

**A closed-ended Debt scheme with six plans - Plans A to F  
Presented by L&T Mutual Fund**

# **Plan E - New Fund Offer Opens on: Jan 10, 2012 Closes on: Jan 11, 2012**

**Offer of Units  
of Rs.10  
each for cash  
during the  
New Fund Offer**

New Fund Offer for Plans F will commence from any time within six months from November 9, 2011 i.e. the date of receipt of the final observations from SEBI on the Scheme Information Document.

**The particulars of the Scheme have been prepared in accordance with the Securities Exchange Board of India (Mutual Funds) Regulations, 1996, (herein after referred to as "SEBI Regulations") as amended till date, and filed with Securities and Exchange Board of India ("SEBI"), alongwith a Due Diligence Certificate from the AMC. The Units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy and adequacy of the Scheme Information Document.**

The Scheme Information Document sets forth concisely the information about the Scheme/Plan that a prospective investor ought to know before investing. Before investing, investors should ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund/Investor Service Centres/Website/Distributors or Brokers.

**The investors are advised to refer to the Statement of Additional Information (SAI) for details of L&T Mutual Fund, tax and legal issues and general information on [www.lntmf.com](http://www.lntmf.com).**

**SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website.**

**The Scheme Information Document should be read in conjunction with the SAI and not in isolation.**

The Scheme Information Document is dated November 24, 2012

**Name of Mutual Fund:**

L&T Mutual Fund Office:  
6th Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021

**Name of Asset Management Company:**

L&T Investment Management Limited  
Registered Office: L&T House, Ballard Estate, P.O.Box No. 278, Mumbai, 400 001  
Head Office: 6th Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021

**Name of Trustee Company:**

L&T Mutual Fund Trustee Limited  
Registered Office: L&T House, Ballard Estate, P.O.Box No. 278, Mumbai, 400 001

**Disclaimer – National Stock Exchange of India Limited:**

As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE /LIST /160167-J dated March 09, 2011 permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's Units are proposed to be listed subject to, the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's Units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund.

Every person who desires to apply for or otherwise acquire any Units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.



## **SPONSOR**

### **L&T Finance Limited**

Registered Office:  
L&T House, Ballard Estate,  
P.O. Box 278,  
Mumbai – 400 001.

## **TRUSTEE**

### **L&T Mutual Fund Trustee Limited**

Registered Office:  
'L&T House', Ballard Estate,  
P.O.Box No. 278, Mumbai - 400 001.

## **ASSET MANAGEMENT COMPANY**

### **L&T Investment Management Limited**

Registered Office:  
'L&T House', Ballard Estate,  
P.O.Box No. 278, Mumbai - 400 001.

Head Office:  
6th Floor Mafatlal Centre,  
Nariman Point, Mumbai - 400 051.

## **REGISTRAR AND TRANSFER AGENT**

### **Computer Age Management Services Private Limited**

Registered Office:  
New No. 10, Old No. 178,  
M. G. R. Salai, Nungambakkam,  
Chennai - 600 034.

## **CUSTODIAN**

### **CITIBANK, N.A.**

Trent House, 3rd Floor,  
G-60, Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051.  
India.

## **AUDITORS TO THE FUND**

### **Price Waterhouse**

Office:  
252, Veer Savarkar Marg,  
Shivaji Park, Dadar (West),  
Mumbai - 400 028.

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## HIGHLIGHTS OF THE SCHEME

<b>Investment Objective</b>	To seek to generate returns and reduce interest rate volatility primarily through investment in money market and short to mid term debt instruments having maturity, on or before the date of maturity of a Plan.						
<b>Tenure of the Plans</b>	The tenure of Plan E shall be 370 days from the date of allotment.  The tenure of Plan F shall be over 3 months to 37 months from the date of allotment of Units under the Plan. The exact duration of a Plan shall be decided by the AMC at the time of launch of the Plan.						
<b>Maturity</b>	A Plan shall be fully redeemed at the end of its tenure unless rolled over as per SEBI Regulations. The redemption proceeds will be dispatched to the Unit Holders within 10 Business Days from the Maturity Date. If the day following the Maturity Date is a non-business day then the redemption proceeds will be dispatched by the AMC on such other nearest Business Day that the AMC may deem to be appropriate.						
<b>Liquidity</b>	During the tenure of a Plan, the Units under a Plan cannot be redeemed by an Unit holder by submitting a redemption request directly to the Fund.  However, since the Units under a Plan will be listed on a Stock Exchange, the Unit holders can purchase/redeem Units on a continuous basis from/on the Stock Exchange(s) on which the Units are listed. The Units can be purchased/redeemed during the trading hours of the Stock Exchange(s) like any other publicly traded stock, until the record date (for the purpose of redemption) decided by the AMC for determining the Unit holders whose name(s) appear on the list of beneficial owners as per the Depository records on Maturity Date.  On the Maturity Date the Units will be redeemed by the Fund.  Further in case of a Plan, switch-out applications for switching to other schemes of the Fund will be accepted upto 3.00 p.m. only on the Maturity Date of a Plan.						
<b>Dematerialization of Units</b>	The Units under a Plan will be traded and settled on the Stock Exchange compulsorily in dematerialized (electronic) form.  Thus, in case investors/Unit holders wish to trade in the Units, the Units will be required to be held in dematerialized (electronic) form. The investors/Unit Holders intending to hold Units in dematerialized form will be required to open/have a beneficiary account with a Depository Participant of Depositories and the relevant details of the same will be required to be provided to the AMC.						
<b>Benchmark</b>	Plan E : CRISIL Short Term Bond Fund Index.  For Plan F: The benchmark will be decided at the time of launch of a Plan depending upon the tenure of a Plan as given below:  if the tenure is up to 3 months - CRISIL Liquid Fund INDEX.  if the tenure is above 3 months and upto 36 months – CRISIL Short Term Bond Fund Index.  If the tenure is above 36 months – CRISIL Composite Bond Fund Index						
<b>Transparency</b>	The AMC will calculate and disclose the first NAVs in respect of a Plan within a period of 5 Business Days from the date of allotment of Units under the Plan.						
<b>NAV Disclosure</b>	Subsequently, the NAVs will be calculated and disclosed on every Business Day.  The AMC shall update the NAVs on the website of the Fund ( <a href="http://www.lntmf.com">www.lntmf.com</a> ) and of the Association of Mutual Funds in India - AMFI ( <a href="http://www.amfiindia.com">www.amfiindia.com</a> ) on every Business Day.  The AMC will disclose details of the portfolio of a Plan every 6 months by either sending a complete statement to all the Unit Holders of that Plan or by publishing such statement, by way of advertisement, in two daily newspapers.						
<b>Loads</b>	Exit Load: Not Applicable  Since the Units under a Plan will be listed on the Stock Exchange(s), redemption request will not be accepted by the Fund directly before the Maturity Date.						
<b>Transaction charge(s)</b>	AMC shall deduct Transaction Charge(s) from the subscription amount and pay it to the distributor who has opted to receive. The details of the same are mentioned below : <table border="1" data-bbox="411 1704 1453 1848"> <thead> <tr> <th>Type of Investor</th> <th>Transaction Charge(s) (for Purchase/Subscription of Rs. 10,000 and above)</th> </tr> </thead> <tbody> <tr> <td>First Time Mutual Fund Investor</td> <td>Rs. 150</td> </tr> <tr> <td>Investor other than First Time Mutual Fund Investor</td> <td>Rs. 100</td> </tr> </tbody> </table> <p>However, Transaction Charge(s) will not be deducted for the following:-</p> <ul style="list-style-type: none"> <li>◆ Purchase/Subscription submitted by investor at the designated collection centres or through AMC's website viz. <a href="http://www.lntmf.com">www.lntmf.com</a> and which are not routed through any distributor.</li> <li>◆ Purchase/Subscription through a distributor for an amount less than Rs. 10,000;</li> <li>◆ Transactions such as Switches, STP i.e. all such transactions wherein there is no additional cash flow at a Mutual Fund level similar to Purchase/Subscription.</li> <li>◆ Purchase/Subscriptions through any Stock Exchange after a Plan is listed on any Stock Exchange.</li> </ul>	Type of Investor	Transaction Charge(s) (for Purchase/Subscription of Rs. 10,000 and above)	First Time Mutual Fund Investor	Rs. 150	Investor other than First Time Mutual Fund Investor	Rs. 100
Type of Investor	Transaction Charge(s) (for Purchase/Subscription of Rs. 10,000 and above)						
First Time Mutual Fund Investor	Rs. 150						
Investor other than First Time Mutual Fund Investor	Rs. 100						
<b>Minimum Application Amount</b>	Rs. 5,000 per application						

## I. INTRODUCTION

### A. Risk Factors

#### 1. Standard Risk Factors

- ◆ Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- ◆ As the price/value/interest rates of the securities in which a Plan invests fluctuates, the value of your investment in a Plan may go up or down.
- ◆ Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Plan.
- ◆ The name of the Scheme does not in any manner indicate either the quality of the Scheme or its future prospects and returns.
- ◆ The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs. 1,00,000 (Rupees One Lakh) made by it towards setting up the Fund.
- ◆ The Scheme is not a guaranteed or assured return scheme and no Plan under the Scheme guarantees or assures any return.

#### 2. Plan Specific Risk Factors

##### a) Risk associated with investing in debt securities

- ◆ Investments in money market instruments would involve a moderate credit risk i.e. risk of an issuer's inability to meet the principal payments.
- ◆ Money market instruments may also be subject to price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of credit worthiness of the issuer of such instruments. The AMC endeavours to manage such risk by the use of in house credit analysis.
- ◆ The NAV of the Units issued under a Plan, to the extent that the Plan is invested in money market instruments, will be affected by the changes in the level of interest rates. When interest rates in the market rise, the value of a portfolio of money market instruments can be expected to decline.
- ◆ The performance of the Plans may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems.
- ◆ **Interest rate risk:** As is the case with all debt securities, changes in interest rates may affect the NAV of a Plan since the price of a fixed income instrument falls when the interest rates move up and vice versa. The effect is more prominent when the duration of the instrument is higher. Hence the NAV movement of a Plan consisting of predominantly fixed income securities is likely to have inverse correlation with the movement in interest rates. In case of a floating rate instrument, this risk is lower as a result of periodic reset of the coupon.
- ◆ **Spread risk:** Though the sovereign yield curve might remain constant, investments in corporate bonds are exposed to the risk of the spread between corporate bonds and gilts widening. Typically, if this spread widens, the prices of the existing corporate bonds tend to fall and, depending upon the nature of the investments made by a Plan, so could the NAV of the Plan. Similar risk prevails for the investments in floating rate bonds, where the benchmark might remain unchanged, but the spread over the benchmark might vary. In such an event, if the spread widens, the price of

the securities in which investments have been made by a Plan, and consequently the NAV of the Plan could fall.

- ◆ **Credit risk or default risk:** This refers to inability of the issuer of the debt security in which a Plan has made investments to make timely payments of principal and/or interest due. This is reflected in the credit rating of the issuer. Hence if the credit rating of the issuer is downgraded, the price of the security will suffer a loss and the NAV will fall. Credit risk factors pertaining to lower rated securities also apply to lower rated zero coupon and deferred interest kind bonds. Lower rated zero coupon and deferred interest bonds carry an additional risk in that, unlike bonds that pay interest through the period of maturity, a Plan by investing in these bonds will realize no cash till the cash payment date and if the issuer defaults, the Plan may obtain no return on its investment.
- ◆ **Liquidity risk:** This represents the possibility that the realised price from selling the security may be lower than the valuation price as a result of illiquid market. Illiquid securities are typically quoted at a higher yield than liquid securities and have higher bid offer spreads. Therefore, investments in illiquid securities results in higher current yield for the portfolio. Liquidity risk is a characteristic of the Indian fixed income market today. In addition, money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of a Plan and may lead to the Plan incurring losses till the security is finally sold.
- ◆ **Reinvestment risk:** This is associated with the fact that the intermediate cash flows (coupons, or principal payment in case a security gets called or repurchased) may not be reinvested at the same yield as assumed in the original calculations.
- ◆ **Settlement risk:** Different segments of Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of a Plan are uninvested and no return is earned thereon. The inability of a Plan to make intended securities purchases, due to settlement problems, could cause the Plan to miss out on certain investment opportunities. Similarly, the inability to sell securities held in a Plan's portfolio, due to the absence of a well developed and liquid secondary market for debt securities, may result at times in potential losses to the Plan in the event of a subsequent decline in the value of securities held in the Plan's portfolio.
- ◆ **Market risk:** Lower rated or unrated securities are more likely to react to developments affecting the market and the credit risk than highly rated securities which react primarily to movements in the general level of interest rates. Lower rated or unrated securities also tend to be more sensitive to economic conditions than higher rated securities.
- ◆ In addition to the factors that affect the value of securities, the NAV of Units of a Plan will fluctuate with the movement in the broader fixed income market, money market and derivatives market and may be influenced by factors influencing such markets in general including but not limited to economic conditions, changes in interest rates, price and volume volatility in the bond and stock markets, changes in taxation, currency exchange rates, foreign investments, political, economic or other developments and closure of the stock exchanges.
- ◆ Investments in different types of securities are subject to different levels and kinds of risk. Accordingly, a Plan's risk may increase or decrease depending upon its investment pattern. For instance investments in corporate bonds carry



a higher level of risk than investments in government securities. Further, even among corporate bonds, bonds which have a higher rating are comparatively less risky than bonds which have a lower rating.

