TATA INCOME PLUS FUND

(An Open-ended Debt Scheme)

TATA MUTUAL FUND

Expertise that's trusted

Issue of Units of Tata Income Plus Fund issue at NAV based resale price (face value of ₹ 10/- each)

SCHEME INFORMATION DOCUMENT (SID)

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 Tata Income Plus Fund, 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 Tata Mutual Fund, Tax and Legal issues and general information on www.tatamutualfund.com

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

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

This Scheme Information Document is dated 19 September, 2011.

Scheme Opened On	:	**11th November, 2002**
Scheme Closed On	:	**21st November, 2002**
Scheme Re-opened On	:	**2nd December, 2002**

Mutual Fund

Tata Mutual Fund
9th Floor, Mafatlal Centre,
Nariman Point,
Mumbai - 400 021.

AMC

Tata Asset Management Ltd.
9th Floor, Mafatlal Centre,
Nariman Point,
Mumbai - 400 021.

Trustee

Tata Trustee Company Ltd.
9th Floor, Mafatlal Centre,
Nariman Point,
Mumbai - 400 021.

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TATA INCOME PLUS FUND

HIGHLIGHTS / SUMMARY OF THE SCHEME

Name of the Scheme	Tata Income Plus Fund (TIPF)
Type of Scheme	An open ended pure debt scheme, investing only in debt and money market instruments.
Investment Objective	The investment objective of the Scheme will be to provide income/bonus distribution and / or medium to long term capital gains while at all times emphasising the importance of capital appreciation.
Liquidity	The scheme is an open ended debt scheme. This scheme is open for resale and repurchase of units at NAV based price on every business day on an ongoing basis.
Benchmark	CRISIL Composite Bond Fund Index
Transparency of operation / NAV Disclosure	Determination of Net Asset Value (NAV) on all business days. The NAV of the scheme will be available at all investor services centre of the AMC. The AMC shall also endeavour to have the NAV published in 2 daily newspapers. The AMC will also declare the Net asset value of the scheme on every business day on AMFI's website www.amfiindia.com and also on the AMC's website i.e www.tatamutualfund.com.
Load (SIP / STP & non SIP)	Entry Load: Nil (w.e.f August 1, 2009) Exit Load: 1% of the applicable NAV, if redeemed on or before expiry of 365 days from the date of allotment. The Trustee Company may levy an Exit Load on repurchases. The Trustee Company may however, from time to time, review and modify the Sales Load and Redemption Load.
Minimum subscription under each Plan	**Minimum Subscription Amount:** **Plan A:** Rs. 5,000/- and in multiples of Re.1/- thereafter. For additional investment by existing investor Rs. 1,000/- and in multiples of Re.1/- thereafter. **Plan B:** Rs. 1, 00,000/- and in multiples of Re. 1/- thereafter. For additional investment by existing investor Rs. 10,000/- and in multiples of Re.1/- thereafter. **Plan C:** Rs. 5, 00, 00,000/- and in multiple of Re. 1/- thereafter. For additional investment by existing investor Rs. 10, 00,000 and in multiples of Re. 1/- thereafter. There is no minimum amount requirement, in case of investors opting to switch "All Units" from any existing scheme of Tata Mutual Fund to this scheme.
Duration of the Schemes	The scheme, being an open ended scheme, has perpetual duration
Investment Options	Income/Bonus Option and Growth Option. Income/Bonus distribution is at the discretion of the Trustees.

- A Mutual Fund - sponsored by Tata Sons Limited (TSL) and Tata Investment Corporation Limited (TICL).
- The Scheme is managed by Tata Asset Management Limited (TAML).
- Eligible for investment by banks, financial institutions, bodies corporates, individual investors, etc.
- **Interpretation**

  For all purposes of this Scheme Information Document (SID), except as otherwise expressly provided or unless the context otherwise requires:
  - The terms defined in this SID includes the plural as well as the singular.
  - Pronouns having a masculine or feminine gender shall be deemed to include the other.
  - The term "Scheme" refers to all the plans i.e. Plan A, Plan B and Plan C.

I. INTRODUCTION

A. RISK FACTORS

Standard Risk Factors:

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down
- Mutual Funds and securities investments are subject to market risks and there can be no assurance and no guarantee that the Scheme will achieve its objective.
- As with any investment in stocks, shares and securities, the NAV of the Units under this Scheme can go up or down, depending on the factors and forces affecting the capital markets.
- Past performance of the previous Schemes, the Sponsors or its Group / Affiliates / AMC / Mutual Fund is not indicative of and does not guarantee the future performance of the Scheme.
- The scheme may invest in long term debt securities which bears the interest rate risk. Volatility of interest rate may impact the scheme adversely.

- The sponsors are not responsible or liable for any loss resulting from the operations of the scheme beyond the initial contribution of Rs. 1 lakh made by them towards setting up of the mutual fund.
- Tata Income Plus Fund is only the name of the Scheme and does not in any manner indicate either the quality of the Scheme, its future prospects or the returns. Investors therefore are urged to study the terms of the Offer carefully and consult their tax and Investment Advisor before they invest in the Scheme.
- The present scheme is not a guaranteed or assured return scheme.

Scheme Specific Risk Factors:

Liquidity and Settlement Risks

The liquidity of the Scheme's investments may be inherently restricted by trading volumes, transfer procedures and settlement periods. From time to time, the Scheme will invest in certain securities of certain companies, industries, sectors, etc. based on certain investment parameters as adopted internally by TAML. While at all times the Asset Management Company will endeavour that excessive holding/investment in certain securities of industries, sectors, etc. by the Scheme is avoided, the funds invested by the Scheme in certain securities of industries, sectors, etc. may acquire a substantial portion of the Scheme's investment portfolio and collectively may constitute a risk associated with non-diversification and thus could affect the value of investments. Reduced liquidity in the secondary market may have an adverse impact on market price and the Scheme's ability to dispose of particular securities, when necessary, to meet the Scheme's liquidity needs or in response to a specific economic event or during restructuring of the Scheme's investment portfolio. Furthermore, from time to time, the Asset Management Company, the Custodian, the Registrar, any Associate, any Distributor, Dealer, any Company, Corporate Bodies, Trusts, any Retirement and Employee Benefit Funds or any Associate or otherwise, any scheme / mutual fund managed by the Asset Management Company or by any other Asset Management Company may invest in the Scheme. While at all times the Trustee Company and the Asset Management Company will endeavour that excessive holding of Units in the Scheme among a few Unitholders is avoided, however, the funds invested by these aforesaid persons may acquire a substantial portion of the Scheme's outstanding Units and collectively may constitute a majority unitholder in the Scheme. Redemption of Units held by such persons may have an adverse impact on the value of the Units of the Scheme because of the timing of any such redemptions and this may impact the ability of other Unitholders to redeem their respective Units.

Investment Risks

The value of, and income from, an investment in the Scheme can decrease as well as increase, depending on a variety of factors which may affect the values and income generated by the Scheme's portfolio of securities. The returns of the 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, closure of the Stock Exchanges etc. Investors should understand that the investment pattern indicated, in line with prevailing market conditions, is only a hypothetical example as all investments involve risk and there is no assurance that the Scheme's investment objective will be attained or that the Scheme be in a position to maintain the model percentage of investment pattern particularly under exceptional circumstances.

Different types of securities in which the scheme would invest in, as mention in this SID, 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 carry a higher amount 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.

The scheme may use techniques and instruments (as disclosed in the clause "portfolio turnover") for efficient portfolio management and to attempt to hedge or reduce the risk of such fluctuations. However these techniques and instruments if imperfectly used have the risk of the scheme incurring losses due to mismatches particularly in a volatile market. The Fund's ability to use these techniques may be limited by market conditions, regulatory limits and tax considerations (if any). The use of these techniques is dependent on the ability to predict movements in the prices of securities being hedged and movements in interest rates. There exists an imperfect correlation between the hedging instruments and the securities or market sectors being hedged. Besides, the fact that skills needed to use these instruments are different from those needed to select the Fund's / Scheme's securities. There is a possible absence of a liquid market for any particular instrument at any particular time even though the futures and options may be bought and sold on an organised exchange. The use of these techniques involves possible impediments to effective portfolio management or the ability to meet repurchase / redemption requests or other short-term obligations because of the percentage of the Scheme's assets segregated to cover its obligations.

Risk Associated with Securitised Debt

Scheme may invest in domestic securitized debt such as asset backed securities (ABS) or mortgage backed securities (MBS). Asset Backed Securities (ABS) are securitized debts where the underlying assets are receivables arising from automobile loans, personal loans, loans against consumer durables, etc. Mortgage backed securities (MBS) are securitized debts where the underlying assets are receivables arising from loans backed by mortgage of residential / commercial properties. ABS/MBS instruments reflect the undivided interest in the underlying pool of assets and do not represent the obligation of the issuer of ABS/MBS or the originator of the underlying receivables. The ABS/MBS holders have a limited recourse to the extent of credit enhancement provided. If the delinquencies and credit losses in the underlying pool exceed the credit enhancement provided, ABS/MBS holders will suffer credit losses. ABS/MBS are also normally exposed to a higher level of reinvestment risk as compared to the normal corporate or sovereign debt. At present in Indian market, following types of loans are amortised:

- Auto Loans (cars / commercial vehicles /two wheelers)
- Residential Mortgages or Housing Loans
- Consumer Durable Loans
- Personal Loans

The main risks pertaining to each of the asset classes above are described below:
Auto Loans (cars / commercial vehicles /two wheelers)

- The underlying assets (cars etc) are susceptible to depreciation in value whereas the loans are given at high loan to value ratios. Thus, after a few months, the value of asset becomes lower than the loan outstanding. The borrowers, therefore, may sometimes tend to default on loans and allow the vehicle to be repossessed.
- These loans are also subject to model risk. ie if a particular automobile model does not become popular, loans given for financing that model have a much higher likelihood of turning bad. In such cases, loss on sale of repossession vehicles is higher than usual.
- Commercial vehicle loans are susceptible to the cyclicality in the economy. In a downturn in economy, freight rates drop leading to higher defaults in commercial vehicle loans. Further, the second hand prices of these vehicles also decline in such economic environment.

Housing Loans

- Housing loans in India have shown very low default rates historically. However, in recent years, loans have been given at high loan to value ratios and to a much younger borrower classes. The loans have not yet gone through the full economic cycle and have not yet seen a period of declining property prices. Thus the performance of these housing loans is yet to be tested and it need not conform to the historical experience of low default rates.

Consumer Durable Loans

- The underlying security for such loans is easily transferable without the bank's knowledge and hence repossession is difficult.
- The underlying security for such loans is also susceptible to quick depreciation in value. This gives the borrowers a high incentive to default.

Personal Loans

- These are unsecured loans. In case of a default, the bank has no security to fall back on.
- The lender has no control over how the borrower has used the borrowed money.

Further, all the above categories of loans have the following common risks:

- All the above loans are retail, relatively small value loans. There is a possibility that the borrower takes different loans using the same income proof and thus the income is not sufficient to meet the debt service obligations of all these loans.
- In India, there is no ready database available regarding past credit record of borrowers. Thus, loans may be given to borrowers with poor credit record.
- In retail loans, the risks due to frauds are high.

Securities Lending Risks

It may be noted that this activity would have the inherent probability of collateral value drastically falling in times of strong downward market trends, rendering the value of collateral inadequate until such time as that diminution in value is replenished by additional security. It is also possible that the borrowing party and/or the approved intermediary may suddenly suffer severe business setback and become unable to honour its commitments. This, along with a simultaneous fall in value of collateral would render potential loss to the Scheme. Besides, there is also be temporary illiquidity of the securities that are lent out and the scheme will not be able to sell such lent out securities until they are returned.

As with other modes of extensions of credit, there are risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary.

Interest Rate Risk

As with debt instruments, changes in interest rate may affect the Scheme's net asset value. Generally the prices of instruments increase as interest rates decline and decrease as interest rates rise. Prices of long-term securities fluctuate more in response to such interest rate changes than short-term securities. Indian debt and government securities markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the NAV.

Credit Risk

Credit risk or Default risk refers to the risk that an issuer of a fixed income security may default (i.e. the issuer will be unable to make timely principal and interest payments on the security). Because of this risk corporate debentures are sold at a higher yield above those offered on Government Securities which are sovereign obligations and free of credit risk. Normally, the value of fixed income securities will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.

Reinvestment Risk

This risk refers to the difference in the interest rate levels at which cash flows received from the securities in the schemes are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows are reinvested may be lower than that originally assumed.

Risks associated with Derivatives

- Derivative products are leverage instruments and can provide disproportionate gains as well as disproportionate losses to the investors. 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 involved 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.
- Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative add to the portfolio and the ability to forecast price of securities being hedged and interest rate movements correctly. There is a possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counterparty") 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.
- 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".

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

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(s). The two conditions mentioned above shall be complied with on a calendar quarter basis, on an average basis, as specified by SEBI in case the Scheme / Plan(s) does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme / Plan(s) shall be wound up and the units would be redeemed at applicable NAV. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

C. SPECIAL CONSIDERATIONS

Investors are urged to study the terms of the SID carefully before investing in this Scheme, and to retain this SID for future reference. The Mutual Fund may disclose details of the investor's account and transactions there under to those intermediaries whose stamp appears on the application form or who have been designated as such by the investor. In addition, the Mutual Fund may disclose such details to the bankers, as may be necessary for the purpose of effecting payments to the investor. The Fund may also disclose such details to regulatory and statutory authorities/bodies as may be required or necessary.

