

# STATEMENT OF ADDITIONAL INFORMATION (SAI)

This Statement of Additional Information (SAI) contains details of Bharti AXA Mutual Fund, its constitution, and certain tax, legal and general information.

It is incorporated by reference (is legally a part of the Scheme Information Document).

This Statement of Additional Information is dated June 20, 2009

Mutual Fund	Trustee Company	Investment Manager
Bharti AXA Mutual Fund	Bharti AXA Trustee Services Private Limited	Bharti AXA Investment Managers Private Limited
Address and Website: 51, 5th Floor, East Wing, Kalpataru Synergy, Vakola, Santacruz (East), Mumbai - 400055. <a href="http://www.bharti-axa-im.com">www.bharti-axa-im.com</a>		





**INDEX**

Page No.	Page No.
<b>I. DEFINITIONS AND ABBREVIATION ----- 2</b>	<b>I. Eligibility for Investment ----- 21</b>
A. Definitions ----- 2	(i). Who can invest ----- 21
B. Abbreviations ----- 3	(ii). Who cannot invest ----- 21
C. Interpretations ----- 3	<b>IX. RIGHTS OF UNITHOLDERS OF THE SCHEME ----- 22</b>
<b>II. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANY ----- 4</b>	<b>X. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS ----- 22</b>
A. Constitution of the Mutual Fund ----- 4	A. NAV Computation ----- 22
B. Sponsor ----- 4	B. Valuation of Investments ----- 22
C. The Trustee ----- 4	C. Identification and Provisioning for Non-Performing Assets ----- 25
a. Brief details about the Trustee Company ----- 4	D. Accrual of Expenses & Income and Recording of Changes ----- 26
b. Details of Trustee Directors ----- 4	<b>XI. TAX PROVISIONS IN RESPECT OF INVESTMENTS IN MUTUAL FUNDS ----- 27</b>
c. Duties & Responsibilities of Trustees ----- 5	<b>XII. LEGAL INFORMATION ----- 30</b>
d. Summary of the Substantive Provisions of the Trust Deed ----- 7	A. Nomination Facility ----- 30
e. Trustee – Fees and Expenses ----- 8	B. Requirements of Prevention of Money Laundering Act and KYC Requirements ----- 30
<b>III. ABOUT BHARTI ----- 8</b>	C. Transmission of Units ----- 31
<b>IV. ASSET MANAGEMENT COMPANY ----- 9</b>	D. Pledge of Units ----- 31
A. Brief Details on the AMC ----- 9	E. Investor Protection ----- 31
B. Details of AMC Directors ----- 9	F. Signature Mismatches ----- 31
C. Remuneration of the AMC ----- 12	G. Maturity of the Scheme ----- 31
D. Duties and Responsibilities of the AMC ----- 12	H. Lien / Set - off ----- 31
E. Summary of Investment Management Agreement ----- 13	I. Duration of the Scheme / Winding up ----- 31
F. Other Business Activities of the AMC ----- 14	J. Procedure and manner of winding up ----- 32
G. Information on Key Personnel ----- 14	<b>XIII. GENERAL INFORMATION ----- 32</b>
H. Fund Manager ----- 15	A. Underwriting ----- 32
I. Compliance Officer ----- 15	B. Stock lending by the Mutual Fund ----- 32
J. Head – Investor Service ----- 15	C. Borrowing & Lending by the Mutual Fund ----- 32
<b>V. SERVICE PROVIDERS ----- 16</b>	D. Investment by AMC, Sponsor etc. ----- 32
A. Custodian ----- 16	E. Inter – Scheme Transfer of Investments ----- 32
B. Registrar and Transfer Agent ----- 16	F. Transactions with Sponsor / Associates ----- 33
C. Statutory Auditors for the Mutual Fund ----- 16	G. Right to Limit Redemptions ----- 33
D. Legal Counsel ----- 16	H. Closure of unitholder’s account ----- 33
E. Fund Accountant ----- 16	I. Unclaimed Redemptions and Dividends ----- 33
F. Collecting Bankers and Investor Service Centers ----- 16	J. Suspension of the Purchase and Redemption of Units ----- 33
<b>VI. INVESTMENT DECISIONS ----- 16</b>	<b>XIV. OTHER INFORMATION ----- 34</b>
<b>VII. CONDENSED FINANCIAL INFORMATION (CFI) ----- 17</b>	A. Term(s) binding On Unitholders ----- 34
<b>VIII. HOW TO APPLY ----- 19</b>	B. Register of the Scheme’s Unit Holders ----- 34
A. How to Pay ----- 19	C. Trustee’s powers to make rules ----- 34
B. Payment by NRIs, PIOs, FIIs ----- 19	D. Power to remove Difficulties ----- 34
C. Applications under Power of Attorney ----- 20	E. Scheme to be binding on the Unitholders ----- 34
D. Application by Non-Individual Investor ----- 20	F. Omnibus Clause ----- 34
E. Mode of Holding ----- 20	<b>XV. AMC WEBSITE ----- 34</b>
F. Where to Submit Application Forms ----- 20	<b>XVI. DOCUMENTS AVAILABLE FOR INSPECTION ----- 34</b>
G. Applications made during the NFO period of the respective Schemes - Allotment, Account Statements and Refunds ----- 20	<b>XVII. INVESTOR SERVICING AND INVESTOR GRIEVANCE REDRESSAL MECHANISM ----- 34</b>
(i) Allotment ----- 20	A. Investor Services and Investor Grievance Redressal ----- 34
(ii) Account Statements ----- 20	B. Receiving Account Statement/Correspondence by email ----- 34
(iii) Refunds ----- 20	C. Use of Intermediaries ----- 35
H. Applications made after the NFO period of the respective Schemes - Allotment and Account Statements ----- 20	D. Information Dissemination ----- 35
(i) Allotment in case of intra-plan switching ----- 20	<b>XVIII. HISTORY OF INVESTOR COMPLAINTS ----- 35</b>
(ii) Account Statements and Unit Certificates ----- 20	<b>XIX. JURISDICTION ----- 35</b>
(iii) Refunds ----- 21	

**Statement of Additional Information (SAI)**
**I. DEFINITIONS & ABBREVIATIONS**
**A. DEFINITIONS**

The following definitions / terms apply throughout this SAI unless the context requires otherwise:

<b>AMC or Investment Manager or Asset Management Company</b>	Refers to Bharti AXA Investment Managers Private Limited, incorporated under the provisions of the Companies Act, 1956 and approved by SEBI as an Investment Manager for Bharti AXA Mutual Fund
<b>Custodian</b>	Citibank NA, Mumbai registered under the Securities and Exchange Board of India (Custodian of Securities) Regulations 1996, acting as Custodian for the Mutual Fund, and includes such Custodian(s) as may be appointed from time to time
<b>Dividend</b>	Income distributed by the Fund on the Units of a Scheme, where applicable
<b>Fund Accountant</b>	Citibank NA, Mumbai who has been appointed as the Fund Accountant, to provide fund accounting, NAV calculation and other related services, and includes such Fund Accountant(s) as may be appointed from time to time
<b>FII</b>	Refers to Foreign Institutional Investors as defined in and registered under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time
<b>Financial Year</b>	Financial Year refers to a period of 12 months commencing from 1st April of a year and ending on 31st March of the following year
<b>IMA</b>	Investment Management Agreement dated November 16, 2007 between the Trustee and the AMC, and as may be amended from time to time
<b>ISC</b>	Refers to Investor Service Centres, as designated from time to time by the AMC, whether of the Registrar & Transfer Agent or AMC's own branches, being Official Points of Acceptance, authorized to receive application forms for purchase / redemption / switch and other service requests / queries from investors / Unitholders
<b>Mutual Fund or Fund or The Fund</b>	Bharti AXA Mutual Fund, a mutual Fund constituted as a Trust under the provisions of the Indian Trust Act, 1882, and registered with SEBI under Registration No. MF/056/08/01 dated March 31, 2008
<b>NAV</b>	Net Asset Value of the Units of a Scheme (or any of its Plans / Sub-Plans / Options having separate NAVs) calculated in the manner provided in the SAI / SID and in conformity with the SEBI Regulations as prescribed from time to time
<b>NRI (Non-Resident Indian)</b>	NRI means a person resident outside India who is a citizen of India or is a person of Indian origin as defined in Foreign Exchange Management Act or any Regulations thereunder
<b>Registrar and Transfer Agent or the Registrar</b>	Karvy Computershare Private Limited, currently acting as registrar and transfer agent to the Scheme, or any other registrar and transfer agent appointed by the AMC from time to time
<b>Scheme Information Document</b>	A document issued by the Fund, offering Units of the Schemes of the Fund, and as modified from time to time
<b>Statement of Additional Information (SAI)</b>	This Document issued by the Fund which provides certain details pertaining to tax constitution, legal and general information, and as modified from time to time
<b>Scheme</b>	A Scheme referred to in this SAI means the Schemes of the Fund. Whether existing, and as launched from time to time. Scheme specific provisions shall be construed in the context of relevant Scheme and shall be read together with the respective SID
<b>SEBI or the Board</b>	The Securities and Exchange Board of India established under the SEBI Act
<b>SEBI Act</b>	Securities and Exchange Board of India Act, 1992 as amended from time to time
<b>SEBI Regulations or</b>	The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended from

## Statement of Additional Information (SAI)

<b>the Regulations</b>	time to time, and includes any amendments, clarifications, guidelines, notifications, circulars or press releases issued from time to time by SEBI or any other statutory authority to regulate the operation and management of Mutual Funds
<b>Sponsor</b>	AXA Investment Managers, being the Sponsor of the Fund
<b>Transaction Slip</b>	A form prescribed by the Fund for use by Unit Holders to request additional Purchase or Redemption of Units in the Scheme, switch of Units, change in bank account details and / or to for any other service / facilities offered by the AMC and mentioned in Transaction Slip
<b>Trust Deed</b>	Deed of Trust dated November 16, 2007 settled by the Sponsor establishing the Fund, and as may be modified from time to time
<b>Trustee or The Trustee</b>	Bharti AXA Trustee Services Private Limited, Trustee of the Fund, a company incorporated and registered under the Companies Act, 1956 and approved by SEBI to act as such
<b>Trust Funds</b>	Means assets, including portfolio of Investments and cash and bank balances, and deposits, of the Fund. Assets of the Schemes are part of the Trust Funds
<b>Units</b>	The interest of the Unitholders in a Scheme, which consists of each unit representing one undivided share in the assets of such Scheme
<b>Unit holder</b>	A person holding Units in a Scheme of the Fund

### B. ABBREVIATIONS

AXA IM	AXA Investment Managers, Sponsor of the Fund	POA	Power of Attorney
AMC	Asset Management Company, being Bharti AXA Investment Managers Private Limited	RBI	Reserve Bank of India
AMFI	Association of Mutual Funds in India	RTGS	Real Time Gross Settlement
AOP	Association of Persons	SAI	Statement of Additional Information
BOI	Body of Individuals	SID	Scheme Information Document
ECS	Electronic Clearing System	SIP	Systematic Investment Plan
EFT	Electronic Funds Transfer	STP	Systematic Transfer Plan
ETF	Exchange Traded Fund	SWP	Systematic Withdrawal Plan
FI	Foreign Institutional Investor		
IMA	Investment Management Agreement		
ISC	Investor Service Centre		
NAV	Net Asset Value		
NFO	New Fund Offer		
NRI	Non-Resident Indian		
NSE	National Stock Exchange of India Limited		
PIO	Persons of Indian Origin		

### C. INTERPRETATION

- I. For the purposes of this SAI, except as otherwise expressly provided or unless the context otherwise requires (a) the terms defined in this SAI include the plural as well as the singular and (b) pronouns having a masculine or feminine gender shall be deemed to include the other.
- II. Words and expressions used herein but not defined herein shall have the meanings respectively assigned to them under the SEBI Act or the SEBI Regulations.
- III. Reference to a Scheme shall, unless the intention is expressly contrary or will lead to impractical situation, include reference to any Plan (s) under such Scheme.
- IV. In the event of any contradiction between any Scheme specific provision / statement mentioned in the SAI vis -a- vis the SID, the provision / statement mentioned in the SID shall prevail to the extent of such contradiction.

**II. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANY**

**A. Constitution of the Mutual Fund:**

Bharti AXA Mutual Fund ("the Fund" or "Mutual Fund" in this document) has been constituted as a Trust in accordance with the provisions of the Indian Trust Act, 1882 by AXA Investment Managers ("the Sponsor") as Settlor. AXA IM appointed Bharti AXA Trustee Services Private Limited ("the Trustee" or "the Trustees") as Trustee of the Fund. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI vide Registration No MF/056/08/01 dated March 31, 2008.

The Trustee has appointed Bharti AXA Investment Managers Private Limited ("AMC" or "Asset Management Company" or "Investment Manager" in this document) as the investment managers to the Fund and its Schemes.

**B. Sponsor:**

Bharti AXA Mutual Fund is sponsored by AXA Investment Managers ('AXA IM'). The Sponsor is the settlor of the Mutual Fund Trust. The Sponsor has entrusted a sum of Rs. 1,00,000 to the Trustee as the initial contribution towards the corpus of the Mutual Fund.

**Brief details about the Sponsor:**

AXA Investment Managers ('AXA IM') is headquartered in France. AXA IM, a multi-expert investment manager, is a subsidiary of the AXA Group, a world leader in financial protection in the areas of insurance, personal protection, savings and estate planning, for a wide range of customers - be they individuals or corporations.

AXA IM was formed in 1994 when AXA Group separated asset management and insurance activities, and since inception, its assets under management have grown and it has extended its global reach as a result of its strategy. It has established itself as a leading investment manager that focuses on offering products and solutions in the investment expertise where it has a strong sustainable competitive advantage.

AXA IM is a multi-expert investment manager that focuses and develops expert teams on those investment capabilities within the asset classes where it has a distinct competitive advantage and where it can offer both product and service excellence for its clients. With 15000\* institutional clients across Europe, Asia and Middle East and working with more than 8700\* distributors on an open

architecture basis (including private banks, fund of funds, as well as IFA distributors) and AXA Group Insurance companies from offices in 22 countries, enables it to stay close to the client and deliver optimal service. Through its local and global network of investment centres, it is able to manage global investment products worldwide. (\*Source: AXA Investment Managers website)

As at 31st December 2008, it had assets under management of Euros 485 billion; with over 3100 employees in 22 countries, across 79 nationalities. (Source: AXA Investment Managers)

AXA IM's investment expertise and excellence has been recognized through a number of industry awards. AXA IM received 47 awards in the year 2008 including the Best Multi Asset Fund Manager award by Morning Star and the French Asset Manager of the Year by Financial News. (Source: AXA Investment Managers, December 31, 2008).

**Financial performance of the Sponsor**

Particulars	(Amount in millions, Euro)		
	2006	2007	2008
Net worth	760.6	826.4	838.7
Total Income	196.0	223.37	529.5
Profit after tax	107.8	42.13	146.89
Assets Under Management (if applicable)	484 619	548 388	484 935

**C. The Trustee:**

**a. Brief details about the Trustee Company:**

Bharti AXA Trustee Services Private Limited ("the Trustee") is a company registered under the Companies Act, 1956, and was appointed by the Sponsor as the Trustee of Bharti AXA Mutual Fund under the Deed of Trust dated November 16, 2007. The Trustee through its Board of Directors shall discharge its obligations as trustee of the Bharti AXA Mutual Fund. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI Regulations and will also review the activities carried on by the AMC.

The Trustee's Registered Office is located at 51, 5th Floor, East Wing, Kalpataru Synergy, Vakola, Santacruz (E), Mumbai- 400 055.

**b. Details of Trustee Directors:**

Name	Age / Qualification	Brief Experience
Mr. Robin Clark <i>Associate Director</i>	Age : 52 years  Qualification: B.Sc. (Hons); Business Economics and Accounting (University Of Southampton) Member, Institute of Chartered Accountants in England and Wales Advanced Management Program, Harvard Business School, 1995	Mr Robin Clark is Global Head of Lobbying, AXA Investment Managers. Prior to this, he was Global Head of Regulatory Affairs till September 2008 with responsibility for AXA IM group's worldwide compliance function. Before joining AXA IM in June 1998, he was Director, Regulations & Controls in Threadneedle Asset Management and was responsible for the compliance, internal audit, risk management, legal and company secretarial functions. Between 1987 and 1997 he held a number of senior positions with UK investment management industry regulator, the Investment Management Regulatory Organisation, now part of the Financial Services Authority. Mr Clark is active in the work of the Investment Management Association, the European Fund and Asset Management Association, and the Forum of European Asset Managers. From 2002 until 2003, he was a member of the UK Treasury's Money-Laundering Advisory Committee. <b>Other Directorships:</b> 1. AXA Investment Managers LLC, Qatar 2. AXA Actionnariat II 3. AXA Plan 2004 Global 4. Shareplan AXA Direct Global 5. Yunus Limited
Ms. Vijaya Sampath <i>Associate Director</i>	Age: 56 years  Qualification: B.A., L.L.B, FCS.	Ms. Vijaya Sampath is the Group General Counsel and Company Secretary of Bharti Enterprises Ltd since 2004. She is a lawyer by profession and has been in the legal profession for over twenty-five years. She has worked as in-house legal counsel and company secretary for large Indian groups. She was also a senior partner in a leading national law firm M/S J. Sagar Associates from 2000 - 2003. During 1995 - 2000 she was Executive Director of Indian Aluminium Company Ltd. Ms. Sampath is an active member of the Diversity Committee of the Company and has also delivered lectures in national and international forums on various aspects of law and practice.

**Statement of Additional Information (SAI)**

Name	Age / Qualification	Brief Experience
		<b>Other Directorships:</b> <ol style="list-style-type: none"> <li>Bhart AXA Advisors Limited</li> <li>Bharti Infratel Ltd.</li> <li>Bharti Infratel Ventures Ltd.</li> <li>Centum Learning Limited</li> </ol>
Mr S Venkatachalam  <i>Independent Director</i>	Age: 64 years  Qualification: B. Com, CA	Mr S Venkatachalam has worked with Citibank for almost his entire career, joining that organisation in 1974 as Assistant Manager and continuing till 2005 when he retired as Senior Vice President. During this period, he has been involved in various roles in Citibank. During 1993 - 2005, Mr Venkatachalam was Head of Compliance, Tax, Regulatory and legal issues of Citigroup and Citibank NA India, responsible for all regulatory, compliance matters of Citibank NA India, and its various associate companies in India. Before that, he was Group Lead Financial Controller during 1988-1993, responsible for all product approvals; Budgeting, Performance; Audit, Accounting, Taxation issues; and Compliance with Financial Policies. <b>Other Directorships:</b> <ol style="list-style-type: none"> <li>I-flex Solutions Trustee Co. Ltd.</li> <li>Auto Invest Leasing Finance India P Ltd</li> <li>State Bank of India</li> </ol>
Mr. Raghu Palat  <i>Independent Director</i>	Age : 60 years  Qualification: B.A (Eco); A.C.A; Fellow, Institute of Chartered Accountants of England & Wales	Mr Raghu Palat is the Chairman and Managing Director of Cortlandt Rand Consultancy Private Ltd, a consultancy service on strategy and new initiatives to banking and finance organizations, and a Director of Cheque Mate Infotech Private Ltd, a company specializing in knowledge management. He is also Dean - Banking of Welingkar Institute of Management and Research since mid-2006, and was instrumental in developing a diploma course in banking, and teaches banking to post graduate students. Mr. Palat also has extensive corporate experience. During 1998 - 2000, Mr. Palat acted as consultant to restructure two banks in East Africa - Investments and Mortgages Bank and Biashara Bank of Kenya Ltd. Between 1995 - 1997, Mr Palat was CEO-India of Bank Internasional Indonesia, India and was responsible for setting up the bank's operations in India including regulatory licensing. He worked with American Express Bank between 1981 and 1995 in various positions, and at the time of leaving, he was Senior Director and Chief of Staff for India. <b>Other Directorships:</b> <ol style="list-style-type: none"> <li>Cortlandt Rand Consultancy Private Ltd</li> <li>Cheque Mate Infotech Private Limited</li> <li>Transwarranty Finance Ltd.</li> </ol>
Mr. Sumant Chadha  <i>Independent Director</i>	Age: 47 years  Qualification: B.Com, FCA, L.L.B	Mr Sumant Chadha is a senior partner with accounting firm M/s T R Chadha & Co., Chartered Accountants (CA), and heads the Assurance practice. The firm, with whom he is associated since 1984, conducts activities across areas such as accounting & audit; business advisory & assurance; domestic & international tax and corporate consulting. It is an independent member firm of the BKR International, one of worlds leading accounting and consulting association firms. Mr Chadha is also a Member of the Board of Governors of the Institute of Internal Auditors, Delhi Chapter, Co-Chairman of Membership Development Committee of PHD Chamber of Commerce. He is a regular guest speaker with the "TV Today Group" for programmes on "Headlines Today" and "Aaj Tak". He has also been a panel speaker in various seminars organized by the CA Institute and contributes articles in accounting publications. <b>Other Directorships:</b> <ol style="list-style-type: none"> <li>Karma Energy Limited</li> <li>PNB Housing Financial Ltd.</li> <li>TRC Financial Services Ltd.</li> <li>TRC Securities Pvt. Ltd.</li> <li>TRC Corporate Consulting Pvt. Ltd.</li> </ol>

**c. Duties & Responsibilities of Trustees:**
**(i). Trustee – Key Duties & Responsibilities:**

Regulations provide for certain duties and responsibilities of Trustee, as trustee of the Fund. Key provisions are as under:

- The Trustee shall have a right to obtain from the AMC such information as is considered necessary.
- The Trustee shall ensure the following:
  - as before the launch of any Scheme that the AMC has;
    - systems in place for its back office, dealing room and accounting;

- appointed all key personnel including fund manager(s) for the Scheme(s) and submitted their bio-data which shall contain the educational qualifications, past experience in the securities market with the trustees, within 15 days of their appointment;

- appointed auditors to audit its accounts;

- appointed a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines instructions etc issued by the Board or the Central Government and for redressal of investors' grievances;

- appointed registrars and laid down parameters for their supervision;

