

## OFFERING CIRCULAR



# TATA FIXED INVESTMENT PLAN - 1

(A CLOSE ENDED DEBT FUND)

## An Offering of Tata Fixed Investment Plan - 1 (A Closed-ended Debt Fund)

**New Fund Offer of Units of Tata Fixed Investment Plan - 1 of face value of Rs. 10/- each with conditional exit loads during the New Fund Offer Period.**

The said offering circular is the combine offering circular for the schemes namely Tata Fixed Investment Plan - 1 Scheme A, Tata Fixed Investment Plan - 1 Scheme B (These schemes have a maturity period of 13 Months from the date of allotment).

This Offering Circular sets forth concisely the information about the Scheme that a prospective Investor ought to know before investing. This Offering Circular should be retained for future reference.

The terms of this Offering Circular have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended till date, and filed with the Securities and Exchange Board of India, and the units being offered for public subscription have not been approved or disapproved by the Securities and Exchange Board of India nor has the Securities and Exchange Board of India certified the accuracy or adequacy of the offering Circular.

This Offering Circular shall remain effective till a 'material change' (other than our change in fundamental attributes and within the purview of the Offering Circular) occurs and thereafter, the changes shall be filed with SEBI and circulated to the unitholders along with Quarterly/Half-yearly reports.

<b>NEW FUND OFFER FOR SCHEME - A OPENS ON</b>	<b>24th Jan, 2008</b>
<b>NEW FUND OFFER FOR SCHEME - A CLOSSES ON</b>	<b>28th Feb, 2008</b>
<b>SCHEME - A RE-OPENS FOR REDEMPTION NOT LATER THAN</b>	<b>25th Mar, 2008</b>
<b>NEW FUND OFFER FOR SCHEME - B OPENS ON</b>	<b>24th Jan, 2008</b>
<b>NEW FUND OFFER FOR SCHEME - B CLOSSES ON</b>	<b>04th Mar, 2008</b>
<b>SCHEME - B RE-OPENS FOR REDEMPTION NOT LATER THAN</b>	<b>25th Mar, 2008</b>

### SPONSORS



**Tata Sons Ltd.**  
Bombay House,  
24, Homi Modi Street,  
Mumbai - 400 001.



**Tata Investment Corporation Ltd.**  
Ewart House,  
22, Homi Modi Street,  
Mumbai - 400 001.

### TRUSTEE



**Tata Trustee Company Pvt. Ltd.**  
Fort House,  
221, Dr. D.N. Road,  
Mumbai - 400 001.

### AMC



**Tata Asset Management Ltd.**  
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# TATA FIXED INVESTMENT PLAN - 1

Item No.	Table of Contents	Page	Item No.	Table of Contents	Page
I.	<b>HIGHLIGHTS</b>	2	XII.	<b>DIVIDENDS &amp; DISTRIBUTIONS</b>	36
II.	<b>DEFINITIONS AND ABBREVIATIONS</b>	2	XIII.	<b>INTER SCHEME TRANSFERS</b>	36
III.	<b>RISK FACTORS</b>	4	XIV.	<b>ASSOCIATE TRANSACTIONS</b>	37
IV.	<b>DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY</b>	6	XV.	<b>BORROWING BY THE MUTUAL FUND</b>	46
V.	<b>LOADS AND RECURRING EXPENSES</b>	6	XVI.	<b>COMPUTATION OF NAV &amp; VALUATION OF ASSETS</b>	46
VI.	<b>CONDENSED FINANCIAL INFORMATION</b>	10	i.	Computation & Determination of Net Asset Value	46
VII.	<b>CONSTITUTION OF TATA MUTUAL FUND</b>	18	ii.	NAV Information	46
i.	Constitution	18	iii.	Valuation of Assets	47
ii.	The Sponsors	18	XVII.	<b>REPURCHASE &amp; SWITCH OF UNITS</b>	49
iii.	The Trustee Company	18	i.	Relevant NAV for Repurchase, & Switch of Units	49
VIII.	<b>INVESTMENT OBJECTIVES AND POLICIES</b>	21	ii.	Repurchase of Units of Tata Fixed Investment Plan - 1	49
i.	Investment Objective	21	iii.	Possible Deferral of Repurchase Requests and Compulsory Repurchase	50
ii.	Investment Strategy and Risk Management	22	iv.	Centres where Redemption/switch requests can be given	50
iii.	Investment Pattern and Risk Profile	22	v.	Switch of Units within the Funds / Schemes / Plans of Tata Mutual Fund	50
iv.	Trading in Derivatives	23	vi.	Suspension of ongoing Redemption or Switch of Units	50
v.	Portfolio Turnover	24	vii.	Unclaimed Redemption/Dividend Amount	50
vi.	Change in Investment Pattern	24	XVIII.	<b>ACCOUNTING POLICIES</b>	51
vii.	Restrictions on Investments	24		Accounts and Audit	51
viii.	Investment by the Fund and the Asset Management Company	25	XIX.	<b>TAX TREATMENT OF INVESTMENTS IN MUTUAL FUNDS</b>	51
ix.	Securities lending by the Mutual Fund	25	i.	Tax Benefits to the Mutual Fund	51
x.	Fundamental Attributes	25	ii.	Tax Benefits to Unitholders	52
IX.	<b>MANAGEMENT OF THE FUND</b>	26	iii.	Capital Gains Tax	52
i.	The Asset Management Company	26	XX.	<b>INVESTORS' RIGHTS &amp; SERVICES</b>	53
ii.	Key Employees of the AMC and relevant experience	28	i.	Rights	53
iii.	The Custodian	30	ii.	Services	54
iv.	The Registrar	30	iii.	Information regarding the Scheme	54
v.	The Auditor	30	iv.	Meeting and consent of Unitholders	54
vi.	Bankers	30	v.	Benefits to the Unitholders	54
vii.	List of Authorised Investor Service Centres	30	vi.	Documents available for inspection	54
X.	<b>UNITS &amp; OFFER</b>	31	XXI.	<b>INVESTOR GRIEVANCES REDRESSAL MECHANISM</b>	55
i.	Refund	31	XXII.	<b>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</b>	55
ii.	Despatch of Account Statement /Unit Certificates	31			
iii.	Listing, Transfer & Pledge of Units	31			
iv.	Nomination Facility	31			
v.	Applications with Additional Holders	32			
vi.	Duration of the Scheme	32			
vii.	Winding Up	32			
viii.	Procedure for Winding Up	32			
XI.	<b>SALE OF UNITS BEING OFFERED</b>	32			
i.	Application Details	32			
ii.	Procedure for Application	33			
iii.	General Instructions	34			

# TATA FIXED INVESTMENT PLAN - 1

## I. HIGHLIGHTS

- 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).
- A close ended debt scheme.
- The investment objective of the schemes are to generate income and / or capital appreciation by investing in wide range of Debt and Money Market instruments.
- Duration of the Schemes:  
Scheme A and B - 13 months from the date of allotment.
- Each Scheme will be considered as fresh subscription as and when it is launched.
- Each Scheme has two plans Regular Plan and Institutional Plan and each Plan has two Options Growth Option and Dividend Option.
- **Investment Options**  
**Scheme A and B (13 months maturity):**  
Growth Option  
  
Periodic Dividend - Atleast once during the tenure of the scheme at the discretion of the trustees from time to time, subject to availability of distributable surplus.  
  
Note: Dividend shall be distributed at the discretion of the Trustees subject to availability of distributable surplus.
- Minimum target amount Rs. 10 crores for each scheme.
- **Roll Over Facility**  
At the time of maturity, if it is perceived that the market outlook for the similar securities/ instruments is positive and investment in the similar kind of instruments would likely to fetch better returns for the investors, then in the interest of the Investor, the Trustees may decide to roll-over the Plan under the scheme. This would be based on demand/ request of the investors for the same. All other material details of the plan including the likely composition of assets immediately before the roll over, the net assets and net asset value of the scheme, will be disclosed to the unitholders and a copy of the same filed with the SEBI. Such rollover will always be permitted only in case of those unitholders who express their consent in writing.
- Redemption facility will be available on all business days.
- Transparency of operation : Determination of Net Asset Value (NAV) on all business days.
- Minimum subscription under each Plan  
Regular Plan: Rs.10,000/- and in multiples of Re.1/- thereafter.  
Institutional Plan: Rs.1,00,00,000/- and in multiples of Re.1/- thereafter.
- Earnings of the Fund totally exempt from income tax under Section 10(23D) of the Income Tax Act, 1961.

## II. DEFINITIONS AND ABBREVIATIONS

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	"Calendar Year"	A Calendar Year shall be 12 full English Calendar months commencing from 1st January and ending on 31st December.
4	"Custodian" or "Standard Chartered Bank"	Standard Chartered Bank, a bank incorporated in London with limited liability and includes its successors.
5	CDSC	Contingent Deferred Sales Charge permitted under the Regulations for a "No Load Scheme" to be borne by the Unit holder upon exiting (whether by way of redemption or Inter-scheme switching) from the scheme based on the period of holding of units.
6	"Day"	Any day as per English Calendar viz. 365 days in a year.
7	"Financial Year"	A Financial Year shall be 12 full English Calendar months commencing from 1st April and ending on 31st March.
8	"Group"	As defined in sub-clause (ef) of clause 2 of MRTP Act, 1961.
9	"IMA"	Investment Management Agreement dated 9th May, 1995, as amended from time to time, between the TTCPL & TAML.
10	"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. Unless the context implies otherwise, a unit holder shall be deemed to be an investor.
11	"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).

## TATA FIXED INVESTMENT PLAN - 1

	(b) Daily for Ongoing Redemption/ Switch out: 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.
12	"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.
13	"Non- Resident Indian" Non-Resident Indians. 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.
14	"Permissible Investments" Investments made on account of the Unitholders of the Scheme in securities and assets in accordance with the SEBI Regulations.
15	"Portfolio" Portfolio at any time shall include all Permissible Investments and Cash.
16	"Redemption Load" Amount collected to cover the cost of providing Redemption / distribution related service to the Scheme on a continuous basis.
17	"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.
18	"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.
19	"Scheme" The offer made by Tata Mutual Fund through this Offering Circular, viz., Tata Fixed Investment Plan - 1 Scheme A, Tata Fixed Investment Plan - 1 Scheme B.
20	"SEBI" The Securities & Exchange Board of India established under the Securities & Exchange Board of India Act, 1992.
21	"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.
22	"TAML" or "Asset Management Company" 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.
23	"TICL" Tata Investment Corporation Limited, a sponsor of the TMF and a shareholder of TAML, a company within the meaning of the Companies Act, 1956 and includes its successors and permitted assigns.
24	"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.
25	"Total Assets" Total Assets of the Scheme at any time shall be the total value of the Schemes assets taking into consideration the accruals.
26	"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 TTCPL as the Trustee.
27	"TSL" Tata Sons Limited, a sponsor of TMF and a shareholder of TAML, a company within the meaning of the Companies Act, 1956 and includes its successors and permitted assigns.
28	"TTCPL or Trustee Company" Tata Trustee Company Private Limited, a company within the meaning of the Companies Act, 1956 and includes its successors and permitted assigns.
29	"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.
30	"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.
31	"Year" A Year shall be 12 full English Calendar months.

# TATA FIXED INVESTMENT PLAN - 1

## III . RISK FACTORS

### A. STANDARD RISK FACTORS

- 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 issued 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 is not indicative of and does not guarantee the future performance of the Scheme.
- 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 Fixed Investment Plan - 1 Scheme A, Tata Fixed Investment Plan - 1 Scheme B are only the names 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.

### B. SCHEME SPECIFIC RISK FACTORS AND SPECIAL CONSIDERATIONS

#### 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 the offer document carry different levels and types of risk. Accordingly the scheme's risk may increase or decrease depending upon its investment pattern. e.g corporate bonds 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

# TATA FIXED INVESTMENT PLAN - 1

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 cyclical nature 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.

## 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 a 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 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 mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

## Disclosure / Disclaimer

To the best of the knowledge and belief of the Directors of the Trustee Company, information contained in this Offering Circular 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 Offering Circular nor the Units have been registered in any jurisdiction. The distribution of this Offering Circular in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this Offering Circular are required to inform themselves about, and to observe, any such restrictions. No persons receiving a copy of this Offering Circular or any accompanying application form in any such jurisdiction may treat this Offering Circular 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 Offering Circular 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

# TATA FIXED INVESTMENT PLAN - 1

persons in possession of this Offering Circular and any persons wishing to apply for Units pursuant to this Offering Circular to inform themselves of, and to observe, all applicable laws and Regulations of such relevant jurisdiction.

Prospective investors should review / study this Offering Circular 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 Offering Circular 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 Offering Circular are based on the law and practice currently in force in India and are subject to change therein. Neither the delivery of this Offering Circular 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 Offering Circular 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 Offering Circular during / after the launch of the scheme by following the prescribed procedures in this regard.

## COMPULSORY WINDING UP

As per SEBI Circular dated December 12, 2003 ref SEBI/IMD/CIR No. 10/22701/03 and circular dated June 14, 2005 ref SEBI/IMD/CIR No. 1/42529/05 Each scheme and individual Scheme(s) under the fund should have a minimum of 20 investors and no single investor should account for more than 25% of the corpus of such scheme/ plan(s). In case of non fulfillment of either of the above two conditions, the investor's money would be refunded, in full, immediately after the close of the NFO.

In case of close ended schemes, the above conditions are required to be complied immediately after the close of the NFO itself i.e at the time of allotment and thereafter the time period of three months to balance will not be available, failing which the provisions of Regulation 39(2)(c) of SEBI (Mutual Fund) Regulations, 1996 would become applicable automatically without any reference from SEBI. Accordingly, schemes / plans shall be wound up by following the guidelines laid down by SEBI.

The aforesaid Circular would be applicable at the Portfolio level.

Determining the breach of the 25% limit by an Investor – The average net assets of the scheme would be calculated daily and any breach of the 25% holding limit by an investor would be determined. At the end of the quarter, the average of daily holding by each such investor is computed to determine whether that investor has breached the

25 % limit over the quarter. If there is a breach of 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.

## IV. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

The following Due Diligence Certificate has been submitted to SEBI:

It is confirmed that:

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

For Tata Asset Management Limited

Place: Mumbai  
Date: 27<sup>th</sup> June, 2007

H. A. Bulsara  
Chief Operating Officer

## V. LOADS AND RECURRING EXPENSES

Following table indicates the maximum expenses that the investors will incur on their purchases of units during the NFO and on sale of units on an ongoing basis or at the time of maturity:

### A. Unitholder Transaction Expenses

Type of Transaction	Levy upto % of NAV
Maximum Sales Load imposed on Resale	5%
Sales Load on issue of units in lieu of dividends (as % of NAV)	0%
Contingent Deferred Sales Load	Nil
Maximum Redemption/Switchover Load	5%

**Current Load Structure** (as a % of relevant NAV)

**Scheme A and B (13 months maturity):**

Exit Load : 1% if redeemed before maturity, Nil on maturity.

Exit load will be charged only in case of redemption before maturity in all the schemes.

As per SEBI specified limits; the repurchase price shall not be lower than 95 % of the NAV.

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

# TATA FIXED INVESTMENT PLAN - 1

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.

All loads including CDSC for each scheme shall be maintained in a separate account and may be utilized towards meeting the selling and distribution expenses. Any surplus in this account may be credited to the scheme, whenever felt appropriate by the AMC.

### \* Recovery of proportionate New Fund Offer Expenses of Scheme A and B

As per SEBI Regulations, in case of close ended scheme, NFO expenses not exceeding 6% of the amount mobilized under the scheme can be charged to the scheme. Hence, in accordance with the SEBI Regulations, the scheme proposes to charge upto 4% the NFO Expenses to the schemes and such expenses shall be amortized over the maturity tenor of the respective schemes.

Accordingly, redemption before maturity of the schemes (i.e before 13 months from the date of allotment) will be subject to an early exit charge. An early exit charge equivalent to the proportionate unamortized new fund offer expenses outstanding as on the date of the redemption will be recovered from the investor in case of redemption before maturity of the schemes as illustrated on page 7 and below. In the example it is assumed that NAV remains constant.

Example:

The scheme has mobilised Rs. 100 crore during the NFO period and Rs. 4 cores been incurred towards NFO expenses. Rs. 4 cores will be amortised equally on a daily basis over a period of 13 months. If investor opts for a redemption of 10000 units after expiry of 6 months, unamortised balance of NFO expenses will be recovered from the investor by way of an early exit charge. This will be calculated as follows ;

NFO Mobilisation	Rs. 100 crores
NFO Units Creation 10 crore (100/10)	
NFO Expenses	Rs. 4 crore
Amortisation Period	13 months
Amortisation Per Day	$(4,00,00,000 / (13 * 30)) = \text{Rs. } 1,02,564/-$
Amortisation Per Unit per day	$(1,02,564 / 10000) = \text{Rs. } 0.0010$
Units redeemed after	
6 months	10000
Unamortised NFO Expenses	
At the end of 6 months	$= 4,00,00,000 - (1,02,564 * 180)$ i.e Rs.2,15,38,480/-

### Unamortised NFO Expenses per unit

At the end of 6 months =  $(2,15,38,480 / 10000) = \text{Rs. } 0.2153$

Per Unit Exit Charge Applicable at the end of

6 months Rs. 0.2153

Assumed NAV at the end of 6 months Rs.10.5000

Exit load @ 1% of the NAV Rs. 0.1050

Amount payable to the investors at the end of 6 months  $\text{Rs. } 10.5000 - 0.2153 - 0.1050 = \text{Rs. } 10.1797/-$

Exit charge will get reduced over a period of time.

The trustee may at their discretion change the load structure of the scheme prospectively.

### B) New Fund Offer Expenses

Present Scheme Tata Fixed Investment Plan - 1 Scheme A, Tata Fixed Investment Plan - 1 Scheme B to the extent of 4% of amount mobilised will be borne by the scheme and the new fund offer expenditure in excess of the above limits shall be borne by TAML / TTCPL. For the information of the Investors / Unitholders, the total expenses of the Scheme for the initial offer expressed as a percentage of the aggregate amount expected to be raised in the New Fund Offering Period, are estimated to be as follows;

Nature of New Fund Offer Expenses

Description	% of Estimated Target Amount
Advertising	0.50
Commission to Agents/Brokers	2.50
Registrars Expenses	0.10
Printing and Marketing Expenses	0.50
Postage and Misc. Expenses	0.10
Other Expenses	0.30
<b>Total</b>	<b>4.00</b>

As such, for every Rs. 100/- contributed by the investor, whole of Rs. 96/- will be available to the scheme for investment.

These estimates are based on a corpus size of Rs. 1 crore and would change to the extent assets are lower or higher. The above expenses are subject to inter-se change and may increase/decrease as per actual and/or any change in the Regulations. Further in the benefit of the unitholders TAML/TTCPL may bare the entire new fund offer expenses.

These estimates have been made in good faith as per information available to the AMC and the total expenses may be more than as specified in the table above.

The new fund offer expenses would be amortised over a period as per the duration of each scheme and would be included in the NAV. However the same would not be included in the NAV for determining the Investment Management and Trustee Fees. The above is as per SEBI Regulations including Schedule VII and X thereof. The same can further be illustrated as follows:

Tata Fixed Investment Plan - 1	Scheme A, B 13 months maturity	
Face Value of Units (Rs. Per Unit)	A	10
Entry Load (% of Face Value)	B	0
Entry Load (Rs. Per unit) (A * B)	C	0
<b>NFO Price (A + C)</b>	<b>D</b>	<b>10</b>
Max NFO Exp (4%) (A * 4%)	E	0.4000
NFO exp to borne out of entry load (= C)	F	0
Balanced NFO Expenses to be charged to the scheme (E - F)	G	0.4000
<b>Amount available for investment for every Rs.10 contributed by the investor (D - F - G)</b>	<b>H</b>	<b>9.6000</b>
Amortisation of NFO Expenses per day (Rs. Per unit)	I	0.0010
Balanced NFO Expenses to be carry forward (G - I) (Rs. Per Unit)	J	0.3990
NAV on day 1 (H + J) (Rs. Per Unit)	K	9.9990
Repurchase price on day 1		9.8990

Note: NFO Expenses upto 4% will be borne by the scheme and amortised over a period as per the duration of the scheme.

## TATA FIXED INVESTMENT PLAN - 1

### New Fund Offer Expenses for the past schemes (past one year)

Scheme	Total new fund offer expenses incurred		New fund offer expenses borne by the scheme		New fund offer expenses borne by AMC	
	% of amount mobilised	Amount (Rs. In crores)	% of amount mobilised	Amount (Rs. In crores)	% of amount mobilised	Amount (Rs. In crores)
Tata Fixed Horizon Fund Series 2 (Plan A), (Plan B), (Plan C)	0.00	0.00	0.00	0.00	0.00	0.00
Tata Fixed Horizon Fund Series 3 (Scheme A, B, C, D, F, G)	0.00	0.00	0.00	0.00	0.00	0.00
Tata Fixed Horizon Fund Series 5 (Scheme A, B, C, D, E, G)	0.00	0.00	0.00	0.00	0.00	0.00
Tata Fixed Horizon Fund Series 6 (Scheme A, B, C, E, G, H)	0.00	0.00	0.00	0.00	0.00	0.00
Tata Fixed Horizon Fund Series 7 (Scheme A, B, D)	0.00	0.00	0.00	0.00	0.00	0.00
Tata Fixed Horizon Fund Series 8 (Scheme A, B, C, D, E, F, G, H)	0.00	0.00	0.00	0.00	0.00	0.00
Tata Fixed Horizon Fund Series 9 (Scheme A, B, C, D, E, F)	0.00	0.00	0.00	0.00	0.00	0.00
Tata Fixed Horizon Fund Series 10 (Scheme D, E, F, H)	0.00	0.00	0.00	0.00	0.00	0.00
Tata Fixed Horizon Fund Series 11 (Scheme D, E)	0.00	0.00	0.00	0.00	0.00	0.00
Tata Fixed Horizon Fund Series 12 (Scheme A)	0.00	0.00	0.00	0.00	0.00	0.00
Tata Fixed Horizon Fund Series 13 (Scheme A, B, C, E)	0.00	0.00	0.00	0.00	0.00	0.00
Tata Fixed Horizon Fund Series 14 (Scheme A, B)	0.00	0.00	0.00	0.00	0.00	0.00
Tata Equity Management Fund	5.47	21.55	5.47	21.55	0.00	0.00
Tata Capital Builder Fund	5.81	15.10	5.81	15.10	0.00	0.00
Tata SIP Fund Scheme I	5.99	18.04	5.99	18.04	0.00	0.00
Tata SIP Fund Scheme II	5.52	5.01	5.52	5.01	0.00	0.00
Tata Treasury Manager Fund	0.00	0.00	0.00	0.00	0.00	0.00
Tata Indo-Global Infrastructure Fund	5.63	124.80	5.63	124.80	0.00	0.00
Tata Fixed Income Portfolio Fund (A1, A2, A3, B2, B3, C2, C3)	0.00	0.00	0.00	0.00	0.00	0.00

### C) ANNUAL SCHEME RECURRING EXPENSES

The ongoing fees and expenses of operating each Scheme under the fund on an annual basis including for the new fund offer period expressed as a percentage of the amount of the Scheme's weekly average net assets are estimated to be as follows:

#### Regular Plan

Annual Scheme Recurring	Estimates (%)
Investment Management Fees	1.25
Trustee Fees	0.05
Custodian Expenses	0.10
Registrar Expenses	0.15
Marketing & Selling expenses (including agents commission)	0.45
*Other operating expenses	0.25
<b>Total</b>	<b>2.25</b>

#### Institutional Plan

Annual Scheme Recurring	Estimates (%)
Investment Management Fees	1.25
Trustee Fees	0.05
Custodian Expenses	0.10
Registrar Expenses	0.10
Marketing & Selling expenses (including agents commission)	0.30
*Other operating expenses	0.20
<b>Total</b>	<b>2.00</b>

\* (For other operating expenses refer to the detailed note in Item 4 below ):

#### 1. Investment Management Fees

Investment Management fees charged by TAML shall be 1.25%

# TATA FIXED INVESTMENT PLAN - 1

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.

## 2. Trustee Fees

The Trustee Company shall be entitled to a fee of 0.05% of the daily average net assets of the corpus or a sum of Rs. 5 lacs per annum, whichever is higher, payable annually in arrears at such interval as may be decided from time to time.

## 3. Custodian/Registrar Fees:

For Custodian's and the Registrar & Transfer Agent's Fees, see clause(s) "The Custodian" and "The Registrar" in "Management of the Fund".

## 4. Other Operating Expenses :

According to Regulation 52 (4)(b) of SEBI (Mutual Funds) Regulations 1996, other operating expenses inter alia includes (and expressed as a percentage of the amount of weekly net assets):

### For Regular Plan:

	Estimates (%)
Brokerage & Transaction cost	0.10
Audit Fees	0.01
Bank Charges	0.03
Cost of providing account statement, redemption cheques / dividend warrants, etc.	0.05
Costs of statutory advertisements	0.06
<b>Total</b>	<b>0.25</b>

### For Institutional Plan:

	Estimates (%)
Brokerage & Transaction cost	0.05
Audit Fees	0.01
Bank Charges	0.03
Cost of providing account statement, redemption cheques / dividend warrants, etc.	0.05
Costs of statutory advertisements	0.06
<b>Total</b>	<b>0.20</b>

The above estimates of annual Scheme recurring expenses have been made in good faith as per the information available to the Asset Management Company and are subject to change as per actuals. The said estimates have been given to assist the Unitholder in understanding the various costs and expenses that an Unitholder in the Scheme will bear directly or indirectly. However, the annual total of all charges and expenses of Tata Mutual Fund, except for brokerage, commission, stamp duties and other (transaction) expenses directly associated with the purchase, sale and registration of transfer of TMF's investment/securities and except for expenses associated with the new fund offer of Units of the Scheme, and except for selling expenses which are directly met / set off against sale & redemption load (as stated in the clause on Unitholder Transaction Expenses) shall be subject to the following limits :

- On the first Rs.100 Crores of the average weekly net assets: 2.25%
- On the next Rs.300 Crores of the average weekly net assets: 2.00%
- On the next Rs.300 crores of the average weekly net assets: 1.75%
- On the balance of the assets: 1.50%

The above is the maximum limit under Regulation 52 (6) of the SEBI (Mutual Funds) Regulations, 1996 in respect of the scheme investing only in debt. 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 Private Limited. Besides only those expenses as given above under the clause "Annual Scheme Recurring Expenses" shall be charged to the Scheme.

## TATA FIXED INVESTMENT PLAN - 1

### VI. CONDENSED FINANCIAL INFORMATION

**Brief Note on Schemes Launched:**

TMF has so far launched twenty nine open-ended schemes and nineteen close ended schemes.

