



**SCHEME INFORMATION DOCUMENT**

**L&T FMP – VII (February 515D A)  
A Close Ended Income Scheme**

Offer of units at Rs.10/- per unit during the New Fund Offer

New Fund Offer opens on	February 18, 2013
New Fund Offer closes on	February 21, 2013

**SPONSOR**

**L&T Finance Limited**

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

**L&T Mutual Fund**

6th Floor, Mafatlal Centre, Nariman Point, Mumbai - 400 021

**INVESTMENT MANAGER**

**L&T Investment Management Limited**

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

**Head Office: 6th Floor, Mafatlal Centre, Nariman Point, Mumbai - 400 021**

**TRUSTEE COMPANY**

**L&T Mutual Fund Trustee Limited**

**Registered Office: 'L&T House', Ballard Estate, P. O. Box No. 278, Mumbai, 400001**

**Head Office: 6th Floor, Mafatlal Centre, Nariman Point, Mumbai - 400 021**

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with 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 or adequacy of the Scheme Information Document.

The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also 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 [www.lntmf.com](http://www.lntmf.com)

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

This Scheme Information Document is dated February 06, 2013.

## **NSE DISCLAIMER**

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/171798-T dated June 15, 2012 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.

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## HIGHLIGHTS/ SUMMARY OF THE SCHEME

<b>Name of the Scheme</b>	L&T FMP – VII (February515D A)													
<b>Nature of the Scheme</b>	A Close Ended Income Scheme													
<b>Tenor of the Scheme</b>	515 days													
<b>Investment Objective</b>	The Investment objective of the Scheme would be to achieve growth of capital through investments made in a basket of debt/ fixed income securities maturing on or before the maturity of the Scheme.													
<b>Product differentiator</b>	<p>L&amp;T FMP – VII (February 515D A) is a close ended Scheme and can invest in debt and money market instruments maturing on or before the maturity of the Scheme/ Plan.</p> <p>Being close ended in nature, the Scheme/ Plan is listed on National Stock Exchange of India Limited (NSE). Investors will not be able to redeem their units during the tenor of the Scheme/ Plan and there will be redemption on the maturity of the Scheme/ Plan.</p> <p>However, the units held in dematerialized form can be traded on NSE.</p>													
<b>Investment Plan/ Option</b>	<p>There are two options available under the Scheme:</p> <ol style="list-style-type: none"> <li>1. Dividend (Payout)</li> <li>2. Growth*</li> </ol> <p>* If no option is specified at the time of application, the default option is Growth Option.</p> <p>Both Options will have a common portfolio.</p> <p>Investors proposing to purchase units of the Scheme directly from the Fund (i.e. investments not routed through an AMFI Registration Number (ARN) Holder) can invest under the Direct Plan. The options referred above (i.e. Dividend (Payout) and Growth) will be available under the Direct Plan. The Scheme shall have a common portfolio i.e. the Direct Plan will not have a segregated portfolio.</p> <p>Investors subscribing under the Direct Plan will have to indicate “Direct Plan” against the Scheme name in the application form i.e. “L&amp;T FMP – VII (February515D A) – Direct Plan”. Investors should also indicate “Direct” in the ARN column of the application form. However, in case distributor code is mentioned in the application form, but “Direct Plan” is indicated against the Scheme name, the distributor code will be ignored and the application will be processed under the Direct Plan. Further, where application is received for the Scheme without distributor code or “Direct” mentioned in the ARN Column, the application will be processed under the Direct Plan.</p>													
<b>Investment Pattern</b>	<p>Investments will be made in a basket of debt/ fixed income securities maturing on or before the maturity of the Scheme/ Plan.</p> <p>Under normal circumstances, the asset allocation under the Scheme would be as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: center;">Instruments</th> <th colspan="2" style="text-align: center;">Indicative allocations (% of total assets)</th> <th rowspan="2" style="text-align: center;">Risk Profile</th> </tr> <tr> <th style="text-align: center;">Minimum</th> <th style="text-align: center;">Maximum</th> <th style="text-align: center;">High/Medium/Low</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Debt Instruments*</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">Low-Medium</td> </tr> </tbody> </table>			Instruments	Indicative allocations (% of total assets)		Risk Profile	Minimum	Maximum	High/Medium/Low	Debt Instruments*	50%	100%	Low-Medium
Instruments	Indicative allocations (% of total assets)		Risk Profile											
	Minimum	Maximum		High/Medium/Low										
Debt Instruments*	50%	100%	Low-Medium											

	Money Market Instruments	0%	50%	Low-Medium
	<p>* Exposure in derivatives, either exchange traded or OTC can be upto 50% of Net Assets as permitted by SEBI Regulations.</p> <p>The Scheme will not invest in securitised debt.</p> <p>The Scheme does not intend to invest in repo in corporate debt securities.</p> <p>The Scheme does not intend to invest in Unrated Debt Instruments.</p> <p>The Scheme does not intend to invest in ADRs/ GDRs and Foreign Securities.</p> <p>The Scheme does not intend to invest in Foreign Securitized Debt and Equity Linked Debentures (ELDs).</p> <p>The cumulative gross exposure through Debt and Derivative positions shall not exceed 100% of net assets of the Scheme.</p> <p>However, following will not be considered while calculating the cumulative gross exposure:</p> <ol style="list-style-type: none"> <li>a) Exposure due to hedging positions and</li> <li>b) Exposure in Cash or cash equivalents with residual maturity of less than 91 days.</li> </ol> <p>The exposure to Derivatives will be calculated on notional value of the derivative contracts. Further, exposure in Derivatives will be for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by SEBI/ RBI from time to time.</p> <p><b>For further details, please refer to “Asset Allocation” section in this Document.</b></p>			
<b>Entry/ Exit Load</b>	<p><b>Entry Load :</b> Nil</p> <p>In terms of SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor effective August 1, 2009.</p> <p>Upfront commission shall be paid directly by the investor to the AMFI registered Distributors based on the investors' assessment of various factors including the service rendered by the distributor.</p> <p><b>Exit Load:</b> Since the Scheme/ Plan will be listed on the Stock Exchange, no exit load will be charged.</p> <p>In accordance with SEBI circular CIR/ IMD/ DF/ 21/ 2012 dated September 13, 2012; L&amp;T Mutual Fund shall credit, exit load (net off service tax, if any, payable in respect of the same) to the Scheme.</p> <p>For further details, Investors are requested to refer section on “<b>Load Structure</b>”, mentioned below in this Document.</p>			
<b>New Fund Offer Price</b>	Rs. 10/- per unit			
<b>New Fund Offer expenses</b>	<p>No New Fund Offer Expenses shall be charged to the Scheme/ Plan.</p> <p>The same will be borne by the AMC.</p>			

<b>Minimum Application Amount</b>	Dividend Payout Option & Growth Option: Rs. 5000/- and in multiples of Rs. 10/- thereafter.
<b>NAV</b>	NAVs will be determined at the close of every business day.
<b>Liquidity</b>	The unit holders can liquidate their investment in units by the following methods:  1. Transfer of units through stock exchange where the Scheme/ Plan is listed and 2. Redemption of units at the time of maturity.
<b>Dematerialization</b>	The Unit holders are given an Option to hold the units by way of an Account Statement or in Dematerialized ('Demat') form.  The Unit holder intending to hold the units in Demat form are required to have a beneficiary account with the Depository Participant (DP) and will be required to indicate in the application the DP's name, DP ID number and the beneficiary account number of the applicant with the DP. The AMC intends to register with both NSDL & CDSL. Investors to note that name provided in the application form must match with the name provided to the DP and in case of any discrepancies in this, the application will be processed under physical mode.  No redemption/ repurchase of units shall be allowed prior to the maturity of the Scheme. Unit holders wishing to exit may do so through the Stock Exchange mode.  Investors are requested to note that units can be held only in depository (DP) mode.  The AMC shall issue units in dematerialized form to a unitholder within two business days of the receipt of valid request from the unitholder. In which case, the mode of holding of units would be in demat form.  In case Unit holders do not provide their demat account details in the application form, it shall be treated as investment under physical mode and they will not be able to trade on the eligible Stock Exchange until the holding are converted into demat mode and listed on the Stock Exchange.
<b>Transfer of Units</b>	Units held by way of an Account Statement cannot be transferred.  Units held in demat form are transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time. Transfer can be made only in favour of transferees who are capable of holding units and having a Demat Account. The delivery instructions for transfer of units will have to be lodged with the DP in 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 mode.
<b>Redemption of Units</b>	Being a close ended Scheme, no redemption/ repurchase of units shall be allowed prior to its maturity date. Investors willing to exit may do so, only in demat mode, by selling units through National Stock Exchange (NSE), where the Scheme will be listed.  Units can be bought/ sold like any other stock on NSE, where it is listed.  Units of the Scheme will be automatically redeemed on the date of maturity at the applicable NAV. Investors who wish to switch-out on maturity are requested to submit transaction slip at the offices of the AMC, the Investor Service Centres or the offices of the Registrar.  Investors are requested to note that if any maturity day falls on a non-business day, the switch-out requests will be accepted or the Scheme will mature, as the case may be, on

	<p>the next business day.</p> <p>On maturity of the Scheme, the maturity pay-out will normally be effected on the day immediately following the maturity day. The Fund shall dispatch the redemption proceeds within 10 Business Days from the date of maturity.</p> <p>On the date of maturity of the Scheme, the account balances will be compulsorily redeemed and proceeds will be remitted to the respective Unitholders.</p>
<b>Portfolio Disclosure</b>	<p>The Mutual Fund/ AMC will disclose portfolio (along with ISIN) of the Scheme as on the last day of the month on its website <a href="http://www.lntmf.com">www.lntmf.com</a> on or before the tenth day of the succeeding month in a user-friendly and downloadable format.</p> <p>The Mutual Fund shall also publish a complete statement (in the format prescribed by SEBI) of the scheme portfolio within one month from the close of each half year (i.e. 31st March and 30th September), by way of an advertisement at least in one National English daily and one regional newspaper in the language of the region where the head office of the mutual fund is located.</p>
<b>Repatriation Facility</b>	Non-resident Indians (NRIs), persons of Indian origin residing abroad, registered FIIs can invest in the Scheme on a repatriation basis.
<b>Benchmark Index</b>	CRISIL Short Term Bond Fund Index
<b>Custodian</b>	Citibank N.A.
<b>Registrar</b>	Computer Age Management Services Pvt. Ltd.
<b>Minimum Mobilization</b>	Rs. 20 crore
<b>Fund Manager(s)</b>	Ms. Shobheta Manglik and Mr. Mahesh A. Chhabria
<b>Recurring Expenses</b>	<p>The Recurring Expenses charged to the scheme shall be in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations 1996; as amended from time to time.</p> <p>For detailed break-up, Investors are requested to refer Section on “<b>Fees and Expenses</b>”, mentioned in this Document below.</p>

## **I. Introduction**

### **RISK FACTORS**

#### **A. Standard Risk Factors**

- Mutual Fund investments are subject to market risks, read all scheme related documents carefully.
- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, price risk, default risk including the possible loss of principal.
- Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Scheme will be achieved.
- As the price / value / interest rates of the securities in which the Scheme invests fluctuate, the value of your investment in the Scheme may go up or down.
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Scheme.
- L&T FMP – VII (February515D A) does not in any manner indicate either the quality of the Scheme/ Plan or its future prospects and returns; and is only the name of the Scheme.
- The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond initial contribution of Rs. 1 lakh made by it towards setting up of the Fund.
- The Scheme does not provide guarantee or assured return to the unitholders.

#### **Scheme Specific Risk Factors:**

Apart from the standard risk factors mentioned above, the investors are also requested to note following risks:

- The Scheme may not be able to invest in the suitable securities falling within its investment parameters leading the Scheme to hold short term deposits of scheduled commercial banks till the monies are deployed as per the investment objective of the Scheme.
- As the Scheme propose to invest and hold the securities till maturity, any default/delay by the Investee Company in honouring the securities on redemption may lead to delay and/or erosion in the maturity value to the unitholders.
- Absence of Prior Active Market: Although Scheme/ Plan described in this Scheme Information Document are to be listed on the Exchange, there can be no assurance that an active secondary market will develop or be maintained. Consequently, the Fund may quote below its face value / NAV.
- Lack of Market Liquidity: Trading in the units of L&T FMP – VII (February515D A) on the Exchange may be halted because of market conditions or for reasons that in view of Exchange Authorities or SEBI, trading in units of the Scheme is not advisable. In addition, trading in units of the Scheme 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 the Scheme/ Plan will continue to be met or will remain unchanged.
- Listing of the units of the Scheme/ Plan does not necessarily guarantee their liquidity and there can be no assurance that an active secondary market for the units will develop or be maintained. The NAV of the Scheme will fluctuate with changes in the market value of the Scheme’s holdings. The trading prices of the said units will fluctuate in accordance with the changes in their NAV as well as market supply and demand for the units.
- Regulatory Risk: Any changes in trading regulations by the Stock Exchange(s) or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/ discount to NAV.
- Concentration Risk: As the Debt market in India is not so matured, there is a possibility of having high exposures to single issuers. Although these exposures would be within the regulatory limits prescribed by



SEBI, however they could pose additional risk to investors. Further, the investors could also be exposed to group level risks resulting from an aggregation of issuers associated with the same group.

### **Other Scheme Specific Risks:**

1. **Returns:** Investors in the Scheme are not being offered any guaranteed returns.
2. **Performance risk:** Scheme's performance can decrease or increase, depending on a variety of factors, which may affect the values and income generated by a Scheme's portfolio of securities. The returns of a Scheme's investments are based on the current yields of the securities, which may be affected generally by factors affecting capital markets such as price and volume, volatility in the stock markets, interest rates, currency exchange rates, foreign investment, changes in government and Reserve Bank of India policy, taxation, political, economic or other developments and closure of the stock exchanges. Investors should understand that the investment pattern indicated for the Scheme, inline with prevailing market conditions, is only a hypothetical example as all investments involve risk and there can be no assurance that the Scheme's investment objective will be attained nor will the Scheme be in a position to maintain the model percentage of investment pattern/composition particularly under exceptional circumstances so that the interest of the unitholders are protected. A change in the prevailing rates of interest is likely to affect the value of the Scheme's investments and thus the value of the Scheme's Units. The value of money market instruments held by the Scheme generally will vary inversely with the changes in prevailing interest rates. The fund, while investing in fixed-income instruments like debt, etc., shall consider and evaluate the risk of an issuer's ability to meet principal and interest payments (credit risk) and also the price volatility due to such factors as interest sensitivity, market perception or the creditworthiness of the issuer and general market liquidity (market risk).
3. **Liquidity & Settlement risk:** Investors may note that AMC/Fund Manager's investment decisions may not be always profitable. The Scheme will invest in debt securities and money market instruments. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of these investments. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to make intended securities purchases due to settlement problems could cause the Scheme to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the Scheme's portfolio due to the absence of a well developed and liquid secondary market would result, at times, in potential losses to the Scheme, in case of a subsequent decline in the value of securities held in the Scheme's portfolio.
4. **Co-mingling risk:** This risk arises on account of time lag between pool collections and investor payouts, during which the Collection Agent continues to hold the pool collections. The risk of loss of cash flows on account of commingling depends on the credit standing of the issuer.
5. As the Scheme will invest in debt and money market instruments; it may also have the following risk:
  - (i) **Interest rate Risk:** As interest rates increase or decline, the prices of individual securities will decrease or increase thus affecting the NAV. Interest rate movements in the Indian debt markets can be volatile leading to price movements resulting into consequential movements in NAV.
  - (ii) **Reinvestment Risk:** This risk refers to the interest rate levels at which coupons or maturity proceeds from securities can be reinvested. If interest rates fall these cash flows may be reinvested at lower rates.
  - (iii) Different types of securities in which the scheme would invest as given in the Scheme information document carry different levels and types of risk. Accordingly, the scheme's risk may increase or decrease depending upon its investment pattern e.g. corporate bonds carries higher level of risk than Government securities. Further, even among corporate bonds, bonds which are AAA rated are comparatively less risky than bonds which are AA rated.
6. **Political Risk:** Whereas the Indian market was formerly restrictive, a process of deregulation has been taking place over recent years. This process has involved the removal of trade barriers and other protectionist measures, which could adversely affect the value of investments. It is possible that future

changes in the Indian political situation, including political, social, or economic instability, diplomatic developments and changes in laws or regulations could have an effect on the value of investments. Expropriation, confiscatory taxation, or other relevant developments could also affect the value of investments.

#### **7. Risk Associated with Derivatives Transaction:**

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 decision of fund manager 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 or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives that Investors should understand. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. 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 mis-pricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

#### **8. Short Selling Risk:**

The risk associated with upward movement in market price of security sold short may result in loss. The losses on short position may be unlimited as there is no upper limit on rise in price of a security.

9. **Risk of Rating Migration:** It may be noted that the price of a rated security would be impacted with the change in rating and hence, there is risk associated with such migration.

#### **Declaration on indicative portfolio and indicative yield**

- a) Mutual Fund/ AMC/ its empanelled Distributors has not given and shall not give any indicative portfolio and/ or indicative yield in any communication, in any manner whatsoever and
- b) Investors are advised not to rely on any communication regarding indicative portfolio and/ or indicative yield with regards to the Scheme.

#### **Measures to mitigate risks associated with the Scheme/ Plan**

- a) The interest rate risk is minimized as the Scheme/ Plan will invest in debt and money market instruments maturing on or before the maturity of the Scheme/ Plan.
- b) The AMC has incorporated adequate safeguards to manage risk in the portfolio construction process. Accordingly, liquidity risk is minimized as the Scheme/ Plan would focus on good quality papers at the time of portfolio construction.
- c) Further, the fund management team would endeavour to minimize the credit risk of the Scheme/ Plan by performing detailed credit analysis before purchase of any debt and money market instrument. The Scheme’s investments would be reviewed on regular basis by the Fund Manager.

## **B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME/ PLAN**

The Scheme/ 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 (MF) Regulations, as amended from time to time 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 applications 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 corpus collected. Consequently, such exposure over 25% limits will lead to refund within 5 business days of the close of the New Fund Offer.

