5% of the total assets of the scheme, it should be valued by the procedure above and the proportion which it bears to the total net assets of the scheme to which it belongs would be compared on the date of valuation.

(ii) Thinly / Non Traded Debt / asset backed securities:

(a) Money market, debt securities and asset backed securities with residual maturity of upto 91 days:

All money market and debt securities, including floating rate securities, with residual maturity of upto 91 days not traded on a particular valuation day shall be valued on amortization basis. However, floating rate securities with floor and caps on coupon rate and residual maturity of upto 91 days shall be valued on amortization basis taking the coupon rate as floor.

(b) Money market, debt securities and asset backed securities with residual maturity of over 91 days:

All money market, debt securities and asset backed securities including floating rate securities, with residual maturity of over 91 days not traded on a particular valuation day shall be valued at benchmark yield / matrix of spread over risk-free benchmark yield obtained from agency(ies) entrusted for the said purpose by AMFI.

(c) Valuation of securities not covered under the current valuation policy:

In case of securities purchased by mutual fund does not fall within the current framework of the valuation of securities then the mutual fund shall report immediately to AMFI regarding the same. Further, at the time of investment AMC's shall ensure that the total exposure in such securities does not exceed 5% of the total AUM of the scheme. AMFI has been advised that the valuation agencies should ensure that the valuation of such securities gets covered in the valuation framework within six weeks from the date of receipt of such intimation from mutual fund.

In the interim period, till AMFI makes provisions to cover such securities in the valuation of securities framework, the Mutual Fund shall value such securities using their proprietary model which has been approved by the Trustee.

(d) All other non-traded Non-Government debt instruments should be valued using the method given below:

- For the purpose of valuation, all Non-Traded Debt Securities will be classified into "Investment grade" and "Non-Investment grade" securities based on their credit ratings. The non-investment grade securities will further be classified as "Performing" and "Non Performing" assets
- All Non-Government investment grade debt securities, classified as not traded, will be valued on yield to maturity basis as described below.
- All Non-Government non-investment grade performing debt securities will be valued at a discount of 25% to the face value.
- All Non-Government non-investment grade non performing debt securities will be valued based on the provisioning norms.
- The approach in valuation of non-traded debt security is based on the concept of using spreads over the benchmark rate to arrive at the yields for pricing the non-traded security.
- The yields for pricing the non-traded debt security would be arrived at using the process as defined below:

Step A

A risk free benchmark yield is built using the Government securities (GoI Securities) as the base. GoI Securities are used as the benchmarks as they are traded regularly, free of credit risk and traded across different maturity spectrums every week.

Step B

A matrix of spreads (based on the credit risk) are built for marking up the benchmark yields. The matrix is built based on traded corporate paper on the wholesale debt segment of an appropriate stock exchange and the primary market issuances. The matrix is restricted only to investment grade corporate paper.

Step C

The yields as calculated above are marked-up / marked down for illiquidity risk.

Step D

The yields so arrived are used to price the portfolio.

Methodology

A. Construction of Risk Free Benchmark

Using Government of India dated securities, the benchmark shall be constructed as below:

Government of India dated securities will be grouped into the following duration buckets viz. 0.25-0.5 years, 0.5-1 years, 1-2 years, 2-3 years, 3-4 years, 4-5 years, 5-6years and 6 years and the volume weighted yield would be computed for each bucket.

These duration buckets may be changed to reflect the market value more closely by any agency suggested by AMFI giving benchmark yield / matrix of spreads over benchmark yield. Accordingly, there will be a benchmark YTM for each duration bucket.

The benchmark as calculated above will be set at least weekly, and in the event of any significant movement of prices of Government securities on account of any event impacting interest rates on any day such as change in the RBI policies, the benchmark will be reset to reflect any change in the market conditions.

B. Building a Matrix of Spreads for Marking-up the Benchmark Yield

Mark-up for credit risk over the risk free benchmark YTM as calculated in step A, will be determined using the trades of corporate debentures / bonds of different ratings. All trades on appropriate stock exchange during the fortnight prior to the benchmark date will be used in building the corporate YTM and spread matrices. Initially these matrices will be built only for corporate securities of investment grade. The matrices are dynamic and the spreads will be computed every week. The matrix will be built for all duration buckets for which the benchmark GOI matrix is built to effectively link the corporate matrix with the GOI securities matrix. Accordingly All traded paper (with minimum traded value of Rs1crore) (Rupees One Crore Only) will be classified by their ratings and grouped into 7 duration buckets; for rated securities, the most conservative publicly available rating will be used;

- For each rating category, average volume weighted yield will be obtained both from trades on the appropriate stock exchange and from the primary market issuances;
- Where there are no secondary trades on the appropriate stock exchange in a particular rating category and no primary market issuances during the fortnight under consideration, then trades on appropriate stock exchange during the 30 days period prior to the benchmark date will be considered for computing the average YTM for such rating category;
- If the matrix cannot be populated using any or all of the above steps, then credit spreads from trades on appropriate stock exchange of the relevant rating category over the AAA trades will be used to populate the matrix;
- In each rating category, all outliers will be removed for smoothening the YTM matrix;
- Spreads will be obtained by deducting the YTM in each duration category from the respective YTM of the GOI securities;
- In the event of lack of trades in the secondary market and the primary market the gaps in the matrix would be filled by extrapolation. If the spreads cannot be extrapolated for the reason of practicality, carrying the spreads from the last matrix will fill the gaps in the matrix.

C. Mark-up / Mark-down Yield

The Yields calculated would be marked-up / marked-down to account for the ill-liquidity risk, promoter background, finance company risk and the issuer class risk. As the level of ill-liquidity risk would be higher for non-rated securities the marking process for rated and non-rated securities would be differentiated as follows:

(I). Adjustments for Securities rated by External Rating Agencies

The Yields so derived out of the above methodology could be adjusted to account for risk mentioned above by an appropriate discount or premium as may be required. SEBI has revised the discretionary mark up and mark down limits vide SEBI Circular SEBI / IMD / CIR No. 2/166256/2009 dated June 12, 2009 as given below.

In case of rated debt securities:

Category	Discretionary Mark Up & Mark Down Limit	
	Plus	Minus
Rated instruments with duration upto 2 years	100 bps	50 bps
Rated instruments with duration over 2 years	75 bps	25 bps

(II). Adjustments for Internally Rated Securities

To value an unrated security, the fund manager has to assign an internal credit rating, which will be used for valuation. The discretionary markup will be as given below.

In case of unrated debt securities:

Category	Discretionary Mark Up Limit
Unrated instruments with duration upto 2 years	Discretionary discount of upto +50 bps over and above mandatory discount of +50 bps
Rated instruments with duration over 2 years	Discretionary discount of upto +50 bps over and above mandatory discount of +25 bps

The aforesaid limit of markup / down may be increased in order to arrive at fair value. The following shall apply in case of discretionary markup/ mark down limits for valuation of rated and unrated debt securities:

- (i) For valuation of rated and unrated debt securities purchased after June 12, 2009, the discretionary mark up or down limit, as detailed above, should be applied.
- (ii) Managing Director of the AMC shall give prior approval to the use of discretionary mark up or down limit.

(III). The benchmark yield / matrix of spreads over benchmark yield obtained from any agency suggested by AMFI as a provider of benchmark yield / matrix of spreads over benchmark yield to mutual funds, must be applied for valuation of securities on the day on which the benchmark yield / matrix of spreads over benchmark yield is released by the aforesaid agency.

5. Unlisted Equity Shares

Unlisted equity shares of a company shall be valued "in good faith" on the basis of the valuation principles laid down below:

a) Based on the latest available audited balance sheet, net worth shall be calculated as lower of (i) and (ii) below:

i. Net worth per share = [share capital plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by Number of Paid up Shares.

ii. After taking into account the outstanding warrants and options, net worth per share shall again be calculated and shall be = [share capital plus consideration on exercise of Option / Warrants received / receivable by the Company plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by [Number of Paid up Shares plus Number of Shares that would be obtained on conversion / exercise of Outstanding Warrants and Options]. The lower of (i) and (ii) above shall be used for calculation of net worth per share and for further calculation in (c) below.