**b) Risks associated with investing in foreign securities**

- ◆ Subject to necessary approvals and within the investment objectives of the Plan, the Plan may invest in overseas markets which carry risks related to fluctuations in the foreign exchange rates, the nature of the securities market of the country, repatriation of capital due to exchange control norms and political circumstances.
- ◆ **Currency Risk:** This is a form of risk arising from the change in price of one currency against another. The exchange risk associated with a foreign denominated instrument is a key element in investments in foreign securities. This risk flows from differential monetary policy and growth in real productivity, which results in differential inflation rates in various countries. The risk arises because currencies may move against each other. To the extent that the assets of a Plan are invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in the value of certain foreign currencies relative to the Indian Rupee.
- ◆ It is the AMC's belief that investment in foreign securities offers new investment and portfolio diversification opportunities into multi-market and multi-currency products. However, such investments also entail additional risks. Such investment opportunities may be pursued by the AMC provided they are considered appropriate in terms of the overall investment objectives of the Plan. Since a Plan will invest only partially in foreign securities, there may not be readily available and widely accepted benchmarks to measure the performance of a Plan. To manage risks associated with foreign currency and interest rate exposure, the Fund may use derivatives for efficient portfolio management including hedging and portfolio rebalancing in accordance with conditions as may be stipulated under the Regulations or by RBI from time to time. Depending upon various factors, including investment strategy undertaken, the Fund may decide to use derivatives to cover the currency risk of a Plan fully, partially or may even let it remain uncovered.
- ◆ Overseas investments will be made provided such investments do not result in expenses to the Fund in excess of the ceiling on expenses prescribed by the Regulations and consistent with costs and expenses attendant to international investing. The Fund may, where necessary, appoint other intermediaries of repute as advisors, custodian/sub-custodians etc. for managing and administering such investments. The appointment of such intermediaries shall be in accordance with the applicable requirements of SEBI and within the permissible ceilings of expenses. The fees and expenses would illustratively include, besides the investment management fees, custody fees and costs, fees of appointed advisors and sub-managers, transaction costs and overseas regulatory costs.
- ◆ To the extent that the assets of the Plan will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital to India may also be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.

- ◆ Investments in foreign debt securities may, subject to the various factors including the nature of the security and the jurisdiction in which such security is issued, be subject to the risks set out at paragraph “**Plan Specific Risk Factors**” above.

**c) Risk associated with investing in derivatives**

- ◆ Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself.
  - ◆ The derivatives market in India is nascent and does not have the volumes that may be seen in other developed markets, which may result in volatility to the values.
  - ◆ Trading in derivatives carries a high degree of risk although they are traded at a relatively small amount of margin which provides the possibility of great profit or loss in comparison with the principal investment amount. Thus, derivatives are highly leveraged instruments. Hence, even a small price movement in the underlying security could have an impact on their value and consequently, on the NAV of the Units of a Plan.
  - ◆ Interest Rate Swaps (IRS) are highly specialized instruments that require investment technique and risk analysis different from those associated with equity shares and other traditional securities. The use of an IRS requires not only an understanding of the referenced asset, reference rate or index but also of the swap itself, without the benefit of observing the performance of the swap under all possible market conditions. Swap agreements are also subject to liquidity risk, which exists when a particular swap is difficult to purchase or sell. Swap agreements may be subject to pricing risk, which exists when a particular swap becomes extraordinarily expensive (or cheap) relative to historical prices or the prices of corresponding cash market instruments. IRS agreements are also subject to counterparty risk on account of insolvency or bankruptcy or failure of the counterparty to make required payments or otherwise comply with the terms of the agreement.
  - ◆ There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the “counter party”) to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of the derivative instruments and the inability of derivative instruments to correlate perfectly with underlying assets, rates and indices.
  - ◆ Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decisions of fund managers may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.
  - ◆ The risks associated with the use of derivatives are different from and possibly greater than, the risks associated with investing directly in securities and other traditional investments.
- d) Risks associated with trading on stock exchange(s)**
- ◆ The transactions in the Units of a Plan can be undertaken only once the Units are listed on the Stock Exchange(s) and there could be a time gap between the allotment and listing of Units on the Stock Exchange(s). This could lead

to inability on the part of investors to trade in the Units during the aforesaid period.

- ◆ Although Units of the Plan as mentioned in this Scheme Information Document will be listed on the Stock Exchange(s), there can be no assurance that an active secondary market will develop or be maintained.
- ◆ The Units of a Plan may trade above or below their NAV. The NAV of a Plan will fluctuate with changes in the market value of the Plan's holdings. The trading prices of Units of a Plan will fluctuate in accordance with changes in their NAV as well as demand and supply of the Units of a Plan in the market.
- ◆ Trading in Units of a Plan on the Stock Exchange(s) may be halted because of market conditions or for reasons that in view of exchange authorities or SEBI, trading in Units of a Plan is not advisable. In addition, trading in Units of a Plan is subject to trading halts caused by extraordinary market volatility and pursuant to Exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of Exchange necessary to maintain the listing of Units of a Plan will remain unchanged.
- ◆ In respect of Units issued in demat form through Depositories, the records of the depository shall be final with respect to the number of Units available to the credit of Unit holder. Settlement of trades, repurchase of Units by the Fund on the Maturity Date will depend upon the confirmations to be received from Depository(ies) on which the Fund has no control.
- ◆ As the Units allotted under a Plan will be listed on the Stock Exchange(s), the Fund shall not provide for redemption / repurchase of Units prior to Maturity Date of a Plan.

## B. Requirement of minimum investors in the Scheme/Plan

The Scheme and each individual Plan shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme/Plan. These conditions will be complied with immediately after the close of the NFO itself i.e. at the time of allotment. In case of non-fulfilment with the condition of minimum 20 investors, the Scheme/Plan shall be wound up in accordance with Regulation 39 (2) (c) of SEBI Regulations automatically without any reference from SEBI. In case of non-fulfilment with the condition of 25% holding by a single investor on the date of allotment, the application to the extent of exposure in excess of the stipulated 25% limit would be liable to be rejected and the allotment would be effective only to the extent of 25% of the amount collected during the NFO period. Consequently, such exposure over 25% limit will lead to refund within 5 Business Days from the date of closure of NFO.

- ◆ **Special Considerations**
- ◆ The Sponsor is not responsible or liable for any loss resulting from the operation of the schemes of the Fund beyond the initial contribution of an amount of Rs.1,00,000 (Rupees One Lakh) collectively made by them towards setting up the Fund or such other accretions and additions to the initial corpus set up by the Sponsor.
- ◆ Neither this Scheme Information Document nor the Units have been registered in any other jurisdiction. The distribution of this Scheme Information Document in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this Scheme Information Document are required to inform themselves about, and to observe, any such restrictions.
- ◆ Prospective investors should review/study this Scheme Information Document carefully and in its entirety and

shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation or financial/investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (by way of sale or Redemption or conversion into money) of Units and to the treatment of income (if any), capitalisation, capital gains, any distribution and other tax consequences relevant to their subscription, acquisition, holding, capitalisation, disposal (by way of sale, transfer or conversion into money) of Units within their jurisdiction of nationality, residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to Purchase/gift Units are subject, and also to determine possible legal, tax, financial or other consequences of subscribing/gifting, purchasing or holding Units before making an application for Units.

- ◆ L&T Mutual Fund/the AMC have not authorised any person to give any information or make any representations, either oral or written, not stated in this Scheme Information Document in connection with issue of Units under the Scheme. Prospective investors are advised not to rely upon any information or representations not incorporated in this Scheme Information Document as the same have not been authorised by the Fund or the AMC. Any subscription, Purchase or sale made by any person on the basis of statements or representations which are not contained in this Scheme Information Document or which are inconsistent with the information contained herein shall be solely at the risk of the investor.
- ◆ Subject to the Regulations, from time to time, funds managed by the affiliates/associates of the Sponsor may invest either directly or indirectly in a Plan. The funds managed by these affiliates/associates may be subject to restrictions under the Regulations acquire a substantial portion of a Plan's Units and collectively constitute a major investment in such Plan.
- ◆ L&T Mutual Fund/L&T Investment Management Limited and its empanelled brokers has not given and shall not give any indicative portfolio and indicative yield in any communication, in any manner whatsoever. Investors are advised not to rely on any communication regarding indicative yield/portfolio with regard to the scheme.
- ◆ **Anti Money Laundering and Know Your Customer (KYC):**

In terms of the Prevention of Money Laundering Act, 2002 ("PMLA") the rules issued there under and the guidelines /circulars issued by SEBI regarding the Anti Money Laundering (AML) Laws, all intermediaries, including mutual funds, are required to formulate and implement a client identification procedure, and to verify and maintain the record of identity and address(es) of investors.

The AMC has entrusted the responsibility of collection of documents relating to identity and address and record keeping to an independent agency (presently CDSL Ventures Limited) that will act as central record keeping agency ("Central Agency"). As a token of having verified the identity and address and for efficient retrieval of records, the Central Agency will issue a KYC compliance letter to each investor who submits an application and the prescribed documents to the Central Agency.

With effect from January 01, 2011, KYC formalities under the PMLA and the related guidelines issued by SEBI must be completed by all investors (including Power of Attorney holder and guardian in case of minor for individual investors) intending to invest any amount in the units of mutual funds. This one-time verification is valid for transactions across all mutual funds. The process to complete KYC formalities is as follows:



- ◆ A completed KYC application form along with the documents/information as mentioned below should be submitted to any designated 'Points of Service' (POS) - L&T Mutual Fund Investor Service Centres, CAMS Investor Service Centres or CVL Centres (CDSL Ventures Ltd.). The POS list is available at [www.lntmf.com](http://www.lntmf.com). and at [www.cvlindia.com](http://www.cvlindia.com).
- ◆ A KYC application form can be obtained from any designated POS.
- ◆ The completed KYC application form along with PAN card copy and other necessary documents should be submitted at a POS. (The list of all documents/information required, instructions to fill the form and the detailed process for submission can be found in the KYC application form).
- ◆ After verification of the KYC application form and accompanying documents, investors will receive a letter certifying their KYC compliance. There is no charge for this verification.
- ◆ When investing with the Fund, a copy of the KYC compliance letter should be attached to the Scheme's application form to avoid rejection.
- ◆ All investors, including Power of Attorney holder and guardian in case of minor (for individual investors) intending to invest any amount in units of mutual funds are required to submit a copy of the KYC compliance letter for all transactions in units of the Scheme irrespective of the amount of transaction. Applications submitted without a copy of the KYC compliance letter could be rejected.
- ◆ **Permanent Account Number ("PAN"):**  
As per provisions of SEBI, all investors (resident and non-resident) transacting in the Schemes of L&T Mutual Fund, irrespective of the amount of transaction, are required to

provide the PAN (supported by a certified\* copy of the PAN card) to the AMC. In case of investors who do not provide a certified\* copy of the PAN card, the application for transaction in units of the Scheme will be rejected by the Fund. Alternatively, the investor may provide the KYC acknowledgement letter in lieu of the copy of the PAN card.

This clause does not apply to investors residing in the state of Sikkim, officials of Central Government, State Government and those appointed by the Courts e.g. Official Liquidator, Court Receiver, etc. (under the category of Government).

*\*Investors are requested to submit a copy along with the original for verification at the investor service centres of the Fund/CAMS, which will be returned across the counter. Alternatively, a distributor empanelled with the Fund can attest a copy. A true copy bearing a Bank Manager's or a Notary Public's attestation will also be accepted.*

- ◆ **Suspicious Transaction Reporting:**

If after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, the AMC shall report any such suspicious transactions to competent authorities under the PMLA and rules/guidelines issued thereunder by SEBI and/or RBI, furnish any such information in connection therewith to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under the PMLA and rules/guidelines issued thereunder by SEBI and/or RBI without obtaining the prior approval of the investor/Unit Holder/a person making the payment on behalf of the investor.

**Investors are urged to study the terms of the Scheme Information Document carefully before investing in the Scheme/Plan and to retain this Scheme Information Document for future reference.**

## D. Definitions

In this Scheme Information Document the following terms will have the meanings indicated there against, unless the context suggests otherwise.