## **C. SPECIAL CONSIDERATIONS**

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

From time to time, the Sponsor, their affiliates, associates, subsidiaries, the Mutual Fund and the AMC may invest directly or indirectly in the Scheme. These entities may acquire a substantial portion of the Scheme's Units and collectively constitute a major investor in the Scheme. Redemption by the Unitholder due to change in the fundamental attributes of the Scheme or due to any other reasons or Winding-up of the Scheme for reasons mentioned in this Document may entail tax consequences. The Trustee, AMC, Mutual Fund, their Directors, officers or their employees shall not be liable for any such tax consequences that may arise.

Neither this Scheme Information Document nor the Units have been registered in any jurisdiction. The distribution of this Scheme Information Document in certain jurisdictions may be restricted or totally prohibited to registration requirements and accordingly, persons who come into possession of this Scheme Information Document are required to inform themselves about and to observe any such restrictions.

The tax benefits described in this Scheme Information Document are as available under the present taxation laws and are available subject to conditions. The information given is included for general purpose only and is based on advice received by the AMC regarding the law and practice in force in India and the Unitholders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unitholder is advised to consult his/ her own professional tax advisor.

No person has been authorized to give any information or to make any representation not confirmed in this Scheme Information Document in connection with the scheme or the issue of Units, and any information or representation not contained herein must not be relied upon as having been authorized by the Mutual Fund or the Asset Management Company

Investors are advised to consult their Legal, Tax, Finance and other Professional Advisors before making decision to invest in or redeem the units in regard to tax / legal issues relating to their investments in the Scheme. Investors in the Scheme are not being offered any guaranteed returns.

## D. DEFINITION:

In this Scheme Information Document the following words and expressions shall have the meaning specified herein unless the context otherwise requires:

Asset Management Company/ AMC/ Investment Manager	L&T Investment Management Limited., the asset management company set up under the Companies Act, 1956 and authorized by SEBI to act as Asset Management Company to the Schemes of L&T Mutual Fund.
Applicable NAV for redemption/ switch	<p><b>Purchase and Switch-in:</b> Allowed only during the NFO period. Offer of units at Rs. 10/- per unit during the NFO period.</p> <p><b>Redemption and Switch-out:</b> The applicable NAV for redemptions and switch out on maturity date will be the NAV calculated on the date of Maturity. In case the Maturity date or payout date happens to be a non-business day then the applicable NAV for redemptions and switch out shall be calculated immediately on the next business day.</p> <p>Since the Scheme is proposed to be listed on National Stock Exchange, the listed price would also be available on that Stock Exchange.</p>
Business Day	<p>Any day other than :</p> <ol style="list-style-type: none"><li>1) Saturday;</li><li>2) Sunday;</li><li>3) Day on which any one of Banks / RBI in Mumbai or the Bombay Stock Exchange Limited or the National Stock Exchange of India Ltd. Are required or obliged by law or executive order to remain closed including the occasions when the functioning of any of the above banks or stock exchanges is affected due to bandhs / strike call made by a recognized union / management at any part of the country;</li><li>4) A book closure period as may be announced by the Trustee / AMC, or day on which normal business cannot be transacted due to storms, floods or such other events as the Trustee / AMC may specify from time to time</li><li>5) Day on which the sale and redemption of units is suspended by the Trustee / AMC.</li></ol>
CDSC	Contingent Deferred Sales Charge
CDSL	Central Depository Services (India) Limited
Custodian	<p>Citibank N.A. is acting as the Custodian of the Scheme.</p> <p>Citibank N.A. – 3<sup>rd</sup> Floor, Trent House, G Block, Plot No. 60, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.</p>
Depository	A Company formed and registered under the Companies Act, 1956 (1 of 1956) and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities And Exchange Board of India Act, 1992 (15 of 1992)
Direct Plan	A plan available to the investors who purchases the units of the Scheme directly from the Fund (i.e. investments not routed through an AMFI Registration Number (ARN) Holder).Such plan shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission shall be paid from such plans and will have a separate NAV.
Entry Load	Load on purchase of units by the investor
Exit Load	Load on redemption of units by the investor
Investment Management Agreement or IMA	The Investment Management Agreement dated October 23, 1996, executed between L&T Mutual Fund Trustee Limited and L&T Investment Management Limited, as amended from time to time.
ISC	Investor Service Centre of the Asset Management Company/Registrars
Mutual Fund or Fund	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.

National Stock Exchange or NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
NAV	Net Asset Value of the units of L&T FMP – VII (February 515D A)
RBI	Reserve Bank of India, established under the Reserve Bank of India Act, 1934
Registrars	Computer Age Management Services Pvt. Ltd., (CAMS) Chennai, performing the functions of a Registrar.
Regulations / SEBI Regulations	SEBI (Mutual Funds) Regulations, 1996, as amended from time to time, for the operation and management of mutual funds
Repo / Reverse Repo	Sale/purchase of Government securities with simultaneous agreement to repurchase/resell them at a later date.
Scheme Information Document or SID	This document issued by L&T Mutual Fund offering Units of L&T FMP – VII (February 515D A)
SCSB	Self Certified Syndicate Bank registered with the SEBI, which offers the facility of ASBA.  Investors who wish to avail of ASBA facility are requested to submit the ASBA Form with SCSB.
SEBI	Securities and Exchange Board of India established under Securities and Exchange Board of India Act, 1992
Sponsor	L&T Finance Limited, having its registered office at L&T House, Ballard Estate, P.O. Box 278, Mumbai – 400 001
The Trustee	L&T Mutual Fund Trustee Limited, a Company set up under the Companies Act, 1956
Trust Deed	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.
The Scheme	L&T FMP – VII (February 515D A) (including options/plans there under)
Unit or Units	The interest of an investor which consists of one undivided share in the NAV of the relevant option of L&T FMP – VII (February 515D A)
Unit holder	A participant in L&T FMP – VII (February 515D A)
L&T FMP – VII	The Plans that are being offered under this Scheme information document for subscription

#### **INTERPRETATION**

- For all purposes of this Scheme information document, except as otherwise expressly provided or unless the context otherwise requires:
  - (a) the terms defined in this Scheme information document include the plural as well as the singular and
  - (b) pronouns having a masculine or feminine gender shall be deemed to include the other.
- Words and expressions used herein but defined in the SEBI Act, 1992 or the SEBI Regulations shall have the meanings respectively assigned to them therein.

## **DUE DILIGENCE CERTIFICATE**

A Due Diligence Certificate duly signed by the Compliance Officer of L&T Mutual Fund has been submitted to SEBI, which reads as follows:

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  
(Investment Manager for L&T Mutual Fund)**

**Date: February 06, 2013  
Place: Mumbai**

**Apurva Rathod  
Compliance Officer**

## II. INFORMATION ABOUT THE SCHEME

### A. NAME AND TYPE OF THE SCHEME: L&T FMP – VII (February 515D A)

A Close Ended Income Scheme

### B. INVESTMENT OBJECTIVE:

The Investment objective of the Scheme would be to achieve growth of capital through investments made in a basket of debt/ fixed income securities maturing on or before the maturity of the Scheme.

### C. ASSET ALLOCATION:

Under normal circumstances, the asset allocation under the Scheme would be as follows:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Minimum	Maximum	High/Medium/Low
Debt Instruments*	50%	100%	Low-Medium
Money Market Instruments	0%	50%	Low-Medium

\* Exposure in derivatives, either exchange traded or OTC can be upto 50% of Net Assets as permitted by SEBI Regulations.

The Scheme will not invest in securitised debt.

The Scheme does not intend to invest in repo in corporate debt securities.

The Scheme does not intend to invest in Unrated Debt Instruments.

The Scheme does not intend to invest in ADRs/ GDRs and Foreign Securities.

The Scheme does not intend to invest in Foreign Securitized Debt and Equity Linked Debentures (ELDs).

The cumulative gross exposure through Debt and Derivative positions shall not exceed 100% of net assets of the Scheme.

However, following will not be considered while calculating the cumulative gross exposure:

- Exposure due to hedging positions and
- Exposure in Cash or cash equivalents with residual maturity of less than 91 days.

The exposure to Derivatives will be calculated on notional value of the derivative contracts. Further, exposure in Derivatives will be for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by SEBI/ RBI from time to time.

### Change in Investment Pattern

Subject to the SEBI Regulations, as amended from time to time the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute. These proportions can vary substantially depending upon the perception of the Investment Manager; the intention being at all times to seek to protect the interests of the Unitholders. The asset allocation pattern indicated above may thus be altered only on defensive considerations and for a short period not exceeding 1 month.

#### **D. WHERE WILL THE SCHEME INVEST?**

Subject to the Regulations, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

1. Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills);
2. Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills);
3. Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee;
4. Bank/ Financial Institutions/ Corporate debt securities (of both public and private sector undertakings) including Bonds, Debentures, Notes, Strips etc;
5. Money market instruments permitted by SEBI, in CCIL's CBLO market or in alternative investments for deployment of cash surpluses as may be provided by RBI to meet the liquidity requirements;
6. Certificate of Deposits (CDs);
7. Commercial Paper (CPs);
8. The non-convertible part of convertible securities;
9. Any other like instruments as may be permitted by SEBI/ RBI/ such other Regulatory Authorities from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated maturing on or before the maturity of the scheme. The securities may be acquired through Initial public offerings (IPOs), secondary market operations, private placement or rights offers. All investments in securities whether privately placed or otherwise will be in line with SEBI guidelines as applicable and the investment objectives and policies of the Scheme.

The AMC may from time to time for a short term period under exceptional circumstances on defensive consideration modify / alter the investment pattern / asset allocation the intent being to protect the Net Asset Value of the Scheme & the interest of Unit Holders without seeking consent of the Unit Holders.

The Scheme may buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities. Provided that it may engage in short selling of securities in accordance with the framework relating to short selling specified by SEBI. Provided further that Scheme may enter into derivatives transactions in a recognised stock exchange, subject to the framework specified by SEBI.

#### **E. WHAT ARE THE INVESTMENT STRATEGIES AND RISK CONTROL?**

##### **Investment Strategy**

The investment strategy of the Scheme will be to invest the assets of the Scheme in various debt, government Securities, money market securities maturing on or before the maturity of the Scheme.

The actual percentage of investment in various fixed income securities will be decided after considering the economic environment (including interest rates and inflation), the performance of the corporate sector and



general liquidity, prevailing political conditions and other considerations in the economy and markets. Also the Fund Manager will generally be guided by, but not restrained by, the ratings announced by various rating agencies on the debt instruments available in the market.

All investments made by the Scheme will be made in accordance with SEBI (Mutual Funds) Regulations, 1996, as amended from time to time

- The overall portfolio structuring would aim at controlling risk at moderate level. Issuer specific risk will be minimised by investing only in those companies that have been thoroughly researched in-house. Risk will also be managed through broad diversification of the portfolios within the framework of the Schemes' investment objective and policies.
- The AMC will follow a structured investment process in order to identify the best securities for investment and has developed an internal research framework for consistently examining all securities.
- The Scheme will invest in "Non Convertible Debentures", which are rated by at least one rating agency.

Investment decisions are made by the Fund Manager(s) of the Scheme. The Investment Committee comprises amongst others Chief Executive Officer, Head of Equity, Head of Debt, Fund Managers, Research/ Credit Analysts and Compliance Officer. The Scheme's investments will be reviewed on regular basis by the Fund Manager in consultation with the Investment Committee. The Committee also records justification for the investments made and periodically review the investment decisions and policies with Chief Executive Officer. The Board of Directors of the AMC and the Trustee Company review the performance of the scheme vis-à-vis similar schemes of other mutual funds.

### **Risk Control**

Investors are requested to refer Section on "Measures to mitigate risks associated with the Scheme/ Plan", mentioned in this SID.

### **Credit Evaluation Policy:**

Investors are requested to note the following Credit Evaluation Policy shall be followed by the AMC:

The AMC has a dedicated Credit Analyst for conducting the due-diligence and thorough analysis of each company.

Investments in fixed income instruments are made on the basis of an internal approved list of companies/ issuers. The list is usually reviewed on a half yearly basis with respect to their financial health. The Companies/ Issuers which already form part of the portfolio are reviewed on a regular basis as their financial results are published. The ratings of companies/ issuers in this internal approved list are under a continuous watch by the Credit Analyst. Any upgrades or downgrades are immediately informed to the Investment Team and action (if any) is taken immediately.

For inclusion of a new company/ issuer in an internal approved list, a detailed process is followed by the AMC. The Credit Analyst prepares a detailed report on the company/ issuer taking into account both qualitative and quantitative parameters. The report is prepared after carefully studying the company financial data, its track record, its sponsor/ parent in terms of their financials, any defaults to its creditors etc. The Analyst/ Fund Manager may also meet the management of the company/ issuer. In addition to this, the sector in which the company/ issuer operates is also studied. The report from the Credit Analyst is an independent opinion based on the credit risk analysis. Thereafter, this report in consultation with the Chief Executive Officer of the AMC is presented to the Investment Committee of the AMC comprising of amongst others the Fund Managers and Analysts to discuss the companies/ issuers in which an exposure might be considered. Every company/ issuer is subjected to a thorough analysis by the Investment Committee and only after approval it forms a part of internal approved list of companies/ issuers.

The AMC would ensure that appropriate risk mitigating measures are in place throughout the tenure of portfolio of the Scheme i.e., right from the beginning of the portfolio construction phase. It involves all tenets of independent credit risk analysis, adequate diversification of the portfolio and maturity of

securities being in line with the maturity of the portfolio. In order to ensure adequate independent risk management, the AMC shall endeavour independence through credit risk analysis of all the intended credits.

The Scheme shall not invest in securities of real estate and gems and jewellery sector.

**Sectoral Allocation:**

In accordance with SEBI circular CIR/ IMD/ DF/ 21/ 2012 dated September 13, 2012; the total exposure to single sector shall not exceed 30% of the net assets of the scheme. The Sectoral classification shall be as per AMFI classification, as amended from time to time. However, this limit is not applicable for investments in Bank CDs, Collateralized borrowings and lending obligations (CBLO), Government Securities, Treasury Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks.

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.

**Indicative Portfolio Allocation for Asset Class/ Credit Rating:**

In accordance with SEBI Circular IMD/ DF/12 /2011, dated August 1, 2011, “Indicative Floors and Ceilings” of the allocation of portfolio of the Scheme, based on Type of Instruments and Credit Rating within a range of 5% of the intended allocation (floor and cap), is mentioned below in the matrix:

<b>Credit Rating*</b>	<b>AAA/A1+ or Equivalent</b>	<b>AA or Equivalent</b>	<b>A</b>	<b>BBB</b>
<b>Instruments</b>				
CDs	-	-	-	-
CPs	-	-	-	-
NCDs	75-80%	20-25%	-	-
Government Securities/ Treasury Bills/ CBLO/ Reverse Repos having collateral as Government securities	0%-5%	-	-	-

- (1) \* All investments shall be made on the rating prevalent at the time of investments.
- (2) In case an instrument has dual rating, the most conservative publicly available rating shall be considered.
- (3) In the event of any deviation from the floors and ceilings of credit rating specified for any instrument, the same shall be rebalanced within one month from the date of deviation.
- (4) Kindly note that, in case CPs/ NCDs as mentioned in the matrix at the time of launch of the Scheme are not available at the time of construction of the portfolio of the Scheme, the Scheme may invest in Treasury Bills/ CBLO/ Bank CDs with highest credit rating i.e. A1+ or its equivalent rating.
- (5) Please note that, AA and A credit rating instruments shall include AA- & AA+ and A- & A+ credit rating instruments respectively.
- (6) Further, the Fund Manager shall reserve the right to improve the portfolio credit quality by deviating the asset allocation in favour of higher rated instruments in the same class at the time of launch of the Scheme.

- (7) At the time of construction of portfolio post NFO and towards the maturity of the Scheme, there may be higher allocation to Cash and Cash equivalents.
- (8) The Scheme does not intend to invest in Unrated Debt Instruments.
- (9) Post New Fund Offer period of the Scheme, there shall not be any variation in the intended allocation and the actual allocation; apart from the exceptions mentioned in point nos. 3<sup>rd</sup>, 4<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> above.

Investors are requested to refer SID under the Section “Where will the Scheme Invest” to know type of instruments in which the Scheme proposes to invest.

### Portfolio Turnover

The portfolio may be churned in order to take advantage of movements in the securities market and to maximize the average returns on the portfolio while maintaining a desirable risk profile and adequate liquidity. The Fund will attempt to balance the increased cost on account of higher portfolio turnover with the benefits derived there from.

### Debt Market Overview

The Indian Debt Market has grown in size substantially over the years. The Reserve Bank of India has been taking steps to make the Indian Debt Market efficient and vibrant. Broadly, the debt market is divided in two parts viz. the Money Market and the Debt market. Money market instruments have a tenor of less than one year while debt market instruments have a tenor of more than one year. Money market instruments are typically commercial paper, certificates of deposit, treasury bills, trade bills, repos, interbank call deposit receipts, CBLO etc. Debt market comprises typically of securities issued by Governments (Central and State), Banks, Financial Institutions, and Companies in the private and public sector, Corporations, Statutory Bodies etc.

The trading in Government securities and Treasury Bills is mainly done through the OMS (Order Matching System) introduced by CCIL and RBI’s NDS PDO. Other debt securities like corporate bonds and money market instruments are mainly traded over the telephone directly with counterparties or through brokers. The National Stock Exchange of India Limited has a separate trading platform called the Wholesale Debt Market segment where trades put through member brokers are reported. BSE (Bombay Stock Exchange) also has a similar platform. The debt market is very liquid with the daily trades in the region of Rs. 2500 crore.

CCIL (Clearing Corporation of India) has also set up platform for lending and borrowing through the CBLO dealing system and CROMS (Repo Order Matching system). These dealing systems have been fairly successful and in addition to the call money market account for bulk of the overnight lending and borrowing activities of market participants for short term surpluses.

Promoted by major banks and financial institutions, The Clearing Corporation of India Ltd. (CCIL) was incorporated on April 30, 2001. The CCIL guarantees the settlement of all trades executed through NDS. The clearing and settlement risks viz., Counter party Credit Risk and Operational Risk are mitigated by CCIL thereby facilitating a smooth settlement process.