(b) Average capitalization 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 capitalization rate (P / E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.

(c) 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 15% for illiquidity so as to arrive at the fair value per share.

The above methodology for valuation shall be subject to the following conditions:

- i. All calculations as aforesaid shall be based on audited accounts.
- ii. 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.
- iii. If the net worth of the company is negative, the share would be marked down to zero.
- iv. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalized earning.
- v. 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. To determine if a security accounts for more than 5% of the total assets of the scheme, it should be valued in accordance with the procedure as mentioned above on the date of valuation.

At the discretion of the AMC and with the approval of the Trustee, an unlisted equity share may be valued at a price lower than the value derived using the aforesaid methodology.

6. Warrants

In respect of warrants to subscribe for shares attached to instruments, the warrants would be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant. A discount similar to the discount to be determined in respect of convertible debentures shall be deducted to account for the period, which must elapse before the warrant can be exercised.

Valuation of Partly Paid-up Equity Shares

If the partly paid-up equity shares are traded in market separately then the same shall be valued at traded price (like any other equity instrument). If the same is not traded separately then partly paid equity shares shall be valued at Underlying Equity price as reduced by the balance call money payable.

7. Rights shares

Until they are traded, the value of "rights" shares shall be calculated as:

$$V_r = n \div m \times (P_{ex} - P_{of})$$

Where

V_r = Value of rights

n = no. of rights offered

m = no. of original shares held

Pex = Ex-rights price
Pof = Rights Offer Price

Where the rights are not treated paripassu with the existing shares, suitable adjustments shall be made to the value of the rights. Where it is decided not to subscribe for the rights but to renounce them and renunciations are being traded, the rights can be valued at the renunciation value.

8. Investments in bills purchased under rediscounting scheme and short term deposits with banks

Investments in bills purchased under rediscounting scheme and short term deposits with banks will be valued at cost plus accrual. Other money market instruments will be valued at the yield at which they are currently traded. For this purpose, non-traded instruments that are instruments not traded for a period of seven days will be valued at cost plus interest accrued till the beginning of the day plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instruments.

9. Investments in Mutual Fund Schemes:

Investment in Mutual Fund schemes shall be valued on the closing NAV of the on the valuation date.

10. Derivative Products

a. Equity / Index Options Derivatives

Market values of traded open option contracts shall be determined with respect to the exchange on which contract originally, i.e an option contracted on the National Stock Exchange (NSE) would be valued at the settlement price on the NSE. In case settlement price is not available, closing price to be considered.

b. Equity / Index Futures Derivatives

Market values of traded futures contracts shall be determined with respect to the exchange on which contracted originally, i.e., futures position contracted on the National Stock Exchange (NSE) would be valued at the settlement price on the NSE. In case the same is not available, closing price to be considered.

Equity Option Derivatives:

Premium paid / received on bought / written option contracts shall be debited / credited to "equity option premium account" and recorded as an asset / liability.

When the option contracts are squared off before expiry, the difference between the premium paid and received on the squared off transactions shall be recognised in the revenue account. When the option contracts are exercised on or before expiry, the difference between the option settlement price as determined by the exchange and the premium shall be recognised in the revenue account. If more than one option contracts in respect of the same stock / index with the same strike price and expiry date to which the squared off / exercised contract pertains is outstanding at the time of square off / exercise of the contract, the weighted average method shall be followed for determining the gain or loss.

Premium asset / liability in respect of options not exercised / squared off as on expiry date shall be transferred to revenue account.

As at the balance sheet date / date of determination, all open option positions shall be valued at the last quoted price at the exchange where it is traded. Non-traded equity option contracts shall be valued at fair value as per procedures determined by the AMC and approved by the Trustee. The unrealised appreciation / depreciation on all open positions shall be considered for determining the NAV.

Equity Futures Derivatives:

Futures contracts are marked to market daily at the futures settlement price as determined by the exchange and correspondingly, variation margin calculated as the difference between the trade price or the previous day's settlement price, as the case may be, and the current day's settlement price shall be recorded as a receivable or payable.

When a contract is squared off / settled on expiry, the difference between the square-off price/ the final settlement price and the contract price shall be recognized in the revenue account. If more than one futures contracts in respect of the same stock and expiry date, to which the squared off / settled contract pertains, is outstanding at the time of square off / settlement of the contract, the weighted average method shall be followed for determining the gain or loss.

As at the balance sheet date / date of determination, all open futures positions shall be valued at the last quoted price at the exchange where it is traded. Non-traded equity futures contracts shall be valued at fair value as per procedures determined by the AMC and approved by the Trustee. The unrealised appreciation / depreciation on all open positions shall be considered for determining the NAV.

iii. The traded derivatives shall be valued at market price in conformity with the stipulations of sub clauses (i) to (v) of clause 1 of the Eighth Schedule to the SEBI Regulations, as amended from time to time.

iv. The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed in sub clauses (i) and (ii) of clause 2 of the Eighth Schedule to the SEBI Regulations as amended from time to time.

11. Valuation of securities with Put/Call Options

The option embedded securities would be valued as follows:

(i) Securities with call option:

- a) 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.
- b) 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.

(ii) Securities with Put option:

- a) 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.
- b) 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 instruments.

(iii) Securities with both Put and Call option on the same day.

The securities with both Put and Call option on the same day would be deemed to mature on the Put / Call day and would be valued accordingly.

12. Government Securities

Government Securities (including Treasury Bills with residual maturities of over 91 days) are valued at average of the prices released by CRISIL and ICRA, which are the approved agencies suggested by AMFI, provided it is realizable value.

13. Valuation of Convertible debentures and bonds

The non-convertible and convertible components of convertible debentures and bonds shall be valued separately. The non-convertible 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 paripassu 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.

14. Illiquid Securities

a) Aggregate value of "illiquid securities" of scheme, which are defined as non-traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the scheme and any illiquid securities held above 15% of the total assets shall be assigned zero value.

b) All funds shall disclose as on March 31 and September 30 the scheme-wise total illiquid securities in value and percentage of the net assets while making disclosures of half yearly portfolios to the unit holders. In the list of investments, an asterisk mark shall also be given against all such investments which are recognised as illiquid securities.

c) Mutual Funds shall not be allowed to transfer illiquid securities among their scheme(s).

15. Foreign Securities

There are no specific SEBI guidelines on valuation of foreign securities at present. In the absence of any guidelines, the following policy will be followed:

The security issued outside India and listed on the stock exchanges outside India shall be valued at the closing price on the stock exchange at which it is listed. However in case a security is listed on more than one stock exchange, the AMC reserves the right to determine the stock exchange, the price of which would be used for the purpose of valuation of that security. Any subsequent change in the reference stock exchange used for valuation

will be backed by reasons for such change being recorded in writing by the AMC. Further in case of extreme volatility in the overseas markets, the securities listed in those markets may be valued on a fair value basis.

If a significant event has occurred after security prices were established for the computation of NAV of the Scheme, the AMC reserves the right to value the said securities on fair value basis.

When on a particular valuation day, a security has not been traded on the selected stock exchange; the security will be valued in accordance with SEBI guidelines applicable for security listed in India.

In case of investment in foreign debt securities, on the Valuation Day, the securities shall be valued in line with the valuation norms specified by SEBI for Indian debt securities.

However, in case valuation for a specific debt security is not covered by SEBI (MF) Regulations, then the security will be valued on fair value basis.

Due to difference in time zones of different markets, closing price of overseas securities/ units of overseas mutual fund may be available only after the prescribed time limit for declaration of NAV in India. In such cases, the NAV of the Scheme for any Business Day (T day) will be available on the next Business Day (T+1 day) and the same shall be posted, on each Business Day, on the Fund's website and on the AMFI website - www.amfiindia.com on date of computation of NAV.

On the Valuation Day, all assets and liabilities denominated in foreign currency will be valued in Indian Rupees at the exchange rate available on Bloomberg / Reuters /RBI at the close of banking hours in India. The Trustee reserves the right to change the source for determining the exchange rate.