<b>Applicable NAV</b>	The NAV per unit applicable for Redemption of Units on the Maturity Date.
<b>Application Form/ Key Information Memorandum</b>	A form meant to be used by an investor to open a folio and Purchase Units in a Plan. Any modifications to the Application Form will be made by way of an addendum, which will be attached thereto. On issuance of such addendum, the Application Form will be deemed to be updated by the addendum.
<b>Application Supported by Blocked Amount (ASBA)</b>	An application as defined in clause (d) of sub-regulation (1) of regulation 2 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
<b>Asset Management Company/AMC/ Investment Manager</b>	L&T Investment Management Limited, the asset management company, set up under the Companies Act 1956, having its registered office at 'L&T House', Ballard Estate, P.O.Box No. 278, Mumbai - 400 001 and authorised by SEBI to act as Asset Management Company/Investment Manager to the schemes of L&T Mutual Fund.
<b>Business Day</b>	A day not being: <ol style="list-style-type: none"> <li>(1) A Saturday or Sunday;</li> <li>(2) A day on which the banks in Mumbai including the Reserve Bank of India are closed for business or clearing;</li> <li>(3) A day on which the Stock Exchange(s), is/are closed; or</li> <li>(4) A day on which normal business cannot be transacted due to storms, floods, bandhs, strikes or such other events as the AMC may specify from time to time.</li> </ol> <p>The AMC reserves the right to change the definition of Business Day. The AMC reserves the right to declare any day as a Business Day or otherwise at any or all ISCs.</p>

<b>Consolidated Account Statement</b>	An account statement containing details relating to: (a) all the transactions (which includes purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions) carried out by the investor across all schemes of all mutual funds during a specified period; (b) holding at the end of the specified period; and (c) transaction charges, if any, deducted from the investment amount to be paid to the distributor.
<b>Contingent Deferred</b>	A charge to the Unit Holder upon exiting (by way of Redemption) based on the period of holding of Units.
<b>Sales Charge/CDSC</b>	The Regulations provide that a CDSC may be charged only for a no-Load scheme and only for the first four years after the Purchase and caps the percentage of NAV that can be charged in each year.
<b>Depository</b>	A depository as defined in the Depositories Act, 1996 and includes National Securities Depository Limited and Central Depository Services Limited.
<b>Depository Participant</b>	A person registered as a depository participant under subsection (1A) of section 12 of the Securities and Exchange Board of India Act, 1992.
<b>Designated Collection Centres</b>	During the NFO: ISCs designated by the AMC where the applications shall be received. The names and addresses are mentioned at the end of this Scheme Information Document.
<b>Exchange/Stock Exchange</b>	The recognized stock exchange(s) where the Units of a Plan offered under the are Scheme listed.
<b>Exit Load</b>	A Load (other than CDSC) charged to the Unit Holder on exiting (by way of Redemption) based on period of holding, amount of investment, or any other criteria decided by the AMC.
<b>Foreign Institutional Investors/FII</b>	An entity registered with SEBI under Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 as amended from time to time.
<b>L&amp;T Finance Limited</b>	The Sponsor of the L&T Mutual Fund.
<b>First Time Mutual Fund Investor</b>	An investor who invests for the first time ever in any mutual fund either by way of Purchase/Subscription or Systematic Investment Plan.
<b>Fund of Funds/FOF</b>	A mutual fund scheme that invests primarily in other schemes of the same mutual fund or other mutual funds.
<b>Fund/Mutual Fund</b>	L&T Mutual Fund, a Trust set up under the provisions of Indian Trust Act, 1882 and registered with SEBI vide Registration No. MF/035/97/9 dated 03/01/1997.
<b>Investment Management Agreement/IMA</b>	The agreement dated October 23, 1996, entered into between L&T Mutual Fund and the AMC, as amended from time to time.
<b>Investor Service Centre/ISC</b>	Official points of acceptance of transaction/service requests from investors. These will be designated by the AMC from time to time.
<b>Load</b>	A charge that may be levied to an investor at the time at the time of Redemption of Units from a Plan.
<b>Maturity Date</b>	A day (or such other nearest Business Day that the AMC may deem appropriate, if that day is not a Business Day) on which the Units under a Plan will be compulsorily and without any further act by the Unit holder(s) redeemed at the end of the tenure of a Plan at the Applicable NAV.
<b>Net Asset Value/NAV</b>	Net Asset Value of the Units of the Plan (including options there under) calculated in the manner provided in this Scheme Information Document or as may be prescribed by the Regulations from time to time.
<b>New Fund Offer/NFO</b>	The offer for Purchase of Units at the inception of the Plan, available to the investors during the NFO period.
<b>New Fund Offer Period/NFO period</b>	The period during which the New Fund Offer in respect of a Plan is open. In Plan E, the NFO Period shall be January 10, 2012 to January 11, 2012 subject to extension if any.
<b>Non Resident Indian/NRI</b>	A person resident outside India who is a citizen of India or is a person of Indian origin as per the meaning assigned to the term under Foreign Exchange Management (Investment in firm or proprietary concern in India) Regulations, 2000 as amended from time to time.
<b>Person of Indian Origin</b>	A citizen of any country other than Bangladesh or Pakistan, if (a) he at any time held Indian passport; or (b) he or either of his parents or any of his grand parents was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955); or (c) the person is a spouse of an Indian citizen or a person referred to in sub-clause (a) or (b).
<b>Plans/Plan</b>	Plan A, Plan B, Plan C, Plan D, Plan E and Plan F of the Scheme collectively referred to as 'the Plans' and individually, as the context permits, as 'a Plan' (including the options thereunder).
<b>Purchase/Subscription</b>	Subscription to/Purchase of Units by an investor from the Fund.
<b>Registrar</b>	Computer Age Management Services Private Limited ("CAMS"), appointed as the registrar and transfer agent for the Scheme, or any other registrar that may be appointed by the AMC.
<b>Redemption</b>	Repurchase of Units by the Fund from a Unit Holder.
<b>Redemption Price</b>	The price (being Applicable NAV minus Exit Load/CDSC) at which the Units can be redeemed and calculated in the manner provided in this Scheme Information Document.

<b>Repo/Reverse Repo</b>	Sale/Purchase of securities with a simultaneous agreement to repurchase/sell them at a later date.
<b>Scheme</b>	L&T Fixed Maturity Plan - Series VI (including as the context permits, the plans/options thereunder).
<b>Scheme Information</b>	This document issued by L&T Mutual Fund, offering Units of L&T Fixed Maturity Plan - Series VI for subscription.
<b>Document</b>	Any modifications to the Scheme Information Document will be made by way of an addendum which will be attached to the Scheme Information Document. On issuance of addendum, the Scheme Information Document will be deemed to be updated by the addendum.
<b>SEBI</b>	Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
<b>SEBI Regulations/Regulations</b>	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time, including by way of circulars or notifications issued by SEBI and the Government of India.
<b>Statement of Additional Information/SAI</b>	The document issued by L&T Mutual Fund containing details of L&T Mutual Fund, its constitution and certain tax, legal and general information. SAI is legally a part of the Scheme Information Document.
<b>Sponsor</b>	L&T Finance Limited being the settler of L&T Mutual Fund.
<b>Transaction Charge(s)</b>	A charge that would be deducted from the subscription money received from an investor, investing through a distributor who has exercised the option to levy such charge.
<b>Transaction Slip</b>	A form meant to be used by Unit Holders seeking change in bank account details and such other facilities offered by the AMC and mentioned in Transaction Slips.
<b>Trustee/Trustee Company</b>	L&T Mutual Fund Trustee Limited. a company set up under the Companies Act, 1956 to act as a Trustee to L&T Mutual Fund.
<b>Trust Deed</b>	The registered Trust Deed dated October 17, 1996 establishing L&T Mutual Fund as a Trust under the Indian Trusts Act, 1882 as amended from time to time.
<b>Trust Fund</b>	Amounts settled/contributed by the Sponsor towards the corpus of L&T Mutual Fund and additions/accretions thereto.
<b>Unit</b>	The interest of an investor in a Plan, which consists of one undivided share in the net assets of the Plan.
<b>Unit Holder</b>	A person holding Units of a Plan of L&T Mutual Fund offered under this Scheme Information Document.
<b>Valuation Day</b>	Business Day
<b>Words and Expressions used in this Scheme Information Document and not defined</b>	Same meaning as in the Trust Deed.

## E. Due diligence by the asset management company

It is confirmed that:

- i. the draft Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- ii. all legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- iii. the disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed scheme.
- iv. the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

For **L&T Investment Management Limited**

Sd/-

Place: Mumbai  
Date: November 24, 2012

Name : **Apurva Rathod**  
Designation : **Head - Legal and Compliance**

## F. Abbreviations

In this Scheme Information Document the following abbreviations have been used.

AMC	:	Asset Management Company
AMFI	:	Association of Mutual Funds in India
AML	:	Anti-Money Laundering
ASBA	:	Application Supported by Blocked Amount
CAMS	:	Computer Age Management Services Private Limited
CAS	:	Consolidated Account Statement
CBLO	:	Collateralised Borrowing and Lending Obligation
CD	:	Certificate of Deposit
CDSC	:	Contingent Deferred Sales Charge
CDSL	:	Central Depositories Services Limited
CP	:	Commercial Paper
ECS	:	Electronic Clearing System
EFT	:	Electronic Funds Transfer
FII	:	Foreign Institutional Investor
FRA	:	Forward Rate Agreement
HUF	:	Hindu Undivided Family
IMA	:	Investment Management Agreement
IRS	:	Interest Rate Swap
ISC	:	Investor Service Centre
KYC	:	Know Your Customer
NAV	:	Net Asset Value
NCD	:	Non – Convertible Debenture
NEFT	:	National Electronic Fund Transfer
NRI	:	Non-Resident Indian
NSDL	:	National Securities Depositories Limited
NSE	:	National Stock Exchange of India Limited
PIO	:	Persons of Indian Origin
PMLA	:	Prevention of Money Laundering Act, 2002
POS	:	Points of Service
RBI	:	Reserve Bank of India
RTGS	:	Real Time Gross Settlement
SEBI	:	Securities and Exchange Board of India established under the SEBI Act, 1992
SEBI Act	:	Securities and Exchange Board of India Act, 1992
SI	:	Standing Instructions

## G. Interpretation

For all purposes of this Scheme Information Document, except as otherwise expressly provided or unless the context otherwise requires:

- ◆ The terms defined in this Scheme Information Document include the plural as well as the singular.
- ◆ Pronouns having a masculine or feminine gender shall be deemed to include the other.
- ◆ All references to “US\$” refer to United States Dollars and “Rs.” refer to Indian Rupees. A “Crore” means “ten million” and a “Lakh” means a “hundred thousand”.
- ◆ References to times of day (i.e. a.m. or p.m.) are to Mumbai (India) times and references to a day are to a calendar day including non Business Day.

## II. INFORMATION ABOUT THE SCHEME

### A. Type of Scheme

A closed-ended Debt scheme with six plans - Plans A to F

### B. Investment Objective

To seek to generate returns and reduce interest rate volatility primarily through investment in money market and short to mid term debt instruments having maturity, on or before the date of maturity of a Plan.

**There is no assurance that the objective of the Plan will be realised and the Plan does not assure or guarantee any returns.**

### C. Asset Allocation Pattern

Instruments	Indicative Allocation (% to net assets)		Risk Profile
	Minimum	Maximum	
Debt and Money Market Instruments	0	100	Low to Medium

A Plan may invest in foreign securities up to 25% of its net assets. Investments in foreign securities shall be made on accordance with the requirements stipulated by SEBI and/or RBI from time to time.

A Plan may, in accordance with the position limits, disclosure norms and any other requirements under any regulations, guidelines and circulars issued by SEBI and/or RBI, invest in derivatives up to 20% of the net assets of the Plan for the purpose of hedging and portfolio balancing.

The cumulative gross exposure through debt and derivative positions will not exceed 100% of the net assets of the Scheme.

A Plan does not intend to invest in securitised debt.

### Overview of Debt Markets

Indian fixed income market, one of the largest and most developed in South Asia, is now well integrated with the global financial markets. Increase in the limit of foreign institutional investors' investment in the domestic fixed income market to US\$ 20 billion (US\$ 5 billion in government securities and US\$ 15 billion in corporate debt) and a road map for the convertibility of Rupee will certainly result in attracting global investors to the Indian Market. Screen based order matching system developed by the Reserve Bank of India (RBI) for trading in government securities, straight through settlement system for the same, settlements guaranteed by the Clearing Corporation of India and innovative instruments like CBLO have contributed in reducing the settlement risk and increasing the confidence level of the market participants.

The RBI reviews the monetary policy four times a year giving the guidance to the market on direction of interest rate movement, liquidity and credit expansion. The central bank has been operating as an independent authority, formulating the policies to maintain price stability and adequate liquidity. Bonds are traded in dematerialised form and institutional investors' preference for listed instruments has resulted in most of the bonds getting listed. This has improved the disclosure standards by the issuers. Credit rating agencies have been playing an important role in the market and are an important source of information to manage the credit risk.

Government (Central and State) is the largest issuer of debt in the market. Public sector enterprises, quasi government bodies and private sector companies are other issuers. Insurance companies, provident funds, banks, mutual funds, financial institutions, corporates and FIIs are major investors in the

market. Government loans are available up to 30 years maturity. Variety of instruments available for investments including plain vanilla bonds, floating rate bonds, money market instruments, structured obligations and interest rate derivatives, make it possible to manage the interest rate risk effectively. Daily average turnover in gilts ranges from Rs. 5000 crores to Rs. 15,000 crores. Further, the volume in corporate bonds excluding commercial papers and certificate of deposits is around Rs. 250 crores. The securities available are listed or unlisted, secured or unsecured, public issue or private placements.