The following table gives approximate yields prevailing as on February 05, 2013 on some of the money and debt market instruments. These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing.

Instruments	Yield Range (% per annum)
Interbank Call Money	7.79
91 Day Treasury Bill	7.95
5 yr AAA rated PSU corporate bond	8.83
One yr Bank CD rate	9.15
364 Day Treasury Bill	7.82
5-Year OIS	7.27
10-Year Government of India Security	7.92

The actual yields will, however, vary in line with general levels of interest rates and debt / money market conditions prevailing from time to time, changes in economic conditions and RBI policy.

**Policy for investing in Group Companies of the Sponsor of the Mutual Fund**

The Scheme retains the right to invest in the listed securities of group companies of the Sponsor provided that such investments are not in excess of 25% of the net assets.

**Investment in the Scheme by Sponsors/Associates/AMC**

From time to time, subject to the Regulations, the Sponsors/Associate/AMC may acquire a substantial portion of the Scheme’s units and collectively constitute a majority investor in the Scheme.

Further, the AMC may invest in the Scheme depending upon its cash flows and investment opportunities. In such an event, the Investment Manager will not charge management fees on its investment for the period it is retained in the Scheme.

**F. FUNDAMENTAL ATTRIBUTES**

Following are the Fundamental Attributes of the Scheme, in terms of Regulation 18(15A) of the SEBI (MF) Regulations:

**(i) Type of Scheme:**

A Close Ended Income Scheme

**(ii) Investment Objective:**

The Investment objective of the Scheme would be to achieve growth of capital through investments made in a basket of debt/ fixed income securities maturing on or before the maturity of the Scheme.

**Investment Pattern:**

Under normal circumstances, the asset allocation under the Scheme would be as follows:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Minimum	Maximum	High/Medium/Low
Debt Instruments*	50%	100%	Low-Medium
Money Market Instruments	0%	50%	Low-Medium

\* Exposure in derivatives, either exchange traded or OTC can be upto 50% of Net Assets as permitted by SEBI Regulations.

The Scheme will not invest in securitised debt.

The Scheme does not intend to invest in repo in corporate debt securities.

The Scheme does not intend to invest in Unrated Debt Instruments.

The Scheme does not intend to invest in ADRs/ GDRs and Foreign Securities.

The Scheme does not intend to invest in Foreign Securitised Debt and Equity Linked Debentures (ELDs).

The cumulative gross exposure through Debt and Derivative positions shall not exceed 100% of net assets of the Scheme.

However, following will not be considered while calculating the cumulative gross exposure:

- c) Exposure due to hedging positions and
- d) Exposure in Cash or cash equivalents with residual maturity of less than 91 days.

The exposure to Derivatives will be calculated on notional value of the derivative contracts. Further, exposure in Derivatives will be for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by SEBI/ RBI from time to time.

### **(iii) Terms of Issue:**

#### **Purchase/ Redemption of Units**

The units of the Scheme/ Plan will be listed on the National Stock Exchange of India Limited (NSE). However, the Trustees reserve the right to list the units of the Scheme/ Plan on any other Stock Exchange as may be decided from time to time. Since units are proposed to be listed on the NSE, an investor can buy/ sell units of the Scheme/ Plan on a continuous basis on the NSE and/or other recognized stock exchanges where units may be listed. The requirement of minimum investment will not be applicable on listing of units. The trading lot is one unit of the Scheme. Investors can purchase units at market prices, which may be at a premium/ discount to the NAV of the scheme depending upon the demand and supply of units at the exchanges. Buying/ Selling units on the stock exchange are just like buying/ selling any other normal listed securities. If an investor has bought units, an investor has to pay the purchase amount to the broker/ sub-broker such that the amount paid is realized before the funds pay-in day of the settlement cycle on the exchange. If an investor has sold units, an investor has to deliver the units to the broker/sub broker before the securities pay-in day of the settlement cycle on the exchange.

Units of the Scheme will be automatically redeemed on the date of maturity at the applicable NAV. Investors who wish to switch-out on maturity are requested to submit transaction slip at the offices of the AMC, the Investor Service Centres or the office of the Registrar. Please note that if maturity day of the Scheme/Plan falls on a non-business day, the Scheme/Plan will mature on the next business day.

On maturity of a Scheme/Plan, the maturity pay-out will normally be effected on the day immediately following the maturity day. The Fund shall dispatch the redemption proceeds within 10 Business Days from the date of maturity.

#### **Aggregate fees and expenses charged to the Scheme:**

**Recurring Expenses:** The total annual recurring expenses of the Scheme (except the Direct Plan) and for Direct Plan are estimated at 2.45% and 2.10% respectively of the daily net assets of the Scheme, (excluding, additional expenses for gross new inflows from specified cities), as given below. These expenses are subject to inter-se change and may increase/decrease as per actual and/or any change in the SEBI regulations, as amended from time to time.

Please note that, the Total expense ratio of the Scheme (including Investment Management and Advisory Fees) will be subject to the maximum limits (as a percentage of daily net assets of the Scheme) as per Regulation 52 of SEBI (Mutual Funds) Regulations 1996; as amended from time to time, with no sub-limit on investment and advisory fees.

#### **Total Annual Recurring Expenses (except Direct Plan):**

(% per annum of daily net assets)  
(Rs. in Crore)

Description	First 100	Next 300	Next 300	On the Balance
Investment Management & Advisory Fees	2.25%	2.00%	1.75%	1.50%
Registrar & Transfer Agent Fees				
Custodian Fees				
Trustee Fees				
Audit Fee				
Listing/ Rating Fee				
Distribution & Brokerage				
Other expenses as permitted by SEBI regulations				
<b>Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) and (6) (a)</b>	<b>2.25%</b>	<b>2.00%</b>	<b>1.75%</b>	<b>1.50%</b>
<b>Additional expenses under Regulation 52 (6) (c)</b>	<b>0.20%</b>	<b>0.20%</b>	<b>0.20%</b>	<b>0.20%</b>
<b>Additional expenses for gross new inflows from specified cities (as mentioned in note II below)</b>	<b>0.30%</b>	<b>0.30%</b>	<b>0.30%</b>	<b>0.30%</b>

**Total Annual Recurring Expenses - Direct Plan:**

(% per annum of daily net assets)  
(Rs. in Crore)

Description	First 100	Next 300	Next 300	On the Balance
Investment Management & Advisory Fees				
Registrar & Transfer Agent Fees				
Custodian Fees				
Trustee Fees				
Audit Fee				
Listing/ Rating Fee				
Distribution & Brokerage				
Other expenses as permitted by SEBI regulations				
<b>Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)</b>	<b>1.90%</b>	<b>1.65%</b>	<b>1.50%</b>	<b>1.35%</b>
<b>Additional expenses under Regulation 52 (6A) (c)</b>	<b>0.20%</b>	<b>0.20%</b>	<b>0.20%</b>	<b>0.20%</b>
<b>Additional expenses for gross new inflows from specified cities (as mentioned in note II below)</b>	<b>0.30%</b>	<b>0.30%</b>	<b>0.30%</b>	<b>0.30%</b>

In addition to the limits specified in the above-mentioned table, the following cost or expenses may be charged to the Scheme, namely:

- (I) Brokerage and transaction cost incurred for the purpose of execution of trade may be capitalized to the extent of 12bps and 5bps for cash market transactions and derivatives transactions respectively. Any payment towards brokerage and transaction cost, over and above the said 12 bps and 5bps for cash market transactions and derivatives transactions respectively may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under regulation 52 of the SEBI (Mutual Funds) Regulations, 1996. Any expenditure in excess of the said prescribed limit (including brokerage and transaction cost, if any) shall be borne by the AMC or by the trustee or sponsors.
- (II) Additional expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from beyond top 15 cities are at least:

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

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

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

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

**(III)** Service Tax on investment and advisory fees shall be charged to the Scheme in addition to the maximum limit of Annual Scheme Recurring Expenses as prescribed in the Regulation 52, as amended from time to time.

**(IV)** Further, the AMC/ Mutual Fund shall annually set apart at least 2 basis points on the daily net assets within the limits of Annual Scheme Recurring Expenses as prescribed in the Regulation 52, as amended from time to time, for investor education and awareness initiatives.

Investors are requested to note that service tax on other than investment and advisory fees, if any, shall be borne by the scheme within the maximum limit of TER as per Regulation 52 of the Regulations.

Further, service tax on brokerage and transaction costs which are incurred for the purpose of execution of trade, if any, shall be within the limit prescribed under Regulation 52 of the Regulations.

However New Fund Offer expenses shall be borne by the AMC.

#### **Any safety net or guarantee provided**

The Scheme does not provide any guarantee or assurance to the unitholders.

In accordance with Regulation 18(15A) of SEBI Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme or the trust or fees and expenses payable or any other change which would modify the Scheme and affects the interest of the unitholders shall be carried out unless:

- ii) A written communication about the proposed change in sent to each unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the mutual fund is situated; and
- iii) Unitholders are given an option to exit at the prevailing Net Asset Value without any exit load.

#### **G) HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?**

The Benchmark Index for the Scheme would be CRISIL Short Term Bond Fund Index. The Scheme would be investing primarily in money market instruments and short term debt instruments. These instruments are considered to be relatively safer with low interest rate and credit risk as compared to medium and long term debt instruments. CRISIL Short term Bond Fund Index tracks returns on a composite portfolio that tracks various short term money market indices like the Call Index and CP index. This benchmark could be therefore an appropriate and realistic indicator for a Mutual Fund Scheme which seeks to invest in all the instruments mentioned above in order to maximize returns at a particular level of risk. Hence, CRISIL Short term Bond Fund Index would be an appropriate benchmark index for the Scheme.

The AMC and the Trustee may mutually agree to change the benchmark index or select an additional benchmark index after recording reasons for such change and by following required regulatory process and reserves the right to change the benchmark for evaluation of performance of the Scheme from time to time in conformity with the investment objectives and appropriateness of the benchmark subject to SEBI (MF) Regulations, and other prevailing guidelines, if any.

## H) WHO WILL MANAGE THE SCHEME?

Ms. Shobheta Manglik and Mr. Mahesh A. Chhabria are the Fund Managers of the Scheme/ Plan.

<b>Ms. Shobheta Manglik</b> Age: 33 Years	<b>Fund Manager – Fixed Income</b>	<b>PGDBM from IMT, Ghaziabad</b>	<b>Collectively over 12 years of experience in Fund Management</b>
<b>Other L&amp;T Mutual Fund Scheme’s managed:</b>	L&T Triple Ace Bond Fund ,L&T Gilt Fund, L&T Fixed Maturity Plan Series VI – Plan B and D, L&T FMP - IV (July24M A), L&T FMP - V (February366D A), L&T FMP - V (February368D A), L&T FMP – V (March395D A), L&T FMP - V (March367D A), L&T FMP - VI (March371D A), L&T FMP - VI(May369D A), L&T FMP - VI (May371D A), L&T FMP – VI (June368D A),L&T FMP – VII (December369D A), L&T FMP – VII (January507D A)and L&T FMP-VII (February419D A)		
Prior Assignments:			
<ul style="list-style-type: none"> <li>• L&amp;T Investment Management Limited as Assistant Vice President &amp; Fund Manager – Fixed Income (March 22, 2012 till November 24, 2012)</li> <li>• Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited as Head of Fixed Income from December 2008 to January 2012</li> <li>• Fidelity Investments Limited as Trader from September 2007 to December 2008</li> <li>• Reliance Capital as Corporate Treasury from November 2005 to September 2007</li> <li>• PNB Gilts Limited as Trader from June 2001 to November 2005</li> </ul>			

<b>Mr. Mahesh A. Chhabria</b> Age: 35 Years	<b>Fund Manager - Fixed Income</b>	<b>B.Com, FCA (ICAI), CFA (ICFAI), FRM (GARP)</b>	<b>Collectively over 12 years of experience in fixed income dealing</b>
<b>Other L&amp;T Mutual Fund Scheme’s managed:</b>	L&T Cash Fund, L&T Liquid Fund, L&T Ultra Short Term Fund, L&T Floating Rate Fund, L&T Fixed Maturity Plan Series VI – Plan B and D , L&T FMP - IV (July24M A), L&T FMP - V (February366D A), L&T FMP - V (February368D A), L&T FMP – V (March395D A), L&T FMP - V (March367D A), L&T FMP - VI (March371D A), L&T FMP - VI(May369D A), L&T FMP - VI (May371D A), L&T FMP – VI (June368D A),L&T FMP – VII (December369D A), L&T FMP – VII (January507D A) and L&T FMP-VII (February419D A).		
Prior Assignments:			
<ul style="list-style-type: none"> <li>• FIL Fund Management Private Limited as Credit Analyst and Portfolio Manager from June 2012 till November 23, 2012.</li> <li>• FIL Fund Management Private Limited as Assistant Fund Manager and Credit Analyst from 2009 to 2012.</li> <li>• FIL Fund Management Private Limited as Credit Analyst from 2006 to 2009.</li> <li>• Birla Sunlife Asset Management Company Limited as Fund Manager and Senior Credit Analyst from 2002 to 2006.</li> <li>• RSM &amp; Co. as Qualified Assistant from 1999 to 2002.</li> </ul>			



#### **D) WHAT ARE THE INVESTMENT RESTRICTIONS?**

Pursuant to the "SEBI Regulations", the following investment and other limitations are presently applicable to the Scheme, as the case may be:

- 1) The Scheme shall not invest more than 15% of its NAV in debt instruments issued by a single issuer, which are rated not below investment grade by a credit rating agency. This investment limit may be extended to 20% of the NAV of the Scheme with the prior approval of the Board of the Trustee Company and the Board of the AMC.
- 2) The Scheme shall not invest more than 30% of its net assets in the money market instruments of an issuer provided that such limit shall not be applicable for investments in Government securities, treasury bills and collateralized borrowings and lending obligations.
- 3) Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments as specified under Clause 1 and 1 A of Seventh Schedule to the Regulations.
- 4) No term loans for any purpose will be advanced by the Scheme.
- 5) Transfers of investments from one scheme to another scheme in the Mutual Fund shall be allowed only if:
  - Such transfers are done at the prevailing market price for quoted instruments on spot basis;
  - The securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.
- 6) The Scheme may invest in another Scheme under the same Asset Management Company or any other Mutual Fund without charging any fees, provided that aggregate inter-scheme investment made by all Schemes under the same management or in Schemes under the management of any other Asset Management Company shall not exceed 5% of the net asset value of the Mutual Fund.
- 7) In accordance with SEBI circular CIR/ IMD/ DF/ 21/ 2012 dated September 13, 2012; the total exposure to single sector shall not exceed 30% of the net assets of the scheme. The Sectoral classification shall be as per AMFI classification, as amended from time to time. However, this limit is not applicable for investments in Bank CDs, Collateralized borrowings and lending obligations (CBLO), Government Securities, Treasury Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks.

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.

- 8) The Scheme shall not make any investment in any fund of fund schemes.
- 9) The Fund shall get the securities purchased/ transferred in the name of the Scheme.
- 10) The Scheme shall buy and sell securities as per extant SEBI regulations, as amended from time to time. Provided that it may engage in short selling of securities in accordance with the framework relating to short selling specified by SEBI. Provided further that Scheme may enter into derivatives transactions, subject to the framework specified by SEBI. Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.
- 11) All the Scheme's investment will be in transferable securities (whether in capital markets or money markets) or CBLO/repo/reverse repo instruments.
- 12) The Scheme 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
- 13) All investment restrictions stated above shall be applicable at the time of making investment.
- 14) The Scheme shall not borrow except to meet temporary liquidity needs for the purpose of redemption of units or payment of interest and dividend to the Unit holders, provided that the Scheme shall not

borrow more than 20% of its net assets and the duration of the borrowing shall not exceed a period of 6 months.

- 15) The AMC may invest in the Scheme either in the New Fund offer or subsequently. However, it shall not charge any investment management fee on such amounts invested by it.
- 16) Pending deployment of the scheme in securities in accordance with the investment objectives of the scheme, the fund can invest the moneys of the scheme in short term deposits of scheduled commercial banks subject to the applicable regulations to SEBI Circular No. SEBI/IMD/CIR No.9/20306/03 dated November 12, 2003; SEBI Circular No. SEBI/IMD/Cir No.1/91171/07 dated April 16, 2007 and Clause 8 of Seventh Schedule of SEBI Mutual Funds Regulations, 1996; as amended from time to time.

The Trustee of the Mutual Fund may alter these limitations/ objectives from time to time to the extent the SEBI Regulations change so as to permit the Scheme to make its investments in the full spectrum of permitted investments for the Fund in order to achieve its investment objectives. All investments of the Scheme made in will be accordance with the SEBI Regulations, including Seventh Schedule thereof.

Apart from the Investment Restrictions prescribed under the Regulations, internal risk parameters for limiting exposure to a particular scheme may be prescribed from time to time to respond to the dynamic market conditions and market opportunities.

### **Trading in Derivatives**

**In accordance with the SEBI Circular Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010, investments in derivatives shall adhere to the following restrictions:**

#### **Exposure Limits:**

1. The total exposure in derivatives, either exchange traded or OTC shall not exceed 50% of Net Assets as permitted by SEBI Regulations.
2. The cumulative gross exposure through Debt and Derivative positions shall not exceed 100% of net assets of the Scheme.
3. Mutual Funds shall not write options or purchase instruments with embedded written options.
4. The total exposure related to option premium paid must not exceed 20% of the net assets of the Scheme.
5. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
6. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following
  - a) Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
  - b) Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 2 above.
  - c) Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
  - d) The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
7. Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity 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 the Scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the Scheme.

**The use of derivative instruments is explained below by an example of interest rate swaps.**

Interest rate swaps act as a hedge for short-term securities, with the minimum credit risk and cost. The swap agreement is a two-part agreement in which both the parties agree to exchange cash flows based on a specified formula and on specified dates. An Interest Rate Swap (IRS) is a contract between two counter parties to exchange interest payments on specified date(s) over a specified period.