The exchange gain / loss resulting from the aforesaid conversion shall be recognized as unrealized exchange gain / loss in the books of the Scheme on the day of valuation.

Further, the exchange gain / loss resulting from the settlement of assets / liabilities denominated in foreign currency shall be recognized as realized exchange gain/ loss in the books of the scheme on the settlement of such assets / liabilities.

16. Non-Performing Assets (NPA)

An asset shall be classified as non performing, if the interest and/or principal amount have not been received or remained outstanding for one quarter from the day such income / installment has fallen due. The valuation of Non Performing Assets (NPA) would be in accordance with SEBI Circular MFD/CIR/8/92/2000 dated September 18, 2000 and SEBI Circular no. MFD / CIR /14/088 / 2001 dated March 28, 2001 as amended from time to time.

17. Investments in Gold

Gold Exchange Traded Funds will invest in physical gold. Since physical gold and other permitted instruments linked to gold are denominated in gold tonnage, it will be valued based on the market price of gold in the domestic market and will be marked to market on a daily basis. The market price of gold in the domestic market on any Business Day would be arrived at as under:

Value of gold:

The market price of gold in the domestic market on any Business Day would be arrived at as under:

(1) The gold held by a the Scheme shall be valued at the AM fixing price of London Bullion Market Association (LBMA) in US dollars per troy ounce for gold having a fineness of 995.0 parts per thousand, subject to the following:

- (a) adjustment for conversion to metric measures as per standard conversion rates;
- (b) adjustment for conversion of US dollars into Indian rupees as per the RBI reference rate declared by the Foreign Exchange Dealers Association of India (FEDAI); and
- (c) addition of -
 - (i) transportation and other charges that maybe normally incurred in bringing such gold from London to the place where it is actually stored on behalf of the Fund; and
 - (ii) notional customs duty and other applicable taxes and levies that may be normally incurred to bring the gold from London to the place where it is actually stored on behalf of the Fund;

Provided that the adjustment under clause (c) above may be made on the basis of a notional premium that is usually charged for delivery of gold to the place where it is stored on behalf of the Fund:

Provided further that where the gold held by a Scheme has a greater fineness, the relevant LBMA prices of AM fixing shall be taken as the reference price under this subparagraph.

(2) VAT may be treated as current assets and may not be included in valuation.

(3) If the gold acquired by the Scheme is not in the form of standard bars, it shall be assayed and converted into standard bars which comply with the good delivery norms of the LBMA and thereafter valued in terms of subparagraph (1).

The Trustee reserves the right to change the source (centre) for determining the exchange rate. The AMC shall record in writing the reason for change in the source for determining the exchange rate. The valuation guidelines as outlined above are as per SEBI (MF) Regulations and are subject to change from time to time in conformity with changes made by SEBI.

Other Requirements:

- Investment in new types of securities/assets by the schemes of the Mutual Fund shall be made only after establishment of the valuation methodologies for such securities with the approval of the Board of Directors of the AMC.
- Any deviation from the valuation norms may be allowed, subject to approval of the Managing Director, with appropriate reporting to the Trustee and the Board of the AMC and appropriate disclosures to investors.
- Documentation of rationale for valuation including inter-scheme transfers shall be maintained and preserved by the AMC as required under the Regulations.

V. TAX, LEGAL & GENERAL INFORMATION

A. TAXATION PROVISIONS WITH REGARD TO INVESTING IN MUTUAL FUND SCHEMES

The following tax implications are provided for general information purposes based on the law prevalent as on the date of this document. The implications will have to be determined taking into account the specific facts of each individual case. Further, in the event of amendments to legislation pertaining to taxation from time to time, the nature and / or quantum of such benefits / implications is / are subject to change.

Accordingly, it is recommended that investors appropriately consult their tax consultant with respect to the specific tax implications arising out of their participation in the schemes of the Mutual Fund.

I. To the Mutual Fund:

Income in the hands of the Mutual Fund

The entire income of the Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 or any Regulations made thereunder is exempt from income tax in accordance with the provisions of Section 10(23D) of the Income tax Act, 1961 ("the Act").

The income received by the Mutual Fund is not liable for deduction of income tax at source as per the provisions of Section 196(iv) of the Act. Where the Mutual Fund receives any income from investments made in overseas jurisdiction, it may be subject to withholding in the relevant jurisdiction from which the income is received. As the income of the Mutual Fund is exempt from tax in India, credit / refund in respect of such foreign taxes may not be available in India.

Tax on distribution of income by the Mutual Fund to Unit holders

Under Section 115R of the Act, income distribution, if any, made by the Mutual Fund to the Unit holders of its schemes will attract a distribution tax at the following rates:

- **In case of Money Market Mutual Fund or Liquid Fund:**
 - @ 25% plus surcharge on such income tax @ 5% and education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, in case income is distributed to individuals and HUFs; and
 - @ 30% plus surcharge on such income tax @ 5% and education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, in case of income distributed to persons other than individuals and HUFs.
- **In case of other than Equity Oriented Fund, not being a Money Market Mutual Fund or a Liquid Fund:**
 - @ 12.5% plus surcharge on such income tax @ 5% and education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, in case income is distributed to individuals and HUFs; and

- @ 30% plus surcharge on such income tax @ 5% and education cess and secondary and higher education cess @ 3 % on the amount of tax and surcharge, in case of income distributed to persons other than individuals and HUFs.

Proviso (b) to Section 115R (2) of the Act provides exemption to equity oriented mutual funds from paying distribution tax on income distributed.

Further, in case of distribution of income already paid by a scheme, the Trustee / AMC reserves the right to recover the additional income tax on distribution of income so paid from the Unit holders of the respective scheme / plan / option.

The expression, "money market mutual fund" has been defined under Explanation (d) to Section 115T of the Act, which means a scheme of a mutual fund which has been set up with the objective of investing exclusively in money market instruments as defined in Regulation 2 (p) of the Regulations.

The expression, "liquid fund" has been defined under Explanation (e) to Section 115T, which means a scheme or plan of a mutual fund which is classified by SEBI as a liquid fund in accordance with the guidelines issued by it in this behalf under the SEBI Act, 1992 or regulations made thereunder.

The expression, "equity oriented fund" has been defined under Explanation (b) to Section 115T of the Act to include a scheme where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty-five per cent of the total proceeds of the scheme. Further, as per the proviso to the Explanation (b) to section 115T, the percentage of equity shareholding of the scheme shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

II. To the Unit Holders:

Deduction from total income

Under Section 80C of the Act, an assessee, being an individual or HUF, is eligible to claim a deduction of upto an aggregate of Rs. 1 lakh on account of sums paid as subscription to units of an Equity Linked Savings Scheme.

The expression, "Equity Linked Savings Scheme" refers to a scheme issued in terms of the Equity Linked Savings Scheme, 2005, as notified by the Central Board of Direct Taxes, Ministry of Finance, vide notification dated November 3, 2005 as amended vide notification dated December 13, 2005.

Securities Transaction Tax

Under Chapter VII of Finance (No. 2) Act, 2004, the Unit holder is liable to pay a Securities Transaction Tax ("STT") in respect of taxable securities transactions, at the applicable rates. Taxable securities transactions include purchase or sale of units of an equity oriented fund, entered into on the stock exchange or sale of units of an equity oriented fund to the mutual fund.

The purchaser and seller of units of an equity oriented fund are liable to pay STT @ 0.125 %¹ each, where the purchase and sale are entered into on a recognized stock exchange and the contract for the purchase and sale of such units is settled by actual delivery or transfer of such units.

Further, the seller of units is also liable to pay STT @ 0.025 % in case of sale of units of an equity oriented fund, where the transaction of such sale is entered into on a recognized stock exchange and the contract for the sale of such units is settled otherwise than by the actual delivery or transfer of such units.

At the time of sale of units of equity oriented fund to the mutual fund, the seller is required to pay an STT @ 0.25%.