## Statement of Additional Information (SAI)

- (f) prepared a compliance manual and designed internal control mechanisms including internal audit systems;
- (g) specified norms for empanelment of brokers and marketing agents.
2. that AMC has :
- been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
  - not given any undue or unfair advantage to any associates or dealt with any of the associates of the AMC in any manner detrimental to interest of the unitholders.
3. that the transactions entered into by the AMC are in accordance with these regulations and the Scheme.
4. that the AMC has been managing the mutual fund Schemes independently of other activities and have taken adequate steps to ensure that the interest of investors of one Scheme are not being compromised with those of any other Scheme or of other activities of the AMC.
5. that all the activities of the AMC are in accordance with the provisions of these regulations.
6. that the transactions of the Fund are in accordance with the provisions of the trust deed.
7. that no change in the fundamental attributes of any Scheme or the trust or fees and expenses payable or any other change which would modify the Scheme and affects the interest of unitholders, shall be carried out unless -
- (i) a written communication about the proposed change is sent to each unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Fund situated; and
  - (ii) the unitholders are given an option to exit at the prevailing Net Asset Value without any exit load.
- c. The Trustee shall ensure the following:
1. Where the Trustee have reason to believe that the conduct of business of the Fund is not in accordance with these regulations and the Scheme they shall forthwith take such remedial steps as are necessary by them and shall immediately inform the Board of the violation and the action taken by them.
  2. Each director of Trustee shall file the details of his transactions of dealing in securities with the Fund on a quarterly basis.
  3. The Trustee shall be accountable for, and be the custodian of, the funds and property of the respective Schemes and shall hold the same in trust for the benefit of the unit holders in accordance with these Regulations and the provisions of trust deed.
  4. The Trustee shall be responsible for the calculation of any income due to be paid to the Fund and also of any income received in the Fund for the holders of the units of any Scheme in accordance with these regulations and the trust deed.
  5. The Trustee shall obtain the consent of the unitholders
    - (a) whenever required to do so by the Board in the interest of the unit-holders; or
    - (b) whenever required to do so on the requisition made by three-fourths of the unit holders of any Scheme; or
    - (c) when the majority of the trustees decide to wind up or prematurely redeem the unit.
- d. The Trustee shall:
1. call for the details of transactions in securities by the key personnel of the AMC in his own name or on behalf of the AMC and shall report to the Board, as and when required.
  2. quarterly review all transactions carried out between the Fund, AMC and its associates.
  3. quarterly review the networth of the AMC and in case of any shortfall, ensure that the AMC make up for the shortfall.
  4. 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 unitholders.
  5. ensure that there is no conflict of interest between the manner of deployment of its networth by the AMC and the interest of the unitholders.
  6. periodically review the investor complaints received and the redressal of the same by the AMC.
  7. abide by the Code of Conduct as specified in the Fifth Schedule.
  8. furnish to the Board on a half yearly basis, -
    - (a) a report on the activities of the mutual fund;
    - (b) a certificate stating that the Trustee have satisfied themselves that there have been no instances of self dealing or front running by any of the trustees, directors and key personnel of the 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 sub-regulation (2) of regulation 24 have been undertaken by the AMC and has taken adequate steps to ensure that the interest of the unitholders are protected.
- e. The independent directors of Trustee referred to in sub-regulation (5) of regulation 16 shall give their comments on the report received from the AMC regarding the investments by the mutual fund in the securities of group companies of the Sponsor.
- f. The Trustee shall exercise due diligence as under:
- a. Exercise General Due Diligence:
    - i. The Trustee shall be discerning in the appointment of the Directors on the Board of the Asset Management Company.
    - ii. Trustee shall review the desirability of continuance of the Asset Management Company if substantial irregularities are observed in any of the Schemes and shall not allow the Asset Management Company to float new Schemes.
    - iii. The Trustee shall ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons.
    - iv. The Trustee shall ensure that all service providers are holding appropriate registrations from SEBI or concerned regulatory authority.
    - v. The Trustees shall arrange for test checks of service contracts.
    - vi. Trustees shall immediately report to SEBI of any special developments in the Mutual Fund.
  - b. Exercise Specific Due Diligence, for which the Trustee shall:



## Statement of Additional Information (SAI)

- i. obtain internal audit reports at regular intervals from independent auditors appointed by the Trustee.
  - ii. obtain compliance certificates at regular intervals from the Asset Management Company.
  - iii. hold meeting of Trustee more frequently.
  - iv. consider the reports of the independent auditor and compliance reports of Asset Management Company at the meetings of Trustee for appropriate action.
  - v. maintain records of the decisions of the Trustee at their meetings and of the minutes of the meetings.
  - vi. prescribe and adhere to a code of ethics by the Trustee, Asset Management Company and its personnel.
  - vii. communicate in writing to the Asset Management Company of the deficiencies and checking on the rectification of deficiencies.
- c. The Independent Directors of the Trustee Company shall pay specific attention to the following namely:
- i. the Investment Management Agreement and the compensation paid under the agreement.
  - ii. Service contracts with affiliates - whether the Asset Management Company has charged
  - iii. higher fees than outside contractors for the same services.
  - iv. selection of the Asset Management Company's independent Directors
  - v. securities transactions involving affiliates to the extent such transactions are permitted.
  - vi. selecting and nominating individuals to fill independent Directors vacancies.
  - vii. code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.
  - viii. the reasonableness of fees paid to Sponsor, Asset Management Company and any others for services provided.
  - ix. principal underwriting contracts and their renewals.
  - x. any service contract with the associates of the Asset Management Company.
- Notwithstanding anything contained in the SEBI Regulations 18(1) to 18(25), the Trustee shall not be held liable for acts done in good faith if they have exercised adequate due diligence honestly.
- The Trustee may also consolidate/merge the Scheme/Plan as per regulatory provisions.
- The Trustee, in discharge of its duties, and in exercise of all discretionary powers, may engage, appoint, employ, retain, or authorise the AMC to engage, appoint, employ or retain any solicitors, advocates, bankers, brokers, accountants, professional advisors and consultants as it may deem appropriate.
- g. **Supervisory Role of Trustees**
- The internal processes in the Fund enable the Trustee to maintain an overall supervision of the Fund. Following further help in and facilitate the process of carrying out supervision and review by Trustee of various aspects of the Fund's operations:
- the Audit and Compliance Committee constituted by the Trustees, and chaired by an Independent Director
  - Submission by the AMC of various returns and reports, including Compliance Reports on a two / six monthly frequency and the reports of the Internal Auditor to the Trustee.
- In relation to launch of new Schemes, Trustee ensure that the AMC has prepared a compliance manual and has put in place requisite internal controls including internal audit systems, as may be necessitated by such new Schemes.
- Various aspects arising out of such supervisory role are discussed at the meetings of Board of Directors of Trustee Company. Trustee Director's meetings are required to be held atleast once in every two calendar months and atleast 6 times in a year. During the financial year 2008-09, 6 meetings of the Board of Directors of Trustee were held.
- d. Summary of the Substantive Provisions of the Trust Deed**
- i. The Trust shall at all times be subject to and shall be governed by the provisions of the SEBI Regulations.
  - ii. The Settlor (*i.e., the Sponsor*) has the right to remove the Trustee and appoint another Trustee in place and stead or appoint a new Trustee in place and stead of a retiring Trustee.
  - iii. The Trustee shall appoint an AMC for the purposes of managing the affairs of the Mutual Fund, floating and operating the Schemes of the Mutual Fund and managing the funds mobilized under various Schemes. The Trustee shall have the power to terminate the appointment of the AMC, subject always to and in accordance with the provisions of the SEBI Regulations in this regard.
  - iv. The Trust Funds shall, subject to the provisions of Trust Deed, be held by the Trustee and managed by the AMC.
  - v. The Trustee shall have various powers, including to frame and launch Schemes from time to time, subject to the approval of SEBI; to issue, sell and purchase Units; to calculate the offer, repurchase and redemption prices of Units in accordance with SEBI Regulations; to acquire, hold, manage, trade and dispose off securities and other assets of the Fund; to purchase, sell, negotiate or otherwise deal with money market instruments and/ or gold and gold related instruments; to enter into derivatives transactions and participate in derivatives; to collect, get in and receive the profit, interest, dividend and income of the Trust Funds from time to time as and when the same may become due and payable; to calculate the NAV of each Scheme, in accordance with the SEBI Regulations and disclose the same to the Unit Holders and general public; to appoint brokers and sub-brokers, Custodian, Registrars, Share Transfer Agents, bankers, depository participants and any other agents; to enter into distribution arrangements for distribution of products; to pay in accordance with and subject to the SEBI Regulations, all costs, charges, expenses and outgoings of and incidental to the administration and execution of the Mutual Fund; to make spot checks on the AMC to ensure (a) proper pricing of Units in accordance with the SEBI Regulations, (b) correctness of payments into and out of the Mutual Fund and Schemes thereunder, (c) proper accounting of the income of the Mutual Fund, (d) proper charging of expenses and distribution of surplus as permitted, and (e) generally execution and accounting of transactions by the AMC; to call for and obtain all information from the AMC regarding the operation of the Mutual Fund as and when desired, in addition to calling for quarterly reports with respect to the activities of the Mutual Fund; to determine the quantum and amount of issue expenses and entry load; to ascertain, appropriate and distribute by way of dividend or otherwise the incomes of the fund; or reinvest or otherwise deal with any surplus; to frame operating procedures, processes, policies and rules for effective management of the Mutual Fund. The Trustee shall be entitled to delegate the powers herein above specified to the AMC.
  - vi. Each Unit Holder shall have beneficial interest in the Trust Fund only to the extent of his individual holding in a respective Scheme.

## Statement of Additional Information (SAI)

- vii. The Trustees have following Responsibilities, Obligations and Duties, i.e. With prior SEBI approval, they can enter into an investment management agreement with the AMC; accountable for and take into its custody and keep under its control all the Trust Funds and the property; be responsible for the calculation of income due to be paid to the Mutual Fund and for such incomes; maintain separately the assets pertaining to each Scheme; enter into a custodian agreement with a Custodian approved by SEBI with respect to custody of the Trust Fund; at all time act in the interest of the Unit Holders; abide by the Code of Conduct; maintain arms length relationship with all other persons including companies or institutions or financial intermediaries or any body corporate, with which the Trustee or any of its directors may be associated; ensure that the Mutual Fund shall not advance or guarantee loans or take up any activity in contravention of the SEBI Regulations; review transaction carried out between the Mutual Fund, AMC and its associates on a quarterly basis; periodically review all service contracts; carry out periodic checks to confirm that the investments made by the AMC appointed are in line with regulations and periodically review the investor complaints received and redressed by the AMC; quarterly review the networth of the AMC; supervise the collection by the AMC of income due to the various Schemes; ensure that the AMC shall launch Schemes only with approval of the Trustee and/or SEBI; ensure that all advertisements issued in respect of any Scheme contain all required disclosures; convene a meeting of the Unit Holders as and when required; not acquire and/or permit acquisition of any asset out of the Trust Fund which involves the assumption of any liability which is unlimited or which results in encumbrance of the Trust Fund in any manner whatsoever, save and except to the extent permitted under the SEBI Regulations.
- viii. Meetings of the board of directors of the Trustees shall be held at least once in every two calendar months and at least six such meetings shall be held in every calendar year.
- ix. It shall be the duty of each director of the Trustee to disclose interest in other companies or institutions.
- x. The Trustee shall be paid fees calculated at the rate specified in the Scheme Information Document of each Scheme.
- xi. The Trustee shall pay the AMC the investment management and advisory fees subject to the provisions of SEBI Regulations and as provided in IMA.
- xii. The Trustee shall appoint Auditors of the Mutual Fund and ensure that the accounts of the Trust are maintained in accordance with the generally accepted accounting practice, and are further audited.
- xiii. The Trustee shall make such disclosures to the Unit Holders which are essential in order to keep them informed about the activities of the Mutual Fund.
- xiv. The Trustee and the Directors of the Trustee shall file the details of its/their transaction of dealings in securities with the Mutual Fund on a quarterly basis in accordance with SEBI Regulations.
- xv. The Trustee shall ensure that a Scheme-wise annual report of the Mutual Fund or an abridged summary thereof shall be made available to the Unit Holders not later than four months from the end of the Accounting Year. In case the report is prepared and mailed in the abridged summary form, the full annual report shall be available for inspection at the Principal Office of the Mutual Fund.
- xvi. The Trustee shall ensure that the AMC publishes half yearly unaudited financial results of the Schemes; and within one month of close of each half-year sends to all Unit Holders a complete statement of the portfolio of the Mutual Fund, or alternatively publishes the same as permitted.
- xvii. A Trustee may be removed by the Settlor in specified events, including where the Trustee goes into liquidation or if SEBI so advises.
- xviii. The Trustee may, with the prior approval of SEBI and in accordance with applicable Law, dismiss or otherwise remove the AMC under specific circumstances
- xix. The Trustee will obtain the consent of the Unit Holders in the specified circumstances, including whenever required to do so on the requisition of three-fourths of the Unit Holders of any Scheme.
- xx. The Trustee shall ensure that change in the fundamental attributes of any Scheme shall be carried out in accordance with the SEBI Regulations.
- xxi. The Settlor and the Trustee shall be entitled to modify the Trust Deed provided that no such modification, alteration or addition shall be made without seeking prior approval of SEBI and the Unit Holders in compliance with the procedure under the SEBI Regulations, if any in this respect. No such modification, alteration or addition shall impose upon any Unit Holder any obligation to make any further payment in respect of their Units or to accept any liability in respect thereof. The Trustee shall, if required to do so by SEBI, as soon as practicable after any modification or alteration of or addition to the provisions of this Deed, give notice of such modification, alteration or addition to the Unit Holders in manner as the Trustee may deem fit.
- xxii. The Trustee and specified persons are entitled to be indemnified from Trust Fund in respect of all liabilities and expenses incurred by them in the execution of the trust, except in respect of any claim arising out of dishonesty or breach of trust or willful default or gross negligence by the Trustee or such appointee.
- xxiii. The Trust may be extinguished, subject to the prior approval of SEBI, in specified situations.
- xxiv. Any Scheme of the Mutual Fund may be wound-up in accordance with the applicable provisions.
- xxv. No clause in the Trust Deed has the effect of limiting or extinguishing the obligations and liabilities of the Trust in relation to the Unit Holders or the Mutual Fund, or Indemnifying the Trustee or the AMC for loss or damage caused to the Unit Holders by their acts of negligence or acts of commission or omission.
- Note: The above is summarized version, and actual provisions in the Trust Deed will prevail over summary.*
- e. Trustee – Fees and Expenses:**
- Current Trust Deed provisions prescribe that the Trustee of the Fund is entitled to a fee equal to 0.01% per annum of the weekly average NAV of the relevant scheme. The Trustee is also entitled to the reimbursement of all costs, charges and expenses incurred in or for the effective discharge of its obligations and responsibilities towards the Trust. The fees and reimbursements will be paid out of the Trust Fund.

## III. ABOUT BHARTI

Bharti Ventures Limited is a part of Bharti Group, one of India's leading business groups with interests in telecom, agri business, insurance and retail. Bharti has been a pioneering force in the telecom sector with many firsts and innovations to its credit. Bharti Airtel Limited, the group's flagship company, is one of India's leading private sector providers of telecommunications services with a customer base of 9.66 crores and total revenues of Rs.36.962 crores as of end March '09, spanning mobile, fixed line, broadband and enterprise services.

Bharti Airtel was adjudged as 'Company of the Year' at the Telecom Asia Awards 2008. Bharti Group Founder, Mr. Sunil Bharti Mittal, won the prestigious GSMA Chairman's Award 2008, named Business Leader of the Year 2007 by NDTV Profit, Asia Pacific CEO of the Year 2006 by Frost & Sullivan, and E&Y Entrepreneur of the Year 2004. Bharti Airtel Limited has been voted as India's most innovative company in a survey conducted by The Wall Street Journal. (Source: Bharti Airtel Limited)

**IV. ASSET MANAGEMENT COMPANY**
**A. Brief Details on the AMC:**

Bharti AXA Investment Managers Private Limited, the Investment Manager of the Fund, has been set up as a company under the Companies Act, 1956 on August 13, 2007, and has its Registered Office at 51, 5<sup>th</sup> Floor, East Wing, Kalpataru Synergy, Vakola, Santacruz (East), Mumbai – 400055. The AMC has the regulatory approval to act as asset manager for the Fund vide SEBI's approval letter no IMD/RB/121935/008 dated April 1, 2008, and was appointed as the investment manager of the Fund by the Trustee under Investment Management Agreement ("IMA") dated November 16, 2007.

As investment manager, the AMC would perform a range of duties and activities, including to manage the assets of the Schemes.

The AMC can be removed by the majority of Directors of Trustee or by 75% of the Unitholders of the Fund, and after obtaining pre-approval of SEBI.

Bharti AXA Investment Managers Private Limited is a joint venture between Bharti Ventures Limited and AXA Group represented by

AXA Investment Managers and AXA Asia Pacific Holdings Limited (through its wholly owned subsidiary National Mutual International Pty. Limited).

**Shareholding Pattern of the AMC:**

Shareholding pattern of Bharti AXA Investment Managers Private Limited is as under:

Sr. No	Name of Shareholder	Status (Individual / Corporate)	% of equity share holding
1	AXA Investment Managers Asia Holdings Private Limited	Company	74.9999%
2	Bharti Ventures Limited	Company	25.0001%
	<b>Total</b>		<b>100.0000%</b>

Details on Sponsor are given in Section II. B under the heading "Brief detail about the Sponsor".

**B. Details of AMC Directors:**

Name	Age / Qualification	Brief Experience
Mr Anthony Fasso  <i>Associate Director</i>	Age : 48 years  Qualification: Bachelor of Commerce, University of Melbourne, Australia	Mr Anthony Fasso is Head of Asia Pacific, AXA Rosenberg, and is also a Member of the Executive Committee of AXA Investment Managers. Mr Fasso is working with AXA Rosenberg since 2005, when he joined the organization as the Head of Asia Pacific region. Prior to joining AXA Rosenberg, he was working with Deutsche Asset Management, Australia where he was Director, Private Wealth Management, for two years. Until 2003 Mr Fasso was Chief Executive Officer and Head of Institutional Asset Management, Julius Baer Investment Advisory (Asia) Ltd., Hong Kong, having joined them in 2001 from the Iregent Group Limited, Hong Kong. Mr Anthony Fasso joined Iregent from Banker's Trust, Hong Kong in 2000, where he had been Executive Vice President and Managing Director since 1997. Between 1984 and 1997, he had held several roles including Director of BT Funds Management Asia Limited, Australia and Bankers Trust Australia Limited. <b>Other Directorships:</b> 1. AXA Investment Managers Asia Limited 2. AXA Rosenberg Investment Management Asia Pacific Limited in Hong Kong 3. Great Champion Company Limited 4. Seal Nominees Hong Kong Limited 5. AXA Rosenberg Investment Management Asia Pacific Limited in Singapore 6. AXA Rosenberg Asia Pacific Holding LLC 7. AXA SPDB Investment Managers Company Limited
Mr. Prakash Nene  <i>Associate Director</i>	Age: 54 years  Qualification: B.E. (Hons) with Practice School, BITS Pilani - 1975 MBA, Punjab University, 1977	Mr. Prakash Nene is Group Director - Real Estate, Asset Management & Shareholder's Office with Bharti Group, having joined the group in 2007. His role includes identification of new business opportunities, and provide direction to the Group's investments, besides managing finance function at the Corporate level of the emerging businesses. Mr Prakash has nearly 30 years of diverse work experience across hospitality, manufacturing, construction, consumer electronics and private equity markets across India and the Middle East. He has worked as Director, Operations of ICICI Ventures during 2006 responsible to lead manage large acquisitions, evaluate and approve all acquisition/ divestiture proposals as well as drive operational performance improvement. Before that he was with Jumbo World Holdings Ltd. (1996-2005) managing the financial interests as Director (Corporate Finance) and CFO - Indian operations. Prior to that he has worked with SRF Limited, DLF Industries Ltd., the Indian Space Research Organization (ISRO) and the Oberoi Hotels across various functions. <b>Other Directorships:</b> 1. Mather & Platt Pumps Ltd 2. Mather & Platt Fire Systems Ltd 3. Bharti AXA Life Insurance Co. Ltd. 4. Bharti AXA General Insurance Co. Ltd. 5. Centum Learning Limited 6. Bharti Realty Private Limited 7. Bharti AXA Advisors Limited 8. Tamarind Projects Private Limited 9. First American Securities P Ltd 10. GIBA Holdings Pvt Ltd

## Statement of Additional Information (SAI)

Name	Age / Qualification	Brief Experience
Mr Bruno Guilloton  <i>Associate Director</i>	Age: 48 years  Qualification: Bac B (Economics), University of Law Paris V, CNAM (conservatoire National des Arts et Metiers), Master Degree -Banking Technical Institute	Mr. Bruno Guilloton is Shareholder Representative for AXA IM's joint ventures in Asia. He joined AXA Investment Managers - Paris in 1999 as Head of Equities. From 2000 to 2002, he served as Chief Executive Officer of AXA Investment Managers Tokyo, and then led the merger with AXA Rosenberg, Japan. Subsequently, in 2002 he became the Asian Regional Director for AXA Rosenberg and AXA Investment Managers. He was then appointed as the Global Head of Internal Audit. Prior to joining AXA Investment Managers, he was heading the Equity Fund Management at Crédit Mutuel Finance for five years and before this worked for 10 years with Banque Indosuez as a Financial Analyst and as a Portfolio Manager. He has also worked with Indosuez Asset Management as Head of Equity Management. He is also a member of the Société Française des Analystes Financiers (French Association of Financial Analysts). <b>Other Directorships:</b> 1. Kyobo AXA Investment Company Limited 2. AXA SPDB Investment Managers Company Limited 3. AXA Investment Managers Asia Limited 4. AXA Investment Managers Asia Holdings Limited
Mr. Glenn Williams  <i>Associate Director</i>	Age: 40 years  Qualification: Fellow of Institute of Actuaries (UK) BSc (Honor) Loughborough University (UK)	Mr. Glenn Williams is the Regional General Manager, Corporate Development and Strategy, AXA China Region Insurance Company Limited - Hong Kong. Mr Williams, a BSc (Honors), Loughborough University (UK) (1992) and a Fellow of Institute of Actuaries (UK) since 1998 has over 10 years of experience to insurance business. Mr Williams has been with AXA since 2002 and has held key positions in the areas of actuarial and finance in Hong Kong and the Philippines. His achievements include successful delivery of two important integrations of MLC and Winterthur with AXA. As Chief Operating Officer (November 2006) of AXA - Hong Kong, he spearheaded important operations initiatives. During 1995 to June 2002, he was working with Swiss Reinsurance Company, Hong Kong, where he held the position of Marketing Actuary. <b>Other Directorships:</b> 1. AXA Partners Limited 2. AXA Life Insurance Company Limited 3. AXA China Region Trustees Limited 4. AXA Financial Services Trustees Limited 5. AXA China Region (Bermuda) Limited 6. AXA Investment Managers Asia Holdings Private Limited 7. PT AXA Services Indonesia 8. PT AXA Asset Management Indonesia 9. PT Kotak Biru Konsultama 10. PT Kotak Biru Investama 11. PT Indonesia Emas Perkasa 12. Datrix Limited 13. AXA India Holdings 14. Wealth Management Mauritius Holdings Limited
Mr. S.K. Mitra  <i>Independent Director</i>	Age: 62 years  Qualification : M.Sc., Kolkata University Master of Management Science, USA	Mr S.K. Mitra has worked with the Aditya Birla Group as Director, Financial Services since 1994, setting up their highly respected and successful financial services activities that include mutual funds, life insurance, financial advisory services, non-life insurance broking, corporate finance, capital market, securities broking and retail finance activities. He has also managed several of these businesses directly as CEO. He has been member of the Board and various Committees and was also on the Board of Aditya Birla Nuvo, one of the flagship companies of the Group. He left Aditya Birla Group in August 2007, after which he has been involved in advisory role. Earlier to Birla Group, Mr Mitra joined and set up the asset management business of GIC Mutual Fund in 1990 which was the first fund house in the country to enter into a joint venture with a foreign partner. Prior to that, in 1985, Mr Mitra joined American Express Bank as Head - Corporate and Investment Banking in India. Before that, he was instrumental in setting up the Merchant Banking Division of Bank of India in 1977 and then in 1978 for Standard Chartered Bank in Mumbai. <b>Other Directorships:</b> 1. QSK Advisory Pvt Ltd 2. Reach (Cargo Movers) Pvt Ltd 3. Hexaware Technologies Limited 4. Agile Financial Advisors (P) Ltd 5. SKP Securities Limited 6. Mangal Keshav Holdings Ltd 7. Mangal Keshav Securities Ltd 8. Avigo Capital Partners Pvt. Ltd. 9. Century Real Estate Holdings (P) Ltd 10. BDO Haribhakti Consulting Pvt. Ltd.