Pursuant to the provisions of Prevention of Money Laundering Act, 2002, if after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, on failure to provide required documentation, information, etc. by the unit holder the AMC shall have absolute discretion to report such suspicious transactions to FIU IND and / or to freeze the folios of the investor(s), reject any application(s) / allotment of units.

Tax Consequences

Redemption by the unitholders due to change in the fundamental attribute (if any, in future) of the scheme or due to any other reason may entail tax consequences for which the Trustees, AMC, Fund their Directors / employees shall not be liable.

Disclosure / Disclaimer

To the best of the knowledge and belief of the Directors of the Trustee Company, information contained in this SID is in accordance with the SEBI Regulations and facts and does not omit anything likely to have a material impact on the importance of such information.

Neither this SID nor the Units have been registered in any jurisdiction. The distribution of this SID in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this SID are required to inform themselves about, and to observe, any such restrictions. No persons receiving a copy of this SID or any accompanying application form in any such jurisdiction may treat this SID or such application form as constituting an invitation to them to subscribe for Units, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this SID does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this SID and any persons wishing to apply for Units pursuant to this SID to inform themselves of, and to observe, all applicable laws and Regulations of such relevant jurisdiction.

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

No person has been authorised to give any information or to make any representations not confirmed in this SID in connection with the New fund offer / Subsequent Offer of Units, and any information or representations not contained herein must not be relied upon as having been authorised by the Mutual Fund or the Asset Management Company or the Trustee Company. Statements made in this SID are based on the law and practice currently in force in India and are subject to change therein. Neither the delivery of this SID nor any sale made hereunder shall, under any circumstances, create any impression that the information herein continues to remain true and is correct as of any time subsequent to the date hereof.

Notwithstanding anything contained in the SID the provisions of SEBI(Mutual Funds) Regulations 1996 and guidelines thereunder shall be applicable. The Trustee Company would be required to adopt / follow any regulatory changes by SEBI / RBI etc and /or all circulars / guidelines received from AMFI from time to time if and from the date as applicable. The Trustee Company in such a case would be obliged to modify / alter any provisions / terms of the SID during / after the launch of the scheme by following the prescribed procedures in this regard.

D. DEFINITIONS & ABBREVIATION

1	"Business Day"	Any day on which the Mumbai Head Office of Tata Asset Management Limited is open for business purposes and the Banks in Mumbai/RBI clearing is functional.
2	"Business Hours"	Business hours are from 10.00 A.M. to 3.00 P.M. on any Business Day.
3	"BSE' / "NSE"	Bombay Stock Exchange Limited / National Stock Exchange of India Limited
4	"Calendar Year"	A Calendar Year shall be 12 full English Calendar months commencing from 1st January and ending on 31st December.
5	"Custodian" or "Citi Bank N. A	Citi Bank N. A., a bank incorporated in the United States of America with limited liability and includes its successors.
6	"CDSC"	Contingent Deferred Sales Charges permitted under the Regulations for a 'No Load Scheme' to be borne by the Unitholder upon exiting (whether by way of redemption of inter-scheme switching) from the scheme based on the period of holding of units.
7	"Entry Load"	Amount that is paid by the investors at the time of entry / subscription into the scheme
8	"Exit Load"	Amount that is paid by the investors at the time of exit / redemption from the scheme.
9	"Day"	Any day as per English Calendar viz. 365 days in a year.

10	"Financial Year"	A Financial Year shall be 12 full English Calendar months commencing from 1st April and ending on 31st March.
11	"Group"	As defined in sub-clause (ef) of clause 2 of MRTP Act, 1961.
12	"IMA"	Investment Management Agreement dated 9th May, 1995, as amended from time to time, between the TTCL & TAML.
13	"Investor"	An investor means any resident or non-resident person whether individual or not (legal entity), who is eligible to subscribe units under the laws of his/her/their country of incorporation, establishment, citizenship, residence or domicile and under the Income Tax Act, 1961 including amendments thereto from time to time and who has made an application for subscribing units under the Scheme. Under normal circumstances, an Unitholder shall be deemed to be the investor.
14	"Net Asset Value" or "NAV"	(a) In case of winding up of the Fund: In respect of an Unit, the amount that would be payable to the holder of that Unit on any date if the fund were to be wound up and its assets distributed on that date (valuing assets and liabilities in accordance with the normal accounting policies of the Fund, but ignoring net distributable income of the current financial year and winding up expenses). (b) Daily for Ongoing Sale/Redemption/ Switch: In respect of a Unit, the amount that would be payable by/to the investor / holder of that Unit on any Valuation date by dividing the net assets of the Scheme by the number of outstanding Units on the Valuation date.
15	"Net Assets"	Net Assets of the Scheme / Plan at any time shall be the value of the Fund's total assets less its liabilities taking into consideration the accruals and the provisions at that time.
16	"NFO"	New Fund Offer
17	"Non- Resident Indian" / NRI	A person resident outside India who is a citizen of India or is a person of Indian origin as per the meaning assigned to the term under Foreign Exchange Management (Investment in firm or proprietary concern in India) Regulations, 2000.
18	"Permissible Investments"	Investments made on account of the Unitholders of the Scheme in securities and assets in accordance with the SEBI Regulations.
19	"Portfolio"	Portfolio at any time shall include all Permissible Investments and Cash.
20	"Regulations"	Regulations imply SEBI Regulations and the relevant rules and provisions of the Securities and Exchange Board of India (Depositories and participants) Regulations 1996, Public Debt Act 1944,the relevant notifications of the Government of India Ministry of Finance Department of Revenue, (Central Board of Direct Taxes), the Income Tax Act, 1961; Wealth Tax Act, 1957, Gift Tax Act, 1958, Foreign Exchange Management Act, 1999 as amended from time to time and shall also include any Circulars, Press Releases or Notifications that may be issued by SEBI or the Government of India or the Reserve Bank of India from time to time.
21	"Resident"	A resident means any person resident in India under the Foreign Exchange Management Act, 1999 and under the Income Tax Act, 1961, including amendments thereto from time to time.
22	"Scheme"	The offer made by Tata Mutual Fund through this SID, viz., Tata Income Plus Fund.
23	"SEBI"	Securities & Exchange Board of India established under the Securities & Exchange Board of India Act, 1992.
24	"SEBI Regulations"	The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time and shall also include any Mutual Fund Regulations, Circulars, Press Releases, or Notifications that may be issued by SEBI or the Government of India to regulate the activities and growth of Mutual funds.
25	"SID"	Scheme Information Document
26	"SAI"	Statement of Additional Information
27	"SIP"	Systematic Investment Plan, a facility to invest systematically (monthly / quarterly / half-yearly / yearly) in the scheme.
28	'SWP"	Systematic Withdrawal Plan, a facility to redeem systematically (monthly / quarterly / half-yearly / yearly) from the scheme.
29	"STP"	Systematic Transfer Plan, a facility to switch money / investment from this scheme to other scheme(s) of Tata Mutual Fund, systematically (monthly / quarterly / half-yearly / yearly
30	"TAML"	Tata Asset Management Limited, the Asset Management Company (AMC), a company within the meaning of the Companies Act, 1956 (1 of 1956) and includes its successors and permitted assigns.
31	"TICL"	Tata Investment Corporation Limited, a sponsor of the TMF and a shareholder of TAML, a company within the meaning of the Companies Act, 1913 and includes its successors and permitted assigns.
32	"TMF" or "Fund"	Tata Mutual Fund, a trust established under a Trust Deed dated 9th May, 1995, under the provisions of The Indian Trusts Act, 1882, bearing SEBI registration No. MF/023/95/9.
33	"Total Assets"	Total Assets of the Scheme at any time shall be the total value of the Schemes assets taking into consideration the accruals.

34	“Trust Deed”	The Trust Deed of the Mutual Fund dated 9th May, 1995, as amended from time to time, made between TSL and TICL as the settlors, and TTCL as the Trustee.
35	“TSL”	Tata Sons Limited, a sponsor of TMF and a shareholder of TAML, a company within the meaning of the Companies Act, 1913 and includes its successors and permitted assigns.
36	“TTCL or Trustee Company”	Tata Trustee Company Limited, a company within the meaning of the Companies Act, 1956 and includes its successors and permitted assigns.
37	“Unitholder”	An Unitholder means any resident or non-resident person whether individual or not (legal entity), who is eligible to subscribe to the Scheme and who has been allotted Units under the Scheme based on a valid application.
38	“Units”	The security representing the interests of the Unitholders in the Scheme. Each Unit represents one undivided share in the assets of the Scheme as evidenced by any letter/ advice or any other statement / certificate / instrument issued by TMF.
39	“Year”	A Year shall be 12 full English Calendar months.

E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

The following Due Diligence Certificate has been submitted to SEBI:
It is confirmed that:

(i) the 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 running 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 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 **Tata Asset Management Limited**

Place: Mumbai
Date: 19 September, 2011

Upesh K Shah
Head- Compliance, Risk and Audit

II. INFORMATION ABOUT THE SCHEME

A. TYPE OF THE SCHEME

An open ended pure debt scheme.

B. INVESTMENT OBJECTIVE OF THE SCHEME

The investment objective of the Scheme will be to provide income/bonus distribution and / or medium to long term capital gains while at all times emphasising the importance of capital appreciation. The scheme will be invested only in debt and Money Market Instruments. There will be no equity component in the scheme.

C. ASSET ALLOCATION AND RISK PROFILE

Under normal circumstances, funds of the Scheme, shall (after providing for all ongoing expenses) generally be invested / the indicative asset allocation shall be as follows considering the objective of the Scheme:

Instruments	Indicative allocations (% of total assets)	Risk Profile
	% of Corpus	**High/Medium/Low**
Debt and Debt Related Instruments	0-100	Low to Medium
Money Market Instruments	0-100	Low

Investment by the scheme in securitised debt will not normally exceed 80% of the net assets of the Scheme.

Investment in derivative instruments may be done for hedging and Portfolio balancing. Exposure to derivative instruments will be restricted to 50% of the net assets of the scheme.

Not more than 25% of the net assets of the scheme shall be deployed in securities lending. The Scheme would limit its exposure, with regards to securities lending, for a single intermediary, to the extent of 5%of the total net assets of the scheme at the time of lending.

The AMC may from time to time for a short term period on defensive consideration invest upto 100% of the funds available in Money Market Instruments, the primary motive being to protect the Net Asset Value of the Scheme and protect unitholders interests so also to earn reasonable returns on liquid funds maintained for redemption/repurchase of units.

The Trustee Company may from time to time, for a short term period on defensive consideration, modify / alter the investment pattern / asset allocation, the intent being to protect the Net Asset Value of the Scheme and Unitholders interests, without seeking consent of the unitholders.

Change in Investment Pattern

The Investment Pattern as outlined above is indicative. Investment strategy and pattern may be deviated from time to time, provided such modification is in accordance with the Scheme objective and Regulations as amended from time to time including by way of Circulars, Press Releases, or Notifications issued by SEBI or the Government of India to regulate the activities and growth of Mutual Funds, the intent being to protect the Net Asset Value of the Scheme and Unitholders' interests. The asset allocation pattern may be modified in the interest of investors; and to protect the NAV of the Schemes, however, the same will be reviewed by the trustee on a quarterly basis and will be rebalanced to its normal position within a period of three months or in a time frame as permitted by the trustee.