The securities transaction tax paid by the assessee during the year in respect of taxable securities transactions entered in the course of business shall be allowed as deduction under Section 36 of the Act, subject to the condition that such income from taxable securities transactions is included under the head, 'profits and gains of business or profession'. However, STT is not deductible for the computation of capital gains, if the gains on sale of securities are considered to be in the nature of capital gains.

Income from Units

Under the provisions of Section 10(35) of the Act, any income (other than income arising from transfer of units) received by any person in respect of the units of any scheme of the Mutual Fund is exempt from income tax.

¹ The Finance Act, 2012 reduces the rate to 0.1% with effect from 1 July 2012.

Gains on transfer / redemption of Units

Gains arising on transfer / redemption of Units as well as switching between schemes will be chargeable to tax under the Act. The characterization of income from investment in securities as 'business income' or 'capital gains' will have to be examined on a case-to-case basis.

Business Income

Where units are regarded as Business Asset, any gain arising from the transfer / redemption of Units would be taxed under the head, 'Profits and Gains of Business or Profession', under Section 28 of the Act. The gain / loss is to be computed under the head, 'Profits and Gains of Business or Profession', after allowing normal business expenses (inclusive of the expenses incurred on transfer).

Business Income is chargeable to tax at the following rates:

Assessee	% of Income Tax
Individuals, HUF, Association of Persons	Applicable Slab Rates
Partnership Firms [including Limited Liability Partnerships ('LLPs')] & Indian Corporates	30%
Foreign Company	40%

The income tax rates specified above and elsewhere in this document are exclusive of the applicable surcharge, education cess and secondary and higher education cess. The surcharge announced by the Finance Act, 2012, as passed by parliament and awaiting presidential assent, is same as the rates prescribed in Finance Act, 2011. The rates are as under:

Assessee	Surcharge for AY 2013-14*
Individual (including proprietorships), HUF, Association of Persons and Partnership Firms (including LLPs)	Nil
Indian Corporates (if income exceeds Rs. 1 crore)	5%
Foreign Company (if income exceeds Rs. 1 crore)	2%

* Additionally, education cess and secondary and higher education cess is leviable @ 3% on the income tax and surcharge as computed above.

• Capital Gains

The mode of computation of capital gains would be as follows:

Sale Consideration	xxx
Less: Cost of Acquisition (Note 1)	(xxx)
Expenses on Transfer (Note 2)	(xxx)
Capital Gains	xxx

Note 1: In case of the computation of long-term capital gains, the option of indexation of cost is available.

Note 2: This will include only expenses relating to transfer of units. Normal business expenses will not be allowable.

Capital gain arising on transfer or redemption of units held for a period of more than 12 months is regarded as "Long-term Capital Gain" which otherwise would be "Short-term Capital Gain". In case of ELSS, the units are subject to a lock-in of 3 years. Accordingly, any sale of units after such lock-in will qualify as Long-term Capital Gain.

• Long term capital gains

In case of other than Equity Oriented Fund, including Money Market Mutual Fund or a Liquid Fund

As per Section 112² of the Act, tax on income on long term capital gains arising from the transfer of units shall be lower of the following amount:

² According to the Finance Act, 2012, long term capital gains in case of non-residents will be taxed @ 10% on transfer of capital assets, being unlisted securities, computed without giving effect to first & second proviso to Section 48, i.e. without taking benefit of foreign currency fluctuation and indexation benefit.

- (i) 10% plus applicable surcharge and education cess at the rate of 3% on the amount of tax and surcharge, on the Long-term Capital Gains computed without substituting indexed cost of acquisition in place of the cost of acquisition; or
- (ii) 20% plus applicable surcharge and education cess at the rate of 3% on the amount of tax and surcharge, on the Long-term Capital Gain computed after substituting indexed cost of acquisition in place of the cost of acquisition.

The benefit of indexation will, however, not be available to specified Offshore Fund, which is taxable @ 10% plus applicable surcharge and education cess at the rate of 3% on the amount of tax and surcharge in terms of section 115AB of the Act.

The benefit of indexation will also not be available to Foreign Institutional Investors, who are taxed under Section 115AD of the Act @ 10% plus applicable surcharge and education cess at the rate of 3% on the amount of tax and surcharge.

Income by way of long term capital gains of a company will be taken into account in computing the book profits and Minimum Alternate Tax payable, if any, under Section 115JB of the Act (irrespective of whether or not it is exempt under Section 10(38) of the Act).

The taxable income on transfer of units of the Mutual Fund will be taken into account in computing the Adjusted Total Income and Alternate Minimum Tax, if any, under Section 115JC³ of the Act.

In cases where the taxable income as reduced by Long-term Capital Gains of a resident individual and Hindu Undivided family is below the taxable limit, the Long-term Capital gain will be reduced to the extent of such shortfall and only the balance Long-term Capital Gain will be chargeable to Income tax.

The following deductions are available from Long-term Capital Gains arising on sale of Mutual Fund units, if the sale proceeds are invested in eligible avenues:

Eligible persons	Section 54 EC	Section 54F
	All assesses	Individual and HUFs
Asset to be purchased to claim exemption	Specified Bonds of National Highways Authority of India and Rural Electrification Corporation Limited (cap of Rs. fifty lakhs in a financial year)	Residential house property
Time-limit for purchase from date of sale of MF units	6 months	Purchase: 1 year backward / 2 years forward & Construction: 3 years forward
Amount Exempt	Investment in the new asset or capital gain whichever is lower	Capital gains proportionate to the investment made from the sale proceeds (subject to other conditions of owning / purchasing residential house mentioned in the section)
Lock-in period	3 years	3 years

The investment under Section 54EC on account of which exemption has been claimed from long-term capital gains will not be available for deduction under Section 80C of the Act.

In case of Equity Oriented Funds, including ELSS

Units of Equity Oriented schemes, including ELSS, being subjected to STT, Long Term capital Gains arising from transfer of such units are exempt under section 10(38) of the Act. The mutual fund would recover STT from the unit holder as per the applicable rates.

- **Short-term Capital Gains**

In case of other than Equity Oriented Fund, including Money Market Mutual Fund or a Liquid Fund

³ As per the Finance Act, 2012, provisions of Section 115JC will be applicable to all persons other than a company who has claimed any deduction under Chapter VI-A under the heading 'C- Deductions in respect of certain incomes' (other than section 80P) or Section 10AA.

Short term capital gains arising from the transfer of units of schemes other than equity oriented scheme will be chargeable to tax as under:

Short term capital gains are taxed at the normal rates applicable to each Unit holder. In case where the taxable income as reduced by Short-term Capital Gains of a resident individual and Hindu Undivided Family is below the taxable limit, the Short-term Capital gain will be reduced to the extent of such shortfall and only the balance Short-term Capital Gain is chargeable to Income tax.

In case of Equity Oriented Fund

Short Term Capital Gains arising from transfer of units of an Equity Oriented scheme (as defined u/s 115T of the Act), being subjected to STT will be charged to tax u/s 111A of the Act @ 15% (plus applicable surcharge, education cess and secondary and higher education cess). The Mutual Fund will recover STT from the Unit holder at the applicable rates when the units are re-purchased by the mutual fund/ redeemed by the investor.

In cases where the taxable income as reduced by short term capital gains of a resident individual and Hindu Undivided family is below the taxable limit, the short term capital gain will be reduced to the extent of such shortfall and only the balance short term capital gain will be chargeable to Income tax.

- **Capital losses**

Losses under the head capital gains cannot be set off against income under any other head. Further, within the head capital gains, losses arising from the transfer of long term capital assets cannot be adjusted against gains arising from the transfer of a short term capital asset. However, losses arising from the transfer of short term capital assets can be adjusted against gains arising from the transfer of either a long term or a short term capital asset.

Under Section 10(38) of the Act, long term capital gains on sale of units of an equity oriented fund are exempt from income tax subject to certain conditions. Hence, losses arising from such type of transaction of sale of units of equity oriented fund would not be eligible for set off against taxable capital gains.