## Statement of Additional Information (SAI)

Name	Age / Qualification	Brief Experience
<p>Mr. Anil Harish</p> <p><i>Independent Director</i></p>	<p>Age: 55 years</p> <p>Qualification: LL.B., Government Law College, Mumbai LL.M. University of Miami, USA</p>	<p>Mr Anil Harish leads the renowned law firm M/s D.M. Harish &amp; Co which was founded in 1957 by Mr DM Harish. His key areas of practice include real estate, international investments, corporate law and taxation. Mr Anil Harish's other interests include: Member of Construction and Real Estate Sub-Committee of the Confederation of Indian Industry; Member of the Editorial Panel of a Magazine named "Property Scape"; and Member of the Governing Board of a Trust named Bombay First and Chairman of the Sub-Group on "Housing" of Bombay First. Mr Harish is a director on board of several reputed companies. Mr Harish has written articles for various newspapers and magazines. He has addressed audiences in India and outside on Real Estate, Taxation, Collaborations, etc.</p> <p><b>Other Directorships:</b></p> <ol style="list-style-type: none"> <li>1. Hotel Leelaventure Ltd.</li> <li>2. Pantaloon Retail (India) Ltd.</li> <li>3. Unitech Ltd.</li> <li>4. Hinduja Ventures Ltd.</li> <li>5. Mahindra Lifespace Developers Ltd.</li> <li>6. Ador Welding Ltd.</li> <li>7. Advani Hotel &amp; Resorts (India) Ltd.</li> <li>8. Valecha Engineering Ltd.</li> <li>9. Mukta Arts Ltd.</li> <li>10. Galaxy Entertainment Corporation Ltd.</li> <li>11. Mantri Chandak Construction Ltd.</li> <li>12. Hinduja Global Solutions Ltd.</li> <li>13. K. C. Maritime (India) Ltd.</li> <li>14. Pride Hotels</li> <li>15. Future Ventures I Ltd.</li> <li>16. Trans Atlantic Consultants Pvt Ltd.</li> <li>17. Trans Atlantic Trading Pvt Ltd.</li> <li>18. Sherbrooks International Pvt Ltd.</li> <li>19. Quantum Advisor Pvt Ltd.</li> <li>20. Helpyourngo.com (India) Pvt Ltd.</li> <li>21. Freight Connection (India) Pvt Ltd.</li> <li>22. Ge seaco India Pvt Ltd.</li> <li>23. Cenmar Maritime Agencies (India) Pvt Ltd.</li> <li>24. Loire Marine Services Pvt Ltd.</li> <li>25. Blue Rose Investment Pvt Ltd.</li> <li>26. Mordril Properties (India) Pvt Ltd.</li> <li>27. Oasis Pre-print Services Pvt Ltd.</li> <li>28. Astoria Maritime Private Ltd.</li> <li>29. Torm Shipping India Pvt. Ltd .</li> </ol>
<p>Mr. Sanjay Gupta</p> <p><i>Independent Director</i></p>	<p>Age: 49 years</p> <p>Qualification: Chartered Accountant (ICAI, India) Chartered Management Accountant (UK)</p>	<p>Mr. Sanjay Gupta has more than 20 years of experience in leading and advising corporations through major transformational initiatives spanning set up, consolidation, migration, outsourcing, restructuring of delivery capabilities spanning multiple geographies. He is working as a senior executive with America Express Bank (Amex), a Fortune 50 company, leading large global team, having joined the Bank in 1996. He is a pioneer at establishing one of India's first ever global operations center. He is responsible for creating and formulating breakthrough transformational strategies, optimizing Financial and Customer operations. His role in Amex includes having created a global Functional operating structure with strong underlying six sigma capability and responsible for Global Financial operating centers in US, UK and India. Before Amex, Sanjay has worked with a large telecom service provider during 1994-1996 setting up paging services business, and before that as Chief Financial Officer with soft drinks major and a tractor major respectively.</p> <p><b>Other Directorship:</b></p> <ol style="list-style-type: none"> <li>1. Catamorph Business Services P Ltd</li> <li>2. Klassic Klarol Filters pvt. Ltd</li> </ol>

## Statement of Additional Information (SAI)

Name	Age / Qualification	Brief Experience
Mr. Sudhir Chand  <i>Independent Director</i>	Age: 62 years  Qualification: Electrical Engineer, BITS, Pilani, Alumni of Jamnalal Bajaj Institute Mumbai Executive Education, IIM, Ahmedabad and Cranefield School of Management, UK	Mr Sudhir Chand has 36 years of industry experience starting at Crompton Greaves Ltd for initial 7 years and after a brief job stint in between followed by Exide Industries Ltd for 28 years. He was on the Board of Exide for 10 years, first as Director-Automotive handling the company's largest division as profit centre head and then as Director-Corporate Affairs for the Company-including HR , Training and Corporate Social Responsibility. He retired from Exide in March 2006, after which he started his own consultancy and management education company - Inflexion Management Services Pvt Ltd., a consultancy firm in areas of Organization and Marketing Strategy, infrastructure software & Training. He has continuously been associated with academic work. He is a guest faculty for MDP programmes at IIM, Kolkata and Calcutta Management Association. He is also on the Advisory Board of ICFAI and academic councils of Globsyn Business School, Future Institute of Engineering & Management, Kolkata and Board of Studies (Management Studies) of the Visva Bharati University, Santiniketan. Currently, Mr Chand is a Senior Associate of Grow Talent Company Ltd (one of the largest and most respected HR firms consulting in senior level HR development) working in areas of Talent Appreciation, Development Centres and Leadership Development for some of the premier companies in India. <b>Other Directorships:</b> 1. Inflexion Management Services Pvt Ltd 2. Chands Management Services Pvt Ltd

### C. Remuneration of the AMC:

In relation to a Scheme, the AMC is entitled to charge the Fund an investment management and advisory fees. Expenditure in excess of the limits specified by Regulations and / or the Scheme Information Document (SID) will be borne by the AMC.

### D. Duties and Responsibilities of the AMC:

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 applicable regulations and the trust deed.
2. The AMC shall exercise due diligence and care in all its investments decisions as would be exercised by other persons engaged in the same business.
3. The AMC shall be responsible for the acts of commissions or omissions by its employees or their persons whose services have been procured by the AMC.
4. The AMC shall submit to the Trustee quarterly reports of each year on its activities and the compliance with applicable regulations.
5. 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 their decision in writing to the AMC.
6. 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.
7. The Chief Executive Officer (whatever his designation may be) of the AMC shall ensure that the 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 Unitholders and shall also be responsible for the overall risk management function.
8. The fund manager (whatever his 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 Unitholders.
9. (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 above, 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 Trustees on a quarterly basis. Provided that the aforesaid limit shall apply for a block of three months.
10. 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 and annual accounts of the mutual fund. Provided further that the mutual funds shall disclose at the time of declaring half-yearly and yearly results:
  - (i) Any underwriting obligations undertaken by the Schemes of the mutual funds with respect to issue of securities of associate companies.
  - (ii) Devolvement, if any;
  - (iii) Subscription by the Schemes in the issues lead managed by associate companies.
  - (iv) 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.
11. The AMC shall file with the Trustee 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 the Board, as and when required by the Board.
12. 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 same 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 alongwith their interest in other companies within fifteen days of their appointment ;and (b) any change in the interests of directors every six months.(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 AMC as the case may be, by the mutual fund during the said quarter.

## Statement of Additional Information (SAI)

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 offense or involved in violation of securities laws.
17. The AMC shall appoint registrars and share transfer agents who are registered with the Board. Provided if the work relating to the transfer of units is processed in-house, the charges at competitive market rates may be debited to the Scheme and for rates higher than the competitive market rates, prior approval of the 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.

### E Summary of Investment Management Agreement:

Summary of the substantive provisions of the Investment Management Agreement dated November 16, 2007 entered into between the Sponsor (Settlor) and the Trustee:

1. AMC shall have powers and authorities as provided under applicable Law and delegated to it under the Trust Deed, including to:
  - (a) float and launch Schemes of the Mutual Fund.
  - (b) issue, sell and purchase Units.
  - (c) acquire, purchase, hold, manage, trade, sell and dispose off securities and other investments, including entering into derivatives transactions.
  - (d) collect, get and receive the profit, interest, dividend and income of Funds.
  - (e) calculate the NAV and disclose the same.
  - (f) appoint service providers, intermediaries and vendors and remunerate them.
  - (g) open one or more bank accounts in the name and on behalf of each Scheme of the Mutual Fund and to deposit and withdraw money and fully operate the same.
  - (h) generally exercise all such powers as permitted under the Mutual Fund Regulations and delegated to it under the Trust Deed and to do all such matters and things which may promote the Mutual Fund and/or the interests of the Unit Holders.
  - (i) borrow monies to meet temporary liquidity needs of the Mutual Fund.
  - (j) lend securities in accordance with the Stock Lending Scheme notified by SEBI.
2. Responsibilities and Duties of AMC include the following:
  - a. Ensure that the Trust Funds mobilized under the various Schemes are being managed in accordance with the provisions of the Trust Deed, IMA, Scheme Information Document and applicable Law.
  - b. The AMC shall launch Scheme only with approval of the Trustee and/or SEBI.
  - c. The AMC shall also ensure that advertisements issued in respect of any Scheme of the Mutual Fund contain all disclosures as required by the Regulations.
  - d. The AMC shall ensure that no Scheme Information Document of a Scheme, Key Information Memorandum, abridged half-yearly and/or annual results of the Mutual Fund and/or any Scheme is/are issued or published without the prior approval in writing of the Trustee.
  - e. The AMC shall ensure that the investment of funds pertaining to any Scheme is not contrary to Law and/or the Trust Deed.
  - f. The AMC shall manage the Schemes independently of its other activities and shall take adequate steps to ensure that the interest of Unit Holders of one Scheme are not being compromised with those of any other Scheme and/or of other activities of the AMC and shall in all events avoid conflicts of interest in managing the Schemes and shall keep the interests of the Unit Holders paramount at all times.
3. The AMC has covenanted to:
  - a. hold approval from SEBI at all times as an AMC and undertake only permitted business activities.
  - b. ensure that there shall be no change in the fundamental attributes of the Scheme, except by following the prescribed process.
  - c. not act as a trustee of any other mutual fund, except as otherwise permitted under law.
  - d. act as an investment manager for any other mutual fund only with prior written approval of the Trustee and SEBI.
  - e. that the board of the AMC shall have at least 50% independent directors.
  - f. that there shall be no change in the controlling interest of the AMC except in accordance with regulatory provisions.
  - g. that the AMC shall file with the Trustee, and also with SEBI when required, the details of securities transactions of AMC and its key personnel.
4. Each director of the AMC shall file the details of his transactions of dealings in securities with the Trustee on a quarterly basis in accordance with applicable Law and the guidelines issued thereunder.
5. 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.
6. The AMC shall file with the Trustee and SEBI the detailed bio-data of all its directors along with their interest in other companies within fifteen (15) days of their appointment; and change in the interest of the directors, every six months.
7. The AMC shall submit from time to time reports on its activities and on the functioning of the Schemes of the Mutual Fund to the Trustee and to regulatory, statutory or governmental authorities as may be required.
8. The AMC shall submit to the Trustee at such intervals and in such manner as required, all information concerning the operations of the various Schemes, managed by the AMC, to ensure compliance with the provisions of the Trust Deed and applicable Law.
9. The AMC shall be entitled to charge the Mutual Fund in respect
  - g. The AMC shall ensure that its network is maintained as per the applicable Law.
  - h. The AMC shall provide an option of nomination to the Unit Holders.
  - i. The AMC shall issue Unit statement of accounts specifying the number of Units allotted to the applicant within prescribed time.
  - j. The AMC shall disclose the basis of calculating the redemption/ repurchase price and NAV of the various Schemes.
  - k. The AMC shall follow the accounting policies and standards as required under applicable Law.
  - l. The AMC shall at all times comply with the Code of Conduct prescribed under applicable Law, and shall formulate a Code of Ethics including the guidelines for personal securities investments by its employees in accordance with applicable Law.
  - m. AMC shall give the Trustees all the information concerning the operations of the Mutual Fund as may be required by the Trustees and allow the Trustee to carry out periodic checks (including spot checks) on the AMC to ensure (a) proper pricing of Units in accordance with the Regulations, (b) correctness of payments into and out of the Mutual Fund and Schemes there under, (c) proper accounting of the income of the Mutual Fund, (d) proper charging of expenses and distribution of surplus as permitted and generally (e) proper execution and accounting of transactions by the AMC, (f) proper utilization of the Trust Fund.

## Statement of Additional Information (SAI)

of each Scheme the agreed investment management and advisory fees and charges and expenses.

10. The AMC shall be responsible for all acts, deeds and things done by it, and shall not be under any liability on account of anything done or suffered by it in good faith or in pursuance of any request or advice of the Trustee.
11. If the AMC suffers any loss or expense, subject to applicable Law, it shall claim to be indemnified out of the Trust Funds.
12. The AMC will not be liable if the Mutual fund suffers a decline in its NAV and/or fails to achieve an increase therein unless such decline or failure is caused by any fraud or willful default or gross negligence of the AMC, a bona fide error of judgment not being regarded as default or negligence.

*Note: The above is summarized version, and actual provisions in the IMA will prevail over summary.*

### F. Other Business Activities of the AMC

The AMC shall not act as a Trustee of any mutual fund. Subject to applicable regulatory approvals, requirements and conditions if any,

the AMC will engage in providing advisory services to financial institutions / companies including offshore funds and domestic insurance companies in relation to their portfolio and investments. The AMC will also launch portfolio management services in due course subject to regulatory approvals.

However, the AMC shall not undertake any other business activities except in the nature of portfolio management services, management and advisory services to offshore funds, pension funds, provident funds, venture capitals funds, management of insurance funds, financial consultancy and exchange of research on commercial basis and if any of such activities are not in conflict with the activities of the Fund. Further, the AMC may itself or through its subsidiaries undertake such activities if it satisfies SEBI that its key personnel, system, back office, bank and securities accounts are segregated activity wise and provided there exist systems to prohibit access to inside information of various activities. Further the AMC shall meet the capital adequacy requirements, if any, separately for each such activity and obtain separate approval, if necessary under the relevant Regulations.

### G. Information on Key Personnel:

Sr. No	Name & Designation	Age & Qualification	Type & nature of past experience	Previous work experience for last 10 years
1	Mr. Sandeep Dasgupta <i>Chief Executive Officer</i>	Age: 48 years Qualification : B Tech, MBA (IIM, Ahmedabad)	Over 22 years of experience in capital markets including more than 7 years in a CEO role.	Deutsche Asset Management: (February 2001 - December 2006) Alliance Capital Asset Management: (January 1997 - January 2001) ITC Peregrine Limited: (1993 - 1996) ENAM Financials: (1991 - 1993) ICICI Limited: (1987 - 1990)
2	Mr. Mark Van den Broek <i>Chief Operating Officer</i>	Age: 37 years Qualification: B.Sc	Around 12 years of experience with asset management industry in operations, IT, Sales, Marketing and new product development	AXA Investment Managers, UK: (2004 - Jan 2007) Baring Asset Management: (1997 - 2004)
3	Mr. Shubro Sankha Das Sarma <i>Head - Operations</i>	Age: 41 years Qualification: ICWA, B Com	Over 16 years experience in asset management industry in audit and operations	ICICI Prudential: (October 2006 - September 2007) SBI Mutual Fund: (March 2004 to October 2006) UTI Mutual Fund: (August 1992 to November 2003)
4	Mr. Prateek Agrawal <i>Head - Equity</i>	Age: 38 years Qualification: P.G.D.M, B.E	Experience of around 15 years in Research & fund management	ABN Amro Asset Management: (May 2004 - September 2007) SBI Capital Markets: (1994 to 2004)
5	Mr. Sujoy Kumar Das <i>Head - Fixed Income</i>	Age: 36 years Qualification: PGDBA, BSc (Eco)	Experience of around 13 years working in fixed income securities market	DSP Merrill Lynch Mutual Fund: (October 2000 - August 2007) Bank of Punjab: (June 1996 - October 2000)
6	Mr. Vikaas M Sachdeva <i>Country Head - Business Development</i>	Age: 40 years Qualification: B Com, M.M.S (Marketing)	Over 16 years experience in sales / marketing function in financial services, including 12 years in funds management	ING Investment Management India Pvt Ltd (April 2005-December 2007) Birla Sun Life Asset Mgt. Co. (November 1996-March 2005) Alpic Finance Limited (1995-1996) Parag Parikh Financial Advisory Services Ltd (1994 - 1995) Times Guaranty Financials Ltd (1992 - 1994)
7	Mr. Sriraj Bhattacharjee <i>Fund Manager - Fixed Income</i>	Age: 34 years Qualification: BE, MBA (IIM, Ahmedabad)	Over 9 years experience including over 7 years in fixed income securities market	ICICI Bank Ltd (August 2003 - November 2007) Securities Trading Corporation of India Limited (STCI) (May 2001 to August 2003) Steel Authority of India Limited (September 1997 to May 1999)



## Statement of Additional Information (SAI)

Sr. No	Name & Designation	Age & Qualification	Type & nature of past experience	Previous work experience for last 10 years
8	Mr. Manish Ghiya <i>Company Secretary and Head - Compliance &amp; Legal</i>	Age: 40 years Qualification: ACS, LL.B	Over 16 years experience in Secretarial, legal and compliance functions	ICICI Prudential Life Insurance: (March 2004 - August 2006) Dominic Stamfords - (September 2003 - January 2004) SBI Life Insurance: (August 2002 - August 2003) IL&FS Investsmart Ltd: (April 2001 - August 2002) Prime Securities & Prime Broking: (August 1994 - April 2001)
9	Mr. Debraj Sinha <i>Head - Human Resources</i>	Age: 35 years Qualification: MPM, SIBM, Pune, B Com	Over 10 years experience in Human Resources function	Max New York Life: (June 2003 to May 2007) Hewitt Associates: (January 2000 to May 2003) Arvind Mills: (March - December 1999) BK Birla: (June 1998 to February 1999)
10	Mr. Kapil Ranade <i>Head - Risk</i>	Age: 34 years Qualification: B E, M.B.A (International Business), CFA & FRM	Over 10 years experience in risk management and other functions	ABN AMRO Bank (India) (November 2004 - January 2008) Larsen & Toubro Group (December 2000 - November 2004) Export Import Bank of India, Mumbai (June 1998 - December 2000)
11	Mr. Nanda Kishore S <i>Head - Marketing</i>	Age: 35 years Qualification: PGDEM, IMT, Ghaziabad, BSc	Over 10 years experience in marketing, advertising and communications	Sundaram BNP Paribas: (February 2005 - August 2007) Future Soft: (July 2003 to Jan 2005) Contract Advertising: (June 2002 - July 2003) DSQWORLD: (June 1999 - March 2001) Lintas: (March 1997 - May 1999)
12	Mr. Staney Antony <i>Head - Investor Service</i>	Age: 35 years Qualification: PGDBM, B. Sc	Over 11 years experience in Operations and customer service including over 3 years in asset management	Principal PNB Asset Management Company Pvt. Ltd - (August 2006 - March 2008) World Network Services (WNS) - (February 2005 - June 2006) Prudential Process Management Services - (October 2002 - February 2005) Epicenter Technologies Pvt. Ltd. - (June 2000 - September 2002) Essar Telecom Ltd - (June 1997 - March 2000)
13	Mr. Suresh Kamath <i>Head - Equity Dealing</i>	Age: 51 years Qualification: B.Com	Around 27 years experience, in the Financial Services	DSP Merrill Lynch Investment Managers - May 1997 - May 2008

### People involved in the Fund Management and Research Team:

In addition to members of the Investment Function whose details are mentioned in the "Information on Key Personnel" section above, following employee is engaged in the Research function:

Sr. No	Name	Type & nature of past experience	Previous work experience for last 10 years
1.	Mr. Gaurav Kapur	Around 4 years experience, including 2 year in research & fund management in asset management industry	1. Birla Sun Life Asset Mgt. Co (June 2006-November 2007) 2. Aditya Birla Management Corporation Limited (June 2005 - June 2006) 3. M/s S.K. Mittal & Co (August 2002 - June 2003)

All the Key Personnel are based at the Corporate Office of Bharti AXA Investment Managers Private Limited at Mumbai.

#### H. Fund Manager:

The name of the Fund Manager who will manage a Scheme shall be mentioned in the SID of the Schemes as may be required.

#### I. Compliance Officer

Mr Manish Ghiya  
Bharti AXA Investment Managers Private Limited  
51, 5th Floor, Kalpataru Synergy,  
Vakola, Santacruz (E), Mumbai- 400 055

#### J. Head-Investor Service

Mr Staney Antony  
Bharti AXA Investment Managers Private Limited  
51, 5th Floor, East Wing, Kalpataru Synergy,  
Vakola, Santacruz (E), Mumbai- 400 055

## V. SERVICE PROVIDERS

### A. Custodian:

Citibank NA, Mumbai has been appointed as the Custodian for the Scheme vide Custodian Agreement dated April 4, 2008 entered into between the Trustee and the Custodian. The Custodian is registered with SEBI under registration No. IN/CUS/004 dated April 7, 1998.

Address of Custodian:  
Citibank NA  
Ramnord House, 77, Dr AB Road,  
Worli, Mumbai 400 018.