Name of Schemes	Type of Scheme	Date of Launch	Date of Initial Allotment
Tata Balanced Fund^ (TBF) (formerly known as Tata Equity Growth Fund)	Open ended Balanced	August 30, 1995	October 8, 1995
Tata Young Citizen's Fund (TYCF)	Open ended Balanced	August 30, 1995 Converted into open ended on October 30, 1998	October 14, 1995
Tata Tax Savings Fund (TTSF)	Open ended Equity Linked Tax Saving (ELSS)	December 20, 1995 Converted into open ended on April 1, 1999	April 1, 1996
Tata Select Equity Fund (TSEF)	Open Ended Equity	April 9, 1996 Converted into to open ended on August 5, 1999	May 24, 1996
Tata Income Fund (TIF)	Open ended Debt	March 19, 1997	April 28, 1997
Tata Pure Equity Fund^ (TPEF)	Open ended Equity	March 23, 1998	May 7, 1998
Tata Liquid Fund (TLF)	Open ended Liquid	August 24, 1998	August 30, 1998
Tata Life Sciences and Technology Fund (TLSTF)	Open ended Equity	June 7, 1999	July 2, 1999
Tata Gilt Securities Fund (TGSF)	Open ended Gilt Securities Fund	August 3, 1999	August 4, 1999
Tata Short Term Bond Fund (TSTBF)	Open ended Debt	August 8, 2002	August 9, 2002
Tata Income Plus Fund (TIPF)	Open ended Debt	November 11, 2002	December 2, 2002
Tata Monthly Income Fund* (TMIF)	Open ended Debt	December 23, 2002	April 7, 2000
Tata Fixed Horizon Fund (TFHF)	Close ended Debt	January 10, 2003	January 10, 2003
Tata Index Fund (TIFN, TIFS)	Open ended Equity	February 20, 2003	February 25, 2003
Tata Equity Opportunities Fund #(TEOF)	Open ended Equity	February 25, 1993	February 25, 1993
Tata Growth Fund# (TGF)	Open ended Equity	June 15, 1994 Converted into open ended on March 31, 2004	July 1, 1994
Tata Dynamic Bond Fund (TDBF)	Open ended Debt	September 1, 2003	September 1, 2003
Tata Floating Rate Fund (TFRSTF, TFRLTF)	Open ended Debt	December 12, 2003	December 22, 2003
Tata MIP Plus Fund (TMPF)	Open ended Debt	January 27, 2004	March 19, 2004
Tata Equity P/E Fund (TEQPEF)	Open ended Equity	May 17, 2004	June 29, 2004
Tata Dividend Yield Fund (TDVF)	Open ended Equity	September 28, 2004	November 22, 2004
Tata Infrastructure Fund (TISF)	Open ended Equity	November 25, 2004	December 31, 2004
Tata Services Industries Fund (TSIF)	Open ended Equity	February 9, 2005	April 5, 2005
Tata Fixed Horizon Fund Series 1 (TFHFS1)	Close ended Debt	March 21, 2005	Plan A- March 28, 2005
Tata Midcap Fund (TMCF)	Open ended Equity	May 19, 2005	June 29, 2005
Tata Floater Fund (TFF)	Open ended Debt	August 23, 2005	September 6, 2005
Tata Contra Fund (TCF)	Open ended Equity	September 26, 2005	November 14, 2005
Tata Fixed Horizon Fund Series 2 (TFHFS2)	Close ended Debt	November 29, 2005	Plan B- December 2, 2005 Plan A- December 29, 2005 Plan C - February 2, 2006
Tata Tax Advantage Fund 1 (TTAF1)	Close ended Equity Linked Tax Saving (ELSS)	January 16, 2006	March 16, 2006
Tata Fixed Horizon Fund Series 3 (TFHFS3)	Close ended Debt	February 1, 2006	Scheme A - February 8, 2006 Scheme F- February 13, 2006 Scheme B- February 24, 2006 Scheme C- March 2, 2006 Scheme D- March 10, 2006 Scheme G- March 24, 2006
Tata Liquidity Management Fund (TLMF)	Open ended Liquid	February 28, 2006	March 3, 2006

## TATA FIXED INVESTMENT PLAN - 1

Tata Fixed Horizon Fund Series 5 (TFHFS5)	Close ended Debt	March 22, 2006	Scheme A - March 24, 2006 Scheme B - March 29, 2006 Scheme C- June 30, 2006 Scheme D- August 31, 2006 Scheme E-September 21,2006 Scheme G- October 18, 2006
Tata Equity Management Fund** (TEMF)	Open ended Equity	May 15, 2006	July 7, 2006
Tata Capital Builder Fund (TCBF)	Close ended Equity	July 18, 2006	September 14, 2006
Tata Fixed Horizon Fund Series 6 (TFHFS6)	Close ended Debt	August 2, 2006	Scheme A- August 2, 2006 Scheme G-September18, 2006 Scheme B- November 20,2006 Scheme H- December 5, 2006 Scheme E- February 26, 2007 Scheme C- March 8, 2007
Tata Fixed Horizon Fund Series 7 (TFHFS7)	Close ended Debt	December 20, 2006	Scheme D- January 2, 2007 Scheme A- March 15, 2007 Scheme B- March 27, 2007
Tata Fixed Horizon Fund Series 8 (TFHFS8)	Close ended Debt	January 2, 2007	Scheme A- January 8, 2007 Scheme D- January 11, 2007 Scheme E- January 19, 2007 Scheme B- February 9, 2007 Scheme F- February 15, 2007 Scheme C- February 22, 2007 Scheme G- June 14, 2007 Scheme H- June 27, 2007
Tata SIP Fund	Close ended Balanced	January 15, 2007	TSIPF1 - March 5, 2007 TSIPF2 - July 1, 2007
Tata Fixed Horizon Fund Series 9 (TFHFS9)	Close ended Debt	February 22, 207	Scheme D - February 28,2007 Scheme E - March 13,, 2007 Scheme A - March 13, 2007 Scheme F - March 26, 2007 Scheme B- April 17, 2007 Scheme C - April 23, 2007
Tata Fixed Horizon Fund Series 10 (TFHFS10)	Close ended Debt	March 28, 2007	Scheme D - April 17, 2007 Scheme E - May 10, 2007
Scheme F - June 6, 2007		Scheme H - May 24, 2007	
Tata Fixed Horizon Fund Series 12(TFHFS12)	Close ended Debt	May 28, 2007	Scheme A – June 8, 2007
Tata Fixed Horizon Fund Series 13 (TFHFS13)	Close ended Debt	June 14, 2007	Scheme A – June 26, 2007 Scheme B - August 14, 2007 Scheme C - August 16, 2007
Tata Fixed Horizon Fund Series 14 (TFHFS14)	Close ended Debt	August 17, 2007	Scheme A – August 23, 2007 Scheme B - September 5, 2007
Tata Fixed Horizon Fund Series 11 (TFHFS11)	Close ended Debt	August 22, 2007	Scheme D – August 27, 2007 Scheme E - August 31, 2007
Tata Treasury Manager Fund	Open ended Debt	July 10, 2007	July 13, 2007
Tata Indo-Global Infrastructure Fund	Close ended Equity	September 3, 2007	November 12, 2007
Tata Fixed Income Portfolio Fund	Open ended debt	November 30, 2007	Scheme A1 - January 3, 2008 Scheme A2 - December 7, 2007 Scheme A3-December 17, 2007 Scheme B2-December 11, 2007 Scheme B3-December 28, 2007 SchemeC2-December 31, 2007 SchemeC3-December 24, 2007

# In November 2001, Tata Mutual Fund and Indian Bank Mutual Fund entered into an agreement for takeover of the following close ended, running schemes of Indian Bank Mutual Fund viz: Ind Shelter (Plan A&B), Ind Tax Shield (Plan A&B) and Ind Navratna. Subsequent to the takeover the names of the schemes were changed to Tata Ind Shelter (Plan A&B), Tata Ind Tax Shield (Plan A&B) and Tata Ind Navratna. The consideration and all direct expenses in this regard were directly borne by the respective parties to the Agreement, and not debited to the Scheme accounts. An exit option at NAV, without load was provided to unitholders in view of change in the Trustee and the Asset Management Company, as well as certain modifications in scheme attributes such as issue of Account Statement instead of Unit Certificates, changing NAV related transactions to prospective from the earlier principle of prior week NAV, etc. Thereafter, with effect from 22nd November 2001, the Tata Trustee Company Private Limited is the Trustee and Tata Asset Management Ltd. is the Asset Management Company for these funds. Tata Ind Shelter Fund Plan A and B were redeemed on 31.3.2002. On 29th March 2003 Tata Ind Tax Shield was converted into an open ended scheme (with no ELSS benefits) and named Tata Equity Opportunities Fund, With effect from 22.11.2001 the scheme is

## TATA FIXED INVESTMENT PLAN - 1

managed by TAML. The scheme with effect from 29<sup>th</sup> March, 2003 has become open ended (with no Tax benefits) and is being offered at NAV based price with applicable loads. Tata Ind Navratna was converted in to an open ended fund on 31st March, 2004 and was named as Tata Growth Fund.

^ Tata Twin Option Fund (TTOF) launched in March 1998 offered the Unitholder, the option to invest in equities of large cap companies and the balanced portfolio option which invests in both debt and equity. On 14th February 2000 Balanced Portfolio Option of Tata Twin Option Fund got merged with Tata Equity Growth Fund and the Tata Equity Growth Fund was renamed as Tata Balanced Fund. while the equity option was renamed as Tata Pure Equity Fund.

\* Tata Income Fund w.e.f. 27th April 2000 also offers Monthly Income and Quarterly Income options. The Monthly Income Option was hived of as separate scheme namely Tata Monthly Income Fund w.e.f. 23rd December, 2002.

\*\* Tata Equity Management Fund initially was an 18 months close ended equity scheme. The scheme with effect from 14th January, 2008 has become open ended and is being offered at NAV based price with applicable loads, if any.

## TATA FIXED INVESTMENT PLAN - 1

### Condensed Financial Information for the schemes launched during the last three financial years.

Sr. No.	Historical Per Unit Statistics	TDYF				TEQPEF			
		31/12/07	31/03/07	31/03/06	31/03/05	31/12/07	31/03/07	31/03/06	31/03/05
1	NAV at the beginning of the year/period	D 13.4844 G 16.4269	D 15.1202 G 16.8745	D 10.5838 G 10.9798	–	D 23.1181 G 24.1685	D 21.9223 G 22.8898	D 13.0898 G 13.6684	–
2	Net Income per unit	5.23	4.15	4.28	0.87	10.66	6.28	7.82	1.95
3	Dividends	1.0000	–	–	–	–	–	–	0.50
4	Transfer to reserves (if any)	–	–	–	–	–	–	–	–
5	NAV at the end of the year	D 23.7325 G 30.2290	D 13.4844 G 16.4269	D 15.1202 G 16.8745	D 10.5838 G 10.9798	D 44.3878 G 46.3999	D 23.1181 G 24.1685	D 21.9223 G 22.8898	D 13.0898 G 13.6684
6(a)	Annualised return (%) *	G 42.77	G 23.48	G 47.54	G 9.80	G 54.90	G 37.78	G 60.36	G 36.69
6(b)	Benchmark returns (%) *	48.30	39.58	60.14	7.59	50.46	43.44	61.99	34.11
		BSE SENSEX				BSE SENSEX			
7	Net Assets at the end of the period (Rs. Crores)	181.25	143.11	249.84	324.48	170.94	84.48	108.86	102.82
8	Ratio of Recurring Expenses to Avg. Net Assets (%)	2.38	2.32	2.30	2.24	2.43	2.36	2.43	1.77

\* Returns for period less than 1 year are absolute returns and for period more than 1 year are compounded annualised growth rate (CAGR)

Sr. No.	Historical Per Unit Statistics	TISF				TSIF		
		31/12/07	31/03/07	31/03/06	31/03/05	31/12/07	31/03/07	31/3/06
1	NAV at the beginning of the year/period	D 17.7079 G 22.0202	D 19.2745 G 20.0401	D 10.6002 G 10.5940	–	D 19.2282 G 19.1630	D 17.0300 G 17.0085	–
2	Net Income per unit	2.52	3.46	1.97	0.25	5.87	6.17	3.00
3	Dividends	–	2.0000	–	–	–	–	–
4	Transfer to reserves (if any)	–	–	–	–	–	–	–
5	NAV at the end of the year	D 32.6199 G 44.2441	D 17.7079 G 22.0202	D 19.2745 G 20.0401	D 10.6002 G 10.5940	D 25.5852 G 29.0293	D 19.2282 G 19.1630	D 17.0300 G 17.0085
6(a)	Annualised return (%) *	G 64.17	G 42.10	G 74.66	5.94	G 47.55	G 38.74	G 70.09
6(b)	Benchmark returns (%) *	45.38	35.53	53.67	(1.66)	51.07	41.60	72.21
		BSE SENSEX				BSE SENSEX		
7	Net Assets at the end of the period (Rs. Crores)	2910.8	1213.1	883.84	738.70	237.22	184.76	241.57
8	Ratio of Recurring Expenses to Avg. Net Assets (%)	1.88	2.04	2.12	2.12	1.85	1.15	2.05

\* Returns for period less than 1 year are absolute returns and for period more than 1 year are compounded annualised growth rate (CAGR)

Sr. No.	Historical Per Unit Statistics	TDCF			TCF		
		31/12/07	31/03/07	31/03/06	31/12/07	31/03/07	31/3/06
1	NAV at the beginning of the year/period	D 13.0781 G 13.0839	D 13.8303 G 13.8308	–	D 10.5321 G 10.5351	D 11.5979 G 11.6010	–
2	Net Income per unit	3.05	3.34	1.35	4.58	2.93	0.06
3	Dividends	–	–	–	1.0000	–	–
4	Transfer to reserves (if any)	–	–	–	–	–	–
5	NAV at the end of the year	D 22.1226 G 22.1328	D 13.0781 G 13.0839	D 13.8303 G 13.8308	D 16.7059 G 17.8189	D 10.5321 G 10.5351	D 11.5979 G 11.6010
6(a)	Annualised return (%) *	G 37.29	G 16.57	G 38.31	G 31.18	G 3.86	G 16.01
6(b)	Benchmark returns (%) *	54.79	29.64	55.59	51.00	28.53	30.68
		CNX Mid Cap Index			S&P CNX 500		
7	Net Assets at the end of the period (Rs. Crores)	168.16	154.16	284.45	165.23	189.27	501.76
8	Ratio of Recurring Expenses to Avg. Net Assets (%)	2.32	2.24	2.25	2.37	2.15	2.15

\* Returns for period less than 1 year are absolute returns and for period more than one year are compounded annualised growth rate (CAGR)

## TATA FIXED INVESTMENT PLAN - 1

Sr. No.	Historical Per Unit Statistics	TFF			TTAF1		
		31/12/07	31/03/07	31/03/06	31/12/07	31/03/07	31/03/06
1	NAV at the beginning of the year/period	DM 10.0249 DWLY 10.0838 G 11.0128	DD 10.0021 DWLY 10.0265 G 10.3004	–	G 9.5472	G 10.0543	–
2	Net Income per unit	0.52	3.70	0.67	0.67	-0.42	0.05
3	Dividends	DD 0.0709 DWLY 0.0669	DWLY 0.0556 DM 0.0477	DD 0.0480 DWLY 0.0384	–	–	–
4	Transfer to reserves (if any)	–	–	–	–	–	–
5	NAV at the end of the year	DD 10.0356 DWLY 10.0930 G 11.7326	DM 10.0249 DWLY 10.0838 G 11.0128	DD 10.0021 DWLY 10.0265 G 10.3004	G 15.6510	G 9.5472	G 10.0543
6(a)	Annualised Return (%) *	G 7.14	G 6.36	G 3.00	G 28.35	G -4.53	G 0.54
6(b)	Benchmark returns (%) *	6.45	5.86	2.76	41.52	19.29	3.69
		Crisil Liquid Fund Index			BSE SENSEX		
7	Net Assets at the end of the period (Rs. Crores)	3037.66	2.80	53.31	211.70	129.14	135.92
8	Ratio of Recurring Expenses to Avg. Net Assets (%)	0.22	0.30	0.80	2.32	2.31	1.42

\* Returns for period less than 1 year are absolute returns and for period more than 1 year are compounded annualised growth rate (CAGR)

Sr. No.	Historical Per Unit Statistics	TSIPF1		TSIPF2 31/12/07	TEMF	
		31/12/07	31/03/07		31/12/07	31/03/07
1	NAV at the beginning of the year/period	D 10.0595 G 10.0596	–	–	D 10.7531 G 10.7544	–
2	Net Income per unit	0.31	0.06	0.12	2.46	-0.30
3	Dividends	–	–	–	1.0000	–
4	Transfer to reserves (if any)	–	–	–	–	–
5	NAV at the end of the year	D 11.4308 G 11.4309	D 10.0595 G 10.0596	D 10.6867 G 10.6866	D 13.2057 G 14.2371	D 10.7531 G 10.7544
6(a)	Annualised Return (%) *	G 14.31	G 0.60	G 6.87	G 26.86	G 7.54
6(b)	Benchmark returns (%) *	63.41	5.29	38.47	59.26	24.24
		BSE SENSEX		BSE SENSEX	S & P CNX Nifty	
7	Net Assets at the end of the period (Rs. Crores)	323.77	302.6	92.45	339.15	387.42
8	Ratio of Recurring Expenses to Avg. Net Assets (%)	1.98	0.12	1.44	2.29	2.17

\* Returns for period less than 1 year are absolute returns and for period more than 1 year are compounded annualised growth rate (CAGR)

Sr. No.	Historical Per Unit Statistics	TFHFS5 A26		TFHFS10 A53 31/12/07	TFHFS12 A56 31/12/07
		31/12/07	31/03/07		
1	NAV at the beginning of the year/period	D 10.0460 G 10.0460	–	–	–
2	Net Income per unit	0.70	0.35	0.64	0.57
3	Dividends	–	0.1634	–	–
4	Transfer to reserves (if any)	–	–	–	–
5	NAV at the end of the year	D 10.8998 G 10.8997	D 10.0460 G 10.0460	RIPG 10.6169 IPG 10.6362	RIPD 10.5626 RIPG 10.5627 IPD 10.5626 IPG 10.5626
6(a)	Annualised Return (%) *	G 7.43	G 0.46	G 6.17	RIPG 5.63 IPG 5.63
6(b)	Benchmark returns (%) *	6.47	0.64	6.36	3.48
		Crisil Composite Bond Fund		Crisil Liquid Fund Index	Crisil Liquid Fund Index
7	Net Assets at the end of the period (Rs. Crores)	27.88	35.86	105.36	95.3
8	Ratio of Recurring Expenses to Avg. Net Assets (%)	0.20	0.20	0.33	0.15

\* Returns for period less than 1 year are absolute returns and for period more than 1 year are compounded annualised growth rate (CAGR)

## TATA FIXED INVESTMENT PLAN - 1

Sr. No.	Historical Per Unit Statistics	TCBF		TFHFS7 A31	
		31/12/07	31/03/07	31/12/07	31/03/07
1	NAV at the beginning of the year/period	D 10.4426 G 10.4427	–	RIPD 10.0770 RIPG 10.0770 IIPD 10.0000 IIPG 10.0770	–
2	Net Income per unit	2.08	0.13	0.58	0.19
3	Dividends	–	–	–	–
4	Transfer to reserves (if any)	–	–	–	–
5	NAV at the end of the year	D 17.5608 G 17.5617	D 10.4426 G 10.4427	RIPD 10.8915 RIPG 10.8915 IIPD 10.0000 IIPG 10.8915	RIPD 10.0770 RIPG 10.0770 IIPD 10.0000 IIPG 10.0770
6(a)	Annualised Return (%) *	G 54.43	G 4.43	RIPG 8.86 IIPG 8.86	RIPG 0.77 IIPG 0.77
6(b)	Benchmark returns (%) *	50.22	9.18	7.98	0.96
			BSE SENSEX	Crisil Short Term Bond Fund Index	
7	Net Assets at the end of the period (Rs. Crores)	324.65	257.95	88.95	82.30
8	Ratio of Recurring Expenses to Avg. Net Assets (%)	2.27	1.60	0.10	0.10

\* Returns for period less than 1 year are absolute returns and for period more than 1 year are compounded annualised growth rate (CAGR)

Sr. No.	Historical Per Unit Statistics	TLMF			TFHFS13 A59
		31/12/07	31/03/07	31/03/06	31/12/07
1	NAV at the beginning of the year/period	DD 1002.2592 DWLY 1006.5805 G 1079.8081	DD 1002.2592 DWLY 1001.9371 G 1005.2167	–	–
2	Net Income per unit	507.36	30.20	1.89	0.52
3	Dividends	DD 6.0685 DWLY 5.4471	DD 7.3247 DWLY 6.4778	DD 2.8402 DWLY 4.2192	RIP MD 0.0868
4	Transfer to reserves (if any)	–	–	–	–
5	NAV at the end of the year	DD 1002.6089 DWLY 1006.6907 G 1138.0360	DD 1002.2592 DWLY 1006.5805 G 1079.8081	DD 1002.2592 DWLY 1001.9371 G 1005.2167	RIP MD 10.0090 RIP PD 10.5199 RIPG 10.5199 IP MD 10.0100 IP PD 10.0100 IPG 10.5199
6(a)	Annualised return (%) *	G 7.32	G 7.39	G 0.52	RIPG 5.20 IPG5.20
6(b)	Benchmark returns (%) *	6.91	6.37	0.48	3.20
					Crisil Liquid Fund Index
7	Net Assets at the end of the period (Rs. Crores)	23.38	945.66	224.66	128.63
8	Ratio of Recurring Expenses to Avg. Net Assets (%)	0.30	0.29	0.27	0.15

\* Returns for period less than 1 year are absolute returns and for period more than one year are compounded annualised growth rate (CAGR)

## TATA FIXED INVESTMENT PLAN - 1

Sr. No.	Historical Per Unit Statistics	TFHFS7 A47		TFHFS9 A46		TFHFS13 A61
		31/12/07	31/03/07	31/12/07	31/03/07	31/12/07
1	NAV at the beginning of the year/period	RIPD 10.0281 RIPG 10.0282 IIPD 10.0281 IIPG 10.0281	–	RIPD 10.0550 RIPG 10.0550 IIPD 10.0000 IIPG 10.0550	–	–
2	Net Income per unit	0.56	0.03	0.48	0.05	0.32
3	Dividends	–	–	–	–	RIP MD 0.0631
4	Transfer to reserves (if any)	–	–	–	–	–
5	NAV at the end of the year	RIPD 10.8359 RIPG 10.8359 IIPD 10.8359 IIPG 10.8359	RIPD 10.0281 RIPG 10.0282 IIPD 10.0281 IIPG 10.0281	RIPD 10.8786 RIPG 10.8787 IIPD 10.0800 IIPG 10.8787	RIPD 10.0550 RIPG 10.0550 IIPD 10.0000 IIPG 10.0550	RIP MD 10.0638 RIP PD 10.3542 RIPG 10.3542 IP MD 10.0100 IP PD 10.0100 IPG 10.3542
6(a)	Annualised Return (%) *	RIPG 8.36 IIPG 8.36	RIPG 0.28 IIPG 0.28	RIPG 8.79 IIPG 8.79	RIPG 0.55 IIPG 0.55	RIPG 3.54 IPG 3.54
6(b)	Benchmark returns (%) * Crisil Liquid Fund Index	5.96	0.21	6.16	0.40	2.54
7	Net Assets at the end of the period (Rs. Crores)	268.02	248.11	123.78	114.41	102.42
8	Ratio of Recurring Expenses to Avg. Net Assets (%)	0.05	0.06	0.20	0.52	0.15

\* Returns for period less than 1 year are absolute returns and for period more than 1 year are compounded annualised growth rate (CAGR)

Sr. No.	Historical Per Unit Statistics	TFHFS6 A36		TFHFS6 A38		TFHFS13 A62
		31/12/07	31/03/07	31/12/07	31/03/07	31/12/07
1	NAV at the beginning of the year/period	D 10.0787 G 10.0787	–	D 10.0803 G 10.0803	–	–
2	Net Income per unit	0.41	0.08	0.80	0.08	0.30
3	Dividends	–	–	–	–	IP MD 0.0619
4	Transfer to reserves (if any)	–	–	–	–	–
5	NAV at the end of the year	D 10.4921 G 10.4921	D 10.0787 G 10.0787	D 10.8835 G 10.8835	D 10.0803 G 10.0803	RIP MD 10.0300 RIP PD 10.3342 RIPG 10.3342 IP MD 10.0567 IP PD 10.0300 IPG 10.3342
6(a)	Annualised Return (%) *	G 4.92	G 0.79	G 8.84	G 0.80	RIPG 3.34 IPG 3.34
6(b)	Benchmark returns (%) * Crisil Short Term Bond Fund Index	7.54	0.58	6.30	0.54	2.51
7	Net Assets at the end of the period (Rs. Crores)	1.43	1.38	192.36	178.25	142.63
8	Ratio of Recurring Expenses to Avg. Net Assets (%)	0.25	0.19	0.20	0.20	0.15

\* Returns for period less than 1 year are absolute returns and for period more than 1 year are compounded annualised growth rate (CAGR)

## TATA FIXED INVESTMENT PLAN - 1

Sr. No.	Historical Per Unit Statistics	TFHFS14 A63 31/12/07	TFHFS14 A66 31/12/07
1	NAV at the beginning of the year/period	-	-
2	Net Income per unit	0.28	0.30
3	Dividends	RIP MD 0.0647 IP MD 0.0647	-
4	Transfer to reserves (if any)	-	-
5	NAV at the end of the year	RIP MD 10.0577 RIP PD 10.0300 RIPG 10.3414 IP MD 10.0576 IP PD 10.0300 IPG 10.3355	RIP MD 10.0100 RIP PD 10.3078 RIPG 10.3082 IP MD 10.0100 IP PD 10.3082 IPG 10.3082
6(a)	Annualised Return (%) *	RIPG 3.41 IPG 3.36	RIPG 3.08 IPG 3.08
6(b)	Benchmark returns (%) * Crisil Liquid Fund Index	2.44	2.17
7	Net Assets at the end of the period (Rs. Crores)	92.21	259.62
8	Ratio of Recurring Expenses to Avg. Net Assets (%)	0.25	0.15

\* Returns for period less than 1 year are absolute returns and for period more than 1 year are compounded annualised growth rate (CAGR)

### Borrowings made to meet redemption during the last financial year i.e financial year 2006-2007.

Scheme	Amount (Crores)	% of NAV	Period
TLF	75.00	2.26	1 day
TLF	75.00	1.67	1 day
TLF	100.00	2.25	1 day
TLF	25.00	0.56	1 day

# TATA FIXED INVESTMENT PLAN - 1

## VII. CONSTITUTION OF TATA MUTUAL FUND

### i. Constitution:

Tata Mutual Fund (TMF) has been constituted as a Trust in accordance with the provisions of The Indian Trusts Act, 1882 (2 of 1882) and is registered as a Trust under The Indian Registration Act, 1908. TMF was registered with Securities & Exchange Board of India (SEBI) and commenced operation by launching its first scheme on 30th August 1995. Tata Sons Limited (TSL) and Tata Investment Corporation Ltd (TICL) are the Sponsors and the Settlers and Tata Trustee Company Private Limited is the Trustee Company. The Trustee Company has appointed Tata Asset Management Limited (TAML) as the Asset Management Company. TSL and TICL have made an aggregate initial contribution of Rs.1 lac towards setting up of TMF.

Share holding pattern of Tata Asset Management Ltd (TAML) and Tata Trustee Company Pvt Ltd (TTCPL)

	TAML	TTCPL
Tata Sons Ltd	67.91%	50%
Tata Investment Corporation Ltd	32.09%	50%

### ii. The Sponsors:

#### Tata Sons Limited (TSL)

Tata Sons Limited is the promoter and the principal investment holding company of the Tata group. Established as a trading firm in 1868, it is the promoter of major companies of the Tata group and holds the promoter shareholding along with other entities in listed companies such as India's largest IT Services company, Tata Consultancy Services Limited, Tata Motors Limited, Tata Steel Limited, Tata Power Company Limited and Tata Tea Limited, to name a few. It is also the majority shareholder in unlisted companies such as Tata Asset Management Limited, Tata AIG Life Insurance Company Limited and Tata AIG General Insurance Company Limited - in the financial services segment.

The Tata group today accounts for about 3% of the Indian GDP and contributes about 5% to the country's exports. The group presently has the highest market capitalisation amongst all Indian business groups with around 2 million shareholders. Tata Sons is also the owner of the TATA name and the TATA Trade Marks which are registered in India and several other countries.

#### Financial performance of TSL

(Rs. in crores)

	2004-05	2005-06	2006-07
Total Income	3735.69	1867.57	3852.51
Profit after tax	3273.61	1612.31	3335.94
Preference Share Capital	66.10	66.10	197.98
Equity Share Capital	40.41	40.41	40.41
Free reserves	7928.60	9236.85	12123.13
Net worth	7969.01	9277.26	12163.54
Dividend on Preference Shares	3.45	3.97	7.64
Dividend on Ordinary Shares	282.90	262.69	282.90
Earnings per share (face value Rs.1000 per share) (Rs.)	80904	39782	82322

### 2. Tata Investment Corporation Limited (TICL)

Tata Investment Corporation Ltd. was promoted by Tata Sons Ltd. in 1937, with the main objective of being an investment company, and was initially called The Investment Corporation of India Ltd. It remained closely held till 1959, when it was listed on the Bombay Stock Exchange. Over the years, TICL has built up a portfolio of investments of quoted and unquoted securities of a book value of Rs. 753.59 crores as on 31st March, 2007. Its realizable value of

investment as on 31st March, 2007. was Rs. 2210.00 crores, spread over 229 companies.

### Financial performance of TICL :

#### Last three financial years.

(Rs. in crores)

	2004-05	2005-06	2006-07
Total Income	119.18	170.88	204.14
Profit after tax	112.38	163.14	181.65
Equity Share Capital	22.97	34.46	34.46
Free reserves	463.57	568.07	686.36
Net worth/Book Value per Share	211.79	174.85	209.17
Earnings per share	48.92	47.34	52.71
Dividend paid (%)	120.00	120.00	150.00

### iii. The Trustee Company

#### Constitution

Tata Trustee Company Private Limited, through its Board of Directors, discharges the obligations as Trustee of TMF. The Trustee Company may, amend the terms of the offer of the Units, the terms of the Scheme and the terms of the Fund from time to time as per the provisions contained in SEBI Regulations. The Trustee Company is entitled to fees as stated in the clause on "Trustee Fee". The Trustee Company has appointed TAML as the Asset Management Company, Standard Chartered Bank as the Custodian and Karvy Computershare Private Ltd as the Registrar and Transfer Agent, the details of which are given in the Clause "Management of the Fund".