Unabsorbed long term capital loss (other than the losses relating to sale of units of equity oriented fund as stated above) can be carried forward and set off against the long term capital gains arising in any of the subsequent eight assessment years. Unabsorbed short term capital loss can be carried forward and set off against the income under the head capital gains in any of the subsequent eight assessment years.

Deduction of income tax at source from Capital Gains

- **Resident Unit holders**

No income tax is required to be deducted at source from capital gains arising on transfer of units by resident unit holders.

- **In case of funds other than Equity Oriented Fund under the Act**

A) Non-Resident unit holders

Income tax is required to be deducted at source from the capital gains under section 195 of the Act at the applicable rates.

Under the Act, the following rates have been prescribed for deduction of tax at source from capital gains:

~ On income by way of long-term capital gains on unlisted securities (by giving effect to first & second proviso to section 48)⁴ @ 20% (plus applicable surcharge and education cess)

~ On income by way of long-term capital gains on unlisted securities (without giving effect to first & second proviso to section 48) @ 10% (plus applicable surcharge and education cess)⁶

~ On income by way of short-term capital gains at normal rates as applicable

Income tax is required to be deducted at source from the short-term capital gains under section 195 of the Act at the applicable rates. A non-resident, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial. Accordingly, tax should be withheld as per the provisions of the Act or the provisions in the Double Tax Avoidance Agreement ('DTAA'), whichever is more beneficial to the

⁴ The amendment is as per the Finance Act, 2012.

assessee. However, the Unit holder will be required to provide appropriate documents to the Mutual Fund, to be entitled to a beneficial rate under such DTAA.

The Finance Act, 2012 restricts the treaty benefits available to non-residents, unless the non-resident obtains a Tax Residency Certificate from their home country, containing such particulars as may be prescribed.

B) Offshore Fund unit holders

Under Section 196B of the Act, tax shall be deducted at source from the long term capital gains @ 10% plus applicable surcharge, education cess and secondary and higher education cess at the rate of 3% on the amount of tax and surcharge.

Income tax is required to be deducted at source from the short-term capital gains under section 195 of the Act at the applicable rates. A non-resident, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial. Accordingly, tax should be withheld as per the provisions of the Act or the provisions in the DTAA, whichever is more beneficial to the assessee. However, the Unit holder will be required to provide appropriate documents to the Mutual Fund, to be entitled to a beneficial rate under such DTAA.

The Finance Act, 2012 restricts the treaty benefits available to non-residents, unless the non-resident obtains a Tax Residency Certificate from their home country, containing such particulars as may be prescribed.

- **In case of 'Equity Oriented Fund' for Non-Resident unit holders (including Offshore fund unit holders)**

Income tax is required to be deducted at source from the capital gains under section 195 of the Act at the applicable rates.

Under the Act, the following rates have been prescribed for deduction of tax at source from capital gains:

Income by way of long-term capital gains arising from transfer of units subject to STT is exempt from tax.

On income by way of short-term capital gains arising from transfer of units subject to STT taxable under section 111A @ 15% (plus applicable surcharge and education cess).

Income tax is required to be deducted at source from the capital gains under section 195 of the Act at the applicable rates. A non-resident, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial. Accordingly, tax should be withheld as per the provisions of the Act or the provisions in the DTAA, whichever is more beneficial to the assessee. However, such a non-resident unit holder will be required to provide appropriate documents to the Mutual Fund, to be entitled to a beneficial rate under such DTAA.

The Finance Act, 2012 restricts the treaty benefits available to non-residents, unless the non-resident obtains a Tax Residency Certificate from their home country, containing such particulars as may be prescribed.

- **Foreign Institutional Investors**

As per the provisions of Section 196D of the Act, no deduction of tax shall be made from any income, by way of capital gains arising from the transfer of securities referred to in Section 115AD, payable to a Foreign Institutional Investor.

Default in furnishing the PAN

Section 206AA of the Act inserted by the Finance (No.2) Act, 2009 operative with effect from April 1, 2010 states that the deductee is required to mandatorily furnish his PAN to the deductor, failing which the deductor shall deduct tax at source at higher of the following rates:

1. the rate prescribed in the Act;
2. at the rate in force i.e., the rate mentioned in the Finance Act; or
3. at the rate of 20%.

Dividend Stripping

As per Section 94(7) of the Act, loss arising on sale of units, which are bought within 3 months of the record date and sold within 9 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such Units.

Bonus Stripping

As per Section 94(8) of the Act, units purchased within a period of 3 months prior to record date of entitlement of bonus and sold within a period of 9 months after such date, the loss arising on transfer of original units shall be ignored for the purpose of computing the income chargeable to tax. The amount of loss so ignored shall be deemed to be the cost of purchase / acquisition of the bonus units.

III. Religious and Charitable Trust

Investments in Units of the Mutual Fund will rank as an eligible form of investment under section 11(5) of the Act read with Rule 17C of the Income tax Rules, 1962 for Religious and Charitable Trust.

IV. Wealth-tax

Units held under any scheme of the Mutual Fund are not treated as assets within the meaning of section 2(ea) of the Wealth-tax Act, 1957 and are, therefore, not liable to Wealth-tax.

V. Gift-tax

The Gift –Tax Act, 1958 has been repealed since October 1, 1988. Gift of units of Mutual fund units would be subject to income tax in the hands of the donee. As per section 56(2)(vii), receipts of securities, fair market value of which exceeds fifty thousand rupees, without consideration or without adequate consideration is taxable as income in the hands of individuals / HUFs.

Further the above provision of Section 56(2)(vii) shall not apply to any units received by the donee:

- (a) from any relative; or
- (b) on the occasion of the marriage of the individual; or
- (c) under a will or by way of inheritance; or
- (d) in contemplation of death of the payer or donor, as the case may be; or
- (e) from any local authority as defined in the Explanation to clause (20) of section 10 of the Act; or
- (f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10 of the Act; or
- (g) from any trust or institution registered under section 12AA of the Act.

The Finance Act, 2012 amends the definition of 'relative' with retrospective effect from October 1, 2009. The term 'relative' shall mean:

a) In the case of an Individual -

- (i) The spouse of the individual;
- (ii) The brother or sister of the individual;
- (iii) The brother or sister of the spouse of the individual;
- (iv) The brother or sister of either of the parents of the individual;
- (v) Any lineal ascendant or descendant of the individual;
- (vi) Any lineal ascendant or descendant of the spouse of the individual;
- (vii) The spouse of the person referred to in clauses (ii) to (vi), and

b) In case of a HUF, any member thereof.

B. LEGAL INFORMATION

a. NOMINATION FACILITY

- Pursuant to Regulation 29A of the Regulations, the Mutual Fund / individual investors are required to nominate (in the manner prescribed under the Regulations), a person / persons in whom the Units held by him / her shall vest in the event of his / her death.
- An investor can, at the time an application is made, or by subsequently writing to the Registrar / the AMC, request for a nomination form in order to nominate one or more persons to receive the Units upon his/her death, subject to the completion of certain necessary formalities and furnishing of such documents as may be required from the nominee in favour of and to the satisfaction of the AMC / Registrar.
- Nomination can be made only by individuals applying for / holding units on their own behalf singly.
- Nomination is mandatory where the mode of holding is single. Hence, application forms for sole applicants without nomination are liable to be rejected.
- Where the mode of holding is joint, nomination is not mandatory; however a separate declaration indicating the wish not to nominate shall be given in this case. So, investors who do not wish to nominate must sign separately confirming their intention to not nominate.
- Nomination shall not be permitted if the investment is on behalf of a minor. However, minors can be nominated and in that event, the name, address & signature of the guardian of the minor nominee(s) shall be provided by the applicant.
- The nominee shall not be a trust, society, body corporate, partnerships firm, member of an HUF or a Power of Attorney holder. An NRI can be a nominee, subject to the policy of exchange control for the time being in force.
- Nomination in respect of the units stands rescinded upon transfer / transmission / switch-over of units.
- Transfer of units in favour of the nominee(s) shall be valid discharge by the AMC against the legal heirs, executors, administrators, etc.
- Cancellation of nomination can be made only by those individuals who hold units in their own name, either solely or jointly, and who have originally made the nomination.
- On cancellation of nomination, the nomination shall stand rescinded and the AMC shall not be under any obligation to transfer the units in favour of the nominee(s).
- The rights in the units will vest in the nominee(s) only upon the death of all Unit Holders.
- Nomination can be made in favour of a maximum of three nominees. In case of multiple nominees, the percentage of the allocation / share shall be in whole numbers (without any decimals), making a total of 100%. In the event of the applicants not indicating the percentage of allocation/share for each of the nominees, the AMC, by invoking the default option, will settle the claim equally amongst all the nominees.
- Nomination will be maintained at the folio / account level and will be applicable for all investments in that folio or account.
- Where a folio has joint holders, all joint holders shall sign the request for nomination, even if the mode of holding is not "joint".