For example one party would pay the other a fixed rate of interest in return for a floating rate. The fixed rate would be known and would remain unchanged for the tenor of the swap while the floating rate will be unknown until after the passage of the reset date. The floating rate is usually a variable benchmark rate like the MIBOR, Bank PLR etc. In the case of IRS the principal amount is not exchanged. The net interest amounts are settled between the counter parties on the settlement date(s) of the contract.

An example of an overnight interest swap is as below:

A mutual fund has inflows of Rs.10 crores for 7 days. It intends to deploy the money in the call money market. The call money market is volatile and the fund wants to minimise risk. The fund therefore enters into an interest rate swap wherein it swaps the floating rate (i.e. the daily call money interest) and would receive a fixed rate of say 8%

Details of the swap:

Principal Rs.10 crore  
Start date 3rd January 2012  
Maturity date 10th January, 2012  
Duration of swap 7 days  
Fixed rate 8%

The call rates over the next 7 days as well as the accruals are as below:

Date	Day	Call Rate	Opening Principal	Interest	Closing Principal
3rd January	1	7%	10,00,00,000/-	19,178/-	10,00,19,178/-
4th January	2	8%	10,00,19,178/-	21,922/-	10,00,41,100/-
5 <sup>th</sup> January	3	6%	10,00,41,100/-	16,445/-	10,00,57,545/-
6 <sup>th</sup> January	4	6%	10,00,57,545/-	16,448/-	10,00,73,993/-
7 <sup>th</sup> January	5	9%	10,00,73,993/-	24,675/-	10,00,98,668/-
8 <sup>th</sup> January	6	7%	10,00,98,668/-	19,197/-	10,01,17,865/-
9 <sup>th</sup> January	7	7%	10,01,17,865/-	19,201/-	10,01,37,066/-

Interest on floating leg Rs. 1,37,066/-  
Interest on fixed leg Rs. 1,53,424/-  
Net interest receivable by the fund Rs. 16,358/-

Please note that the above example is hypothetical in nature and the figures etc. are assumed. The transaction costs, if any, associated with such trades may vary from case to case. Actual returns will vary depending on various market-related factors. Such instruments would also carry certain risks like basis point risk, counter party risk etc.

The total exposure to derivative instruments shall not exceed such limits, if any, as may be prescribed by the relevant authorities from time to time.

8. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 2.

9. Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

<b>Position</b>	<b>Exposure</b>
Long Future	Futures Price * Lot Size * Number of Contracts
Short Future	Futures Price * Lot Size * Number of Contracts
Option bought	Option Premium Paid * Lot Size * Number of Contracts

**Position Limits for Mutual Funds  
(i.e aggregate of all Schemes)**

**Additional position limit for hedging**

**Hedging Limits**

Hedge against a fall in share prices(short futures, short calls and long puts)	Short positions shall not exceed (in notional value) the value of the Mutual Fund's holding of stocks
Hedge to protect against a rise in share prices (long futures, long calls and short puts)	Long position shall not exceed (in notional value) the value of the Mutual Fund's holding of cash, g-sec, T bills and similar instruments.

**Strategies for Debt Derivatives:**

- Bond – OIS Swap:** Under this strategy, the fund manager pays fixed rate on Overnight Indexed Swap (OIS) against an underlying bond of a similar or greater tenor and receives Mumbai Inter-Bank Offer Rate (MIBOR). This is essentially done for hedging interest rate risk or for rebalancing portfolio allocation to fixed and floating rate bonds. Effectively, through this trade the fund manager is able to convert a fixed rate bond into a floating rate MIBOR linked instrument. The trade has exposure to 'basis movement' - the relative movement of bond versus OIS.
- Receive OIS:** Here the fund manager receives fixed rate on OIS against either cash or a floating rate bond of a similar or greater tenor, and pays MIBOR. The objective is to rebalance portfolio in favor of fixed rate exposure if the view is that overnight rates will fall.
- Buy Interest Rate Futures:** To hedge an underlying exposure of government securities or corporate bonds, the fund manager may sell similar tenor bonds under Interest Rate futures contracts if he has a bearish view. When rates rise, the market value of the gilt/ bonds will go down but the market value of the futures contract will go up and hence the overall loss could be minimized.
- Interest Rate Swaps (IRS):** All swaps are financial contracts, which involve exchange (swap) of a set of payments owned by one party for another set of payments owned by another party, usually through an intermediary (market maker). An IRS can be defined as a contract between two parties (Counter Parties) to exchange, on particular dates in the future, one series of cash flows, (fixed interest) for another series of cashflows (variable or floating interest) in the same currency and on the same principal for an agreed period of time. The exchange of cashflows need not occur on the same date.

Bond markets in India are not very liquid. Investors run the risk of illiquidity in such markets. Investing for short-term periods for liquidity purposes has its own risks. Investors can benefit if the Fund remains in call market for the liquidity and at the same time take advantage of fixed rate by entering into a swap. It adds certainty to the returns without sacrificing liquidity.

6. **Forward Rate Agreements (FRA):** A FRA is an agreement between two counter parties to pay or to receive the difference between an agreed fixed rate (the FRA rate) and the interest rate prevailing on a stipulated future date, based on a notional amount, for an agreed period. In short, in a FRA, interest rate is fixed now for a future period. The special feature of FRAs is that the only payment is the difference between the FRA rate and the Reference rate and hence are single settlement contracts. As in the case of IRS, notional amounts are not exchanged. However, there is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party to comply with the terms of the contract. To the extent that settlements of contracts are not guaranteed by an exchange or clearing corporation, hence, there is the risk of a counterparty to a deal defaulting in payment.

## **J. HOW HAS THE SCHEME PERFORMED?**

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

## **III. UNITS AND OFFER**

This section provides details you need to know for investing in the Scheme.

### **A. NEW FUND OFFER (NFO)**

**New Fund Offer Period** (This is the period during which units of the Scheme will be offered to the Investors)

NFO opens on: February 18, 2013

NFO closes on: February 21, 2013

The Trustee reserves the right to extend/ prepone the closing date, subject to the condition that the subscription list shall not be kept open for more than 15 days. Any such extension/ preponement of the subscription list shall be notified by a suitable display at the official point of acceptance of transactions.

**New Fund Offer Price:** Rs. 10 per unit.

(This is the price per unit that the investors have to pay to invest during the NFO)

### **Minimum Amount for Application in the NFO**

Dividend Payout Option & Growth Option: Rs. 5000/- and in multiples of Rs. 10/- thereafter.

**Minimum Target amount:** Rs. 20 crore

In accordance with the Regulations, if the Scheme fails to collect the minimum subscription amount as specified above, the Fund shall be liable to refund the money to the applicants.

In addition to the above, refund of subscription money to applicants whose applications are invalid for any reason whatsoever will commence immediately after the allotment process is completed.

Refunds will be completed within 5 business days of the close of the New Fund Offer Period. If the Mutual Fund refunds the amount after 5 business days, interest @ 15% per annum shall be paid by the AMC. Refund orders will be marked "Account Payee only" and drawn in the name of the applicant in the case of the sole applicant and in the name of the first applicant in all other cases. Alternatively, the AMC may transfer the refund amount to the applicant through electronic mode, if so mandated.

### **Maximum Amount to be raised**

Not Applicable. The AMC retains the right to specify maximum amount to be raised, at the time of the New Fund Offer.

### **Plan/ Options offered:**

There are two options available under the Scheme:

1. Dividend (Payout): Under this Option the Trustees may declare dividend from time to time subject to the availability of distributable surplus. The dividend will be paid to only those Unitholders whose names appear

on the register of Unitholders of the Dividend Option on the record date, which will be announced in advance.

2. Growth: This Option will aim to provide capital appreciation and will not declare any dividends.

If no option is specified at the time of application, the default option is Growth Option.

Both Options will have a common portfolio.

Investors proposing to purchase units of the Scheme directly from the Fund (i.e. investments not routed through an AMFI Registration Number (ARN) Holder) can invest under the Direct Plan. The options referred above (i.e. Dividend (Payout) and Growth) will be available under the Direct Plan. The Scheme shall have a common portfolio i.e. the Direct Plan will not have a segregated portfolio.

Investors subscribing under the Direct Plan will have to indicate “Direct Plan” against the Scheme name in the application form i.e. “L&T FMP – VII (February 515D A) – Direct Plan”. Investors should also indicate “Direct” in the ARN column of the application form. However, in case distributor code is mentioned in the application form, but “Direct Plan” is indicated against the Scheme name, the distributor code will be ignored and the application will be processed under the Direct Plan. Further, where application is received for the Scheme without distributor code or “Direct” mentioned in the ARN Column, the application will be processed under the Direct Plan.

### **Dividend Policy**

Dividend declaration and distribution shall be in accordance with SEBI Regulations as applicable from time to time. The Trustees/ AMC reserve the right to declared dividend from time to time, depending on availability of distributable surplus.

### **Allotment**

Subject to receipt of minimum subscription amount, full allotment will be made to all valid applications received during the New Fund Offer Period. Allotment of units will be completed not later than 5 business days after the close of the New Fund Offer Period.

### **Statement of Account**

The AMC shall send confirmation specifying the number of units allotted to the investor by way of email and/or SMS's to the investor's registered email address and/or mobile number (if provided by the investor) as soon as possible but not later than five working days from the date of closure of the NFO.

Further, a Statements of Account shall be sent by ordinary post/ courier/ e-mail/ any other permitted mode, to each Unitholder, stating the number of units allotted. The statement of account shall not be construed as a proof of title and is only a computer generated statement indicating the details of transactions under the Scheme and is a non-transferable document. The statement of account will be issued in lieu of Unit Certificate/s.

### **Unit Certificates**

Normally, no Unit Certificates will be issued. However, if the applicant so desires, the AMC shall issue a non-transferable Unit Certificate to the applicant within 5 Business days of the receipt of request for the certificate. A Unit Certificate if issued must be duly discharged by the Unitholder(s) and surrendered along with the request for redemption/switch or any other transaction of Units covered therein.

### **Refund**

In accordance with the Regulations, if the Scheme fails to collect the minimum subscription amount as specified above, the Fund shall be liable to refund the money to the applicants.

In addition to the above, refund of subscription money to applicants whose applications are invalid for any reason whatsoever will commence immediately after the allotment process is completed.

Refunds will be completed within 5 business days of the close of the New Fund Offer Period. If the Fund refunds the amount after 5 business days, interest @ 15% per annum shall be paid by the AMC. Refund orders will be marked "Account Payee only" and drawn in the name of the applicant in the case of the sole applicant and in the name of the first applicant in all other cases. Alternatively, the AMC may transfer the refund amount to the applicant through electronic mode, if so mandated.

### **Who can invest?**

Units under the Scheme can be bought by the following entities subject to the relevant rules / byelaws / constitution of the investor:

- Resident Adult Individuals, either singly or jointly (not exceeding Three);
- Parents/ Legal Guardians on behalf of Minors;
- Non-resident Indians (NRIs)/ Persons of Indian origin resident abroad on repatriation and non-repatriation basis;
- Karta of Hindu Undivided Families (HUF);
- Companies, Bodies Corporate, Public Sector Undertakings, association of persons or bodies of individuals whether incorporated or not and societies registered under the Societies Registration Act, 1860 (so long as the purchase of Units is permitted under the respective constitutions);
- Wakfs and Trustee of private trusts authorised to invest in mutual fund scheme under the Trust Deed;
- Banks (including Cooperative Banks and Regional Rural Banks), Financial Institutions & Investment Institutions;
- Mutual Funds registered with SEBI;
- Partnership Firms;
- Societies;
- Religious, Charitable and Private Trusts, under the provisions of 11(5) of Income Tax Act, 1961 read with Rule 17C of Income Tax Rules, 1962 (subject to receipt of necessary approvals as "Public Securities", wherever required);
- Foreign Institutional Investors registered with SEBI;
- Foreign investors/companies/firms/other bodies corporate incorporated outside India subject to FIPB/RBI approval and meeting KYC/ AML requirement;
- Army/ Air Force/ Navy and other para military units and bodies created by such institutions;
- Scientific & Industrial Research Organisations;
- International Multilateral Agencies approved by the Government of India;
- Non-Government Provident / Pension / Gratuity funds as and when permitted to invest;
- Others who are permitted to invest in the Scheme as per their respective constitutions;
- Trustees, AMC or Sponsor or their associates (if eligible and permitted under prevailing laws), may subscribe to the Units under the Scheme;
- The Fund reserves the right to include / exclude new / existing categories of investors to invest in the Scheme from time to time, subject to SEBI Regulations, and other prevailing statutory regulations, if any.

### **How to Apply?**

**Please refer to the SAI and Application form for the instructions**

### **Facility to hold units in Physical Form:**

The application forms for the purchase of Units of the Scheme will be available at the offices of the AMC, the Customer Service Centres and the office of the Registrar. New investors can purchase Units by completing an Application Form. Payment for purchase of Units will be accepted only through a cheque or demand draft drawn payable at the centre where the application is lodged, drawn in favour of the Scheme i.e. "L&T FMP – VII (February515D A)" / "L&T FMP – VII (February515D A)– **Direct Plan**".

In case of applications made by a demand draft, the same should be payable at Mumbai and the demand draft should be for the investment amount. Investors are requested to note that the demand draft charges should not be deducted from the amount to be invested. Applications made by demand drafts from locations where Offices/ Branches of the AMC or CAMS Service Centres (CSC) are not located will not be accepted.

Thus, applications can be made either by way of a "Regular Application" i.e. along with a local cheque / DD or under "Direct Deposit Application Facility" i.e. along with account to account transfer instruction. The Fund may introduce other newer methods of application which will be notified as and when introduced.

Investors/ Unitholders should complete the Application Form and deliver the same along with local cheque / draft (i.e. in case of "Regular Application") or account to account transfer instructions (in case availing of 'Direct Deposit Application Facility') and investors/ transaction related documents at any of the:

- a. Offices/ Branches of the AMC or
- b. CAMS Service Centres (CSC)

The addresses of the offices/ branches of the AMC and CSCs are given at the end of this SID. Applications can also be sent by mail or post to the Registrar at the following address:

Computer Age Management Services Private Limited, (Unit – L&T Mutual Fund): 148, Old Mahabalipuram Road, Okkiyam Thuraipakkam, Chennai - 600 097; Tel.: 044 – 24587094, 044 – 30407094.

In the event of non-realisation of any cheque or other instrument remitted by the investor, the transaction of crediting the Unitholder's account will be reversed.

#### **Facility to hold units in Demat Form through Stock Exchange Mechanism:**

Pursuant to SEBI circular nos. SEBI/IMD/CIR No.11/183204/2009 dated November 13, 2009 and CIR/IMD/DF/17/2010 dated November 9, 2010, the AMC offers an alternate transaction platform for subscription of units of L&T FMP – VII (February 15 D A) to Resident Individuals, HUF & Resident Minor (represented by Guardian).

Accordingly, units of the Scheme can be subscribed in demat mode through:

- a) registered trading members/ stock brokers of recognized Stock Exchanges;
- b) clearing members of the registered Stock Exchanges.

on the Mutual Fund Service System (MFSS) of NSE and/ or Stock exchange platform for Allotment and Repurchase of Mutual funds (StAR MF) of BSE who are registered with Association of Mutual Funds of India (AMFI) and are empanelled with the AMC. Such brokers/ clearing members shall be considered as "Official Point of Acceptance" as per SEBI circular No. SEBI/IMD/CIR No. 11/78450/06 dated October 11, 2006. At present switch transactions are not available in this mechanism.

**Unitholders are requested to refer Statement of Additional Information available on our website [www.lntmf.com](http://www.lntmf.com) for further details.**

#### **Additional mode of payment through Applications Supported by Blocked Amount ("ASBA") (applicable during NFO period):**

SEBI vide its circular no. SEBI / IMD / Cir / No 18 / 198647 / 2010 dated March 15, 2010 read with circular no. Cir / IMD / DF / 6 / 2010 dated July 28, 2010 have decided to extend ASBA facility to eligible Investors for all New Fund Offers (NFOs) launched on or after October 1, 2010.

Thus, the Mutual Fund apart from the current process of accepting payment through cheques/ demand draft/ electronic transfer also provides investors with the ASBA facility as an additional mode of payment. The banks which are in SEBI's list shall extend the same facility in case of this NFO of "L&T FMP – VII



**(February 515D A)**” to all eligible investors. Investors are requested to note that ASBA facility is available only during NFO period of the Scheme.

Investors who wish to avail of ASBA facility are requested to submit the ASBA Form with Self Certified Syndicate Bank (SCSB). The investor is required to submit a copy of the acknowledgment receipt of the ASBA Form as submitted to the SCSB along with the NFO application form to L&T Mutual Fund. Eligible Investors for ASBA maintaining their account in any of the prescribed SCSBs may use ASBA facility subject to fulfilling all the terms and conditions stipulated in this regard.

Investors can download the ASBA Form for the Scheme from the website of the Mutual Fund at [www.lntmf.com](http://www.lntmf.com). The current list of SCSBs is available on SEBI website and the same has been mentioned at the end of this Document.

Investors are requested to refer Instructions of Application Form and ASBA Form before investing. Further, Investors are requested to check with their respective Banks before availing ASBA facility.

**Where can you submit the filled up applications?**

Investors should complete the Application Form for purchase/ redemption/ switches and deliver the same along with cheque / draft (i.e. in case of "Regular Application") or account to account transfer instructions (in case availing of 'Direct Deposit Application Facility') and investors/ transaction related documents at any of the branches of L&T Investment Management Limited or Investor Service Centres (ISCs)/ CAMS Service Centres (CSCs).

The list of Offices of Registrar/ AMC including current list of Self Certified Syndicate Bank for ASBA Facility are mentioned on the last pages of this Document.

**Mandatory quoting of Bank Mandate:**

SEBI has made it mandatory for investors to provide their bank details viz. name of bank, branch, address, account type and number, etc. to the Mutual Fund. Applications without complete bank details are liable to be rejected. The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques/ warrants and/ or any delay/ loss in transit.