The key duties and powers of the Custodian under the said Agreement are:

- o Provide post-trading and custodial services.
- o Track and receive corporate benefits due on the securities holdings.
- o Provide on an on-going basis the required management information and reports.
- o Maintain confidentiality of the transactions.
- o Keep the assets of each Scheme segregated for clear identification.
- o Ensure that the assets under its custody are not encumbered, used or otherwise disposed of except as per the authorized instructions or in line with the express provisions of the Custodian Agreement.

The Custodian is entitled to remuneration for its services in accordance with the terms of the Custodian Agreement. An estimate of Custody fees in relation to this Scheme is given under the heading 'Fees, Expenses and Load'. Trustee has the right, as it may deem fit, to change the Custodian.

### B. Registrar and Transfer Agent:

Karvy Computershare Private Limited has been appointed as the Registrar and Transfer Agent for the Fund. The Registrar is registered with SEBI vide registration no. INR000000221 dated September 11, 2006.

Address of Registrar & Transfer Agent:  
Karvy Computershare Private Limited  
Karvy Registry House,  
#8-2-596, Avenue 4, Street No. 1,  
Banjara Hills, Hyderabad -500 034.

The AMC and the Trustee have satisfied themselves that the Registrar can provide the required service and have adequate facilities and system capabilities to discharge the responsibility with regard to processing of applications and dispatching of unit

certificates to Unitholders within the prescribed time limit and also has sufficient capacity to handle investor complaints.

The Registrar will be paid fees in accordance with the Agreement executed with them. An estimate of Registrar's fees in respect of this Scheme is given under the heading 'Fees, Expenses and Load'. The AMC has the right to change the Registrar in certain circumstances.

### C. Statutory Auditors for the Mutual Fund:

M/s BSR & Co  
Chartered Accountants  
KPMG House  
Kamala Mills Compound  
448 Senapati Bapat Marg, Lower Parel  
Mumbai 400 013.

### D. Legal Counsel:

Bharti AXA Investment Manager Private Limited and Bharti AXA Trustee Services Private Limited shall consult different Legal Firms as and when required depending upon the subject matter.

### E. Fund Accountant:

Citibank NA, Mumbai is the appointed Fund Accountant, and thus provides fund accounting, NAV calculation and other related services in accordance with the Fund Administration Agreement dated April 4, 2008.

Address of Fund Accountant:  
Citibank NA  
Ramnord House, 77, Dr AB Road,  
Worli, Mumbai 400 018.

As Fund Accountant, Citibank is entitled to remuneration for its services in accordance with the terms of the Agreement with it and such remuneration will be borne by the AMC and not by the Unit Holders of the Scheme, unless regulatorily permitted otherwise. The AMC has the right to change the Fund Accountant in certain circumstances.

### F. Collecting Bankers and Investor Service Centers:

**Collecting Bankers:** The Collecting Bankers for the Scheme(s) shall be mentioned in the SID of the respective Scheme(s). Applications for NFO of a Scheme will be accepted at the Designated Collection Centers or such Collection Banks as will be specified in the SID of such Scheme.

**Investor Service Centers:** During the New Fund Offer Period, the applications in respect of a Scheme may also be accepted at the Investor Service Centers as designated by the AMC, details in respect of which will be mentioned in the relevant SID.

## VI. INVESTMENT DECISIONS

The investment decisions for the Scheme(s) will be taken by the Fund Managers of the respective Schemes, which will be consistent with the regulatory requirements and the investment objectives of the Scheme. The Fund may additionally observe such internal guidelines as may be prescribed by the Boards of the AMC / Trustee or any internal committee. Subject to above, the day to day investment management decision will solely be of the Fund Manager of the Scheme.

All investment decisions shall be recorded as may be required by Regulation. Where an investment is proposed to be made for the first time in any scrip, this will be preceded by making a detailed report justifying such investment.

The CEO of the AMC is a member of Investment Committee and as such he oversees various aspects relating to investments. The Investment Committee comprising of Chief Executive Officer, Chief Operating Officer, Head-Equity, Head-Fixed Income, Head - Compliance and Head-Risk amongst other things reviews performance of the Schemes at periodic intervals.

Performance of the Scheme will be also discussed and reviewed by the Boards of the AMC and the Trustee respectively, or any designated Committees, including performance vis-à-vis benchmark indices / peer group.

**Statement of Additional Information (SAI)**
**VII. CONDENSED FINANCIAL INFORMATION (CFI)**

Condensed Financial Information as on March 31, 2009:

Sr No	Historical Per Unit Statistics						
	Scheme Name	Bharti AXA Liquid Fund	Bharti AXA Treasury Advantage Fund	Bharti AXA Equity Fund	Bharti AXA Short Term Income Fund	Bharti AXA Tax Advantage Fund	Bharti AXA Regular Return Fund
	Financial Year	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09
	Allotment Date	16-Jul-08	16-Jul-08	21-Oct-08	18-Dec-08	25-Feb-09	18-Mar-09
1	<b>NAV at the beginning of the year (as on allotment date) (in Rs.)</b>						
	Regular Plan - Growth	1,000.0000	1,000.0000	10.00	10.0000	10.00	10.0000
	Regular Plan - Dividend	N.A.	N.A.	N.A.	N.A.	10.00	N.A.
	Regular Plan - Bonus	N.A.	N.A.	10.00	N.A.	N.A.	N.A.
	Regular Plan - Regular Dividend	N.A.	N.A.	10.00	N.A.	N.A.	N.A.
	Regular Plan - Weekly Dividend	1,000.0000	1,000.0000	N.A.	N.A.	N.A.	N.A.
	Regular Plan - Monthly Dividend	N.A.	N.A.	N.A.	10.0000	N.A.	10.0000
	Regular Plan - Quarterly Dividend	N.A.	N.A.	10.00	10.0000	N.A.	10.0000
	Regular Plan - Annual Dividend	N.A.	N.A.	N.A.	N.A.	N.A.	10.0000
	Institutional Plan - Growth	1,000.0000	1,000.0000	N.A.	10.0000	N.A.	N.A.
	Institutional Plan - Bonus	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Institutional Plan - Regular Dividend	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Institutional Plan - Daily Dividend	1,000.0000	1,000.0000	N.A.	N.A.	N.A.	N.A.
	Institutional Plan - Weekly Dividend	N.A.	1,000.0000	N.A.	10.0000	N.A.	N.A.
	Institutional Plan - Monthly Dividend	N.A.	1,000.0000	N.A.	10.0000	N.A.	N.A.
	Institutional Plan - Quarterly Dividend	N.A.	N.A.	N.A.	10.0000	N.A.	N.A.
	Super Institutional Plan - Growth	1,000.0000	N.A.	N.A.	N.A.	N.A.	N.A.
	Super Institutional Plan - Daily Dividend	1,000.0000	N.A.	N.A.	N.A.	N.A.	N.A.
	Super Institutional Plan - Weekly Dividend	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Super Institutional Plan - Monthly Dividend	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Eco Plan - Growth	N.A.	N.A.	10.00	N.A.	10.00	10.0000
	Eco Plan - Dividend	N.A.	N.A.	N.A.	N.A.	10.00	N.A.
	Eco Plan - Bonus	N.A.	N.A.	10.00	N.A.	N.A.	N.A.
	Eco Plan - Regular Dividend	N.A.	N.A.	10.00	N.A.	N.A.	N.A.
	Eco Plan - Monthly Dividend	N.A.	N.A.	N.A.	N.A.	N.A.	10.0000
	Eco Plan - Quarterly Dividend	N.A.	N.A.	10.00	N.A.	N.A.	10.0000
	Eco Plan - Annual Dividend	N.A.	N.A.	N.A.	N.A.	N.A.	10.0000
2	<b>Dividends * (net dividend per unit) (in Rs.)</b>						
	<b>Individual &amp; HUF</b>						
	Regular Plan - Dividend	-	-	-	-	-	-
	Regular Plan - Regular Dividend	-	-	-	-	-	-
	Regular Plan - Weekly Dividend	-	49.217997	-	-	-	-
	Regular Plan - Monthly Dividend	-	-	-	0.193485	-	-
	Regular Plan - Quarterly Dividend	-	-	-	-	-	-
	Regular Plan - Annual Dividend	-	-	-	-	-	-
	Institutional Plan - Regular Dividend	-	-	-	-	-	-
	Institutional Plan - Daily Dividend	-	46.974059	-	-	-	-
	Institutional Plan - Weekly Dividend	-	6.406796	-	0.248702	-	-
	Institutional Plan - Monthly Dividend	-	40.228870	-	-	-	-
	Institutional Plan - Quarterly Dividend	-	-	-	-	-	-
	Super Institutional Plan - Daily Dividend	-	-	-	-	-	-
	Super Institutional Plan - Weekly Dividend	-	-	-	-	-	-
	Super Institutional Plan - Monthly Dividend	-	-	-	-	-	-
	Eco Plan - Dividend	-	-	-	-	-	-
	Eco Plan - Regular Dividend	-	-	-	-	-	-
	Eco Plan - Monthly Dividend	-	-	-	-	-	-
	Eco Plan - Quarterly Dividend	-	-	-	-	-	-
	Eco Plan - Annual Dividend	-	-	-	-	-	-
	<b>Others</b>						
	Regular Plan - Dividend	-	-	-	-	-	-
	Regular Plan - Regular Dividend	-	-	-	-	-	-
	Regular Plan - Weekly Dividend	-	45.808327	-	-	-	-
	Regular Plan - Monthly Dividend	-	-	-	0.180081	-	-
	Regular Plan - Quarterly Dividend	-	-	-	-	-	-
	Regular Plan - Annual Dividend	-	-	-	-	-	-
	Institutional Plan - Regular Dividend	-	-	-	-	-	-
	Institutional Plan - Daily Dividend	-	49.540318	-	-	-	-
	Institutional Plan - Weekly Dividend	-	48.798011	-	0.231472	-	-
	Institutional Plan - Monthly Dividend	-	2.077171	-	0.180932	-	-
	Institutional Plan - Quarterly Dividend	-	-	-	-	-	-
Super Institutional Plan - Daily Dividend	-	-	-	-	-	-	
Super Institutional Plan - Weekly Dividend	-	-	-	-	-	-	
Super Institutional Plan - Monthly Dividend	-	-	-	-	-	-	
Eco Plan - Dividend	-	-	-	-	-	-	
Eco Plan - Regular Dividend	-	-	-	-	-	-	
Eco Plan - Monthly Dividend	-	-	-	-	-	-	
Eco Plan - Quarterly Dividend	-	-	-	-	-	-	
Eco Plan - Annual Dividend	-	-	-	-	-	-	
3	<b>NAV at the end of the year (as on March 31, 2009) (in Rs.)</b>						
	Regular Plan - Growth	1,055.7016	1,058.6391	9.86	10.0454	10.56	10.0206
	Regular Plan - Dividend	N.A.	N.A.	N.A.	N.A.	10.56	N.A.
	Regular Plan - Bonus	N.A.	N.A.	9.86	N.A.	N.A.	N.A.
	Regular Plan - Regular Dividend	N.A.	N.A.	9.86	N.A.	N.A.	N.A.

**Statement of Additional Information (SAI)**

Sr No	Scheme Name	Bharti AXA Liquid Fund	Bharti AXA Treasury Advantage Fund	Bharti AXA Equity Fund	Bharti AXA Short Term Income Fund	Bharti AXA Tax Advantage Fund	Bharti AXA Regular Return Fund
	Financial Year	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09
	Allotment Date	16-Jul-08	16-Jul-08	21-Oct-08	18-Dec-08	25-Feb-09	18-Mar-09
	Regular Plan - Weekly Dividend	1,000.1736	1,000.9094	N.A.	N.A.	N.A.	N.A.
	Regular Plan - Monthly Dividend	N.A.	N.A.	N.A.	9.8284	N.A.	10.0206
	Regular Plan - Quarterly Dividend	N.A.	N.A.	9.86	10.0454	N.A.	10.0206
	Regular Plan - Annual Dividend	N.A.	N.A.	N.A.	N.A.	N.A.	10.0206
	Institutional Plan - Growth	1,059.6887	1,062.6141	N.A.	10.0526	N.A.	N.A.
	Institutional Plan - Bonus	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Institutional Plan - Regular Dividend	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Institutional Plan - Daily Dividend	1,000.0000	1,000.0000	N.A.	N.A.	N.A.	N.A.
	Institutional Plan - Weekly Dividend	N.A.	1,000.9711	N.A.	9.7747	N.A.	N.A.
	Institutional Plan - Monthly Dividend	N.A.	1,001.1468	N.A.	9.8344	N.A.	N.A.
	Institutional Plan - Quarterly Dividend	N.A.	N.A.	N.A.	9.9607	N.A.	N.A.
	Super Institutional Plan - Growth	1,060.8952	N.A.	N.A.	N.A.	N.A.	N.A.
	Super Institutional Plan - Daily Dividend	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Super Institutional Plan - Weekly Dividend	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Super Institutional Plan - Monthly Dividend	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Eco Plan - Growth	N.A.	N.A.	9.88	N.A.	10.56	10.0228
	Eco Plan - Dividend	N.A.	N.A.	N.A.	N.A.	10.56	N.A.
	Eco Plan - Bonus	N.A.	N.A.	9.88	N.A.	N.A.	N.A.
	Eco Plan - Regular Dividend	N.A.	N.A.	9.88	N.A.	N.A.	N.A.
	Eco Plan - Monthly Dividend	N.A.	N.A.	N.A.	N.A.	N.A.	10.0228
	Eco Plan - Quarterly Dividend	N.A.	N.A.	9.88	N.A.	N.A.	10.0228
	Eco Plan - Annual Dividend	N.A.	N.A.	N.A.	N.A.	N.A.	10.0228
4	<b>Absolute Return</b>						
	Regular Plan - Growth	5.57%	5.86%	-1.40%	0.45%	5.60%	0.21%
	Institutional Plan - Growth	5.97%	6.26%	N.A.	0.53%	N.A.	N.A.
	Super Institutional Plan - Growth	6.09%	N.A.	N.A.	N.A.	N.A.	N.A.
	Eco Plan - Growth	N.A.	N.A.	-1.20%	N.A.	5.60%	0.23%
5	<b>Net Assets as at end of Period (Rs. in Crs)</b>						
	Regular Plan - Growth	3.50	4.00	14.63	4.76	1.49	17.67
	Regular Plan - Dividend	N.A.	N.A.	N.A.	N.A.	1.31	N.A.
	Regular Plan - Bonus	N.A.	N.A.	0.01	N.A.	N.A.	N.A.
	Regular Plan - Regular Dividend	N.A.	N.A.	5.12	N.A.	N.A.	N.A.
	Regular Plan - Weekly Dividend	3.38	13.34	N.A.	N.A.	N.A.	N.A.
	Regular Plan - Monthly Dividend	N.A.	N.A.	N.A.	9.95	N.A.	1.74
	Regular Plan - Quarterly Dividend	N.A.	N.A.	2.63	0.83	N.A.	0.81
	Regular Plan - Annual Dividend	N.A.	N.A.	N.A.	N.A.	N.A.	0.09
	Institutional Plan - Growth	1.04	18.41	N.A.	7.97	N.A.	N.A.
	Institutional Plan - Bonus	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Institutional Plan - Regular Dividend	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Institutional Plan - Daily Dividend	23.00	15.73	N.A.	N.A.	N.A.	N.A.
	Institutional Plan - Weekly Dividend	N.A.	1.05	N.A.	5.97	N.A.	N.A.
	Institutional Plan - Monthly Dividend	N.A.	0.38	N.A.	2.69	N.A.	N.A.
	Institutional Plan - Quarterly Dividend	N.A.	N.A.	N.A.	0.50	N.A.	N.A.
	Super Institutional Plan - Growth	37.00	N.A.	N.A.	N.A.	N.A.	N.A.
	Super Institutional Plan - Daily Dividend	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Super Institutional Plan - Weekly Dividend	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Super Institutional Plan - Monthly Dividend	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Eco Plan - Growth	N.A.	N.A.	2.09	N.A.	0.25	0.21
	Eco Plan - Dividend	N.A.	N.A.	N.A.	N.A.	0.17	N.A.
	Eco Plan - Bonus	N.A.	N.A.	0.01	N.A.	N.A.	N.A.
	Eco Plan - Regular Dividend	N.A.	N.A.	0.31	N.A.	N.A.	N.A.
	Eco Plan - Monthly Dividend	N.A.	N.A.	N.A.	N.A.	N.A.	0.02
	Eco Plan - Quarterly Dividend	N.A.	N.A.	0.62	N.A.	N.A.	0.05
	Eco Plan - Annual Dividend	N.A.	N.A.	N.A.	N.A.	N.A.	0.01
6	<b>Ratio of Recurring Expenses to Net Assets</b>						
	Regular Plan	0.93%	0.92%	2.49%	1.72%	2.46%	2.25%
	Institutional Plan	0.33%	0.40%	N.A.	1.40%	N.A.	N.A.
	Super Institutional Plan	0.25%	N.A.	N.A.	N.A.	N.A.	N.A.
	Eco Plan	N.A.	N.A.	2.24%	N.A.	2.21%	2.00%

\* Excluding dividend details of Bharti AXA Liquid Fund.

**Notes:**

- Returns are calculated since the date of allotment of units on the face value of units i.e. Rs 1000.00 for Bharti AXA Treasury Advantage Fund and Bharti AXA Liquid Fund & Rs 10.00 for all other Schemes as mentioned above.
- NAVs of the Growth Options of the respective plans of the Scheme have been used to compute the Returns.
- Returns are in absolute terms and are not annualised or compounded since the Schemes have not completed one year.

## VIII. HOW TO APPLY

Applications should be made for atleast a minimum amount as mentioned in Scheme Information Document (SID) of the respective Schemes.

Application Forms / Transaction Slips for purchase of Units of the Scheme will be available at the ISCs / distributors / designated branches of the AMC. Applications filled up and duly signed by all joint investors should be submitted along with the cheque /draft / other payment instrument to a Designated Collection Centre. Please refer to the paragraph "How to pay" below for details for making payment.

In order to protect investors from fraudulent encashment of cheques, the Regulations require that cheques for Redemption of Units specify the name of the Unit Holder and the bank name and account number where payments are to be credited. Hence, all applications for Purchase of Units must provide a bank name, bank account number, branch address, and account type in the Application Form. Application Form without these details will be treated as incomplete, and rejected. The Investor is required to provide a blank cancelled cheque or its photocopy for the purpose of enabling verification of his bank mandate particulars where the Investor pays application money through cheque drawn on bank account different than bank mandate specified in the Application Form or through demand draft.

**Submission of PAN Card:** With effect from January 1, 2008 it is mandatory for investors to provide a certified copy of their PAN number card (PAN Card) which should be attached alongwith their application. In case of application in name of minors, PAN Card of parent / guardian signing on behalf of the minor shall be furnished.

The PAN number of the investor will be duly verified by the AMC as required by Regulations. In the event of certified copy of PAN Card not attached to the application, or in case of un-successful verification of PAN number, the application is liable to be rejected.

**Submission of Form 49A and / or declaration in form 60/61 will NOT be accepted.**

### A. How to Pay

All subscription cheques / drafts / payment instruments must be drawn favouring the name of the Scheme or in such name as mentioned in the SID of the respective Scheme. They should be crossed "Account Payee only". A separate cheque or bank draft must accompany each application. Multiple cheques with single application are not permitted.

Payment can be made by any of the following modes:

- Cheque;
- Demand draft;
- a payment instrument (such as pay order, bankers' cheque etc.); or
- Electronic transfer of funds over the internet or by way of direct credit / RTGS / NEFT to designated Scheme collection account.

The payment instrument should be payable at a bank's branch, which is situated at and is a member of the Banker's Clearing House / Zone in the city where the application is submitted to a Designated Collection Centre.

An investor may invest through a distributor with whom the AMC has made an arrangement, whereby payment may be made through NEFT / RTGS / Wire Transfer or in any manner acceptable to the AMC, and is evidenced by receipt of credit in the bank account of the Fund.

The following modes of payment are **not valid**, and applications accompanied by such payments are liable to be rejected.

- Outstation cheques;
- Cash, money orders or postal orders;
- Post dated cheques excluding SIP;
- Multiple cheques with a single application; and

- Payments received from any person other than the applicant investor or a person holding a bank account jointly with the applicant investor, except that guardians / parents / authorised persons can make payments in respect of their minor children / wards / persons of whom they have lawful custody or in any other specific circumstances as AMC may agree.

In case of an applicant who is resident of a city whose banking clearing circle is different from that of any ISC or Designated Collection Centre of the AMC, the AMC shall bear the bank charges (as per demand draft charges prescribed by State Bank of India) incurred by the investor in obtaining a demand draft(s). In that case, the investor can obtain a draft for investment amount net of draft charges. The AMC shall not refund any demand draft charges in cash. The aforesaid charge borne by AMC shall not be charged to the Scheme, unless permitted.

**Applications accompanied by cheques / drafts not fulfilling the above criteria are liable to be rejected. Returned cheques will not be re-presented for collection and the accompanying application will be rejected.**

The Trustee, at its discretion, may choose from time to time to alter or add other modes of payment.

In order to protect investors from frauds, it is advised that the Application Form number / folio number and name of the first investor should be written overleaf the cheque / draft, before they are handed over to any courier / messenger / distributor / ISC. In order to protect investors from fraudulent encashment of cheques, the Regulations require that cheques for Redemption of Units specify the name of the Unit Holder and the bank name and account number where payments are to be credited. Hence, all applicants for Purchase of Units must provide a bank name, bank account number, branch address, and account type in the Application Form.

### B. Payment by NRIs, PIOs, FIIs

In terms of Schedule 5 of Notification No. FEMA 20/2000 dated May, 2000, the RBI has granted general permission to NRIs and FIIs to purchase, on a repatriation basis, units of domestic mutual funds subject to conditions mentioned therein. Further, the general permission has also been granted to NRIs and FIIs to sell the Units to the mutual funds for repurchase or for the payment of maturity proceeds provided that the Units have been purchased in accordance with the conditions set out in the aforesaid notification. For the purpose of this Para, the term "mutual funds" has same meaning as in Clause (23 D) of Section 10 of the Income-Tax Act 1961.

However, NRI investors, if they so desire, also have the option of investing on a non-repatriable basis.

#### (i) Repatriable basis

In the case of NRIs/PIOs investing on repatriable basis, payment may be made either by inward remittance through normal banking channels or out of funds held in a Non - Resident (External) Rupee Account (NRE) / Foreign Currency (Non-Resident) Account (FCNR).

In case Indian Rupee drafts are purchased abroad or from FCNR/ NRE accounts, an account debit certificate from the bank issuing the draft confirming the debit shall also be enclosed. NRIs shall also be required to furnish such other documents as may be necessary and as desired by the Fund in connection with the investment in the Scheme.

FIIs may pay their subscriptions either by inward remittance through normal banking channels or out of funds held in a Non-Resident Rupee Account maintained with the designated branch of an authorised dealer.