#### Board of Tata Trustee Company Private Limited:

**Mr. S. M. Datta (Chairman)**, Address: Peerless General Finance & Investment Company Limited, 11-A, Mittal Tower, 'A' wing, First Floor, Nariman Point, Mumbai 400 021. **Status:** Independent **Occupation:** Industrialist, **Other Directorships:** **Chairman:** Castrol India Ltd, IL&FS Investment Managers Ltd, Philips Electronics India Ltd, Tata Trustee Company Pvt. Ltd, Peerless Hospitex Hospital & Research Centre Ltd. **Director:** Zodiac Clothing Company Ltd, Peerless General, Finance & Investment Company Ltd, Peerless Hotels Ltd, BHW Home Finance Ltd, BOC India Ltd, Kansai Nerolac Paints Ltd, Transport Corporation of India Ltd, Atul Ltd, Bhoruka Power Corporation Ltd, Rabo India Finance Ltd, Ambit Corporate Finance Pte. Ltd, Chandra's Chemical Enterprises (Pvt) Ltd, CHR Global (HR Services) Private Ltd, Peerless Hospitex Hospital & Research Centre Ltd, Wockhardt Hospitals Ltd. **Other Memberships:** **Chairman:** Audit Committee of BOC India Ltd, Shareholders / Investors Grievances Committee of Castrol India Ltd. Member: Shareholders / Investors Grievances Committee of IL & FS Investment Managers Ltd.

**Mr. I. Hussain (Director)**, Address: Tata Sons Limited, Bombay House, 24, Homi Mody Street, Mumbai 400 001. **Status:** Associate, **Occupation:** Industrialist, **Other Directorships:** **Chairman:** Voltas Ltd, Tata Steel Asia Holdings, Pte. Ltd, Tata Sky Ltd. **Director:** Tata Sons Ltd, Tata Steel Ltd, Titan Industries Ltd, Tata Inc., Tata Industries Ltd, Tata AIG Life Insurance Co. Ltd, Tata AIG General Insurance Co. Ltd, CMC Ltd, Tata Refractories Ltd, Speech & Software Technologies (India) Pvt. Ltd, Bombay Stock Exchange Ltd., Tata Capital Ltd, Corus Group plc, Tata Teleservices Ltd, The Bombay Burmah Trading Corporation Ltd. **Other Memberships:** **Chairman:** Investors Grievance Committee of Tata Steel Ltd, Audit Committee of Tata Industries Ltd, Audit Committee of Tata Teleservices Ltd, Audit Committee of the Bombay Stock Exchange Ltd. Member: Audit Committee of Tata Sky Ltd, Audit Committee of Tata Steel Ltd, Audit Committee of Tata Trustee Company Pvt. Ltd, Audit Committee of Tata AIG General Insurance Company Ltd, Audit Committee of Titan Industries Ltd, Audit Committee of Tata AIG Life Insurance Company Ltd, Audit Committee of Tata Capital Ltd.

# TATA FIXED INVESTMENT PLAN - 1

**Mr. J. N. Godrej (Director)**, Address: Godrej & Boyce Manufacturing Company Limited, Pirojshanagar, Vikhroli, Mumbai - 400 079. **Status:** Independent, **Occupation:** Industrialist, **Other Directorships:** **Chairman:** Geometric Software Solutions Company Ltd, Lawkim Ltd, 3D PLM Software Solutions. **Chairman & Managing Director:** Godrej & Boyce Manufacturing Company Ltd. **Director:** Godrej Properties Ltd, Godrej Agrovet Ltd, Godrej Sara Lee Ltd, Godrej Commodities Ltd, Godrej Beverage & Foods Ltd, Godrej Industries Ltd, Godrej Consumer Products Ltd, Bajaj Auto Ltd, Antrix Corporation Ltd, Godrej Upstream Ltd, Halidia Petrochemicals Ltd, Godrej Investments Private Ltd, Breach Candy Hospital Trust, Illinois Institute of Technology (India) Private Ltd, Godrej (Singapore) Pte. Ltd, Godrej (Malaysia) Sdn. Bhd, Godrej (Vietnam) Company Ltd, Godrej & Khimji (Middle East) LLC, Bombay Stock Exchange Ltd, Tata Trustee Company Private Ltd, Singapore-India Partnership Foundation. **Other Memberships:** **Chairman:** Operations Committee of Godrej & Boyce Mfg. Co. Ltd, Investor Grievances & Redressal Committee of Geometric Software Solution Co. Ltd, Remuneration / Compensation Committee of Geometric Software Solution Co. Ltd. Member: Audit Committee of Bajaj Auto Ltd, Shareholders / Investors Grievances Committee of Bajaj Auto Ltd, Management Committee of Godrej Consumer Products Ltd, Shareholders Committee of Godrej Consumer Products Ltd, General Committee of Breach Candy Hospital Trust.

**Dr. N. A. Kalyani (Director)** Address: Shangrilla Gardens, B&C Wings, 1st Floor, Bund Garden Road, Pune 411 001. **Status:** Independent, **Occupation:** Industrialist **Chairman** Kalyani Forge Ltd, Kalyani Securities Private Ltd, Shakuntal Engineering & Equipments Private Ltd, Kautilya Engineering & Manufacturing Private Ltd, Gajanan Investment Private Ltd, Aboli Investment Private Ltd, Zendu Investment Private Ltd, Uttara Agro Private Ltd, Purva Agro Private Ltd, Anuradha Agrotech Private Ltd, Punarvasu Agro Private Ltd, Vishakha Agro Private Ltd, Kalyani Floritech Private Ltd, Ashlesha Agro Private Ltd, Uttarashadha Agro Private Ltd, Dhanishtha Agro Private Ltd, Purvashadha Agro Private Ltd, Saraswati Agrotech Private Ltd, Rohini Agrotech Private Ltd, Kalyani Agro and Exports Private Ltd, Bhadrpada Agro Private Ltd, Jeshtha Agro Private Ltd, Shattarka Agro Private Ltd, Kalyani Horticulture Private Ltd, Pushya Agro Private Ltd, Bramhaputra Agrotech Private Ltd, Jamuna Agrotech Private Ltd, Chinab Agrotech Private Ltd, Kalyani Institute of Scientific Research, Kalyani Medical Foundation, Kalyani Institute of Poultry Research. **Director:** Kinetic Engineering Company Ltd, Kirloskar Oil Engines Ltd, Finolex Cables Ltd, Sudarshan Chemical Industries Ltd, Hindustan Construction Company Ltd, Dronacharya Investment and Trading Private Ltd, Dandakararyana Investment and Trading Private Ltd, Hastinapur Investment and Trading Private Ltd, Campanula Investment and Finance Private Ltd, Cornflower Investment and Finance Private Ltd, International Conventions India Pvt. Ltd, Tata Trustee Company Private Ltd. **Other Memberships:** **Chairman:** Audit Committee of Finolex Industries Ltd, Remuneration Committee of Hindustan Construction Company Ltd. Member: Shareholders / Investors Grievances Committee of Finolex Industries Ltd, Audit Committee of Finolex Cables Ltd, Audit Committee of Sudarshan Chemical Industries Ltd, Audit Committee of Finolex Cables Ltd, Remuneration Committee of Hindustan Construction Company Ltd, Executive Committee of Mahratta Chamber of Commerce, Industries and Agriculture.

## Duties and Responsibilities of the Trustee Company

- (1) The trustees and the asset management company shall with the prior approval of the Board enter into an investment management agreement.
- (2) The investment management agreement shall contain such clauses as are mentioned in the Fourth Schedule and such other clauses as are necessary for the purpose of making investments.
- (3) The trustees shall have a right to obtain from the asset management company such information as is considered necessary by the trustees.

- (4) In carrying out his/her responsibilities as a member of the Board of Trustee, each Trustee shall maintain an arms' length relationship with other companies, or institutions or financial intermediaries or any body corporate with which he may associated in any transaction also involving the mutual fund.
- (5) No Trustee shall participate in the meetings of the Board of Trustee when any decisions for investments in which he/she may be interested are taken.
- (6) All the Trustee shall furnish to the Board of Trustee, particulars of interest which he/she, may have in any other company, or institution or financial intermediary or any corporate by virtue of his/her position as director, partner or with which he/she may be associated in any other capacity.
- (7) The trustees shall ensure before the launch of any scheme that the asset management company has:-
  - (a) systems in place for its back office, dealing room and accounting;
  - (b) appointed all key personnel including fund manager(s) for the scheme(s) and submitted their bio-data which shall contain the educational qualifications, past experience in the securities market with the trustees, within 15 days of their appointment;
  - (c) appointed auditors to audit its accounts;
  - (d) appointed a compliance officer to comply with regulatory requirement and to redress investor grievances;
  - (e) appointed registrars and laid down parameters for supervision;
  - (f) prepared a compliance manual and designed internal control mechanisms including internal audit systems;
  - (g) specified norms for empanelment of brokers and marketing agents.
- (8) The trustees shall ensure that an asset management company has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
- (9) The trustees shall ensure that the asset management company has not given any undue or unfair advantage to any associates or dealt with any of the associates of the asset management company in any manner detrimental to interest of the unitholders.
- (10) The trustees shall ensure that the transactions entered into by the asset management company are in accordance with these regulations and the scheme.
- (11) The trustees shall ensure that the asset management company has been managing the mutual fund schemes independently of other activities and have taken adequate steps to ensure that the interest of investors of one scheme are not being compromised with those of any other scheme or of other activities of the asset management company.
- (12) The trustees shall ensure that all the activities of the asset management company are in accordance with the provisions of these regulations.
- (13) Where the trustees have reason to believe that the conduct of business of the mutual fund is not in accordance with these regulations and the scheme they shall forthwith take such remedial steps as are necessary by them and shall immediately inform the Board of the violation and the action taken by them.
- (14) Each trustee shall file the details of his transactions of dealing in securities with the Trust on a quarterly basis.

# TATA FIXED INVESTMENT PLAN - 1

- (15) The trustees shall be accountable for, and be the custodian of, the funds and property of the respective schemes and shall hold the same in trust for the benefit of the unit holders in accordance with these regulations and the provisions of trust deed.
- (16) The trustees shall take steps to ensure that the transactions of the mutual fund are in accordance with the provisions of the trust deed.
- (17) The trustees shall be responsible for the calculation of any income due to be paid to the mutual fund and also of any income received in the mutual fund for the holders of the units of any scheme in accordance with these regulations and the trust deed.
- (18A) The trustees shall obtain the consent of the unitholders -
- whenever required to do so by the Board in the interest of the unitholders: or
  - whenever required to do so on the requisition made by threefourths of the unit holders of any scheme: or
  - when the majority of the trustees decide to wind up or prematurely redeem the units: or
- (18B) The trustees shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would modify the scheme and affects the interest of unitholders, shall be carried out unless:-
- 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
  - the unitholders are given an option to exit at the prevailing Net Asset Value without any exit load.”
- The fundamental attributes for the above clause are:**
- Type of scheme: A closed-ended Debt fund comprising several investment Schemes of different maturities.
  - Investment Objective : The investment objective of the schemes are to generate income and / or capital appreciation by investing in wide range of Debt and Money Market instruments.
  - Terms of the issue :  
Maximum recurring expenses on the first Rs 100 Crores 2.25% of average weekly net assets (also refer to para on annual recurring expenses on page 11 of the Offering Circular).
- Maximum new fund offer expenses upto 4% of the amount mobilised will be borne by the scheme.
- (19) The trustees on a quarterly basis shall call for the details of transactions in securities by the key personnel of the asset management company in his own name or on behalf of the asset management company and shall report to the Board, as and when required.
- Explanation:  
To comply with the requirement of sub-regulation (1) of regulation 18 of the SEBI (Mutual Funds) Regulations, 1996, the trustees shall call for the details of transactions in securities by the key personnel of the asset management company in their own name or on behalf of the AMC on a six monthly basis.
- (20) The trustees shall quarterly review all transactions carried out between the mutual funds, asset management company and its associates.
- (21) The trustees shall quarterly review the networth of the asset management company and in case of any shortfall, ensure that the asset management company make up for the shortfall as per clause (f) of sub-regulation (1) of regulation 21.
- (22) The trustees shall periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy itself that such contracts are executed in the interest of the unitholders.
- (23) The trustees shall ensure that there is no conflict of interest between the manner of deployment of its networth by the asset management company and the interest of the unitholders.
- (24) The trustees shall periodically review the investor complaints received and the redressal of the same by the asset management company.
- (25) The trustees shall abide by the Code of Conduct as specified in the Fifth Schedule.
- (26) The trustees shall furnish to the Board on a half yearly basis:-
- a report on the activities of the mutual fund covering the detail as prescribed by SEBI.
  - a certificate stating that the trustees have satisfied themselves that there have been no instances of self dealing or front running by any of the trustees, directors and key personnel of the asset management company:
  - a certificate to the effect that the asset management company has been managing the schemes independently of any other activities and incase any activities of the nature referred to in sub-regulation (2) of regulation 24 have been undertaken by the asset management company and has taken adequate steps to ensure that the interest of the unitholders are protected.
- (27) The independent trustees referred to in sub-regulation (5) of regulation 16 shall give their comments on the report received from the asset management company regarding the investments by the mutual fund in the securities of group companies of the sponsor.
- (28) Trustees shall exercise due diligence as under:
- A. General Due Diligence**
- the Trustees shall be discerning in the appointment of the directors on the Board of the asset management company.
  - Trustees shall review the desirability of continuance of the asset management company if substantial irregularities are observed in any of the schemes and shall not allow the asset management company to float new schemes.
  - The trustees shall ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons.
  - The trustee shall ensure that all service providers are holding appropriate registrations from the Board or concerned regulatory authority.
  - The trustees shall arrange for test checks of service contracts.
  - Trustees shall immediately report to the Board of any special developments in the mutual fund.
- B. Specific Due Diligence:**  
The Trustees shall:
- Obtain internal audit reports at regular intervals from independent auditors appointed by the Trustees.

# TATA FIXED INVESTMENT PLAN - 1

- (ii) Obtain compliance certificates at regular intervals from the asset management company
  - (iii) Hold meeting of trustees more frequently.
  - (iv) Consider the reports of the independent auditor and compliance reports of asset management company at the meetings of trustees for appropriate action.
  - (v) Maintain records of the decisions of the Trustees at their meetings and of the minutes of the meetings.
  - (vi) Prescribe and adhere to a code of ethics by the Trustees, asset management company and its personnel.
  - (vii) Communicate in writing to the asset management company of the deficiencies and checking on the rectification of deficiencies.
- (29) Notwithstanding anything contained in sub-regulations (1) to (25), the trustees shall not be held liable for acts done in good faith if they have exercised adequate due diligence honestly.
- (30) The independent directors of the trustees or asset management company shall pay specific attention to the following, as may be applicable, namely:
- (i) the Investment Management Agreement and the compensation paid under the agreement.
  - (ii) Service contract with affiliates – whether the asset management company has charged higher fees than outside contractors for the same services.
  - (iii) Selection of the asset management company's independent directors.
  - (iv) Securities transactions involving affiliates to the extent such transactions are permitted.
  - (v) Selecting and nominating individuals to fill independent directors vacancies.
  - (vi) Code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.
  - (vii) The reasonableness of fees paid to sponsors, asset management company and any others for services provided.
  - (viii) Principal underwriting contracts and their renewals.
  - (ix) Any service contract with the associates of the asset management company.
- (31) No amendments to the trust deed shall be carried out without the prior approval of the SEBI and unitholders' approval would be obtained where it affects the interests of the unitholders.

## Supervision over TAML:

The Trustee Company monitors the activities of TAML on an ongoing basis by having in place, a number of checks and balances and asking for various reports besides periodic review of the various activities of TAML. Specific amongst such systems is the periodic MIS reporting to be submitted by TAML at each Meeting of the Board of Directors of the Trustee Company (held at least on a quarterly basis), which includes:

1. NAV calculations, movement of Net Assets and Valuation matrix/methodology.
2. Balance sheet and Revenue & Expenditure Accounts
3. Schemewise breakup of Industry Exposure in Equities/ Securities.
4. Investments in Associate/Group Companies (alongwith justification)
5. Investment in Corporates who have invested in the Scheme.

6. Companywise List of Investments
7. Broker-wise transactions.

Besides, the bi-monthly compliance reports which are submitted by TAML to SEBI are also placed before the Board of Directors of the Trustee Company and discussed. Reports of the independent Internal auditors are sent directly to the Chairman of the Trustee Company and also placed before the Audit Committee of Directors, who seek explanation and clarifications from TAML on the points brought out in the report and thereafter report the same to the main Board. Periodic declarations are taken from the staff and Directors of TAML and placed before the Board of Directors of the Trustee Company to peruse and to ascertain that there have been no instances of self dealing or front running. Meetings of the Board of Directors of the Trustee Company are held (at least) once every quarter wherein at least one independent Director is required along with other Directors to form effective quorum.

During the period ended December 2007 there were seven Board Meetings of the Trustee Company.

## Power to make rules:

The Trustee company may, from time to time, as per provisions of SEBI Regulations (with the prior permission from the Unitholders in case of change of fundamental attributes in accordance with Clause 15 of Regulation 18 of the SEBI (Mutual Funds) Regulations, 1996 and otherwise to be in conformity with the SEBI Regulations or to reflect the change in rules and regulations generally applicable to mutual funds or trusts), prescribe such forms and make such rules for the purpose of giving effect to the provisions of the Scheme, with the power to the Trustee Company/Asset Management Company to add to, alter or amend all or any of the forms and rules that may be framed from time to time.

The trustees shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would modify the scheme and affect the interests of unitholders, shall be carried out unless :-

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

## Power to remove difficulties:

If any difficulty arises in giving effect to the provisions of the Scheme, the Trustee Company may take such steps which are not inconsistent with these provisions, which appear to them to be necessary or expedient, for the purpose of removing the difficulties.

## VIII. INVESTMENT OBJECTIVE AND POLICIES

### i) Investment Objective :

The investment objective of the schemes are to generate income and / or capital appreciation by investing in wide range of Debt and Money Market instruments.

The funds available under the Schemes will be invested primarily in securities such as

- Money Market Instruments like Commercial Paper, Certificate of Deposit, Treasury Bills and short term debt instruments etc. issued by various Corporates, Government - State or Central, Public Sector Undertakings,
- Non convertible portion of Convertible Debentures (Khokas), Non Convertible Debentures,
- Securitised Debt (asset backed securities excluding mortgage backed securities), Secured Premium Notes,

# TATA FIXED INVESTMENT PLAN - 1

- Zero Interest Bonds, Deep Discount Bonds, Floating Rate Bonds/Notes,
- Government Securities.

The securities mentioned above and such other securities, the Scheme is permitted to invest could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. Notwithstanding the aforesaid, the proportion of investment in privately placed debentures, securitised debt and other unquoted debt instruments could be increased by the Trustee Company / Asset Management company to around 100% of the total assets / Funds available of the Scheme. For the possible impact on liquidity of the Scheme, which might be experienced due to investment of around 100% in privately placed debentures, securitised debt and other unquoted debt instruments, please refer to the Clause "Possible Deferral of Redemption / & Compulsory redemption / Redemption" and also to the Clause on "Liquidity & Settlement Risks" under Specific Risk Factors. The moneys collected under this Scheme shall be invested only in transferable securities in the money market or in the capital / debt market or in privately placed debentures or securitised debts or in Government securities.

As per SEBI Regulations, the Scheme 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 Sponsor. The Scheme may invest not more than 25% of the net assets in listed securities of Group companies.

## ii. Investment Strategy and Risk Management

For the purpose of achieving the investment objective, each Scheme under the fund will invest in a portfolio of securities normally having maturity duration in line with the maturity duration of the respective Schemes.

The Schemes 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.

## iii. 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 :

### Scheme A and B (13 months maturity)

Proportion** % of funds available		
Instrument	Likely Around	Risk Profile
Debt and Money Market instruments & Securitised Debt	100%	Low to Medium

\*\* At the time of investment.

No investments would be made in foreign securitised debt.

The scheme may invest upto a maximum of 50% of the scheme's net assets in domestic securitised debt.

If permitted by SEBI under extant regulations / guidelines, 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 scheme net assets will have a maximum derivative net position of 50% of the net assets of the scheme. Investment in derivative instruments may be done for hedging and Portfolio balancing.

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 Board."

The Trustee Company may from time to time pending investment in government securities for a short term period on defensive consideration invest upto 100% of the funds available in repos etc. The primary motive being to protect the Net Asset Value of the Scheme and protect unitholders interest 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 intention being to protect the Net Asset Value of the Scheme and Unitholders interests, without seeking consent of the unitholders.

## Overview of Debt Market:

The major players in the Indian Debt Markets are today 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 risk associated with any investments are – credit risk, interest rate risk 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 31/12/07)

Issuer	Instrument	Maturity	Yields
GOI	T-Bill	91 days	7.00-7.05
GOI	T-Bill	364 days	7.40-7.45
GOI	Short dated	1-3 yrs.	7.45-7.48
GOI	Medium dated	3-5 yrs.	7.50-7.52
GOI	Long dated	5-10 yrs.	7.51-7.55
Corporate	AAA	1-3 yrs.	8.75-9.00
Corporate	AAA	3-5 yrs.	8.90-9.05
Corporate	CPs	3 months	8.00-8.50
Corporate	CPs	1 year	8.90-9.10

## iv. Trading in Derivatives

Subject to SEBI (Mutual Fund) Regulations, 1996, the Scheme may use techniques and instruments such as trading in derivative

# TATA FIXED INVESTMENT PLAN - 1

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

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.

**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 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.

The Schemes 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 have occurred. In such cases the Schemes can enter into a received position (IRS) where the Schemes 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.

The Schemes 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 are expected to occur at a specified future date. In such cases the Schemes can enter into a paid position (FRA) at a specified date in the future where the Schemes 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 crores 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  $(6.50-6.00) \times 181 \times 200,000,00 / (365 \times 100 + 6.50 \times 181) = \text{Rs } 48040.55$  for six months  
The Schemes 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 Schemes can enter into a received position (FRA) at a specified date in the future where the Schemes 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 crores 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  $(6.00-5.50) \times 181 \times 200,000,00 / (365 \times 100 + 5.50 \times 181) = \text{Rs } 48272.76$  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

# TATA FIXED INVESTMENT PLAN - 1

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 mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

## v. Portfolio Turnover

Since all the schemes are close ended schemes the portfolio turnover is expected to be low.

## vi. Change in Investment Pattern

The Trustee Company may from time to time modify the investment strategy and pattern provided such modification is in accordance with the Scheme objective and SEBI (Mutual Funds) Regulations, 1996, 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 intent being to protect the Net Asset Value of the Scheme and Unitholders' interest.

## vii. Restrictions on Investments (as per seventh schedule of SEBI {Mutual Fund} 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 and money market instruments.

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

- 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.

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 and 1A above.

2. No Mutual Fund under all its Schemes should own more than 10% of the Companies paid-up capital carrying voting rights.
3. 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.

4. 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.

This clause shall not be applicable to investments in mutual funds in foreign countries made in accordance with the guidelines.

5. The new fund offer expenses in respect of any scheme may not exceed six per cent of the funds raised under that scheme.

6. 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 Board:

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

7. 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.

8. 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 Board."

9. 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.

- 9A) No scheme of a mutual fund shall make any investment in any fund of fund scheme.

10. No Mutual Fund Schemes shall invest more than 10% of its NAV in the equity shares or equity related instruments of any Company including units/securities of Venture Capital Funds.

Provided that, the limit of 10 per cent shall not be applicable for investments in case of index fund or sector or industry specific scheme.

11. A Mutual Fund shall not invest more than 5% of its NAV in unlisted equity shares or equity related instruments including units/securities of Venture Capital Funds in case of open ended schemes and 10% of its NAV in case of close ended scheme.

12. A fund of funds scheme shall be subject to the following investment restrictions:

a) A fund of funds scheme shall not invest in any other fund or funds scheme;

# TATA FIXED INVESTMENT PLAN - 1

- b) A fund of funds scheme shall not invest its assets other than in schemes of mutual funds, except to the extent of funds required for meeting the liquidity requirements for the purpose of repurchases or redemptions, as disclosed in the offer document of fund of funds 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.

## viii. 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.

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.

## ix. 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 portfolio. The securities lent will be returned by the borrower on the expiry of the stipulated period. The AMC will adhere to strict 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 deployed in Stock lending to any single counterparty. Collateral would always be obtained by the approved intermediary from such borrower. Collateral value would always be more than the value of the security lent. Collateral can be in form of cash, bank guarantee, and government securities, as may be agreed upon with the approved intermediary.

Example:

A fund has a AAA debenture or bond which it would wish to hold for a long period of time as a core holding in the portfolio or even till maturity. In that case the investors would be benefited only to the extent of the coupon rate which it would earn.. 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 and return the security to the lender at a stipulated time or on demand for a negotiated compensation the fund unitholders can enhance their returns to the extent of the compensation it will earn for lending the same.. But an adequate security or collateral will have to be maintained by the intermediary, which 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  
Thus, to summarize, stock lending would be done by the scheme only in the following circumstances:

- If permitted by trustees and the extent SEBI regulations in that regard, from time to time.
- If such activity generates additional returns for the scheme and helps to enhance the scheme returns.

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

## x. Fundamental Attributes

The information set out below should be read in conjunction with the full text of this Offering Circular.

- Structure and Type of Scheme:**  
A close ended Debt fund comprising two investment Schemes.
- Investment Objective:**  
The investment objective of the schemes are to generate income and / or capital appreciation by investing in wide range of Debt and Money Market instruments.
- Investment Schemes :**  
Each Scheme will be considered as fresh subscription as and when it is launched.
- Investment Pattern and Risk Profile:**

### Scheme A and B (13 months maturity)

Instrument	Proportion** % of funds available	
	Likely Around	Risk Profile
Debt and Money Market instruments & Securitised Debt	100%	Low to Medium

\*\* At the time of investment.

No investments would be made in foreign securitised debt.

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.

- Offer Price:**  
The New Fund Offer Price will be at the face value of Rs. 10/- each.
- Minimum Application:**  
Under each Scheme for Regular plan should be minimum of Rs.10,000/- and in multiples of Re. 1/- thereafter and for Institutional plan Rs. 1,00,00,000 and in multiples of Re. 1/- thereafter. There is no maximum limit.
- Repurchase / Switch / Listing:**  
Repurchase is at Net Asset Value (NAV) related prices with repurchase loads as applicable (within limits) as specified under SEBI Regulations 1996, the repurchase price shall not be lower than 95% of the NAV.  
Listing is not envisaged as the Scheme provides repurchase on a continuous basis.

# TATA FIXED INVESTMENT PLAN - 1

The trustees shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would modify the scheme and/or affect the interest of unitholders, shall be carried out unless:-

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

## IX. MANAGEMENT OF THE FUND

### i. The Asset Management Company Constitution

The Trustee Company has appointed TAML as the Asset Management Company for TMF. The shareholders of TAML are TSL and TICL. TAML has entered into an Investment Management Agreement dated 9th May, 1995 with TTCPL, pursuant to which TAML will run the operations of TMF and manage the assets of TMF's Schemes. TAML, having its registered office at, Fort House, 221 Dr. D. N. Road, Mumbai 400 001 is a Company incorporated under the Companies Act, 1956 on 15th March 1994 and was approved to act as an Asset Management Company for TMF by SEBI on 30th June, 1995. The networth of TAML as on December 31, 2007 is approximately about Rs.96.19 crores. TAML is currently managing twenty nine open-ended schemes and fourteen close ended scheme the details of which are stated in the clause on "Previous Schemes of Tata Mutual Fund & Condensed Financial Information". The Asset Management Company shall be entitled to fees as stated in the clause on "Investment Management Fee". The appointment of TAML as the Asset Management Company can be terminated with the approval of SEBI and upon resolution by the Trustee Company, or by 75% of the Unitholders of the Scheme.

AMC has obtained registration from SEBI vide Registration No. INP000001058 dated September 14, 2004 to act as a Portfolio Manager under SEBI (Portfolio Managers) Regulations, 1993. The AMC has commenced the Portfolio Management activities, after complying with the regulatory requirements. The same are not in conflict with the mutual fund activities.