b. KYC REQUIREMENTS

- In terms of the Prevention of Money Laundering Act, 2002, the Rules issued thereunder and the guidelines / circulars issued by SEBI and AMFI regarding Anti Money Laundering (AML Laws), all intermediaries, including Mutual Funds, have to verify and maintain records of all its investors through the mandated KYC process.
- To simplify KYC norms and make them more investor friendly and uniform across all intermediaries registered with SEBI, SEBI has recently laid down certain changes in the KYC process. The primary objective behind this is to eliminate duplication of KYC across intermediaries in the securities market. For

this purpose, KYC registration is being centralized through KRAs registered with SEBI. Thus, each investor has to undergo a uniform KYC process only once in the securities market and the details would be shared with other intermediaries by the KRAs. CDSL Ventures Ltd. ("CVL"), who was retained by mutual funds for centralized registration and record keeping of KYC records, has obtained SEBI registration as a KRA.

- SEBI has mandated an In Person Verification ("IPV") of clients to be carried out as part of KYC. IPV shall be a one-time process, and once it is carried out by an intermediary, may be relied upon by other intermediaries also. For mutual funds, IPV may be carried out by the AMC or by the Registrar, or by Know Your Distributor ("KYD") compliant distributors who hold valid certifications issued by the National Institute of Securities Market ("NISM") / AMFI for their own clients or by Scheduled Commercial Banks ("SCB").
 - Under the new uniform KYC norms, the following shall be applicable for investing in the Schemes of the Mutual Fund:
 - For New Investors who are not KYC compliant under the erstwhile or new KYC norms:
 - a. KYC Application Form available on the website www.barodapioneer.in;
 - b. IPV / Document verification to be done by the Registrar / the AMC / KYD compliant distributors / SCBs;
 - c. Acknowledgement will be issued to the investor to facilitate subsequent investments from the investor;
 - d. KYC application and necessary documents should either come along with a financial transaction or when the account is opened. This is in line with demat and bank account opening process.
 - New Investors who have already done their KYC with any other SEBI registered intermediary under the new KYC norms will not be required to do KYC again.
 - Existing Investors in the mutual fund Industry who are KYC compliant will not be required to do KYC again.
 - KYC compliance with a KRA and enclosing the KYC Acknowledgement along with the application form are mandatory for all investors, including individuals, non-individuals, NRIs and channel investors, irrespective of the amount of application / value of transaction.
 - Applicants applying for units through a Power of Attorney must ensure that the KYC Acknowledgement of both the issuer of the Power of Attorney and the holder of the Power of Attorney are enclosed along with the application form. The KYC Acknowledgement referred above will be issued by the KRA when an investor submits to the KRA, a KYC application and the prescribed documents. This KYC Acknowledgement is issued by the KRA as a token of having verified the identity and address of the investor(s) and for efficient retrieval of records.
 - KYC status will be validated with the records of the KRA before allotting units. The Mutual Fund / the AMC will not be held responsible and / or liable for rejection of KYC Form by the KRA. Where it is not possible to verify the KYC compliance status of the investor at the time of allotment of units, the Registrar / the AMC / the Trustee shall verify the KYC compliance status of the investor within a reasonable time after the allotment of units. In the event of non-compliance of KYC requirements, the Trustee / the 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 levy of exit load, if any.
 - Investors may note that they need to comply with the KYC requirements by submitting requisite documents to the Registrar / the AMC / the Mutual Fund or any SEBI registered KRA and attaching the KYC Acknowledgement with the application form. For more information, please log on to www.cvlindia.com / www.amfiindia.com, before investing.
- Applications are liable to be rejected, if KYC requirements are not complied with by all the applicants, and if KYC acknowledgement is not enclosed with the application form.**
- KYC applicability norms for various investor categories may change anytime in future. Hence, with a view to avoiding rejections, investors are requested to apprise themselves about KYC applicability before submitting their transactions.

c. LISTING AND TRANSFER OF UNITS

For open ended schemes, Units are not proposed to be listed on any stock exchange, while all, the close-ended schemes will be listed on a recognized stock exchange. However, the Mutual Fund may, at its sole discretion, list the Units on one or more stock exchanges at a later date. The Mutual Fund will offer and redeem Units at the Applicable NAV. If a person becomes a Unit Holder in a scheme consequent to operation of law, the Mutual Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place consequent to death or insolvency, the transferee's name will be recorded by the Fund subject to production of satisfactory evidence and if the transferee is otherwise eligible to hold the Units. In all such cases, if the transferee is not eligible to hold the Units, the Units will be redeemed and the proceeds will be disbursed to the transferee if such transferee is entitled to the same.

Units held in demat mode in any of the schemes of the Mutual Fund shall be freely transferable.

Investors may note that restrictions on transfer of units of Baroda Pioneer ELSS '96 during the lock-in period shall continue to be applicable as per the ELSS guidelines.

d. TRANSMISSION OF UNITS

If a person becomes a holder of the Units consequent to operation of law, or upon enforcement of a pledge, the AMC / Mutual Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place consequent to death, insolvency etc., the transferee's name will be recorded by the Mutual Fund subject to production of satisfactory evidence and if the transferee is otherwise eligible to hold the Units. In all such cases, if the transferee is not eligible to hold the Units, the Units will be redeemed and the proceeds will be disbursed to the transferee, if such transferee is entitled to the same. All such changes shall be carried out in line with the applicable laws and the decision of the AMC will be final.

If Units are held in a single name by the Unit Holder, Units shall be transmitted in favour of the nominee where the Unit Holder has appointed a nominee upon production of death certificate or any other document to the satisfaction of the AMC / Registrar. If the Unit Holder has not appointed a nominee or where the nominee dies before the unit holder, the Units shall be transmitted in favour of or as otherwise directed by the Unit Holder's personal representative(s) on production of the death certificate and / or any other documents to the satisfaction of the AMC / Registrar. If Units are held by more than one registered Unit Holder, then, upon death of one of the unit holders, the Units shall be transmitted in favour of the remaining Unit Holder(s) (in the order in which the names appear in the register of Unit Holders with the Registrar) on production of a death certificate and / or any other documents to the satisfaction of the AMC / Registrar and to the nominee only upon death of all the Unit Holders. At the time of transmission of Units, if based on the documents submitted for transmission, the Unit Holder's personal representative(s) fall(s) under the category of "Who cannot invest", the Units proposed to be transmitted shall be compulsorily redeemed immediately after transmission and the redemption proceeds will be paid to the Unit Holder's personal representatives. For more details and forms, please visit www.barodapioneer.in.

In case, the transmission request is submitted along with redemption / switch request, the AMC / Registrar will treat both requests as separate requests. The transmission will be processed as per specified norms, subject to availability of all the relevant documents and redemption / switch request will be rejected and sent back to the Claimant advising to submit fresh request for redemption/ switch post completion of transmission of units

e. SUSPENSION OF SUBSCRIPTION AND REDEMPTION OF UNITS

The Trustee and the Board of Directors of the AMC may decide to temporarily suspend determination of NAV of any of the schemes offered under the relevant Scheme Information Documents, and consequently sale and redemption of Units, in any of the following events:

- When one or more stock exchanges or markets, which provide basis for valuation for a substantial portion of the assets of the scheme are closed otherwise than for ordinary holidays;
- When, as a result of political, economic or monetary events or any circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the scheme is not reasonable, or would not reasonably be practicable without being detrimental to the interests of the Unit holders;
- In the event of breakdown in the means of communication used for the valuation of investments of the scheme, without which the value of the securities of the scheme cannot be accurately calculated;
- During periods of extreme volatility of markets, which in the opinion of the AMC are prejudicial to the interests of the Unit holders of the Scheme;
- In case of natural calamities, strikes, riots and bandhs;

- In the event of any force, majeure or disaster that affects the normal functioning of the AMC or the Registrar;
- If so directed by SEBI.