Indicative levels of the instruments currently trading are as follows:

Instrument	Maturity	Yield	Liquidity
CBLO/Repo	Short	7.00 % to 8.50%	Very High
CP/CD/T Bills	One Year	9.60% to 11.50%	High
Securitized Debt	One Year	10.50% to 12.50%	Low
PSU bonds/ Corporate Bonds	Medium	9.00% to 10.00%	Medium
Central/State Govt. Securities	Low to High	8.00% to 9.00%	High

These are only indicative levels in November 2011 and are likely to change depending upon the prevailing market conditions.

### D. Where will the Scheme invest

Subject to regulations and prevailing laws as applicable, a Plan's portfolio will consist of permissible domestic or international fixed income instruments, most suitable to meet the investment objectives. The instruments in which a Plan may invest listed below could be listed, unlisted, privately placed, secured, unsecured, rated or unrated acquired through primary or secondary market through stock exchanges, over the counter or any other dealing mechanisms. The following investment categories are likely to cover most of the available investment universe. The investments could be coupon bearing (fixed or floating), zero coupon discounted instruments, instruments with put and/or call options or any other type. Securities in which a Plan may invest are (weights in the portfolio may not have any correlation to the order of listing):

- ◆ Securities issued or guaranteed by central government, state governments or local governments and/or repos/reverse repos/ready forward contracts in such government securities as are or may be permitted under the Regulations and RBI from time to time (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- ◆ Securities issued (including debt obligations) by domestic government agencies and statutory bodies, which may or may not be guaranteed by central or state government.
- ◆ Corporate bonds of public sector or private sector undertakings.
- ◆ Debt obligation of banks (public or private sector) and financial institutions.
- ◆ Convertible debentures. (Though a Plan will not invest in equity and equity related products, it may have some exposure to equity or equity related instruments to the extent of conversion of the convertible debentures into equity or equity related instruments.)
- ◆ Money market instruments (which includes but is not limited to commercial papers, commercial bills, treasury bills, usance



- ♦ bills, government securities having unexpired maturity upto one year, certificates of deposit, bills rediscounting, CBLO, repo, call money and any other like instruments as are or may be permitted under the Regulations and RBI from time to time.)
- ♦ Deposits of scheduled commercial banks as permitted under the extant Regulations.
- ♦ Derivatives (which includes but is not limited to interest rate derivatives, currency derivatives, credit derivatives and forward rate agreements or such other derivatives as are or may be permitted under the Regulations and RBI from time to time).
- ♦ Any international fixed income securities as are or may be permitted under the Regulations, RBI and other applicable law from time to time.

- ♦ Overseas mutual fund units which are permissible under the Regulations or by any other regulatory body.
- ♦ Any other domestic or international instrument as may be permitted under the Regulations or any other regulatory body from time to time.

The Plan does not propose to invest in companies having its principal business activity in stock broking and companies having its principal business activity in the real estate sector.

As per the SEBI Regulations, mutual funds are required to disclose (the floors and ceilings within a range of 5% ) the intended allocation (in %) in various securities against each sub asset class/credit rating.

The Plan may invest in various securities/instruments as per the table given below :-

Credit Ratings	AAA/A1+/P1+	AA (including AA+ and AA -)	A (including A+ and A-)	BBB
Instruments				
CDs	95%-100%	-	-	-
CPs	-	-	-	-
NCDs	-	-	-	-
Securitized Debt	-	-	-	-
Others	-	-	-	-
Cash and cash equivalents	0-5%			

Notes :

- a) The Fund manager shall reserve the right to improve the portfolio credit quality by deviating the asset allocation in favour of higher rated instruments at the time of launch of the scheme.
- b) As a result of non-availability of CPs and NCDs (including securitised debt) and considering the risk - reward analysis, the plans may invest in CDs (of public sector banks only) and CBLO having equivalent or higher ratings.
- c) Exposure to Cash and Cash equivalent would be higher post closure of NFO of the plans and towards its maturity.
- d) The plans may have exposure in unrated securities and derivatives instruments as per the limits specified in this document and as may be permitted under the Regulations and RBI from time to time.
- e) Any deviations from the floor and ceiling of credit ratings specified above for any instrument, the same shall be rebalanced with 30 days from the date of the said deviation.
- f) All investments shall be made based on the ratings prevalent at the time of investment. However, in case of a security/ an instrument having dual ratings, the most conservative publicly available rating would be considered.

There would be no variation between the indicative portfolio allocation and the final portfolio, except under the circumstances mentioned points (b),(c), (d) and (e).

For the purpose of further diversification and liquidity, the Plan may invest in other schemes managed by the same AMC or by the asset management company of any other Mutual Fund without charging any fees on such investments, provided that aggregate inter-scheme investment made in all schemes managed by the same AMC or in schemes managed by the AMC of any other mutual fund shall not exceed 5% of the net asset value of the Fund and all norms, as may, from time to time be laid down by SEBI in this regard, are complied with. Such investments must also be commensurate with the investment objective as set out at paragraph “Investment Objective” above.

A Plan may invest in various derivatives instruments including interest rate swaps, credit default swaps, currency swaps and forward contracts which are available for investment in Indian markets from time to time and which are permissible under the Regulations and by the RBI from time to time. Investment in such instruments will be made in accordance with the investment objective and the strategy of the Scheme to protect the value of the portfolio of a Plan and for the purpose of hedging and portfolio rebalancing. The investments shall also be subject to the internal limits as may be laid down from time to time and such limits and restrictions as may be prescribed by the Regulations or any other regulatory body. A Plan may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions shall be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases shall not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions shall not exceed 10% of the net assets of the scheme.

The above list is only indicative and the Mutual Fund/AMC reserve the right to change the same in the interest of the investors depending on the market conditions, market opportunities, applicable regulations and political and economic factors, but subject to the investment objective as set out at paragraph “Investment Objective” above.

## Investment in Derivatives

### Concepts and Examples:

Derivatives are financial contracts of pre-determined fixed duration, whose values are derived from the value of an underlying primary financial instrument, commodity or index, such as: interest rates, exchange rates, commodities and equities.

### Interest Rate Swaps

Interest Rate Swaps is an agreement between two parties (counterparties) to exchange payments at specified dates on the basis of a specific amount with reference to a specified reference rate. Swap Agreements provide for periodic payment dates for



both parties where payments are netted and only the net amount is paid to the counterparty entitled to receive the net payment. Consequently, the Plan's current obligations (or rights) under a swap agreement will generally be equal only to the net amount to be paid or received under the swap agreement, based on the relative values of the possession held by each counterparty.

#### Example of a swap transaction:

Assume that a Plan has a Rs. 50 crore floating rate investment linked to MIBOR (Mumbai Inter Bank Offered Rate). Thus, the Plan has a potential interest rate risk and stands to incur a loss if the interest rate moves down. To hedge this interest rate risk, the Plan can enter into a 6 month MIBOR swap on July 1, 2010 for 6 months that is upto January 1, 2011. Through this swap, the Plan will receive a fixed determined rate (assume 6%) and pays the 'benchmark rate' (MIBOR), which is fixed by an intermediary who runs a book and matches deals between various counterparties, such intermediary could be the NSE or the Reuters. This swap would effectively lock in the interest rate of 6% for the next 6 months, eliminating the daily interest rate risk.

On January 1, 2011 the Plan is entitled to receive interest on Rs. 50 crore at 6% for 180 days i.e., Rs. 1.5 crores (this amount is known at the time the swap is concluded) and will pay the compounded benchmark rate. The counterparty is entitled to receive the daily compounded call rate for 180 days and pay 6% fixed rate. On January 1, 2011, if the total interest on the daily overnight compounded benchmark rate is higher than Rs. 1.5 crore, the Plan will pay the difference to the counterparty. If the daily compounded benchmark rate is lower, then the counterparty will pay the Plan the difference.

Effectively, the Plan earns interest at the rate of 6% p.a. for 6 months without lending money for 6 months fixed, whilst the counterparty pays interest @ 6% p.a. for 6 months on Rs. 50 crores without borrowing for 6 months fixed.

#### Forward Rate Agreement

Forward rate agreement is a transaction in which the counterparties agree to pay or receive the difference between an agreed fixed rate and the interest rate prevailing on a stipulated future date, based on a notional amount, for an agreed period. As the interest rate is fixed now for a future period, the only payment is the difference between the agreed fixed rate and the reference rate in the future. As in the case of interest rate swaps, only notional amounts are exchanged.

Assume that on June 30, 2010, the 90 day commercial paper (CP) rate is 6.75% and a Plan has an investment in a CP of face value Rs. 25 crores which is going to mature on September 30, 2010. If the interest rates are likely to remain stable or decline after September 2010, and if the fund manager, who wants to re-deploy the maturity proceeds for 3 more months, does not want to take the risk of interest rates going down, he can then enter into a following forward rate agreement (FRA) say as on June 30, 2009:

He can receive 3 X 6 FRA on June 30, 2010 at 6.75% (FRA rate for 3 months lending in 3 months time) on the notional amount of Rs. 25 crores, with a reference rate of 90 day CP benchmark. If the CP benchmark on the settlement date i.e. September 30, 2010 falls to 6.5%, then the Plan receives the difference 6.75 - 6.5 i.e. 25 basis points on the notional amount Rs. 25 crores for 3 months. The maturity proceeds are then reinvested at say 6.5% (close to the benchmark). The Plan, however, would have locked in the rate prevailing on June 30, 2010 (6.75%) as it would have received 25 basis points more as settlement amount from FRA. Thus the fund manager can use FRA to mitigate the reinvestment risk.

In this example, if the rates move up by 25 basis points to 7% on the settlement date (September 30, 2010), the Plan loses 25 basis points but since the reinvestment will then happen at

7%, effective returns for the Plan is unchanged at 6.75%, which is the prevailing rate on June 30, 2010.

#### Forward Contracts

Forward contract is a transaction in which the buyer and the seller agree upon the delivery of a specified quality (if commodity) and quantity of underlying asset at a predetermined rate on a specified future date.

Assume that on June 30, 2010, a Plan has invested 1 million dollars in a US treasury security. Fund manager expects that the yields in the US will come down in the next 6 months and plans to sell the asset on December 31, 2010 to book the gain. Rupee is trading at Rs. 44 to a US Dollar on June 30, 2010. If rupee appreciates compared to the Dollar in these 6 months to say Rs. 43.50 per Dollar, the Plan will earn lower returns in Rupee terms when the fund manager sells the investments on December 31, 2010 and converts the proceeds into Rupees. He can mitigate this exchange rate risk by entering into a forward contract to sell 1 million dollars on June 30, 2010 for value December 31, 2010 (6 month forward) and receive the prevailing premium of say 40 paise per Dollar i.e. he has locked in a rate of Rs. 44.40 per US Dollar for delivery on December 31, 2010. With this the Plan is not exposed to the loss of Rupee appreciation or profit from Rupee depreciation.

**Please note that investments in forward contracts will be made by the Scheme as and when permitted under the Regulations.**

**Please note that the above examples are based on assumptions and are used only for illustrative purposes.**

**For applicable regulatory investment limits and other restrictions in respect of the various investible securities, please refer to paragraph "Investment Restrictions".**

**All investments of a Plan shall be made in accordance with the regulations and guidelines issued by SEBI/RBI/ any other regulatory authority.**

### E. Investment Strategy

Each Plan shall have independent assets and an independent portfolio of securities which shall be distinct and segregated from the assets and portfolios of other Plans. A Plan's portfolio will be constructed and managed to generate returns to match the investment objective. As the interest rate risk of the portfolio is likely to be similar to that of the shorter to medium end of the maturity spectrum, in line with the investment objective, a significant proportion of the total returns is likely to be in the form of income yield or accrual.

The fund management team, supported by credit research group will generally adopt a bottom up approach for securities identification to optimise the risk adjusted returns on the diversified portfolio. The credit quality of the portfolio will be maintained and monitored using the in-house research capabilities as well as the inputs from the independent credit rating agencies.

Investments in debt instruments carry various risks such as interest rate risk, liquidity risk, default risk, reinvestment risk etc. Every investment opportunity will be assessed by the AMC in light of these risks. Whilst such risks cannot be eliminated, they may be minimized by diversification and effective use of hedging techniques.

#### Credit Evaluation Policy

Investment views/decisions will be a combination of credit analysis of individual exposures and analysis of macro economic factors to estimate the direction of interest rates and level of liquidity and will be taken, inter alia, on the basis of the following parameters:

1. Prevailing interest rate scenario
2. Returns offered relative to alternative investment opportunities.

3. Quality of the security/instrument (including the financial health of the issuer)
4. Maturity profile of the instrument
5. Liquidity of the security
6. Any other factors considered relevant in the opinion of the fund management team.