### The members of the Board of Directors of Tata Asset Management Limited are :

**Mr. F. K. Kavarana (Chairman)**, Address: Tata Sons Limited, Bombay House, 24, Homi Modi Street, Mumbai 400 001, **Status:** Associate, **Occupation:** Company Director, **Other Directorships:** **Chairman:** Tata Projects Ltd, Tata AIG Life Insurance Co. Ltd, Tata AIG General Insurance Co. Ltd, Exegenix Canada Inc., Tata Tea Inc., Tatatech Inc., Inter Consumer Goods AG, Trent Ltd, Trent Brands Ltd, Tata Asset Management Ltd. **Vice Chairman:** Tata International AG, Tata AG, Tata Enterprises (Overseas) AG, Tata Enterprises Overseas Ltd, Tata Ltd. **Director:** Tata Inc., Tata Sons Ltd, Tata Industries Ltd, Tata Tea Ltd, Titan Industries Ltd, Akzo Nobel Coatings India Private Ltd, Sika Properties Private Ltd, Tata Overseas Development Company Ltd, Tata International (UK) Ltd, TKS - Teknosoft S.A., QUARTZ Software Technology AG, TKS – Banking Solutions SA, Tata Precision Industries (Pte) Ltd, Tata Technologies Pte Ltd, Tata Technology Investments (Pte) Ltd, Tata Projects (Malaysia) Sdn. Bhd., Titan International Marketing Ltd, Titan International Holdings B. V., Titan International Investments B.V., ELXSI Corporation, St. James Court Hotel Ltd, Tetley Group, Tata Asset Management (Mauritius) Pvt. Ltd, Tata India Opportunities Fund (Mauritius), Consilience Technologies, Consolidated Coffee Inc – USA, Eight O' Clock Coffee Company – USA., Tata Capital Ltd. **Other Memberships:** Chairman:

Shareholders / Investors Grievance Committee of Titan Industries Ltd, Shareholders / Investors Grievance Committee of Tata Tea Ltd, Audit Committee of Tata AIG Life Insurance Co. Ltd, Audit Committee of Tata AIG General Insurance Co. Ltd, Shareholders / Investors Grievance Committee of Trent Ltd, Member: Audit Committee of Tata Sons Ltd, Audit Committee of Tata Industries Ltd, Remuneration Committee of Tata Industries Ltd, Remuneration Committee of Tata AIG General Insurance Co. Ltd, Investment Committee of Trent Ltd, Remuneration Committee of Trent Ltd.

**Mr. S. S. Marathe (Director)**, Address: "Vinay", 9, Sahajeevan Co-op Hsg. Society, Off. Ganeshkhind Road, Pune – 411 007, **Status:** Independent, **Occupation:** Economist, **Other Directorships :** **Chairman:** Life & General Associates (Pvt) Ltd, Synise Technologies Pvt. Ltd., GDA Trustee and Consultancy Private Ltd. **Vice Chairman:** Sandvik Asia Ltd. **Director:** Automotive Axles Ltd, Bharat Forge Ltd, Deepak Fertilisers & Petrochemicals Corporation Ltd, Finolex Industries Ltd, Futura Polyesters Ltd , Kirloskar Brothers Ltd, Pan Gulf Group Ltd, Channel Islands, Kinetic Motors Ltd, Force Motors Ltd. **Other Memberships:** Former Economic Adviser to the Government of India, India's former Alternate Executive Director on the, International Monetary Fund, Washington, Former Minister for Economic and Commercial Affairs, Embassy of India, Washington, Former Chairman, Bureau of Industrial Cost & Prices, Former Secretary to the Government of India, Ministry of Industry.

**Mr. M. L. Apte (Director)**, Address: Apte Amalgamations Ltd., 14A – The Club, Near Mangal Anand Hospital, Swastik Park, Chembur, Mumbai 400 071, **Status:** Independent, **Occupation:** Industrialist, **Other Directorships :** **Chairman:** Apte Amalgamations Ltd. **Director:** Bajaj Hindustan Ltd, Kulkarni Power Tools Ltd, Lintas India Private Ltd, The Bombay Burmah Trading Corporation Ltd, New Phaltan Sugar Works Ltd, Standard Industries Ltd, The Raja Bahadur Poona Mills Ltd, Grasim Industries Ltd, Zodiac Clothing Company Ltd, Dr. Writer's Food Products Private Ltd. **Other Memberships:** Trustee: Victoria Memorial School for the Blind, Mahalaxmi Temple Chrities. Member: Audit Committee of Grasim Industries Ltd, Audit Committee of Zodiac Clothing Company Ltd, Audit Committee of Standard Industries Ltd, Audit Committee of Bombay Burmah Trading Corporation Ltd, Share Transfer Committee of Zodiac Clothing Company Ltd, Share Transfer Committee of Bombay Burmah Trading Corporation, Remuneration Committee of Bajaj Hindustan Ltd, Remuneration Committee of Standard Industries Ltd.

**Mr. A. Hasib (Director)**, Address : A/42, Ocean Gold, Twin Towers Road, Bombay Bank Compound, Prabhadevi, Mumbai - 400 025. **Status:** Independent, **Occupation:** Company Director **Other Memberships:** Former Executive Director – RBI, Consultant - National Bank for Agriculture and Rural Development, Consultant - World Bank, Consultant – UNDP, Former I.M.F. Adviser - Central Bank of Iraq, Former I.M.F. Adviser - Reserve Bank of Fiji, Author of a few books and a number of articles on Economic Policy.

**Mr. A. R. Gandhi (Director)**, Address: Tata Sons Limited, Bombay House, 24, Homi Modi Street, Mumbai 400 001, **Status:** Associate, **Occupation:** Company Director. **Executive Director:** Tata Sons Ltd. **Director:** Tata Sons Ltd, Benares Hotels, Ltd, Raychem RPG Ltd, The Paper Products Ltd, E2E SerWiz Solutions Ltd, Tata Tea (GB) Ltd, Tata Tea Inc., VSNL Singapore Pte. Ltd, IMACID S.A Morocco, Tata Teleservices (Maharashtra) Ltd, Tata Tea (GB) Investments Ltd, Tata Tea Ltd, Videsh Sanchar Nigam Ltd, Wireless – TT Info Services Ltd. **Trustee:** Lintas Employees Professional Development Trust, Lintas Employees Family Plannig Assistance Trsut, Lintas Employees Education Trust, R. K. Gandhi Family Trust. **Other Memberships:** Member: Audit Committee of E2E SerWiz Solutions Ltd.

**Mr. Ved Prakash Chaturvedi (Managing Director)**, Address: Tata Asset Management Limited, Fort House, 221 Dr D. N. Road, Mumbai

# TATA FIXED INVESTMENT PLAN - 1

400001. **Status** : Associate, **Occupation** : Company Executive, **Director**: Financial Planning Standards Board India, Tata Pension Management Ltd, Association of Mutual Fund in India (AMFI).

## Duties and Obligations of TAML

- (1) The asset management company shall take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any scheme is not contrary to the provisions of these regulations and the trust deed.
- (2) The asset management company shall exercise due diligence and care in all its investments decisions as would be exercised by other persons engaged in the same business.
- (3) The asset management company shall be responsible for the acts of commissions or omissions by its employees or their persons whose services have been procured by the asset management company.
- (4) The asset management company shall submit to the trustees bi-monthly reports of each year on its activities and the compliance with these regulations.
- (5) The trustees at the request of the asset management company may terminate the assignment of the asset management company at any time:

Provided that such termination shall become effective only after the trustees have accepted the termination of assignment and communicated their decision in writing to the asset management company.

- (6) Notwithstanding anything contained in any contract or agreement or termination, the asset management company or its directors or other officers shall not be absolved of liability to the mutual fund for their acts of commission or omissions, while holding such position or office.
- (7) (a) An asset management company shall not through any broker associated with the sponsor, purchase or sell securities, which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes.  

Provided that for the purpose of this sub-regulation, aggregate purchase and sale of securities shall exclude sale and distribution of units issued by the mutual fund.

Provided further that the aforesaid limit of 5% shall apply for a block of any three months
- (b) An asset management company shall not purchase or sell securities through any broker [ other than a broker referred to in clause (a) of sub-regulation (7)] which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes, unless the asset management company has recorded in writing the justification for exceeding the limit of 5% and reports of all such investments are sent to the trustees on a bi-monthly basis.

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

- (8) An asset management company shall not utilise the services of the sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities:

Provided that an asset management company may utilise such services if disclosure to that effect is made to the unit holders

and the brokerage or commission paid is also disclosed in the half yearly annual accounts of the mutual fund.

Provided further that the mutual funds shall disclose at the time of declaring half-yearly and yearly results:

- (i) any underwriting obligations undertaken by the schemes of the mutual funds with respect to issue of securities of associate companies.
  - (ii) Devolvement, if any;
  - (iii) Subscription by the schemes in the issues lead managed by associate companies.
  - (iv) Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies have acted as arranger or manager.
- (9) The asset management company shall file with the trustees the details of transactions in securities by the key personnel of the asset management company in their own name or on behalf of the asset management company and shall also report to the Board, as and when required by the Board.
  - (10) In case the asset management company enters into any securities transactions with any of its associates a report to that effect shall be sent to the trustees at its next meeting.
  - (11) In case any company has invested more than 5 per cent of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the same mutual fund in that company or its subsidiaries shall be brought to the notice of the trustees by the asset management company and be disclosed in the half yearly and annual accounts of the respective schemes with justification for such investment provided the latter investment has been made within one year of the date of the former investment calculated on either side.
  - (12) The asset management company shall file with the trustees and the Board :- (a) detailed bio-data of all its directors along with their interest in other companies within fifteen days of their appointment ;and (b) any change in the interests of directors every six months. (c) a quarterly report to the trustees giving details and adequate justification about the purchase and sale of the securities of the group companies of the sponsor or the asset management company as the case may be, by the mutual fund during the said quarter."
  - (13) A statement of holdings in securities of the directors of the asset management company shall be filed with the trustees with the dates of acquisition of such securities at the end of each financial year.
  - (14) The asset management company shall not appoint any person as key personnel who has been found guilty of any economic offense or involved in violation of securities laws.
  - (15) The asset management company shall appoint registrars and share transfer agents who are registered with the Board. Provided if the work relating to the transfer of units is processed in-house, the charges at competitive market rates may be debited to the scheme and for rates higher than the competitive market rates, prior approval of the trustees shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.
  - (16) The asset management company shall abide by the Code of Conduct as specified in the Fifth Schedule.

## TATA FIXED INVESTMENT PLAN - 1

### ii. Key Employees of the AMC and relevant experience

(All key employees are based in Mumbai)

Employee	Age	Designation	Qualifications	Total Exp.(yrs.)	Type & Nature of Experience Assignments held during the last 10 yrs
<b>Ved Prakash Chaturvedi</b>	42	Managing Director	BE (Engg), PGDM (IIM – Bangalore)	17 yrs.	December 1994 to August 1998 - Head of Research and Fund Manager at Sun F&C AMC Ltd - Reporting to CIO. August 1998 to November 1999 – Chief Investment Officer at SBI Funds Management Ltd - Reporting to the Managing Director. December 1999 to January 2002 – Chief Executive of Cholamandalam Asset Management Company Ltd - Reporting to the Board of Directors. January 2002 to date - Chief Executive Officer at Tata Asset Management Ltd. Appointed as Managing Director with effect from October 2004. He is the overall incharge of the Company - Reporting to the Board of Directors.
<b>Hormuz A Bulsara</b>	45	COO (Chief Operating Officer)	FCA., F. C. S., F.I.C.W.A., B. Com (Hons) LL. B	21 yrs.	June 1994 to date – Chief Operating Officer at Tata Asset Management Ltd. He looks after the Compliance, Finance, Systems, Investor Services, Human Resources and Administrative functions of the Fund House. He has been involved in the setting up of the Tata Mutual Fund since its inception and has contributed in the setting up of the various systems, compliance procedures and controls and is the Corporate Quality Head - Reporting to the Managing Director.
<b>Latha Rajaraman</b>	51	First Vice President Investor Services	B. Sc, CAIIB	25 yrs.	July 1995 to date – As head of Investor Services, has been directly interfacing with various investors at the corporate and retail level and looks after Registrar and Investor related matters at Tata Asset Management Ltd - Reporting to the Chief Operating Officer.
<b>Venugopal M.</b>	36	Senior Fund Manager Equities	MBA (Finance) BSC (Mathematics)	14 yrs.	August 1995 to September 1997 - Gained good understanding of the stock market having worked as dealer at Tata Asset Management Ltd for about two years after which he assumed equity fund management responsibility. Has cleared the certification exam of the BSE Training Institute, for participating in the derivatives market. Has good exposure to large number of industries and companies having done fundamental research over the years. Currently is the Fund Manager of certain equity schemes of Tata Mutual Fund - Reporting to the Managing Director.
<b>Raju Sharma (Fund Manager for the current scheme)</b>	40	Fund Manager Fixed Income	CA, LLB (Gen) B. Com	17 yrs	September 1997 to October 2000 - Vice President Investment Banking & Treasury at Alpic Finance Ltd. - Reporting to CMD. December 2000 to January 2004 - Associate at JM Morgan Stanly Fixed Income Securities Ltd - Reporting to Head of Fixed Income. March 2004 to June 2005 - Vice President debt market at Stratcap Securities Ltd - Reporting to Head of Fixed Income. July 2005 to September 2007 - Sr. Vice President debt market at SPA Securities Ltd - Reporting to CMD. September 2007 to date Fund Manager at Tata Asset Management Ltd Currently is the Fund Manager of certain debt schemes of Tata Mutual Fund - Reporting to Head of Fixed Income.

## TATA FIXED INVESTMENT PLAN - 1

Employee	Age	Designation	Qualifications	Total Exp.(yrs.)	Type & Nature of Experience Assignments held during the last 10 yrs
<b>Abhay Nagar</b>	34	Vice President & Head Retail Sales	MBA (Finance), B. Com(Hons.)	12 yrs.	<p>September 1995 to August 2002 - In various capacities such as Head of Mutual Fund Desk, Regional Head (west), Asst Vice President- Retail Distribution and Vice President &amp; All India Head(Sales and Distribution) at RR Financial Consultants Ltd - Reporting to the Managing Director.</p> <p>September 2002 to date - As Regional Head (North) and Presently is Vice President &amp; Head of Retail Sales at Tata Asset Management Ltd - Reporting to the Managing Director.</p>
<b>Bhupinder Sethi</b>	38	Senior Fund Manager Equities	B.E, MBA from F.M.S, Delhi	13yrs.	<p>June 1994 to March 1997 – Equity Analyst, Department of International Finance at UTI – Reporting to the Deputy General Manager.</p> <p>March 1997 to February 2000 – Fund Manager of India Fund (India's first offshore fund, listed on the London Stock Exchange), Department of International Finance, UTI – Reporting to the General Manager.</p> <p>February 2000 to December 2002 – Fund Manager at Dundee Mutual Funds, sponsored by Dundee Bancorp Inc., Canada – Reporting to the President.</p> <p>September 2003 to February 2005 – As Vice President Investments at Jacob Ballas Capital India, subsidiary of Excelfin Pte. Limited, Singapore and Investment Advisor to the New York Life International India Fund – Reporting to the Managing Director.</p> <p>March 2005 to date – As Senior Fund Manager Equities at Tata Asset Management Ltd, he is the Fund Manager of certain equity schemes of Tata Mutual Fund - Reporting to the Managing Director.</p>
<b>Puneet Pal</b>	31	Fund Manager Fixed Income	MBA (Finance)	6 years	<p>May 2001 to August 2006 - Started career with Unit Trust of India as a Money Market Dealer subsequently worked as Assistant Fund Manager for debt schemes for 2 yrs. Reporting to Head of Fixed Income &amp; Fund Manager.</p> <p>September 2006 to date at Tata Asset Management Ltd Currently is the Fund Manager of certain debt schemes of Tata Mutual Fund - Reporting to Head of Fixed Income.</p>
<b>Dinesh Da Costa</b>	33	Research Analyst & Fund Manager	B. Com, CFA MBA (Finance)	8yrs	<p>May 2000 - May 2007, Last designation Head Equities (Rest of Maharashtra) at Dalal &amp; Broacha Stock Broking Ltd - Reporting to the Executive Director.</p> <p>May 2007 till date - As Research Analyst and Fund Manager at Tata Asset Management Limited - Reporting to Sr. Fund Manager.</p>

# TATA FIXED INVESTMENT PLAN - 1

## Fund Management :

### The People :

The investment operations of the schemes (including this scheme) of Tata Mutual Fund are managed by TAML's investment team, comprising six people (excluding dealing personnel). The professionally qualified Fund Management Team members (described in greater detail above) are Mr. M. Venugopal, Mr Bhupinder Sethi, Mr. Raju Sharm, Mr Puneet Pal, Dinesh Da Costa and are backed by a team of research / investment personnel, possessing collectively within them a vast and varied knowledge base culled out of research, market analysis, physical on-site visits, training in portfolio management, derivatives, AMFI course on Mutual Funds, and so on. The members of the equity research team and their past experience is Mr. Pradeep S. Gokhale who has an experience of 13 years in equity and debt research, Mr. Sandeep Shanbhag who has an experience of 2 years in financial services.

### The Investment Process :

According to the terms of the respective offer document of each scheme under consideration, decisions regarding the debt asset allocation, industry selection, stock selection, etc are taken.

The investment committee of the AMC (comprising MD / CIO, Fund Managers and Analysts) is in overall charge of formulating broad investment policies, strategies and is responsible for its implementation. Based on the in house research / external research, Fund Manager prepares the strategy and proposal to buy/sell the securities keeping in view the specific mandate and objectives of the schemes. Investment committee discusses the same and approves / rejects the recommendations of fund manager. For equities, the concerned fund manger has an authority to buy/sale securities which are part of approved universe.

The existing portfolio is reviewed regularly by the Investment Committee and the respective Fund Manager(s) and based on the discussions (which would involve fundamental reasons such as past performance, future outlook etc.), decisions are taken to add/ reduce/ exit from securities.

Justification for all investment decisions are recorded in writing. SEBI norms regarding maximum exposure per scrip, investment with respect to the equity capital of a company, investment in group companies, etc are strictly adhered to. Interscheme transfers are made as per the market price or the valuations being followed, so that neither of the schemes is benefited or adversely affected.

Performance of the scheme and complete portfolio statement elaborating various classifications, limits and valuations is placed for scrutiny before the Board of Directors of the AMC and the Trustee Company at their Board Meetings.

### Benchmark Index :

Scheme A and B - Crisil Liquid Fund Index

### iii. The Custodian

The Trustee Company has entered into a Custodial Agreement with Standard Chartered Bank, pursuant to which Standard Chartered Bank shall be the custodian for the Scheme. The custodian is registered with SEBI and the SEBI Regn. No. IN/CUS/006 and its address is:

#### Standard Chartered Bank

Securities Services  
23/25, M. G. Road, Mumbai 400 001.

The custodian does not have the power or authority to sell or dispose of or deal in the securities / investments held by it on behalf of the Fund except as instructed by the Trustee Company / Asset

Management Company The salient features of the custodial agreement and the responsibilities of the custodian include :

- Keeping in safe custody all the securities and such other instruments belonging to the Scheme segregated from the other assets of the custodian and from the assets of other clients of the custodian and shall be held in the name of the Trustee Company A/c Fund or in such other manner as may be mutually agreed
- Ensuring the smooth inflow / outflow of securities and such other instruments as and when necessary, in the best interests of the Unitholders.
- Ensuring that the benefits due to the holdings are recovered.
- Responsibility for loss of or damage to the securities due to fraud, bad faith, negligence or wilful neglect or default or wilful default on its part or on the part of its approved agents.

TMF shall pay Standard Chartered Bank, custodian fees for its services at prevailing NSDL/CDSL and competitive market rates. Standard Chartered Bank will also be reimbursed all reasonable out of pocket expenses incurred by it, in the performance of its duties. The custodian agreement may be terminated upon 60 days prior written notice, subject to the non-objection of such termination by SEBI, or earlier upon certain breaches.

### iv. The Registrar

Karvy Computershare Private Limited, Karvy House, 46 Avenue 4, Street No.1, Banjara Hills, Hyderabad – 500 034 has been appointed as Registrar for the Scheme. The Registrar is registered with SEBI under registration number INR000000221. As Registrar to the Scheme, Karvy will handle communications with investors and despatch account statements during the New Fund Offer Period. TAML and TTCPL have satisfied themselves that the Registrar can provide the services required and have adequate facilities and system capabilities. As Registrar to the Scheme, they will accept and process Unitholders applications and inform TAML as to the amounts received for subscriptions (duly reconciled) during the New Fund Offer Period and also during the ongoing subscription period.

### v. The Auditor

TTCPL shall have the financial statements for the Scheme audited by such Chartered Accountant(s) as may be appointed for that purpose by the Trustee Company. S.B.Billimoria & Co. Chartered Accountants, 12, Dr. Annie Besant Road, Opp. Shiv Sagar Estate, Worli, Mumbai 400 018, have been appointed in such capacity.

### vi. Bankers:

ICICI Bank Ltd.  
(SEBI Registration Number: INBI 100000004)

HDFC Bank Ltd  
(SEBI Registration Number: INBI 000000 63)

### vii. List of Authorised Investor Service Centres

The Registrar, **Karvy Computershare Private Limited**, have set up a special Investor service cell for quick redressal of Unitholder grievances (if any). All correspondence, including change in the name, address, designated bank account number and bank branch, loss of Unit Certificate, Account Statement, etc. should be addressed to : **Karvy Computershare Private Limited**, Karvy House, 46 Avenue 4, Street No.1, Banjara Hills, Hyderabad – 500 034

For providing clarifications/help to the Unitholders Karvy Computershare Private Limited the Registrar Karvy has appointed Ms. Anita Shewakramani, as the Compliance Officer (Investor Services) and she is available at the above-mentioned address.

For the list of Authorised Investor Service Centres, please refer to the Back Cover Page of this Offering Circular.

# TATA FIXED INVESTMENT PLAN - 1

## X. UNITS & OFFER

### Terms of the new fund offer at a glance

New Fund Offer of Scheme A & B Opens on	: 24th January, 2008
New Fund Offer of Scheme A Closes on	: 28th February, 2008
New Fund Offer of Scheme B Closes on	: 4th March, 2008
Scheme A & B Re-opens for redemption	: Not later than 25th March, 2008
NFO price	: Rs. 10/- per unit for cash at face value
Minimum amount of subscription	: <b>Regular Plan:</b> Dividend Option : Rs. 10,000/- & in Multiple of Re. 1/- thereafter Growth Option : Rs. 10,000/- & in Multiple of Re. 1/- thereafter <b>Institutional Plan:</b> Dividend Option : Rs. 1,00,00,000/- & in Multiple of Re.1/- thereafter. Growth Option : Rs. 1,00,00,000/- & in Multiple of Re. 1/- thereafter
Maximum amount of subscription	: No upper limit
Minimum target amount for collection	: Rs. 10 crores (for each Scheme)
Allotment of units*	: Within 30 days from the closure NFO
Despatch of Account Statement	: Within 30 days from the closure NFO

\* Allotment is assured to all the eligible applicants, after verification of the application form and subject to realization of Cheque.

#### i. 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 amount shall be refunded within a period of 6 weeks of the close of the New Fund Offer Period. If, the Fund refunds the amount after 6 weeks, interest @ 15% per annum shall be paid by the AMC. Refund orders will be marked "A/c. Payee Only" and drawn in the name of the first applicant.

#### ii. Despatch of Account Statement and Unit Certificates

An Account Statement will be despatched to each Unitholder stating the number of Units held, etc. within a maximum of thirty days from the date of allotment.

On request from the unitholders, the Asset Management Company shall within 6 weeks issue the Unit Certificate. The request can be made to any of the Authorised Investor Service Centres. The cost for issuing the Unit Certificate in lieu of Account Statement will be borne by the Scheme and will form part of its annual ongoing expenses.

#### iii. Listing, Transfer & Pledge of Units

##### a) Listing

As the Fund will be repurchasing the Units on an ongoing basis, the units of the Scheme are not proposed to be listed on any Stock Exchange. The Trustee may, at its sole discretion, cause the units

under the Scheme to be listed on one or more Stock Exchange. Notification of the same will be made through Investor Service Centers or the AMC and as may be required by the respective Stock Exchanges.

##### b) Transfer

As the Fund will be repurchasing the Units on an ongoing basis, no transfer facility is envisaged.

##### c) Pledge

Units under Tata Fixed Investment Plan - 1 can be pledged (converted into money) with scheduled banks, financial institutions, NBFCB, or any other body by the unitholders as security for raising loans. TMF will take note of such pledge / charge in its records. A standard form / appropriate documentation has been drafted for this purpose and is available on request. However, disbursement of such loans will be at the entire discretion of scheduled banks, financial institutions, NBFCB, or any other body concerned and TMF assumes no responsibility therefor.

#### iv. Nomination Facility

If an application is made in the name of a single individual holder, the Unitholders under this scheme, can write to the registrar requesting for a Nomination Form to nominate a successor to receive the Units upon his / her death, as provided in the Regulations. All payments and settlements made to such nominee and a receipt thereof shall be a valid discharge by the Fund. Unitholders being either parent or lawful guardian on behalf of a minor and power of attorney holder of an eligible institution, societies, Funds, bodies corporate, partnership firms and HUF shall have no right to make any nomination. Nomination in favour of Non-Residents will be governed by the rules formulated by Reserve Bank of India from time to time.

The provisions for nomination with regard to Mutual Funds would be as per Section 56 and Section 69 (regarding the right of the beneficiary to transfer possession) of the Indian Trusts Act, 1882 since the Mutual Fund is formed as a Trust under the said Act.

The AMC has provided this nomination facility as an additional feature. By provision of this facility the AMC is not in any way attempting to grant any rights other than those granted by law to the nominee. A nomination in respect of the Units does not create an interest in the property after the death of the Unitholder. The nominee shall receive the units only as an agent and trustee for the legal heirs or legatees as the case may be. It is hereby clarified that the nominees under the nomination facility provided herein shall not necessarily acquire any title or beneficial interest in the property by virtue of this nomination & the transmission of units would normally be governed as per succession certificate/probate of the will.

Nomination can be made only by individuals applying / holding units on their own behalf singly or jointly. Non-individuals including society, trust (other than religious or charitable trust), body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. If the units are held jointly all joint holders will sign the nomination form. A minor can be made a nominee and the name and address of the guardian of the nominee minor shall be provided by the unitholder. A non-resident Indian can be a nominee subject to exchange controls in force from time to time. Nomination can also be made in favour of the Central Government, State Government, a local authority, any person designated by virtue of his office or a religious or charitable trust.

Nomination in respect of units stands cancelled upon transfer of units. Nominee shall be a valid discharge by the Asset Management Company against the legal heir. The cancellation of nomination can be made only by those individuals who hold units on their own behalf singly or jointly and who made the original nomination. On cancellation of nomination the nomination shall stand rescinded and the asset management company shall not be under any obligation to transfer the units in favour of the nominee.

# TATA FIXED INVESTMENT PLAN - 1

## Transmission

If Units are held by more than one registered Unit Holder, then, upon death of one of the Unit Holders, the Units shall be transmitted in favour of the remaining Holder(s) (in the order in which the names appear in the register of Unit Holders with the Registrar) on production of a death certificate and / or any other documents to the satisfaction of the AMC / Registrar. In case of death of all the unitholders, units shall be transmitted in favour of the nominee.

If Units are held in a single name by the Unit Holder, Units shall be transmitted in favour of the nominee where the Unit Holder has appointed a nominee upon production of death certificate or any other documents to the satisfaction of the AMC / Registrar. If the Unit Holder has not appointed a nominee or in the case where the nominee dies before the Unit Holder, the Units shall be transmitted in favour of or as otherwise directed by the Unit Holder's legal heir(s) on production of the death certificate and / or any other documents to the satisfaction of the AMC / Registrar.

Transmission cum redemption/switch request at the same point of time will not be accepted. A stand alone request is required to be submitted for the transmission of units. A new folio is created on transmission of units. Unit holder can submit redemption/switch request only after the transmission of units is through.

## v. Applications with Additional Holders

An application may be made in sole or more names (not more than three) on first holder basis. The Units can be held under single / additional holding / any one or survivor. The first named unitholder has the option to add/delete name of one person subsequent to the investment. In case the unitholder (i.e. the first holder) wants to change the names/ order of the additional holders, he can write to Authorised Investor Service Centres requesting for the prescribed form to alter the order of additional holdings. However, the Units will be continued to be held by the Unitholder on first holder basis. In the case of refunds, income distributions, repurchase proceeds, and other distributions, etc. will be made out in favour of, and all communications will be addressed to the Unitholder whose name appears first and at his / her address as already available with the Fund. However, it should be noted that if the Unitholder has an Unit Certificate, such introduction / alteration of additional holders shall attract stamp duty and the cost of stamp duty will be borne by the Scheme itself and will form part of its annual ongoing expenses.

In all such cases and in all matters concerning the Fund, it shall be deemed that the first of such persons, that is the original Unitholder, is the holder of the Units and all correspondence, if any, shall be competent only by and to the first of such person.

All payments and settlements made to the first holder and a receipt thereof shall be a valid discharge to the Fund;

The Fund shall for all purposes correspond only with the first holder and all communications with the first holder including information on the working of the Fund shall be deemed to be a valid discharge to the Fund of its obligations;

In the event of death of the first holder, the person next in the order as stated in the application form, (unless changed) shall be the only person(s) recognised by the Fund as having any title or interest in the Units on first holder basis.

For the convenience of the investors, we wish to allow units of any Scheme of Tata Mutual Fund to be held under any one or survivor and to add/delete name of one person subsequent to investment.