In case Indian rupee drafts are purchased by the FII from abroad or from Foreign Currency Accounts or Non-resident Rupee Accounts, an account debit certificate from the bank issuing the draft confirming the debit shall also be enclosed. Payments shall be made by cheques/demand drafts crossed "Account Payee Only".

#### (ii) Non-repatriable basis

In the case of NRIs investing on non-repatriable basis, payment may be made either by inward remittance through normal banking channels or out of funds held in an NRE / FCNR / Non-Resident Ordinary Rupee Account (NRO).

## Statement of Additional Information (SAI)

### C. Applications under Power of Attorney

An applicant applying through his power of attorney holder must lodge a copy of the Power of attorney (POA) attested by a notary public or the original POA (which will be returned after verification) within 30 days of submitting the Application Form / Transaction Slip at an ISC. In case the POA is not submitted timely, the allotment will be compulsorily reversed and proceeds credited back. The enclosure of original POA should be duly indicated in the Application Form.

### D. Application by Non-Individual Investor

In case of an application by a company, body corporate, society, mutual fund, trust or any other organisation not being an individual, a duly certified copy of the relevant resolution or a document providing evidence of the authority to the organisation to invest in units of mutual fund(s), along with the updated specimen signature list of authorised signatories must be submitted along with the Application Form / Transaction Slip. Further, a certified copy of the incorporation deeds / constitutive documents (e.g. memorandum of association and articles of association) should be submitted, where the AMC so requires. Any request may not be processed if the necessary documents are not submitted.

### E. Mode of Holding

An application can be made by up to a maximum of three applicants. Applicants must specify the 'mode of holding' in the Application Form.

If an application is made by one Unit Holder only, then the mode of holding will be considered as 'Single'. If an application is made by more than one investors, they have an option to specify the mode of holding as either 'Joint' or 'Anyone or Survivor'.

If the mode of holding is specified as 'Joint', all instructions to the Fund would have to be signed jointly by all the Unit Holders. The Fund will not be empowered to act on the instruction of any one of the Unit Holders in such cases.

If the mode of holding is specified as 'Anyone or Survivor', an instruction signed by any one of the Unit Holders will be acted upon by the Fund. It will not be necessary for all the Unit Holders to sign.

In case if nothing is mentioned by the investor in the application form the default option shall be 'Joint' or as mentioned in the SID of the Scheme.

In all cases, all communication to Unit Holders (including account statements, statutory notices and communication, etc.) will be addressed to the Unit Holder whose name appears first in terms of priority in the Register. All payments, whether for Redemptions, dividends, etc will be made favouring the first-named Unit Holder. Service of a notice on or delivery of a document to any one of several joint Unit Holders shall be deemed effective service on or delivery to the other joint Unit Holders.

Any notice or document so sent by post to or left at the address of a Unit Holder appearing in the Register shall notwithstanding that such Unit Holder be then dead or bankrupt and whether or not the Trustee or the Investment Manager has notice of such death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under the Unit Holder) in the Units concerned.

Investors are advised to go through the sections titled 'Transmission of Units' and 'Nomination Facility' before selecting the relevant box pertaining to the mode of holding in the Application Form.

### F. Where to Submit Application Forms

Duly completed application forms for purchase of Units under a Scheme during the New Fund Offer period along with full payment may be submitted to any of the Designated Collection Centres or ISCs notified by the AMC. (Details in respect of this shall be provided in the Scheme Information Document (SID) of the respective Schemes).

### G. Applications made during the NFO period of the respective Schemes -Allotment, Account Statements and Refunds

#### (i) Allotment

Subject to the receipt of the specified minimum subscription

amount, full allotment of Units applied for will be made within 30 days from the date of closure of the NFO Period for all valid applications received during the NFO Period. Allotments made will be subject to realization of payment instrument and subject to the AMC having been reasonably satisfied of having received clear funds.

#### (ii) Account Statements

An account statement stating the number of Units purchased and allotted will be sent through ordinary post / courier / electronic mail to each Unit Holder not later than 30 days from the close of the New Fund Offer Period. The Account Statement is non-transferable. Despatch of account statements to NRIs/FIIs will be subject to RBI approval, if required.

In case of Unitholders under the Regular / Institutional Plan who have provided their e-mail address with consent to receive the statements electronically, the account statements shall be provided through e-mail message, subject to Regulations. In cases where the email does not reach the Unitholder, the Fund / its Registrars will not be responsible, but the Unitholder can request for fresh statement which will be sent as above. The Unitholder shall from time to time intimate the Fund / its Registrar about any changes in his e-mail address.

Discrepancy, if any, in the Account Statement / Unit Certificate should be brought to the notice of the Fund/AMC immediately. Contents of the Account Statement / Unit Certificate will be deemed to be correct if no error is reported within 30 days from the date of Account Statement / Unit Certificate.

#### (iii) Refunds

If the Scheme fails to collect the minimum subscription amount as mentioned in the SID of respective scheme, Fund will compulsorily refund the application money to the applicants. The Fund will also refund the subscription money to those applicants whose applications are found to be incomplete, invalid or have been rejected for any other reason whatsoever.

Refund instruments will be dispatched within 6 weeks of the closure of the NFO Period. In the event of delay beyond 6 weeks, the AMC shall be liable to pay interest at 15% per annum. Refund orders will be marked "A/c Payee only" and drawn in the name of the applicant (in case of a sole applicant) and in the name of the first applicant (in case of joint applicants). All refund orders will be sent by registered post or as permitted under Regulations.

### H. Applications made after the NFO period of the respective Schemes -Allotment and Account Statements

#### (i) Allotment in case of intra-plan switching

Post closure of NFO period of any Scheme, Unitholders if permitted by the features of that Scheme may apply for Units in a Plan / Option which is open for subscription by intra-plan switching by filling up a Transaction Slip appended to their account statements. All valid and complete applications will be allotted Units at the Applicable NAV for the amount switched.

#### (ii) Account Statements and Unit Certificates

An account statement stating the number of Units purchased / allotted / redeemed will be sent through ordinary post and/or electronic mail to each Unit Holder not later than 30 days after receipt of his application / request for purchase / switch / redemption. The Account Statement is non-transferable. Despatch of account statements to NRIs/FIIs will be subject to RBI approval, if required.

In case of Unitholders who have provided their e-mail address with consent to receive the statements electronically, the Fund will provide the Account Statement only through e-mail message, subject to Regulations. In cases where the email does not reach the Unitholder, the Fund / its Registrars will not be responsible, but the Unitholder can request for fresh statement which will be sent as above. The Unitholder shall from time to time intimate the Fund / its Registrar about any changes in his e-mail address.

In case of investments in SIP / STP / SWP, as the case may be,

## Statement of Additional Information (SAI)

the Fund will dispatch the statement of accounts to the Unitholders once every quarter ending March, June, September and December within 10 working days of the end of the respective quarter. However, the first account statement under SIP/STP/SWP shall be issued within 10 working days of the initial investment. In case of specific request received from investors, the Fund shall provide the account statement to the investors within 5 working days from the receipt of such request without any charges. Further, soft copy of the account statement shall be emailed to the investors under SIP/STP/SWP to their e-mail address on a monthly basis, if so chosen by the Unitholder.

Further in the interest of investors, the Fund shall provide the account statements to the Unitholders who have not transacted during the last six months prior to the date of generation of account statements. The account statements in such cases, reflecting latest closing balance and value of the units, may be generated and issued along with the Portfolio Statement or Annual Report of the scheme. Further, soft copy of the account statements shall be emailed to the Unitholders at instead of physical statement, if so chosen by the Unitholder.

Account statements to be issued in lieu of Unit Certificates under the Scheme shall be non-transferable. The account statement shall not be construed as a proof of title. The Trustee reserves the right to make the Units transferable at a later date, subject to the Regulations.

A non-transferable Unit Certificate will be sent to the Unit Holder within 6 weeks following the receipt of a written request.

All Units will rank *pari passu*, among Units within the same Option in the Scheme, as to assets and earnings.

Discrepancy, if any, in the Account Statement / Unit Certificate should be brought to the notice of the Fund/AMC immediately. Contents of the Account Statement / Unit Certificate will be deemed to be correct if no error is reported within 30 days from the date of Account Statement / Unit Certificate.

### (iii) Refunds

Fund will refund the application money to applicants whose applications are found to be incomplete, invalid or have been rejected for any other reason whatsoever. Refund instruments will be dispatched within 6 weeks of the receipt of the subscription / switch-in application. In the event of delay beyond 6 weeks, the AMC shall be liable to pay interest at 15% per annum. Refund orders will be marked "A/c Payee only" and drawn in the name of the applicant (in the case of a sole applicant) and in the name of the first applicant in all other cases. All refund orders will be sent by registered post or as permitted by Regulations.

### I. Eligibility for Investment:

#### (i). Who can invest:

Prospective investors are advised to satisfy themselves that they are not prohibited or restricted under any law from investing in the Scheme and are authorised to subscribe to or purchase units in the Scheme as per their respective constitutions, charter documents, corporate / other authorizations 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 Scheme:

- Resident Indian adult individuals, either singly or jointly (not exceeding three);
- Minor through parent / lawful guardian; (refer note below);
- 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 Indian Partnership law;
- 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, their Shareholders, Sponsor or their affiliate, associate or group entities (as per prevailing laws); and
- The Fund or any other mutual fund through its Schemes, including fund of funds Schemes, subject to Regulations.
- Such other category of investor, that the AMC may permit.

**Note:** A minor Unit Holder, on attaining majority, may inform the Scheme Registrar about attaining majority and provide his/her specimen signature duly authenticated by his/her banker as well as details of his/her bank account and PAN number to enable the Registrar to update records and allow him/her to operate the Account in his/her own right.

The above list is only indicative and exact eligibility for investment may be referred to the SID of the respective Scheme.

Any application for Units may be accepted or rejected in the sole and absolute discretion of the AMC / Trustee and further in accordance with the provisions of the SID. For example, the Trustee may reject any application for the Purchase of Units if the application is invalid or incomplete or if, in its opinion, increasing the size of any or all of the Scheme's 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 Scheme or its Unit Holders to accept such an application.

#### (ii). Who cannot invest:

**It should be noted that the following persons / entities cannot invest in a Scheme:**

- Any individual who is a Foreign National or any other entity that is not an Indian resident (other than PIO) under the Foreign Exchange Management Act, 1999, except where registered with SEBI as a FII or FII sub account.
- Overseas Corporate Bodies, as defined under the Foreign Exchange Management Act, 1999.
- NRIs residing in Non-Compliant Countries and Territories (NCCTs) as determined by the Financial Action Task Force (FATF), from time to time.

The Fund reserves the right to include / exclude new / existing categories of investors to who can invest in the Scheme from time to time, subject to SEBI Regulations and other prevailing statutory regulations, if any.

The AMC / Trustee may need to obtain from the investor verification of identity or such other details relating to a subscription for Units as may be required under any applicable law, which may result in delay in processing the application.

Subject to the Regulations and other applicable laws, the AMC / Trustee may reject any application received in case the application is found invalid / incomplete or for any other reason in the Trustee's sole discretion.

## IX. RIGHTS OF UNITHOLDERS OF THE SCHEME

1. Unit holders of a Scheme have a proportionate right in the beneficial ownership of the assets of a Scheme.
  2. When the Mutual Fund declares a dividend under a Scheme, the dividend warrants shall be despatched within 30 days of the declaration of the dividend. Account Statement reflecting the new or additional subscription as well as Redemption / Switch of Units shall be despatched to the Unit holder within 10 business days of the Specified Redemption Date. Provided if a Unit holder so desires the Mutual Fund shall issue a Unit certificate (non- transferable) within 30 days of the receipt of request for the certificate.
  3. The Mutual Fund shall dispatch Redemption proceeds within 10 Business Days of receiving the Redemption request.
  4. The Trustee is bound to make such disclosures to the Unit holders as are essential in order to keep the unitholders informed about any information known to the Trustee which may have a material adverse bearing on their investments.
  5. The appointment of the AMC for the Mutual Fund can be terminated by majority of the Directors of the Trustee Board or by 75% of the Unit holders of the Scheme.
  6. 75% of the Unit holders of a Scheme can pass a resolution to wind- up a Scheme.
  7. The Trustee shall obtain the consent of the Unit holders:
    - whenever required to do so by SEBI, in the interest of the Unit holders.
  - whenever required to do so if a requisition is made by three- fourths of the Unit holders of a Scheme.
  - when the Trustee decides to wind up a Scheme or prematurely redeem the Units.
- The Trustee shall ensure that no change in the fundamental attributes of any Scheme or the Trust or fees and expenses payable or any other change which would modify a Scheme and affects the interest of Unit holders of such Scheme, shall be carried out unless:
- a written communication about the proposed change is sent to each Unit holder of that Scheme 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
  - the Unit holders of that Scheme are given an option to exit at the prevailing Net Asset Value without any Exit Load.
8. In specific circumstances, where the approval of Unitholders of a Scheme 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.
  9. No amendments to the Trust Deed shall be carried out without prior approval of SEBI, and Unitholders approval would be obtained if it affects their interests.

## X. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

### A. NAV COMPUTATION

NAV of Units under the Scheme will be computed as follows:

$$\text{NAV (Rs. Per unit)} = \frac{\text{(Market or Fair Value of the Scheme's Investments + Other Assets (including accrued interest) - Current liabilities \& Provisions)}}{\text{Number of Units Outstanding under the Scheme at the end of the day}}$$

The NAV will be calculated up to 4 decimals or such decimals as may be informed, using standard rounding criteria. In case of an Equity Schemes, the NAV will be calculated up to 2 or such decimals as may be informed, using standard rounding criteria.

The first NAV will be calculated and announced within a period of 30 days after the close of the New Fund Offer Period of the Schemes. Subsequently:

- In case of an Open - Ended Scheme other than Liquid Scheme, the NAV will be computed on all Business days.
- In case of a Liquid Scheme, the NAV will be computed for all Calendar Days and announced for all Business Days.
- In case of Close - Ended Scheme, the NAV will be computed and announced on every Wednesday or such other day as the AMC may deem fit, or where any such Wednesday or such other day is not a Business Day, then on the following Business Day.

### B. Valuation of Investments:

The investments of the Fund will be valued in line with valuation norms prescribed under Schedule VIII of the Regulations, and as amended from time to time. The broad valuation norms, basis extant provisions, are detailed below:

#### 1. Traded Securities

- a) The traded securities shall be valued at the last quoted closing price on the stock exchange.
- b) When the securities are traded on more than one recognised stock exchange, the securities shall be valued

at the last quoted closing price on the stock exchange where the security is principally traded. It would be left to the asset management company to select the appropriate stock exchange, but the reasons for the selection should be recorded in writing and approved by the Trustee. There should, however, be no objection for all scrips being valued at the prices quoted on the stock exchange where a majority in value of the investments are principally traded.

- c) Once a stock exchange has been selected for valuation of a particular security, reasons for change of the exchange shall be recorded in writing by the asset management company.
- d) When on a particular valuation day, a security has not been traded on the selected stock exchange, the value at which it is traded on another stock exchange may be used.
- e) When a security (other than debt securities) 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.
- f) When a debt security (other than Government Securities) is not traded on any stock exchange on any particular valuation day, the value at which it was traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than fifteen days prior to valuation date. When a debt security (other than Government Securities) is purchased by way of private placement, the value at which it was bought may be used for a period of fifteen days beginning from the date of purchase.

#### 2. Thinly Traded Securities

- (i) Thinly traded Equity/Equity Related Securities:
  1. When trading in an equity/equity related security (such as convertible debentures, equity warrants, etc.) in a month is both less than Rs. 5 lacs and the total volume is less



## Statement of Additional Information (SAI)

than 50,000 shares, it shall be considered as a thinly traded security and valued accordingly.

For example, if the volume of trade is 100,000 and value is Rs. 400,000, the share does not qualify as thinly traded. Also if the volume traded is 40,000, but the value of trades is Rs. 600,000, the share does not qualify as thinly traded.

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.

2. 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 Fund shall use the same.
3. If the share is not listed on the stock exchanges which provide such information, then the Fund shall make its own analysis in line with the above criteria to check whether such securities are thinly traded which would then be valued accordingly.
4. 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 Asset Management Company/Trustees will decide the valuation norms to be followed and such norms would be documented and recorded.

### (ii) Thinly Traded Debt Securities:

A debt security (other than Government Securities) shall be considered as a thinly traded security if on the valuation date, there are no individual trades in that security in marketable lots (currently Rs 5 crore) on the principal stock exchange or any other stock exchange.

In order to determine whether a security is thinly traded or not, the volumes traded on all recognized stock exchanges in India may be taken into account.

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

- (i) When a security (other than Government security) is not traded on any stock exchange for a period of thirty days prior to the valuation date, the scrip must be treated as 'non-traded'.
- (ii) Non-traded / thinly traded securities shall be valued "in-good faith" as per following valuation principles:
  - a) Non-traded / thinly traded equity securities:

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

1. 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.
2. 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.
3. 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.
4. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.

5. 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.
6. 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.
7. To determine if a security accounts for more than 5% of the total assets of the scheme, it should be valued as per 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.

### b) (1) Non Traded /Thinly Traded Debt Securities of Upto 182 Days to Maturity :

As the money market securities are valued on the basis of amortization (cost plus accrued interest 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), a similar process should be adopted for non-traded debt securities with residual maturity of upto 182 days, in the absence of any other standard benchmarks in the market. Debt securities purchased with residual maturity of upto 182 days are to be valued at cost (including accrued interest till the beginning of the day) plus the difference between the redemption value ( inclusive of interest ) and cost spread uniformly over the remaining maturity period of the instrument. In case of a debt security with maturity greater than 182 days at the time of purchase, the last valuation price plus accrued interest should be used instead of purchase cost. All other non traded Non Government debt instruments shall be valued using the method given in (b) (2) below.

### b) (2) Non Traded/ Thinly Traded Debt Securities of Over 182 Days to Maturity.

For the purpose of valuation, all Non-Traded Debt Securities would be classified into "Investment grade" and "Non-Investment grade" securities based on their credit ratings. The non-investment grade securities would further be classified as "Performing" and "Non-Performing" assets.

1. All Non-Government investment grade debt securities, classified as not traded, shall be valued on yield to maturity basis as prescribed under the Regulations.
2. All Non-Government non investment grade performing debt securities would be valued at a discount of 25% to the face value
3. All Non-Government non-investment grade non-performing debt securities would be valued based on the provisioning norms.

The approach in valuation of non traded debt securities 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 Sec) as the base. GOI Secs 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.

## Statement of Additional Information (SAI)

Step C: The yields as calculated above are Marked-up/Marked-down for ill-liquidity risk.

Step D: The Yields so arrived are used to price the portfolio.

### 4. 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 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.
- 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:

1. All calculations as aforesaid shall be based on audited accounts.
2. 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.
3. If the net worth of the company is negative, the share would be marked down to zero.
4. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.
5. 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 trustees, an unlisted equity share may be valued at a price lower than the value derived using the aforesaid methodology.

### 5. Money Market Instruments

While investments in CBLO, 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 will be valued at cost plus interest accrued plus the difference between the redemption and cost spread uniformly over the remaining maturity period of the instrument.

### 6. Securities with Put/Call Options

The option embedded securities would be valued as follows:

1. Securities with call option:

The securities with call option shall be valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option.

In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instrument.

2. Securities with Put option :

The securities with put option shall be valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option

In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instruments.

3. 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.

### 7. Government Securities

Government securities will be valued based on prices released by an AMFI approved independent agency.

### 8. 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 for open ended fund.
- (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 unitholders. In the list of investments, an asterisk mark shall also be given against all such investments which are recognised as illiquid securities.
- (c) Transfer of illiquid securities among the schemes will not be allowed.
- (d) In respect of closed-ended funds, for the purposes of valuation of illiquid securities, the limits of 15% applicable to open-ended funds should be increased to 20%.

### 9. Convertible Debentures, Warrants, Instruments bought on Repo basis

- (a) In respect of convertible debentures and bonds, the non-convertible and convertible components shall be valued separately. The non-convertible component should be valued on the same basis as would be applicable to a debt instrument. The convertible component should be valued on the same basis as would be applicable to an equity instrument. If, after conversion the resultant equity instrument would be traded pari passu with an existing instrument which is traded, the value of the latter instrument can be adopted after an appropriate discount for the non-tradability of the instrument during the period preceding the conversion. While valuing such instruments, the fact whether the conversion is optional should also be factored in.
- (b) In respect of warrants to subscribe for shares attached to instruments, the warrants can be valued at the value of the share which would be obtained on exercise of the warrant as

## Statement of Additional Information (SAI)

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 (as referred to in subparagraph (d) above) must be deducted to account for the period which must elapse before the warrant can be exercised.

- (c) Where instruments have been bought on 'repo' basis, the instrument must be valued at the resale price after deduction of applicable interest upto date of resale. Where an instrument has been sold on a 'repo' basis, adjustment must be made for the difference between the repurchase price (after deduction of applicable interest upto date of repurchase) and the value of the instrument. If the repurchase price exceeds the value, the depreciation must be provided for and if the repurchase price is lower than the value, credit must be taken for the appreciation.

### 10. Rights Shares

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

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

Where

$V_r$  = Value of rights

$n$  = no. of rights offered

$m$  = no. of original shares held

$P_{ex}$  = Ex-rights price

$P_{of}$  = Rights Offer Price

Where the rights are not treated pari-passu with the existing shares, suitable adjustment should be made to the value of 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.

### 11. Derivatives

- a) 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.
- b) 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.

### 12. Foreign Securities

- (a) On the valuation date, the securities issued outside India and listed on Stock exchanges outside India shall be valued at the closing price on the stock exchange at which it is listed or at the last available price. 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.
- (b) Further in case of extreme volatility in the international markets, the securities listed in those markets may be valued on a fair value basis. Due to difference in time zones of different markets, in case the closing prices of securities are not available within a given time frame to enable the AMC to upload the NAVs for a Valuation Day, the AMC may use the last available traded price for the purpose of valuation. The use of the closing price / last available traded price for the purpose of valuation will also be based on the practice followed in a particular market.
- (c) In case any particular security is not traded on the Valuation Day, the same shall be valued on a fair value basis by the Valuation Committee of the AMC.
- (d) 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 or any other standard reference rate at the close of banking hours in India.

The Trustees reserve 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.

### C. Identification and Provisioning for Non-Performing Assets

1. An 'asset' shall be classified as non-performing if the interest and/or principal amounts have not been received or remained outstanding for one quarter from the day such income / installment has fallen due.

2. Effective date for classification and provisioning of NPAs :

The definition of NPA may be applied after a quarter past due date of the interest. For e.g. if the due date for interest is 30.06.2007, it will be classified as NPA from 01.10.2007.

3. Treatment of income accrued on the NPA and further accruals:

- a) After the expiry of the 1st quarter from the date the income has fallen due, there will be no further interest accrual on the asset i.e. if the due date for interest falls on 30.06.2007 and if the interest is not received, accrual will continue till 30.09.2007 after which there will be no further accrual of income. In short, taking the above example, from the beginning of the 2nd quarter there will be no further accrual on income.