**Investments in derivatives:** A Plan may invest up to 20% of its net assets in derivatives for the purpose of hedging and portfolio balancing provided the cumulative gross exposure through equity, debt and derivative positions will not exceed 100% of the net assets of the Scheme. Investments in interest rate swaps shall be done only for the purposes of hedging and shall be in terms of requirements specified by SEBI and/or RBI from time to time. Hedging does not mean maximization of returns but only attempts to reduce systemic or market risk that may be inherent in the investment. The manner in which derivative investments may be utilised and the benefits thereof have been explained in the preceding portion of this Scheme Information Document. The various risks associated with investing in derivatives have been explained at paragraph “**Risk associated with investing in derivatives**” above. Any investments in derivatives will be undertaken after considering the risks as set out at paragraph “**Risk associated with investing in derivatives**” above.

**Investments in foreign securities:** A Plan may also invest in foreign securities for diversification as permitted under the applicable laws, including the SEBI Regulations. The investments of a Plan in foreign securities will be restricted to 25% of the net assets of the Plan. The various risks associated with investing in foreign securities have been explained at paragraph “**Risk associated with investing in foreign securities**” above. Any investments in foreign securities will only be undertaken after considering the risks as set out at paragraph “**Risks associated with investing in foreign securities**” above. The Scheme may, where necessary, appoint other intermediaries of repute as advisors, custodian/sub-custodians etc. for managing and administering such investments in overseas securities. The appointment of such intermediaries shall be in accordance with the applicable Regulations and payments will be within the permissible ceilings on expenses.

## F. Fundamental attributes

The following are the fundamental attributes of the Scheme, in terms of Regulation 18 (15A) of the SEBI Regulations:

- i. Type of the scheme i.e. a closed - ended debt Scheme with six plans - Plans A to F
- ii. Investment Objective
  - ◆ Main Objective - income (see paragraph “Investment Objective” for details).
  - ◆ Investment pattern - The tentative debt/money market portfolio break-up with minimum and maximum asset allocation, while retaining the option to alter the asset allocation for a short term period on defensive considerations (see paragraph “Asset Allocation Pattern” for details).
- iii. Terms of Issue
  - ◆ Liquidity provisions such as listing, repurchase, redemption.
  - ◆ Aggregate fees and expenses charged to the Scheme/ Plan (see paragraph “**Fees and Expenses**” for details).

In accordance with Regulation 18(15A) of the SEBI Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme or the trust or fee and expenses payable or any other change which would modify the Scheme and affect the interests of Unitholders is carried out unless:

- ◆ A written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- ◆ The Unit holders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load.

**Investors in the Scheme are not being offered any guaranteed returns.**

## G. Benchmark

The performance of Plan E will be benchmarked against CRISIL Short Term Bond Fund Index.

The performance of Plan F will be benchmarked against the CRISIL Liquid Fund Index/CRISIL Short Term Bond Fund Index/CRISIL Composite Bond Fund Index depending upon the tenure of the Plan as given below:

- (i) if the tenure is up to 3 months - CRISIL Liquid Fund Index
- (ii) if the tenure is above 3 months and upto 36 months – CRISIL Short Term Bond Fund Index.
- (iii) If the tenure is above 36 months – CRISIL Composite Bond Fund Index

**CRISIL Liquid Fund Index:** CRISIL Liquid Fund Index is an index designed to track the market movements and to evaluate the corresponding effect on a portfolio consisting of investments in the CBLO Market, Commercial Paper & Certificate of Deposit. For FMPs with shorter maturity periods that invest primarily in money market and short term debt securities, the CRISIL Liquid Fund Index is an appropriate choice of benchmark.

**CRISIL Short Term Bond Fund Index:** CRISIL Short-Term Bond Fund Index is an index to track the return of short-term funds based on their asset allocation pattern on a rolling three-month average. The portfolio of these funds generally includes CBLOs, commercial paper, government securities as also the AAA and AA rated instruments (2-3 Duration Bucket). This is a realistic estimate for short-term funds that tend to invest in all of the instruments mentioned above to maximize returns at a particular level of risk. The Short-Term Bond Fund Index is required to track the relative returns generated by a portfolio (benchmarked against the returns generated by the index on a daily basis) that includes all of the aforementioned instruments, which is the case with most market participants.

**CRISIL Composite Bond Fund Index:** CRISIL Composite Bond Fund Index is an index to track the return on a Composite Portfolio that includes CBLO, Commercial Paper, Certificate of Deposit, Government Securities and also Corporate Bonds. This is a realistic estimate for a fund that tends to invest in all of the instruments mentioned above to maximize returns at a particular level of risk. The Composite Bond Fund Index is required to track the relative returns generated by a portfolio (benchmarked against the scheme returns generated by the index in the same time interval) that includes all of the aforementioned instruments, that is the case with most funds.

## H. Fund Manager

The Scheme will be managed by Mr. Shriram Ramanathan and Mr. Mahesh Chhabria (Assistant Fund Manager).

Name	Age	Qualification	Total Number of years of experience	Assignments held during last 10 years	Period From – To
Ms. Shobheta Manglik	33	B. Com. M.M.S (Finance)		Assistant Vice President & Fund Manager – Fixed Income	March 22, 2012 till date
				Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited as Head of Fixed Income	December 2008 to January 2012
				Fidelity Investments Limited as Trader from September 2007 to December 2008	September 2007 to December 2008
				Reliance Capital as Corporate Treasury from November 2005 to September 2007	November 2005 to September 2007
				PNB Gilts Limited as Trader from June 2001 to November 2005	June 2001 to November 2005
Mahesh A. Chhabria (Assistant Fund Manager)	35	B.Com. (Mumbai University), FCA (ICAI), CFA (ICFAI), FRM (GARP)	12	FIL Fund Management Private Limited (Assistant Fund Manager and Credit Analyst)	2006 till date
				Birla Sunlife Asset Management Company Limited (Fund Manager and Senior Credit Analyst)	2002 to 2006
				RSM & Co. (Qualified Assistant)	1999 to 2002

Ms. Shobheta Manglik is also the Fund Manager for L&T Triple Ace Bond Fund, L&T Gilt Fund and L&T Fixed Maturity Plan Series VI – Plan B – Plan F.

Mr. Mahesh A. Chhabria is also the Fund Manager for L&T Cash Fund, L&T Liquid Fund, L&T Ultra Short Term Fund, L&T Floating Rate Fund, and L&T Fixed Maturity Plan Series VI – Plan B – Plan F.

Before commencing investing in foreign securities, a dedicated fund manager will be appointed for such investments in foreign securities.

## I. Investment Restrictions

As per the Trust Deed read with the Regulations, the following investment restrictions apply in respect of a Plan at the time of making investments. **However, all investments by the Plan will be made in accordance with the investment objective, investment strategy and investment pattern described previously.**

- 1) A Plan shall not invest more than 15% of its net assets in debt instruments (irrespective of residual maturity) issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the Act. Such investment limit may be extended to 20% of the net assets of a Plan with the prior approval of the Board of Trustees and the Board of the AMC.

Provided that such limit shall not be applicable for investments in government securities. Provided further that investments in debt securities issued by public bodies/institutions such as electricity boards, municipal corporations, state transport corporations etc. guaranteed by the state or central government would be included within the aforesaid limit

Provided further that investment within such limit can be made in mortgaged backed securitised debts which are rated not below investment grade by a credit rating agency registered with SEBI. In case of investments made in securitised debt (mortgage backed securities/asset backed securities), restrictions at the originator level would not be applicable.

- 2) A Plan shall not invest more than 30% of its net assets in money market instruments issued by an issuer.

Provided that such limit shall not be applicable for investments in Government securities, treasury bills and collateralized borrowing and lending obligations.

- 3) A Plan shall not invest more than 10% of its net assets in unrated debt instruments (irrespective of residual maturity) issued by a single issuer and the total investment in such instruments shall not exceed 25% of the net assets of a Plan.
- 4) Transfers of investments from one scheme to another scheme in the Fund shall be made only if, -
  - (a) such transfers are done at the prevailing market price for quoted instruments on spot basis.

Explanation - "spot basis" shall have the same meaning as specified by stock exchange for spot transactions.
  - (b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
- 5) A Plan may invest in other schemes managed by the same AMC or by the asset management company of any other mutual fund without charging any fees, provided that aggregate interscheme investment made in all schemes under the same management or in schemes under the management of any such other asset management company shall not exceed 5% of the net asset value of the Fund.
- 6) A Plan shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative securities and in all cases of sale, deliver the securities.

Provided that a Plan may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI.

Provided further that a Plan may enter into derivatives transactions in accordance with the guidelines issued by SEBI from time to time.

Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by RBI in this regard.

- 7) The Fund shall, get the securities purchased or transferred in the name of the Fund on account of a Plan, wherever investments are intended to be of long term nature.
- 8) A Plan shall not make any investment in;
  - a) any unlisted security of an associate or group company of the Sponsor; or
  - b) any security issued by way of private placement by an associate or group company of the Sponsor; or
  - c) the listed securities of group companies of the Sponsor which is in excess of 25% of the net assets.
- 9) A Plan shall not make any investment in any fund of funds scheme.
- 10) No term loans for any purpose may be advanced by the Fund and the Fund shall not borrow except to meet temporary liquidity needs of a Plan for the purpose of payment of dividends to Unit Holders, provided that the Fund shall not borrow more than 20% of the net assets of a Plan and the duration of such a borrowing shall not exceed a period of 6 months.
- 11) Pending deployment of funds of a Plan in terms of the investment objectives, a Plan may invest such funds in short term deposits of scheduled commercial banks, subject to such guidelines as may be specified by SEBI. The Fund/AMC shall abide by the following guidelines for parking of funds of a Plan in short term deposits of scheduled commercial banks:
  - i. "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
  - ii. Such short-term deposits shall be held in the name of the relevant Plan.
  - iii. A Plan shall not park more than 15% of its net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with the approval of the Trustee.
  - iv. Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
  - v. A Plan shall not park more than 10% of its net assets in short term deposit(s) with any one scheduled commercial bank including its subsidiaries.
  - vi. A Plan shall not park funds in short-term deposit of a bank which has invested in the said Plan.

vii. The AMC will not charge any investment management and advisory fees for funds under a Plan parked in short term deposits of scheduled commercial banks.

viii. The above norms do not apply to term deposits placed as margins for trading in cash and derivatives market.

- 12) Transactions in government securities can only be undertaken in dematerialised form.
- 13) Investments in foreign securities are subject to a limit of USD 300 million per mutual fund and USD 7 billion across all mutual funds.
- 14) A Fund may enter in to plain vanilla interest rate swaps for hedging purposes with a counter party which is recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by a Fund.
- 15) In case of interest rate swaps, the exposure to a single counterparty shall not exceed 10% of the net assets of a plan.
- 16) A Plan will comply with any other Regulations applicable to the investments of mutual funds from time to time.
- 17) The total exposure in a particular sector (excluding investments in Bank CDs, CBLO, G-Secs, TBills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) by the Debt Schemes shall not exceed 30% of its net assets.

Provided that an additional exposure to financial services sector (over and above the limit of 30%) not exceeding 10% of the net assets of the scheme shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) only; Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 30% of the net assets of the scheme.

The Trustee Company/AMC may alter these above stated limitations from time to time, and also to the extent the Regulations change and as permitted by RBI, so as to permit a Plan to make its investments in the full spectrum of permitted investments in order to achieve the investment objective.

## J. Scheme performance

This Scheme is a new scheme and does not have any performance track record.

## K. Investment in a Plan by the AMC, Sponsor or their Affiliates

Subject to the Regulations the AMC, the Sponsor, the Trustee and their associates or affiliates, may invest either directly or indirectly in a Plan during the NFO Period of such Plan. However, AMC shall not charge any investment management and advisory services fee on its own investment in a Plan.



### III. UNITS AND OFFER

This section provides details you need to know for investing in the Scheme/Plan. This section must be read in conjunction with the application procedure and other relevant details mentioned in the Statement of Additional Information.

#### A. New Fund Offer (NFO)

##### 1. New Fund Offer Period:

This is the period during which a new scheme sells its units to the investors.

##### Plan E:

NFO opens on: January 10, 2012

NFO closes on: January 11, 2012

New Fund Offer for Plan F will commence from any time within six months from November 9, 2011 i.e. the date of receipt of the final observations from SEBI on the Scheme Information Document.

The New Fund Offer Period shall not be kept open for more than 15 days.

##### 2. New Fund Offer Price:

This is the price per unit that the investors have to pay to invest in a Plan during the NFO.

The Units can be purchased at Rs. 10 each for cash during the NFO Period of the relevant Plan.

##### 3. Minimum Amount for Application in the NFO:

The minimum application amount during the NFO period under a Plan shall be Rs. 5,000.

##### 4. Minimum Target amount

This is the minimum amount required to operate a scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return. However, if AMC fails to refund the amount within 5 Business Days from the closure of NFO period, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of 5 Business Days from the date of closure of the subscription period.