In the above eventualities, the time limits indicated above for processing of requests for purchase and redemption of Units will not be applicable.

Suspension or restriction of repurchase / redemption facility under any scheme of the mutual fund shall be made applicable only after obtaining the approval from the Boards of Directors of the AMC and Trustee. After obtaining approval from the Boards of the AMC and Trustee, an intimation will be sent to SEBI in advance, providing details of circumstances, and justification for the proposed action shall also be informed. All types of transactions will be processed at the next Applicable NAV after the resumption of subscription / redemption of Units in the Scheme.

f. UNCLAIMED REDEMPTION AMOUNT

The unclaimed Redemption amount may be deployed by the Mutual Fund in money market instruments only and the investors who claim these amounts during a 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 will be used for the purpose of investor education. The AMC will make continuous efforts to remind the investors through letters to take their unclaimed amounts. Further, the investment management fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points.

Unclaimed Dividend / Redemptions in respect of the open ended funds normally represent the time lag between funding of the respective accounts (with bank) by the AMC and the time taken for presentation of redemption/dividend warrants by the investors. No significant delay in the process is noticed.

g. DURATION OF SCHEMES

- **Open ended / interval schemes:**

The duration of open ended / interval schemes is perpetual.

- **Close ended schemes:**

In the case of close ended schemes, duration is limited and specified in the Scheme Information Document ('SID') of the respective Scheme. Each close-ended Scheme will have a maturity date and will compulsorily and without any act by the Unit holders redeemed on maturity date as specified in the respective SID. On maturity date of the Scheme, the units will be redeemed at the Applicable NAV.

A close-ended scheme shall be wound up on the expiry of the duration fixed for the said scheme on the redemption of the units unless it is rolled over for a further period in accordance with the Regulation 33(4). The Mutual Fund reserves the right to extend a scheme beyond its redemption date in accordance with the Regulations. The Mutual Fund may convert the Scheme after the Maturity Date into Open-Ended Scheme or may rollover the Scheme for such period as may be decided by the Trustee / AMC in accordance with the Regulations. The Units of close-ended Scheme may be converted into open ended Scheme, if:

- the SID of such scheme discloses the option and period of conversion; or
- the unit holders are provided with an option to redeem their units in full.

In case of rollover of close ended scheme, the Mutual Fund is required to make necessary disclosure with regards to the purpose, period, terms of rollover and all other material details of the Scheme, to the Unit holders and SEBI. Provided that the rollover will be permitted only in case of those Unit holders who express their consent in writing and Unit holders who do not opt for the rollover shall be allowed to redeem their holdings in full at NAV based prices.

- **Close-Ended Schemes with automatic conversion into Open-Ended Schemes upon Maturity:**

These schemes remain close ended for the term provided in their Scheme Information Document and on expiry of the period mentioned therein, they will become open ended schemes, subject to compliance of all SEBI requirements in this behalf. Thereafter, the duration of such schemes is perpetual.

h. WINDING UP OF SCHEMES

- A scheme may be wound up, after repaying the amount due to the Unit holders,-
 1. On the happening of any event, which in the opinion of the Trustee, requires the scheme to be wound up; or
 2. If seventy five percent (75%) of the Unit holders of the scheme pass a resolution that the scheme be wound up; or
 3. If SEBI so directs in the interest of the Unit holders; or
 4. In case of non-fulfillment of condition prescribed in terms of minimum number of investors vide SEBI circular No. SEBI/IMD/CIR No.10/22701/03 dated December 12, 2003.

Where the scheme is so wound up, the Trustee shall give notice of the circumstances leading to the winding up of the scheme to:

- (I) SEBI and,
- (II) In two daily newspapers with circulation all over India and in one 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 notice under clause (b) of sub- regulation (3) of regulation 39, 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**

- a) The Trustee shall call a meeting of the Unit holders to consider and pass necessary resolutions by simple majority of the Unit holders present and voting at the meeting for authorizing the Trustee or any other person to take steps for winding up the scheme concerned.

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

- b) The Trustee or the person authorized as above, shall dispose off the assets of the scheme concerned in the best interest of the Unit holders of that scheme.
- c) The proceeds of the sale made in pursuance of the above, shall, in the first instance, be utilized towards discharge of such liabilities as are properly due under the scheme and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the Unit holders in proportion to their respective interests in the assets of the scheme as on the date when the decision for the winding up was taken.
- d) On completion of the winding up, the Trustee shall forward to the Board and the Unit holders, a report on the winding up, containing particulars such as circumstances leading to the winding up, steps taken for the disposal of the assets of the Mutual Fund before winding up, expenses of the Mutual Fund for winding up, net assets available for distribution to the Unit holders and a certificate from the Auditors of the scheme concerned.
- e) Notwithstanding anything contained herein, the provisions of the Regulations in respect of the disclosure of half-yearly reports and annual reports shall continue to apply.
- f) After the receipt of the report referred to above under point (d) above, if SEBI is satisfied that all measures for winding up of the scheme concerned have been completed, the scheme shall cease to exist.

C. GENERAL INFORMATION

a. STOCK LENDING BY THE MUTUAL FUND

If permitted by SEBI under extant regulations/guidelines, and if provided for in their Scheme Information Documents, the schemes may also 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 expiry of the stipulated period.

The Mutual Fund may in future carry out stock-lending activity under any of its schemes, in order to augment its income. Stock lending may involve risk of default on part of the borrower. However, this risk will be substantially reduced, as the Mutual Fund has opted for the "Principal Lender Scheme of Stock Lending", where entire risk of borrower's default rests with approved intermediary and not with the Mutual Fund. There may also be risks associated with Stock Lending such as liquidity and other market risks. Any stock lending done by the scheme shall be in accordance with any Regulations or guidelines regarding the same. The AMC will apply the following limits, should it desire to engage in Stock Lending:

- a. Not more than 20% of the net assets can generally be deployed in Stock Lending;
- b. Not more than 5% of the net assets can generally be deployed in Stock Lending to any single counter party.

Till date, the Mutual Fund has not engaged in any stock lending.

b. BORROWING BY THE MUTUAL FUND

Under Regulation 44(2) of SEBI (MF) Regulations, 1996, the Mutual Fund is allowed to borrow to meet its temporary liquidity need of the scheme for the purpose of repurchase, redemption of Units or payment of interest or dividend to the Unit holders. Further, as per the Regulation, the Mutual Fund shall not borrow more than 20% of the Net Assets of a scheme and the duration of such borrowing shall not exceed a period of six months.

If a scheme decides to borrow, it may borrow either from BOB and / or any other bank(s) or from any other sources as may be decided by the AMC. The loans may be without collateral, or the AMC may consider using a part of the scheme's assets as collateral with the prior approval of the Board of Directors of the AMC and the Trustee for the scheme.

c. INTER-SCHEME TRANSFER OF INVESTMENTS:

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.

d. ASSOCIATE TRANSACTIONS

For the purpose of this section, an associate or group company shall include BOB and its subsidiaries, joint ventures and Pioneer and its subsidiaries.

Investments in Associate or Group Companies of the Sponsor

Apart from the Regulations, as applicable from time to time, there is no separate policy regarding investment in the associate or group companies of Sponsors. Therefore, as per the Regulations, the schemes of the Mutual Fund will not invest more than 25% of their net assets in the securities of the group and associate companies of BOB or of Pioneer. Further, the aggregate investment made by all schemes of the Mutual Fund in the securities of BOB and Pioneer Group companies will not exceed 25% of the net assets of the Mutual Fund as a whole. No investment shall be made in any unlisted security of an associate or Group Company of the Sponsors, any security issued by way of private placement by an associate or group company of the Sponsors.