- b) On classification of the asset as NPA from a quarter past due date of interest, all interest accrued and recognized in the books of accounts of the Fund till the date, should be provided for. For e.g if interest income falls due on 30.06.2007, accrual will continue till 30.09.2007 even if the income as on 30.06.2007 has not been received. Further, no accrual will be done from 01.10.2007 onwards. Full provision will also be made for interest accrued and outstanding as on 30.06.2007.

4. Provision for NPAs -Debt Securities.

- a) Both secured and unsecured investments once they are recognized as NPAs call for provisioning in the same manner and where these are related to close-ended scheme the phasing would be such that to ensure full provisioning prior to the closure of the scheme or the scheduled phasing which ever is earlier.

- b) The value of the asset must be provided in the following manner or earlier at the discretion of the fund. Fund will not have discretion to extend the period of provisioning. The provisioning against the principal amount or instalments should be made at the following rates irrespective of whether the principal is due for repayment or not:

i 10% of the book value of the asset should be provided for after 6 months past due date of interest i.e. 3 months from the date of classification of the asset as NPA.

ii 20% of the book value of the asset should be provided for after 9 months past due date of interest i.e 6 months from the date of classification of the asset as NPA.

iii Another 20% of the book value of the assets should be provided for after 12 months past due date of interest i.e 9 months from the date of classification of the asset as NPA.

iv Another 25% of the book value of the assets should be provided for after 15 months past due date of interest i.e. 12 months from the date of classification of the asset as NPA.

v The balance 25% of the book value of the asset should be provided for after 18 months past due date of the interest i.e 15 months from the date of classification of the assets as NPA.

## Statement of Additional Information (SAI)

- c) Book value for the purpose of provisioning for NPAs shall be taken as a value determined as per the prescribed valuation method.
5. Reclassification of assets :
- Upon reclassification of assets as 'performing assets':
- a) In case a company has fully cleared all the arrears of interest, the interest provisions can be written back in full.
- b) The asset will be reclassified as performing on clearance of all interest arrears and if the debt is regularly serviced over the next two quarters.
- c) In case the company has fully cleared all the arrears of interest, the interest not credited on accrual basis would be credited at the time of receipt.
- d) The provision made for the principal amount can be written back in the following manner :-
- o 100% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter where the provision of principal was made due to the interest defaults only.
  - o 50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25% after every subsequent quarter where both instalments and interest were in default earlier.
- e) An asset is reclassified as 'standard asset' only when both overdue interest and overdue instalments are paid in full and there is satisfactory performance for a subsequent period of 6 months.
6. Receipt of past dues :
- When the fund has received income/principal amount after their classifications as NPAs:
- a) For the next 2 quarters, income should be recognized on cash basis and thereafter on accrual basis. The asset will be continued to be classified as NPA for these two quarters.
- b) During this period of two quarters although the asset is classified as NPA no provision needs to be made for the principal if the same is not due and outstanding.
- c) If part payment is received towards principal, the asset continues to be classified as NPA and provisions are continued as per the norms set at 4. above. Any excess provision will be written back.
7. Classification of Deep Discount Bonds as NPAs:
- Investments in Deep Discount Bonds can be classified as NPAs, if any two of the following conditions are satisfied:
- a) If the rating of the Bond comes down to grade 'BB' or below.
- b) If the company is defaulting in their commitments in respect of other assets, if available.
- c) Full Net worth erosion.
- i. Provision should be made as per the norms set at 4. above as soon as the asset is classified as NPA.
  - ii. Full provision can be made if the rating comes down to grade 'D'
8. Re-scheduling of an asset :
- In case any company defaults either interest or principal amount and the fund has accepted a re-schedulement of the schedule of payments, then the following practice may be adhered to:
- a. In case it is a first re-schedulement and only interest is in default, the status of the asset namely, 'NPA' may be continued and existing provisions should not be written back. This practice should be continued for two quarters of regular servicing of the debt. Thereafter, this be classified as 'performing asset' and the interest provided may be written back.
- b. If the re-schedulement is done due to default in interest and principal amount, the asset should be continued as non performing for a period of 4 quarters, even though the asset is continued to be serviced during these 4 quarters regularly. Thereafter, this can be classified as 'performing asset' and all the interest provided till such date should be written back.
- c. If the re-schedulement is done for a second/third time or thereafter, the characteristic of NPA should be continued for eight quarters of regular servicing of the debt. The provision should be written back only after it is reclassified as 'performing asset'.
9. Disclosure in the half Yearly Portfolio reports
- The Mutual Funds shall make scrip-wise disclosures of NPAs on half yearly basis along with the half yearly portfolio disclosure.
- The total amount of provisions made against the NPAs shall be disclosed in addition to the total quantum of NPAs and their proportion of the assets of the Scheme. In the list of investments an asterisk mark shall be given against such investments which are recognized as NPAs. Where the date of redemption of an investment has lapsed, the amount not redeemed shall be known as "Sundry Debtors" and not investment provided that where an investment is redeemable by installments that shall be shown as an investment until all installments have become overdue.
- To provide appropriate details of the Scheme wise deployment of the assets of the Fund, certain accounting policies and standards in accordance with the appropriate guidance notes issued by the Institute of Chartered Accountants of India may be adopted by AMC and amended from time to time.
- D. Accrual of Expenses & Income and Recording of Changes:**
1. All expenses and incomes accrued upto and including the valuation date shall be considered for computation of net asset value. For this purpose, while major expenses like management fees and other periodic expenses should be accrued on a day to day basis, other minor expenses and income need not be so accrued, provided the non-accrual does not affect the NAV calculations by more than 1%.
  2. Any changes in securities and in the number of units be recorded in the books not later than the first valuation date following the date of transaction. If this is not possible given the frequency of the Net Asset Value disclosure, the recording may be delayed upto a period of seven days following the date of the transaction, provided that as a result of the non-recording, the Net Asset Value calculations shall not be affected by more than 1%.
  3. In case the Net Asset Value of a scheme differs by more than 1%, due to non - recording of the transactions, the investors or scheme/s as the case may be, shall be paid the difference in amount as follows:-
    - o If the investors are allotted units at a price higher than Net Asset Value or are given a price lower than Net Asset Value at the time of sale of their units, they shall be paid the difference in amount by the scheme.
    - o If the investors are charged lower Net Asset Value at the time of purchase of their units or are given higher Net Asset Value at the time of sale of their units, the AMC shall pay the difference in amount to the relevant scheme. The AMC may recover the difference from the investors.
- The NAV of the Scheme will be calculated as of close of every Business Day. The valuation of the Scheme's NAV will be subject to audit on annual basis and such regulations as may be prescribed by SEBI from time to time.

## XI. TAX PROVISIONS IN RESPECT OF INVESTMENTS IN MUTUAL FUNDS

### TAX TREATMENT FOR INVESTMENT IN MUTUAL FUNDS

The information set out below outlines the tax implications on the Unit holders and the Mutual Fund and is based on the relevant provisions of the Indian Income-tax Act, 1961, the Wealth-tax Act, 1957 and the Finance Bill, 2009 (collectively known as the relevant provisions), and prevailing as on June 20, 2009.

The information is provided for general purposes only and is subject to changes. It does not necessarily describe all the tax consequences for all types of investors. In view of the individual nature of tax implications, each investor is advised to consult his own tax adviser with respect to the specific tax implications arising out of his participation in any or all of the schemes. Neither the Fund nor any of the parties listed in the Section II of this Statement of Additional Information gives or makes any warranty and/or representation as to the tax consequences in relation to the subscription, holding and redemption of units or any distribution ('any Relevant Event'), takes any responsibility for any tax consequences in relation to any Relevant Event (or combination of Relevant Events) and expressly disclaims any liability whatsoever for any tax consequences in relation to any Relevant Event (or combination of Relevant Events) and/or for any loss howsoever arising (whether directly or indirectly) from any Relevant Event (or combination of Relevant Events).

#### Income-tax

##### A. For Unit Holders

##### 1. Securities Transaction Tax ('STT')

a. On units of funds other than equity oriented funds:

STT is not applicable to sale of units of funds which do not qualify as 'equity oriented funds'.

An 'equity oriented fund' has been defined as a scheme of a Mutual Fund where the investible funds are invested in equity shares of domestic companies to the extent of more than 65 percent of the total proceeds of such fund. The percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures. Accordingly, the schemes other than equity oriented fund would be construed as 'non-equity oriented fund' to which STT will not be applicable.

b. Units of an 'equity oriented fund'

At the time of transfer of units of an equity oriented fund to the Mutual Fund (that is redemption / repurchase of units by the fund), the Unit Holder is required to pay an Securities Transaction Tax ('STT') of 0.25 percent on the value of the transfer, which will be collected by the Mutual Fund and deposited into Government treasury. For this purpose 'equity oriented fund' has been defined in the above paragraph.

##### 2. Tax on Capital Gains

##### 2.1. Capital Gains - General Provisions

2.1.1. Units of a mutual fund held as capital assets are regarded as long-term capital assets if they are held for a period of more than twelve months immediately preceding the date of transfer.

2.1.2. Units of a mutual fund held as capital assets are regarded as short-term capital assets if they are held for a period of 12 months or less immediately preceding the date of their transfer.

2.1.3. The capital gains will be computed by deducting from the sale consideration:

- (a) expenditure incurred wholly and exclusively in connection with such transfer; and
- (b) the cost / indexed cost of acquisition (if applicable) of the unit from the sale consideration.

##### 2.2. Long Term Capital gains

On units of funds other than equity oriented funds:

2.2.1. Long-term capital gains earned arising from the sale of units of funds other than equity oriented funds, will be chargeable to tax at the rate of 20 percent [section 112 of the Income-tax Act, 1961 ('the Act')].

2.2.2. However, the maximum tax payable on long-term capital gains on units is restricted to 10 percent of capital gains calculated without indexation to the cost of acquisition. In the

case of FIIs and specified overseas financial organizations, such long-term capital gains are chargeable to tax at the rate of 10 percent without the benefit of indexation.

2.2.3. In case of resident individuals and Hindu Undivided Family ('HUF'), where the total income as reduced by the long-term capital gains, is below the basic exemption limit (Rs 2,25,000 in case of resident individuals of an age of 65 years or more, Rs 1,80,000 in case of women resident in India below 65 years of age and Rs 1,50,000 in case of other individuals and HUF), the long-term capital gains will be reduced to the extent of the difference between the basic exemption limit and the total income (other than long-term capital gains) and only the balance will be subjected to the 20 percent or 10 percent tax as the case may be.

2.2.4. The said tax would be increased by a surcharge of:

- (a) 10 percent - in case of individuals / HUFs / Associations of Persons ('AOP') and Bodies of Individuals ('BOI') that is, non-corporate entities, where the total income exceeds Rs 10,00,000;
- (b) 10 percent - in case of firms / domestic corporate Unit Holders, where the total income exceeds Rs 100,00,000;
- (c) 2.5 percent - in case of foreign corporate Unit Holders, where the total income exceeds Rs 100,00,000; and
- (d) Nil - in case of local authority and co-operative societies.

Further, an additional surcharge of 3 percent by way of education cess would be charged in respect of all Unit Holders on the amount of tax (inclusive of surcharge if any).

2.2.5. In case of non-resident Unit Holders eligible for availing of tax treaty benefits, please refer to paragraph 7 below.

2.2.6. Long-term capital gains arising from the sale of a unit of an equity oriented fund are exempt from tax where such sale attracts STT [section 10(38) of the Act].

##### 2.3. Short-term capital gains

On units of funds other than equity oriented funds:

2.3.1. Short-term capital gains earned on the transfer of units of funds other than equity oriented funds is added to the total income of the assessee and taxed at the following tax rates:

**Table A**

Individual / HUF	Where total income for a tax year (April to March) is less than or equal to Rs 1,50,000* (the basic exemption limit)	Nil
	Where such total income is more than Rs 1,50,000* but is less than or equal to Rs 3,00,000	10% of the amount by which the total income exceeds Rs 1,50,000*
	Where such total income is more than Rs 3,00,000* but is less than or equal to Rs 5,00,000	Rs 15,000 plus 20% of the amount by which the total income exceeds Rs 3,00,000*
	Where such total income is more than Rs 5,00,000	Rs 55,000 plus 30% of the amount by which the total income exceeds Rs 5,00,000
Co-operative society	Where total income for a tax year (April to March) is less than or equal to Rs 10,000	10% of the total income
	Where such total income is more than Rs 10,000 but is less than or equal to Rs 20,000	Rs 1,000 plus 20% of the amount by which the total income exceeds Rs 10,000
	Where the total income exceeds Rs 20,000	Rs 3,000 plus 30% of the amount by which the total income exceeds Rs 20,000

## Statement of Additional Information (SAI)

Domestic Corporate/ Partnership firm/ Local authority/ FIs/ Specified Overseas Financial Organisations/ NRI	30%
AOP/ BOI (domestic and foreign)	30% or such higher rate of tax applicable to the individual members of the AOP / BOI
Foreign Corporates	40%

\* In case of women resident in India below 65 years of age, the basic exemption limit is Rs 1,80,000. Income between Rs 1,80,000 and Rs 3,00,000 will be taxable at the rate of 10%.

In case of resident individuals of an age of 65 years or more, the basic exemption limit is Rs 2,25,000. Income between Rs 2,25,000 and Rs 3,00,000 will be taxable at the rate of 10%.

The aforementioned tax would be increased by a surcharge and an additional surcharge to the extent, mentioned above in paragraph 2.2.4 above.

On units of equity oriented funds:

2.3.2. Short-term capital gains arising from the sale of a unit of an equity oriented fund chargeable to STT are taxable at the rate of 15 percent [section 111A of the Act].

2.3.3. However, in case of resident individuals and HUFs, where the total income as reduced by the short-term capital gains, is below the basic exemption limit (Rs 2,25,000 in case of resident individuals of an age of 65 years or more, Rs 1,80,000 in case of women resident in India below 65 years of age and Rs 1,50,000 in case of other individuals and HUF), the short-term capital gains will be reduced to the extent of the difference between the basic exemption limit and the total income (other than short-term capital gains) and only the balance will be subjected to the 15 percent tax.

The said tax would be increased by a surcharge and additional surcharge as mentioned in the paragraph 2.2.4 above.

2.3.4. In case of non-resident Unit Holders eligible for availing of tax treaty benefits, please refer to paragraph 7 below.

### 2.4. Special provisions - Dividend

Where a person buys any units within a period of three months before the record date, sells such units within nine months after such date and the income distributed on such units is exempt from tax, the loss on such sale to the extent of the income distributed on units shall be ignored while computing the income chargeable to tax [section 94(7) of the Act].

### 2.5. Special provisions - Bonus

Where a person buys units (original units) within a period of three months before the record date, receives bonus units on such original units, and then sells (all or part of) the original units within a period of nine months from the record date and continues to hold the bonus units, then the loss incurred on the original units shall be ignored while computing the income chargeable to tax but shall be deemed to be the cost of acquisition of the bonus units [section 94(8) of the Act].

### 3. Tax on Business Income

On units of funds other than equity oriented funds:

3.1. Profit arising on transfer of units of a mutual fund which are held as stock in trade or trading asset, is taxed under the head 'Profits and Gains of Business or Profession' [section 28 of the Act]. Such profit is added to the total income of the assessee and taxed at the rates mentioned in Table A above.

In case of non-resident Unit Holders eligible for availing of tax treaty benefits, please refer to paragraph 7 below.

On Units of an 'equity oriented fund'

3.2. Profit arising on transfer of units of a mutual fund which are held as stock in trade or trading asset, is taxed under the

head 'Profits and Gains of Business or Profession' [section 28 of the Act]. Such profit is added to the total income of the assessee and taxed at the rates mentioned in the Table A above.

### 4. Tax deduction at source on redemption / repurchase of units

On units of funds other than equity oriented funds:

#### TDS rates under the Act

	Resident Assesseees	FIs	NRIs / Other foreign entities (excluding FIs)
Short-term capital gains	NIL	NIL	30 percent for foreign non-corporates 40 percent for foreign corporate entities
Long-term capital gains	NIL	NIL	10 percent for specified overseas financial organisations 20 percent for other foreign entities
Business income	NIL	30 percent for non-corporate FIs 40 percent for corporate FIs	30 percent for foreign non-corporates 40 percent for foreign corporate entities

The aforementioned tax would be increased by a surcharge and an additional surcharge to the extent, mentioned in paragraph 2.2.4 above.

In case of non-resident Unit Holders eligible for availing of tax treaty benefits, please refer to paragraph 7 below.

On units of 'equity oriented funds'

#### TDS rates under the Act

	Resident Assesseees	FIs	NRIs / Other foreign entities (excluding FIs)
Short-term capital gains	NIL	NIL	10 percent
Long-term capital gains	NIL	NIL	NIL
Business income	NIL	30 percent for non-corporate FIs 40 percent for corporate FIs	30 percent for foreign non-corporates 40 percent for foreign corporate entities

The aforementioned tax would be increased by a surcharge and an additional surcharge to the extent, mentioned in paragraph 2.2.4 above.

### 5. Deduction under Chapter VI A of the Act

Individuals and HUFs would be entitled to claim deduction under section 80C in respect of subscription to the units of the scheme that qualifies as equity linked saving scheme<sup>1</sup>. The aggregate amount deductible under section 80C in respect of subscription to the units of an equity linked savings scheme and other prescribed investments is restricted to Rs 100,000.

### 6. Deduction in respect of STT paid

No deduction would be allowed for STT while calculating capital gains. Where the profits arising from the sale of units are taxable under the head 'Profits and Gains of Business or Profession', STT paid in respect of taxable securities transactions will be allowed as a deductible expenditure.

### 7. Tax treaty

7.1. In the case of a non-resident Unit Holder who is resident of a country with which India has signed a Double Taxation Avoidance Agreement ('DTAA'), and which is in force, income

<sup>1</sup>Equity Linked Savings Scheme, 2005, as notified by the Ministry of Finance (Department of Economic Affairs) vide notification dated 03 November 2005 and amended vide notification dated 13 December 2005.

## Statement of Additional Information (SAI)

is taxable as per the provisions of the Act or such agreement, whichever are more beneficial to the Unit Holder.

Hence, where the rate of tax prescribed under the relevant DTAA is lower than that prescribed under the Act, tax would be withheld and would be payable at such lower rate.

7.2. However, in order to obtain the benefit of the lower withholding at the rate under the DTAA, the Unit Holder would be required to provide to the Fund, a certificate from his Assessing Officer stating his eligibility to claim such benefit.

### 8. Tax on income distributed by the Mutual Fund

8.1. Income received in respect of the units of the Mutual Fund will be exempt from income tax in the hands of all unit holders [section 10(35) of the Act]. In view of the exemption of income in the hands of the unit holders, no tax needs to be deducted at source from such distribution by the Fund.

### 9. Exemption from long-term capital gains

9.1. The long-term capital gains from sale of units of mutual fund [other than gains arising on transfer of units of an equity oriented fund] are exempt from tax to the extent such capital gains are invested, within a period of six months of such transfer, in acquiring bonds redeemable after 3 years and issued on or after April 1, 2007 by the National Highways Authority of India or by the Rural Electrification Corporation Limited. A ceiling of Rs 50,00,000 applies in respect of investment in such bonds in any financial year [section 54EC of the Act].

If the said bonds are transferred within a period of 3 years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the bonds are transferred.

9.2. In the case of an individual or a HUF, the taxable long-term capital gains are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house and the other conditions are fulfilled [section 54F of the Act]. If part of such net consideration is invested within the prescribed period in a residential house, then proportionate exemption is available.

### 10. Set-off and carry forward of losses

On units of funds other than equity oriented funds:

10.1. Capital loss from transfer of units of a fund which is not an equity oriented fund would be available for set-off against other capital gains made by the investor. However, losses on transfer of units held as long term capital assets would be allowed to be set-off only against long term capital gains. The amount of losses not set-off can be carried forward for a period of eight years.

On units of an 'equity-oriented fund'

10.2. Long-term losses from sale of units of equity oriented fund would not be allowed to be set off or carried forward. Short-term capital loss from transfer of units of an equity oriented fund would be available for set-off against the other taxable capital gains made by the investor. Where such loss cannot be wholly set-off, the amount remaining to be set-off can be carried forward for a period of eight years and set-off against income under the head 'Capital Gains'.

Units held as stock in trade

10.3. A loss resulting from the transfer of units held as stock in trade or trading asset would be available for set off against income under any other head other than income under the head 'Salaries'. Where such loss cannot be wholly set-off, the

amount remaining to be set-off can be carried forward for a period of eight years and set-off against income under the head 'Profits and Gains of Business or Profession'.

### 11. Minimum Alternate Tax

11.1. Long-term capital gains arising to a corporate entity on sale of units of an equity oriented fund and exempt under the provisions of section 10(38) of the Act, would not be excluded from the book profits while calculating profits chargeable to minimum alternate tax [section 115JB of the Act].

### B. Tax Benefits / Consequences to the Mutual Fund:

12. Bharti AXA Mutual Fund is a Mutual Fund registered with the Securities and Exchange Board of India and its entire income is exempt from tax under the provisions of section 10(23D) of the Act. The Mutual Fund will receive all Indian sourced income without any deduction of tax at source by virtue of the provisions of section 196(iv) of the Act.

On units of funds other than equity oriented funds:

12.1. Any income from investments made by the Fund in overseas jurisdictions may be subject to withholding tax (or any other tax) in the relevant jurisdiction from which the income is received. Since the Fund is exempted from tax in India on its entire income (including foreign income), credit / refund in respect of such foreign taxes withheld / paid by the fund will not be available.

12.2. Income distribution, if any, made by a Mutual Fund, will attract distribution tax under section 115R of the Act at the rates listed below:

Sr No	Type of Mutual Fund	Income distributed to	Rate of distribution tax
(i)	Money market mutual fund or Liquid mutual fund	Any person	25 percent
(ii)	Mutual fund other than equity oriented fund and (i) above	Individual or HUF Any person other than Individual or HUF	12.5 percent 20 percent

The aforementioned rates would be increased by a surcharge of 10 percent and an additional surcharge by way of education cess at the rate of 3 percent on the amount of distribution tax inclusive of surcharge.

12.3. For this purpose, a 'Money market mutual fund' has been defined to mean a money market mutual fund as defined in sub-clause (p) of clause 2 of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996. Further, a 'Liquid fund' has been defined to mean a scheme or plan of a mutual fund which is classified by the Securities and Exchange Board of India as a liquid fund in accordance with the guidelines issued by it in this behalf under the Securities and Exchange Board of India Act, 1992 or regulations made thereunder.

On units of an 'equity-oriented fund'

12.4. Income distribution, if any, made by a Mutual Fund to unit holders of an equity oriented fund, will not attract distribution tax under section 115R of the Act.