The Fund seeks to collect a minimum subscription amount of Rs. Fifty Crore under a Plan during the NFO Period of that Plan. In the event this amount is not raised during the NFO Period of a Plan, the amount collected under that Plan will be refunded to the applicants as mentioned in the paragraph "Refund".

##### 5. Maximum Amount to be raised

There is no upper limit on the total amount to be collected under a Plan during the NFO Period.

##### 6. Plans/Options Offered

The Scheme offers the following Plans:

Plan Name	Tenure of the Plan
Plan E	370 days from the date of allotment
Plan F	Over 3 months to 37 months from the date of allotment of Units under a Plan. The exact duration of a Plan shall be decided by the AMC at the time of launch.

A Plan offers two options - Growth Option and Dividend Option.

**Growth option:** under this option no dividend will be declared.

**Dividend option:** under this option, a dividend may be declared by the Trustee, at its discretion, from time to time (subject to the

availability of distributable surplus as calculated in accordance with the Regulations). Any dividend declared will be compulsorily paid out.

If the investor does not clearly specify the choice of option at the time of investing, it will be treated as a Growth Option.

#### 7. Maturity

A Plan shall be fully redeemed at the end of its tenure unless rolled over as per SEBI Regulations. The redemption proceeds will be dispatched to the Unit Holders within 10 Business Days from the Maturity Date. If the day following the Maturity Date is a non-Business Day then the redemption proceeds will be dispatched by the AMC on such other nearest Business Day that the AMC may deem to be appropriate.

The notice for fixing the record date will be issued by the AMC for the purpose of determining the Unit holders for redemption of Units on the Maturity Date. The record date for redemption of units will coincide with the Maturity Date.

The AMC reserves the right to change the period for publication of notice and fixing of record date for redemption of Units on Maturity Date.

#### 8. Dividend Policy

The Trustee may decide to distribute by way of dividend, the surplus by way of realised profit, dividends and interest, net of losses, expenses and taxes, if any, to Unit Holders in the dividend option of a Plan if such surplus is available and adequate for distribution in the opinion of the Trustee. The Trustee's decision with regard to availability and adequacy, rate, timing and frequency of distribution shall be final. The dividend will be due to only those Unit Holders whose names appear in the register of Unit Holders in the Dividend option of a Plan on the record date which will be fixed by the Trustees and announced in advance.

Further, the NAV shall be adjusted to the extent of dividend distribution and statutory levy, if any, at the close of business hours on record date. Within one day of the decision by the Trustees regarding dividend distribution rate and record date, AMC shall issue notice to the public communicating the decision including the record date. The record date shall be 5 calendar days from the issue of notice. Such notice shall be given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the mutual fund is situated.

Any dividend declared will be compulsorily paid out and the AMC shall dispatch to the Unit Holders, the dividend warrants within 30 days of the date of declaration of dividend.

Further, the dividend proceeds may be paid by way of direct credit/NEFT/RTGS/Wired Transfer/any other manner through which the investor's bank account specified in the Registrar's/ Depository's records is credited with the dividend proceeds.

#### 9. Allotment

##### (i) Allotment

Subject to the receipt of the specified minimum subscription amount, full allotment of Units applied for will be made within 5 business days from the date of closure of the NFO Period of a Plan for all valid applications received during the NFO Period.

Investors under a Plan will have an option to hold the Units either in physical form or in dematerialized (electronic) form. In case of investors opting to hold Units in dematerialized mode, the Units will be credited to the investors' depository account (as per the details provided by the investor) not later than 5 Business Days from the date of closure of the NFO Period of a Plan.

On allotment, in respect of applicants who have made applications through the ASBA facility, the amounts towards subscription of Units blocked in the respective bank accounts as mandated by the applicants will be unblocked to the extent of Units allotted

and the amounts so unblocked will be transferred to the bank account of the Scheme/Fund.

## (ii) Account Statements

In case of investors opting to hold the Units in physical mode, on allotment, the AMC/Fund will send to the Unit Holder, an account statement/transaction confirmation specifying the number of units allotted by way of email and/or SMS within 5 Business Days from the date of closure of New Fund Offer to the Unit holders registered e-mail address and/or mobile number.

In case of a specific request received from the Unit holders, the AMC/Fund will provide the account statement in physical to the investors within 5 Business Days from the receipt of such request.

In case of investors opting to hold the Units in dematerialized form, an holding statement could be obtained from the Depository Participants.

The account statement shall not be construed as a proof of title and is only a computer generated statement indicating the details of transactions in a Plan and is a non-transferable document. (see paragraph "Account Statements" for details regarding account statements).

## 10. Dematerialization of Units

The applicants intending to hold the Units in dematerialized mode will be required to open/have a beneficiary account with a Depository Participant of the Depository and will be required to provide the relevant details of the same to the AMC at the time of subscribing to the Units of a Plan during the NFO. In case the details provided by the applicant is incorrect or incomplete or where the details provided do not match with details with records maintained by Depository Participants, the AMC shall have the right to allot the Units in physical mode and accordingly an account statement will be sent to the Unit holder.

However, if the Unit Holder desires to hold the Units in a dematerialized form at a later date, the Unit Holder will be required to have a beneficiary account with a Depository Participant of the Depository. The Unit holder will be required to make an application to AMC along with the relevant details for the issue of Units into demat form. Application for issue of Units in demat mode can be submitted to any of the ISCs alongwith the account statement. The AMC will issue the Units in dematerialized form to the Unit holder within two working days from the date of receipt of such request.

In case investors do not provide their demat account details or the demat details provided in the application form are incomplete/incorrect or do not match with the details with the records of the Depository Participants, the Units will be allotted to the investors provided the application is otherwise complete in all respects and accordingly an account statement shall be sent to the investors. Such investors will not be able to transact in the Units of a Plan on the Stock Exchange(s) till the Units are converted in to demat (electronic) form.

It may be noted that trading and settlement in the Units of a Plan over the Stock Exchange(s) (where the Units are listed) will be permitted only in electronic form.

## 11. Rematerialization of Units

Rematerialization of Units can be carried out in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time.

The process for rematerialisation of Units will be as follows:

- ◆ Unitholders/investors should submit a request to their respective Depository Participant for rematerialisation of Units in their beneficiary accounts.
- ◆ Subject to availability of sufficient balance in the Unitholder/investor's account, the Depository Participant will generate a Rematerialisation Request Number and the request will be despatched to the AMC/Registrar.

- ◆ On acceptance of request from the Depository Participant, the AMC/Registrar will despatch the account statement to the investor and will also send electronic confirmation to the Depository Participant.

## 12. Refund

If the Plan fails to collect the minimum subscription amount of Rs. Fifty Crore, the Fund shall be liable to refund the money to the applicants.

In addition to the above, the refund of subscription money to the applicants whose applications are treated as invalid or rejected for any other reason whatsoever, will commence immediately after the allotment process is completed. Refunds of subscription monies collected under a Plan will be completed within 5 Business Days of the closure of the NFO Period of that Plan. If the Fund refunds the amount after such 5 Business Days, interest at 15% per annum shall be liable to be paid by the AMC for the delay period (i.e. the time in excess of the aforesaid period taken for making the refund). 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 cheques will be mailed by registered post or as per the applicable Regulations.

However, in respect of applicants who have made applications through the ASBA facility, the refund will be by way of unblocking of the subscription amounts in the bank accounts mandated by the applicants on receipt of information from the AMC/Registrar.

## 13. Who can invest

This is a indicative list and prospective investors are advised to satisfy themselves that they are not prohibited by any law governing them and any Indian law from investing in a Plan and are authorised to purchase units of mutual funds as per their respective constitutions, charter documents, corporate/other authorisations 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 a Plan. The investors are requested to consult their financial advisor(s) to ascertain whether a Plan is suitable to their risk profile.

- ◆ Indian resident adult individuals, either singly or jointly (not exceeding three);
- ◆ Sole proprietorship
- ◆ Minor through parent/lawful guardian; (please see the 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 Partnership Act, 1932;
- ◆ A Hindu Undivided Family (HUF) through its Karta;
- ◆ Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions;
- ◆ Non-Resident Indians (NRIs)/Persons of Indian Origin (PIO) on full repatriation basis or on non-repatriation basis;
- ◆ Foreign Institutional Investors (FIIs) registered with SEBI on full repatriation basis;
- ◆ Army, Air Force, Navy and other para-military funds and eligible institutions;
- ◆ Scientific and Industrial Research Organisations ;
- ◆ Provident/Pension/Gratuity and such other Funds as and when permitted to invest;
- ◆ International Multilateral Agencies approved by the Government of India/RBI; and



- ◆ The Trustee, AMC or Sponsor or their associates (if eligible and permitted under prevailing laws).
- ◆ A Mutual Fund through its schemes, including Fund of Funds schemes.

**Note:** Minor Unit Holder on becoming major may inform the Registrar/Depository as the case may be, about attaining majority and provide his specimen signature duly authenticated by his banker as well as his details of bank account and a certified true copy of the PAN card as mentioned under the paragraph "Permanent Account Number (PAN)" and any other document(s) as may be required to enable the Registrar/Depository to update their records and allow him to operate the account in his own right.

IT SHOULD BE NOTED THAT THE FOLLOWING ENTITIES CANNOT INVEST IN THE PLAN:

1. Any individual who is a foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999, except where registered with SEBI as a FII or FII sub account
2. Overseas Corporate Bodies (OCBs) shall not be allowed to invest in a Plan. These would be firms and societies which are held directly or indirectly but ultimately to the extent of at least 60% by NRIs and trusts in which at least 60% of the beneficial interest is similarly held irrevocably by such persons (OCBs.)
3. Non-Resident Indians residing in the United States of America and Canada.
4. Non-Resident Indians residing in the Financial Action Task Force (FATF) Non Compliant Countries and Territories (NCCTs).

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

Subject to the Regulations, any application for Units may be accepted or rejected in the sole and absolute discretion of the Trustee. 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 a Plan'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 a Plan or its Unit Holders to accept such an application.

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.

#### 14. Where can you submit the filled up Applications

Applications filled up and duly signed by all joint investors should be submitted to a Designated Collection Centre. The names and addresses of the Designated Collection Centres are mentioned on Page 24.

Please note that a payment instrument issued from a bank account other than that of the applicant will

not be accepted except in certain circumstances. Please refer paragraph "How to Pay" in SAI for further details.

#### 15. How to apply

Please refer to SAI and the application form for the instructions.

#### 16. Listing

The Units of a Plan under the Scheme will be listed on the Stock Exchange(s) within 5 Business days from the date of allotment of units under the Plan.

An investor can purchase/redeem Units on a continuous basis on Stock Exchange(s) on which the Units are listed during the trading hours like any other publicly traded stock, until the

commencement of the record date decided by the AMC for determining the Unit holders whose name(s) appear on the list of beneficial owners as per the Depository records for the purpose of redemption of Units on Maturity Date.

#### 17. Facilities offered during the NFO

During the NFO Period of a Plan, the investor will be able to invest by switching - in into the Plan from other schemes of the Fund. For details please refer paragraph "Switching".

Further, during the NFO the investors can subscribe to the Units of the Scheme under the ASBA facility.

Under the ASBA facility, the amount towards subscription of the Units shall be blocked in the bank accounts of the applicants as mandated till the allotment of Units. For details regarding the procedure for applying through the ASBA facility please refer SAI.

#### 18. Policy regarding reissue of repurchased units

Units that have been repurchased shall not be reissued.

#### 19. Restrictions, if any, on the right to freely retain or dispose of units being offered

The Units held under physical mode will not be transferable provided that: (a) if a person becomes a holder of the Units consequent to operation of law, or upon enforcement of a pledge, the Mutual Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units; and (b) in cases of transfers taking place consequent to death, insolvency etc., the transferee's name will be recorded by the Mutual Fund subject to production of satisfactory evidence.

The Units held in dematerialized form can be transferred and transmitted in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996, as may be amended from time to time. The delivery instructions for transfer of Units will have to be lodged with the Depository Participant in the requisite form as may be required from time to time and transfer will be effected in accordance with such rules/regulations as may be in force governing transfer of securities in dematerialized form. The Units held in demat mode can be pledged and hypothecated as per the provisions of Depositories Act and Rules and Regulations framed by Depositories.

#### 20. Suspension of purchase/redemption of the Units on Stock Exchange

The purchase/redemption of the Units may be temporarily suspended, on the Stock Exchange(s) on which the Units of a Plan are listed, under the following conditions:

1. During the period of book closure.
2. In the event of any unforeseen situation that affects the normal functioning of the Stock Exchange(s).
3. If so directed by SEBI.

The above list is not exhaustive.

### B. Ongoing Offer Details

#### 1. Ongoing Offer Period

This is the date from which the Plan will reopen for subscriptions/redemptions after the closure of the NFO period.

This being a closed-ended Scheme, the Units of the Plan will not be offered for Purchase by investors after the New Fund Offer of the Plan.