**Process for Change in Bank Details:**

- a) To facilitate change in bank account details in the account/ folio, Unit holders are requested to fill up “Multiple Bank Account Registration Form” or a standalone “Change of Bank Mandate Form”
- b) Unit holders are requested to note that redemption/ switch request and change of bank account request shall be handled and executed separately as standalone requests for all existing and new account/ folio. Accordingly, in such case unit holders are requested to fill up separate forms for redemption/ switch request and change of bank account request.
- c) Unit holders are further requested to register for multiple bank accounts and choose any of the registered bank accounts towards receipt of redemption proceeds.
- d) Please note that, an unregistered bank account or a new bank account forming part of redemption request shall not be processed.

**Documents required for Change in Bank request are as follows:**

Change of Bank Request (Standalone Request)	<p><b>1. New Bank Account:</b>  <b>Original of any one of the following documents or originals should be produced for verification or copy should be attested by the Bank:</b></p> <ul style="list-style-type: none"> <li>• Cancelled original cheque of the new bank mandate with first unit holder name and bank account number printed on the face of the</li> </ul>
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	<p>cheque <b>OR</b></p> <ul style="list-style-type: none"> <li>• Self attested copy of bank statement <b>OR</b></li> <li>• Bank passbook with current entries not older than 3 months <b>OR</b></li> <li>• Bank Letter duly signed by branch manager/authorized personnel</li> </ul> <p><b>AND</b></p> <p><b>2. Change in Existing bank mandate currently registered (Based on AMC's risk assessment):</b></p> <p><b>Original of any one of the following documents or copy should be attested by the Bank or originals should be produced for verification:</b></p> <ul style="list-style-type: none"> <li>• Cancelled original cheque with first unit holder name and bank account number printed on the face of the cheque <b>OR</b></li> <li>• Original bank account statement / Pass book <b>OR</b></li> <li>• Original letter issued by the bank on the letterhead confirming the bank account holder with the account details, duly signed and stamped by the Branch Manager <b>OR</b></li> <li>• In case such bank account is already closed, a duly signed and stamped original letter from such bank on the letter head of bank, confirming the closure of said account.</li> </ul>
<p>Updation of bank details wherein bank details were not recorded with the/Registrar/ not available in SoA</p>	<p><b>Original of any one of the following documents or originals should be produced for verification or copy should be attested by the Bank:</b></p> <ul style="list-style-type: none"> <li>• Cancelled original cheque of the new bank mandate with first unit holder name and bank account number printed on the face of the cheque <b>OR</b></li> <li>• Self attested copy of bank statement <b>OR</b></li> <li>• Bank passbook with current entries not older than 3 months <b>OR</b></li> <li>• Bank Letter duly signed by branch manager/authorized personnel stating the unitholders bank account number, name of the investor, account type, bank branch, MICR code of the branch &amp; IFSC Code etc.</li> </ul> <p><b>AND</b></p> <p>Self attested copy of <b>any one</b> of the documents prescribed as list of documents admissible as Proof of Identity (PoI) under Para B of Instructions / Check List annexed to SEBI circular Ref No MIRSD / SE / Cir – 21 / 2011 dated October 5, 2011 on uniform KYC, provided the document is valid at the time of submission.</p>

**Cooling Period:**

There shall be a cooling period of 10 calendar days for validation and registration of new bank account. Further, in case of receipt of redemption request during this cooling period, the validation of Bank mandate and dispatch of redemption proceeds shall be completed within a period of 10 working days.

In case, the request for change in bank mandate is invalid/ incomplete/ dissatisfactory in respect of signature mismatch/ document insufficiency/ not complying with any requirements as stated above, the request for such change will not be processed and the Redemptions / Dividend payments, if any, will be processed based on the last registered bank account.

**Process for Change of Address**

**a) Documents required for Change of Address in respect of KYC not complied folios**

- Proof of new address (POA) and

- Proof of identity (POI): Only PAN card copy shall be considered if PAN is updated in the folio or other proof of identity if PAN is not updated in the folio.

**b) Documents required for Change of Address in respect of KYC complied folios**

- Proof of new address and
- Any other document/ form that the KYC Registration Agency (KRA) may specify from time to time.

**Unit holders are further requested to note the following in relation to Change in address:**

- Unitholders are requested to note that the list of admissible documents for POA & POI should be in conformity with SEBI Circular dated October 5, 2011; as amended from time to time.
- Copies of all the documents submitted by the unit holders should be self-attested and accompanied by original for verification.
- In case the original of any document is not produced for verification, then the copies should be properly attested/ verified by entities authorized for attesting/verification of the documents as per extant KYC guidelines.

**Please note that AMC may require additional documents while effecting change of bank account/ change in address.**

**Permanent Account Number:**

As per SEBI Circular dated April 27, 2007, Permanent Account Number (PAN) has been made the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction, effective July 2, 2007. Transactions by unit holders/ investors who fail to submit copy of PAN are liable to be rejected.

Accordingly, it is mandatory for all investors to quote their Permanent Account Number (PAN) and submit certified copy of the PAN card issued by the Income Tax Department, irrespective of the amount of investment, while making an application for Purchase of Units. In case of joint holding, PAN details of all holders should be submitted. In case the application is on behalf of minor, PAN details of the Guardian must be submitted. Furnishing an incorrect PAN or not furnishing these details could invite a penalty of Rs. 10,000, as per the extant provisions of the Income Tax Act, 1961.

However, there are certain nature of transactions and type of clients for which PAN is not mandatory, as mentioned below:

- Micro SIPs: SIPs upto Rs. 50,000/- per year per investor;
- Investments from investors residing in the state of Sikkim;
- Investments from Central Government, State Government and the officials appointed by the Courts e.g. Official liquidator, Court receiver etc. (under the category of Government).
- UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.
- In case of institutional clients, namely, FIIs, MFs, VCFs, FVCIs, Scheduled Commercial Banks, Multilateral and Bilateral Development Financial Institutions, State Industrial Development Corporations, Insurance Companies registered with IRDA and Public Financial Institution as defined under section 4A of the Companies Act, 1956, Custodians shall verify the PAN card details with the original PAN card and provide duly certified copies of such verified PAN details to the intermediary.

In all the above cases, Investors are requested to submit such documents as mentioned under “**Non PAN based KYC/ IPV applicability**”.

**Uniform Know Your Customer (KYC)/ In Person Verification (IPV) Requirements:**

Investors are requested to note that, pursuant to SEBI Circular dated October 5, 2011, SEBI registered intermediaries (including Mutual Funds) are required to use uniform KYC form and obtain uniform

supporting documents from the Investors. In accordance with the said circular, AMFI vide its circular dated December 27, 2011, has devised new KYC Application Form (KAF) for Individual as well as Non-Individual Mutual Fund Investors with effect from January 1, 2012. Further, please note that SEBI vide its circular dated December 23, 2011; has mandated all SEBI registered intermediaries (including Mutual Funds) to perform an IPV of its Investors with effect from January 1, 2012.

Accordingly, New Investors of L&T Mutual Fund, in respect of whom KYC and IPV is not performed by any other SEBI registered intermediaries, are required to perform KYC and an IPV with L&T Mutual Fund. Registrar & Transfer Agent of L&T Mutual Fund i.e. Computer Age Management Services Private Limited may also undertake the KYC of the New Investors. Investors can download the new KAF from the website of the Mutual Fund at [www.lntmf.com](http://www.lntmf.com).

The SEBI registered intermediary (including Mutual Funds) who performs the initial KYC of the New Investors shall upload the KYC information on the system of the KYC Registration Agency (KRA) and send the KYC documents i.e. KYC application form and supporting documents of the Investors to the KRA within 10 working days from the date of execution of documents by the Investor. KRA shall send a letter to the Investors within 10 working days of the receipt of the initial/ updated KYC form and documents from intermediary, confirming the details thereof.

Once KYC is performed successfully with any SEBI registered intermediary, any other intermediary can verify and download the same from the system of the KRA. As a result, once the Investor has done KYC with a SEBI registered intermediary, the said Investor need not undergo the same process again with another intermediary. However, L&T Mutual Fund/L&T Investment Management Ltd., reserves the right to perform fresh KYC/ obtain additional documents from the Investor.

Investors are further requested to note that IPV may be performed by any SEBI registered intermediary (including Mutual Funds) and can be relied upon by other intermediaries. L&T Investment Management Limited or its NISM/ AMFI certified Distributors (who are KYD compliant) shall perform IPV on behalf of L&T Mutual Fund. In case of applications received directly from the Investors (i.e. without being routed through the Distributors), the Mutual Fund may rely upon the IPV performed by the Scheduled Commercial Banks.

Existing KYC compliant Investors of the Mutual Funds are requested to note that they can continue to invest as per the current practice.

Applications without the required details are liable to be rejected without any reference to the Investors.

**Non PAN based KYC/ IPV applicability:**

For certain nature of transactions and type of clients, as mentioned above, PAN is not mandatory. However, such investors are requested to note that KYC and IPV shall be mandatory even in respect of these transactions.

Since PAN is not mandatory in such cases, sufficient documentary evidence (any of the documents mentioned below) shall be collected from the investor in lieu of PAN:

a. Voter Identity Card b. Driving License c. Government/Defence Identification Card d. Passport e. Photo Ration Card f. Photo Debit Card g. Employee ID cards issued by companies registered with Registrar of Companies h. Photo Identification issued by Bank Managers of Scheduled Commercial banks/ Gazetted Officer/Elected Representatives to the Legislative Assembly/Parliament i. ID card issued of employees of Scheduled Commercial/State/District Co-operative Banks j. Senior Citizen/Freedom Fighter ID card issued by Government k. Card issued by Universities/deemed universities or institutes and statutes like ICAI, ICWA, ICSI l. Permanent Retirement Account No. (PRAN) card issued to New Pension System (NPS) subscribers by CRA (NSDL) m. Any other photo ID card issued by Central Government/State Governments/Municipal authorities/Government organizations like ESIC/EPFO.

Investors are requested to note that the above documents may vary from time to time depending upon circulars/ notifications/ guidelines issued by Central Government/State Governments/Municipal authorities/ Government authorities/ Regulatory authorities from time to time.

Investors are requested to note that the same is in addition to Proof of Identification and Proof of Address documents mentioned in KYC Application Form.

The photo identification document has to be current and valid.

Further, please note that IPV as prescribed by SEBI vide its circular dated December 23, 2011; shall be performed for investors falling under this category.

Applications without the required details are liable to be rejected without any reference to the Investors.

## **Transactions through Distributors and compliance with the SEBI circulars**

### **A. Anti Money Laundering**

In terms of SEBI circular dated December 11, 2009 and AMFI circular dated January 28, 2010, February 24, 2010, and December 22, 2010 the AMC/ Registrar & Transfer Agent (CAMS) is responsible for maintaining all the documentation pertaining to the unitholders/ investor including Know your Client (KYC), Power of Attorney (POA) in respect of transactions/ requests made through Distributors.

The AMC reserves the right to reject the transactions if all documentations pertaining to the transaction made through Distributors are not made available including withholding the brokerage/ commission to comply with the above circulars.

### **B. Transaction Charge in respect of Applications routed through Distributors/ Brokers:**

Unitholders are requested to note that in accordance with SEBI circular no. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011 and SEBI circular no. CIR/ IMD/ DF/ 21/ 2012 dated September 13, 2012; L&T Mutual Fund shall deduct Transaction Charge (TC) from each subscription/ purchase request of Rs. 10,000/- and above, routed through distributor/ broker (who have opted to receive TC in respect of this type of product), with effect from November 1, 2011 and pay the same to such distributors/ brokers, subject to the following:

- For First Time Mutual Fund Investor<sup>^</sup> (across Mutual Funds), TC of Rs. 150/- shall be deducted from subscription/ purchase request of Rs. 10,000/- and above and paid to the distributor/broker (who have opted to receive TC) and the balance shall be invested in the Scheme of L&T Mutual Fund for which subscription request is made by the investor.

<sup>^</sup>An investor who invests for the first time ever in any mutual fund either by way of subscription/ purchase or Systematic Investment Plan (SIP)

- For Investor other than First Time Mutual Fund Investor (across Mutual Funds), TC of Rs. 100/- shall be deducted from subscription/ purchase request of Rs. 10,000/- and above and paid to the distributor/broker (who have opted to receive TC) and the balance shall be invested in the Scheme of L&T Mutual Fund for which subscription request is made by the investor.

TC shall not be deducted in respect of:

- (a) Subscriptions/ purchase requests below Rs. 10,000/-;
- (b) Transactions other than subscriptions/ purchase relating to new inflows. Thus no TC shall be deducted in respect of inflows through Switch;
- (c) Direct Investments (i.e. Subscriptions/ purchase not routed through any distributor / agent) and

- (d) Transactions carried out through the stock exchange platform (including Mutual Fund Service System (MFSS) of NSE and/ or Stock exchange platform for Allotment and Repurchase of Mutual funds (StAR MF) of BSE).

Investors are requested to note that deduction of TC and payment of the same to distributor/broker, as mentioned above, shall be in addition to Upfront commission paid directly by the investor to distributors/brokers, based on the investor's assessment of various factors including the service rendered by the distributors in accordance with SEBI circular CIR No.4/ 168230/09 dated June 30, 2009.

Following example will assist to understand the impact of Transaction Charge payable to the Broker:

(For illustration purpose only)

- Subscription Amount – Rs. 10,000/-
- Net Asset Value (per unit) – Rs. 10/-
- Transaction Charge Payable to the Broker – Rs. 150/- (assuming the investor is a New Investor across Mutual Funds)
- Amount available for investment in the Scheme = Rs. 9,850/- (i.e., Rs. 10,000 – Rs. 150)
- Number of Units allotted to the Investor: Rs. 9,850/ Rs. 10 per unit = 985 units

Further, the Investors are requested to note that the requirement of Minimum Application Amount shall not be applicable, i.e., the requirement of Minimum Application Amount shall not be applicable if the investment amount falls below the minimum requirement due to deduction of Transaction Charge from the subscription amount.

Unitholders are requested to take note of the following in respect of deduction of TC:

1. Identification of First Time Mutual Fund Investor/ Existing Mutual Fund Investor will be done at First/ Sole Applicant/ Guardian (if the First/ Sole Applicant is a Minor) level.
2. First/ Sole Applicant/ Guardian should clearly indicate whether he is a first time investor across Mutual Funds or an existing investor in the appropriate box provided for this purpose in the application form routed through Distributors/ Brokers
3. AMC shall on best effort basis cross check the status of First/ Sole Applicant/ Guardian as First Time Mutual Fund Investor/ Existing Mutual Fund Investor on Permanent Account Number (PAN) basis
4. If the status of First/ Sole Applicant/ Guardian as First Time Mutual Fund Investor/ Existing Mutual Fund Investor on Permanent Account Number (PAN) basis does not match with declaration made by First/ Sole Applicant/ Guardian in the Application Form, the finding of the AMC shall hold valid and final.
5. However, if an investor has not provided any declaration he will be considered as an “existing” investor

Accordingly TC of Rs. 100/- or Rs. 150/-, as the case may be shall be deducted from subscription/ purchase request of Rs. 10,000/- and above and paid to the distributor/broker (who have opted to receive TC) and the balance shall be invested in the Scheme of L&T Mutual Fund for which subscription request is made by the investor.

### **C. Distribution Agreements/ Arrangements that restrict/ constrain unit holders' rights**

Investors are requested to note that SEBI vide its circular dated June 2, 2010 had directed Fund Houses to amend the Distribution agreement which restricts the rights of the unit holders to approach the AMCs directly and also provides for mandatory power of attorney to be given in favour of the Distributor by unit holders. Accordingly, an addendum to the existing Online Distribution has been passed by the AMC to ensure that unitholders have unfettered and unrestricted access to Mutual Fund/ AMC.

Investors are further requested to note that any contrary provisions agreed with their Distributor(s) in writing or otherwise will be considered *void ab initio*.

### **Transaction through Third Party instruments:**

Investors are requested to note that w.e.f. November 15, 2010, third party instruments cannot be used for Mutual Fund subscription/ investments in the schemes of L&T Mutual Fund.

Third Party Payment Instruments are defined as:

- a) When payment is made through instruments issued from an account other than that of the investor, the same is referred to as Third-Party payment.
- b) It is clarified that in case of payments from a joint bank account, the first holder of the mutual fund folio has to be one of the joint holders of the bank account from which payment is made.

Following are the exceptions to the above:

- a) Payments made by Parents/ Grand Parents/ Related Person on behalf of minor in consideration of natural love and affection or as gift. However, single subscription value shall not exceed above Rs. 50,000/- (including investments through each regular purchase or single Systematic Investment Plan (SIP) installment). However the restriction on accepting application exceeding Rs. 50,000/- would not be applicable for payment made by a registered guardian in that folio.
- b) Payment made by an Employer on behalf of Employee under SIPs or lump sum / one-time subscription through payroll deductions.
- c) Custodian making investments on behalf of a Foreign Institutional Investor or a Client.
- d) Payment by Asset Management Company to a Distributor empanelled with it on account of commission/incentive etc. in the form of the Mutual Fund Units of the Funds managed by such AMC through Systematic Investment Plans or Lumpsum subscription, subject to compliance with SEBI Regulations and Guidelines issued by AMFI, from time to time.

In case of exceptions as mentioned above, investors are required to submit following documents alongwith the application/ transaction form, without which subscription for units will be rejected/ not processed/ refunded:

- a. KYC Acknowledgment letter (as issued by KRA) of the Investor and the person making the payment i.e., third party;
- b. Declaration Form containing the details of the bank account from which the payment is made and the relationship with the investor(s). The declaration has to be given by the person making the payment i.e., third party. The said form shall be available at Investor Service Centers of the Fund or can be downloaded from our website [www.lntmf.com](http://www.lntmf.com).

Investors are requested to further note as follows:

1. **Registration of Pay-in bank account:** The Investor at the time of his/ her subscription for units must provide the details of his/ her Pay-in bank account (i.e. account from which subscription payment is made) and his/ her Pay-out bank account (i.e. account into which redemption / dividend proceeds are to be paid). The details on facility for registration of Multiple Bank Accounts are mentioned hereafter.
2. **Subscription through Pre-funded Instruments like Pay Order / Demand Draft etc:** In case of subscription through pre-funded instruments such as Pay Order / Demand Draft / Banker's Cheque, such pre-funded instruments should be procured by the Investor only against a registered Pay - in account. Along with the payment instrument, the Investor is also required to submit one of the following proof/ document:
  - a. a proof of debit to the investor's bank account in the form of a bank manager's certificate with details of account holder's Name, bank account number and PAN as per bank records, if available or
  - b. a copy of the acknowledgement from the bank, wherein the instructions to debit carry the bank account details and name of the investor as an account holder are available or
  - c. a copy of the passbook/bank statement evidencing the debit for issuance of a DD.