As and when the Mutual Fund purchases and sells equity shares/units/derivatives, it would be required to pay the STT applicable on such purchases / sales to the concerned Recognised Stock Exchange.

12.5. The current rates of STT have been listed below:

Table

Transaction	Rate of STT	Payable by
Purchase of an equity share in a company / unit of an equity-oriented fund where the transaction is entered into in a recognised stock exchange and the contract is settled by actual delivery or transfer of shares / units.	0.125 per cent	Purchaser
Sale of an equity share in a company / unit of an equity-oriented fund where the transaction is entered into in a recognised stock exchange and the contract is settled by actual delivery or transfer of shares / units.	0.125 per cent	Seller
Sale of an equity share in a company / unit of an equity-oriented fund where the transaction is entered into in a recognised stock exchange and the contract is settled otherwise than by actual delivery or transfer of shares / units.	0.025 per cent	Seller
Sale of an option in securities	0.017 per cent <sup>2</sup>	Seller
Sale of an option in securities, where option is exercised	0.125 per cent <sup>2</sup>	Purchaser
Sale of a future in securities	0.017 per cent <sup>2</sup>	Seller
Sale of a unit of an equity oriented to the Mutual Fund	0.25 per cent	Seller

<sup>2</sup>Applicable with effect from June 1, 2008

## Statement of Additional Information (SAI)

### C. Other Implications:

1. **Wealth-tax:** Units of a scheme of a Mutual Fund are not treated as assets as defined under section 2(ea) of the Wealth-tax Act, 1957 and therefore, would not be liable to wealth-tax.
2. **Gift-tax:** The Gift-tax Act, 1958 has ceased to apply to gifts made on or after October 1, 1998. Gifts of units purchased in

a scheme of the Mutual Fund would therefore, be exempt from gift-tax.

3. **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 trusts.

## XII. LEGAL INFORMATION

### A. Nomination Facility:

Unit holders, being individuals, have option to nominate (in the manner prescribed under the Regulations), beneficiary(s) / successor(s) in whom the Units held by him shall vest in the event of his death. Where the Units are held by more than one person jointly, the joint Unit holders may together nominate a person in whom all the rights in the Units shall vest in the event of death of all the joint Unit holders. Unitholders can also nominate one or more nominee(s). In case of more than one nominee, the Unit Holder will have the option to specify share of each nominee, failing which the Fund will presume equal share of all registered nominees. The share will be reckoned at the time of receipt of intimation of death and when nomination is invoked. However, in the event of death of a minor unitholder, where nomination has been made in the prescribed manner, the rights in the Units will not be vested in the nominee but in the legal heirs of the minor.

Nomination does not confer any rights other than those granted by law to the Nominee. A nomination in respect of the Units does not create an interest in the property after the death of the Unit holder and the Nominee does not acquire any title or beneficial interest in the property by virtue of this nomination. The Nominee will receive the Units only as an agent and trustee for the legal heirs or legatees of the deceased Unitholder as the case may be and the transmission of units would normally be governed as per succession certificate / probate of the will.

Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot avail nomination facility.

The Nominee cannot be a trust, other than a religious or charitable trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a Power of Attorney holder.

A non-resident Indian can be a Nominee subject to the foreign exchange regulations in force from time to time. A minor can be nominated and in that event, the name and address of the guardian of the minor Nominee shall be provided by the Unit holder. Nomination can also be in favour of the Central Government, State Government, a local authority, any person designated by virtue of his office.

Units which are pledged and offered as security in favour of any entity/body for any purpose can also have the nomination facility after obtaining "approval"/ "no objection" clearance from such entity/body. Notwithstanding anything contained in any other law for the time being in force or in disposition, whether testamentary or otherwise, in respect of such pledged units of the Scheme, where a nomination made in the prescribed manner purports to confer on any person(s) the right to vest the pledged units of the Scheme, on the death of the unitholders (single holder or all the joint holder(s)), the nominee(s) shall become entitled to all the rights in the pledged units of the Scheme to the exclusion of all other persons except the entity/body in whose favour the units are pledged by way of lien, unless the nomination is cancelled or varied.

Nomination in respect of the Units stands cancelled automatically upon the Redemption/Repurchase or Transfer of Units by the nominating unitholder in full. Cancellation of nomination can be made only by those individuals who hold Units on their own behalf singly or jointly and who made the original nomination. On cancellation of the nomination, the nomination shall stand rescinded and the Fund / AMC shall not be under any obligation to transfer the Units in favour of the Nominee. The nomination facility extended under the Scheme is subject to existing laws. The AMC shall, subject to production of such evidence which in their opinion is sufficient, proceed to effect the payment to the Nominee. Transfer of Units / payment of the sums to the Nominee shall discharge the Fund / AMC of all liability towards the estate of the deceased Unit holder and his/their successors/legal heirs.

claim, demand, liabilities or proceedings or actions are filed, made or initiated against any of them in respect of or in connection with any nomination, they shall be entitled to be indemnified for all loss, expenses, costs, and charges that any of them may suffer or incur absolutely from the investor's estate.

To enable AMC to transfer the unitholdings in the name of the Nominee upon death of a Unitholder, the Nominee will be required to provide such documents as the AMC may require, which may include the following:

- a. Death Certificate
- b. Identity document proving identity of the nominee
- c. Indemnity
- d. Proof of guardianship, in case the nominee is a minor and or an unsound person.

The Nominee will also be required to complete 'Know Your Customer' requirements under applicable anti-money laundering law provisions.

### B. Requirements of Prevention of Money Laundering Act and KYC Requirements:

In accordance with requirements under the Prevention of Money Laundering Act, 2002, the Rules issued there under and the guidelines and circulars on anti-Money Laundering, issued by SEBI, (collectively "AML Regulations"), mutual funds are required to formulate and implement Client Identification Programme to verify and maintain the record of identity and address(es) of investors. This is commonly referred to as 'Know Your Client' guidelines (KYC).

**KYC is currently mandatory if the amount of investment is Rs 50,000 or higher.** However the AMC / Trustee may from time to time prescribe a lower limit for KYC purposes, as may be deemed fit or required by Regulations.

With a view to streamline implementation of KYC procedures and ensure compliance with the AML Regulations, the mutual fund industry has collectively put in place arrangement with an independent agency (currently CDSL Ventures Limited) that will act as central record keeping agency ('Central Agency'), and as Central Agency will have responsibility for collection of documents relating to identity and address of investors.

The procedure to complete KYC is given below in brief:

- (i) Investors are required to complete KYC Verification form called "Know Your Client Application Form" (KYC Form) (KYC Forms are available (a) with your Distributor; (b) on AMC Website; (c) at Points of service (POS) designated by AMFI, list of which is given on the AMC Website; and (d) on website of AMFI.
- (ii) POS are the designated centres appointed by the Central Agency for receiving application forms, processing data and providing customers with evidence of KYC Compliance
- (iii) There are separate KYC Form for Individual and non-Individual investors, which should be chosen accordingly. Completed KYC Form, together with supporting documents for proof of identity and address, can be lodged with a POS. Originals of all supporting documents must be produced for verification, if the supporting documents attached to the KYC Form are not notarized. Alternatively, if the supporting documents are notarized, then originals need not be produced for verification. **It is not necessary to visit POS personally. The original documents submitted for verification will be returned immediately after verifying the same.**
- (iv) Upon submission of KYC Form, the investor will be issued a KYC Acknowledgement in token of receipt of KYC Form. A copy of KYC Acknowledgement shall be attached by the investor / Unitholder to application for Purchase of Units.



## Statement of Additional Information (SAI)

The above procedure may change from time to time as may be deemed fit.

**Important:** Please note:

- (i) In case of **joint-applicants**, KYC should be completed by all joint applicants.
- (ii) In case of applications under **Power of attorney**, KYC has to be completed by both the investor and the power of attorney holder.
- (iii) In case of **NRIs / PIOs**, they are required to complete KYC.
- (iv) In case of **minor**, the KYC should be completed by the Parent / Guardian acting on behalf of the Minor. However, in the event of such minor person becoming major, the KYC has to be completed on becoming major.
- (v) In case of **transmission**, KYC has to be completed by the person claiming under such transmission.
- (vi) In case of **nomination**, KYC has to be completed by the Nominee before invoking the nomination.
- (vii) In case of lien / pledge etc, KYC has to be completed by the lien / pledge-holder.

**Investors having Mutual Fund Identification number (MIN):** Investors who submitted their PAN and were issued with a MIN can attach copy of MIN letter with their application form, and they need not undergo KYC again.

**Change of any particulars mentioned in KYC Form:** Investors / Unitholders should note that in case of any change in future in any particulars furnished in KYC Form, they should notify such changes in writing to the POS, and NOT to the Registrar.

After issuing KYC Acknowledgement, the Central Agency may cancel the evidence of KYC Compliance within prescribed time period in case of any deficiency in the document/information. Intimation of such cancellation of KYC Compliance will be sent by the Central Agency to the investor. No separate communication will be sent to the investor if the KYC Form and documents submitted are found to be in order.

The Fund will normally validate the copy of KYC Acknowledgement received from the investors / Unitholder with the records of the Central Agency before allotting units. Applications for subscriptions of value of Rs.50,000/- and above in aggregate without a valid KYC Acknowledgement can be rejected, or in case of having allotted the Units, the allotted Units can be compulsorily redeemed or transaction reversed.

Please visit the AMC Website and/ or [www.amfiindia.com](http://www.amfiindia.com) for any other related information.

With a view to ensure compliance with AML Regulations, AMC has the right to scrutinize/verify the application/applicant and the source of the applicant's funds and also reserves the right to redeem / reverse / cancel, in its sole discretion, the investment or redeem the investment proceeds in favor of the source account from which the monies had been invested, reporting the transaction / account to anti-money laundering authorities and/or taking such other action, that may be necessary under AML Regulations.

The Fund, Trustee, AMC or Registrar shall not be liable for any failure to perform its obligations or for any delay therein so as to complete verification of KYC compliance status of any investor.

The above provisions relating to prevention of money laundering and 'Know Your Client' may change from time to time.

### C. Transmission of Units:

In case of death of the Unit Holder being an individual and in absence of any valid nomination, the Units shall be transmitted in favour of the second-named joint holder or nominee or legal heir/successor, as the case may be, on production of a death certificate or any other document to the satisfaction of the AMC/Registrar. This facility is subject to the succession laws applicable to the Unitholders.

### D. Pledge of Units:

The Units of the Scheme may be offered as security by way of a pledge in favour of scheduled banks, financial institutions, NBFC, or any other body ("Lien Holder") approved by the AMC. For the purpose, the Unitholder should make a request in relevant form, which can be obtained from the Registrar or on the AMC Website. The AMC and/or its Registrar will, upon receiving such request and

if found to be in order in all respects, note and record such Pledge of Units.

It may be noted AMC / Fund is not liable or responsible for application / approval / disbursement / repayment of loans / financial facilities in relation to which Pledge is proposed to be / has been created and assumes no responsibility thereof.

As long as the pledge / lien remains marked in the records of the AMC/Fund, the Unit Holder will not be able to redeem / switch Units under lien, until the Lien Holder provides written authorisation to the Fund that the lien / charge can be vacated. As long as Units are under lien, the Lien Holder will have complete authority to exercise the lien, thereby redeeming such Units and receiving redemption proceeds. In such instance, the Unit Holder will be informed by the Registrar through an account statement. In no case will the Units be transferred from the Unit Holder to the Lien Holder. Dividends declared on Units under Lien will be paid / re-invested to the credit of the Unit Holder and not the Lien Holder unless specified otherwise in the lien letter.

### E. Investor Protection:

The Fund may refuse to accept applications for Purchase, especially where transactions are deemed disruptive, particularly from market timers or investors who, in their opinion, have a pattern of short term or excessive trading or whose trading has been or may be disruptive for the Scheme.

### F. Signature Mismatches:

If the AMC / Registrar finds a signature mismatch, while processing the redemption / switch out request, then the AMC / Registrar reserves the right to process the redemption only on the basis of additional supporting documents, if so desired by the AMC / Registrar, confirming the identity of the investors.

### G. Maturity of the Scheme:

The tenure of the Scheme / Plan is mentioned in the Scheme Information Document of the respective Schemes. In case of close-ended Schemes on completion of their respective terms, the Units shall be compulsorily redeemed and the Scheme wound-up, unless the tenure is extended in line with regulatory requirements.

In certain circumstances, being the following, the Scheme may be wound up at any time prior to the designated Maturity Date: (a) on the happening of any event which, in the opinion of the Trustee, requires that the Scheme concerned be wound up; (b) if seventy five per cent of the Unit Holders of the Scheme concerned pass a resolution that the Scheme be wound up; (c) if SEBI so directs in the interest of the Unit Holders.

### H. Lien / Set - off

The Fund will have a first and paramount right of lien/set-off with respect to every unit/dividend under any scheme of the fund for any money that may be owed by the unit holder, to the Fund.

### I. Duration of the Scheme / Winding up

The open-ended Schemes / plans do not have any fixed maturity / tenure. The close-ended Schemes / Plans has fixed maturity, unless rolled over and subject to roll-over provisions given below. Upon completion of respective maturity period, the Plans will stand terminated. The Scheme will stand wound-up upon maturity of the last of the Plans under the Scheme.

On termination of the Plans, the Unit Holders will be entitled to the redemption proceeds based on the Redemption Price and thereafter no further benefit of any kind, whether by way of increase in the repurchase value or by way of income for any subsequent period, shall accrue to them. Extension, if any, of the maturity period of the Plans beyond the Maturity Date and/or roll over shall be in accordance with the Regulations.

Further, in accordance with the Regulations, the Scheme may be wound up before maturity, after repaying the amount due to the Unit Holders:

- a) on the happening of any event which, in the opinion of the Trustee, requires the Scheme to be wound up;
- b) if 75% of the Unit Holders of the Scheme pass a resolution that the Scheme be wound up;
- c) if SEBI so directs in the interests of Unit Holders; or
- d) in case of non-fulfillment of two conditions prescribed in terms

## Statement of Additional Information (SAI)

of minimum number of investors vide SEBI circular No. SEBI/IMD/CIR No. 10/22701/03 dated December 12, 2003 (including amendments thereto from time to time).

When or if the Scheme is so wound up, the Trustee shall give notice of the circumstances leading to the winding up of the Scheme:

- a) to SEBI; and
- b) in two daily newspapers having a circulation all over India and in a vernacular newspaper with circulation in Mumbai.

On and from the date of the publication of notice of winding up, 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; and
- c) cease to issue or redeem Units in the Scheme.

In case of a close-ended Scheme at the time of maturity of a Scheme(s) / Plan (s), if the Fund is of the view that the market outlook for the similar securities/ instruments is positive and investment in the similar kind of instruments would likely to fetch better returns for the investors, then in the interest of the Investor/ Unitholders, the Trustee may decide to rollover the Plan for same duration, subject to Regulations. The Plan can be rolled-over multiple times. Trustee will take into account demand/ request of the Unitholders for the same. All other material details of the Scheme/ Plans including the likely composition of assets immediately before the roll over, the net assets and net asset value of the relevant under the Scheme will be disclosed to the Unitholders and a copy of the same filed with the SEBI. Such rollover will be made in respect of only those Unitholders who have provided their consent in writing, and for those not providing consent, it will be redeemed. On redemption of all the Units under the Plan either before or at maturity, including the roll-over maturity, the Plan will be wound up as per the details specified in this Scheme Information Document.

### J. Procedure and manner of winding up

Where the Scheme is wound up pursuant to the Regulations, the

Trustee shall call a meeting of the Unit Holders to approve, by simple majority of the Unit Holders present and voting at the meeting, a resolution authorising the Trustee or any other person to take steps for winding up of the Scheme. However, in case of the below mentioned circumstances, approval of the and the unitholders is not required:

- i. Winding up of a Scheme on its maturity,
- ii. Winding up of a Scheme when, in accordance with the SEBI circular dated December 12, 2003 and June 14, 2005, the Scheme at portfolio level fails to fulfill the conditions of (a) minimum of 20 investors or (b) no single investor holding more than 25% of the corpus of the Scheme concerned on the Date of Allotment,

The Trustee, or other person authorised as above, shall dispose of the assets of the Scheme concerned in the best interest of Unit Holders of the Scheme. The proceeds of sale shall be first utilised towards discharge of such liabilities as are due and payable under the Scheme, and, after meeting the expenses connected with the 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 winding up was taken.

On completion of the winding up, the Trustee shall forward to SEBI and the Unit Holders, a report on the winding up detailing the circumstances leading to the winding up, the steps taken for disposal of the assets of the Scheme before winding up, net assets available for distribution to the Unit Holders and a certificate from the Auditors of the Fund.

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

After the receipt of the Trustee's report referred to above, if SEBI is satisfied that all measures for winding up of the Scheme have been complied with, the Scheme shall cease to exist.

## XIII. GENERAL INFORMATION

### A. Underwriting

The Scheme does not propose to underwrite any securities.

### B. Stock lending by the Mutual Fund

Stock lending involves lending of securities to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio. Subject to and to the extent permitted by the Regulations, the Trustee may permit the Fund to engage in Stock Lending. The Fund can temporarily lend, through an approved intermediary, securities held by the Scheme to reputed counter-parties, for a fee, subject to internal norms, if any. This would enable generating better returns on those securities, which are otherwise bought with the intention to hold the same for a longer period of time. The securities lent will be returned by the borrower on the expiry of the stipulated period or the lender can call the same back before its expiry.

The AMC will follow regulatory restrictions as may be prescribed in carrying on the activities of Stock lending. Such lent stock, while they are on-lending, will not be available for sale, and this can result in temporary illiquidity.

Where the Investment Manager desire to engage in Stock Lending, it will apply the following limits:

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

### C. Borrowing & Lending by the Mutual Fund

The Scheme may borrow monies to meet temporary liquidity requirements for the purpose of repurchase or redemption of Units or the payment of interest or dividend to the Unit holders. However, such borrowing shall be restricted to 20% of the net assets of the

Scheme and for a maximum period of six months. The limit of 20% may be revised by the Fund and to the extent the Regulations may permit.

The Fund may raise such borrowings, secured or unsecured, from any person or entity as it may deem fit, including Sponsor or Shareholders of any of their associate / group / affiliate entities or banks, after approval by the Trustee, at market related rates.

The Fund will not advance any loans for any purpose.

### D. Investment by AMC, Sponsor etc.

The AMC, Trustee Company, Sponsor, Shareholders and their affiliates, associate or group companies may, subject to regulatory permissions wherever applicable, invest directly or indirectly in any Scheme from time to time.

The AMC will not charge any fees to the Fund / Scheme in relation to its own investments in the units of a Scheme as provided under extant regulations, unless regulatorily permitted.

It is likely that the above entities may acquire a substantial portion of a Scheme's units and thus cumulatively hold a major investment in the Scheme. In that case, if they or any of them tender units for redemption, there may be an adverse impact on the NAV of the Units of the Scheme and the timing of such repurchase may impact the ability of other unitholders to tender their Units for repurchase.

### E. 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.*

## Statement of Additional Information (SAI)

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

### F. Transactions with Sponsor / Associates

The Sponsor has settled the Trust by entrusting the sum of Rs 1,00,000/- (Rupees one Lakh) to the Trustee Company as the initial contribution towards the corpus of the Fund.

The Fund has been registered with SEBI on March 31, 2008 and has not had any transactions with the Sponsor or its associates from the date of registration till the date of this Statement of Additional Information.

The AMC may invest the funds of any Scheme / Fund from time to time in the securities of the Sponsor, Shareholders and/or their group or affiliate companies or entities. The criteria for evaluation of such investment will be same as applied to other similar investments to be made under any Scheme of the Fund. All such investments shall be made in accordance with Applicable Regulations, investment objectives of the respective Schemes and after considering the same on merits. Currently, the Fund has not made investments in the group company of the Sponsor. Also no investment has been made which is more than 25% of Net Assets of the Fund in group companies of the Sponsor.

Further, any investments by the Sponsor, AMC, Trustee, Shareholders and their associates or affiliates, in any Scheme or any transactions by such entities with the Fund would be in accordance with the Applicable Regulations.

Underwriting Obligations with respect to issues of Associates Companies of Sponsor : As on date, the Fund has not entered into any underwriting obligations.

Brokerage/ charges paid to subsidiary/Associates of the Sponsor, during the past three years -The Fund has not paid any such amount till date.

The Fund may have dealings or transactions with Sponsor, AMC their associates or with the AMC and their services may be used for marketing and distributing the Scheme and commissions may be paid to them for the purpose. From July 2008 till March 31, 2009, SKP Securities an associate of AMC has been paid the distribution fees of Rs. 11,665. Whenever such dealings / transactions takes place, the AMC, on behalf of the Fund, shall conduct the business on arms-length basis and at mutually agreed terms and conditions to the extent permitted under the SEBI Regulations. The AMC and Trustee have entered into trademark agreements with the Sponsor and a Shareholder for a one time nominal royalty payment.

### G. Right to Limit Redemptions

The Trustee may, in the general interest of the Unit Holders of the Scheme and when considered appropriate to do so based on unforeseen circumstances / unusual market conditions, limit the total number of Units which may be redeemed on any day when redemption is permitted (redemption day) to 5% of the total number of Units then in issue under the Scheme and Plans/ Option(s) thereof or such other percentage as the Trustee may determine. The same shall be done by taking the prior approval of the Board of Directors of AMC and Trustee Company and shall be informed to SEBI in advance with reasons thereof. Any Units which consequently are not redeemed on a redemption day will be carried forward for Redemption to the next redemption day, in order of receipt. Redemptions so carried forward will be priced on the basis of the Applicable NAV (subject to the prevailing Load) of the redemption day on which Redemption is made. Under such circumstances, to the extent multiple Redemption requests are received at the same time on a single Business Day, redemptions will be made on a pro-rata basis based on the size of each Redemption request, the balance amount being carried forward for Redemption to the next redemption day. In addition, the Trustee reserves the right, in its sole discretion, to limit redemptions with respect to any single account to an amount of Rs. 1,00,000, or such other amount as the Trustee may decided in the best interests of the general interest of Unitholders, in a single day. Under such circumstances, redemption cheques may be despatched/mailed out to Unitholders within a reasonable period of time and will not be subject to the normal response time for redemption payments despatch/mailing.

### H. Closure of unitholder's account

The AMC at its sole discretion may close a Unitholder's account after giving notice of 45 days, if at the time of any part repurchase and/or Systematic Withdrawal/Switch Plan, the value of units (represented by the Units in the Unitholder's account if such repurchase were to take place, valued at the applicable NAV related price), falls below the minimum investment/balance required for each Scheme (or such other amount as the AMC may decide from time to time) or where the units are held by a unitholder in breach of any Regulation.

The AMC also has the right to, at its sole discretion, to redeem appropriate number of units and / or close Unitholder's account in the event he does not invest the requisite amount or does not submit the requisite proof / documents / information.