Comparison with existing debt schemes of Tata Mutual Fund:

Scheme Name	Comparison with existing schemes of Tata Mutual Fund	AUM as on August 31st 2011 (Rs. Crore)	No. of Folios as on August 31st, 2011
Tata Income Plus Fund (TIPF)	An open ended Debt Fund. The investment strategy is to invest in longer duration paper in the favourable interest rate scenario. However the average portfolio maturity is subject to internal cap. As per the internal portfolio maturity restrictions, TIPF can take exposure to longer duration instruments than the TIFA. Hence in the risk reward chart the scheme is above the TIFA.	1.97	516
Tata Monthly Income fund (TMIF)	An open ended Income Fund. As per the terms of the SID, to provide reasonable & regular income the scheme can invest predominantly in debt & money market instruments. The scheme can invest upto 10% of its nets assts in equity & equity related instruments. The Fund will have flexibility to invest in wide range of Debt & Money Market Instruments & upto 10% of net assets in Equity & equity related instruments.	30.06	3755
Tata Short Term Bond Fund (TSTBF)	An open ended Debt Fund. The investment strategy of the scheme is to invest in a portfolio of short duration instruments. The average portfolio maturity/duration is subject to internal cap which is much less than the TIFA.	19.85	757
Tata MIP Plus Fund (TMPF)	An open ended Income Fund .As per the terms of the SID, to provide reasonable & regular income the scheme can invest predominantly in debt & money market instruments. The scheme can invest upto 20% of its net assets in equity & equity related instruments. The Fund will have flexibility to invest in wide range of Debt & Money Market Instruments and upto 20% of net assets in equity & equity related instruments	118.60	12,718
Tata Dynamic Bond Fund (TDBF)	An open ended Debt Fund .The investment objective of the Scheme is to provide reasonable returns & high level of liquidity by investing in debt	1.34	241

Scheme Name	Comparison with existing schemes of Tata Mutual Fund	AUM as on August 31st 2011 (Rs. Crore)	No. of Folios as on August 31st, 2011
	instruments including bonds, debentures & Government securities; & money market instruments such as treasury bills, commercial papers, certificates of deposit, repos of different maturities & as permitted by regulation so as to spread the risk across different kinds of issuers in the debt markets. As per the investment strategy scheme can dynamically switch the maturity profile from long to short & vice versa in short period of time.		
Tata Floating Rate Fund- Long Term Plan (TFRLTF)	An open ended Debt Fund. The investment strategy of the scheme is to generate consistent returns alongwith lower volatility by investing predominantly in Floating Rate & Money Market instruments. In case of Floating Rate Instrument, the scheme will be biased towards longer duration paper.	2.81	238
Tata Income Fund (TIFA)	An open ended Debt Fund. The investment strategy is to invest in longer duration paper in the favourable interest rate scenario. The average portfolio maturity/duration is subject to internal cap.	36.65	3937
Tata Floater Fund (TFF)	An open ended Debt Fund. The investment strategy of the scheme is to generate consistent returns alongwith lower volatility by investing predominantly in Floating Rate & Money Market instruments. As per the present strategy scheme is biased towards short term instruments.	4744.44	9078
Tata Treasury Manager Fund (TTMF)	An open ended debt fund. Strategy of the scheme is to generate consistent returns alongwith lower volatility by investing predominantly in a portfolio of money market & other short term debt instruments. As per the terms of the Scheme Information Document (SID), the scheme shall invest atleast 50% of the net assets in securities having maturity upto one year. Further scheme can not invest in Government of India Dated Securities.	168.56	1395

Overview of Debt Market:

The major players in the Indian Debt Markets are banks, financial institutions, insurance companies and mutual funds. The instruments in the market can be broadly categorized as those issued by corporate, banks, financial institutions and those issued by state/central governments. The risks associated with any investments are – credit risk, interest rate risks and liquidity risk. While corporate papers carry credit risk due to changing business conditions, government securities are perceived to have zero credit risk. Interest rate risk is present in all debt securities and depends on a variety of macroeconomic factors. The liquidity risk in corporate securities market is higher compared to those of government securities. Liquidity in the corporate debt market has been improving due to the entry of more players and due to various measures taken by the regulators in this direction over a period of time. SEBI's directive of a compulsory rating by a rating agency for any public issuance over 18 months is a case in point. In times to come, dematerialization, entry of private insurance companies and growth of fixed income mutual funds are expected to enhance liquidity in corporate debt market.

Expected Yields on Debt Securities (as on 19/09/11)

Issuer	Instruments	Maturity	Yields (%)
GOI	T-Bill	91 days	8.35-8.40
GOI	T-Bill	364 days	8.35-8.40
GOI	Short dated	1-3 yrs	8.25-8.35
GOI	Medium dated	3-5 yrs	8.30-8.35
GOI	Long dated	5-10 yrs	8.30-8.35
Corporate	AAA	1-3 yrs	9.40-9.50
Corporate	AAA	3-5 yrs	9.40-9.45
Corporate	AA	1-3 yrs	9.75-10.00
Corporate	AA	3-5 yrs	9.75-10.00
Corporate	CPs	3 months	9.50-9.75
Corporate	CPs	1 year	9.75-10.00
Corporate	CDs	3 months	9.15-9.25
Corporate	CDs	1 year	9.60-9.70
CBLO			8.20-8.30
REPO			8.20-8.30

D. WHERE WILL THE SCHEME INVEST

The corpus of the Scheme will be invested primarily In debt securities such as non convertible portion of Convertible Debentures (Khokas), Non Convertible Debentures, Securitised Debt (asset backed securities), Secured Premium Notes, Zero Interest Bonds, Deep Discount Bonds, Floating Rate Bonds/Notes, Government Securities and Money Market Instruments like CBLO, Commercial Paper, Certificate of Deposit, short term Deposit, Treasury Bills and short term debt instruments etc issued by various Corporates, Government - State and Central, Public Sector Undertakings. Notwithstanding the aforesaid, the proportion of investment in Money Market Instruments could be increased to 100% of the funds raised/available/the total assets of the Scheme, consistent with SEBI Guidelines, to attain the Scheme objective, the intent being to protect the Net Asset Value of the Scheme and Unitholders' interest, besides to also meet the temporary liquidity needs of the Scheme for the purposes of repurchases or income distribution to the Unitholders. This investment strategy is for providing liquidity, preservation of capital besides long term moderate capital appreciation, and recurring income to the Scheme.

The Scheme will purchase securities in public offerings and rights issues, as well as those traded in the secondary market(s). On occasions, if deemed appropriate, the Scheme will invest in securities sold directly by the Issuer, or acquired in a negotiated transaction. Notwithstanding the aforesaid, the proportion of investment in privately placed debentures, securitised debts and other unquoted debt instruments could be increased by the Trustee Company/Asset Management Company upto/around 100% of the funds raised/available/ the total assets of the Scheme, consistent with SEBI Regulations.

However the above weightages may be changed in exceptional circumstances, depending on market conditions, by taking approval of the Trustee Company. The main aim of such steps will be to protect the interests of the unitholders.

The above investment policies are in conformity with the provisions of various constitutional documents viz. MOA/ AOA of the TAML/ Trustee Company, IMA and the Trust Deed.

The amounts collected under this Scheme are being invested only in transferable securities in the money market or in the capital market. As per SEBI (Mutual Funds) Regulations 1996, the Fund shall not make any investments in any un-listed securities of associate/group companies of the Sponsors. The Fund will also not make investment in privately placed securities issued by associate/group companies of the Sponsors.

E. THE INVESTMENT STRATEGIES

Investment Strategy and Risk Management:

The Scheme would invest in companies based on various criteria including sound professional management, track record, industry scenario, growth prospectus, liquidity of the securities, etc. The Scheme will emphasise on well managed, good quality companies with above average growth prospectus whose securities can be purchased at a good yield and whose debt securities are concerned investments (wherever possible) will be mainly in securities listed as investments grade by a recognised authority like The Credit Rating and Information Services of India Limited (CRISIL), ICRA Limited (formerly, Investment Information and Credit Rating Agency of India Limited), Credit Analysis and Research Limited (CARE) etc. In case of investments in debt instruments that are not rated, specific approval of the Board will be taken except in case of Government Securities being sovereign bonds. However, in case of investment in unrated securities prior board approval is not necessary if investment in within the parameters as stipulated by the board.

Any change in the asset allocation affecting the investment profile of the scheme shall be effected only in accordance with the provisions of regulations 18-15A of SEBI.

Risk mitigation measures for debt & related investments:

Investment in debt has an inherent market and interest rate risk which can not be mitigated generally. However following measures have been implemented with an objective to mitigate /control other risks associated with debt investing:

Nature of Risk	Mitigation Measures
Liquidity Risk	• Focus on good quality paper at the time of portfolio construction • Portfolio exposure spread over various maturity buckets to inline with expected outflow. • Use of exit load to restrict redemption in short period • Maintenance of certain amount of liquidity to meet unexpected redemption
Credit Risk	• In house dedicated team for credit appraisal • Issuer wise exposure limit • Rating grade wise exposure limit • Periodical portfolio review by the Board of AMC
Interest Rate Risk	• Close watch on the market events • Active duration management • Cap on Average Portfolio maturity depending upon the scheme objective & strategy • Portfolio exposure spread over various maturities
Regulatory Risk	Online monitoring of various exposure limits by the Front Office System Also as a back up, manual control are also implemented

Trading in Derivatives

Subject to SEBI (Mutual Fund) Regulations, 1996, the Scheme may use techniques and instruments such as trading in derivative instruments to hedge the risk of fluctuations in the value of the investment portfolio. The Scheme shall enter into derivative transactions for the purpose of hedging and portfolio balancing. In accordance with the guidelines issued by the SEBI. Exposure to derivative instruments will be restricted to 50% of the assets of the scheme.

A derivative is an instrument whose value is derived from the value of one or more of the underlying assets which can be commodities, precious metals, bonds, currency, etc. Common examples of Derivative instruments are Interest Rate Swaps, Forward Rate Agreements, Futures, Options, etc.

The scheme may use derivative instruments like Interest Rate Swaps, Forward Rate Agreements or such other derivative instruments as may be introduced from time to time and as may be permitted under the SEBI (Mutual Fund) Regulations.

Exposure limits related to Investments in Derivatives, as per SEBI circular no Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010 is given below:

1. The cumulative gross exposure through debt and derivative positions shall not exceed 100% of the net assets of the scheme.
2. The Fund shall not write options or purchase instruments with embedded written options.
3. The total exposure related to option premium paid shall not exceed 20% of the net assets of the scheme.
4. Cash or cash equivalents with residual maturity of less than 91 days will be treated as not creating any exposure.
5. Exposure due to hedging positions shall 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.
   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.

6. The Fund may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions shall be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases shall not exceed the value of respective existing assets being hedged by the scheme.
7. Exposure to a single counterparty in such transactions shall not exceed 10% of the net assets of the scheme.

Interest Rate Swaps: An Interest Rate Swap is an agreement whereby two parties agree to exchange periodic interest payments. The amount of interest payments exchanged is based on some predetermined principal, called notional principal amount. The amount each counterparty pays to the other upon periodic interest rate multiplied by the notional principal amount. The only amount that is exchanged between the parties is the interest payment, not the notional principal amount.

Example: Use of IRS

The Plans of the fund are reasonably invested, and the view of the fund manager is interest rates are expected to move up due to certain negative events which have occurred. In such cases the plans can enter into a paid position (IRS) where the plans will pay a fixed rate for a specified maturity and receive the floating rate of interest. This is illustrated below:

Example A: Use of IRS

Assuming the Scheme is having 10% of the portfolio in cash. The fund manager has a view that the interest rate scenario is bearish and call rates are likely to spurt over the next three months. The fund manager would therefore prefer to pay fixed rate of return on his cash, which he is lending in the overnight call market. In other words, he would like to move to a 91 days floating interest rate from overnight fixed rate.

1. Say Notional Amount : Rs. 2 crores

2. Benchmark : NSE MIBOR

3. Tenor : 91 Days

4. Fixed Rate : 9.90%

5. At the end of 91 days;

6. The Scheme pays : fixed rates for 91 days is 9.90%

7. TMF receives : compounded call rate at 10.25% for 91 days.

In practice, however the difference of the two amounts is settled. Here the Scheme receives Rs. 2,00,00,000 x 0.35% x91 / 365 = 17,452. The players in IRS are scheduled commercial banks, primary dealers, corporate, mutual funds and All India Financial Institutions.

In view of the fund manager interest rates are expected to move down due to certain positive events which have occurred. In such cases the scheme can enter into a received position (IRS) where the scheme will receive a fixed rate for a specified maturity and pay the floating rate of interest. This is illustrated below:

Example B: Use of IRS

Assuming the Scheme is having 10% of the portfolio in cash. The fund manager has a view that the interest rate scenario is soft and call rates are unlikely to spurt over the next three months. The fund manager would therefore prefer to receive a higher rate of return on his cash, which he is lending in the overnight call market. In other words, he would like to move to a 91 days fixed interest rate from overnight floating rate.

1. Say Notional Amount : Rs. 2 crores

2. Benchmark : NSE MIBOR

3. Tenor : 91 Days

4. Fixed Rate : 10.25%

5. At the end of 91 days;

6. The Scheme pays : compounded call rates for 91 days is 9.90%

7. TMF receives : Fixed rate at 10.25% for 91 days.

In practice, however the difference of the two amounts is settled. Here the Scheme receives Rs. 2,00,00,000 x 0.35% x91 / 365 = 17,452. The players in IRS are scheduled commercial banks, primary dealers, corporate, mutual funds and All India Financial Institutions.

Forward Rate Agreements (FRA):

This is an agreement between two counterparties 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 the notional amount, for an agreed period.

The interest rate benchmarks that are commonly used for floating rate in interest rate swaps are those on various Money Market Instruments. In Indian markets, the benchmark most commonly used is MIBOR.

In view of the fund manager interest rates are expected to move up due to certain negative events which are expected to occur at a specified future date. In such cases the scheme can enter into a paid position (FRA) at a specified date in the future where the scheme will pay a fixed rate for a specified maturity and receive the floating rate of interest at a specified future date. This is illustrated below.

Example 1: Use of FRA

The fund Manager believes in 3 months time the interest rates will be higher and decides to enter into an FRA agreement 3x9 to protect the portfolio return. Say the manager wants to hedge 10% of the portfolio which is for the notional amount of Rs 2 crore where the bank agrees to pay 6% fixed, in case the 6 month OIS rate is greater than 6% the bank will pay the difference to the portfolio manager 3 months hence for 6 months. Say 3 months hence the OIS rate for six months is 6.50%.

This like IRS is cash settled and the bank at the end of three months will pay the portfolio manager the following (6.50-6.00) x181x 200,000,00/(365*100+6.50*181) = Rs 48040.55 for six months.

The Plans of the fund are in cash, and the view of the fund manager is interest rates are expected to move down due to certain positive events which are expected to occur at a specified future date. In such cases the plans can enter into a received position (FRA) at a specified date in the future where the plans will receive a fixed rate for a specified maturity and pay the floating rate of interest at a specified future date. This is illustrated below.