3. **Subscription through Pre-funded Instruments (Demand Draft, Pay-order etc.) procured against Cash:** Subscription through a pre-funded instrument procured against cash shall only be accepted for investments below Rs. 50,000/-. Investor is required to provide a banker's certificate for issuance of a DD against cash stating the Investor's name, bank account number and PAN as per bank record (if available).

However, Investors are requested to note that such bank account number of the investor is same as the one of the registered bank account mandate(s) with the Mutual Fund or with the bank details mentioned in the application form.

4. **Subscriptions through RTGS, NEFT, ECS, bank transfer etc:** In such case, Investor is required to provide a copy which has been provided to the Bank indicating the account number and the debit instructions.
5. For payment through online mode, AMC may match payer account details with registered Pay-in bank accounts of the Investor.

### **Registering Multiple Bank Accounts:**

Pursuant to AMFI Best Practice Circular dated October 22, 2010, AMC is implementing the facility of registering Multiple Bank Accounts in respect an investor folio with effect from November 15, 2010. The Mutual Fund offers its investors' facility to register multiple bank accounts and designate one of the registered bank account as "Default Bank Account". Individuals and HUFs can register upto five bank accounts and upto ten bank accounts in other cases including non individuals. Investor may choose one of the registered bank accounts as default bank accounts for the credit of redemption / dividend proceeds. The Investor may, however, specify any other registered bank accounts for credit of redemption proceeds at the time of requesting for the redemption. Further, Investors are requested to note that they may change such bank account to any other registered bank account through written instructions to AMC/ Registrar & Transfer Agent (RTA). In case of existing Investors, their existing registered bank mandate, and in case of new Investors, their bank account details as mentioned in the Application Form shall be treated as default account for bank account, if they have not specifically designated a default bank account. Where an Investor proposes to delete his/ her existing default Pay-out account, he/ she shall compulsorily designate another account as default account. In case of modification in Bank Mandate, the AMC will require a cooling period of upto 10 calendar days from the receipt of the duly completed application for implementing the revised mandate/ default Bank Account. The same shall be communicated to the Investor through such means as may be deemed fit by the AMC.

For the purpose of registration of bank account(s), Investor should submit Bank Mandate Registration Form together with any one of the following documents:

- (i) Cancelled cheque leaf in respect of bank account to be registered; or
- (ii) Bank Statement / Pass Book page with the Investor's bank account number, name and address.

The AMC will register the bank account only after verifying that the sole/ first joint holder is the holder/ one of the joint holders of the bank account. In case if the copy of documents is submitted, Investor shall submit the original to the AMC / Service Center for verification, and the same shall be returned.

Investors are requested to note that Terms and Conditions and Form to register the Multiple Bank Accounts is available at nearest Investor Service Centers of the Fund or can be downloaded from our website [www.lntmf.com](http://www.lntmf.com).

**Investors are requested to read Process for Change in Bank Details mentioned in this document.**

### **Listing**

The Regulations require that every close-ended scheme (except Equity Linked Saving Scheme) be mandatorily listed on a recognised stock exchange. The Fund intends to list the units of the Scheme on



National Stock Exchange of India Limited (NSE). Accordingly, prior in-principle approval has been obtained from the NSE, where units are proposed to be listed.

Investors will not be able to redeem their units during the tenor of the Scheme and there will be automatic redemption by the Fund on the maturity of the Scheme. However the units held in dematerialized form can be traded on the Stock Exchange.

Investors are requested to refer Disclaimers of NSE mentioned on page 2 of this Document.

### **Special Products/ facilities available during the NFO**

This being a close ended scheme, facilities like Systematic Investment Plan, Systematic Transfer Plan and Systematic Withdrawal Plan are not available to investors.

### **Lien/ pledge of Units for Loans**

In compliance with the guidelines and notifications issued by SEBI / Government of India / any other regulatory body from time to time, Units under the Scheme may be offered as security by way of a lien / pledge/ charge in favour of scheduled banks, financial institutions, non-banking finance companies (NBFCs), or any other body. The Registrar will note and record the lien/ pledge/ charge against such Units. A standard form for this purpose is available on request with the Registrar. The Unit Holder will not be able to redeem / switch Units under lien until the Lien Holder/ Pledgee/ Charge holder provides written authorisation to the Fund that the lien/ pledge/ charge may be vacated. As long as Units are under lien/pledge/charge, the Lien Holder/Pledgee/Charge holder will have complete authority to exercise the lien/pledge/charge, thereby redeeming such Units and receiving payment proceeds. In such instance, the Unit Holder will be informed by the Registrar through an account statement. In no case will the Units be transferred from the Unit Holder to Lien Holder/ pledgee/ charge holder. Dividends declared on Units under Lien will be paid / re-invested to the credit of the Unit Holder and not the Lien Holder Lien Holder/ pledgee/ charge holder. No pledge/ lien/charge shall be recognized by the AMC unless it is registered with Registrar and the acknowledgement has been received.

### **Trading and Demat**

The Scheme shall be available for subscription in demat mode also. Since the Scheme is going to be listed and no direct repurchase facility is available with the Mutual Fund, the investors who intend to trade in units are required to have a Demat Account and hold the units in the dematerialized form only. This being a Closed Ended Scheme, no premature redemption can be made through redemption instruction to the Mutual Fund. However, the Scheme will provide for liquidity through listing on the NSE. Further, AMC intends to register with both NSDL & CDSL. Unitholders who intend to avail of the facility to trade in units are required to have a Demat Account. Investors to note that their name mentioned in the Application Form must match with the name provided to the DP. In case of any discrepancies, the application will be processed under physical mode.

The AMC shall issue units in dematerialized form to a unitholder within two business days of the receipt of valid request from the unitholder. In which case, the mode of holding of units would be in demat form.

In case Unit holders do not provide their demat account details in the application form, it shall be treated as investment under physical mode and they will not be able to trade on the eligible Stock Exchange until the holding are converted into demat mode and listed on the stock exchange.

### **Transfer**

Units held by way of an Account Statement cannot be transferred.

Units held in Demat form are transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time. Transfer can be made only in favour of transferees who are capable of holding units and having a Demat Account. The delivery instructions for

transfer of units will have to be lodged with the DP in 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 mode.

## **B. ONGOING OFFER DETAILS**

### **Ongoing Offer Period**

Being a close-ended Scheme/ Plan, investors can subscribe to the Units of the Scheme during the New Fund Offer Period only. To provide liquidity to the investors, the Fund proposes to list the units on National Stock Exchange.

### **Ongoing price for subscription (purchase)/ switch-in (from other Schemes/ Plans of Mutual Fund) by investors:**

Units cannot be subscribed after the closure of NFO.

### **After the NFO Period**

As the Scheme will be listed on the NSE, investors can buy or sell units of the Scheme from the secondary market on the National Stock Exchange of India Ltd. The minimum number of units that can be bought or sold is 1 (one) unit.

### **Ongoing price for redemption (sale)/ switch outs (to other Schemes/ Plans of Mutual Fund) by investors:**

No redemption/ repurchase/ switches of units shall be allowed prior to the maturity of the scheme. Investors willing to exit may do so by selling their units through stock exchange (where the Scheme is listed). The scheme shall be fully redeemed on the date of maturity and redemption proceeds shall be paid out within 10 business days, subject to availability of all relevant documents and details.

### **Roll Over**

The Trustees/ AMC may at its discretion, roll over the Scheme upon maturity. The Scheme may be allowed to be rolled over if the purpose, period and other terms of the roll over and all other material details of the Scheme including the likely composition of asset immediately before the roll over, the net assets and net asset value of the scheme, are disclosed to the unitholders and a copy of the same has been filed with SEBI.

Provided further that such roll over will be permitted only in case of those unitholders who express their consent in writing and the unitholders who do not opt for the roll over or have not given written consent shall be allowed to redeem their holdings in full at NAV based price.

### **Where can the applications for purchase/redemption/ switches be submitted?**

Units cannot be purchased/ subscribed/ switched-in after the closure of NFO.

Units of the Scheme will be automatically redeemed on the date of maturity at the applicable NAV. Investors who wish to switch-out on maturity are requested to submit transaction slip at any of the Investor Service Centres as listed in this Document at the end or in SAI, or can be sent by mail to the Registrar; Computer Age Management Services Pvt. Ltd., L&T Mutual Fund Unit: 148, Old Mahabalipuram Road, Okkiyam Thuraipakkam, Chennai - 600 097; Tel.: 044 – 24587094, 044 – 30407094.

In case the Units are standing in the names of more than one Unitholder, where mode of holding is specified as 'Joint', switch-out requests will have to be signed by all joint holders. However, in cases of holding specified as 'Anyone or Survivor', any one of the Unitholders will have the power to make switch-out requests, without it being necessary for all the Unitholders to sign.

## **Minimum amount for purchase/ redemption/switches**

### **During NFO**

Dividend Payout Option & Growth Option: Rs. 5,000/- and in multiples of Rs. 10/- thereafter.

### **After the NFO Period**

As the Scheme will be listed on the NSE, investors can buy or sell units of the scheme from the secondary market on the National Stock Exchange of India Ltd. The minimum number of units that can be bought or sold is 1 (one) unit. No redemption/repurchase of units shall be allowed prior to the maturity of the scheme. Investors who wish to exit may do so by selling their units through stock exchange (where the Scheme is listed). The scheme shall be fully redeemed on the date of maturity and redemption proceeds shall be paid out within 10 business days, subject to availability of all relevant documents and details.

**Minimum balance to be maintained and consequences of non maintenance:** Not Applicable

### **Consolidated Account Statement (CAS)**

- CAS shall be sent by mail/ email to the investors for each calendar month on or before tenth day of succeeding month. The said Account Statement shall contain details relating to all the transactions\* and holding at the end of the month including transaction charges paid to the distributor, across all schemes of all mutual funds, to all the investors in whose folios transaction has taken place during that month.
- Further, the CAS shall be sent by mail/ email to the investors for every half year (September/ March), on or before tenth day of succeeding month, detailing holding at the end of the six month, across the schemes of all mutual funds, to all such investors in whose folios no transaction\* has taken place during that period.
- Investors are requested to maintain uniform email IDs across schemes of all mutual funds.

**\* The word “transaction” shall include purchase, redemption, switch, dividend payout, dividend reinvestment, SIP/ SWP/ STP/ DIP and bonus transactions.**

### **Investors are requested to take note of the following in respect of dispatch of Statement of Account/ CAS:**

- If an investor desires, the AMC shall issue the unit certificates to within five business days of the receipt of request for the certificate.
- For those investors who have provided an email address, the AMC will send the statement of account by e-mail.
- The investor may request for a physical statement of account by writing/calling the AMC/ISC/Registrar & Transfer Agent.
- For the purpose of sending CAS, common investors across mutual funds shall be identified by their Permanent Account Number (PAN). Thus CAS shall not be received by the investor for the folio(s) not updated with PAN/ invalid PAN. Such folios will receive CAS from L&T Investment Management Limited (AMC) in respect of their investment in schemes of L&T Mutual Fund only. Investors are therefore requested to ensure that the folio(s) are updated with their PAN at the earliest.
- The CAS shall not be received by the investor in respect of Applications on behalf of Minor (Minor Folios). Such folios shall receive CAS from AMC in respect of their investment in schemes of L&T Mutual Fund only, till the time status of folio is changed from minor to major.
- In the event the folio having more than one registered holder, the first named holder shall receive CAS/ Statement of Account. Investors are requested to note that Consolidation for the purpose of sending CAS shall be done only for folios in which the unitholders and the order of holding in terms of first, second and third is similar.

The statement of holding of the beneficiary account holder for units held in demat mode will be sent by the respective Depository Participants periodically.

### **Dividend**

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

### **Redemption**

Units of the Scheme will be automatically redeemed on the date of maturity at the applicable NAV. Investors willing to exit before the maturity of the scheme, may do so by selling their units through stock exchange (where the Scheme is listed). The redemption proceeds on maturity shall be dispatched to the unitholders within 10 working days from the date of maturity.

### **Delay in payment of redemption / repurchase / dividend proceeds**

The Asset Management Company shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).

### **Delisting of units**

The units of a mutual fund scheme shall be delisted from a recognised stock exchange in accordance with the guidelines as may be specified by SEBI.

## **C. PERIODIC DISCLOSURES**

### **Net Asset Value:**

L&T Mutual Fund shall calculate NAV on daily basis and publish the same in at least two daily newspapers having circulation all over India and declare on AMFI's website [www.amfiindia.com](http://www.amfiindia.com) by 9.00 PM and also at [www.lntmf.com](http://www.lntmf.com).

The calculation and the periodicity of publication of the NAV and redemption prices will be in conformity with the Eighth schedule of the SEBI (Mutual Funds) Regulations, 1996 and Regulation 48(2) of SEBI or any modifications thereto as may be issued by SEBI from time to time.

NAV will be declared as of the close of every business day. The valuation of the Scheme's assets and calculation of the Scheme'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 NAV of growth option and dividend payout option will be declared separately on every business days of the Scheme.

### **Monthly Portfolio Disclosures:**

The Mutual Fund/ AMC will disclose portfolio (along with ISIN) of the Scheme as on the last day of the month on its website [www.lntmf.com](http://www.lntmf.com) on or before the tenth day of the succeeding month in a user-friendly and downloadable format.

### **Half yearly Disclosures: Financial Results**

L&T Mutual Fund shall within one month from the close of each half year, i.e., on March 31 and on September 30; host a soft copy of its unaudited financial results on their website [www.lntmf.com](http://www.lntmf.com). The half-yearly unaudited financial results shall contain details as specified in Twelfth Schedule and such other details as are necessary for the purpose of providing a true and fair view of the operations of L&T Mutual Fund.

L&T Mutual Fund shall publish an advertisement disclosing the hosting of unaudited financial results on their website [www.lntmf.com](http://www.lntmf.com) in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Mutual Fund is situated.

### **Half Yearly Disclosures – Portfolio Statements**

The Mutual Fund shall before the expiry of one month from the close of each half year that is on 31st March and on 30th September, publish its scheme portfolio in one national English daily newspaper and in a regional newspaper published in the language of the region where the Head Office of the mutual fund is situated

The mutual fund may opt to send the portfolios to all unit holders in lieu of the advertisement (if applicable).

### **Annual Report**

Scheme wise Annual Report or an abridged summary thereof shall be mailed to all unitholders within four months from the date of closure of the relevant accounts year i.e. 31st March each year.

Unitholders are requested to note that email shall be treated as a default mode for sending Abridged Annual Report of the Schemes of L&T Mutual Fund to the Unitholders who have provided their email address in the Application Form or in any other subsequent communication in any of the folio belonging to the unitholder. Unitholders who wish to update/ provide their email address can contact the Branches of L&T Investment Management Limited/ CAMS Service Centres (CSCs). Unitholders can download and print the Abridged Annual Report after receiving the email from the Mutual Fund. If the Unitholder experiences any difficulty in accessing the Abridged Annual Report sent via email, the Unitholder can inform the branches of L&T Investment Management Limited/ CSCs so as to enable the Mutual Fund to make the delivery through alternate means. Failure to inform within 72 hours after receiving the email would serve as an affirmation regarding the acceptance by the Unitholder of the Abridged Annual Report. Unitholders who also wish to obtain a physical copy of Abridged Annual Report can request the Branches of L&T Investment Management Limited/ CSCs. Upon such request copy of Abridged Annual Report shall be provided to the unitholder free of cost.

Further, the unitholders are requested to note that a link of the scheme annual reports or abridged summary shall be displayed prominently on our website [www.lntmf.com](http://www.lntmf.com)

### **Associate Transactions**

Investors are requested to refer Statement of Additional Information for these details.

### **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 Scheme.

<b>Applicable tax rates (Refer Notes) based on prevailing tax laws</b>
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	<b>Resident Investors</b>	<b>Mutual Fund</b>
Tax on Dividend	Nil	<ul style="list-style-type: none"> <li>• At 12.5 % (plus applicable surcharge and Education Cess and Secondary and Higher Education Cess) on income distributed to individuals and HUFs by a fund other than a money market mutual fund or a liquid fund and</li> <li>• At 30 % (plus applicable surcharge and Education Cess and Secondary and Higher Education Cess) on income distributed by other funds to persons other than individuals and HUFs.</li> </ul>
Capital Gains:		
Short Term	Income tax rate Applicable to the Unit holders as per their income slabs**	Nil
Long Term	10% without indexation or 20% with indexation**	
** In case of companies, if income exceeds Rs. 1 crore, then the tax payable would be increased by a surcharge (5% in case of domestic companies). In all cases, the tax payable (as increased by surcharge in case of companies referred to above) would be further increased by Education Cess (2%) and Secondary & Higher Education Cess (1%).		
The scheme shall bear the dividend distribution tax as per section 115R of Income Tax Act, 1961. As per Income Tax regulations, income distributed by mutual funds are tax free in the hands of the investor. Any additional tax liability due to demand raised on the fund by the IT authorities and deemed payable would be borne by the scheme. Any additional tax liability due to demand raised on the Investor by the IT authorities and deemed payable would be borne by the respective investor.		
Since, the Scheme is a Debt Fund, no Securities Transaction Tax is payable by the unit holders on redemption / repurchase of units by the Fund.		
<b>For further details on taxation please refer to the clause on taxation in the SAI.</b>		

#### **TAX IMPLICATIONS TO MUTUAL FUND (Resident and other investors):**

L&T Mutual Fund is registered with SEBI and as such, the entire income of the Fund is exempt from income tax under Section 10(23D) of the Act. In view of the provisions of Section 196(iv) of the Act, no income tax is deductible at source on the income earned by the mutual fund.