However, since the Units under a Plan will be listed on a Stock Exchange, the Unit holders can purchase/redeem Units on a continuous basis from/on the Stock Exchange(s) on which the Units are listed. The Units can be purchased/redeemed during the trading hours of the Stock Exchange(s) like any other publicly traded stock, until the commencement of the record date decided

by the AMC for determining the Unit holders whose name(s) appear on the list of beneficial owners as per the Depository records for the purpose of redemption of Units on Maturity Date.

## 2. Ongoing Price for Subscription

Not applicable as the Scheme is a closed - ended scheme. However, a Unitholder/investor can subscribe to the Units on the Stock Exchange(s) on which Units are listed during the trading hours.

## 3. Redemption Price

The Redemption Price of the Units is the price at which the Fund shall redeem the Units on the Maturity Date.

It will be calculated as described below:

Redemption Price = Applicable NAV x (1 - Exit Load\* or CDSC\*)

\* Either Exit Load or CDSC, whichever is applicable, will be charged.

Redemption Price will be calculated for up to four decimal places for a Plan.

For example, if the Applicable NAV of a scheme is Rs.10, and it has a 2% Exit Load, the Redemption Price will be calculated as follows:

Redemption Price = 10 x (1 - 2.00%) i.e. 10 x 0.98 = 9.80

If a scheme has no Exit Load and no CDSC, the Redemption Price will be equal to the Applicable NAV.

For Units held under dematerialized mode, the price of the Units on the Stock Exchange(s) will depend on demand and supply at that point of time and underlying NAV.

## 4. Where can the applications/Transaction Slips be submitted

Transaction Slips/applications filled up and duly signed by all joint investors should be submitted to a Designated Collection Centre.

The names and addresses of the Designated Collection Centres are mentioned on inside cover.

## 5. Minimum amount for purchase/redemption

The transactions in Units of a Plan on the Stock Exchange(s) will not be subject to requirement of minimum amount/number of Units for purchase/redemption. Further, Units will normally be traded in round lots of 1 Unit.

## 6. Facilities Offered to Investors under the Scheme

### Switching

The Transaction Slip can be used by investors to make interscheme switches within the Fund. All valid applications for switch-out shall be treated as redemption and for switch-in as purchases at the respective applicable NAVs of the scheme/plan/option. In case of a Plan, only switch - in applications will be accepted during the NFO period.

Further in case of a Plan, switch-out applications for switching to other schemes of the Fund will be accepted upto 3.00 p.m. only on the Maturity Date of a Plan.

## 7. Account Statements

### For Units held under physical mode:

In case of investors opting to hold the Units in physical mode, on allotment, the AMC/Fund will send to the Unit Holder, an account statement/transaction confirmation specifying the number of units allotted by way of email and/or text message within 5 Business Days from the date of closure of New Fund Offer to the Unit holders registered e-mail address and/or mobile number.

In case of a specific request received from the Unit holders, the AMC/Fund will provide the account statement in physical to the

investors within 5 Business Days from the receipt of such request.

The Unit Holder may request for a physical account statement by calling the investor line of the AMC at "1800 2000 400".

Further, the AMC/Mutual Fund will provide to Unit Holders a CAS detailing holding across all schemes of all mutual funds at the end of every six months (i.e. September/March), on or before 10th day of succeeding month, in whose folios no transaction has taken place during that period. The half yearly consolidated account statement will be sent by e-mail to the Unit holders whose e-mail address is available, unless a specific request is made to receive in physical. CAS will not be sent to a Unit Holder in respect of folios whose PAN details a not updated.

Account statements to be issued in lieu of Unit Certificates under a Plan shall be non-transferable. The account statement shall not be construed as a proof of title. A non-transferable Unit Certificate will be sent to the Unit Holder within 5 Business day following the receipt of a written request. Units are non-transferable. The Trustee reserves the right to make the Units transferable at a later date, subject to the Regulations.

All Units of a Plan will rank pari passu, among Units within the same option in the Plan, as to assets and earnings.

### For Units held under dematerialised mode:

Where the investor has opted for units held in dematerialised mode, Unitholder/investor will receive the holding statement directly from their respective Depository Participant at such a frequency as may be defined in the Depository Act or regulations or on specific request.

## 8. Dividend Warrants

The dividend warrants shall be dispatched to Unit Holders within 30 days of the date of declaration of the dividend.

## 9. Interest on delay in payment of Dividend Warrants

In case of delay of dispatch of dividend warrants beyond the period specified above, the AMC shall be liable to pay interest to the Unit Holders at such rate as may be specified by SEBI for the period of such delay. (presently the interest is paid @15% p.a.

## 10. Redemption Proceeds

The redemption proceeds shall be dispatched to the Unit Holders within 10 Business Days from the date of Maturity Date.

Further, based on the list provided by the Depositories (NSDL/CDSL) giving the details of the demat account holders and the number of Units held by them in electronic form on the record date fixed for redemption of Units on the Maturity date, the Registrar will pay the redemption proceeds by forwarding a cheque or directly crediting the bank account linked to the demat account depending on the mode of receipt of redemption proceeds chosen by the Unit holder.

## 11. Interest on delay in payment of Redemption Proceeds

In case of delay in payment of redemption proceeds beyond the period specified above, the AMC shall be liable to pay interest to the Unit Holders at such rate as may be specified by SEBI for the period of such delay. (presently the interest is paid @15% p.a.).

## 12. Bank Mandate

It is mandatory for every applicant to provide the name of the bank, branch, address, account type and number as per SEBI requirements and any Application Form without these details will be treated as incomplete. Such incomplete applications will be rejected. The Registrar/AMC may ask the investor to provide a blank cancelled cheque or its photocopy for the purpose of

verifying the bank account number.

In case of Units held under dematerialised mode, the Bank details as available in the Depository records will be used for the credit of dividend and redemption proceeds.

## C. Periodic Disclosures

### 1. Net Asset Value

This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.

The NAVs of the Plan will be calculated by the Fund on all Business Days and details may be obtained by calling the investor line of the AMC at “1800 2000 400”. The Fund will publish the NAVs of the Plan in at least two daily newspapers on all Business Days. The NAVs of the Plan will also be updated by 9.00 p.m. on all Business Days on the website of the Fund i.e. [www.Intmf.com](http://www.Intmf.com) and on the AMFI website i.e. [www.amfiindia.com](http://www.amfiindia.com).

### 2. Half yearly disclosures: portfolios and financial results

The Fund shall before the expiry of one month from the close of each half year (March 31 and September 30) publish its unaudited financial results in one national English daily newspaper circulating in the whole of India and in a Marathi daily newspaper. These shall also be displayed on the website of the Fund and that of AMFI.

Full portfolio details, in the prescribed format, shall also be disclosed either by publishing it in the newspapers or by sending to the Unit Holders within one month from the end of each half-year and it shall also be displayed on the website of the Fund.

### 3. Annual Report

An annual report of the Schemes will be prepared as at the end of each financial year (i.e. March 31) and copies of the report or an abridged summary thereof will be mailed to all Unit Holders as soon as possible but not later than 4 months from the closure of the relevant financial year. In case of Unit Holders who have provided an e-mail address, the AMC will send the annual report or abridged summary thereof by way of an e-mail at the email address provided by the Unit Holder. The Unit Holder may request for a physical account statement by calling the toll-free investor line of the AMC at 1800 2000 400 or 0124 3915655 (at long distance rates). The Unit holders whose-mail address are not available with the AMC/Mutual Fund, the AMC shall continue to dispatch the same in physical form. The full report will be available for inspection at the registered office of the AMC and a copy thereof on request to the Unit Holder. The annual report shall also be displayed on the website of the Mutual Fund.

### 4. Associate Transactions

Please refer to Statement of Additional Information for transactions with associates.

### 5. Taxation

The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the Plan.

	Resident Investors	Mutual Fund
Tax on dividend	Not Taxable <sup>i</sup>	Not Taxable <sup>ii</sup>
Capital Gains <sup>iii</sup> :		
Long Term <sup>iv</sup>	10% <sup>v</sup> /20% <sup>vi</sup> (plus applicable surcharge and education cess)	Nil - since income is exempt from tax.
Short Term <sup>vii</sup>	Normal rate of taxes applicable to investor.	

- <sup>i</sup> Under section 10(35) of the Income-tax Act, 1961 ('Act')
- <sup>ii</sup> Under section 10(23D) of the Act. However, income distributed by a mutual fund would be chargeable to income distribution tax under section 115R of the Act.
- <sup>iii</sup> The characterization of gains/losses arising from sale/transfer of units as capital gains or business income would depend on whether the units are treated as stock in trade or capital asset. The tax rates mentioned below shall apply if the investor holds the asset as 'capital asset'.
- <sup>iv</sup> Units of a mutual fund are treated as a long-term capital asset if they are held for a period of more than 12 months preceding the date of transfer.
- <sup>v</sup> Rate of tax without indexation benefit.
- <sup>vi</sup> Rate of tax if indexation benefits are available.
- <sup>vii</sup> Units held for not more than 12 months preceding the date of their transfer are short-term capital assets.

For further details on taxation please refer to the clause on Taxation in the SAI.

## 6. Investor Services

Investors can enquire about NAVs, Unit Holdings, Valuation, Dividends, etc or lodge any service request by calling the investor line of the AMC at “1800 2000 400”. 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 endeavor to handle transactions efficiently and to resolve any investor grievances promptly.

Any complaints should be addressed to Mr. John Vijayan, who has been appointed as the Investor Relations Officer. He can be contacted at:

Address : 309, 3rd Floor, Trade Centre, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.  
Telephone : 1800 2000 400  
Fax : 022 6136 6603/04  
E-mail : [ltmf@Intmf.com](mailto:ltmf@Intmf.com)

## D. Computation of NAV

The Net Asset Value of the Units of a Plan will be computed by dividing the net assets of the Plan by the number of Units outstanding on the valuation date.

The Fund shall value its investments according to the valuation norms, as specified in Schedule VIII of the Regulations or such norms as may be prescribed by SEBI from time to time.

In case of investments in foreign debt securities, on the Valuation Day, the securities shall be valued in line with the valuation norms specified by SEBI for Indian debt securities. However, in case valuation of a specific debt security is not covered by SEBI Regulations, then the security will be valued on a fair value basis by the Valuation Committee of the AMC.

The NAV will be calculated for up to four decimal places for the Plan.

The NAV will be calculated on all Business Days. The valuation of the Plan's assets and calculation of the Plan's NAV shall be subject to audit on an annual basis and such regulations as may be prescribed by SEBI from time to time.

The first NAV will be calculated and announced within a period of 5 Business Days from the date of allotment of units under the Plan. Subsequently, the NAV shall be calculated on all Business Days.

## IV. FEES AND EXPENSES

### A. Expenses during the NFO

The expenses incurred during the NFO are mainly for the purpose of various activities related to the NFO including but not limited to sales and distribution fees, marketing and advertising, registrar expenses, printing and stationary and bank charges. These expenses will be borne by the AMC.

### B. Annual Scheme Recurring Expenses

The annual scheme recurring expenses are the expenses incurred for operating a scheme. These expenses include investment management and advisory fees charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below:

The AMC has estimated that upto 2.25 % of the daily average net assets of a Plan will be charged as expenses. For the actual current expenses charged to the Plan, please refer to the website of the Mutual Fund - [www.lntmf.com](http://www.lntmf.com)

Particulars	% p.a. of Average daily net assets
Investment Management & Advisory Fee	1.000
Trustee Fees	0.025
Custodial Fees	0.010
Registrar & Transfer Agent Fees including cost related to providing accounts statement, dividend/redemption cheques/warrants etc.	0.100
Marketing & Selling Expenses including Agents	0.500
Commission and statutory advertisement Brokerage & Transaction Cost pertaining to the distribution of units	0.500
Listing Fees	0.010
Audit Fees/Fees and expenses of trustees	0.001
Costs related to investor communications/Costs of fund transfer from location to location	0.104
Other Expenses*	
<b>Total Recurring Expenses</b>	<b>2.250</b>

\* Other expenses: Any other expenses which are directly attributable to the Plan, may be charged with approval of the Trustee within the overall limits as specified in the Regulations except those expenses which are specifically prohibited.

These estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se or in total subject to prevailing Regulations.

The AMC may incur actual expenses which may be more or less than those estimated above under any head and/or in total.

As per Regulation 52 of the Regulations, the statutory limit on the annual recurring expenses and investment management and advisory fees are as given below. Any excess over these limits will be borne by the AMC.

Maximum Recurring Expenses:

Average daily net assets	Maximum, as a % of Average daily net assets
First 100 Crores	2.25%
Next 300 Crores	2.00%
Next 300 Crores	1.75%
Balance Assets	1.50%

Maximum Management Fee to be charged by the AMC:

Average daily net assets	Maximum, as a % of Average daily net assets
First 100 Crores	1.25%
Balance Assets	1.00%

### C. Load Structure

Load is an amount which is paid by the investor to redeem the units from a scheme. Exit Load is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses up to 1 % of the load collected.

**Exit Load:** Not Applicable

Since the Units under a Plan will be listed on the Stock Exchange(s), redemption request will not be accepted by the Fund directly before the Maturity Date.