## vi. Duration of the Scheme

Duration of Schemes under the fund are fixed. The units under various Schemes of the fund stand redeemed on maturity or on happening of various events as stated elsewhere in the Offering Circular. The AMC and the Trustee reserve the right to make such

change/alterations in each Scheme (including the charging of fees and expenses) offered under this Offering Circular to the extent permitted by the applicable Regulations.

## vii. Winding Up

- 1) in accordance with the SEBI Regulations, the Scheme may be wound up:
  - on the happening of any event which, in the opinion of the Trustee Company, requires the Scheme to be wound up; or
  - if seventy five percent of the Unitholders of a Scheme pass a resolution that the Scheme be wound up; or
  - if the SEBI so directs in the interests of the Unitholders.
- 2) Where a Scheme is to be wound up pursuant to the above Regulation, the Trustee Company shall give notice of the circumstances leading to the winding up of the Scheme-
  - To SEBI; and
  - in two daily newspapers having circulation all over India and also in a vernacular newspaper circulating at the place where the Fund is established.

## viii. Procedure for Winding Up

The Trustee Company shall call a meeting of the Unitholders to consider and pass necessary resolutions by simple majority of the Unitholders present and voting at the meeting for authorising the Trustee Company or any other person to take steps for winding up the Scheme. The Trustee Company or the person authorised as above, shall dispose off the assets of the Scheme concerned in the best interests of the Unitholders of the Scheme.

The proceeds of sale made in pursuance of the above shall in the first instance be utilised towards the discharge of such liabilities as are properly due and payable under the Scheme and after making appropriate provision for liability and for meeting the expenses connected with such winding up, the balance shall be paid to the Unitholders in proportion to their respective interest in the assets of the Scheme as on the date when the decision for winding up was taken.

On the completion of the winding up, the Trustee Company shall forward to SEBI and the Unitholders a report on the winding up containing particulars such as circumstances leading to the winding up, the steps taken for disposal of assets of the Scheme before winding up, expenses of the Scheme for winding up, net assets available for distribution to the Unitholders and a certificate from the Auditors of the Fund.

Notwithstanding anything contained herein, the provisions of the SEBI Regulations in respect of disclosures of half- yearly reports and annual report shall continue to apply.

After the receipt of the report referred to above under "Procedure for Winding Up", if SEBI is satisfied that all measures for winding up of the Scheme have been completed, the Scheme shall cease to exist.

## XI. SALE OF UNITS BEING OFFERED

### i. Application details:

#### (a) Minimum investment:

##### Regular Plan:

Dividend Option / Growth Option: Rs.10,000/- and in multiples of Re.1/- thereafter.

##### Institutional Plan:

Dividend Option / Growth Option: Rs.1,00,00,000/- and in multiples of Re.1/- thereafter.

Both Regular Plan and Institutional Plan will have a common portfolio.

# TATA FIXED INVESTMENT PLAN - 1

## (b) 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.

## (c) Applicants who cannot Invest.

- Any individual who is a Foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999, except where registered with SEBI as a FII or FII sub account.
- 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).
- Non-Resident Indians residing in the United States of America and Canada.

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.

## (d) Sale of units

The cheque should be of a specified date and duly filled in application form along with the cheque can be submitted at any business day during the new fund offer period. Investor can apply for the units at Rs.10 per unit plus applicable load during the new fund offer period.

## ii. Procedure for application

### How to apply

Application forms completed in all respects, accompanied by the cheque / draft are to be submitted to any of the Authorised Investor Service Centres, as stated in the Offer Circular or as may be declared. All cheques and bank drafts accompanying the application form should contain the application form number and the name of the applicant on its reverse. For additional instructions, investors are requested to follow the application form carefully. All cheques/ drafts by the applicants should be made out in favour of "Tata Fixed Investment Plan - 1" and crossed "A/C Payee and Not Negotiable".

The Authorised Investor Service Centres/Marketing Associates who receive the application form shall stamp and return the "Acknowledgement Slip" of the application form, thereby acknowledging receipt of the application form. The investors are requested to preserve the acknowledgement slip duly stamped by the Authorised Investor Service Centres / Marketing Associates. This shall be subject to final verification and scrutiny by the Trustee Company / Asset Management Company that the cheque / demand draft and application form are in order / valid.

**During the New Fund Offer Period Application form (duly completed), along with a cheque (drawn on respective centers) / DD (payable at respective centers) can be submitted at the**

# TATA FIXED INVESTMENT PLAN - 1

**Collection Centers or Investors Service Centers. Subsequent to the New Fund Offer Period.**

Application form (duly completed), along with a cheque / DD (drawn on Hyderabad) may also be sent by Mail directly to the Registrar viz. **Karvy Computershare Private Limited**, Unit : Tata Mutual Fund, Karvy House, 46 Avenue 4, Street No.1, Banjara Hills, Hyderabad – 500 034, superscribing the envelope as “ Tata Mutual Fund - Application form - TFIP1”.

If there is no Authorised Investor Service Centres where the investor resides, he/she may purchase a Demand Draft from any other Bank in favour of “Tata Fixed Investment Plan - 1”, payable at Mumbai, after deducting bank charges / commission (not exceeding rate prescribed by State Bank of India) from the amount of investment. If such bank charges / commission are not deducted by the applicant, then the same may not be reimbursed. However in case of application along with local Cheque or Bank Draft payable at Mumbai, at / from locations where TMF has its designated Authorised Investor Service Centres, Bank Draft charges/ commission may have to be borne by the applicant. In such cases the Trustee Company is entitled, in its sole and absolute discretion, to reject or accept any application.

**Example:**

If an amount of Rs. 10,000/- is being invested in Tata Fixed Investment Plan - 1 by an investor resident in India having no specified collection centre near his / her residence, the Demand Draft charges that he /she can deduct has been illustrated below:

INVESTMENT MADE (RS.) (say)	DEMAND DRAFT CHARGES (RS.)	THE CORRECT AMOUNT OF PAYMENT AFTER RECOVERY OF DEMAND DRAFT CHARGES (RS.)
10,000.00	50.00	<b>9950.00</b>

Please note that Stockinvests and Postdated Cheques, Money Orders and Postal Orders would not be accepted.

**Subscription by NRIs**

In terms of Schedule 5 of Notification no. FEMA 20/2000 dated May 3, 2000, RBI has granted general permission to NRIs to purchase, on a repatriation basis units of domestic mutual funds. Further, the general permission is also granted to NRIs to sell the units to the mutual funds for repurchase or for the payment of maturity proceeds, provided that the units have been purchased in accordance with the conditions set out in the aforesaid notification. For the purpose of this section, the term “mutual funds” is as referred to in Clause (23D) of Section 10 of Income-Tax Act 1961. However, NRI investors, if so desired, also have the option to make their investment on a non-repatriable basis.

**Subscription by FIIs**

In terms of Schedule 5 of Notification no. FEMA 20/2000 dated May 3, 2000. RBI has granted general permission to a registered FII to purchase on a repatriation basis units of domestic mutual funds subject to the conditions set out in the aforesaid notification. Further, the general permission is also granted to FIIs to sell the units to the mutual funds for repurchase or for the payment of maturity proceeds, provided that the units have been purchased in accordance with the conditions set out in the aforesaid notification. For the purpose of this section, the term “mutual funds” is as referred to in Clause (23D) of Section 10 of Income-Tax Act 1961.

**Mode of Payment on Repatriation basis**

**NRIs**

In case of NRIs and persons of Indian origin residing abroad, payment may be made by way of Indian Rupee drafts purchased abroad and payable at Mumbai or by way of cheques drawn on Non-Resident (External) (NRE) Accounts payable at par at Mumbai.

Payments can also be made by means of rupee drafts payable at Mumbai and purchased out of funds held in NRE / FCNR Accounts.

In case Indian rupee drafts are purchased abroad or from Foreign Currency Accounts or Non-resident Rupee Accounts an account debit certificate from the Bank issuing the draft confirming the debit shall also be enclosed.

**FIIs**

FIIs may pay their subscription amounts either by way of inward remittance through normal banking channels or out of funds held in Foreign Currency Account or Non-resident Rupee Account maintained by the FII with a designated branch of an authorized dealer with the approval of the RBI subject to the terms and conditions set out in the aforesaid notification.

All cheques/drafts should be made out in favour of “Tata Fixed Investment Plan - 1” and crossed “Account Payee Only”. In case Indian Rupee drafts are purchased abroad or from FCNR/NRE A/c. an account debit certificate from the Bank issuing the draft confirming the debit shall also be enclosed.

**Mode of payment on Non-Repatriation basis**

In case of NRIs/Persons of Indian origin seeking to apply for Units on a non-repatriation basis, payments may be made by cheques/ demand drafts drawn out of Non-Resident Ordinary (NRO) accounts/ Non-Resident Special Rupee (NRSR) accounts and Non Resident Non-Repatriable (NRNR) accounts payable at the city where the Application Form is accepted.

Refunds, interest and other distribution (if any) and maturity proceeds/repurchase price and /or income earned (if any) will be payable in Indian Rupees only. The maturity proceeds/repurchase value of units issued on repatriation basis, income earned thereon, net of taxes may be credited to NRE/FCNR account (details of which should be furnished in the space provided for this purpose in the Application Form) of the non-resident investor or remitted to the non-resident investor. Such payments in Indian Rupees will be converted into US dollars or into any other currency, as may be permitted by the RBI, at the rate of exchange prevailing at the time of remittance and will be dispatched through Registered Post at the unitholders risk. The Fund will not be liable for any loss on account of exchange fluctuations, while converting the rupee amount in US dollar or any other currency. Credit of such proceeds to NRE/FCNR account or remittance thereof may be permitted by authorized dealer only on production of a certificate from the Fund that the investment was made out of inward remittance or from the Funds held in NRE/ FCNR account of the investor maintained with an authorized dealer in India. However, there is no objection to credit of such proceeds to NRO/NRSR account of the investor if he so desires.

Subscription by Multilateral Funding Agencies, on full repatriation basis, is subject to approval by the Foreign Investment Promotion Board.

**Rejection of applications**

Applications not complete in any respect are liable to be rejected. The Trustee Company may reject any application not in accordance with the terms of the Scheme.

**iii. General Instructions**

**Documents to be submitted**

**In the case of applications under Power of Attorney**

If any application or any request for transmission is signed by a person holding a valid Power of Attorney, the original Power of Attorney or a certified copy duly notarised should be submitted with the application or the transmission request, as the case may be, unless the Power of Attorney has already been registered with the Fund / Registrar.

# TATA FIXED INVESTMENT PLAN - 1

In the case of applications by limited Company or a corporate body or an eligible institution or a registered society or a Trust or a Fund or a FII etc.

In the case of applications by limited Company or a corporate body or an eligible institution or a registered society or a trust or a fund or a FII, a certified true copy of the Board resolution of the Managing Body authorising transactions in Units including authority granted in favour of the officials signing the application for Units and their specimen signature etc. alongwith a certified copy of the Memorandum and Articles of Association and / or bye-laws and / or trust deed and / or partnership deed and Certificate of Registration should be submitted. The officials should sign the application under the official designation. In the case of a Trust/ Fund, it shall produce a resolution from the Trustee(s) authorising such purchases.

The above mentioned documents or duly certified copy thereof must be lodged separately at the office of the Registrar to the Offer, quoting the serial number of the application.

In case of non submission of the above mentioned documents, the Trustee Company is entitled, in its sole and absolute discretion, to reject or accept any application.

## Availability of Application Forms and Offering Circular

Application forms and copies of Offering Circular may be obtained from the office of Tata Asset Management Ltd., Offices of the Authorised Investor Service Centres on Back Cover Page of this Offering Circular or any agents of TMF.

## 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), branch address of the bank at the appropriate space in the application form.

**For faster dissemination of information, Unitholders are requested to provide their e-mail ID.**

**Any application for subscription /request for redemption without Bank account details will be rejected by the mutual fund.**

## PAN Number Details of the Investors

In order to strengthen the Know Your Client (KYC) norms and identify every participant in the securities market with their respective PAN, SEBI vide its Circular No. MRD/DoP/Cir- 05/2007 dated April 27, 2007 has made PAN the sole identification number for all participants, irrespective of the amount of transaction w.e.f July 2, 2007

In order to address the difficulty of large number of investors SEBI issued a circular dated June 25, 2007, stating that applications for investment should be accompanied by evidence of having applied for PAN till December 31, 2007.

Hence copy of a Pan card is **mandatory** for fresh subscription application, additional subscription application and application for new Systematic Investment Plan registered by investors (including NRIs).

Copy of Pan card shall be self certified by investor and by AMFI certified distributor (with ARN affixed) procuring the investment.

In case of joint holding, copy of Pan card of all joint holders is required.

Any application for fresh subscription, additional subscription and for new Systematic Investment Plan without a valid PAN will be liable to be rejected by the Mutual Fund.

In case of mis-match between PAN details provided by the investor and PAN information available on Income Tax Department's website, the Fund will cancel the allotment on units and money will be refunded to the investor.

**Note:** Investors are urged to refer The Income Tax Rules, 1962 or consult their Tax Advisors for further details.

## Prevention of Money Laundering and Know Your Customer (KYC) Compliance

In terms of the Prevention of Money Laundering Act, 2002, the Rules issued there under and the guidelines/circulars issued by SEBI regarding the Anti Money Laundering (AML Laws), all intermediaries, including Mutual Funds, have to formulate and implement a client identification programme, verify and maintain the record of identity and address(es) of investors.

In order to make the data capture and document submission easy and convenient for the investors, Mutual Fund Industry has collectively entrusted the responsibility of collection of documents relating to identity and address of the investor(s) to an independent agency (presently CDSL Ventures Limited) which will act as central record keeping agency ('Central Agency'). As a token of having verified the identity and address of the investor(s) and for efficient retrieval of records, the Central Agency will issue a KYC Acknowledgement Letter (previously known as Mutual Fund Identification Number -MIN Letter) to each investor who submits an application and the prescribed documents to the Central Agency. Investors are required to attach the copy of KYC Acknowledgement Letter (or the erstwhile MIN\* Allotment Letter) along with the application form at the time of making investment for the first time in every Mutual Fund. In respect of any subsequent investments in the same Mutual Fund, it is not necessary to attach a copy of the KYC Acknowledgement Letter (or the erstwhile Mutual Fund Identification Number (MIN)\* Allotment Letter). Investors who wish to obtain a KYC Acknowledgement Letter have to submit a completed Application Form for Know Your Customer ('KYC Form') along with all the prescribed documents listed in the KYC Form, at any of the Point of Service ('POS'). The KYC Form is available at our website - [www.tatamutualfund.com](http://www.tatamutualfund.com) and AMFI website - [www.amfiindia.com](http://www.amfiindia.com). POS are the designated centres appointed by the Central Agency for receiving application forms, processing the same and issuance of KYC Acknowledgement Letter. List of and location of POS is available at our website [www.tatamutualfund.com](http://www.tatamutualfund.com) and [www.amfiindia.com](http://www.amfiindia.com). On submission of KYC Form, documents and information to the satisfaction of the POS, the investor will be issued a provisional KYC Acknowledgement Letter across the counter. Subsequently, the Central Agency will verify the information and documents submitted by the investor. The verification process will be completed within 10 working days from the date of provisional KYC Acknowledgment Letter. In case of any deficiency/insufficiency in documentation, intimation will be sent to the investors. However, the Central Agency may cancel the KYC Acknowledgement Letter within 10 working days from the date of issue of provisional KYC Acknowledgement Letter, in case of any deficiency in the document/information. Intimation of cancellation of KYC Acknowledgement Letter will be despatched by the Central Agency to the investor immediately. No communication will be sent to the investor if the KYC documents are in order. The KYC Acknowledgement Letter is presently being issued free of cost. Presently, it is mandatory for all applications for subscription of value of Rs. 50,000 and above to quote the KYC compliance status of all the applicants (guardian in case of minor) in the application for subscription and attach proof of KYC compliance viz. KYC Acknowledgement Letter (or the erstwhile MIN\* Allotment Letter). The KYC status will be validated with the records of the Central Agency before allotting units. Tata Mutual Fund will not be held responsible and /or liable for rejection of KYC Form, if any, by the Central Agency.

Applications for subscriptions of value of Rs. 50,000 and above without a valid KYC compliance may be rejected. Provided further, where it is not possible to verify the KYC compliance status of the investor at the time of allotment of units, the Trustee / AMC shall verify the KYC compliance status of the investor within a reasonable time after the allotment of units. In the event of non compliance of KYC requirements, the Trustee / AMC reserves the right to freeze the folio

# TATA FIXED INVESTMENT PLAN - 1

of the investor(s) and affect mandatory redemption of unit holdings of the investors at the applicable NAV, subject to payment of exit load, if any and recovery of unamortized NFO expenses. All investors (both individual and non-individual) can apply for KYC compliance. However, applicants should note that minors cannot apply for KYC compliance and any investment in the name of minors should be through a Guardian, who should be KYC compliant for the purpose of investing with a Mutual Fund. Also, applicants / unit holders intending to apply for units / currently holding units and operating their Mutual Fund folios through a Power of Attorney (PoA) must ensure that the issuer of the PoA and the holder of the PoA must mention their KYC compliance status at the time of investment, if such investment(s) are above the prescribed threshold limit. PoA holders are not permitted to apply for KYC compliance on behalf of the issuer of the PoA. Separate procedures are prescribed for change in name, address and other KYC related details, should the applicant desire to change such information. POS will extend the services of effecting such changes.

**\* Valid only where investors who have already obtained the erstwhile Mutual Fund Identification Number (MIN) by submitting the PAN copy as the proof of identity.**

## XII. DIVIDENDS & DISTRIBUTIONS

In case of Growth Option 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 case of a Dividend Option the profits received / earned and so retained and reinvested may be distributed as Income at appropriate rates (after providing for all relevant ongoing expenses, etc.) and at appropriate intervals as may be decided by the AMC and/or Trustee Company will be distributed to the unitholders who hold the units on the record date of declaration of the Income. The Trustee Company reserves the right to change the frequency for income distribution at its discretion. Guided by the philosophy of value-oriented returns, the intent being to protect the Net Asset Value of the Scheme and Unitholders' interests.

## Investment Options

### Scheme A and B:

#### Growth Option

Periodic Dividend - Atleast once during the tenure of the scheme at the discretion of the trustees from time to time, subject to availability of distributable surplus.

Note: Dividend shall be distributed at the discretion of the Trustees subject to availability of distributable surplus.

### Dividend Reinvestment Option :

Unitholders under this Option also have the facility of reinvestment of the income so declared, if so desired. Income Distribution Warrants will not be despatched to such Unitholders. The income declared would be reinvested in the Scheme on the immediately following ex-dividend date.

If NFO expenses are not borne by the scheme, Dividend Reinvestment facility will be available to all unitholders under all the schemes.

### Certificates for Tax Deduction at Source (TDS) :

Certificate for tax deduction at source will be issued one month after the end of the current financial year.

## XIII. INTER SCHEME TRANSFERS

Transfers of investments from one Scheme to another Scheme (including the present Scheme) under Tata Mutual Fund, shall be allowed only if:

- such transfers are made at the prevailing market price for quoted securities or, Fair value in case of non-quoted/non-traded securities on spot basis;
- the securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.

## TATA FIXED INVESTMENT PLAN - 1

### XIV. A. ASSOCIATE TRANSACTIONS

- i) As per SEBI Regulations, the Fund shall not make any investments in any unlisted 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. The Fund may invest not more than 25% of the net assets (of all the Schemes of the Fund) in listed securities of Group companies.
- ii) Total investment in securities of Associate/Group companies under all schemes is disclosed below. No investment was made in unlisted securities of Group companies after the amendment of the SEBI Regulations in January 1998. Most of such equity shares, debentures, etc. were purchased from the open secondary market at relevant market prices over a period of time based on the approved investment strategy. All these securities pertain to highly traded Blue chip companies. In keeping with the investment objective of the Schemes, these companies offer good investment potential.

Rs. in lacs

Scheme	As on 31.03.05		As on 31.03.06		As on 31.03.07		As on 31.12.07	
	Amount	%ge	Amount	%ge	Amount	%ge	Amount	%ge
TBF	1057.28	9.77	1143.77	7.69	589.62	3.88	1502.38	6.11
TYCF	1197.88	10.73	676.72	4.59	502.92	3.31	527.89	2.88
TTSF	687.77	13.13	1716.61	14.38	842.56	6.67	1825.50	9.13
TSEF	960.77	15.57	1425.35	16.10	507.20	4.59	940.61	4.96
TPEF	2538.25	13.26	4232.02	14.85	2976.62	9.77	5107.23	12.43
TLSTF	497.24	13.07	247.23	7.04	416.01	11.57	328.73	5.51
TGF	573.29	14.54	385.00	8.37	–	–	1037.75	7.72
TIFS	3.70	13.23	6.55	14.42	38.32	10.65	61.63	9.82
TIFN	17.65	18.32	18.96	14.44	51.88	14.48	57.31	9.46
TMIF	727.62	5.63	–	–	44.96	1.32	41.26	1.47
TEOF	2872.24	10.88	3534.89	7.92	202.80	0.47	2580.04	4.18
TMPF	508.80	3.10	130.94	1.83	112.40	2.22	95.51	2.07
TEQPEF	1149.81	11.17	969.76	8.91	491.47	5.82	1733.48	10.13
TDYF	6102.13	18.81	3720.39	14.89	1826.68	12.75	2075.50	11.44
TLF	1009.41	0.44	–	–	–	–	–	–
TISF	4820.74	6.53	13036.65	14.75	8658.48	7.14	27859.90	9.56
TSIF	–	–	4131.04	17.09	1196.08	6.47	2227.10	9.38
TFHF (A4)	3057.43	17.99	–	–	–	–	–	–
TFHF (A12)	–	–	2012.79	9.17	–	–	–	–
TMCF	–	–	3032.48	10.65	1001.43	6.50	1688.37	10.04
TCF	–	–	4984.78	9.92	1052.62	5.56	685.78	4.15
TTAF1	–	–	–	–	1927.93	14.93	2567.60	12.13
TEMF	–	–	–	–	1221.05	3.15	4265.06	12.58
TCBF	–	–	–	–	1018.45	3.96	1945.77	6.00
TSIPF1	–	–	–	–	–	–	945.86	2.93
TSIPF2	–	–	–	–	–	–	59.53	0.64
TIGIF	–	–	–	–	–	–	12351.26	5.23
TOIOS	–	–	117.07	8.02	37823.39	14.42	45607.44	9.78

- iii) The following amounts were paid/provided for as selling commission by the respective schemes to Associate Companies for their marketing efforts in mobilising subscriptions for the units of such schemes.

## TATA FIXED INVESTMENT PLAN - 1

As on 31/3/2005

Rs. in lacs

Scheme	Tata Motor Finance Ltd	Tata Share Registry Ltd	Taj Inv. & Finance Co. Ltd	Tata Securities Ltd
TBF	0.04	0.04	0.00	1.09
TDBF	0.00	0.00	0.00	0.20
TDYF	0.00	0.00	0.00	7.52
TEOF	0.00	0.01	0.00	2.22
TEQPEF	0.00	0.00	0.00	0.73
TFHF	0.00	0.00	0.00	6.67
TFRSTF	0.00	0.03	0.00	5.06
TFRLTF	0.00	0.00	0.00	0.02
TGSF	0.00	0.04	0.00	8.95
TGSMF	0.00	0.00	0.00	0.79
TGF	0.00	0.00	0.00	0.05
TIF	0.00	0.25	0.08	3.22
TIPF	0.00	0.02	0.00	0.30
TIXF	0.00	0.00	0.00	0.01
TISF	0.00	0.00	0.00	4.92
TLSTF	0.00	0.05	0.00	1.19
TLF	0.00	0.00	0.02	32.18
TMPF	0.00	0.00	0.05	0.65
TMIF	0.00	0.04	0.00	2.86
TPEF	0.00	0.12	0.00	1.65
TSEF	0.00	0.08	0.00	0.89
TSTBF	0.00	0.00	0.00	0.58
TTSF	0.00	0.05	0.00	0.30
TYCF	0.00	0.04	0.00	0.88

As on 31/03/2006

Rs. in lacs

Scheme	Tata Motor Finance Ltd.	Tata Share Registry Ltd.	Tata Securities Ltd.
TBF	0.11	0.08	1.12
TDBF	0.00	0.00	1.95
TDYF	0.00	0.00	3.20
TEOF	0.00	0.04	1.27
TEQPEF	0.00	0.00	0.38
TFHF	0.00	0.00	10.41
TFHFS1	0.00	0.00	3.30
TFF	0.00	0.00	3.52
TFRSTF	0.00	0.01	13.61
TFRLTF	0.00	0.00	0.01
TGSF	0.00	0.04	4.76
TGSMF	0.00	0.00	0.55
TGF	0.00	0.00	0.15
TIF	0.00	0.18	3.16
TIPF	0.00	0.03	0.36
TIXF	0.00	0.00	0.02
TSEF	0.00	0.19	1.15
TLSTF	0.00	0.09	1.48
TLF	0.00	0.01	46.93
TMPF	0.00	0.01	0.50
TMIF	0.00	0.06	0.42
TPEF	0.00	0.24	3.04
TSTBF	0.00	0.00	7.63
TTSF	0.00	0.10	0.77
TISF	0.00	0.01	3.79
TSIF	0.00	0.00	5.54
TYCF	0.00	0.08	1.84
TMCF	0.00	0.00	1.53
TCF	0.00	0.00	6.56

As on 31/03/2007

Rs. in lacs

Scheme	Tata Motor Finance Ltd.	Tata Securities Ltd.
TBF	0.15	1.08
TDBF	0.00	2.03
TDBF	0.00	0.02
TDYF	0.00	1.96
TEMF	0.00	2.00
TEOF	0.00	2.23
TEQPEF	0.00	0.25
TFHF	0.00	0.14
TFHFS1	0.00	2.97
TFHFS2	0.00	8.00
TFHFS3	0.00	6.26
TFHFS5	0.00	2.26
TFHFS6	0.00	2.08
TFF	0.00	0.80
TFRSTF	0.00	2.65
TFRLTF	0.00	0.01
TGSF	0.00	1.38
TGF	0.00	0.06
TIF	0.00	2.23
TIPF	0.00	0.27
TIXF	0.00	0.03
TSEF	0.00	0.76
TLSTF	0.00	0.90
TLF	0.00	75.14
TLMF	0.00	2.69
TMPF	0.00	0.25
TMIF	0.00	0.28
TPEF	0.00	3.01
TSTBF	0.00	0.05
TTSF	0.00	0.61
TISF	0.00	8.23
TSIF	0.00	0.00
TYCF	0.00	2.25
TMCF	0.00	0.29
TCF	0.00	0.00
TTAF1	0.00	0.57

# TATA FIXED INVESTMENT PLAN - 1

As on 31/12/2007

Rs. in lacs

Scheme	Tata Motor Finance Ltd.	Tata Securities Ltd.
TBF	0.13	1.41
TCBF	0.00	0.26
TDBF	0.00	0.15
TDYF	0.00	1.69
TEMF	0.00	0.24
TEOF	0.01	1.11
TEQPEF	0.00	0.25
TFHFS2	0.00	1.61
TFHFS3	0.00	2.00
TFHFS5	0.00	0.35
TFHFS6	0.00	5.40
TFHFS7	0.00	1.29
TFHFS8	0.00	0.84
TFHFS9	0.00	1.35
TFRSTF	0.00	0.73
TFF	0.00	4.46
TGSF	0.00	0.73
TGF	0.00	0.06
TIF	0.00	1.47
TIPF	0.00	0.23
TSEF	0.00	1.35
TLSTF	0.00	0.94
TLF	0.00	30.82
TTMF	0.00	0.01
TPEF	0.00	3.29
TISF	0.03	8.13
TLMF	0.00	3.19
TMCF	0.00	0.10
TMPF	0.00	0.16
TMIF	0.00	0.20
TSTBF	0.00	0.02
TSIPF1	0.00	0.77
TSIPF2	0.00	0.14
TTAF1	0.00	0.04
TTSF	0.00	0.51
TYCF	0.03	2.17
TIXF	0.00	0.03
TIGIF	0.00	36.08

- iv. Total percentage of broking business given and the brokerage paid (and included in the cost of investments) to Associate brokers is disclosed below. The brokerage paid to the Associate brokers compare with that prevailing in the Capital market for buying/selling of securities. - NIL
- v. The Fund has not undertaken any Underwriting obligations with respect to any Public Issue of Associate Companies. During last 3 fiscal years the Fund has not subscribed to any issue lead managed by an Associate Company.