Example 2: Use of FRA

The fund Manager believes in 3 months time the interest rates will be lower and decides to enter into an FRA agreement 3x9 to protect the portfolio return. Say the manager wants to hedge 10% of the portfolio which is for the notional amount of Rs 2 crore where the bank agrees to pay 6% fixed, in case the 6 month OIS rate is less than 6% the bank will pay the difference to the portfolio manager 3 months hence for 6 months. Say 3 months hence the OIS rate for six months is 5.50%.

This like IRS is cash settled and the bank at the end of three months will pay the portfolio manager the following (6.00-5.50) x181x 200,000,00/(365*100+5.50*181) = Rs 48272.76 for six months.

Risks associated with Derivatives

- Derivative products are leverage instruments and can provide disproportionate gains as well as disproportionate losses to the investors. 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 involved 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.
- Derivative products are specialised instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative add to the portfolio and the ability to forecast price of securities being hedged and interest rate movements correctly. There is a possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counterparty") 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.
- 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".

Investment in securitized debt / pass through certificates (PTCs) is subject to following considerations:

1. Comprehensive credit assessment of the structure before investment. This includes originator's credit organization standards, track record on asset quality, more specifically its track record in respect of the asset class that is being securitized and also the performance of the pools securitized by the originator in the past.
2. No investment shall be made in instrument rated below AA (+/- or equivalent) or unrated instruments. Prior approval of Trustees is must for any exception.
3. Investment only in senior instruments and no investments are allowed in subordinate PTCs.
4. The securitized paper may pertain to a single asset class e.g. car loan or commercial vehicle loans or a combination of different asset classes i.e. car loans, two wheeler loans and commercial vehicle loans. Investment focus is towards diversification in the asset pool in terms of geography, underlying collateral.

   Although there is no specific guidelines with respect to minimum period for which the originator had held the loans in its books, appropriateness of the seasoning (the period for which the originator had held the loans in its books) and also the loan to value and instilment to income profile of the pool are important parameters for making investment decision.

Apart from the above, risk assessment process includes examination of the credit enhancement offered under the present PTC structure, utilization of credit enhancement in the previous securitization structure of the originator and the trends in credit enhancement utilization of securitization transactions of similar asset classes of other originators.

Risk assessment and monitoring of investment in Securitized Debt is done by a team comprising of Credit Analyst, Head of Fixed Income.

There is clear cut segregation of duties and responsibilities with respect to Investment function and Sales function. Investment decisions are being taken independently based on the above mentioned parameters and investment by the originator in the scheme is based on their own evaluation of the scheme vis a vis their investment objectives.

Portfolio Turnover

The portfolio will majorly consist of debt instrument along with money market instrument as explained in the clause Investment pattern and risk profile.

The Scheme will invest in securities of shorter maturities to maintain liquidity and also in longer term maturity instruments so as to give a higher return to the Unitholder.

As part of the fund management exercise, the Trustee Company may permit the use of any investment techniques (including derivatives) and instruments that may be permitted and / or that may become permissible under SEBI / RBI Regulations and / or any statutory modification or re-enactment thereof.

Fixed income analysis involves reviewing expected spreads, an assessment of fair value of appropriate benchmarks, besides analysing the yield curve as to duration, cycle effects, credit differences, etc. The analysis of expected spreads, yield curve, etc. results into holding-period return analysis. The Asset Management Company will invest in securities of shorter or longer maturity at its discretion. However, given the lack of depth in the domestic debt/money market, the emphasis is likely to be in favour of shorter maturities. The Fund is guided by a value oriented approach to investment and management of the portfolio, and considering the indicative asset allocation, the portfolio turnover shall generally be around 80%.

Pursuant to Schedule IX read with Regulation 50 of the SEBI (Mutual Funds) Regulations 1996, the cost of investments acquired or purchased shall include brokerage, stamp, charges and any other charge customarily included in the broker's bought note while the sale proceeds of investments sold or redeemed shall be net of brokerage, stamp charges and any other charge customarily included in the broker's sale note. Therefore, brokerage, stamp charges and any other charge customarily included in broker's note shall form part of the purchase or the sale value of investment, including value of the portfolio securities owned by the Scheme, and the resultant portfolio turnover rate.

The portfolio turnover rates as indicated above are only an indication of the Scheme's potential performance in the market environment existing as of the date of this Offering Circular based on the investment objectives and policies of the Scheme and as such there is no guarantee that this portfolio turnover rates can be achieved. The expected spreads of the securities are based on the current yield / maturity values of the instruments, which may change from time to time depending upon the 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.

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 a scheme

An open ended pure debt scheme.

(ii) Investment Objective

The investment objective of the Scheme will be to provide income/bonus distribution and / or medium to long term capital gains while at all times emphasising the importance of capital appreciation.

Investment Pattern and Risk Profile:
Under normal circumstances, funds of the Scheme, shall (after providing for all ongoing expenses) generally be invested / the indicative asset allocation shall be as follows considering the objective of the Scheme:

Instruments	Indicative allocations (% of total assets)	Risk Profile
	% of Corpus	High/Medium/Low
Debt and Debt Related Instruments	0-100	Low to Medium
Money Market Instruments	0-100	Low

Investment by the scheme in securitised debt will not normally exceed 80% of the net assets of the Scheme.

Investment in derivative instruments may be done for hedging and Portfolio balancing. Exposure to derivative instruments will be restricted to 50% of the net assets of the scheme.

The Trustee Company may from time to time, for a short term period on defensive consideration, modify / alter the investment pattern / asset allocation, the intent being to protect the Net Asset Value of the Scheme and Unitholders interests, without seeking consent of the unitholders.

(iii) Terms of Issue
Repurchase/ Resale is at Net Asset Value (NAV) related prices with repurchase/ resale loads as applicable (within limits) as specified under SEBI Regulations 1996, the repurchase price shall not be lower than 93% of the NAV, the sale price will not be higher than 107% of the NAV and further that the difference between the sale and repurchase price shall not exceed 7% calculated on the sale price.

Listing is not envisaged as the Scheme is an open-ended Scheme, with the Fund providing for sales and repurchase on a continuous basis.

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

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

Maximum recurring expenses on the first Rs 100 Crores 2.25% of average weekly net assets (also refer to para on annual recurring expenses in this SID).

G. SCHEME BENCHMARK

CRISIL Composite Bond Fund Index

The composition of the aforesaid benchmarks is such that, they are most suited for comparing performance of the respective plans. The Trustees may change the benchmark in future if a benchmark better suited to the investment objective of the scheme is available.

H. Fund Manager

Name	Age	Qualification	Total Experience	Other Schemes Under His Management	Experience (Assignments held during last 10 years)
Mr. Murthy Nagarajan	42	PGPMS, M.Com	17	TFMP27,TFMP29, TFMP30, TFMP 31 , TFMP32, TFMP 33, TFMP34 TFMP35, TFMP36, TFMP37, TFMP38, TSMRTA1 , TSMRTB1, TMMF, TFTF, TTMF, TFRLTF, TIPF, TDBF, TLMF, TFIPF,TMIF,TGMTF, Debt portion of TBF	August 1999 – November 2007 with Tata Asset Management Limited in the Investment Department head of fixed income – Reporting to the Managing Director. December 2007 – January 2010 with Mirae Asset Global Investment India Ltd in the Investment Department as the head of fixed income – Reporting to the Managing Director. February 2010 to date with Tata Asset Management Limited in the Investment Department as head of fixed income – Reporting to the President & CEO.

TMIF - Tata Monthly Income Fund, TYCF – Tata Young Citizens' Fund , TIPF – Tata Income Plus Fund, TDBF – Tata Dynamic Bond Fund, TMPF – Tata MIP Plus Fund, TFF – Tata Floater Fund, TLMF – Tata Liquidity Management Fund, TFIPF – Tata Fixed Income Portfolio Fund, TFRLTF – Tata Floating Rate Fund – Long Term Plan, TBF – Tata Balance Fund, , TSRTA1 / TSRTB1 – Tata Smart Investment Plan 1, TGMTF- Tata Gilt Mid Term Fund, TTMF: Tata Treasury Manager Fund, TFTF: Tata Fixed Tenure Fund , TMMF: Tata Money Market Fund, TFMP 27, 29,30,31,32,34,35,36,37,38: Tata Fixed Maturity Plan Series 27,29,30,31,32,34,35,36,37,38

I. Restrictions on Investments (as per seventh schedule of SEBI {Mutual Funds} Regulations 1996)

1. A mutual fund 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 authorised to carry out such activity under the Act. Such investment limit may be extended to 20% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of Asset Management Company.

   Provided that such limit shall not be applicable for investments in government securities.

   Provided further that investment within such limit can be made in mortgaged backed securitised debts which are rated not below investment grade by a credit rating agency registered with SEBI."

1A. A mutual fund scheme shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of the scheme. All such investments shall be made with the prior approval of the Board of Trustees and the board of asset management company.

1B. No mutual fund scheme shall invest more than thirty percent of its net assets in money market instruments of an issuer:

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

   Debentures irrespective of any residual maturity period (above or below 1 year) shall attract the investment restrictions as applicable for debt instruments as specified under clause 1, 1A and 1B above.

2. Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if:-
   (a) such transfers are done at the prevailing market price for quoted instruments on spot basis.

   Explanation- "spot basis" shall have same meaning as specified by stock exchange for spot transactions.

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

3. A scheme may invest in another scheme under the same asset management company or any other mutual fund without charging any fees, provided that aggregate interscheme 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.

   Provided that this clause shall not apply to any fund of funds scheme.

4. Every mutual fund shall 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 a mutual fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by the SEBI:

   Provided further that a mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the SEBI.

5. Every mutual fund shall, get the securities purchased or transferred in the name of the mutual fund on account of the concerned scheme, wherever investments are intended to be of long term nature.

6. Pending deployment of funds of a scheme in terms of investment objectives of the scheme, a mutual fund may invest them in short term deposits of schedule commercial banks, subject to such Guidelines as may be specified by the SEBI."

7. No mutual fund scheme shall 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 of the schemes.

8) No scheme of a mutual fund shall make any investment in any fund of fund scheme.

These investment limitations / parameters (as expressed / linked to the net asset / net asset value / capital) shall in the ordinary course apply as at the date of the most recent transaction or commitment to invest, and changes do not have to be effected merely because, owing to appreciations or depreciations in value, or by reason of the receipt of any rights, bonuses or benefits in the nature of capital or of any scheme of arrangement or for amalgamation, reconstruction or exchange, or at any repayment or redemption or other reason outside the control of the Fund, any such limits would thereby be breached. If these limits are exceeded for reasons beyond its control, TAML shall adopt as a priority objective the remedying of that situation, taking due account of the interests of the Unitholders.

In addition, certain investment parameters (like limits on exposure to Sectors, Industries, Companies, etc.) may be adopted internally by TAML, and amended from time to time, to ensure appropriate diversification / security for the Fund. The Trustee Company / TAML may alter these above stated limitations from time to time, and also to the extent the SEBI (Mutual Funds) Regulations, 1996 change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for mutual funds to achieve its investment objective. As such all investments of the Scheme will be made in accordance with SEBI (Mutual Funds) Regulations, 1996, including Schedule VII thereof.

Investment by the Fund and the Asset Management Company

According to the Clause 4 of Schedule 7 read with Regulation 44(1), of the SEBI (MF) Regulations, 1996, the scheme may invest in another scheme/plan/fund under the management of TAML or any other mutual fund without charging any fees. The aggregate inter-scheme investments made by all schemes/plans/funds 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. The objective of the Scheme in investing in Schemes of TMF or any other Mutual Fund will be primarily to gain better yields in the short term as compared to other short term instruments in the money market.

TAML (the AMC) may invest in the scheme(s)/plan(s)/fund(s), either in the initial issue or on an ongoing basis, such amount, as they deem appropriate. The AMC shall not be entitled to charge any management fees on this investment in the scheme(s)/plan(s)/fund(S). Investments by the AMC will be in accordance with Regulation 24(3) of the SEBI (MF) Regulations, 1996.

Securities Lending by the Mutual Fund

Subject to the SEBI Regulations as applicable from time to time the Fund may, if the Trustee permits, engage in Stock Lending. Stock Lending means the lending of securities to another person or entity for a fixed period of time at a negotiated compensation in order to enhance returns of the scheme portfolio. The securities lent will be returned by the borrower on the expiry of the stipulated period. The AMC will adhere to the following strict internal limits should it engage in Stock Lending.

Not more than 25% of the net assets of the scheme can generally be deployed in stock lending and not more than 5% of the scheme can be can be deployed in Stock lending to any single counterparty. Collateral would always be obtained by the approved intermediary. Collateral value would always be more than the value of the security lent. Collateral can be in form of cash, bank guarantee, government securities, as may be agreed upon with the approved intermediary, and would also be subject to a mark to market valuation on a daily basis.

Example:

A fund has an Non Convertible Debenture (NCD) of a company which it would wish to hold for a long period of time as a core holding in the portfolio as per the fund manager's plan. In that case the investors would be benefited only to the extent of the rise in the value of the NCD, from time to time if any, on the exchange. If the fund is enabled to lend the said security to a borrower who would be wanting to take advantage of the market fluctuations in its price, the borrower would return the security to the lender (scheme) at a stipulated time or on demand for a negotiated compensation. The fund's unitholders can enhance their returns to the extent of the compensation it will earn for lending the same. An adequate security or collateral will have to be maintained by the intermediary. This should always be higher than the cost of the security. Thus it is in the interest of the investors that returns can be enhanced by way of stock lending rather than hold the security only for capital appreciation potential.