The Mutual Fund / AMC may utilise the services of BOB, BOB Capital Markets Ltd., Emkay Global Financial Services Ltd. and SBICAP Securities Ltd. and / or any other such entity which may become an associate of the AMC / Sponsor in future, for distribution of units of the schemes of the Mutual Fund or as a broker for making investments by the schemes, as applicable.

Investments in the securities of associate or group companies of the Sponsors as on March 31, 2012 are as tabulated below:

Date	Scheme	Security Type	Security Name	Quantity	Average Cost (Rs.)	Book Value in Rs. lakh
March 31, 2012	Baroda Pioneer ELSS'96 Fund	Equity	BOB	5,100.00	815.25	41.58
March 31, 2012	Baroda Pioneer Growth Fund	Equity	BOB	35,500.00	808.77	287.11
March 31, 2012	Baroda Pioneer Balance Fund	Equity	BOB	3,000.00	800.61	24.02
March 31, 2012	Baroda Pioneer PSU Equity Fund	Equity	BOB	44,000.00	895.21	393.89

e. Underwriting Obligations of the Mutual Fund

During the three years ended 31.03.2012, the Mutual Fund has had no underwriting obligations.

f. Subscription in Issues Lead Managed by Associates of Sponsor

During the three years ended 31.03.2012, there have been no subscriptions in issues lead managed by associates of Sponsors of the Mutual Fund.

g. Associate Brokers

Brokerage has been paid to associate brokers as mentioned below and the brokerage has been paid in line with the norms relating to brokerage payment for secondary market transactions of the Mutual Fund.

Brokerage paid to associates/related parties/group companies of Sponsor/AMC						
Name of Associate/Related Party/group companies of sponsor/AMC	Nature of Association /Relation	Period Covered	Value of transaction (in Rs. Cr. & % of total value of transaction of the fund)		Brokerage Paid (Rs. Cr & % of total brokerage paid by the fund)	
			Value of Transaction (in Rs. Cr)	Value of Transaction (in %)	Brokerage (in Rs. Cr)	Brokerage (in %)
BOB Capital Markets Ltd. and Emkay Global Financial Services Ltd.	Associate of AMC	April 1, 2010 to March 31, 2011	13.67	2.84	0.04	2.85
Emkay Global Financial Services Ltd., BOB Capital Markets Ltd. and SBICAP Securities Ltd.	Associate of AMC	April 1, 2011 to March 31, 2012	15.24	3.89	0.05	3.96

For the period April 1, 2008 to March 31, 2009 there were no transactions with associate brokers.

h. Agents' Commission

For applications directly solicited and collected by the branches of BOB or by any associates, they may also be paid an agent commission at a rate not exceeding the rate of commission being paid to other agents for the scheme.

Commission paid to associates/related parties/group companies of Sponsor/AMC						
Name of Associate/Related Party/group companies of sponsor/AMC	Nature of Association /Relation	Period Covered	Value of transaction (in Rs. Cr. & % of total value of transaction of the fund)		Commission Paid (Rs. Cr & % of total brokerage paid by the fund)	
			Value of Transaction (in Rs. Cr)	Value of Transaction (in %)	Commission (in Rs. Cr)	Commission (in %)

Commission paid to associates/related parties/group companies of Sponsor/AMC						
Name of Associate/Related Party/group companies of sponsor/AMC	Nature of Association /Relation	Period Covered	Value of transaction (in Rs. Cr. & % of total value of transaction of the fund)		Commission Paid (Rs. Cr & % of total brokerage paid by the fund)	
			Value of Transaction (in Rs. Cr)	Value of Transaction (in %)	Commission (in Rs. Cr)	Commission (in %)
BOB	Associate of AMC	April 1, 2009 to March 31, 2010	676.62	0.71	0.53	29.75
BOB	Associate of AMC	April 1, 2010 to March 31, 2011	1,664.15	1.54	0.54	14.20
BOB	Associate of AMC	April 1, 2011 to March 31, 2012	2,098.14	3.09	0.92	27.48

Other Associate Transactions - NIL

i. Jurisdiction

The jurisdiction for any matters or disputes arising out of the scheme shall reside with the Courts in India.

j. Documents Available for Inspection

The following documents will be available for inspection at the office of the Mutual Fund at 501, Titanium, 501, Western Express Highway, Goregaon (E) Mumbai - 400 063 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 the Registrar
- Consent of Auditors 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.

k. INVESTOR GRIEVANCES REDRESSAL MECHANISM

Investor grievances are normally received at AMC office or at the Customer Service Centers or directly by the Registrar. All grievances are forwarded to the Registrar for their necessary action. The complaints are closely followed up with the Registrar to ensure timely redresses and prompt investor service. Given below is the complaint history for the last three fiscal years:

Name of Scheme	01.04.09 - 31.03.2010		01.04.10 - 31.03.2011		01.04.11 - 31.03.2012		01.04.12 - 30.11.2012	
	Received	Redressed	Received	Redressed	Received	Redressed	Received	Redressed
Baroda Pioneer ELSS '96	31	31	115	115	182	182	12	12
Baroda Pioneer Infrastructure Fund	0	0	57	57	54	54	3	3
Baroda Pioneer	-	-	0	0	0	0	2	2

Income Fund									
Baroda Pioneer Short Term Bond Fund	-	-	26	26	2	2	0	0	
Baroda Pioneer Treasury Advantage Fund	-	-	14	14	13	13	28	28	
Baroda Pioneer PSU Equity Fund	-	-	60	60	55	55	18	18	
Baroda Pioneer Gilt Fund	-	-	5	5	0	0	2	2	
Baroda Pioneer Liquid Fund	0	0	3	3	5	5	65	65	
Baroda Pioneer Balance Fund	1	1	4	4	13	13	19	19	
Baroda Pioneer Growth Fund*	103	103	371	371	402	402	144	144	
Baroda Pioneer MIP Fund	-	-	4	4	1	1	0	0	
Baroda Pioneer PSU Bond Fund	2	2	22	22	2	2	1	1	
Baroda Pioneer Banking and Financial Services Fund	-	-	-	-	-	-	73	73	
Baroda Pioneer Dynamic Bond Fund	-	-	-	-	-	-	3	3	
Baroda Pioneer 90 Day Fixed Maturity Plan - Series 1	0	0	0	0	2	2	0	0	
Baroda Pioneer 90 Day Fixed Maturity Plan - Series 2	0	0	0	0	6	6	1	1	
Baroda Pioneer 90 Day Fixed Maturity Plan - Series 3	0	0	0	0	2	2	0	0	
Baroda Pioneer 90 Day Fixed Maturity Plan - Series 4	0	0	0	0	9	9	0	0	
Baroda Pioneer 90 Day Fixed Maturity Plan -	-	-	-	-	-	-	1	1	

Series 6									
Baroda Pioneer 367 Day Fixed Maturity Plan - Series 2	-	-	-	-	-	-	0	0	
Baroda Pioneer 367 Day Fixed Maturity Plan - Series 3	-	-	-	-	-	-	0	0	
Baroda Pioneer 367 Day Fixed Maturity Plan - Series 4	-	-	-	-	-	-	2	2	
Baroda Pioneer 370 Day Fixed Maturity Plan - Series 1	-	-	-	-	-	-	4	4	
GRAND TOTAL	137	137	681	681	748	748	378	378	

***Baroda Pioneer Diversified Fund and Baroda Pioneer Global Fund have been merged into Baroda Pioneer Growth Fund.**

During this period, the Mutual Fund has received only 8 complaints through SEBI in respect of its various Schemes. All of them have been resolved satisfactorily. All the other complaints were resolved within a prescribed time. This reflects well on Baroda Pioneer MF's excellent investor service record.

Notwithstanding anything contained in the offer document the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the Guidelines there under shall be applicable.

Sd/-

Name: Rashmi Pandit

Designation: Compliance Officer

Contact Information

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