### D. Transaction charge(s)

AMC shall deduct Transaction Charge(s) from the subscription amount and pay it to the distributor who has opted to receive. The details of the same are mentioned below :-

Type of Investor	Transaction Charge(s) (for Purchase/ Subscription of Rs. 10,000 and above)
First Time Mutual Fund Investor	Rs. 150
Investor other than First Time Mutual Fund Investor	Rs. 100

However, Transaction Charge(s) will not be deducted for the following:-

- ◆ Purchase/Subscription submitted by investor at the designated collection centres or through AMC's website viz. [www.lntmf.com](http://www.lntmf.com) and which are not routed through any distributor.
- ◆ Purchase/Subscription through a distributor for an amount less than Rs. 10,000;
- ◆ Transactions such as Switches, STP i.e. all such transactions wherein there is no additional cash flow at a Mutual Fund level similar to Purchase/Subscription.
- ◆ Purchase/Subscriptions through any Stock Exchange after a Plan is listed on any Stock Exchange.

## V. RIGHTS OF UNIT HOLDERS

Please refer to SAI for details.



## VI. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY

- 1) All disclosures regarding penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income/revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Further, only top 10 monetary penalties during the last three years shall be disclosed. – NIL
- 2) In case of Indian Sponsor(s), details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed. - SEBI passed a consent order dated December 16, 2010 read with the corrigendum dated December 20, 2010 in respect of certain alleged violations/ contraventions of the SEBI Act, 1992 and Regulations 25(2), 25(3) and 68(h) of the SEBI (Mutual Funds) Regulations, 1996 by L&T Investment Management Limited (formerly known as DBS Cholamandalam Asset Management Limited), for which adjudication proceedings were initiated by SEBI, in relation to certain third parties being aware of the trading strategy of L&T Investment Management Limited during the period from April 2008 to May 2008, prior to the acquisition of DBS Cholamandalam Asset Management Limited by L&T Finance Limited.
- 3) Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/ adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party. The details of the violation shall also be disclosed. - Based on the information made available to the AMC, adjudication proceedings have been initiated by SEBI against two equity Fund Managers (of which one Fund Manager has already resigned) and one equity Dealer of the AMC, in connection with the alleged contravention of Section 12A(e) of the SEBI Act, 1992 and

Regulation 3 and Regulation 4(1) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003.

- 4) Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party should also be disclosed separately. - NIL
- 5) Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/ Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency, shall be disclosed. - NIL

For details on how to pay, applications under power of attorney, applications by a non-individual investor, mode of holding, how to redeem, payment of redemption proceeds, effect of redemptions, suspension of the purchase and redemption of units, right to limit redemptions, please refer Statement of Additional Information.

### Jurisdiction

The jurisdiction for any matters arising out of this Scheme shall reside with the courts in India.

### Omnibus Clause

Besides the AMC, the Trustee / Sponsor may also absorb expenditures in addition to the limits laid down under Regulation 52. 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.

**For details on how to pay, applications under power of attorney, applications by a non-individual investor, mode of holding, how to redeem, payment of redemption proceeds, effect of redemptions, suspension of the purchase and redemption of units and right to limit redemptions, please refer Statement of Additional Information.**

**Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines thereunder shall be applicable.**

For and on behalf of the Board of Directors of  
**L&T Investment Management Limited**  
(Asset Management Company for L&T Mutual Fund)

**Ashu Suyash**  
Chief Executive Officer

Place: Mumbai

Date: November 24, 2012.





## LIST OF DESIGNATED COLLECTION CENTRES/INVESTOR SERVICE CENTRES

### L&T INVESTMENT MANAGEMENT LIMITED-INVESTOR SERVICE CENTRES

**Ahmedabad:** 301, Raindrops Building, Opp. Cargo Motors, C. G. Road, Ellis Bridge, Ahmedabad-380 006. **Bengaluru:** #205-207, 2nd floor, Phoenix towers, 16 & 16/1, Museum Road, Bangalore-560 025. **Chandigarh:** SCO-487-488, Cabin No. 9-10, Second Floor, Sector 35 C, Chandigarh - 160 022. **Chennai:** 3rd Floor, Investwell Centre, 91, G.N. Chetty Road, T. Nagar, Chennai 600 017. **Cochin:** 2nd Floor, Ventura, Edapally Bye pass Road, Edapally P.O., Cochin-682 024. **Indore:** 118 City Centre, 570 M.G. Road, Indore-452 001. **Jaipur:** 2nd Floor, Roshan Motors, Opp. Anchor Mall, Ajmer Road, Jaipur-302 006. **Kolkata:** 408, 4th floor, Azimganj House, 7, Camac Street, Kolkata-700 017. **Lucknow:** Office No. 104, 1st Floor, Sky High Chambers, 5 Park Road, Lucknow-226 001. **Mumbai (HO):** 6th Floor, Mafatlat Centre, Nariman Point, Mumbai-400 021. **Nagpur:** Chamber No. S3, Yoshoda Apartment, Plot No.20, Near Mata Mandir, Dharampeth, Nagpur-440 010. **New Delhi:** 6th Floor, DCM Building, 16, Barakhamba Road, Connaught Place, New Delhi-110 001. **Patna:** 3004, 3rd Floor, Grand Plaza, Fraser Road, Near Dakbunglow Chowraha, Patna-800 001. **Pune:** Unit No. 406, 4th Floor, Nucleus Mall, 1, Church Road, Camp, Pune-411 001. **Secunderabad:** No 1-8-304-307, 3rd Floor, Kamala Towers, Pattigadda Street No 1, (above Mody Ford showroom), Begumpet, Secunderabad-500 003. **Surat:** Ground Floor, "C" wing, Office No. G-9, ITC Building, Majuragate, Surat-395 002.

### L&T INVESTMENT MANAGEMENT LIMITED-SALES OFFICES

**Agra:** Shop No. F, C-6, Block No. 41/4B, Friends Tower, Sanjay Place, Agra-282 002. **Allahabad:** Shop No.5, AnantRaj Plaza, 132 B/28, Mahatma Gandhi Marg (opposite Rana Jewellers), Civil Lines, Allahabad-211 001. **Amritsar:** S.C.O 25, Mezzanine Floor, Distt. Shopping Complex, Ranjit Avenue B-Block, Amritsar-143 001. **Bhavnagar:** Shop No. FF-5, Gopi Arcade, Waghawadi Road, Bhavnagar-364 002. **Bhopal:** 2nd Floor, 131/3 M P Nagar, Major Shopping Centre, Zone II, Scheme No 30, Bhopal-462 011. **Bhubaneswar:** Plot No. 428/3818, 2nd Floor, Eastern Block, Jaydev Nagar, Near Lewis Road, Bhubaneswar-751 002. **Coimbatore:** Kovai Towers, 2nd Floor, 44, Balasundram Road, (RTO Office Road), Coimbatore-641 018. **Cuttack:** Manisha Plaza, Plot No-1050, 1st Floor, Link Road, Arundaya Market, Cuttack-753 012. **Dehradun:** Ground Floor - 23, Sri Radha Palace, 78, Rajpur Road, Opp. Pizza Hut, Dehradun-248 001. **Dhanbad:** 1st Floor, Rathod Mansion, Bank More, Below UCO Bank, Dhanbad-826 001. **Durgapur:** B-27, Biplabi Rashbihari Basu Sarani, Bidhan Nagar, Sector 2 A, Durgapur-713 212. **Goa:** 5th Floor, Naik Villa, Dr. Dada Vaidya Road, Opp. Sakhardande Apts., Panjim, Goa 403 001. **Gorakhpur:** Shop No 20, 2nd Floor, Cross Road, The Mall, Bank Road, Gorakhpur-273 001. **Gwalior:** 2nd Floor, J.J. Plaza, Huzrat Chauraha, Lashkar, Gwalior-474 001. **Guwahati:** Milanpur Road, Bamuni Maidan, Guwahati-781 021. **Hubli:** 1st Floor, W.B.Plaza, Opp. Traffic Police Station, New Cotton Market, Hubli-580 029. **Jalandhar:** SCO 3, 2nd Floor, Puda, Opp. Hotel International, Jalandhar-144 001. **Jammu:** 70D/C, Gandhi Nagar, Near Valmiki Chowk, Jammu-180 004. **Jamnagar:** G-43, Ground Floor, Madhav Plaza, Opp SBI Bank, Near Lal Bungalow, Jamnagar-361 001. **Jamshedpur:** Shop No.5, Ground Floor, R R Square, Bistupur, Jamshedpur-831 001. **Jodhpur:** 2nd Floor, DhanLaxmi Tower, Above IDBI Bank, Chopasni Road, Sardarpura, Jodhpur-342 001. **Kanpur:** 717, 7th Floor, Kan Chambers, 14/113 Civil Lines, Kanpur-208 001. **Kolhapur:** Anant Towers, 1st Floor, Skys extension, Rajarampuri Road, Kolhapur-416 008. **Ludhiana:** 5th Floor, SCO - 122, Feroze Gandhi Market, Ludhiana-141 001. **Madurai:** No 489, First Floor, West First Street, KK Nagar, Madurai-625 020. **Mangalore:** No-14-4-511-50, 3rd Floor, Crystal-ARC, Balmata Road, Hampanakatta, Mangalore-575 001. **Meerut:** 2nd Floor, Metro Arcade, Tejgarhi, Near BSNL Office, Meerut-250 004. **Mysore:** 1037, Devapartiva Road, Chamarajapuram, Off M G Road, Mysore-570 004. **Nashik:** Shop no. 10, 1st Floor, Kapadia Commercial Complex, Opp Janalaxmi Bank (HO), Old Agra Road, Nashik-422 001. **Raipur:** 1st Floor, Office No. FF 08, Avinash House, Maruti Business Park, G E Road, Raipur, Chattisgarh-492 001. **Rajkot:** 1st Floor, Akshar Complex, B/h Siddhivinayak Complex, Dr. Yagnik Road, Rajkot-360 001. **Ranchi:** 1st Floor, 45, Garikhana, Nr. PNB, Harmu Road, Ranchi-834 001. **Rourkela:** Sector - 19, L&T House, Ambagan, Rourkela-769 005. **Siliguri:** C/o Sonamotors, 3rd Mile, 3rd floor, Sevoke Road, Siliguri-734 008. **Thiruvananthapuram:** T C26/1309, 3rd floor, Uthradam Building, Panavila Junction, RBI Station Road, Thiruvananthapuram-695 001. **Trichy:** 2nd Floor, Sterling Biz Park, C-86, North East Extn, Fort Station Road, Thillai Nagar, Trichy-620 018. **Vadodara:** 4/1, Goverdhan Apartment, Nr. Utkarsh Petrol Pump, Muktanand Char Rasta, Karelbaug, Vadodara-390 018. **Varanasi:** 2nd Floor, Office No.3, Urvashi Complex, Sigra, Varanasi-221 010. **Vijaywada:** Door No. 40-5-6/1, Brundavana Colony, Tikkil Road, Labbipeta, Vijaywada-520 010. **Visakhapatnam:** Door No. 10-1-6, Flat No. 305, 3rd Floor, Vinayagar Heights, Near Sampath Vinayaka Temple, Waltair Uplands, Visakhapatnam-530 003.

### COMPUTER AGE MANAGEMENT SERVICES PRIVATE LIMITED (CAMS)

<b>Chandigarh</b>	: SCO 80-81, 3rd floor, Sector 17 C, Chandigarh - 160 017
<b>Cochin</b>	: 40/9633 D, Veekshanam Road, Near International Hotel, Cochin - 682 035
<b>Goa</b>	: No.108, 1st Floor, Gurudutta Bldg, Above Weekender, M G Road, Panaji, Goa - 403 001
<b>Indore</b>	: 101, Shalimar Corporate Centre, 8-B, South Tukogunj, Opp.Greenpark, Indore - 452-001
<b>Jaipur</b>	: R-7, Yudhisthir Marg ,C-Scheme, Behind Ashok Nagar Police Station, Jaipur - 302 001
<b>Lucknow</b>	: Office no.4, 1st Floor, Centre Court Building, 3/c, 5 - Park Road, Hazratganj, Lucknow - 226 001
<b>Nagpur</b>	: 145, Lendra, New Ramdaspath, Nagpur - 440 010
<b>Nashik</b>	: Raturang Bungalow, 2 Godavari Colony, Behind Big Bazar, Near Boys Town School, Off College Road, Nashik - 422 005
<b>New Delhi</b>	: 304-305 III Floor, Kanchenjunga Building 18, Barakhamba Road, Connaught Place, New Delhi - 110 001
<b>Patna</b>	: Kamalaya Shobha Plaza, Ground Floor, Near Ashiana Tower, Exhibition Road, Patna - 800 001
<b>Surat</b>	: Plot No. 629, 2nd floor, Office No. 2-C/2-D, Mansukhlal Tower, Besides Seventh Day hospital, Opp. Dhiraj Sons Athwalines, Surat - 395 001

The Fund's website viz; <http://www.Intmf.com> will be an official point of acceptance for accepting transactions in the units of the Plan.