Thus the scenario under which the fund would participate in stock lending would be:

1. There is a holding of security eg 5000 units of NCD's of XYZ Ltd in the fund which the fund manager wants to be the core holding of the scheme for approximately 6 to 12 months.
2. There is a borrower (not mutual fund) for the security, (who has taken a short position in the market and needs XYZ Ltd NCD to settle it) who is willing to put up a proper collateral for the same.(In all cases higher than the price of the script).
3. The borrower is represented by a proper recognized intermediary.
4. The agreement is to return the security or the amount so negotiated at a particular period of time or on demand.

Then the security will be lent by the fund and the unitholders would benefit from the additional compensation earned for lending, apart from the capital appreciation which also happens in that stock. Thus, to summarize, stock lending would be done by the scheme only in the following circumstances:

a) If permitted by trustees and the extent SEBI regulations in that regard, from time to time.

b) If such activity generates additional returns for the scheme and helps to enhance the scheme returns.

c) If considering the above, and other factors all considered in totality, such activity is in the interest of unitholders in the scheme.

Securities Lending Risks

It may be noted that this activity would have the inherent probability of collateral value drastically falling in times of strong downward market trends, rendering the value of collateral inadequate until such time as that diminution in value is replenished by additional security. It is also possible that the borrowing party and/or the approved intermediary may suddenly suffer severe business setback and become unable to honour its commitments. This, along with a simultaneous fall in value of collateral would render potential loss to the Scheme. Besides, there is also be temporary illiquidity of the securities that are lent out and the scheme will not be able to sell such lent out securities until they are returned.

J. PERFORMANCE OF THE SCHEME (As on 30 June, 2011)

Plan A

Performance Period	Scheme Returns %	Benchmark (Crisil Composite Bond Index)	Additional Benchmark (10 year G Sec) %	Value of Investment (Assuming Rs.10,000 invested at the beginning of each year & since inception)		
				Scheme	Benchmark (Crisil Composite Bond Index)	Additional Benchmark (10 year G- Sec)
Since inception (11/11/02)	5.35	5.38	7.04	15686	15719	17998
2008-2009	7.04	11.20	20.41	10704	11120	12041
2009-2010	3.27	4.69	3.28	10327	10469	10328
2010-2011	6.14	4.58	2.73	10614	10458	10273

Past performance of the scheme may or may not be sustained in future. Returns for Growth Option

Plan B

Performance Period	Scheme Returns %	Benchmark (Crisil Composite Bond Index)	Additional Benchmark (10 year G Sec) %	Value of Investment (Assuming Rs.10,000 invested at the beginning of each year & since inception)		
				Scheme	Benchmark (Crisil Composite Bond Index)	Additional Benchmark (10 year G- Sec)
Since inception (11/11/02)	5.38	5.38	7.04	15729	15719	17998
2008-2009	7.07	11.20	20.41	10707	11120	12041
2009-2010	3.25	4.69	3.28	10325	10469	10328
2010-2011	6.13	4.58	2.73	10613	10458	10273

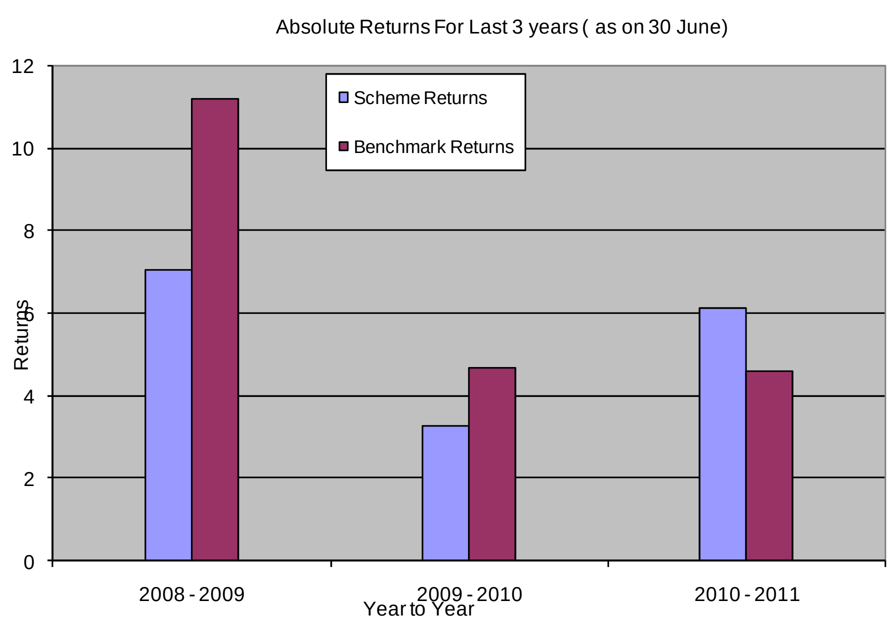
Past performance of the scheme may or may not be sustained in future. Returns for Growth Option

Plan C: There are no NAVs for this option during the period.

Absolute Returns For Each Financial Year For The Last 3 Years (Plan A)

Financial Year	Scheme Returns	Benchmark Returns CRISIL Composite Bond Fund Index
2008 – 2009	7.04	11.20
2009 - 2010	3.27	4.69
2010 - 2011	6.14	4.58

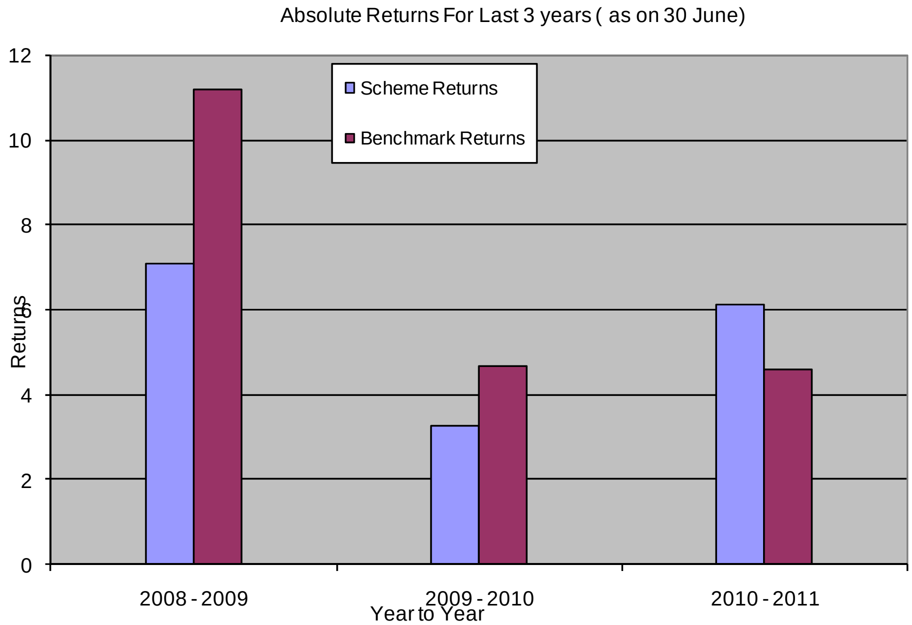
Past performance of the scheme may or may not be sustained in future. Returns are for Growth Option



Absolute Returns For Each Financial Year For The Last 3 Years (Plan B)

Financial Year	Scheme Returns	Benchmark Returns CRISIL Composite Bond Fund Index
2008 – 2009	7.07	11.20
2009 - 2010	3.25	4.69
2010 - 2011	6.13	4.58

Past performance of the scheme may or may not be sustained in future. Returns are for Growth Option



Plan C: There are no returns for this option during the period

Scheme Performance as on 30 June 2011 of other schemes managed by Mr. Murthy Nagarajan

Scheme Name	Particulars	Since Inception	June'10-June'11	June'09-June'10	June'08-June-09
Tata Dynamic Bond Fund (Option-RIP Growth)	**Scheme Return (%)**	5.33	6.30	2.67	2.72
(Inception Date 03.09.2003)	Benchmark Return (ISEC Composite Index) (%)	5.94	4.87	4.49	18.23
	Additional Benchmark(10 year G-Sec)	6.08	2.73	3.28	20.41
	Value of Investment (Rs)				
	Scheme	15012	10630	10267	10272
	Benchmark	15709	10487	10449	11823
	Additional Benchmark(10 year G-Sec)	15872	10,273	10,328	12,041
Tata Liquidity Management Fund(Growth)	**Scheme Return (%)**	5.81	6.40	3.01	4.85
(Inception Date	Benchmark Return	6.57	8.40	3.29	7.18

03.03.2006)	(Crisil Liquid Fund Index) (%)				
	Additional Benchmark(1 year T-Bills)	6.63	5.55	3.88	9.07
	Value of Investment (Rs)				
	Scheme	13513	10640	10301	10485
	Benchmark	14037	10718	10329	10840
	Additional Benchmark(1 year T-Bills)	14079	10555	10388	10907
Tata Floating Rate Fund- Long Term Plan (Option-Growth)	**Scheme Return (%)**	5.14	6.10	2.98	6.83
(Inception Date 22.12.2003)	Benchmark Return (Crisil Liquid Fund Index) (%)	5.93	7.18	3.29	8.40
	Additional Benchmark(1 year T-Bills)	8.33	5.55	3.88	9.07
	Value of Investment (Rs)				
	Scheme	14586	10610	10298	10683
	Benchmark	15426	10718	10329	10840
	Additional Benchmark(1 year T-Bills)	18261	10555	10388	10907
Tata Money Market Fund(Option RIP Growth)	**Scheme Return (%)**	6.45	7.29	3.69	8.28
(Inception Date 22.12.2003)	Benchmark Return (Crisil Liquid Fund Index) (%)	5.93	7.18	3.29	8.40
	Additional Benchmark (1 year T-Bills)	8.33	5.55	3.88	9.07
	Value of Investment (Rs)				
	Scheme	16003	10729	10369	10828
	Benchmark Return (Crisil Liquid Fund Index) (%)	15426	10718	10329	10840
	Additional Benchmark (1 year T-Bills)	18261	10555	10388	10907
Tata Gilt Mid Term Fund(Option-Growth)	**Scheme Return (%)**	3.53	3.39	NA	NA
(Inception Date 24.06.2010)	Benchmark Return(I Sec Composite Bond Index) (%)	4.84	4.87	NA	NA
	Additional Benchmark(10 year G-Sec)	3.08	2.73	3.28	20.41
	Value of Investment (Rs)				
	Scheme	10359	10339	NA	NA
	Benchmark	10492	10487	NA	NA
	Additional Benchmark(10 year G-Sec)	10313	10273	10328	12041
Tata Monthly Income Plan*Individual & HUF (Option Monthly	Scheme Return (%)	7.43	1.50	3.66	11.79

Dividend)					
(Inception Date 27.4.2000)	Benchmark Return(Crisil MIP Blended Index) (%)	NA	5.03	7.66	12.01
	Additional Benchmark(if any)				
	Value of Investment (Rs)				
	Scheme	22287	10150	10366	11179
	Benchmark	NA	10503	10766	11204
Tata Treasury Manager-(RIP Growth)	**Scheme Return (%)**	7.43	7.60	4.74	8.90
(Inception Date 1.09.2004)	Benchmark Return(Crisil Short Term Bond Index) (%)	6.99	5.59	4.85	11.26
	Additional Benchmark(10 year G-Sec)	6.51	2.73	3.28	20.41
	Value of Investment (Rs)				
	Scheme	13290	10760	10474	10890
	Benchmark	13074	10559	10485	11126
	Additional Benchmark(10 year G-Sec)	12843	10273	10328	12041
Tata Fixed Income Portfolio Fund –A1-RIP Growth	**Scheme Return (%)**	4.29	3.62	0.06	6.93
(inception date: 03.01.2008	Benchmark Return (Crisil Liquid Fund Index) (%)	6.39	7.18	3.29	8.40
	Additional Benchmark(1 year T-Bills)	6.31	5.55	3.88	9.07
	Value of Investment (Rs)				
	Scheme	11579	10362	10006	10693
	Benchmark	12412	10718	10329	10840
	Additional Benchmark(1 year T-Bills)	12381	10555	10388	10907
Tata Fixed Income Portfolio Fund –A2-RIP Growth	**Scheme Return (%)**	6.39	7.79	2.91	6.92
(inception date: 07.12.2007	Benchmark Return (Crisil Liquid Fund Index) (%)	6.43	7.18	3.29	8.40
	Additional Benchmark(1 year T-Bills)	6.41	5.55	3.88	9.07
	Value of Investment (Rs)				
	Scheme	12470	10779	10291	10692
	Benchmark	12486	10718	10329	10840
	Additional Benchmark(1 year T-Bills)	12479	10555	10388	10907
Tata Fixed Income Portfolio Fund –A3-IP Growth	**Scheme Return (%)**	7.97	8.07	N.A.	N.A.
(inception date: 09.06.2010)	Benchmark Return (Crisil Liquid Fund	7.07	7.18	3.29	8.40