## TATA FIXED INVESTMENT PLAN - 1

**XIV. B. Market value of investments made in companies which have invested more than 5% of the Net Assets of a scheme and investments made by that or any other scheme of Tata Mutual Fund in such company or its subsidiaries within one year of the latter investment calculated on either side in terms of Regulation 25(11) as on 31<sup>st</sup> December, 2007 as given.**

Company which has Invested	Schemes in which Companies have invested more than 5% of the Net Assets	Schemes which have invested	Aggregate Cost of Acquisition during the period ended 31 <sup>st</sup> December, 2007	Rs. lacs.
				Outstanding as at 31 <sup>st</sup> December, 2007 at Fair / Market Value
HCL CORPORATION LTD	TFHFA31	TDYF	539.92	757.52
	TFHFA38	TLSTF	458.65	382.44
	TFHFA59	TOIOS	3509.96	2123.34
	TFHFA63			
	TFHFA62			
	TFHFA66			
STERLITE INDUSTRIES LTD	TFF	TCBF	107.87	0.00
		TCF	893.96	931.28
		TSEF	889.82	672.59
		TBF	522.29	196.60
		TEOF	1906.35	983.01
		TEQPEF	533.40	605.33
		TIFN	7.69	8.85
		TIGIF	3448.55	3691.99
		TISF	3443.50	5277.23
		TMCF	349.80	0.00
		TOIOS	14305.40	14227.81
		TSIPF2	28.14	0.00
		TTAF1	429.86	465.64
		TPEF	822.44	724.33
TATA CHEMICALS LTD	TFIPFB3	TCF	694.08	0.00
		TDYF	315.14	192.23
		TBF	292.39	0.00
		TEMF	910.89	0.00
		TEOF	707.15	0.00
		TEQPEF	70.83	0.00
		TIFN	0.08	0.00
		TGF	363.13	361.63
		TMCF	405.86	389.69
		TMIF	93.71	0.00
		TOIOS	1383.08	623.50
	TRENT LTD	TFHFA62	TSIF	100.43
TFHFA63				
PATNI COMPUTER SYSTEMS LTD.	TFHFA31	TCF	221.66	0.00
	TFHFA38	TLSTF	563.34	202.32
	TFHFA46			

## TATA FIXED INVESTMENT PLAN - 1

Company which has Invested	Schemes in which Companies have invested more than 5% of the Net Assets	Schemes which have invested	Aggregate Cost of Acquisition during the period ended 31 <sup>st</sup> December, 2007	Outstanding as at 31 <sup>st</sup> December, 2007 at Fair / Market Value
HCL TECHNOLOGIES LTD	TFRSTF	TCBF	284.12	0.00
		TDYF	94.20	0.00
		TBF	242.89	0.00
		TEMF	1180.01	0.00
		TEOF	604.76	0.00
		TIFN	5.65	3.71
		TLSTF	31.19	0.00
		TMCF	51.64	0.00
		TOIOS	2397.10	0.00
		TSIF	56.17	0.00
		TPEF	1070.15	0.00
		TTSF	357.99	0.00
		TYCF	52.17	0.00
TATA COMMUNICATIONS LTD.	TFHFA31	TCF	335.72	0.00
	TFHFA38	TSEF	268.98	0.00
		TEMF	297.88	0.00
		TEQPEF	79.60	0.00
		TIFN	3.53	3.16
		TIGIF	1386.51	908.57
		TGF	239.97	0.00
		TISF	1875.81	1002.56
		TOIOS	5383.63	0.00
		TSIF	267.44	62.66
		TSIPF1	99.19	137.85
TTSF	333.60	0.00		
INOX LIISURE LTD	TFHFA56	TCF	83.62	0.00
		TSEF	10.67	0.00
		TLSTF	4.96	0.00
		TSIF	40.35	0.00
HINDUSTAN ZINC LTD	TSTBF	TBF	206.30	0.00
	TFHFA31	TEMF	297.10	0.00
	TFHFA38	TEOF	672.08	0.00
	TFHFA46	TEQPEF	969.15	323.92
	TFHFA59	TISF	492.00	0.00
	TFHFA61	TMCF	311.21	0.00
	TFHFA62	TMPF	48.10	0.00
	TFHFA63	TOIOS	6620.71	5668.60
RELIANCE PETROLEUM LTD	TFHFA66	TTSF	466.69	0.00
		TSEF	5.49	0.00
		TBF	156.27	0.00
		TEMF	421.98	0.00
		TIFN	10.18	15.83
		TIGIF	430.15	0.00
		TISF	2324.48	0.00
		TMPF	51.93	0.00
		TTAF1	31.07	0.00
		TPEF	312.33	0.00

## TATA FIXED INVESTMENT PLAN - 1

Company which has Invested	Schemes in which Companies have invested more than 5% of the Net Assets	Schemes which have invested	Aggregate Cost of Acquisition during the period ended 31 <sup>st</sup> December, 2007	Outstanding as at 31 <sup>st</sup> December, 2007 at Fair / Market Value
MARUTI UDYOG LTD	TFF TFHFA31	TCBF	774.91	404.94
		TCF	439.61	506.18
		TSEF	240.82	202.47
		TBF	480.75	0.00
		TEMF	1418.12	1144.99
		TEOF	588.44	0.00
		TEQPEF	354.53	202.47
		TIFN	7.20	5.22
		TIFS	8.78	5.30
		TMIF	49.67	0.00
		TMPF	156.23	0.00
		TOIOS	10482.64	10077.51
		TSIPF1	216.23	258.87
		TTAF1	296.50	0.00
TPEF	2116.23	596.27		
TTSF	909.52	0.00		
HINDUSTAN UNILEVER LTD	TFHFA31	TCBF	610.01	0.00
		TCF	932.30	0.00
		TDYF	184.16	320.05
		TBF	176.80	0.00
		TEMF	1540.29	0.00
		TEOF	1401.09	0.00
		TIFN	13.81	7.47
		TIFS	19.57	10.32
		TGF	101.90	0.00
		TMIF	40.75	0.00
		TMPF	65.77	0.00
		TOIOS	13227.43	8700.30
		TTAF1	662.80	0.00
		TPEF	428.68	0.00
TTSF	1126.10	0.00		
BHARAT FORGE LTD	TFHFA63	TSEF	52.13	0.00
		TOIOS	1226.88	0.00
		TPEF	356.11	0.00
		TTSF	677.00	0.00
TATA CONSULTANCY SERVICES LIMITED	TFHFA38	TIFN	33.50	15.33
	TFHFA66	TIFS	20.38	9.05
	TFIPB3			
	TFF			

## TATA FIXED INVESTMENT PLAN - 1

Company which has Invested	Schemes in which Companies have invested more than 5% of the Net Assets	Schemes which have invested	Aggregate Cost of Acquisition during the period ended 31 <sup>st</sup> December, 2007	Outstanding as at 31 <sup>st</sup> December, 2007 at Fair / Market Value
HINDALCO INDUSTRIES LTD	TFHFA63	TCBF	260.14	0.00
	TFHFA46	TCF	962.51	370.60
	TFHFA59	TSEF	634.85	327.63
	TFHFA61	TBF	1592.69	0.00
	TFHFA62	TEMF	104.99	0.00
		TEOF	171.04	0.00
		TEQPEF	667.25	352.07
		TFHA12	506.63	0.00
		TIFN	6.10	3.78
		TIFS	11.43	7.26
		TIGIF	1676.39	524.40
		TGF	16.80	0.00
		TISF	1407.45	0.00
		TLF	1498.57	0.00
		TLMF	2001.10	0.00
	TMPF	256.98	0.00	
	TOIOS	13253.63	11028.13	
	TPEF	692.88	0.00	
	TTSF	284.66	0.00	
WIPRO LTD	TFHFA56	TCBF	152.45	0.00
	TFHFA59	TCF	522.02	0.00
	TFHFA62	TBF	325.27	0.00
	TFHFA66	TEMF	1233.03	0.00
	TSTBF	TEOF	1238.19	0.00
		TIFN	24.27	11.21
		TIFS	13.54	5.91
		TGF	25.21	0.00
		TLSTF	273.96	115.08
		TMPF	9.21	0.00
		TOIOS	4323.37	3682.40
		TSIF	625.89	0.00
		TPEF	1550.50	0.00
		TTSF	532.56	0.00
	TYCF	98.75	0.00	
BANK OF BARODA	TSIF	TDYF	147.87	496.47
		TBF	489.67	54.23
		TEOF	1151.07	1434.03
		TEQPEF	442.10	152.76
		TIF	609.45	0.00
		TIGIF	2952.10	2921.54
		TISF	3644.57	3900.72
		TLMF	503.72	0.00
		TMCF	346.61	0.00
		TMIF	505.47	26.73
		TMPF	646.17	133.67
		TSIF	343.13	263.89
		TSIPF2	29.06	37.94
	TPEF	244.87	114.57	
	TTSF	771.39	0.00	

## TATA FIXED INVESTMENT PLAN - 1

Company which has Invested	Schemes in which Companies have invested more than 5% of the Net Assets	Schemes which have invested	Aggregate Cost of Acquisition during the period ended 31 <sup>st</sup> December, 2007	Outstanding as at 31 <sup>st</sup> December, 2007 at Fair / Market Value	
STATE BANK OF INDIA	TSIF	TCBF	627.28	0.00	
		TCF	537.78	0.00	
		TLF	TDBF	2990.45	0.00
			TBF	887.00	644.08
			TEMF	2070.27	238.50
			TEOF	1591.18	1495.20
			TEQPEF	726.38	621.08
			TFF	41888.33	10613.39
			TFHFA52	3488.86	0.00
			TIF	500.00	0.00
			TIFN	17.56	19.18
			TIFS	23.95	24.52
			TIGIF	2759.34	3433.20
			TISF	5995.67	8659.66
			TLF	25152.31	0.00
			TMIF	30.16	0.00
			TMPF	183.63	0.00
			TOIOS	9412.20	0.00
			TSIF	701.64	1035.14
			TSIPF1	142.85	202.43
TSIPF2	34.88	45.66			
TSTBF	740.44	0.00			
TPEF	1956.22	1893.15			
TTSF	993.01	690.09			
TYCF	507.40	0.00			
ITC LTD	TFHFA61	TCBF	840.46	848.70	
		TCF	1324.30	754.40	
		TDYF	467.27	188.60	
		TBF	104.36	0.00	
		TEMF	1941.63	377.20	
		TEOF	519.19	0.00	
		TEQPEF	779.10	763.83	
		TIFN	18.51	11.46	
		TIFS	38.24	22.58	
		TGF	536.54	0.00	
		TMCF	234.64	0.00	
		TMIF	73.73	0.00	
		TMPF	100.65	0.00	
		TOIOS	18033.22	18112.20	
		TSIPF1	127.36	147.58	
TTAF1	850.92	377.20			
TPEF	1260.37	471.50			
TTSF	1108.07	509.22			
GMR INFRASTRUCTURE LTD	TFF	TIGIF	2962.50	0.00	
		TISF	2962.50	0.00	

## TATA FIXED INVESTMENT PLAN - 1

Company which has Invested	Schemes in which Companies have invested more than 5% of the Net Assets	Schemes which have invested	Aggregate Cost of Acquisition during the period ended 31 <sup>st</sup> December, 2007	Outstanding as at 31 <sup>st</sup> December, 2007 at Fair / Market Value
PUNJAB NATIONAL BANK	TSIF	TCBF	932.12	0.00
		TCF	724.84	0.00
		TDBF	3831.32	0.00
		TBF	135.18	0.00
		TEMF	1090.75	765.83
		TEOF	1096.14	0.00
		TFF	79663.22	21599.31
		TFHFA23	9383.03	0.00
		TFHFA40	994.52	0.00
		TFHFA41	4976.65	0.00
		TFHFA64	2391.40	0.00
		TFHFA66	9409.76	287.72
		TFRSTF	27825.30	0.00
		TIF	742.40	0.00
		TIFN	4.34	3.41
		TIGIF	10406.99	0.00
		TISF	4926.62	1725.83
		TLF	153630.69	9218.68
		TLMF	9190.52	0.00
		TMIF	46.80	0.00
TMPF	78.76	0.00		
TSIF	132.75	0.00		
TSIPF1	4528.22	0.00		
TSIPF2	296.96	16.64		
TSTBF	1521.66	484.88		
TTMF	2662.84	764.63		
TPEF	596.38	0.00		
TTSF	1217.47	0.00		

All the above companies are growth oriented blue chip companies with a proven track record.

# TATA FIXED INVESTMENT PLAN - 1

TBF	: Tata Balanced Fund
TYCF	: Tata Young Citizens' Fund
TTSF	: Tata Tax Saving Fund
TSEF	: Tata Select Equity Fund
TIFR	: Tata Income Fund (Regular Income Option)
TIFA	: Tata Income Fund (Appreciation Option)
TPEF	: Tata Pure Equity Fund
TLF	: Tata Liquid Fund
TLSTF	: Tata Life Sciences & Technology Fund
TGSFA	: Tata Gilt Securities Fund (Appreciation Option)
TGSFR	: Tata Gilt Securities Fund (Regular Income Option)
TSTBF	: Tata Short Term Bond Fund
TGF	: Tata Growth Fund
TIPF	: Tata Income Plus Fund
TMIF	: Tata Monthly Income Fund
TIFNA	: Tata Index Fund Nifty
TIFSA	: Tata Index Fund Sensex
TEOF	: Tata Equity Opportunities Fund
TDBF	: Tata Dynamic Bond Fund
TGSF	: Tata Gilt Securities Fund
TIXF	: Tata Index Fund
TEQPEF	: Tata Equity P/E Fund
TMPF	: Tata MIP Plus Fnd
TFRSTF	: Tata Floating Rate Short Term Fund
TFRLTF	: Tata Floating Rate Long Term Fund
TDYF	: Tata Dividend Yield Fund
TISF	: Tata Infrastructure Fund
TSIF	: Tata Service Industries Fund
TFHFS1	: Tata Fixed Horizon Fund Series 1
TMCF	: Tata Mid Cap Fund
TFF	: Tata Floater Fund
TFHFS2	: Tata Fixed Horizon Fund Series 2
TCF	: Tata Contra Fund
TFHFS3	: Tata Fixed Horizon Fund Series 3
TFHFS5	: Tata Fixed Horizon Fund Series 5
TTAF1	: Tata Tax Advantage Fund 1
TLMF	: Tata Liquidity Management Fund
TEMF	: Tata Equity Management Fund
TOIOS	: Tata Offshore India Opportunities Scheme
TCBF	: Tata Capital Builder Fund
TFHFS6	: Tata Fixed Horizon Fund Series 6
TFHFS7	: Tata Fixed Horizon Fund Series 7
TFHFS8	: Tata Fixed Horizon Fund Series 8
TFHFS9	: Tata Fixed Horizon Fund Series 9
TFHFS10	: Tata Fixed Horizon Fund Series 10
TFHFS11	: Tata Fixed Horizon Fund Series 11
TFHFS12	: Tata Fixed Horizon Fund Series 12
TFHFS13	: Tata Fixed Horizon Fund Series 13
TFHFS14	: Tata Fixed Horizon Fund Series 14
TSIPF1	: Tata SIP Fund 1
TSIPF2	: Tata SIP Fund 2
TTMF	: Tata Treasury Manager Fund
TIGIF	: Tata Indo Global Infrastructure Fund
TFIPF	: Tata Fixed Income Portfolio Fund

## XV. BORROWING BY THE MUTUAL FUND

In accordance with Regulation 44(2) of the SEBI (Mutual Funds) Regulations, 1996, to meet the temporary liquidity needs of the Scheme for the purposes of repurchases / redemptions or income distribution to the Unitholders, the Fund / Scheme may borrow from any Body Corporate including TAML and Commercial Banks, not more than 20% of the net assets of the Scheme on satisfactory terms as to interest, security and collateral without encumbering its assets. The duration of such a borrowing shall not exceed a period of six months

## XVI. COMPUTATION OF NAV & VALUATION OF ASSETS

### i. Computation & Determination of Net Asset Value

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 :

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

NAV= \_\_\_\_\_

The unamortised portion of new fund offer expenses will be included in the calculation of NAV in accordance with the terms mentioned elsewhere in the Offering Circular.

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.

### ii. 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.

NAV will also be updated on all business days on Association of Mutual Fund India (AMFI) website.

### Recovery of proportionate New Fund Offer Expenses of Scheme A and B

As per SEBI Regulations, in case of close ended scheme, NFO expenses not exceeding 6% of the amount mobilized under the scheme can be charged to the scheme. Hence, in accordance with the SEBI Regulations, the scheme proposes to charge upto 4% the NFO Expenses to the schemes and such expenses shall be amortized over the maturity tenor of the respective schemes.

Accordingly, redemption before maturity of the schemes (i.e before 13 months from the date of allotment) will be subject to an early exit charge. An early exit charge equivalent to the proportionate unamortized new fund offer expenses outstanding as on the date of the redemption will be recovered from the investor in case of redemption before maturity of the schemes as illustrated on page 7 and below. In the example it is assumed that NAV remains constant.

# TATA FIXED INVESTMENT PLAN - 1

## Example:

The scheme has mobilised Rs. 100 crore during the NFO period and Rs. 4 cores been incurred towards NFO expenses. Rs. 4 cores will be amortised equally on a daily basis over a period of 13 months. If investor opts for a redemption of 10000 units after expiry of 6 months, unamortised balance of NFO expenses will be recovered from the investor by way of an early exit charge. This will be calculated as follows ;

NFO Mobilisation	Rs. 100 crores
NFO Units Creation 10 crore (100/10)	
NFO Expenses	Rs. 4 crore
Amortisation Period	13 months
Amortisation Per Day	$(4,00,00,000/(13*30) = \text{Rs. } 1,02,564/-$
Amortisation Per Unit per day $(1,02,564/100000000) = \text{Rs. } 0.0010$	
Units redeemed after	
6 months	10000
Unamortised NFO Expenses	
At the end of 6 months	$= 4,00,00,000 - (1,02,564*180)$ i.e Rs.2,15,38,480/-

## Unamortised NFO Expenses per unit

At the end of 6 months =  $(2,15,38,480/100000000)$   
i.e. 0.2153

Per Unit Exit Charge Applicable at the end of

6 months Rs. 0.2153

Assumed NAV at the end of 6 months Rs.10.5000

Exit load @ 1% of the NAV Rs. 0.1050

Amount payable to the investors at the end of 6 months  $\text{Rs. } 10.5000 - 0.2153 - 0.1050$   
 $= \text{Rs. } 10.1797/-$

Exit charge will get reduced over a period of time.

The trustee may at their discretion change the load structure of the scheme prospectively.

**Repurchase Price** = [(Applicable NAV \*(1 - Exit Load, if any)- Per unit proportionate unamortised NFO expenses)]

Example 1: if the applicable NAV is Rs. 10.00, proportionate unamortised NFO expenses is 0.1000 per unit and the exit/repurchase load is 1% then the repurchase price will be  $[(\text{Rs. } 10.000 * (1 - 1\%) - 0.1000] = \text{Rs. } 9.8000$

## iii. Valuation of Assets

NAV of the Scheme as stated in the foregoing clause for "Computation & Determination of NAV" will be determined by dividing the net assets of the Scheme by the number of outstanding Units on the valuation date.

Pursuant to Regulation 77 of the SEBI (Mutual Funds) Regulations, 1996, the following investment valuation norms are applicable to the Scheme:

### Traded Securities :

- When a security (other than Government Securities) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to valuation date in case of equity and equity related instruments and 15 days in case of debt securities.

### (i) Thinly Traded Debt Securities:

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

A thinly traded debt security as defined above would be valued as per the norms set for non-traded debt security.

### (ii) Non Traded Securities :

When a security (other than Government Securities) is not traded on any stock exchange for a period of 30 days (15 days in case of debt security) prior to the valuation date the scrip must be treated as a 'non traded' security.

Unlisted Equity Shares will be valued in accordance with the criteria laid down in SEBI circular no. MFD/CIR03/526/2002 dated May 9, 2002.

## VALUATION OF NON-TRADED / THINLY TRADED SECURITIES

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

As the money market securities are valued on the basis of amortization (cost plus accrued interest till the beginning of the day plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instruments) the same process should be adopted for non-traded debt securities with residual maturity of upto 182 days, in the absence of any other standard benchmarks in the market. All other non traded Non Government debt instruments should be valued using the method suggested in (ii)(b) hereof.

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

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

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

The approach in valuation of non traded debt securities is based on the concept of using spreads over the benchmark rate to arrive at the yields for pricing the non traded security.

The Yields for pricing the non traded debt security would be arrived at using the process as defined below.

#### Step A

A Risk Free Benchmark Yield is built using the government securities (GOI Sec) as the base. GOI Secs are used as the benchmarks as they are traded regularly; free of credit risk; and traded across different maturity spectrums every week.

#### Step B

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

# TATA FIXED INVESTMENT PLAN - 1

## Step C

The yields as calculated above are Marked-up/Marked-down for ill-liquidity risk

## Step D

The Yields so arrived are used to price the portfolio

## METHODOLOGY

### A. Construction of Risk Free Benchmark

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

- Government of India Dated securities will be grouped into the following duration buckets viz., 0.5-1 years, 1-2 years, 2-3 years, 3-4 years, 4-5 years, 5-6 years and 6 years and the volume weighted yield would be computed for each bucket. These duration buckets may be changed to reflect the market value more closely by any agency suggested by AMFI giving benchmark yield/matrix of spreads over benchmark yield.

The benchmark as calculated above will be set atleast weekly, and in the event of any significant movement in prices of Government Securities on account of any event impacting interest rates on any day such as a change in the Reserve Bank of India (RBI) policies affecting interest rates during the week, the benchmark will be reset to reflect any change in the market conditions.

Note : The concept of duration over tenor has been chosen in order to capture the reinvestment risk. It is intended to gradually move towards a methodology that incorporates the continuous curve approach for valuation of such securities. However, in view of the current lack of liquidity in the corporate bond markets, a continuous curve approach to valuation would be necessarily based on limited data points, and this would result in out of line valuations. As an interim methodology therefore it is proposed that the Duration Bucket approach be adopted and continuously tracked in order to fine tune the duration buckets on a periodic basis. Over the next few years it is expected that with the deepening of the secondary market trading, it would be possible to make a gradual move from the Duration Bucket approach towards a continuous curve approach.

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

Mark up for credit risk over the risk free benchmark YTM as calculated in step A, will be determined using the trades of corporate debentures/bonds of different ratings. All trades on appropriate stock exchange during the fortnight prior to the benchmark date will be used in building the corporate YTM and spread matrices. Initially these matrices will be built only for corporate securities of investment grade. The matrices are dynamic and the spreads will be computed every week. The matrix will be built for all duration buckets for which the benchmark GOI matrix is built to effectively link the corporate matrix with the GOI securities matrix. Accordingly:

- All traded paper (with minimum traded value of Rs. 1 crore) will be classified by their ratings and grouped into 7 duration buckets; for rated securities, the most conservative publicly available rating will be used;
- For each rating category, average volume weighted yield will be obtained both from trades on the appropriate stock exchange and from the primary market issuances
- Where there are no secondary trades on the appropriate stock exchange in a particular rating category and no primary market issuances during the fortnight under

consideration, then trades on appropriate stock exchange during the 30 day period prior to the benchmark date will be considered for computing the average YTM for such rating category;

- If the matrix cannot be populated using any or all of the above steps, then credit spreads from trades on appropriate stock exchange of the relevant rating category over the AAA trades will be used to populate the matrix;
- In each rating category, all outliers will be removed for smoothening the YTM matrix;
- Spreads will be obtained by deducting the YTM in each duration category from the respective YTM of the GOI securities;
- In the event of lack of trades in the secondary market and the primary market the gaps in the matrix would be filled by extrapolation. If the spreads cannot be extrapolated for the reason of practicality, the gaps in the matrix will be filled by carrying the spreads from the last matrix.

### C. Mark-up/Mark-down Yield

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

#### C(I) Adjustments for Securities rated by external rating agencies

The Yields so derived out of the above methodology could be adjusted to account for risk mentioned above.

A Discretionary discount/premium of upto +100 Basis Points for securities having a duration of upto 2 years and upto +75 Basis Points for securities having duration higher than 2 years will be permitted to be provided for the above mentioned types of risks. The rationale for the above discount structure is to take cognizance of the differential interest rate risk of the securities. This structure will be reviewed periodically.

#### C (II) Adjustments for Internally Rated Securities

To value an un-rated security, the fund manager has to assign an internal credit rating, which will be used for valuation. Since un-rated instruments tend to be more illiquid than rated securities, the yields would be marked up by adding +50 over and above the mandatory Discount of +50 basis point for securities having a duration of upto two years and +50 over and above the mandatory Discount of +25 basis point for securities having duration of higher than two years to account for the illiquidity risk.

### Application of Benchmark yield for valuation on the date of its release by any agency suggested by AMFI.

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

### Valuation of securities with Put/Call Options

The option embedded securities would be valued as follows:

#### Securities with call option

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

# TATA FIXED INVESTMENT PLAN - 1

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

## Securities with Put option

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

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

## Securities with both Put and Call option on the same day

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

## (ii) (c) Government securities

The scheme will use the prices for Government Securities released by an agency suggested by AMFI for the sake of uniformity in calculation of NAVs.

## (iii) Liquid Securities :

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

Provided that in case any scheme has illiquid securities in excess of 15% of total assets as on September 30, 2000 then such a scheme shall within a period of two years bring down the ratio of illiquid securities within the prescribed limit of 15% in the following time frame:

- (i) all the illiquid securities above 20% of total assets of the scheme shall be assigned zero value on September 30, 2001.
  - (ii) All the illiquid securities above 15% of total assets of the scheme shall be assigned zero value on September 30, 2002.
- (b) All funds shall disclose as on March 31 and September 30 the scheme-wise total illiquid securities in value and percentage of the net assets while making disclosures of half yearly portfolios to the unitholders. In the list of investments, an asterisk mark shall also be given against all such investments which are recognised as illiquid securities.
- (c) Mutual Funds shall not be allowed to transfer illiquid securities among their schemes w.e.f. October 1, 2000.
- (d) Where a scheme has illiquid securities as at September 30, 2001 not exceeding 15% in the case of an open-ended fund and 20% in the case of closed fund, the concessions of giving time period for reducing the illiquid security to the prescribed limits would not be applicable and at all time the excess over 15% or 20% shall be assigned nil value.

## Valuation of Money Market Instruments:

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

## Valuation of Derivative Product:

1. The traded derivative shall be valued at market price in

conformity with the stipulations of sub clauses (I) to (V) of clause 1 of the eighth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended by SEBI circular no. MFD/CIR/8/92/2000 dated September, 18, 2000.

2. The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed in sub clauses (I) and (II) of clause 2 of the Eighth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended by SEBI circular no. MFD/CIR/8/92/2000 dated September, 18, 2000.

## XVII. REPURCHASE & SWITCH OF UNITS

### i. Relevant NAV for Repurchase & Switch of Units

In respect of valid redemption application accepted at a designated collection centre upto 3 p.m. on a business day by the Mutual Fund, the closing NAV of such day will be applicable.

In respect of valid redemption application accepted at a designated collection centre after 3 pm on a business day, the NAV of next business day will be applicable.

**Valid application for "switch out" shall be treated as redemption and the relevant NAV for "switch out" shall be applicable accordingly.**

Outstation cheques/demand drafts will not be accepted at centers other than Mumbai.

### ii. Repurchase of Units of Tata Fixed Investment Plan - 1

Requests for repurchase can be submitted on any Business Days of the Month, at our Authorised Service Centres (mentioned in this Offering Circular). The repurchase request can be made for a minimum of Rs. 1000/- / 100 units or in multiples of Rs.1/- or for all the Units. The Units will be repurchased (sold back to the Fund) at the relevant NAV (as stated in the foregoing clause(s) for "Relevant NAV for repurchase & switch of units"), less any administrative cost and other charges termed as Repurchase Load and which shall be the applicable Repurchase price / NAV related price. The repurchase price will be in accordance with Regulation 49(3) of the Securities Exchange Board of India (Mutual Funds) Regulations, 1996, which shall not be lower than 95% of the NAV. The Trustee Company may however, from time to time review and modify the repurchase load for each choice of investment as stated in the foregoing clause on "Unitholder Transaction Expenses". The Units if partially repurchased would be subtracted from the Unit balance of that Unitholder on "First In First Out" basis i.e. the Units that were offered / allotted first would be the first to be repurchased. In case amount is withdrawn, the same will be converted into Units at the applicable Repurchase price / NAV related price and the number of Units so arrived at will be subtracted from the Unit balance of that Unitholder on "First In First Out" basis. The repurchase would be permitted to the extent of credit balance in the Unitholder's account.

The repurchase cheque will be issued in the name of the first unitholder. Under normal circumstances, the Fund will ensure that the repurchase cheques are despatched within ten business days from the date of receipt of the repurchase request. In the event of partial repurchase, the Fund shall despatch the revised Account Statement for the balance number of Units still being held by the Unitholder along with the repurchase cheque. Credit balances in the account of a Non- Resident Unitholder on maturity or otherwise, (where RBI final approval and any other approval (if any required) has been obtained) may be repurchased by the Fund by such Unitholder in accordance with the procedure described above and also subject to any procedures laid down by RBI and any other agency. Such repurchase proceeds will be paid by means of a Rupee cheque payable to the NRE/ NRO account of the Unitholder or subject to RBI procedures and approvals, such payment in Indian Rupees will be converted into US Dollars or into any other currency,

# TATA FIXED INVESTMENT PLAN - 1

as may be permitted by RBI, at the rate of exchange prevailing at the time of remittance and will be despatched at the applicants' risk, or at the request of the applicants' will be credited to their NRE/ NRO Accounts, details of which are to be furnished in the space provided for this purpose in the Repurchase Form. The Fund will not be liable for any delays or for any loss on account of exchange fluctuations, while converting the rupee amount in US Dollar or any other currency. The Fund (if required) may also make arrangements to obtain RBI approvals on a case-by-case basis on behalf of the Unitholder, subject to the Unitholder providing the Fund with the necessary documents required.