#### **Investor services**

##### **Investor Grievance Officer**

Mr. John Vijayan is the Investor Grievance Officer and can be contacted at:  
**3rd Floor, Investwell Centre, 91, G. N. Chetty Road, T Nagar, Chennai-600 017**  
**Tel: 1800 2000 400 Fax: 044-4902 2818**  
**E-mail: investor.line@lntmf.co.in**

#### **D. COMPUTATION OF NAV**

##### **Determination of the Net Asset Value**

The calculation and the periodicity of publication of the NAV and redemption prices will be in conformity with the Eighth schedule of the SEBI (Mutual Funds) Regulations, 1996 and Regulation 48(2) of SEBI or any modifications thereto as may be issued by SEBI from time to time.

The Net Asset Value (NAV) per unit of each option of the Scheme/ Plan would be computed at the end of every business day. The NAV would be determined in the following manner:

$$\text{NAV (Rs.) per unit} = \frac{\text{Market / Fair value of securities} + \text{Accrued Income} + \text{Other assets} - \text{Accrued expenses} - \text{Liabilities} - \text{Provisions}}{\text{No. of Units outstanding}}$$

NAV will be declared as of the close of every business day. The valuation of the Scheme's assets and calculation of the Scheme'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 NAV of growth option and dividend payout option will be declared separately on every business days of the Scheme.

Account balances of Units will be calculated upto three decimal places. NAV will be calculated upto 4 decimal places.

#### **NAV Information/ Sale and Repurchase price:**

L&T Mutual Fund shall calculate NAV on daily basis and publish the same in at least two daily newspapers having circulation all over India.

Since the Scheme is proposed to be listed on a recognized Stock Exchange, the listed price would also be available on that Stock Exchange.

As per Regulations, the repurchase price of units of close-ended scheme shall not be lower than 95% of the NAV.

### **IV. FEES AND EXPENSES**

#### **A. NEW FUND OFFER (NFO) EXPENSES**

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc.

No New Fund Offer Expenses shall be charged to the Scheme/ Plan. The same will be borne by the AMC.

#### **B. ANNUAL SCHEME RECURRING EXPENSES**

These are the fees and expenses for operating the scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc are as per below-mentioned table:

**Recurring Expenses:** The total annual recurring expenses of the Scheme (except the Direct Plan) and for Direct Plan are estimated at 2.45% and 2.10% respectively of the daily net assets of the Scheme (excluding, additional expenses for gross new inflows from specified cities) as given below. These expenses are subject to inter-se change and may increase/decrease as per actual and/or any change in the SEBI regulations, as amended from time to time.

Please note that, the Total expense ratio of the Scheme (including Investment Management and Advisory Fees) will be subject to the maximum limits (as a percentage of daily net assets of the Scheme) as per Regulation 52 of SEBI (Mutual Funds) Regulations 1996; as amended from time to time, with no sub-limit on investment and advisory fees.

**Total Annual Recurring Expenses (except Direct Plan):**

(% per annum of daily net assets)  
(Rs. in Crore)

Description	First 100	Next 300	Next 300	On the Balance
Investment Management & Advisory Fees	2.25%	2.00%	1.75%	1.50%
Registrar & Transfer Agent Fees				
Custodian Fees				
Trustee Fees				
Audit Fee				
Listing/ Rating Fee				
Distribution & Brokerage				
Other expenses as permitted by SEBI regulations				
<b>Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)</b>	<b>2.25%</b>	<b>2.00%</b>	<b>1.75%</b>	<b>1.50%</b>
<b>Additional expenses under Regulation 52 (6A) (c)</b>	<b>0.20%</b>	<b>0.20%</b>	<b>0.20%</b>	<b>0.20%</b>
<b>Additional expenses for gross new inflows from specified cities (as mentioned in note II below)</b>	<b>0.30%</b>	<b>0.30%</b>	<b>0.30%</b>	<b>0.30%</b>

**Total Annual Recurring Expenses - Direct Plan:**

(% per annum of daily net assets)  
(Rs. in Crore)

Description	First 100	Next 300	Next 300	On the Balance
Investment Management & Advisory Fees	1.90%	1.65%	1.50%	1.35%
Registrar & Transfer Agent Fees				
Custodian Fees				
Trustee Fees				
Audit Fee				
Listing/ Rating Fee				
Distribution & Brokerage				
Other expenses as permitted by SEBI regulations				
<b>Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)</b>	<b>1.90%</b>	<b>1.65%</b>	<b>1.50%</b>	<b>1.35%</b>
<b>Additional expenses under Regulation 52 (6A) (c)</b>	<b>0.20%</b>	<b>0.20%</b>	<b>0.20%</b>	<b>0.20%</b>
<b>Additional expenses for gross new inflows from specified cities (as mentioned in note II below)</b>	<b>0.30%</b>	<b>0.30%</b>	<b>0.30%</b>	<b>0.30%</b>



In addition to the limits specified in the above-mentioned table, the following cost or expenses may be charged to the Scheme, namely:

(I) Brokerage and transaction cost incurred for the purpose of execution of trade may be capitalized to the extent of 12bps and 5bps for cash market transactions and derivatives transactions respectively. Any payment towards brokerage and transaction cost, over and above the said 12 bps and 5bps for cash market transactions and derivatives transactions respectively may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under regulation 52 of the SEBI (Mutual Funds) Regulations, 1996. Any expenditure in excess of the said prescribed limit (including brokerage and transaction cost, if any) shall be borne by the AMC or by the trustee or sponsors.

(II) Additional expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from beyond top 15 cities are at least:

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

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

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

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

(III) Service Tax on investment and advisory fees shall be charged to the Scheme in addition to the maximum limit of Annual Scheme Recurring Expenses as prescribed in the Regulation 52, as amended from time to time.

(IV) Further, the AMC/ Mutual Fund shall annually set apart at least 2 basis points on the daily net assets within the limits of Annual Scheme Recurring Expenses as prescribed in the Regulation 52, as amended from time to time, for investor education and awareness initiatives.

Investors are requested to note that service tax on other than investment and advisory fees, if any, shall be borne by the scheme within the maximum limit of TER as per Regulation 52 of the Regulations.

Further, service tax on brokerage and transaction costs which are incurred for the purpose of execution of trade, if any, shall be within the limit prescribed under Regulation 52 of the Regulations.

However New Fund Offer expenses shall be borne by the AMC.

**C. LOAD STRUCTURE:**

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the Scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC ([www.intmf.com](http://www.intmf.com)) or may call at (toll free no.1800-2096565) or your distributor

	<b>Load Chargeable (as % age of NAV)</b>
Entry load	Nil  In terms of SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor effective August 1, 2009. Upfront commission shall be paid directly by the investor to the AMFI registered

	Distributors based on the investors' assessment of various factors including the service rendered by the distributor.
Exit load	Since the Scheme will be listed on the Stock Exchange, no exit load will be charged.  In accordance with SEBI circular CIR/ IMD/ DF/ 21/ 2012 dated September 13, 2012; L&T Mutual Fund shall credit, exit load (net off service tax, if any, payable in respect of the same) to the Scheme.

Bonus units, if issued shall not be subject to entry and exit load.

The investor is requested to check the prevailing load structure of the scheme before investing.

The Trustee/ AMC reserves the right to modify/alter the load structure under the Scheme/ Plan and may decide to charge a load on the Units redeemed during the stipulated Repurchase Period.

Any imposition or enhancement in the load shall be applicable on prospective investments only.

At the time of changing the load structure, the mutual funds may consider the following measures to avoid complaints from investors about investment in the Scheme without knowing the loads:

- i. The addendum/ notice-cum-addendum detailing the changes may be attached to Scheme Information Document and Key Information Memorandum. The addendum may be circulated to all the distributors/ brokers so that the same can be attached to all Scheme Information Document and Key Information Memorandum already in stock.
- ii. Arrangements may be made to display the addendum in the Scheme Information Document in the form of a notice in all the investor service centres and distributors/ brokers office
- iii. The introduction of the exit load/ CDSC alongwith the details may be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load/ CDSC
- iv. A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.
- v. Any other measures which the Mutual Fund may feel necessary.

## **V. Rights of Unitholders**

Please refer SAI for details

## **VI. Penalties, pending litigations 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

#### **Jurisdiction**

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

#### **Note:**

1) The Scheme Information Document containing details of the Scheme approved by the Board of Directors of L&T Investment Management Limited and L&T Mutual Fund Trustee Limited on June 7, 2012

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

3) 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 L&T Investment Management Limited,  
(Investment Manager for L&T Mutual Fund)**

**Date: February 06, 2013  
Place: Mumbai**

**Ashu Suyash  
Chief Executive Officer**

## **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. Hyderabad : 4th floor, APDL Estates, 7-1-21/A, Survey No. 341/1, Opp. Life Style Stores, Begumpet, Hyderabad – 500017, 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, Mafatlal Centre, Nariman Point, Mumbai-400 021. Nagpur : S-3, 1st Floor, Yashoda Apartment, Opposite Children's Traffic park, Dharampeth, Nagpur - 440010. 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. 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, AnnantRaj 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 : UG/09, Concord, R C Dutt Road, Alkapuri, Vadodara- 390007. Varanasi : 2nd Floor, Office No.3, Urvashi Complex, Sibra, 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, Vinayaghar Heights, Near Sampath Vinayaka Temple, Waltair Uplands, Visakhapatnam-530 003.

## Computer Age Management Services Private Limited (CAMS)

Agartala: Advisor Chowmuhan (Ground Floor), Krishnanagar, Agartala, Agartala - 799 001. Agra: No. 8, II Floor, Maruti Tower, Sanjay Place, Agra - 282 002. Ahmedabad: 402-406, 4<sup>th</sup> Floor - Devpath Building, Off C G Road, Behind Lal Bungalow, Ellis Bridge, Ahmedabad - 380 006. Ahmednagar: 203-A, Mutha Chambers, Old Vasant Talkies, Market Yard Road, Ahmednagar, Ahmednagar - 414 001. Ajmer: AMC No. 423/30, Near Church, "Brahampuri, Opp T B Hospital", Jaipur Road, Ajmer - 305 001. Akola: Opp. RLT Science College, Civil Lines, Akola - 444 001. Aligarh: City Enclave, Opp. Kumar Nursing Home, Ramghat Road, Aligarh - 202 001. Allahabad: 30/2, A&B, Civil Lines Station, Besides Vishal Mega Mart, Strachey Road, Allahabad - 211 001. Alleppey: Doctor; tower Building, Door No.14/2562 1st floor, North of Lorn Bridge, Near Hotel Arcadia Regency, Alleppey - 688 001. Alwar: 256A, Scheme No:1, Arya Nagar, Alwar - 301 001. Amaravati: 81, Gulsham Tower, 2nd Floor, Near Panchsheel Talkies, Amaravati - 444 601. Ambala: Opposite PEER, Bal Bhavan Road, Ambala, 721 - 134 003. Amritsar: SCO - 18J, ' C' Block, Ranjit Avenue, Amritsar - 143 001. Anand: 101, A.P. Tower,, B/H, Sardhar Gunj, Next to Nathwani Chambers, Anand - 388 001. Anantapur: 15-570-33, I Floor, Pallavi Towers, Anantapur, Anantapur - 515 001. Andheri: CTS No.411, CitiPoint, Gundivali, Teli Gali, Above C.T.Chatwani Hall, Andheri - 400 069. Ankleshwar: Shop No - F -56, First Floor, Omkar Complex, Opp Old Colony, Nr Valia Char Rasta, GIDC, Ankleshwar- Bharuch - 393 002. Asansol: Block - G 1st Floor, P C Chatterjee Market Complex, Rambandhu Talab P. O. Ushagram, Asansol - 713 303. Aurangabad: Office No. 1, 1st Floor, Amodi Complex, Juna Bazar, Aurangabad - 431 001. Balasore: B C Sen Road, Balasore - 756 001. Bangalore: Trade Centre, 1st Floor, 45, Dikensen Road, (Next to Manipal Centre), Bangalore - 560 042. Bareilly: F-62-63, Butler Plaza,, Civil Lines, Bareilly, Bareilly - 243 001. Basti: Office no 3, Ist Floor, "Jamia Shopping Complex, (Opposite Pandey School), Station Road, Basti - 272 002. Belgaum: 1st Floor, 221/2A/1B, Vaccine Depot Road, Near 2nd Railway gate,, Tilakwadi, Belgaum - 590 006. Bellary: 60/5 Mullangi Compound, Gandhi Nagar Main Road, (Old Gopalswamy Road), Bellary - 583 101. Berhampur: First Floor, Upstairs of Aaroon Printers, Gandhi Nagar Main Road, Orissa, Berhampur - 760 001. Bhagalpur: Krishna, I Floor, Near Mahadev Cinema, Dr. R. P. Road, Bhagalpur - 812 002. Bharuch: F-108, Rangoli Complex, Station Road, Bharuch - 392 001. Bhatinda: 2907 GH,GT Road, Near Zila Parishad, Bhatinda - 151 001. Bhavnagar: 305-306, Sterling Point, Waghawadi Road, OPP. HDFC Bank, Bhavnagar - 364 002. Bhilai: 209, Khichariya Complex, Opp IDBI Bank, Nehru Nagar Square, Bhilai - 490 020. Bhilwara: Indraparstha tower, Second floor, Shyam ki sabji mandi, Near Mukharji garden, Bhilwara - 311 001. Bhopal: Plot no 10, 2<sup>nd</sup> Floor, Alankar Complex, Near ICICI Bank, MP Nagar, Zone II, Bhopal - 462 011. Bhubaneswar: Plot No - 111, Varaha Complex Building, 3rd Floor, Station Square, Kharvel Nagar, Unit 3, Bhubaneswar - 751 001. Bhuj: Data Solution, Office No:17, I st Floor, Municipal Building Opp Hotel Prince, Station Road, Bhuj - Kutch - 370 001. Bhusawal: 3, Adelaide Apartment, Christain Mohala, Behind Gulshan-E-Iran Hotel, Amardeep Talkies Road, Bhusawal, Bhusawal - 425 201. Bikaner: F 4,5 Bothra Complex, Modern Market, Bikaner, Bikaner - 334 001. Bilaspur: Beside HDFC Bank, Link Road, Bilaspur, Bilaspur - 495 001. Bokaro: Mazzanine Floor, F-4, City Centre, Sector 4,, Bokaro Steel City, Bokaro - 827 004. Burdwan: 399, G T Road, Basement of Talk of the Town, Burdwan - 713 101. Calicut: 29/97G 2nd Floor, Gulf Air Building, Mavoor Road, Arayidathupalam,, Calicut - 673 016. Chandigarh: Deepak Tower, SCO 154-155, 1st Floor, Sector 17-C, Chandigarh - 160 017. Chennai: Ground Floor No.178/10, Kodambakkam High Road, Opp. Hotel Palmgrove, Nungambakkam, Chennai - 600 034. Chennai (OMR): Ground Floor, 148 Old Mahabalipuram Road, Okkiyam, Thuraipakkam, Chennai - 600 097. Chhindwara: Office No - 1, Parasia Road, Near Mehta Colony, Chhindwara - 480 001. Chittorgarh: 3 Ashok Nagar, Nr.Heera Vatika, Chittorgarh - 312 001. Cochin: Door No. 64/5871 - D, 3rd Floor, Ittoop's Imperial Trade Center, M.G. Road North, Cochin - 682 035. Coimbatore: Old # 66 New # 86, Lokamanya Street (West), Ground Floor, R. S. Puram, Coimbatore - 641 002. Cuttack: Near Indian Overseas Bank, Cantonment Road, Mata Math, Cuttack - 753 001. Darbhanga: Shahi Complex, 1st Floor, Near RB Memorial hospital, V.I.P. Road, Benta, Laheriasarai, Darbhanga, Darbhanga - 846 001. Davenegere: 13, Ist Floor, Akkamahadevi Samaj Complex, Church Road, P.J.Extension, Devengere - 577 002. Dehradun: 204/121 Nari Shilp Mandir Marg, Old Connaught Place, Dehradun - 248 001. Deoghar: S S M Jalan Road, Ground floor, Opp. Hotel Ashoke, Caster Town, Deoghar - 814 112. Dhanbad: Urmila Towers, Room No: 111(1st Floor), Bank More, Dhanbad - 826 001. Dharmapuri: 16A/63A, Pidamaneri Road, Near Indoor Stadium, Dharmapuri, Dharmapuri - 636 701. Dhule: H. No. 1793/A, J.B. Road, Near Tower Garden, Dhule - 424 001. Durgapur: City Plaza Building, 3rd floor, City Centre, Durgapur - 713 216. Erode: 197, Seshaiyer Complex, Agraharam Street, Erode - 638 001. Faizabad: 64 Cantonment, Near GPO, Faizabad, Faizabad - 224 001.