	Index) (%)				
	Additional Benchmark(1 year T-Bills)	5.53	5.55	9.07	3.88
	Value of Investment (Rs)				
	Scheme	10844	10807	N.A.	N.A.
	Benchmark	10749	10718	10329	10840
	Additional Benchmark(1 year T-Bills)	10586	10555	10388	10907
Tata Fixed Income Portfolio Fund –B2 -RIP Growth	**Scheme Return (%)**	6.94	8.61	2.69	7.80
(inception date: 11.12.2007	Benchmark Return (Crisil Liquid Fund Index) (%)	6.43	7.18	3.29	8.40
	Additional Benchmark(1 year T-Bills)	6.43	5.55	3.88	9.07
	Value of Investment (Rs)				
	Scheme	12691	10861	10269	10780
	Benchmark	12478	10718	10329	10840
	Additional Benchmark(1 year T-Bills)	12466	10555	10388	10907
Tata Fixed Income Portfolio Fund –B3 -RIP Growth	**Scheme Return (%)**	9.10	8.30	3.80	7.56
(inception date: 28.12.2007	Benchmark Return (Crisil Liquid Fund Index) (%)	6.40	7.18	3.29	8.40
	Additional Benchmark(1 year T-Bills)	6.38	5.55	3.88	9.07
	Value of Investment (Rs)				
	Scheme	13573	10830	10380	10756
	Benchmark	12432	10718	10329	10840
	Additional Benchmark(1 year T-Bills)	12422	10555	10388	10907
Tata Fixed Income Portfolio Fund –C2 -RIP Growth	**Scheme Return (%)**	5.31	4.86	0.76	8.27
(inception date: 31.12.2007	Benchmark Return (Crisil Liquid Fund Index) (%)	6.40	7.18	3.29	8.40
	Additional Benchmark(1 year T-Bills)	6.37	5.55	3.88	9.07
	Value of Investment (Rs)				
	Scheme	11986	10486	10076	10827
	Benchmark	12422	10718	10329	10840
	Additional Benchmark(1 year T-Bills)	12412	10555	10388	10907
Tata Fixed Income Portfolio Fund –C3 -RIP Growth	**Scheme Return (%)**	8.25	11.69	3.35	9.06

(inception date: 24.12.2007	Benchmark Return (Crisil Liquid Fund Index) (%)	6.41	7.18	3.29	8.40
	Additional Benchmark(1 year T-Bills)	6.38	5.55	3.88	9.07
	Value of Investment (Rs)				
	Scheme	13215	11169	10335	10906
	Benchmark	12443	10718	10329	10840
	Additional Benchmark(1 year T-Bills)	12430	10555	10388	10907

Note: Rationale for Calculation of Additional benchmark for debt schemes:

(a) *10 Year dated GOI security: The total returns are computed by taking into account the Marked to Market (MTM) Gain / Loss as well as accrual income through coupon flows. For MTM we have considered actual yields prevailing on starting date and end date (calendar quarter ended 30th June 2011). Average of actual coupon rate from respective inception date to end date has been considered for calculating since inception period return. For 12 months period Coupon rate of 10 year G-Sec benchmark paper prevailing during the start date is considered.*

(b) *1 Year T- Bill: For 12 months period, actual yield of 364 days Treasury bill on start date is assumed as the returns for that period. While for the since inception period ,accrual income on principal invested on inception at prevailing yield is assumed to be re-invested every year along with the principal amount for subsequent years. Internal Rate of Return (IRR) is then used to calculate the yield from maturity amount for since inception period as on calendar quarter ended 30th June 2011.*

Date Source: Bloomberg & RBI

Past performances of schemes, which are in existence for less than one year has not been provided.

III. UNITS AND OFFER

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

A. ONGOING OFFER DETAILS

Ongoing Offer Period This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period.	Tata Income Plus Fund was launched on 11th November, 2002. W.e.f 2nd December, 2002 the scheme was open for ongoing sales.
Ongoing price for subscription (purchase) / switch-in (from other schemes / plans of the mutual fund) by investors. This is the price you need to pay for purchase/switch-in.	At the applicable NAV. w.e.f August 1, 2009, entry load is not applicable.
Ongoing price for redemption (sale) / repurchase /switch outs (to other schemes/plans of the Mutual Fund) by investors. This is the price you will receive for redemptions/switch outs. *Example: If the applicable NAV is Rs. 10, exit load is 2% then redemption price will be:* *Rs. 10* (1-0.02) = Rs. 9.80*	At the applicable NAV subject to prevailing exit load, if any. The Fund shall ensure that the Redemption Price is not lower than 93% of the NAV and the Purchase Price is not higher than 107% of the NAV, provided that the difference between the Redemption Price and Purchase Price of the Units shall not exceed the permissible limit of 7% of the Purchase Price, as provided for under the Regulations.
Cut off timing for subscriptions / redemptions and switches This is the time before which your application (complete in all respects) should reach the official points of acceptance.	**Subscription / Purchase / Switch-in:** **a)** <table><tr><th>Subscriptions & Switch-ins* amount of Rs.1 Crore & above</th><th>Applicable NAV</th></tr><tr><td>In respect of valid application received upto 3.00p.m. on a Business Day & funds are available for utilization i.e entire amount has been credited to the bank account of the scheme before the cut-off time.++</td><td>The closing NAV of the day on which the funds are available for utilization.</td></tr></table>

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<tr><td>In respect of valid application received after 3.00 p.m. on a Business Day & funds are available for utilization after the cut-off time i.e entire amount has been credited to the bank account of the scheme after the cut-off time.</td><td>The closing NAV of the next Business Day.</td></tr>
<tr><td>Irrespective of the time of receipt of application, where the funds are available for utilization i.e entire amount has been credited to the bank account of the respective scheme before the cut-off time on any subsequent Business Day.</td><td>The closing NAV of such subsequent Business Day on which the funds are available for utilization.</td></tr>
</table>
++ In respect of valid application received upto 3.00 p.m on a Business Day but funds are available for utilization after 3.00 p.m - applicable NAV will be the closing NAV of the next Business Day.
b) For Purchases / switch-in of less than 1 crore: In respect of application received up to 3 p.m., closing NAV of the day of receipt of application shall be applicable and in respect of application received after 3 p.m. closing NAV of next business day .
* In case of Switch transactions, funds will be made available for utilization in the switch-in scheme based on redemption payout cycle of the switch-out scheme.
Redemption /Switch Out : In respect of application received upto 3 p.m., closing NAV of the day of receipt of application shall be applicable and in respect of application received after 3 p.m. closing NAV of next business day.
Outstation cheques / demand drafts will not be accepted.
Valid application for “switch out” shall be treated as redemption and for “switch in” shall be treated as purchases and the relevant NAV of “Switch in” and “Switch Out” shall be applicable accordingly.
</td>
</tr>
<tr>
<td>Where can the applications for redemption and switches be submitted?</td>
<td>The details of official points of acceptance etc. are provided on the back cover page.</td>
</tr>
<tr>
<td>Minimum amount for purchase / redemption and switches</td>
<td>
Minimum amount for purchase / switch in:
Plan A: Rs. 5,000/- and in multiples of Re.1/- thereafter.
For additional investment by existing investor Rs. 1,000/- and in multiples of Re.1/- thereafter.
Plan B: Rs. 1, 00,000/- and in multiples of Re. 1/- thereafter.
For additional investment by existing investor Rs. 10,000/- and in multiples of Re.1/- thereafter.
Plan C: Rs. 5, 00, 00,000/- and in multiple of Re. 1/- thereafter.
For additional investment by existing investor Rs. 10, 00, 000/- and in multiples of Re. 1/- thereafter.
The repurchase / switches request can be made for a minimum of Rs. 1000/- / 100 units or in multiples of Rs.1/- thereafter or for all the Units.
There is no minimum amount requirement, in case of investors opting to switch “All Units” from any existing scheme of Tata Mutual Fund to this scheme.
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<tr>
<td>Maximum amount for redemption and switch-outs</td>
<td>
(a) The repurchase would be permitted to the extent of credit balance in the Unit holder’s account.
(b) In case of receipt of the repurchase requests (including repurchase requests carried forward in accordance with this clause) in excess of 15% of the outstanding units at the beginning of any repurchase day, the AMC reserves the right to carry forward excess units, on a prorate basis, to the next repurchase day and such excess units shall be processed at the applicable NAV of next repurchase day. However AMC reserves the right to accept Repurchase Request in Rupees also.
</td>
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<tr>
<td>Minimum balance to be maintained and consequences of non maintenance.</td>
<td>
The Fund may mandatorily redeem all the Units of any Unitholder:
(a) if the account balance falls below 500 Units due to normal repurchase/switch and the unitholders fails to purchase sufficient units to bring the value of the account upto the minimum level within 30 days after a written intimation in this regard is sent by the fund to that unitholder; or
(b) Where the Units are held by a Unitholder in breach of any regulations; or The repurchase would be permitted to the extent of credit balance in the Unitholder’s account.
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<tr>
<td>Special Products available</td>
<td>
a) Systematic Investment Plan (SIP)
The investors can benefit by investing specified Rupees amounts at regular intervals. The SIP allows the unitholders to invest a fixed amount of Rupees at regular intervals for purchasing additional units of the scheme at NAV based prices. Investment can be done with the minimum / maximum amount and number of cheques specified by AMC from time to time. The cheques will be presented on the dates mentioned on the cheque and subject to realization. Units will be allotted at the applicable NAV along with applicable load.
“SIP facility is available subject to terms and conditions. Please refer to the SIP Enrolment form for terms and conditions before enrolment.”
b) Systematic Withdrawal Plan (SWP)
This facility available to the unitholders of the scheme enables them to redeem fixed sums or fixed number of units from their unit accounts at periodic intervals. The amount withdrawn under SWP by
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</table>

	redemption shall be converted into the Scheme units at the Repurchase price and such units will be subtracted from the unit balance of that unitholder. In case the date falls during a book closure period the immediate next Business day will be considered for this purpose. The Authorised Investor Service Center may terminate SWP on receipt of a notice from the unitholder. It will terminate automatically if all units are liquidated or withdrawn from the account or upon the receipt of notification of death or incapacity of the unitholder. "SWP facility is available subject to terms and conditions. Please refer to the SWP Enrolment form for terms and conditions before enrolment." **c) Systematic Transfer Plan (STP)** A unitholder may establish a Systematic Transfer Plan (STP) and choose to transfer on a monthly or a quarterly basis from one TMF Scheme to another TMF Scheme on a date prescribed by the Investment Manager. The amount thus withdrawn by redemption shall be converted into units at the applicable NAV on the scheduled day and such units will be subtracted from the unit balance of that unitholder. Unitholders may change the amount, not below the specified minimum, by giving two weeks prior written notice to the registrars. STP may be terminated automatically if the balance falls below the minimum account balance or upon the receipt of notification of death or incapacity of the unitholders by the fund. Rules relating to the plan may be changed from time to time by the Investment Manager. "STP facility is available subject to terms and conditions. Please refer to the STP Enrolment form for terms and conditions before enrolment."
Accounts Statements	**For normal transactions (other than SIP/STP) during ongoing sales and repurchase:** • The AMC shall issue to the investor whose application (other than SIP/STP) has been accepted, an account statement specifying the number of units allotted (within five days from the date of allotment). • For those unitholders who have provided an e-mail address, the AMC will send the account statement by e-mail. • The unitholder may request for a physical account statement by writing/calling the AMC/ISC/R&T. **For SIP / STP transactions;** • Account Statement for SIP and STP will be despatched once every quarter ending March, June, September and December within 10 working days of the end of the respective quarter. • A soft copy of the Account Statement shall be mailed to the investors under SIP/STP to their e-mail address on a monthly basis, if so mandated. • However, the first Account Statement under SIP/STP shall be issued within 10 working days of the initial investment/transfer. • In case of specific request received from investors, Mutual Funds shall provide the account statement (SIP/STP) to the investors within 5 working days from the receipt of such request without any charges. **Annual Account Statement:** • The Mutual Funds shall provide the Account Statement to the Unitholders who have not transacted during the last six months prior to the date of generation of account statements. The Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement, • The account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme. Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so mandated. **As per SEBI circular no CIR/IMD/DF/102010 dated August 18, 2010. all the units of a mutual fund scheme held in Demat form will be freely transferable.**
Dividend	The dividend warrants shall be dispatched to the unitholders within 30 days of the date of declaration of the dividend.
Redemption	The redemption or repurchase proceeds shall be dispatched to the unitholders within 10 working days from the date of acceptance of redemption or repurchase request.
Delay in payment of redemption / repurchase 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).
Restrictions, if any, on the right to freely retain or dispose of units being offered	Any addition/deletion of name from the folio of the unit holder is deemed as transfer of units. But the units of the scheme are not transferable. In view of the same, additions/ deletion of names will not be allowed under any portfolio of the scheme. The above provisions in respect of deletion of names will not be applicable in case of death of unitholder (in respect of joint holdings) as this is treated as transmission of units and not transfer. However, it may be noted that the restriction on transfer of units as mentioned above shall not be applicable to units held in dematerialized mode and thus such units are transferable, as clarified by SEBI vide its circular no. CIR/IMD/DF/10/ 2010 dated August 18, 2010.
Bank Account Details	It shall be mandatory for the Unitholders to mention their bank account numbers in their applications/requests for redemptions. Unitholders are requested to give the full particulars of their Bank Account i.e. nature and number of account, name, Account Number, Nine digit MICR code No.