### iii. Possible Deferral of Repurchase Requests and Compulsory Repurchase

Whilst every effort will be made to ensure that the Scheme will have sufficient liquidity to enable the repurchase cheques to be collected/despatched within the deadline stated in the foregoing Clause, Unitholders should note that where the Scheme is obliged to arrange for the disposal of the underlying securities / borrow, in order to satisfy redemption / repurchase requests, Unitholders may experience some delays in receiving repurchase cheques, reflecting the time involved in settling the underlying sales of securities / borrowing. However, in any case, the Fund will ensure that the collection/despatch of repurchase cheques is not delayed beyond ten days (when TMF is open for business) from the date of receipt of the repurchase request in accordance with Regulation 53(b) of the Securities Exchange Board of India (Mutual Funds) Regulations, 1996.

### The Fund may mandatorily redeem all the Units of any Unitholder:

- (A) if the value of the account falls below the minimum Account balance of Rs.10,000/- (based on prevailing NAV) and / or 1,000 Units in case of both the options due to normal repurchase/switch and the unitholders fails to invest sufficient funds or 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.

### iv. Centres where Redemption / switch requests can be given

Authorised Investor Service Centres :

For the list of Authorised Investor Service Centres, please refer to the Back Cover Page of this Offering Circular.

**All locations from where an empanelled distributor of the AMC is empowered and able to use the transaction screens provided by the Registrar, in association with the banking facilities offered by the AMC, in accordance with procedures laid out by and agreed with our Registrar, to submit electronic transactions within the cutoff time.**

### v. Switch of Units within the Funds / Schemes / Plans of Tata Mutual Fund

After the reopening of the scheme, Unitholders under this scheme may exchange their Units for Units of the other Funds/ Schemes / Plans in Tata Mutual Fund (the existing Funds / Schemes / Plans and others as may be announced / launched from time to time) on the basis of the terms / rules / Regulations/ provisions prevalent for the relevant Funds / Schemes / Plans, of the respective Units (of

the relevant Funds / Schemes / Plans) to be exchanged.

Requests for switch may be submitted on any Business Day of the Month, at our Authorised Investor Service Centres. The Units will be switched at the relevant NAV (as stated in the foregoing clause(s) for "Relevant NAV for repurchase & switch of units"), plus any administrative cost and other charges and which shall be the applicable NAV related price. The Units thus switched would be subtracted from the Unit balance of that Unitholder on "First In First Out" basis i.e. the Units that were offered / allotted first would be the first to be switched unless otherwise indicated by unitholders. In case amount is switched the same will be converted into Units at the applicable NAV related price and the number of Units so arrived at will be subtracted from the Unit balance of that Unitholder on "First In First Out" basis unless otherwise instructed by the Unitholder. The minimum amount / number of Units that may be exchanged for amount / Units of the other Funds / Schemes / Plans in Tata Mutual Fund will be the minimum amount / number of Units as applicable to the relevant Funds / Schemes / Plans to be exchanged of this Scheme.

Unitholder should note that each exchange represents the sale of Units from one Scheme (which may produce a capital gains or loss) and the purchase of Units in another Scheme and for NRI/ FII unitholder is also subject to any final approval and procedures laid down by RBI and any other agency (if any).

### vi. Suspension of ongoing, Redemption or Switch of Units

The ongoing, Redemption or switch of Units may be suspended temporarily or indefinitely under any of the following circumstances:

- Stock markets stop functioning or trading is restricted.
- Periods of extreme volatility in the capital / stock markets, which in the opinion of the Asset Management Company is prejudicial to the interests of the Unitholders.
- A complete breakdown or dislocation of business in the major financial markets.
- Natural calamities.
- Declaration of war or occurrence of insurrection, civil commotion or any other serious or sustained financial, political or industrial emergency or disturbance.
- SEBI, by order, so directs.
- On a requisition made by three-fourths of the Unitholders.

Suspension of repurchase facility under the scheme shall be made applicable only after the approval from the Board of Directors of the AMC and Trustee Company. The approval from the AMC & Trustee Company Boards giving details of circumstances and justification for the proposed actions shall be informed to SEBI in advance.

### vii. Unclaimed Redemption/Dividend Amount

The unclaimed Redemption amount and Dividend amount may be deployed by the Mutual Fund in Money Market Instruments only and the investor who claims these amounts during a period of three years from the due date shall be paid at the prevailing Net Asset Value. After a period of three years, this amount will be transferred to a pool account and the investor can claim the amount at NAV prevailing at the end of third year. The income on such funds will be used for the purpose of investor education. The AMC will make continuous efforts to remind the investors through letters to take their unclaimed amount. Further, the investment management fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points.

# TATA FIXED INVESTMENT PLAN - 1

## XVIII. ACCOUNTING POLICIES

### Accounts and Audit

TAML will keep and maintain the books of accounts, records and documents for the Scheme for a period of 8 years as required under regulation 50(2) of SEBI (Mutual Funds) Regulations, 1996 to explain its transactions and to disclose the financial position of the Scheme. The Trust shall arrange for the financial statements of the Scheme to be audited as of every 31st March and shall prepare an annual report and annual statement of account. The first such audit will be conducted and such annual report prepared for the period ended March 31st, 2008. The Board shall have the financial statements for the Scheme audited by such Chartered Accountant(s) as may be appointed for that purpose by the Trustee Company. S.B.Billimoria & Co. Chartered Accountants, have been appointed in such capacity.

Pursuant to Regulation 50 of the SEBI (Mutual Funds) Regulations, 1996, the following accounting policies are applicable to the Scheme:

- a) For the purposes of the financial statements, the Fund shall mark all investments to market and carry investments in the balance sheet at market value. However, since the unrealised gains arising out of appreciation on investments cannot be distributed, provision shall be made for exclusion of this item when arriving at distributable income.
- b) In respect of all interest-bearing investments, income shall be accrued on a day to day basis as it is earned. Therefore when such investments are purchased, interest paid for the period from the last interest due date upto the date of purchase shall not be treated as a cost of purchase but shall be debited to Interest Recoverable Account. Similarly, interest received at the time of sale for the period from the last interest due date upto the date of sale shall not be treated as an addition to sale value but shall be credited to Interest Recoverable Account.
- c) In determining the holding cost of investments and the gains or loss on sale of investments, the "average cost" method shall be followed.
- d) Transactions for purchase or sale of investments shall be recognised as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year are recorded and reflected in the financial statements for that year. Where investment transactions take place outside the Stock Market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction would be recorded, in the event of a purchase, as of the date on which the Scheme obtains any enforceable obligation to pay the price or, in the event of a sale, when the Scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.
- e) Where income receivable on investments has been accrued and has not been received for a period of 3 months beyond the due date, provision shall be made by debit to the revenue account for the income so accrued and no further accrual of income shall be made in respect of such investment.
- f) The cost of investments acquired or purchased would include brokerage, stamp charges and any charge customarily included in the broker's bought note. In respect of privately placed debt instruments any front-end discount offered should be reduced from the cost of the investment.
- g) In a close-ended scheme which provide to the unit holders the option for an early redemption or repurchase their own units,

the par value of the unit shall be debited to Capital Account and the difference between the purchase price and the par value, if positive, shall be credited to reserves and, if negative, shall be debited to reserves. A proportionate part of the unamortized initial issue expenses shall also be transferred to the reserves so that the balance carried forward on that account is proportional to the number of units remaining outstanding.

- h) To provide appropriate details of the Schemewise deployment of the assets of the Fund, certain accounting policies and standards in accordance with the appropriate guidance notes issued by the Institute of Chartered Accountants of India maybe adopted by TAML, and amended from time to time. The Trustee Company/ TAML may alter these above stated accounting policies and standards from time to time, and also to the extent the guidance notes issued by the Institute of Chartered Accountants of India, and the SEBI (Mutual Funds) Regulations, 1996 change, so as to permit the Scheme to give a true and fair view of its state of affairs. As such the accounting policies and standards, and the preparation of the annual report and annual statement of account of the Scheme will be in accordance with SEBI (Mutual Funds) Regulations, 1996, including Schedule IX and XI thereof.

## XIX. TAX TREATMENT OF INVESTMENTS IN MUTUAL FUNDS

Certain tax benefits as described below are available, under present taxation laws to the Unitholders holding the Units as an investment. **The information set out below is included for general information purposes only and does not constitute legal or tax advice. In view of the individual nature of the tax consequences, each investor is advised to consult his or her own tax consultant with respect to specific tax implications arising out of their participation in the Scheme.** Income Tax benefits to the mutual fund and to the unitholder is in accordance with the prevailing tax laws as certified by the mutual funds tax consultant.

As per Finance Bill 2007 in addition to the existing education cess of 2%, a new levy known as Secondary and Higher Education Cess of 1% has been introduced.

### i. Tax Benefits to the Mutual Fund

Tata Mutual Fund is a Mutual Fund registered with the Securities and Exchange Board of India and hence the entire income of the Fund will be exempt from income-tax in accordance with the provisions of Section 10(23D) of the Income-tax Act, 1961 (the Act).

The Fund is entitled to receive all income without any deduction of tax at source under the provisions of Section 196(iv), of the Act.

However, as per the taxation laws in force, read with Chapter VII of the Finance (No. 2) Act, 2004 pertaining to Dividend Distribution Tax, it is provided that on income distribution, if any, made by the Fund, on or after 1 April, 2004, to its Unitholders, being Individuals and Hindu Undivided Family, income-tax will be payable under Section 115R of the Act, at the rate of 14.1625 % (inclusive of surcharge and additional surcharges called Education Cess and Secondary and Higher Education Cess on income-tax), and to other Unitholders at the rate of 22.66% (inclusive of surcharge and additional surcharges called Education Cess and Secondary and Higher Education Cess on income-tax), except, inter alia, in the case of equity-oriented funds (including close ended equity funds)(i.e. such fund where the investible funds are invested by way of equity shares in domestic companies to the extent of more than 65% of the total proceeds of such Fund), where no such tax will be payable. In case of Liquid Funds and Money Market Funds, the rate of Dividend Distribution Tax is 28.325% (inclusive of surcharge and additional surcharges called Education Cess and Secondary and Higher Education Cess on income-tax).

# TATA FIXED INVESTMENT PLAN - 1

## ii. Tax Benefits to the Unitholders

### Income Tax

#### All Unitholders

Income distributed on units of a mutual fund is exempt from income-tax in the hands of the unitholders under Section 10(35) of the Act.

### Tax Deduction at Source

#### All Unitholders

In view of the exemption of income in the hands of the unitholders, no income tax is deductible at source, on income distribution by the Mutual Fund, under the provisions of Sections 194K and 196A of the Act.

## iii. Capital Gains Tax

### All Unitholders

Under Section 10(38) of the Act, capital gains arising on transfer of a long-term capital asset held for a period of more than twelve months, inter alia, being a unit of an equity-oriented fund (as defined therein) is exempt from income-tax provided such transaction has been chargeable to Securities Transaction Tax under Chapter VII of the Finance (No. 2) Act, 2004 pertaining to Securities Transaction Tax (STT). The Finance Act, 2006 has with effect from 1<sup>st</sup> June, 2006 increased the STT rates from 0.20% to 0.25% on sale of units to the mutual fund and from 0.10% to 0.125% for delivery-based sale through stock exchange.

Under Section 54EC of the Act and subject to the conditions specified therein, taxable capital gains, arising on transfer of a long-term capital asset, shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer subject to an upper limit of Rs. 50 lakhs per year per tax payer. No deduction from the amount of income with reference to such investment shall be allowed under section 80C after the 1st day of April 2005.

Under Section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a HUF, capital gains (subject to the exemption of long-term capital gains provided for in section 10(38) of the Act, discussed elsewhere in this Statement) arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If part of such net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

The following amounts would be deductible from the full value of consideration, to arrive at the amount of capital gains:

- cost of acquisition of Units (excluding the Securities Transaction Tax, if any paid on acquisition) as adjusted by Cost Inflation Index notified by the Central Government in case of long term capital gain, and
- expenditure incurred wholly and exclusively in connection with such transfer.

Under the provisions of Section 94(7) of the Act, loss arising on acquisition/sale/transfer of Units, which are acquired within three months prior to the record date (i.e. the date fixed by the Mutual Fund for the purposes of entitlement of the Unitholders to receive the income) and sold/transferred within nine months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such Units.

Under the provisions of Section 94(8) of the Act, when units are bought within a period of 3 months prior to the record date for allotment of

additional units and additional units are allotted without any payment and where the original units are sold within nine months after the record date, while the additional units (whether all or some of them) are continued to be held by the unitholder, the loss, if any, arising on sale of such units bought shall be ignored for the purpose of computing income chargeable to tax and such loss shall be treated as the cost of acquisition of the additional units.

### Foreign Institutional Investors

Long-term capital gains on sale of Units, other than units of an equity oriented fund referred to above, would be taxed at the rate of 20% under Section 115AD of the Act. Such gains would be calculated without indexation of cost of acquisition.

Short-term capital gains on sale of units of an equity-oriented fund would be taxable under Section 111A of the Act at the rate of 10% if the sale of such units is chargeable to Securities Transaction Tax. Other short-term capital gains would be taxed at the rate of 30% (subject to the concessional rate of tax provided for in Section 111A of the Act, discussed elsewhere in this Statement).

The above tax rates would be increased by applicable surcharge, in case of, non-corporate Unitholders, at the rate of 10% thereof, where their income exceeds Rs.10,00,000/- and at the rate of 10% thereof in case of all corporate Unitholders where the income exceeds Rs. 1 crore. In all cases, additional surcharge called Education Cess at 2% and Secondary and Higher Education Cess at 1% , will be levied on the aggregate of tax and applicable surcharge, so calculated. In respect of long term capital gains on sale/redemption of units of any equity oriented mutual fund would be tax free in the hands of the NRI investor and therefore, the question of deducting any tax at source does not arise. In any case, even the table of rates specifically excludes long term capital gains exempt under section 10(38). Therefore, TAML or the Mutual Fund, as the case may be, need not deduct any tax at source while remitting money to any NRI at the time of redemption of units of any equity oriented mutual fund if the same are held by the NRI for more than 12 months i.e if they are long term capital assets in the hands of the NRI. In respect of the capital gains arising to an NRI from the sale of units of non equity oriented funds (such as debt funds), the position has not changed as compared to the position prevailing before 1st October, 2004. Therefore, the short term capital gains arising from such units would continue to be taxed at par with normal income of the NRI. In such cases, therefore, the Mutual Fund or the AMC would have to deduct tax at source @ 30% (plus surcharge, education cess and Secondary and Higher Education Cess). Similarly, long term capital gains arising from such units would also continue to be taxed @ 20% and therefore, the rate at which tax is to be deducted at source from such capital gains would also be 20% (plus surcharge Education Cess and Secondary and Higher Education Cess).

### Other Unitholders

Long-term capital gains in respect of Units, other than units of an equity oriented fund referred to above, held for a period of more than twelve months, will be chargeable under Section 112 of the Act, at concessional rate of tax, at the rate of 20%, as increased by the applicable surcharge. An additional surcharge called Education Cess at the rate of 2% and Secondary and Higher Education Cess at the rate of 1%, , on the aggregate of tax and surcharge are to be levied. In case of resident Individuals and Hindu Undivided Families, where taxable income, as reduced by long-term capital gains, is below the basic exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long term capital gains will be subjected to the flat rate of income tax (plus applicable surcharge and education cess). However, where the tax payable on such long-term capital gains, computed before indexation, exceeds 10%, as increased by the applicable surcharge and additional surcharges, being Education Cess and Secondary and Higher Education Cess, as provided by the Finance Act, of the amount of

# TATA FIXED INVESTMENT PLAN - 1

capital gains, such excess tax shall not be payable by the unitholder. Short-term capital gains in respect of all Units, held for a period of not more than twelve months, will be aggregated with other income and taxed at rates of tax, including surcharge, applicable to normal income. However Section 111A, provides that such gains, in respect of equity oriented fund, will be taxable only at 10% as increased by the applicable surcharge if the sale of unit has been chargeable to the Securities Transaction Tax.

## Tax Deduction at Source

### Domestic Unitholders

No income tax is deductible at source from income by way of capital gains under the present provisions of the Act. However, the provisions of section 195 of the Act may apply to non-residents (other than Foreign Institutional Investors and long-term capital gains exempt under section 10(38) of the Act).

### Foreign Institutional Investors

Under Section 196D of the Act, no deduction shall be made from any income by way of capital gains, in respect of transfer of securities referred to in Section 115AD of the Act.

### Other Non-resident Unitholders

Part II of the First Schedule to the Act, provides for deduction of tax at source from taxable capital gains at the rate of 20%, where they relate to long-term capital gains unless a lower withholding tax certificate is obtained from the tax authorities, and at the marginal rates, viz. at 30% in case of non-corporate Unitholders unless a lower withholding tax certificate is obtained from the tax authorities, and at the rate of 40% unless a lower withholding tax certificate is obtained from the tax authorities, in case of foreign corporate Unitholders, in case of short-term capital gains. Surcharge on income-tax will be levied at the rate of 10%, on such tax, in respect of non-corporate Unitholders, where their income exceed Rs.10,00,000/- and at the rate of 10% thereof in case of those corporate Unitholders where their income exceeds Rs. 1,00,00,000. An additional surcharge called the Education Cess at the rate of 2% and Secondary and Higher Education Cess at the rate of 1% are also to be levied under the Finance Act in all cases on the aggregate of tax and surcharge, so calculated.

### Rebate under section 88E

Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from sale of units of equity oriented funds, he shall get rebate equal to the securities transaction tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

## Securities Transaction Tax

### All Unit holders

As per Chapter VII of the Finance (No. 2) Act, 2004 (as amended from time to time) pertaining to STT as amended by the Finance Act, 2005, STT shall be payable by the seller at the rate of 0.25 per cent on the sale of a unit of an equity-oriented fund to the mutual fund.

### Other Benefit

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

### Tax Treaty Benefits

An investor has an option to be governed by the provisions of the Act or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

## Wealth Tax

Units held under the Schemes of the Fund are not treated as assets as defined under Section 2(ea) of the Wealth Tax Act, 1957 and therefore would not be liable to wealth tax.

## Gift Tax

The Gift-tax Act, 1958, has ceased to apply to gifts made on or after 1 October 1998. Gifts of Units, purchased under the Schemes, would therefore, be exempt from gift-tax.

TFIP1 being an close ended Debt oriented fund, the provisions of taxation relating to Equity oriented Fund shall not apply.

## XX. INVESTORS' RIGHTS & SERVICES

### i. Rights

- An abridged schemewise annual report shall be mailed to all the unitholders not later than six months from the date of closure of the relevant accounting year and the full annual report shall be available for inspection at the head office of the fund and the copy shall be made available to the unitholders on request on payment of nominal fees if any.
- Before expiry of one month from the close of each half year, i.e. on 31/3 and 30/9, the fund will publish its unaudited financial results in the prescribed format as per SEBI Circular MFD/ CIR/1/200/2001 dated April 20, 2001 in one national English daily newspaper and in a newspaper in the language of the region where the HO of the fund is situated.
- Before expiry of one month from the close of each half year that is on 31/3 and 30/9, the fund will publish its scheme portfolio in the prescribed format as per SEBI Circular MFD/ CIR/9/120/2000 dated November 24, 2000 in one national English daily newspaper and in a newspaper in the language of the region where the HO of the fund is situated, or send a copy of the scheme portfolio to all the unitholders.
- Unitholders under the Scheme have a proportionate right in the beneficial ownership of the assets of TMF under the Scheme.
- The Unitholders have a right to ask the Trustee Company about any information which may have an adverse bearing on their investments, and the Trustee Company shall be bound to disclose such information to the Unitholders as stated in the clauses "NAV Information" & "Information regarding the Scheme".
- The Unitholders have a right to receive audited annual report setting forth the financials of the Scheme as on 31st March along with the entire portfolio in detail.
- The appointment of the Asset Management Company can be terminated by majority of the trustees or by 75% of the unitholders of the scheme.
- The trustees shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would modify the scheme and affects the interest of unitholders, shall be carried out unless:-
  - (i) a written communication about the proposed change is sent to each unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the mutual fund is situated; and
  - (ii) the unitholders are given an option to exit at the prevailing Net Asset Value without any exit load."

# TATA FIXED INVESTMENT PLAN - 1

- Unitholders have the right to inspect all the documents listed under the clause "Documents Available for Inspection".
- Under normal circumstances, the Redemption proceeds shall be despatched within ten Business Days from the date of Redemption, while income distribution warrants shall be despatched within 30 days of the declaration of income.

No amendment to the Trust Deed shall be carried out without the prior approval of SEBI and Unitholders approval would be obtained where it affects the interests of unitholders.

## ii. Services

- Register of Unitholders

A register of Unitholders shall be maintained at the office of the Asset Management Company and also at the office of the Registrar and at such other places as the Trustee Company may decide and such register shall be conclusive evidence of ownership. The register shall contain the following particulars:

- The names and addresses of the Unitholders
- The number of Units held by each such holder
- The date from which the Unit(s) are held in the name of the holder(s)
- The Scheme opted for making investment

The register may be closed for such time and for such period as the Trustee Company may determine so. However, the register shall not remain closed for more than 45 business/ working days in any one year. In the event of a closure of the register for a period or periods, notice shall be given by way of publication in newspaper(s) or other media. Requests for fresh/ ongoing sales, Redemption, switch will not be accepted during the period when the register is closed. Except when the register is closed, the register shall during the business hours subject to such reasonable restrictions as the Trustee Company may impose, but not less than two hours on each business day, be kept open for inspection by any Unitholder. Subject to the provisions herein contained, the Trustee Company and TAML shall neither receive notice in respect of any Unit of any trust express, implied, or constructive, nor shall they be bound to enter any such notice in respect of any Unit in the register except when so directed by a Court of Competent jurisdiction.

Each Unitholder will receive an updated Account Statement, along with a A. S. Number (for control purposes) each time fresh / ongoing sale, partial redemptions / Redemption / switch of Units are made or any other distributions (other than Income Distribution), if any, in respect of Units are declared and paid. Fractional Units will be computed and accounted for upto three decimal places.

## iii. Information regarding the Scheme

TMF will publish annually, as soon as possible after 31st March each year but not later than six months thereafter as the Trustee Company may decide, an audited annual report setting forth the financials of the Scheme as on 31st March. The Scheme's entire portfolio in detail will also be disclosed half-yearly. TMF shall before the expiry of one month from the close of each half year i.e.31st March and 30th September publish, by means of an advertisement in one English language national daily newspaper and in a vernacular language newspaper published in Mumbai, the Scheme's unaudited financial results. The Board shall also make such periodic disclosures to the Unitholders as are required by the SEBI Regulations and are essential to keep them informed about any information which may have an adverse bearing on the Scheme. As such, the disclosure of information, etc. of the Scheme will be in accordance with SEBI Regulations including Schedule XI & XII thereof.

An abridged Schemewise annual report shall be mailed to all unitholders not later than six months from the date of closure of the relevant accounting year and the full annual report shall be available for inspection at TAML; a copy shall be made available to the unitholders on request, on payment of nominal Fees, if any. The Annual Report and abridged summary thereof shall contain details as specified in the Eleventh Schedule of the SEBI Regulations and such other details as are necessary for the purpose of providing a true and fair view of the operations of the mutual fund; Provided that the abridged schemewise annual report mailed to unitholders need not contain full portfolio disclosure, if the full accounts are published in newspapers, but should contain details of group company investments such as the name of the company, the amount of investment made in each company of the Group by each scheme and the aggregate investments made by all schemes in the group companies of the sponsor.

The Annual Report of the Asset Management Company will also be displayed on the website of the AMC.

## iv. Meeting and consent of Unitholders

Pursuant to Clause 15 of Regulation 18 of the SEBI (Mutual Funds) Regulations, 1996 (the SEBI Regulations), the Trustee Company shall call for a meeting and obtain the consent of the Unitholders of the Scheme (entirely at the option of the Trustee Company, either at a meeting of the unitholders or through postal ballot or any other mode of communication in conformity with the Regulations and/or SEBI Regulations) under any of the following circumstances:

- whenever required to do so by SEBI in the interest of the Unitholders.
- upon the request of three-fourths of the Unitholders of the Scheme.
- if the Trustee Company determines to wind up the Scheme or prematurely redeem the units.

## v. Benefits to the Unitholders

All benefits accruing / earned under the Scheme in respect of income ( not included in NAV ), capital, reserves and surpluses, if any, at the time of their declaration or otherwise under the Scheme shall be available only to the Unitholders who hold the Units at the time of its / their declaration.

## vi. Documents available for inspection

Following documents will be available for inspection by the prospective investors / Unitholders on all Business Days between 11.00 am and 1.00 p.m. at the Office of Tata Asset Management Limited.

- A copy of Memorandum & Articles of Association of TAML.
- A copy of the Custodian Agreement.
- Consent from the Auditors to act in the said capacity.
- SEBI (Mutual Funds) Regulations, 1996.
- A copy of the Offering Circular.
- Copy of the Trust Deed.
- Copy of Memorandum & Articles of Association of Trustee Company.
- Copy of Investment Management Agreement.
- Copy of Registration Certificate from SEBI.
- Copy of Agreement with Registrars
- Indian Trusts Act, 1882

# TATA FIXED INVESTMENT PLAN - 1

## XXI. INVESTOR GRIEVANCES REDRESSAL MECHANISM

The complaints by investors are usually received at Karvy, Authorised Investor Service Centres. If the complaints are queries like non-receipt of certificate, change of address etc. which are only redressable by the Mumbai office they are answered by the same. Complaints/ queries solvable at the local Authorised Investor Service Centres are addressed accordingly.

A complete record of complaints received and attended is maintained and a review is carried out periodically by TAML to ensure prompt redressal of complaints.

Yearwise breakup of Investor Complaints

Up to	Opening Balance	Letters Received	Total	Letters Attended	Letters Balance
31/03/2005	0	2287	2287	2287	0
31/03/2006	0	2980	2980	2954	26
31/03/2007	26	1960	1986	1962	24
31/12/2007	24	751	775	770	5

### Conflict of interest

The Trustee Company, the Asset Management Company, the Custodian, the Registrar, any Associate, any Distributor, Dealer, other companies within the Tata group, etc. may from time to time act (individually and / or jointly) as manager, custodian, registrar, administrator, investment adviser, distributor or dealer or agent or marketing associate, respectively in relation to, or be otherwise involved in, other Schemes / Funds / Activities (in the same or different capacity) (to the extent permitted under various relevant Regulations), which may have similar investment objectives to those of the Scheme/ Fund. The Asset Management Company, may for example, make investments for other permitted business activities or on its own behalf without making the same available to the Scheme / Fund. The Asset Management Company/Trustee Company will, at all times, have regard in such event to its obligations to act in the best interests of the Scheme / Fund so far as is practicable, having regard to its obligations to other permitted business activities and will ensure that such transactions are conducted with / by the Scheme / Fund purely on commercial terms / on an arm's length basis as principal to principal.

TAML may, utilise the services of the Companies stated in the clause "Associate Transactions" (& to whom selling commission has been paid/provided for their marketing efforts in mobilising subscription for the units of the previous schemes of the Fund)and/or the Sponsors, Associates, other Companies within the TATA group, Employees or their relatives, etc. for the purpose of any securities transactions and distribution and sale of Units / securities, provided that any deal in securities through any broker associated with the Sponsors should not be beyond 5% of the quarterly aggregate purchase and sale of securities by TMF, as per SEBI Regulations and the brokerage or commission paid as per prevailing market practice and/or approved rates is disclosed in the half yearly annual accounts of the Fund . TAML may, invest in Units of the Funds / Schemes in TMF (the existing Funds / Schemes including the present Scheme and others as may be announced / launched from time to time), only after full disclosure of its intention to invest has been made in the Offering Circulars. TAML shall not charge any fees on its investment in Units of the Funds / Schemes in TMF.

TAML shall not act as a Trustee of any Mutual Fund and shall not undertake any other business activities except activities in the nature of management and advisory services to offshore funds, pension funds, provident funds, venture capital funds, management of

insurance funds, financial consultancy and exchange of research on commercial basis, if any of such activities are not in conflict with the activities of the Fund. Provided that TAML may itself or through its subsidiaries undertake such activities if it satisfies SEBI that its key personnel, the systems, back office, bank and securities accounts are segregated activity wise and there exist systems to prohibit access to inside information of various activities. Provided further that TAML shall meet capital adequacy requirements, if any, separately for each such activity and obtain separate approval, if necessary under the relevant Regulations. Please refer to the clauses on "The Asset Management Company" and "Investment Limitations".