### I. Unclaimed Redemptions and Dividends

In terms of SEBI circular MFD/CIR/9/120/2000 dated November 24, 2000, unclaimed redemption and dividend amounts, if any, shall be deployed by the Fund in call money market or money market instruments only. AMC is entitled to charge investment management fee not exceeding 50 basis points for managing such unclaimed amounts. Investors claiming these amounts during the period of three years from the respective due date shall be paid at the then prevailing NAV. Post-the three years period, this amount can be transferred to a pool account. Claims received after such transfer to pool account will be paid at the NAV prevailing at the end of the third year. In terms of the circular, AMC will make continuous effort to remind investors through letters to take their unclaimed amounts. The details of such unclaimed amounts shall be disclosed in the annual report sent to the Unit Holders.

### J. Suspension of the Purchase and Redemption of Units

Subject to the approval of the Boards of the AMC and of the Trustee, and subject also to informing the same to SEBI in advance, and subject also to communicating the same to SEBI, the determination of the NAV of the Units of the Scheme, and / or of the Purchase, Redemption and switching of Units may be temporarily suspended in any one or more of the conditions described below:

- When one or more stock exchanges or markets which provide the basis of valuation for a substantial portion of the assets of the Scheme is closed otherwise than for ordinary holidays;
- When, as a result of political, economic or monetary events or any other circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the Scheme is not considered to be reasonably practicable or might otherwise be 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, so that the value of the securities of the Scheme cannot be accurately or reliably arrived at;
- If, in the opinion of the AMC, extreme volatility of markets causes or might cause, prejudice to the interests of the Unit Holders of the Scheme;
- In case of natural calamities, floods, large scale disruptions, war, strikes, riots, and bandhs;
- In case of any other event of force majeure or disaster that in the opinion of the AMC affects the normal functioning of the AMC or the Registrar; or
- If so directed by SEBI.

In any of the above eventualities, the time limits for processing requests for subscription and Redemption of Units will not be applicable. All subscription and redemption of Units will be processed on the basis of the immediately next Applicable NAV after the resumption of dealings in Units.

The Fund / Trustee / AMC also reserves the right, at their sole discretion, to withdraw or suspend facility of sale and/or repurchase and/or switch of Units in the Scheme, temporarily or indefinitely, if in the opinion of the AMC, a further increase in the Scheme's corpus may be detrimental to the interests of the existing Unit Holders. However, the suspension of sale / repurchase / switch will be made with the approval of the Trustee. In such event, an application to purchase units is not binding on, and may be rejected by, the Trustee, the AMC or their respective agents.

## XIV. OTHER INFORMATION

### A. Term(s) binding On Unitholders

In accordance with and subject to the Regulations, the Mutual Fund / Trustee may from time to time add to or otherwise vary or amend or alter all or any of the features, terms and conditions of the Fund, and if necessary, after obtaining the prior approval from SEBI and the unitholders. All such variations or amendments or alterations shall be binding on Unitholders and persons claiming through or under them. Any addition/variation/alteration shall be done only in accordance with the Regulations.

### B. Register of the Scheme's Unit Holders

Register of Unit Holders, containing necessary particulars, will be maintained at the registered office of the AMC at Mumbai and at the office of the Registrar and at such other places as the Trustee may decide.

### C. Trustee's powers to make rules:

Subject to the Regulations, the Trustee may, from time to time, prescribe such terms and make such rules for the purpose of giving effect to the Scheme with power to the AMC to add to, alter or amend all or any of the terms and rules that may be framed from time to time.

### D. Power to remove Difficulties:

If any difficulty arises in giving effect to the provisions of the Scheme, the Trustee may, subject to the Regulations, take suitable action, but consistent with the Regulations, that may appear it to be necessary, desirable or expedient, for the purpose of removing such difficulty.

### E. Scheme to be binding on the Unitholders:

Subject to the Regulations, the Trustee may, from time to time, add or otherwise vary or alter all or any of the features of investment options and terms of the Scheme after obtaining the prior permission of SEBI and Unitholders (where necessary), and the same shall be binding on all the Unitholders of the Scheme and any person or persons claiming through or under them as if each Unitholder or such person expressly had agreed that such features and terms shall be so binding.

### F. Omnibus Clause:

Besides the AMC, the Trustee / Sponsor may also absorb expenditures in addition to the limits laid down under Regulation 52 of the SEBI Regulations. Further, any amendment / clarification and guidelines including in the form of notes or circulars issued from time to time by SEBI for the operation and management of mutual fund shall be applicable.

## XV. AMC WEBSITE

The AMC Website -located at [www.bharti-axa-im.com](http://www.bharti-axa-im.com) -is intended solely for the use by Resident Indians, NRIs, PIOs permitted to invest in India and FIIs registered with SEBI. It should not be regarded as a solicitation for business in any jurisdiction other than India. In particular, the information is not for distribution and does not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction where such activity is prohibited. Persons resident outside India who nevertheless intend to respond to any material on

the Website must first satisfy themselves that they are not subject to any local requirements which restrict or prohibit them from so doing. Information, other than that relating specifically to the AMC / the Fund and its products, is for information purposes only and should not be relied upon as a basis for making investment decisions. The AMC is not responsible for any information contained in any website linked from the AMC Website.

## XVI. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of following documents are available for inspection between 10 am and 3 pm at the Registered Office of the AMC at 51, 5th Floor, East Wing, Kalpataru Synergy, Vakola, Santacruz (E), Mumbai- 400 055 on all Business Days:

- I. Memorandum and Articles of Association of the AMC
- II. Investment Management Agreement
- III. Trust Deed and amendments thereto, if any
- IV. Mutual Fund Registration Certificate
- V. Agreement between the Mutual Fund and the Custodian

- VI. Agreement with Registrar and Share Transfer Agents
- VII. Consent of Auditors to act in the said capacity
- VIII. Consent of Legal Advisors to act in the said capacity
- IX. Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments from time to time thereto.
- X. Indian Trusts Act, 1882.

## XVII. INVESTOR SERVICING AND INVESTOR GRIEVANCE REDRESSAL

### A. Investor Services and Investor Grievance Redressal

Investors can enquire about NAVs, Unit Holdings, Dividends, etc or lodge any service request at our Customer Engagement Centre toll-free number "1800 1032263" alternatively they can also call on "020 -40112300". The Unitholder can call at the AMC branch office as well for any information. Some service requests can be processed only upon receipt of a written request with required supporting documents. In order to protect confidentiality of information, the service representatives may require personal information of the investor for verification of his / her identity.

The AMC will at all times endeavour to handle transactions efficiently and to resolve any investor grievances promptly. Investor grievances should be addressed to Investor Services at the AMC branch offices, or at ISCs. All grievances will then be forwarded to the Registrar, if required, for necessary action. The complaints will closely be followed up with the Registrar by the AMC to ensure timely redressal and prompt investor service.

Investors can also address their queries to the Investor Relations officer as per following contact details:

Mr Staney Antoney  
 Head - Customer Service  
 Bharti AXA Investment Managers Private Limited  
 51, 5th Floor, Kalpataru Synergy, Vakola,  
 Santacruz (E), Mumbai- 400 055  
[service@bharti-axa-im.com](mailto:service@bharti-axa-im.com)  
 Tollfree Number : 1800 103 2263  
 Alternate Number 020-40112300

The investor complaints received by the Fund are redressed by the Investor Relations Officer and Karvy Computershare Private Limited.

### B. Receiving Account Statement/Correspondence by email

The Fund will encourage the investors to provide their email addresses for all correspondence. The AMC Website may facilitate request for Account Statement by Unit Holders. The Fund will endeavour to send Account Statements and any other correspondence, including Annual Reports, using e-mail as the mode for communication as may be decided from time to time.

The Unit Holder will be required to download and print the Account

## Statement of Additional Information (SAI)

Statement after receiving the e-mail from the Fund. Should the Unit Holder experience any difficulty in accessing the electronically delivered Account Statement, he/she shall promptly inform the Fund in order to enable the Fund to make the delivery through alternate means or to alternate email address. Failure to advise the Fund of such difficulty within 24 hours after receiving the e-mail will serve as an affirmation regarding the acceptance by the Unit Holder of the Account Statement.

It is deemed that the Unit Holder is aware of all security risks including possible third party interception of the Account Statements and content of the Account Statements becoming known to third parties.

Under no circumstances shall the Fund or anyone involved in creating, producing, delivering or managing the Account Statements of the Unit Holders, be liable for any direct, indirect, incidental, special or consequential damages that may result from the use of or inability to use the service or out of the breach of any warranty. The use and storage of any information including, without limitation, the password, account information, transaction activity, account balances and any other information available on the Unit Holder's personal computer is at the risk and sole responsibility of the Unit Holder.

### C. Use of Intermediaries

The investor is aware that the Fund and/or AMC need to use intermediaries such as post office, local and international couriers, banks and other intermediaries for correspondence with the investor and for making payments to the investor by cheques, drafts, warrants, through Electronic Clearing Services (ECS) etc. The investor expressly agrees and authorises the Fund and AMC (including their agents) to correspond with the investor or make payments through intermediaries including but not limited to post office, local and international couriers and banks. The investor clearly understands that the Fund and AMC use such intermediaries for convenience of the investor and such intermediaries are agents of the investor and not the Fund or AMC. The Fund and/or AMC or their agents are not responsible in any manner whatsoever for delayed receipt or non-receipt of any correspondence or payment through such intermediaries.

### D. Information Dissemination

**NAV Information:** The AMC will disclose the first NAV of the Scheme not later than 30 days from the closure of New Fund Offer Period.

- In case of an Open - Ended Scheme other than Liquid Scheme, the NAV will be computed on all Business days.
- In case of a Liquid Scheme, the NAV will be computed for all Calendar Days and announced for all Business Days.
- In case of Close - Ended Scheme, the NAV will be computed and announced on every Wednesday or such other day as the

AMC may deem fit, or where any such Wednesday or such other day is not a Business Day, then on the following Business Day.

Information regarding NAV can be obtained by the Unit Holders / Investors by calling or visiting the nearest ISC.

The NAVs of the Scheme shall be published at least in two daily newspapers in accordance with the SEBI Regulations and also on the AMC Website. NAVs will also be displayed on the AMC Website. The AMC shall update the NAVs on the website of Association of Mutual Funds in India -AMFI ([www.amfiindia.com](http://www.amfiindia.com)) and on the AMC Website by 9.00 p.m. on the day of NAV release, or by such time as may be permitted. In case of any delay in publishing the NAV, the AMC will follow such process for publishing the NAVs as required by the Regulations.

**Annual Report:** An abridged scheme-wise annual report shall be mailed to all Unit Holders not later than four months from the date of closure of the relevant accounting year and the full annual report shall be available for inspection at the head office of the Fund and a copy shall be made available to the Unit Holders on request and on payment of nominal fees, if any. These results shall also be displayed on the AMC Website and that of AMFI (<http://www.amfiindia.com/>).

**Half-yearly financial results:** The Fund shall before the expiry of one month from the close of each half year (March 31<sup>st</sup> and September 30<sup>th</sup>) publish its unaudited financial results in one national English daily newspaper circulating in the whole of India and in a local daily newspaper published in the language of the region where the Head Office of the Fund is situated. These shall also be displayed on the AMC Website and that of AMFI.

**Portfolio Details:** Portfolio details, in the prescribed format, shall be disclosed within one month from the end of each half-year by publishing it in the newspapers (published, by way of an advertisement, in one English daily Newspaper circulating in the whole of India and in a local daily newspaper published in the language of the region where the Head Office of the Fund is situated) or by sending to the Unit Holders. It shall also be displayed on the AMC Website.

**Newsletters:** The AMC may display the newsletters on the AMC Website. Investors / Unit Holders, on written request can obtain (by post/e-mail) a copy of the Newsletter for which they can contact any of the Investor Service Centres.

**Large Unit holdings:** The Fund shall disclose large unit holdings in the Scheme which are over 25% of the NAV. The information on the number of such investors and total holdings by them in percentage terms shall be disclosed in the allotment Account Statements after the New Fund Offer Period and also in the annual and the half-yearly results.

## XVIII. HISTORY OF INVESTOR COMPLAINTS

### A) Investor complaints for the period July 16, 2008 to March 31, 2009:

Number of complaints pending at the beginning of the period	Number of complaints received during the period	Number of complaints redressed during the period	Number of complaints pending at the end of the period
NIL	151	151	NIL

### B) <sup>1</sup>Investor complaints for the period April 1, 2009 to September 30, 2009:

Number of complaints pending at the beginning of the period	Number of complaints received during the period	Number of complaints redressed during the period	Number of complaints pending at the end of the period
NIL	46	46	NIL

## XIX. JURISDICTION

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

**Notwithstanding anything contained in this Statement of Additional Information, the provisions of the Securities & Exchange Board of India (Mutual Funds), Regulations, 1996 and the guidelines thereunder shall be applicable.**

• END •

<sup>1</sup>Data relating to History of Investor Complaints has been updated on October 23, 2009.

## Investor Service Centres

### Bharti AXA Investment Managers' Branches - Investor Service Centers (ISC)

• **Ahmedabad** : 401-402, 4th Floor, 3rd EYE, Panchvati Cross Road, C.G. Road, Ahmedabad - 380006. • **Bangalore** : N 307, 3rd Floor, Manipal Centre, 47 Dickenson Road, 78th Municipal Division, Bangalore - 560042. • **Baroda** : 39 to 45, 2nd Floor, Trident, Near Race course circle Baroda - 390 007. • **Bhubaneswar** : No.760, Second Floor of 'M. J. Plaza', Cuttack Puri Road, Bhubaneswar - 751 009. • **Chandigarh** : SCO-350-351-352, 1st Floor, Sector 34-A, Chandigarh - 160 017. • **Chennai** : 2nd Floor, Metro Plaza, 162, Anna Salai, Opp Spencer Plaza, Chennai - 600 002. • **Cochin** : 1st Floor, Gauri Narayan, Near Shenoy Theatre & Jayalakshmi Silks, M. G. Road, Cochin - 682 015.

• **Guwahati** : 7th Floor, Dee Tee Towers, Down Town Hospital Complex, G. S. Road, Dispur - 781006. • **Hyderabad** : 3rd, Floor, 6-3- 666/B/6, Gokul Towers, Punjagutta, Hyderabad - 500082. • **Indore** : Unit no. 207, 2nd Floor, Corporate House, Next to Devi Ahilya Vidyalyaya Campus, RNT Marg, Indore - 452 001. • **Jaipur** : 16/301, Sangam Tower, 190 Church Road, M. I. Road, Jaipur - 302 015. • **Kanpur** : 1st Floor, Padam Tower, Civil Lines, (Stock Exchange Building) Kanpur - 208 001. • **Kolkatta** : No. 3rd Floor, Unit No. 3W, The Millenium, 235/2A, A J C Bose Road, Kolkatta - 700 020. • **Lucknow** : Ground Floor, Plot no TC-57/V, Shalimar Tower, Vibhuti Khand, Gomti Nagar, Lucknow - 226 016.

• **Ludhiana** : G-454 IC Towers, BRS Nagar, Opp Verka Milk Plant, Ferozpur Road, Ludhiana - 141 004. • **Mumbai** : Office No 2 to 13, 1st Floor, Botawala Chambers, P M Road, Fort, Mumbai - 400 001. • **Mumbai** : 51, 5th Floor, Kalpataru Synergy, Opp Grand Hyatt, Vakola, Santacruz (E), Mumbai - 400 055. • **New Delhi** : 7th Floor, Prakashdeep Building, 7, Tolstoy Marg, New Delhi - 110001 • **Noida** : 3rd Floor, K-24, Sector 18, Noida - 201301. • **Panjim** : Gr Floor, Magnum Plaza, Zarina Towers - II, ST Inez, Panjim Goa - 403 001. • **Patna** : 4th Floor, Ashiana Chamber, Exhibition Road, Patna - 800 001. • **Pune** : 62 & 63, 3rd Floor, Shreenath Plaza, Dyaneshwar Paduka Chowk, Off FC road, Shivaji Nagar, Pune - 411005. • **Surat** : 5th Floor, International Trade Tower, Ring Road, Majura Gate Junction, Surat, Gujarat - 395002.

### Karvy Computershare Private Limited Locations - Investor Service Centers (ISC)

**Ahmedabad** - 201, Shail Buildings, Opp. Madhusudhan House, Off C G Road, Near Navrangpura Telephone Exchange, Ahmedabad - 380006. **Asansol** - 18, G T Road, 1st Floor, Asansol - 713301. **Bangalore** - No.51/25, 1st Floor Surya Building Ratna Avenue, Richmond Road, Bangalore - 560025. **Baroda** - Piccadilly, Office No.5, 1st Floor, Opp. Adani Super Market, Jetalpur Road, Vadodara - 390007. **Bhopal** - Kay Kay Busniss Centre, 133 Zone I M P Nagar Bhopal - 462021. **Bhubaneswar** - 624, Sahid Nagar, 1st Floor, Bhubaneswar - 751007. **Chandigarh** - Sco-371-372, 1st Floor, Above HDFC Bank, Sector 35B Chandigarh - 160022. **Chennai** - Flat No. F11, 1st Floor, Akshya Plaza, Opp

Chief City Metropolitan Court No.108, Adhithanar Salai, Egmore, Chennai - 600002.

**Cochin** - Shop No.II, 2nd Floor, Jewel Arcade, (Above Oriental Insurance Ltd) Layam Road, Cochin -682 011. **Coimbatore** - 29/1, 1st Floor, Chinthamani Nagar Opp. IOB, NSR Road, Saibaba Colony, Coimbatore - 641011. **Dehradun** - Kaulagarh Road, Near Sirmaur Marg, Above Reliance Webworld, Dehradun - 248001. **Gorakhpur** - Above V.I.P. House Adjacent A.D. Girls Inter College, Bank Road, Gorakpur - 273001. **Guwahati** - 54 Sagarika Bhawan, RG Baruah Road (AIDC Bus Stop), Guwahati - 781024. **Gwalior** - Shindi Ki Chawani, Nadi Gate Pul, MIB Road, Gwalior - 474001. **Hubli** - Giriraja House No.451/B, Ward No.1 Club Road Hubli - 580029. **Hyderabad** - 8-2-596 Karvy Plaza, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500034. **Indore** - Lg-3, Bombay Trade Centre, Lower Ground Floor, Grand Hotel, Opp. Bombay Hospital, Scheme No.54 Indore - 452010. **Jabalpur** - 43, Naya Bazar Opp Shyam Talkies, Jabalpur. Jaipur - S-16 A, 3rd Floor Land Mark, Opp. Jaipur Club, Mahavir Marg, C - Scheme Jaipur - 302001. **Jamshedpur** - Kanchan Tower, 3rd Floor, Chhaganlal Dayalji and Sons 3-S B Shop Area, (Near Traffic Signal) Main Road, Bistupur, Jamshedpur - 831001. **Jodhpur** - 203, Modi Arcade, Chupasni Road Jodhpur - 342001. **Kanpur** - 15/46, Opp. Muir Mills, Civil Lines, Kanpur - 208001. **Kolhapur** - Omkar Plaza, 1st Floor, Unit-F2 & F4, Rajaram Road, Next To ICICI Bank, Kolhapur - 416008. **Kolkata** - 16, Jatin Bagchi Road, Kolkata - 700 029. **Lucknow** - Usha Sadan, 24 Prem Nagar, Ashok Marg, Lucknow - 226001. **Ludhiana** - Sco-3, Bawa Building, Feroze Gandhi Market, Ludhiana - 141001. **Mumbai** - Das Chambers, Ground Floor, Opp BSE & next to Corporation Bank, Dalal Street, Fort, Mumbai - 400023. **Nagpur** - 1st Floor, Sadoday Arcade, WHC Road, Above Top N Town, Dharampeth, Nagpur - 440001. **Nasik** - S-12, 2nd Floor, Suyojit Sankul, Sharanpur Road, Nasik - 422002. **New Delhi** - 2E / 23, Jhandewalan Extn. New Delhi - 110055. **Noida** - 307, Jaipuria Plaza, D-68A, 2nd Floor Opp. Delhi Public School, Sector-26, Noida - 201301. **Panjim** - No.7&8, El Dorado Plaza, Heliodoro Salgado Road, Panjim, Goa - 403001. **Patna** - 3A, 3rd Floor, Anand Tower, Beside Chankya Cinema, Exhibition Road, Patna - 800001. **Pune** - Srinath Plaza, C-Wing, Office No.58&59, 3rd Floor, Dyaneshwar Paduka Chowk, Survey No.184/4, F C Road, Pune - 411004. **Raipur** - Room No.12&13, Ground Floor, Millennium Plaza, Behind Indian Coffee House G E Road, Raipur -492001. **Rajkot** - 104, Siddhi Vinayak Complex, Dr. Yagnik Road, Opp. Ramkrishna Ashram Rajkot - 360001. **Shillong** - Mani Bhawan, Thana Road, Lower Police Bazar, Shillong - 739001. **Surat** - G-16 Empire State Building, Near Udhna Darwaja, Ring Road Surat - 395009. **Varanasi** - D-64/132, KA 1st Floor, Anant Complex, Sigra, Varanasi - 221 010. **Visakhapatnam** - 47-14-5/1, Eswar Paradise, Dwaraka Nagar Main Road, Visakhapatnam - 530016.



## Investment Managers

### **Bharti AXA Investment Managers Pvt. Ltd.**

51, 5th Floor, East Wing, Kalpataru Synergy, Opp. Grand Hyatt, Vakola, Santacruz (E), Mumbai - 400 055

Toll free number : 1800-103-2263 • Alternate number : 020 - 40112300

• Website : [www.bharti-axa-im.com](http://www.bharti-axa-im.com) • Email : [service@bharti-axa-im.com](mailto:service@bharti-axa-im.com)

#### **Sponsor:**

AXA Investment Managers  
Coeur Défense - Tour B - La Défense 4  
100 Esplanade du Général de Gaulle  
92400 Courbevoie France

#### **Trustee:**

Bharti AXA Trustee Services Private Limited  
51, 5th Floor, Kalpataru Synergy,  
Vakola, Santacruz (East),  
Mumbai 400055

#### **Investment Manager:**

Bharti AXA Investment Managers Private Limited  
51, 5th Floor, Kalpataru Synergy,  
Vakola, Santacruz (East),  
Mumbai 400055

#### **Custodian:**

Citibank NA  
Ramnord House, 77, Dr AB Road,  
Worli, Mumbai 400018

#### **Registrar & Transfer Agent:**

Karvy Computershare Private Limited  
Karvy Registry House, # 8-2-596, Avenue 4,  
Street No.1, Banjara Hills,  
Hyderabad - 500 034

#### **Auditors for the Fund:**

M/s BSR & Co  
KPMG House, Kamala Mills Compound,  
448 Senapati Bapat Marg, Lower Parel,  
Mumbai 400 013