	(For Electronic Credit Facility), IFSC code for NEFT a 11 digit number, branch address of the bank at the appropriate space in the application form. **1. Restriction on Acceptance of Third Party Payments for Subscription of units of schemes of Tata Mutual Fund**: In pursuance to Best Practice Guidelines issued by Association of Mutual Funds in India [AMFI] Vide Circular No.135/BP/16/10 dated August 16th 2010 for acceptance of Third party cheques, Tata Asset Management Ltd has decided henceforth not to accept subscriptions with Third-Party cheques, For details kindly refer Statement of Additional Information (SAI). **2. Process for Change of 'Bank Mandate'(COB)**: In order to protect the interest of Unit holders from fraudulent encashment of redemption / dividend cheques, 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 shall be rejected. The Asset Management Company will not be responsible for any loss arising out of fraudulent encashment of cheques / warrants and / or any delay / loss in transit. Unitholders are free to change their bank details registered with the Mutual Fund subject to adherence with the following procedure: Tata Mutual Fund(TMF) has decided to substitute the process for Change of Bank Mandate(COB) in the 'Bank Details' clause. **Documents required for Change of Bank Mandate (COB)** 1. Transaction slip/Request letter from investor, And 2. Cancelled original cheque for New Bank Mandate, And 3. Document proof of existing Bank Mandate presently registered in the TMF folio: (Any one of the following) • Cancelled original cheque having account no. and name of the first holder on it. Or • Original Bank Statement. True copy can be accepted if original is brought to the branch for verification. Or • True copy of Bank Passbook, if the original Passbook is brought to branch for verification. Or • In case of closed Bank account, letter from Bank on letter head, duly stamped confirming closure of the account. In the event of a request for change in bank account information being invalid / incomplete / not satisfactory in respect of signature mismatch/document insufficiency/not meeting any requirements more specifically as indicated in clauses above, the request for such change will not be processed. Redemptions / dividend payments, if any, will be processed and the last registered bank account information will be used for such payments to Unitholders. Unitholders may note that requests for change in bank details shall be submitted atleast 10 business days prior to date of redemption / dividend payment. In event of insufficient prior notice for change in the Bank account mandate, the redemption / dividend payment, if any will be processed using last registered bank account Tata Mutual Fund shall not be responsible for any consequence arising out of such action. Unit holders are advised to provide their contact details like telephone numbers, mobile numbers and email IDs to Tata Mutual Fund in writing.
Who can invest This is an indicative list and you are requested to consult your financial advisor to ascertain whether the scheme is suitable to your risk profile.	**Eligibility for Application** The following persons (subject, wherever relevant to, purchase of Units being permitted under their respective constitutions and relevant State Regulations) are eligible to apply for the purchase of the Units: • Adult individuals, either singly or more than one (not exceeding three) on first holder basis or jointly on an either or survivor/any one basis. • Parents or other lawful Guardians on behalf of Minors. • Companies, corporate bodies, public sector undertakings, trusts, wakf boards or endowments, funds, institutions, associations of persons or bodies of individuals and societies (including Co-operative Societies) registered under the Societies Registration Act, 1860 (so long as the purchase of Units is permitted under their respective constitutions). • Mutual Funds (including any Scheme managed by AMC or any Scheme of any other Mutual Fund); (in accordance with Regulation 44(1) read with Clause 4 of Schedule VII, of the Securities & Exchange Board of India (Mutual Funds) Regulations, 1996). • Asset Management Company (AMC); (in accordance with Regulation 24(3) of the Securities & Exchange Board of India (Mutual Funds) Regulations, 1996). • Partnership firms, in the name of the partners. • Hindu Undivided families (HUF) in the sole name of the Karta. • Financial and Investment Institutions/ Banks. • Army/ Navy / Air Force, para military Units and other eligible institutions. • Religious and Charitable Trusts provided these are allowed to invest as per statute and their by-laws. • Non-resident Indians/ persons of Indian origin residing abroad (NRIs) on a full repatriation basis. • Foreign Institutional Investors registered with SEBI (FIIs). • International Multilateral Agencies approved by the Government of India.

	Applicants who cannot Invest. • Overseas Corporate Bodies (OCBs) shall not be allowed to invest in the scheme. These would be firms & societies which are held directly or indirectly but ultimately to the extent of atleast 60% by NRIs & trusts in which atleast 60% of the beneficial interest is similarly held irrevocably by such persons (OCBs). 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 than prevailing statutory regulations, if any. If a person resident of India at the time of subscription becomes a person resident outside India subsequently, shall have the option to either be paid Redemption value of Units, or continue into the Scheme if he/ she so desires and is otherwise eligible. However, the person who desires to continue in the Scheme shall not be entitled to any interest or any compensation during the period it takes for the Fund to record the change in Address and the Residential Status. Notwithstanding the aforesaid, the Trustee Company reserves the right to close the Unitholder account and to pay the Redemption value of Units, subsequent to his becoming a person resident outside India, should the reasons of expediency, cost, interest of Unitholders and other circumstances make it necessary for the Fund to do so. In such an event, no resident Unitholders who have subsequently become resident outside India shall have a right to claim the growth in capital and/ or income distribution. This scheme has not been registered in any country outside India. To ensure compliance with any Laws, Acts, Enactments, etc. including by way of Circulars, Press Releases, or Notifications of Government of India, the Fund may require/give verification of identity/any special/additional subscription-related information from /of the Unitholders(which may result in delay in dealing with the applications, Units, benefits, distribution, etc./giving subscription details, etc). Each Unitholder must represent and warrant to the Trustee Company/AMC that, among other things, he is able to acquire Units without violating applicable laws. The Trustee Company will not knowingly offer or sell Units to any person to whom such offer or sale would be unlawful, or might result in the Fund incurring any liability or suffering any other pecuniary disadvantages which the Fund might not otherwise incur or suffer. Units may not be held by any person in breach of the law or requirements of any governmental, statutory authority including, without limitation, Exchange Control Regulations. The Trustee company may, compulsorily redeem any Units held directly or beneficially in contravention of these prohibitions. In view of the individual nature of investment portfolio and its consequences, each Unitholder is advised to consult his/her own professional advisor concerning possible consequences of purchasing, holding, selling, converting or otherwise disposing of the Units under the laws of his/her State/country of incorporation, establishment, citizenship, residence or domicile.
Refund	Refund of subscription money to applicants whose applications are invalid for any reason whatsoever, will be without incurring any liability whatsoever for interest or other sum. The entire amount shall be refunded not later than five working days If, the Fund refunds the amount after five working days, interest @15% per annum for delayed period shall be paid by the AMC. Refund orders will be marked “A/c. Payee Only” and drawn in the name of the first applicant.
Dividend Policy	The income / profits received / earned would be accumulated by the Fund as capital accretion, aimed at achieving medium to long term and also short term capital growth as reflected in the NAV. In the alternative and as may be decided by the Trustee Company along with the Asset Management Company, the profits received / earned and so retained and reinvested may be distributed as Income/Bonus at appropriate rates (after providing for all relevant ongoing expenses, etc.) and at appropriate intervals as may be decided and will be distributed to the unitholders who hold the units on the record date of declaration of the Income/Bonus. The Income/Bonus Distribution Warrants/Certificate shall be despatched within 30 days of the declaration of the Income/Bonus. Guided by the philosophy of value-oriented returns, the Trustee Company may periodically (currently quarterly) capitalise net earnings of the Scheme (including interest income and realised gains on the Securities) by way of allotment/credit of bonus Units to the Unitholders Accounts, the intent being to protect the Net Asset Value of the Scheme and Unitholders’ interests. **Dividend Reinvestment Option :** Unitholders under this option have the facility of reinvestment of the income so declared, if so desired. Income distribution warrant will not be despatched to such Unitholders. The income declared would be reinvested in the scheme on the immediately following ex dividend date. In order to reduce the expenses of the scheme and also for the convenience of the investors if dividend amount is less than Rs 250/- (or any other amount as may be specified by the AMC from time to time) the dividend shall be reinvested within the scheme at the applicable ex-dividend NAV. **Dividend Sweep Facility** Under this facility investor can opt for reinvestment of dividend into any other scheme of Tata Mutual Fund. This facility is available only for those investors who have opted for dividend reinvestment facility. This facility is not available to those investors who have opted for dividend payout facility. Under this facility, the net dividend amount (i.e net of statutory levy / taxes if any) will be automatically invested on the ex dividend date into other scheme of TATA Mutual Fund specified by the investor at the applicable NAV of that scheme & accordingly equivalent units will be allotted in lieu of dividend, subject to the terms of the schemes. The minimum and maximum amount is not applicable for this facility. No entry load or exit load will be levied on the units issued in lieu of dividend. AMC reserves the right to modify or withdraw this facility without prior notice. **Default Option:** Investor should appropriately tick the ‘option’ (dividend or growth) in the application form while investing in the schemes. If option is not indicated by the investor, then by default it will be treated as ‘growth option’. Further, if investors chooses ‘dividend option’ then they should also indicate the sub-option (dividend payout or dividend re-investment) under the ‘dividend option’ otherwise it will, by

	default, be treated as 'dividend re-investment' option.
Facility for purchasing of units of the scheme through order routing platform on BSE and NSE	**Tata Mutual Fund has signed an agreement with BSE & NSE for allowing transactions in this Scheme through stock exchange platform.** The scheme is admitted on the order routing platform of Bombay Stock Exchange Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). Under this facility investors can submit the application for subscription and redemption of units of the scheme though the Stock Exchange platform. The introduction of this facility is pursuant to guidelines issued by SEBI vide circular SEBI/IMD/CIR No.11/183204/2209 dated November 13, 2009 and the Stock Exchanges viz. BSE & NSE. Currently only purchase application below Rs 1 Crore will be allowed on the order platform. **The following are the salient features of the new facility introduced for the benefit of investors:** 1. This facility i.e. purchase/redemption of units will be available to both existing and new investors. Switching of units will not be permitted through stock exchange platform. 2. The investors will be eligible to only purchase /redeem units of the scheme. It is subject to change from time to time. 3. All trading members of BSE & NSE who are registered with AMFI as Mutual Fund Advisors and who have signed up with Tata Asset Management Limited and also registered with BSE & NSE as Participants ("AMFI certified stock exchange brokers") will be eligible to offer this facility to investors. In order to facilitate transactions in mutual fund units through the stock exchange infrastructure, BSE has introduced BSE StAR MF Platform and NSE has introduced Mutual Fund Service System (MFSS). 4. The units of eligible Schemes are not listed on BSE & NSE and the same cannot be traded on the Stock Exchange like shares. The window for submission of application for purchase/redemption of units on BSE & NSE will be available between 9 a.m. and 3 p.m. or such other timings as may be decided by the Stock Exchanges. 5. TMF has currently entered into an arrangement with BSE & NSE for facilitating transactions in Tata Income Plus Fund through the AMFI certified stock exchange brokers. Investors who are interested in transacting in this scheme should register themselves with AMFI certified stock exchange brokers. 6. The eligible AMFI certified stock exchange brokers will be considered as Official Points of Acceptance (OPA) of Tata Mutual Fund as per SEBI circular No. SEBI/IMD/CIR No/11/78450/06 dated October 11, 2006. 7. Investors have an option to subscribe/redeem units in physical or dematerialized form on BSE StAR and NSE MFSS system. In case of redemption request received through MFSS/BSE StAR/DP residual units will continue to remain in the Registrar and Transfer Agents records and the residual units will be redeemed only after investor request to redeem. 8. Investors will be able to purchase/redeem units in the Tata Income Plus Fund in the following manner : **i. Purchase of Units:** **a. Physical Form (available only on BSE StAR & NSE MFSS Platform)** • The investor who chooses the physical mode is required to submit all requisite documents along with the purchase application (subject to applicable limits prescribed by BSE/NSE) to the AMFI certified stock exchange brokers. • The AMFI certified stock exchange broker shall verify the application for mandatory details and KYC compliance. • After completion of the verification, the purchase order will be entered in the Stock Exchange system and an order confirmation slip will be issued to investor. • The investor will transfer the funds to the AMFI certified stock exchange brokers. • Allotment details will be provided by the AMFI certified stock exchange brokers to the investor. **b. Dematerialized Form (Available on both platforms i.e. NSE MFSS & BSE StAR MF)** • The investors who intend to deal in depository mode are required to have a demat account with Central Depository Services Limited ("CDSL")/ National Securities Depository Limited(" NSDL") • The investor who chooses the depository mode is required to place an order for purchase of units (subject to applicable limits prescribed by BSE/NSE) with the AMFI certified stock exchange brokers. • The investor should provide their depository account details to the AMFI certified stock exchange brokers. • The purchase order will be entered in the Stock Exchange system and an order confirmation slip will be issued to investor.