Faridhabad: B-49, 1st Floor, Nehru Ground, Behind Anupam Sweet House, NIT, Faridhabad - 121 001. Gandhidham: Plot No. 261, 1st Floor, Sector 1A, Om Mandap Galli, Gandhidham - 370 201. Ghaziabad: 113/6 I Floor, Navyug Market, Ghaziabad - 201 001. Goa: No.108, 1st Floor, Gurudutta Bldg, Above Weekender, M G Road, Panaji (Goa) - 403 001. Gondal (Parent Rajkot): A/177 Kailash Complex, Opp: Khedut Décor, Gondal - 360 311. Gorakhpur: Shop No. 3, Second Floor, The Mall, Cross Road, A.D. Chowk, Bank Road, Gorakhpur - 273 001. Gulbarga: Pal Complex, 1st Floor, Opp. City Bus Stop, SuperMarket, Gulbarga - 585 101. Guntur: Door No 5-38-44, 5/1 Brodipet, Near Ravi Sankar Hotel, Guntur - 522 002. Gurgaon: SCO - 16, Sector - 14, First floor, Gurgaon - 122 001. Guwahati: A.K. Azad Road, Rehabari, Guwahati - 781 008. Gwalior: G-6 Global Apartment, Kailash Vihar Colony, “Opp. Income Tax Office, City Centre, Gwalior - 474 002. Haldia: 2nd Floor, New Market Complex, 2nd Floor, New Market Complex, “Durgachak Post Office, Purba Medinipur District, Haldia - 721 602. Haldwani: Durga City Centre, Nainital Road, Haldwani - 263 139. Hazaribag: Municipal Market, Annanda Chowk, Hazaribagh - 825 301. Himmatnagar: D-78 First Floor, New Durga Bazar, Near Railway Crossing, Himmatnagar - 383 001. Hisar: 12, Opp. Bank of Baroda, Red Square Market, Hisar - 125 001. Hoshiarpur: Near Archies Gallery, Shimla Pahari Chowk, Hoshiarpur - 146 001. Hosur: Shop No.8 J D Plaza, OPP TNEB Office, Royakotta Road, Hosur - 635 109. Hubli: No.204 - 205, 1st Floor, ‘ B ‘ Block, Kundagol Complex, Opp. Court, Club Road, Hubli - 580 029. Hyderabad: 208, II Floor, Jade Arcade, Paradise Circle, Secunderabad - 500 003. Indore: 101, Shalimar Corporate Centre, 8-B, South tukogunj, Opp. Greenpark, Indore - 452 001. Jabalpur: 8, Ground Floor, Datt Towers, Behind Commercial Automobiles, Napier Town, Jabalpur - 482 001. Jaipur: R-7, Yudhisthir Marg, C-Scheme, Behind Ashok Nagar Police Station, Jaipur - 302 001. Jalandhar: 367/8, Central Town, Opp. Gurudwara Diwan Asthan, Jalandhar - 144 001. Jalgaon: Rustomji Infotech Services, 70, Navipeth, Opp. Old Bus Stand, Jalgaon - 425 001. Jalna: Shop No: 11, 1st Floor, Ashoka Plaza, Opp: Magistic Talkies, Subhash Road, Jalna - 431 203. Jammu: JRDS Heights, Lane Opp. S&S Computers, Near RBI Building, Sector 14, Nanak Nagar, Jammu - 180 004. Jammu: 217/218, Manek Centre, P.N. Marg, Jammu - 361 008. Jamshedpur: Millennium Tower, “R” Road, Room No:15 First Floor, Bistupur, Jamshedpur - 831 001. Jaunpur: 248, Fort Road, Near Amber Hotel, Jaunpur - 222 001. Jhansi: Opp SBI Credit Branch, Babu Lal Kharkana Compound, Gwalior Road, Jhansi - 284 001. Jodhpur: 1/5, Nirmal Tower, Ist Chopasani Road, Jodhpur - 342 003. Junagadh: Circle Chowk, Near Choksi Bazar Kaman, Gujarat, Junagadh - 362 001. Kadapa: Bandi Subbaramaiah Complex, D.No:3/1718, Shop No: 8, Raja Reddy Street, Kadapa - 516 001. Kakinada: No.33-1, 44 Sri Sathya Complex, Main Road, Kakinada - 533 001. Kalyani: A - 1/50, Block - A, Dist Nadia, Kalyani - 741 235. Kannur: Room No.14/435, Casa Marina Shopping Centre, Talap, Kannur - 670 004. Kanpur: I Floor 106 to 108, City Centre Phase II, 63/ 2, The Mall, Kanpur - 208 001. Karimnagar: HNo.7-1-257, Upstairs S B H, Mangammathota, Karimnagar - 505 001. Karnal: 7, Ist Floor, Opp. Bata Showroom, Kunjapura Road, Karnal - 132 001. Karur: 126 G, V. P. Towers, Kovai Road, Basement of Axis Bank, Karur - 639 002. Katni: 1<sup>st</sup> Floor, Gurunanak Dharmakanta, Jabalpur Road, Bargawan, Katni - 483 501. Kestapur: 148, Jessore Road, Block - B (2nd Floor), Nager Bazaar, Kestapur, Kolkata, Kestapur - 700 074. Khammam: Shop No: 11 - 2 - 31/3, 1st floor, Philips Complex, Balajinagar, Wyra Road, Near Baburao Petrol Bunk, Khammam - 507 001. Kharagpur: H.No.291/1, Ward No-15, Malancha Main Road, Opposite UCO Bank, Kharagpur - 721 301. Kolhapur: 2 B, 3rd Floor, Ayodhya Towers, Station Road, Kolhapur - 416 001. Kolkata: “Saket Building”, 2nd floor, 44 Park street, Kolkata - 700016. Kollam: Kochupilamoodu Junction, Near VLC, Beach Road, Kollam - 691001. Kota: B-33 ‘Kalyan Bhawan, Triangle Part, Vallabh Nagar, Kota - 324 007. Kottayam: KMC IX/1331 A, Opp. Malayala Manorama, Railway Station Road, Thekkummoottil, Kottayam - 686 001. Kumbakonam: Jailani Complex, 47, Mutt Street, Kumbakonam - 612 001. Kurnool: H.No.43/8, Upstairs, Uppini Arcade, N R Peta, Kurnool - 518 004. Lucknow: Off # 4, 1st Floor, Centre Court Building, 3/c, 5 - Park Road, Hazratganj, Lucknow - 226 001. Ludhiana: U/GF, Prince Market, Green Field, Near Traffic Lights, Sarabha Nagar Pulli, Pakhowal Road, Ludhiana - 141 002. Madurai: 86/71A, Tamilsangam Road, Madurai - 625 001. Malda: Daxhinapan Abasan, Opp Lane of Hotel Kalinga, SM Pally, Malda - 732 101. Mangalore: No. G4 & G5, Inland Monarch, Opp. Karnataka Bank, Kadri Main Road, Kadri, Mangalore - 575 003. Manipal: Trade Centre, 2nd Floor, Syndicate Circle, Starting Point, Manipal - 576 104. Mapusa: Office No.CF-8, 1st Floor, Business Point, Above Bicholim Urban Co-op Bank, Angod, Mapusa - 403 507. Margao: Virginkar Chambers I Floor, Near Kamath Milan Hotel, New Market, Near Lily Garments, Old Station Road, Margao - 403 601. Mathura: 159/160 Vikas Bazar, Mathura - 281 001. Meerut: 108 Ist Floor Shivam Plaza, Opposite Eves Cinema, Hapur Road, Meerut - 250 002. Mehsana: 1st Floor, Subhadra Complex, Urban Bank Road, Mehsana - 384 002. Moga: Gandhi Road, Opp Union Bank of India, Moga - 142 001. Moradabad: B-612 ‘Sudhakar’, Lajpat Nagar, Moradabad - 244 001. Mumbai: Rajabhadur Compound, Ground Floor, Opp Allahabad Bank, Behind ICICI Bank, 30, Mumbai Samachar Marg, Fort,

Mumbai - 400 023. Muzzafarpur: Brahman toli,, Durgasthan, Gola Road, Muzaffarpur - 842 001. Mysore: No.1, 1st Floor, CH.26 7th Main, 5th Cross, (Above Trishakthi Medicals), Saraswati Puram, Mysore - 570 009. Nadiad: 8, Ravi Kiran Complex, Ground Floor, Nanakumbhath Road, Nadiad, Nadiad - 387 001. Nagpur: 145 Lendra, New Ramdaspath, Nagpur - 440 010. Namakkal: 156A/1, First Floor, Lakshmi Vilas Building, Opp. To District Registrar Office, Trichy Road, Namakkal - 637 001. Nasik: Raturang Bungalow, 2 Godavari Colony, Behind Big Bazar, Near Boys Town School, Off College Road, Nasik - 422 005. Navsari: Dinesh Vasani & Associates, 103 -Harekrishna Complex, above IDBI Bank, Nr. Vasant Talkies, Chimnabai Road, Navasari - 396 445. Nellore: 97/56, I Floor Immadisetty Towers, Ranganayakulapet Road, Santhapet,, Nellore - 524 001. New Delhi: 7-E 4th Floor, Deen Dayaal Research Institute Bldg, Swami Ram Tirath Nagar, Jhandewalan extn. Near Videocon Tower, New Delhi - 110 055. Noida: C-81, 1st Floor, Sector - 2, Noida - 201 301. Palakkad: 10/688, Sreedevi Residency, Mettupalayam Street, Palakkad - 678 001. Palanpur: Tirupati Plaza, 3rd floor T-11, Opp. Government Quarter, College Road, Palanpur - 385 001. Panipat: 83, Devi Lal Shopping Complex, Opp ABN Amro Bank, G.T.Road, Panipat - 132 103. Patiala: 35, New Lal Bagh Colony, Patiala - 147 001. Patna: G-3 Ground Floor, OM Vihar Complex, SP Verma Road, Patna - 800 001. Pondicherry: S-8, 100, Jawaharlal Nehru Street, (New Complex, Opp. Indian Coffee House), Pondicherry - 605 001. Pune: Nirmiti Eminence, Off No. 6, I Floor, Opp Abhishek Hotel Mehandale Garage Road, Erandawane, Pune - 411 004. Rae Bareli: 17, Anand Nagar Complex, Rae Bareli, Rae Bareli - 229 001. Raipur: HIG, C-23, Sector - 1, Devendra Nagar, Raipur - 492 004. Rajahmundry: Door No: 6-2-12, 1st Floor, Rajeswari Nilayam, Near Vamsikrishna Hospital, Nyapathi Vari Street, T Nagar, Rajahmundry - 533 101. Rajapalayam: No 59 A/1, Railway Feeder Road, Near Railway Station, Rajapalayam - 626 117. Rajkot: Office 207 - 210, Everest Building, Harihar Chowk, Opp Shastri Maidan, Limda Chowk, Rajkot - 360 001. Ranchi: 4, HB Road, No: 206, 2nd Floor Shri Lok Complex, H B Road Near Firayalal, Ranchi - 834 001. Ratlam: Dafria & Co, 18, Ram Bagh, Near Scholar's School, Ratlam - 457 001. Ratnagiri: Kohinoor Complex, Near Natya Theatre, Nachane Road, Ratnagiri - 415 639. Rohtak: 205, 2nd Floor, Blg. No. 2, Munjal Complex, Delhi Road, Rohtak - 124 001. Roorkee: 22 Civil Lines, Ground Floor, Hotel Krish Residency, Roorkee - 247 667. Rourkela: 1st Floor, Mangal Bhawan, Phase II, Power House Road, Rourkela - 769 001. Sagar: Opp. Somani Automobiles, Bhagwanganj, Sagar - 470 002. Saharanpur: I Floor, Krishna Complex, Opp. Hathi Gate, Court Road, Saharanpur - 247 001. Salem: No.2, I Floor Vivekananda Street, New Fairlands, Salem - 636 016. Sambalpur: C/o Raj Tibrewal & Associates, Opp. Town High School, Sansarak, Sambalpur - 768 001. Sangli: Diwan Niketan, 313, Radhakrishna Vasahat, Opp. Hotel Suruchi, Near S.T. Stand, Sangli - 416 416. Satara: 117/A/3/22, Shukrawar Peth, Sargam Apartment, Satara - 415 002. Shahjahanpur: Bijlipura,, Near Old Distt Hospital, Near Old Distt Hospital, Shahjahanpur - 242 001. Shimla: I Floor, Opp. Panchayat Bhawan Main Gate, Bus Stand, Shimla - 171 001. Shimoga: Nethravathi, Near Gutti Nursing Home, Kuvempu Road, Shimoga - 577 201. Siliguri: No 7, Swamiji Sarani, Ground Floor, Ground Floor, Hakimpara, Siliguri - 734 001. Sirsa: Bansal Cinema Market, Beside Overbridge, Next to Nissan Carshowroom, Hisar Road, Sirsa - 125 055. Sitapur: Arya Nagar, Near Arya Kanya School, Sitapur - 261 001. Solan: 1st Floor, Above Sharma General Store, Near Sanki Rest house, The Mall, Solan - 173 212. Solapur: Flat No 109, 1st Floor, A Wing, Kalyani Tower, 126 Siddheshwar Peth, Near Pangal High School, Solapur - 413 001. Sriganganagar: 18 L Block, Sri Ganganagar, Sri Ganganagar - 335 001. Srikakulam: Door No 5 - 6 - 2, Punyapu Street, Palakonda Road, Near Krishna Park, Srikakulam - 532 001. Sultanpur: 967, Civil Lines, Near Pant Stadium, Sultanpur - 228 001. Surat: Plot No.629, 2nd Floor, Office No.2-C/2-D, Mansukhlal Tower, Beside Seventh Day Hospital, Opp. Dhiraj Sons, Athwalines, Surat - 395 001. Surendranagar: 2 M I Park, Near Commerce College, Wadhwan City, Surendranagar - 363 035. Thane: 3rd Floor, Nalanda Chambers, "B" Wing, Gokhale Road, Near Hanuman Temple, Naupada, Thane - 400 602. Thiruppur: 1(1), Binny Compound, II Street, Kumaran Road, Thiruppur - 641 601. Thiruvalla: Central Tower, Above Indian Bank, Cross Junction, Thiruvalla - 689101. Tinsukia: Dhawal Complex, Gr. Floor, Durgabari, Rangagora Road, Nr. Dena Bank, Tinsukia - 786 125. Tirunelveli: 1 Floor, Mano Prema Complex, 182/6, S.N High Road, Tirunelveli - 627 001. Tirupathi: Door No.18-1-597, Nr. Chandana Ramesh Showroom, Bhavani Nagar, Tirupathi, Andhra Pradesh 517 501. Trichur: Room No 26 & 27, Dee Pee Plaza,, Kokkalai, Trichur - 680 001. Trichy: No 8, I Floor, 8th Cross West Extn, Thillainagar, Trichy - 620 018. Trivandrum: R. S. Complex, Opposite of LIC Building, Pattom PO, Trivandrum - 695 004. Tuticorin: 1 - A/25, 1st Floor, Eagle Book Centre Complex, Chidambaram Nagar Main, Palayamkottai Road, Tuticorin - 628 008. Udaipur: 32 Ahinsapuri, Fatehpura Circle, Udaipur - 313 004. Ujjain:, 123, 1st Floor, Siddhi Vinanyaka Trade Centre, Saheed Park, Ujjain - 456 010. Unjha: 10/11, Maruti Complex, Opp. B R Marbles, Highway Road, Unjha - 384 170. Vadodara: 103 Aries Complex, BPC Road, Off R.C. Dutt Road, Alkapuri, Vadodara - 390 007. Valsad: 3rd floor, Gita Nivas,

opp Head Post Office, Halar Cross Lane, Valsad - 396 001. Vapi: 215-216, Heena Arcade, Opp. Tirupati Tower, Near G.I.D.C, Char Rasta, Vapi - 396 195. Varanasi: C 27/249 - 22A, Vivekanand Nagar Colony, Maldhaiya, Varanasi - 221 002. Vasco: DU 8 Upper Ground Floor, Bh:Techoclean Clinic, Suvidha Complex, Nr.ICICI Bank, Vasco - 403 802. Vellore: No. 1 Officer's Line, 2nd Floor MNR Arcade, Opp. ICICI Bank, Krishna Nagar, Vellore - 632 001. Vijayawada: 40-1-68, Rao & Ratnam Complex, Near Chennupati Petrol Pump, M.G Road, Labbipet, Vijayawada - 520 010. Visakhapatnam: 47/ 9/17, 1st Floor, 3rd Lane, Dwaraka Nagar, Visakhapatnam - 530 016. Warangal: F13, 1st Floor, BVSS Mayuri Complex, Opp. Public Garden, Lashkar Bazaar, Hanamkonda, Warangal - 506 001. Yamuna Nagar: 124-B/R Model Town, Yamunanagar, Yamuna Nagar - 135 001. Yavatmal: Pushpam, Tilakwadi, Opp. Dr. Shrotri Hospital, Yavatma - 445 001.

The Fund's website [www.Intmf.com](http://www.Intmf.com) will be an official point of acceptance for accepting transactions in the units of the schemes of the Fund.

Further, CAMS will be the official point of acceptance for electronic transactions received from specified banks, financial institutions, distribution channels, etc. (mobilised on behalf of their clients) with whom the AMC has entered/may enter into specific arrangements for purchase/sale/switch of units.

Applications from institutional investors will be accepted via facsimile by L&TIML, subject to satisfaction of requirements specified by L&TIML. For further details please call at 1800 2000 400.

### **SELF CERTIFIED SYNDICATE BANK – FOR ASBA APPLICATION**

#### **The list of SCSBs (as available on SEBI website) is as follows:**

1. Axis Bank Ltd 2. State Bank of Hyderabad 3. Corporation Bank 4. State Bank of Travancore 5. IDBI Bank LTD 6. State Bank of Bikaner and Jaipur 7. YES Bank Ltd. 8. Punjab National Bank 9. Deutsche Bank 10. Union Bank of India 11. HDFC Bank Ltd. 12. Bank of Baroda 13. ICICI Bank Ltd 14. Vijaya Bank 15. Bank of Maharashtra 16. State Bank of India 17. Andhra Bank 18. HSBC Ltd. 19. Kotak Mahindra Bank Ltd. 20. Bank of India. 21. CITI Bank 22. IndusInd Bank 23. Allahabad Bank 24. Karur Vysya Bank Ltd. 25. The Federal Bank 26. Indian Bank 27. Central Bank of India 28. Oriental Bank of Commerce 29. Standard Chartered Bank 30. J P Morgan Chase Bank, N.A. 31. Nutan Nagarik Sahakari Bank Ltd. 32. UCO Bank 33. Canara Bank 34. United Bank of India. 35. Syndicate Bank 36. South Indian Bank 37. Indian Overseas Bank 38. Tamilnad Mercantile Bank Ltd 39. City Union Bank Ltd 40. BNP Paribas 41. The Kalupur Commercial Co-operative Bank Ltd 42. Bank of America N.A 43. The Lakshmi Vilas Bank Ltd 44. State Bank of Patiala 45. State Bank of Mysore 46. The Surat Peoples Co-op Bank Ltd 47. Dhanlaxmi Bank Limited. 48. The Saraswat Co-operative Bank Ltd. 49. DBS Bank Ltd 50. Dena Bank 51. Karnataka Bank Ltd. 52. The Ahmedabad Mercantile Co-Op. Bank Ltd.

For the complete list of controlling/ designated branches of above mentioned SCSBs, please refer to websites - [www.sebi.gov.in](http://www.sebi.gov.in), [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)