- The investor will transfer the funds to the AMFI certified stock exchange brokers.

ii. Redemption of Units:

a. Physical Form (currently available only on BSE StAR & NSE MFSS Platform)

- The investor who chooses the physical mode is required to submit all requisite documents along with the redemption application (subject to applicable limits prescribed by BSE/NSE, if any) to the AMFI certified stock exchange brokers. Presently there is no cap on redemption request on BSE StAR MF platform. Transactions are allowed for physical mode along with Demat mode on NSE except for Systematic Investment Plan whereas SIP transactions will be allowed in Demat mode only.
- The redemption order will be entered in the Stock Exchange system and an order confirmation slip will be issued to investor. In case of redemption request received through MFSS/BSE StAR/DP residual units will continue to remain in the Registrar and Transfer Agents records and the residual units will be redeemed only after investor request to redeem.
- The redemption proceeds will be credited to the bank account of the investor, as per the bank account mandate recorded with Tata Mutual Fund and within the timelines as per SEBI regulations as applicable from time to time or it will be sent to the investor in the mode selected by the investor.
- Redemption request may also be submitted to any of the Investor service centers.
- In case investors desire to convert the physical units into dematerialized form, the dematerialized request will have to be submitted with the Registrar.

b. Dematerialized Form (Available on both platforms i.e NSE MFSS & BSE StAR MF)

- The investors who intend to deal in depository mode are required to have a demat account with CDSL/ NSDL and units converted from physical mode to demat mode prior to placing of redemption order.
- The investor who chooses the depository mode is required to place an order for redemption (subject to applicable limits prescribed by BSE/NSE) with the AMFI certified stock exchange brokers. The investors should provide their Depository Participant with Depository Instruction Slip with relevant units to be credited to Clearing Corporation pool account.
- The redemption order will be entered in the system and an order confirmation slip will be issued to investor.
- Presently no limit is applicable for the redemption of units.
- The redemption proceeds will be credited to the bank account of the investor, as per the bank account details recorded with the Depository Participant.

9. Applications for purchase/redemption of units which are incomplete /invalid are liable to be rejected.
10. In case of non-financial requests/ applications such as change of address, change of bank details, etc. investors should approach Investor Service Centres (ISCs) of Tata Mutual Fund if units are held in physical mode and the respective Depository Participant(s) if units are held in demat mode.
11. An account statement will be issued by Tata Mutual Fund to investors who purchase/ redeem their units under this facility in physical mode. In case of investors who intend to deal in units in depository mode, a demat statement will be sent by Depository Participant showing the credit/debit of units to their account.
12. The applicability of NAV will be subject to guidelines issued by SEBI on Uniform cut-off timings for applicability of NAV of Mutual Fund Scheme(s)/Plan(s) as per SEBI circular No. Cir/IMD/DF/19/2010 dated November 26, 2010.
13. Investors will have to comply with Know Your Customer (KYC) norms as prescribed by BSE/NSE/CDSL/ NSDL and Tata Mutual Fund to participate in this facility.

The Trustee reserves the right to change/modify the features of this facility at a later date.

B. PERIODIC DISCLOSURES

Net Asset Value This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.	The Mutual Fund shall declare the Net asset value of the scheme on every business day on AMFI's website www.amfiindia.com by 9.00 pm and also on the AMC's website i.e www.tatamutualfund.com. **NAV Information** The Scheme's NAV will be available on all Business Days at the Authorised Investor Service Centres. The Fund will endeavour to publish the Scheme's NAV on all business days in atleast 2 daily newspapers (along with repurchase price). In the event NAV cannot be calculated and / or published, such as because of the suspension of RBI Clearing, Bank strikes, during the existence of a state of emergency and / or a breakdown in communications, the Board of Trustees may temporarily suspend determination and / or publication of the NAV of the Units. The spread between the sale and repurchase price will be in accordance with Regulation 49(3) of the Securities & Exchange Board of India (Mutual Funds) Regulations, 1996. Accordingly, the repurchase price shall not be lower than 93% of the NAV while the sale price shall not be higher than 107% of the NAV and further that the difference between the sale and repurchase price shall not exceed 7% calculated on the Sale price. Please also refer to the Clause on "Unitholder Transaction Expenses".
Half yearly Disclosures: Portfolio / Financial Results This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.	The Fund shall before the expiry of one month from the close of each half year, that is as on March 31 and September 30, publish its unaudited financial results in one English daily newspaper having all India circulation and in a newspaper published in the language of the region where the Head Office of the Fund is situated and update the same on AMC's website at www.tatamutualfund.com within 30 days in format prescribed in terms of SEBI's circular dated April 20, 2001 and on AMFI's website at www.amfiindia.com within 30 days from the close of each half year, in the prescribed formats. Further the Fund shall also disclose the half-yearly scheme portfolios on its web site at www.tatamutualfund.com and on AMFI web site (www.amfiindia.com) in the prescribed format before the expiry of one month from the close of each half year. The mutual fund may opt to send the portfolio to all unit holders in lieu of the advertisement.
Half Yearly Results	The mutual fund and Asset Management Company 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 unaudited financial results 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.
Annual Report	The Fund will, not later than four months after the close of each financial year (March 31), mail to the Unitholders an abridged scheme wise annual report. Further, the full text of the Annual Report will be available for inspection at the office of the Fund. A copy of the Annual Report will be sent to Unit holders, free of cost, on specific request. The fund shall disclose the Annual Report on its website www.tatamutualfund.com.
Associate Transactions	Please refer to Statement of Additional Information (SAI).
Investor services	The AMC has designated an Investor Relations Officer to look into investor grievances regarding deficiencies, if any, in the services provided by the Registrars or the Investor Service Centres. Name and address of the Investor Relations Officer: **Ms. Kashmira Kalwachwala** 9th Floor, Mafatlal Centre Nariman Point , Mumbai 400 021 Tel: (022) 66578282 Email address: kiran@tataamc.com The AMC will have the discretion to change the Investor Relations' Officer depending on operational necessities and in the overall interest of the fund.

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 dealer with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.

Following is the tax treatment for investment in the scheme:

Dividend Distribution Tax is Payable by the Scheme		
Type of Scheme	**Rate of Dividend Distribution Tax**	
	Dividend paid to Resident Individuals & HUF's	**Dividend paid to others Resident investors**
Debt Fund	12.50%*	30%*

Tax on Capital Gains (Payable by the Investors)			
	Rate of Capital Gain Tax		
	All Resident Investors	**Domestic Companies**	**Mutual Fund**
Short Term Capital Gain	As per relevant Slab of Total Income chargeable to Tax	30%*	NA

Long Term Capital Gain			
With Indexation	20*	20*	NA
Without Indexation	10*	10*	NA

The above mentioned Tax rates shall be increased by Surcharge @ 5.00% (only in case of domestic companies if their taxable income exceeds Rs. 1 crore) and, for all assessees, the tax and surcharge would be further increased by Education Cess @ 2% and secondary and higher education cess @ 1%. In case of FIIs, Surcharge would be payable @ 2.5% of the tax if the taxable income exceeds Rs. 1 crore.

"If any tax liability arising post redemption on account of change in tax treatment with respect to dividend distribution tax, by the tax authorities, shall be solely borne by the investors and not by the AMC or the Trustee Company."

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

C. COMPUTATION OF NAV

Net Asset Value ("NAV") of the Units shall be determined daily as of the close of each Business Day.

NAV shall be calculated in accordance with the following formula:

$$NAV = \frac{\text{Market Value of Scheme's Investments + Accrued Income + Receivables + Other Assets – Accrued Expenses - Payables - Other Liabilities}}{\text{Number of Units Outstanding}}$$

The computation of Net Asset Value, valuation of Assets*, computation of applicable Net Asset Value (related price) for ongoing Sale, Redemption, Switch and their frequency of disclosure shall be based upon a formula in accordance with the Regulations and as amended from time to time including by way of Circulars, Press Releases, or Notifications issued by SEBI or the Government of India to regulate the activities and growth of Mutual Funds. The NAVs of the fund shall be rounded off upto four decimals.

* Please refer Para V. of SAI on 'Investment valuation norms for securities & other assets' for details.

IV. FEES AND EXPENSES

A. NEW FUND OFFER (NFO) EXPENSES

The scheme was launched on 11th November, 2002 and the New Fund Offer Expenses were fully borne by the Scheme.

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. as given in the table below:

The AMC has estimated following percentage of the weekly average net assets of the scheme will be charged to the scheme as expenses. For the actual current expenses being charged, the investor should refer to the website of the mutual fund.

Particulars	% of Net Assets		
	Plan A	**Plan B**	**Plan C**
Investment Management & Advisory Fee	1.25	1.00	0.75
Custodial Fees	0.10	0.10	0.10
Registrar & Transfer Agent Fees including cost related to providing accounts statement, dividend/redemption cheques/warrants etc.	0.20	0.15	0.10
Marketing & Selling Expenses including Agents Commission and statutory advertisement	0.30	0.10	0.05
Brokerage & Transaction Cost pertaining to the distribution of units	0.05	0.05	0.05
Audit Fees / Fees and expenses of trustees	0.10	0.10	0.05
Costs related to investor communications	0.15	0.15	0.10
Costs of fund transfer from location to location	0.10	0.10	0.05
Other Expenses	0.00	0.00	0.00
Total Recurring Expenses	**2.25**	**1.75**	**1.25**

These estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se. Types of expenses charged shall be as per the SEBI (MF) Regulations.

Investment Management fees charged by TAML shall be 1.25% of the weekly average net assets for net assets upto Rs. 100 crores and 1.00% of the weekly average net assets on the balance amount above Rs. 100 crores. This fee shall be conformity with SEBI Regulations & shall be payable at a frequency as agreed between the AMC and Trustees from time to time. TAML shall not charge any fees on its investment in Units of the Funds/Schemes/Plans in TMF or any other Mutual Fund.

The recurring expenses of the Scheme, and the additional management fee shall be as per the limits prescribed under Sub-Regulations (6) of Regulations 52 of the Regulations and shall not exceed the limits prescribed thereunder.

As per the Regulations, the maximum recurring expenses that can be charged to the Scheme shall be subject to a percentage limit of weekly net assets as in the table below:

First Rs. 100 crore	Next Rs. 300 crore	Next Rs. 300 crore	Over Rs. 700 crore
2.25%	2.00%	1.75%	1.50%

The above is the maximum limit under Regulation 52 (6) of the SEBI (Mutual Funds) Regulations, 1996. The Fund will strive to reduce the level of these expenses so as to keep them well within the maximum limits allowed by SEBI and any expenditure in excess of the above limits shall be borne by Tata Asset Management Limited and/or Tata Trustee Company Limited. Besides only those expenses as given above under the clause "Annual Scheme Recurring Expenses". shall be charged to the Scheme.

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.tatamutualfund.com) or may call at (1800-209-0101) or your distributor.

Type of Load (SIP / STP & non SIP) Plan A, B and C	Load chargeable (as %age of NAV)
Entry	Nil*
Exit	1% of the applicable NAV, if redeemed on or before expiry of 365 days from the date of allotment.

* w.e.f August 1, 2009, not applicable.

Bonus units and units issued on reinvestment of dividends shall not be subject to entry and exit load.

All loads including Contingent Deferred Sales Charge (CDSC) for the Scheme shall be maintained in a separate account and may be utilised towards meeting the selling and distribution expenses. Any surplus in this account may be credited to the scheme, whenever felt appropriate by the AMC.

As per SEBI circular No. SEBI/IMD/CIR No. 4/ 168230/09 dated June 30, 2009 the exit load or Corporate Deferred Sales Charge (CDSC) charged to the investor, a maximum of 1% of the redemption proceeds shall be maintained in a separate account which shall be used by the AMC to pay commissions to the distributor and take care of other marketing and selling expenses Any balance shall be credited to the scheme immediately. This circular will be applicable w.e.f August 01, 2009.

The AMC reserves the right to change/modify exit / switchover load (including zero load), depending upon the circumstances prevailing at any given time. However any change in the load structure will be applicable on prospective investment only. The AMC may charge an exit load for switch of units from one plan/option to another plan/option within the Scheme and/or any other scheme of TMF depending upon the circumstances prevailing at any given time. The switchover load may be different for different plans/options and the switchover load may be different from the entry and /or exit load charged for sale and/or repurchase units. The load charged could also be different for different options in the plans of the Scheme at the same time and different as regards the amount/tenor of investment, etc.

As per SEBI circular dt. May 23, 2008, the mutual fund 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 schemes without knowing the loads:

- The introduction of the exit load/ CDSC along with 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.
- The addendum detailing the changes may be attached to Scheme Information Documents and Key Information Memorandum. The addendum may be circulated to all the distributors/brokers so that same can be attached to all Scheme Information Documents and Key information memoranda already in stock.
- The investor is requested to check the prevailing load structure of the scheme before investing. For any change in load structure arrangement may be made to display the addendum in the Scheme Information Document in the form of a notice in all the investor service centers and distributor/ brokers' office.
- A public notice shall be given in respect of such changed in one English daily newspaper having nationwide circulation as well as in a newspaper publishes in the language of region where the Head office of Mutual Fund is situated.

V. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

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

This section contains the details of penalties, pending litigation, and action taken by SEBI and other regulatory and Govt. Agencies.

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. - NIL
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. - NIL
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.

   "SEBI has filed a writ petition before the Bombay High Court seeking direction to the Additional Metropolitan Magistrate (the Magistrate) to expedite the case in a criminal complaint (for alleged insider trading) initiated by them earlier against Hindustan Lever Ltd. (HLL) and its five Executive Directors who held such office in March 1996. Thereafter, the Magistrate has taken congnizance of SEBI's complaint and has directed the issue of summons to HLL and the five Executive Directors Mr. S.M. Datta, a director of the Tata Trustee Company Ltd., was one of the five Executive Directors of HLL who are being proceed against."
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

The contents of the Scheme Information Document including figures, data, yields, etc. have been checked and are factually correct.

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

Note: The Scheme under this Scheme Information Document was approved by the Trustee Company on 23rd July, 2002.

By order

Board of Directors

Tata Asset Management Limited

Place: Mumbai — Sanjay Sachdev

Date: 19 September, 2011 — **President & CEO**