### Investor Protection:

The scheme is designed to support long-term investments in active trading is discouraged. Short term or excessive trading into and out of the scheme may affect its performance by disrupting portfolio management strategies and by increasing expenses. The Fund and the distributors may refuse to accept applications for Purchase, especially where transactions are deemed disruptive, particularly from market timers or investors who, who in their opinion, have a pattern of short term or excessive trading or whose trading has been or may be disruptive for the Scheme. If in the opinion of the AMC, a Unit Holder is indulging in short term or excessive trading as above, AMC shall have absolute discretion to reject any application, prevent further transaction by the Unit Holder or redeem the Units held by the Unit Holder at any time prior to the expiry of 30 Business Days from the date of the application.

### Investor's Personal Information:

The AMC may share investors' personal information with the following third parties:

1. Registrar, Bank and / or authorized external third parties who are involved in transaction processing, dispatches, etc. of investors' investment in the scheme;
2. Distributors or Sub-brokers through whom applications of investors are received for the scheme.; or
3. Any other organizations for compliance with any legal or regulatory requirements or to verify the identity of investors for complying with anti-money laundering requirements.

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

1. Cases of penalties awarded by SEBI Act or any of its regulations against the Sponsor of the Mutual Fund or any company associated with the Sponsor in any capacity including the Asset Management Company, Trustee Company/Board of Trustees, or any of the Asset Management Company and Trustee Company. For Sponsor and its associates, other than the penalties as mentioned above, the penalties for defaults in respect of shareholders, debentureholders and depositors shall also be disclosed. Additionally, penalties awarded for any economic offence and violation of any securities laws shall be disclosed.

A fine of Rs. 2 lacs has been paid by Tata Asset Management Ltd. to SEBI (on behalf of the AMC and the Mutual Fund) for disclosure of portfolio statement to Unitholders not being in the exact format as prescribed by SEBI.

2. Pending material litigation proceedings incidental to the business of the Mutual Fund to which the Sponsor of the Mutual

# TATA FIXED INVESTMENT PLAN - 1

Fund or any company associated with the Sponsor in any capacity including the AMC, Board of Trustee/Trustee Company or any of the directors or key personnel is a party. Any pending criminal cases against the Sponsor or any company associated with the Sponsor in any capacity including the AMC, Board of Trustee/Trustee Company or any of the directors or key personnel should be 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 cognizance 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 Pvt. Ltd., was one of the five Executive Directors of HLL who are being proceed against.”

3. Deficiency in the systems and operations of the Sponsor of the Mutual Fund or any company associated with the sponsor in any capacity including the AMC or the Trustee Company which SEBI has specifically advised to be disclosed in the Offering Circular, or which has been notified by any other regulatory agency, shall be disclosed. – NIL.
4. Enquiry/adjudication proceedings under the SEBI Act and the Regulations made thereunder, that are in progress against the Sponsor of the Mutual Fund or any company associated with the Sponsor in any capacity including the AMC, Board of Trustee/Trustee Company or any of the Directors of key personnel of the Asset Management Company shall be disclosed. – NIL.

## MISCELLANEOUS

Statements in this Offering Circular are, except where otherwise stated, based on the law and practice currently in force in India and are subject to changes therein. The information contained in this Offering Circular regarding taxation is for general information purposes only and is in conformity with the relevant provisions of the Income Tax Act, 1961, Wealth Tax Act, 1957, and Gift Tax Act, 1958, respectively and has been included relying upon advice provided to the Fund by the tax consultants of TMF, based on the relevant prevailing provisions. Further investments by NRI will also be in accordance with the provisions of Foreign Exchange Management Act, 1999 and RBI directions and permissions for offer of units to NRIs/ FIIs. All necessary and required permissions have been / are being taken and resolutions have been / are being passed. This Offering Circular was approved by the Trustee Company on 30<sup>th</sup> May, 2007.

The contents of the Offering Circular including figures, data, yields, etc. have been checked and are factually correct.

All points mentioned in the SEBI (Mutual Fund) Circular MFD/ CIR/06/275/2001 dated July 9, 2001 and revised as on December 26, 2003 have been included in this Offering Circular.

Notwithstanding anything contained in the Offering Circular the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines thereunder shall be applicable.

By order  
Board of Directors  
**Tata Asset Management Limited**

Place : Mumbai  
Dated : 22<sup>nd</sup> January, 2008

**H. A. Bulsara**  
Chief Operating Officer

## INVESTOR SERVICE CENTRES

Call Free: 1800 - 209 - 0101

### West Zone:

**Mumbai:** Mulla House, Grd Flr, Homi Modi Street, Mumbai - 400 001, Tel: (022) 66505252, **Ahmedabad:** 402, 'Megha House', Mithakali - Law Garden Rd, Netaji Marg, Ahmedabad - 380 006, Tel: (079) 65418989 / 65447799, 26466080, **Bhopal:** MF-12A Mezzanine Flr, Front Row, Mansarovar Complex, Habibganj, Bhopal - 462 016, Tel: 9826826646, **Goa:** Inaam Complex - UG - 4, Don Bosco School Crossing, M. G. Rd, Panaji, Goa - 403 001, Tel: (0832) 6451135 / 36, **Indore:** G-25 City Centre, 507 M.G. Rd, Indore - 452 001, Tel: (0731) 4201806, **Jabalpur:** Office No. 4, 1178, Napier Town, Home Science College Rd, Jabalpur, MP, Tel: (0761) 4074263, **Jamnagar:** A-7 Mahavir Apartment, Opp. Palace, Jamnagar - 361 001, Tel: 9898366767, **Nagpur:** 21, "Mile Stone", 109, 1st Floor, Near Lokmat Square, Wardha Rd, Ramdaspath, Nagpur - 440 010, Tel: (0712) 6502885, **Nashik:** 5, Samriddhi Residency, Opp. Hotel City Pride, Tilakwadi, Sharanpur Rd, Nashik - 422 002, Tel: (0253) 6510315, 6605138, **Pune:** Office No. 105, D-GOLD House, Near Hotel Sheetal, B/H Bharat Petrol Pump, Dnyaneshwar Paduka Chowk, F.C. Rd, Shivajinagar, Pune - 411 005, Tel: (020) 64005932/ 30288775/ 6, **Rajkot:** Arihant Plaza, 201 2nd Floor, Subhas Rd, Near Moti Taki, Rajkot - 360 001, Tel: (0281) 6624848, **Surat:** 421, Jolly Plaza, Near Collector Office, Next to G.P. College, Athwa Gate, Surat - 395 001, Tel: (0261) 6554418 / 19, **Vadodara:** 202/203, Madhav Complex, R C Dutt Rd, Alkapuri, Vadodara - 390 007, Tel: (0265) 6641888, 2356114.

### North Zone:

**Agra:** G-12, Block No.-19/4, Vimal Tower, Sanjay Place, Agra - 282 002, Tel: (0562) 2525195, **Allahabad:** 1st Floor, 24/1 S P Marg, Civil Lines Allahabad - 211 001, Tel: 9839600696, **Chandigarh:** Cabin No. 3-4-5, 1st Flr, S C O 487-488, Sector 35-C Chandigarh -160 022, Tel: (0172) 5087322 / 2603771, **Dehradun:** 379/1, Street No. 4, Lane No. 4, Rajendra Nagar, Dehradun - 248 001, Tel: (0135) 6450877, **Delhi:** 710-712 Prakash Deep Building, 7th Flr, 7 Tolstoy Marg, Connaught place, New Delhi - 110 001, Tel: (011) 66324111/102, 66303202, **Jaipur:** 233, 2nd Floor, Ganapati Plaza, M. I. Rd, Jaipur - 302 001, Tel: (0141) 5105177 / 78, 6539009, **Jodhpur:** Jaya Enclave, 79/4, Opp. IDBI Bank, 1st A Rd, Sardarpura, Jodhpur - 342 001, Tel: (0291) 6450555, 2631257, **Kanpur:** Grd Flr, Agarwal Building, Ading Oriental Bank of Commerce, Survey No. 419/1 Cantts, The Mall, Kanpur - 208 004, Tel: (0512) 2306066, **Lucknow:** Office No.2, Saran Chambers-1, 1st Flr, 5, Park Road, Lucknow - 226 001, Tel: (0522) 6452432 / 4001731, **Ludhiana:** Cabin No. 201, 2nd. Flr, SCO 18, Opp Ludhiana Stock Exchange, Feroz Gandhi Market, Ludhiana - 141 001, Tel: (0161) 5089667/6503366, **Moradabad:** Lower Grnd Flr, Shop - 33, Chadha shopping Complex, GMD Rd, Moradabad - 244 001, Tel: (0591) 6535002 / 2313567, **Udaipur:** Office No. 4, 2nd Flr, Madhav Apartment, Opp. G P O, Chetak Circle, Udaipur - 313 001, Tel: (0294) 2429371 / 6450979, **Varanasi:** D-64/127, C-H Arihant Complex, Sigra, Varanasi - 221 010, Tel: (0542) 6544655,

### South Zone:

**Bangalore:** 4/6, Lane Opp to Syndicate Bank, Millers Rd, High Grounds, Bangalore - 560 052, Tel: (080) 66561313 / 65335986 /87, Calicut: #17/1865-S, Malabar Hotel Palace, Manuelsons Juntion, G.H. Rd, Calicut - 1, Tel: (0495) 6450508, **Chennai:** Riaz Garden, 3rd Flr, No. 29, Kodambakkam High Rd, Near Palmgrove Hotel, Nungambakkam, Chennai - 600 034, Tel: (044) 65510243 / 24320032 / 33/ 64541863, **Cochin:** 2nd Flr, Ajay Vihar, JOS Junction, M. G. Rd, Cochin - 682 016, Tel: (0484) 2377580, 6533107, **Coimbatore:** 551-A, 1st Floor, West Lokmaniya Street, Near CAMS, R.S. Puram, Coimbatore - 641 002, Tel: (0422) 6502133/ 44, **Hubli:** 15 & 16, 2nd Floor, Eureka Junction, Travellers' Bunglow Rd, Above ICICI Bank, Hubli-580 029, Tel: (0836) 6450342, **Hyderabad:** 3rd Floor, Block - B, R R Estate, G S Mall, Somajiguda, Hyderabad - 500 082, Tel: (040) 65361237 / 38, 65548290, **Kottayam:** C S I Ascention Square, Collectorate P .O, Kottayam-686 002, Tel: 9447559230, **Madurai:** D2, 3rd Flr, AR Plaza, 16/17, North Veli Street, Madurai - 625 001, Tel: (0452) 6454330, **Mangalore:** Essel towers, 1st Flr, Bunts hostel circle, Above Axis Bank, Mangalore - 575 003, Tel: (0824) 6450308, **Mysore:** 847, 1st Flr, New Kantharaja URS Rd, Above New Krishna Sweets & Bakery, Kuvempu Nagar, Mysore - 570 023, Tel: (0821) 6450470, **Salem:** Rajtowers, Grnd Flr, #4 Brindhavan Rd, Fairlands, Salem - 636 016, Tel: (0427) 6451653, **Trivandrum:** 4th Flr, Krishna Towers, Sasthamangalam, Trivandrum - 695 010, Tel: (0471) 6535431, 2319139, **Trichur:** 4th Flr, PathyaPura Buildings, Round South, Trichur -680 001, Tel: (0487) 6451286, **Trichy:** No.60/3, 'Krishna' 2nd Flr, Sastri Main Rd, Tennur, Trichy - 620 017, Tel: (0431) 6455060, **Vijaywada:** 5th Flr, Kona Heights, Opp. All India Radio, M.G. Rd, Vijayawada - 520 010, Andra Pradesh, Tel: (0866) 6532621, **Visakhapatnam:** Shop 10 & 11, 1st Floor, Above Titan Showroom, Sreemukha Complex, Dwarakanagar, Visakhapatnam - 530 016, Tel: (0891) 6451883,

### East Zone:

**Bhilai:** Shop No.145, Grd Flr, Chauhan Estate, Near HDFC Bank, Bhilai - 490 001, Tel: (0788) 2295625. **Bhubaneshwar:** Janpath Tower, Room-208, 2nd Flr, Ashok Nagar, Bhubaneshwar - 751 009. Tel: (0674) 2533818 / 6450817. **Dhanbad:** Shriram PLaza, Room - 409, 4th floor, Bank More, Dhanbad, Jharkhand - 826 001, Tel: (0326) 2300304. **Durgapur:** A-207, 1st floor, Kamdhenu, Bengal Shristi Complex, City Centre, Durgapur - 713 216. Tel: (0343) 6454797. **Guwahati:** 109, 1st Floor, Orion Towers, Christian Basti, G. S. Road, Guwahati- 781 005. Tel: (0361) 2343084. **Jamshedpur:** C/o. Mithila Motors Ltd., 1st Floor, Main Rd, Bistupur, Jamshedpur - 831 001 Tel: (0657) 2756021/22/23/30. **Kolkata:** Tata Centre, 1st Floor, 43, Jawaharlal Nehru Rd, Kolkata - 700 071, Tel: (033) 22881534 / 3413 / 15. **Patna:** 605, 6th Floor, Ashiana Harniwas, New Dak Banglow Rd, Patna - 800 001. Tel: (0612) - 6450120 / 2206497, **Raipur:** Shop No. - 331 & 332, Lal Ganga Shopping Mall, 3rd Floor, G E Rd, Raipur - 492 001, Tel: (0771) 6537340 / 2543354. **Ranchi:** Shop No - 15, Grnd Floor, A.C. Market, G.E.L. Church Complex, Main Rd, Ranchi - 834 001, Tel: (0651) 2330704.

## KARVY COMPUTERSHARE PRIVATE LIMITED

**Agra:** Karvy Computershare Pvt Ltd, Ms. Nishi Mishra, 17/2/4, 1st Floor, Deepak Wasan Plaza, Sanjay Place, Behind Holiday Inn, Agra - 282 002. Tel: (0562) 3247227, 4000601, 2526663. Email: mfsagra@karvy.com **Ahmedabad:** Karvy Computershare Pvt Ltd, Mr. Edward, Ms. Leela, 307 Shail Buildings, Opp Madhusudhan House, Off C G Road, Nr. Navrangpura Telephone Exchange, Ahmedabad - 380 006, Tel: (079) 26402967, 32997687, 26400527/28, Fax: (079) 26565551. Email: ahmedabadmfd@karvy.com, edward@karvy.com **Allahabad:** Karvy Computershare Pvt Ltd, Mr. Manish Srivastava, RSA Towers, 2nd Floor, Above Sony TV Showroom, 57, S P Marg, Civil Lines, Allahabad - 211 001, Tel: (0532) 3294281, 3294280, Fax: (0532) 2260291. Email: allahabadmfd@karvy.com **Bangalore:** Karvy Computershare Pvt Ltd, Mr. Raghu, No: 51/25, 1<sup>st</sup> Floor, Surya Building, Ratna Avenue, Richmond Road, Bangalore - 560 025. Tel: (080) 25320085, Fax: (080) 25320086 Email: bangaloremfd@karvy.com, raghu@karvy.com. **Baroda:** Karvy Computershare Pvt Ltd, Mr. Rajan Patel, Ms. Ruma, 31 - 34, Payal Complex, Nr Vadodara Stock Exchange, Sayajigunj, Baroda - 390 005, Gujarat. Tel: 0265 - 2225210, 0265 - 2225168, 0265 - 3243293. Email: barodamfd@karvy.com, rajan.patel@karvy.com. **Bhopal:** Karvy Computershare Pvt Ltd, Mr. Sachin Rathore, Kay Kay Business Centre, 133, Zone 1, M.P.Nagar, Bhopal - 462 011, Tel: (0755) 3010728, 3010731, 723 / 24/ 25 / 26, Fax: 0755-3010732. Email: bhopalmfs@karvy.com, sachinrathore@karvy.com. **Bhubaneswar:** Karvy Computershare Pvt Ltd, Ms. Nabanita Deb, Mr. Pratap Sahoo, 624, Sahid Nagar, 1st Floor, Bhubaneswar - 751 007, Tel: (0674) 2547532, Fax: (0674) 2547531 Email: bhubaneswarmfd@karvy.com. **Calicut:** Karvy Computershare Pvt Ltd, Mr. Naveen, 2<sup>nd</sup> Floor, Sowbhagya Shopping complex, Mavoor Road, Calicut - 673 004, Tel: (0495) 2742105 / 07, 3042083 Fax: (0495) 2742156. Email: mfscalicut@karvy.com. **Chandigarh:** Karvy Computershare Pvt Ltd, Ms. Priya Sharma, SCO-371-372, 1<sup>st</sup> Floor, Above HDFC Bank, Sector 35B, Chandigarh - 160 022, Tel: (0712) 5071727 / 28 Fax: (0172) 5071726, Email: chandigarhmfd@karvy.com. **Chennai:** Karvy Computershare Pvt Ltd, Mr. N V V Prasad, Mr. Dinesh Kumar, Flat No. F-11, 1<sup>st</sup> Floor, Akshya Plaza, (Erstwhile Harris Road), Opp Chief City Metropolitan Court, No. 108, Adhithanar Salai, Egmore, Chennai - 600 002, Tel: (044) 42028512 / 13, 28277383, Fax: (044) 42028514, Email: chennai@karvy.com, nvvprasad@karvy.com. **Cochin:** Karvy Computershare Pvt Ltd, Mr. Ramachandran, Ms. Anuradha, 39 Panampilly Nagar, Ernakulam, Cochin - 682 036, Tel: (0484) 4011885, 2310884, Fax: (0484) 2323104 Email: cochinmfd@karvy.com. **Coimbatore:** Karvy Computershare Pvt Ltd, Ms. Beula, SNV Chambers, 482/483, Ponni Street, Opp Power House, Cross Cut Road, Gandhipuram, Coimbatore - 641 012, Tel: (0422) 4377211, 2237501, 506 Fax: (0422) 2237507. Email: mfscoimbatore@karvy.com. **Dehradun:** Karvy Computershare Pvt Ltd, Mr. Pankaj Vasudev, Mr. Jagjeet Singh, Kaulagarh Road, Near Sirmaur Marg, Above Reliance Webworld, Dehradun - 248 001, Tel: (0135) 3958246, Email: dehradunmfd@karvy.com. **Durgapur:** Karvy Computershare Pvt Ltd, Mr. Sudip Chatterjee, Old Dutta Automobiles Bldg, 1st Floor, Benachity, Durgapur - 713 213, Tel: (0343) 6534112, 2586376 / 77, Email: mfsdurgapur@karvy.com. **Panjim (Goa):** Karvy Computershare Pvt Ltd, Ms. Malini Naik, No.7 & 8, El. Dorado Plaza, Heliodoro Salgado Road, Panjim - 403 001, Tel: (0832) 2426870, 74, Fax: (0832) 2426873, Email: panjim@karvy.com. **Guwahati:** Karvy Computershare Pvt Ltd, Mr. Vinay Singh, Mr. Sanjay Seal, 2nd Floor, Ram Kumar Plaza, Chatribari Road, Nr Himatshinga Petrol Pump, Guwahati - 781 001, Tel: (0361) 2608016, Fax: (0361) 2608122, Email: mfsguwahati@karvy.com. **Gwalior:** Karvy Computershare Pvt Ltd, Mr. Gopal Sharma, Shindi Ki Chawani, Nadi Gate Pul, MLB Road, Gwalior - 474 001, Tel: (0751) 4042435, 4069001 / 02, Email: mfsghwalior@karvy.com. **Hubli:** Karvy Computershare Pvt Ltd, Mr. Shrinivas Shydambi, Giriraja House, No.451/B, Ward No.1, Club Road, Hubli - 580 029, Tel: (0836) 2353961, 2356201 / 02, Fax: (0836) 2353973, Email: mfshubli@karvy.com. **Hyderabad:** Karvy Computershare Pvt Ltd, Mr. P. Nageshwara Rao, Mr. GBK Murthy, 21, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034, Tel: (040) 23312454 Ext: 124, Email: pnrao.hyd@karvy.com, mfshyderabad@karvy.com. **Indore:** Karvy Computershare Pvt Ltd, Ms. Priyanka, Ms. Priya Telang, DM Tower, 105, 106 & 107, Above Standard Chartered bank, Near Jangeerwala chowrah, Indore- 452001, Tel: (0731) 3014204 / 5, Fax: (0731) 3014209 Email: mfsindore@karvy.com. **Jaipur:** Karvy Computershare Pvt Ltd, Mr. O P Kumawat, S-16 A, 3rd floor, Land mark, Opp Jaipur club, Mahavir marg, C- Scheme, Jaipur - 302 001, Tel: (0141) 2375039, 99, 2363321, Fax: (0141) 2378703, Email: jaipurmfd@karvy.com. **Jalandhar:** Karvy Computershare Pvt Ltd, Mr. Dinesh Sharma, Lower Grnd Floor, Office No. 3, Plot No. 28, G T Road, Jalandhar - 144 004, Tel: (0181) 5019723, 29, 5000771/2/3/4, Email: mfsjalandhar@karvy.com. **Jamshedpur:** Karvy Computershare Pvt Ltd, Mr. Jayanto Bhattacharya, Kanchan Tower, 3rd Floor, Chhaganlal Dayalji @ Sons, 3-S B Shop Area, (Near Traffic Signal), Main Road, Bistupur, Jamshedpur - 831 001, Tel: (0657)-2487045, 020, Email: jamshedpurmfd@karvy.com. **Jodhpur:** Karvy Computershare Pvt Ltd, Mr. Sushil, 203, Modi Arcade, Chupasni Road, Jodhpur - 342 001, Tel: (0291) 5103026, 046 Fax: (0291) 2638479, Email: mfsjodhpur@karvy.com. **Kanpur:** Karvy Computershare Pvt Ltd, Mr. Sudhir Tewari, 15/46, Opp Muir Mills, Civil Lines, Kanpur - 208 001, Tel: (0512) 3246390, 3292333, Fax: (0512) 2330127, Email: sudhir.kumar@karvy.com, kanpurmfd@karvy.com. **Kolhapur:** Karvy Computershare Pvt Ltd, Ms. Ruchita Huddar, Omkar Plaza, 1st Floor, Unit - F2 & F4, Rajaram Road, Next to ICICI Bank Ltd, Kolhapur - 416008, Tel: (0231) 2520650, Fax: (0231) 2520655, Email: mfskolhapur@karvy.com. **Kolkata:** Karvy Computershare Pvt Ltd, Mr. Raj Ramaswamy, 16 Jatin Bagchi Road, Kolkata - 700 029, Tel: (033) 24659263, 67, 39518643, Fax: (033) 24635432, Email: calcuttamfd@karvy.com, rajramaswamy@karvy.com. **Lucknow:** Karvy Computershare Pvt Ltd, Mr. Sanjay Shukla, 94, Mahatma Gandhi Marg, Opp Governor House, Hazratganj, Lucknow - 226 001, Tel: (0522) 3249039, 2236819/20, Fax: (0522) 2236826, Email: sanjay.shukla@karvy.com, lucknowmfd@karvy.com. **Ludhiana:** Karvy Computershare Pvt Ltd, Mr. Bharat, SCO-3, Bawa Building, Feroze Gandhi Market, Ludhiana - 141 001, Tel: (0161) 3018460, 445, Fax: (0161) 3018440, Email: mfludhiana@karvy.com. **Madurai:** Karvy Computershare Pvt Ltd, Mr. Krishna Raja, Rakesh towers, 30-C, Bye pass Road, 1<sup>st</sup> Floor, Opp Nagappa motors, Madurai - 625 010, Tel: (0452) - 2600851/52/53/54/55, Email: mfsmadurai@karvy.com. **Mangalore:** Karvy Computershare Pvt Ltd, Mr. Vasanth, Mahendra Arcade, Grnd Floor, Karangalapani, Kadiabail, Mangalore - 575 003, Tel: (0824) - 2496701, 2492302, Fax: (0824) 2496283, Email: mangaloremfd@karvy.com. **Moradabad:** Karvy Computershare Pvt Ltd, Mr. Nitin Pahwa, 1<sup>st</sup> Floor, Singh Bhawan, Taari Khana Chowk, G M D Road, Moradabad - 244 001, Tel: (0591) 3099643, 2310470, 3117615, 3112686, Fax: (0591) 2320470, Email: mfsmoradabad@karvy.com. **Mumbai:** Karvy Computershare Private Limited, Mr. Sandeep Bhogle, 26/30, Fort Foundation Bldg, Near MSC Bank, Maharashtra Chamber Of Commerce Lane, Fort Mumbai - 400 023, Tel: (022) 66341966 / 67, Fax: (022) 56341966, Email: mumbaimfd@karvy.com, sandeep@karvy.com. **Mysore:** Karvy Computershare Pvt Ltd, Mr. Vincent, L - 350, Silver Tower, Clock Tower, Ashoka Road, Mysore - 570 001, Tel: (0821) 2441520, 2438006, Fax: (0821) 2438006, Email: mfsmysore@karvy.com. **Nagpur:** Karvy Computershare Pvt Ltd, Mr. Somnath, 230/231, 3<sup>rd</sup> Floor, Shiram Shyam towers, Next to NIIT building, Sadar, Kingsway, Nagpur - 440 001, Tel: (0712) 5610513, 5612375/ 74, 5656101/02/03, Email: nagpurmfd@karvy.com. **Nasik:** Karvy Computershare Pvt Ltd, Mr. Santosh, F-1 Suyojit Sankul, Sharanpur Road, Nasik - 422 002, Tel: (0253) 5602542/43/44, Email: nasikmfs@karvy.com. **New Delhi:** Karvy Computershare Pvt Ltd, Mr. Michael George, Mr. Jose Yohannan, 212, Arunachal Building, 2<sup>nd</sup> Floor, 19 Barakhamba Road, Connaught Place, New Delhi - 110 001, Tel: (011) - 23737194, 23324401, 41511627 Fax: (011) 23730743, Email: delhimfd@karvy.com, michaelg@karvy.com, jose.y@karvy.com. **Patna:** Karvy Computershare Pvt Ltd, Mr. Shankar, Mr. Diwakar, 202, 2<sup>nd</sup> Floor, Anand Tower, Beside Chankya Cinema Hall, Exhibition Road, Patna - 800 001, Tel: (0612) 2321354, Email: mfsapatna@karvy.com. **Pune:** Karvy Computershare Pvt Ltd, Mr. Roopesh Balaraman,

Srinath Plaza, C Wing, Office No. 58 & 59, 3<sup>rd</sup> Floor, Dyaneshwar Paduka chowk, Survey No. 184/4, F C Road, Pune - 411 004, Tel: (020) 25533795, 25532783, 25539957, Fax: (020) 4028432 Email: punemfd@karvy.com. **Raipur:** Karvy Computershare Pvt Ltd, Ms. K Sharada, Room No.12 & 13, Grnd Floor, Millennium Plaza, Behind Indian Coffee House, G E Road, Raipur - 492 001, Tel: (0771) – 6450194, 2236694/95/96, Email: mfsraipur@karvy.com. **Rajkot:** Karvy Computershare Pvt Ltd, Mr. Mahesh Belani, 204, Star Chambers, Dr Rajendra Prasad Road, Harihar Chowk, Rajkot - 360 001, Tel: (0281) 2239338, Fax: (0281) 2233179 Email: rajkotmfd@karvy.com. **Ranchi:** Karvy Computershare Pvt Ltd, Mr. Ravi Ranjan, Mr. Om Prakash, Commerce Towers, 3<sup>rd</sup> Floor, Room no. 307, Beside Mahabir Towers, Main Road, Ranchi - 834 001, Tel: (0651) - 2330386, 394, Fax: (0651) 2331320, Email: mfsranchi@karvy.com. **Salem:** Karvy Computershare Pvt Ltd, Ms. Sundari, 49 / 50, Fort Main Rd, Old No.17, 1<sup>st</sup> Floor, Shevapet, Salem - 636 002, Tel: (0427) 2210835 / 36,4020300, Fax: (0427) 2335705, Email: mfsaleam@karvy.com. **Surat:** Karvy Computershare Pvt Ltd, Mr. Viral Mehta, G/16 Empire State Building, Near Udhna Darwaja, Ring Road, Surat - 395 002, Tel: (0261) 3017155, Email: suratmf@karvy.com, viral.mehta@karvy.com. **Trichur:** Karvy Computershare Pvt Ltd, Mr. Ramesh Krishnan, 2<sup>nd</sup> Floor, Brother's Complex, Near Dhana Laxmi Bank Head Office, Naikkanal Junction, Trichur - 680 001, Tel: (0487) 2322483/84, 2322494, Fax: (0487) 2322493, Email: mfstrichur@karvy.com. **Trichy:** Karvy Computershare Pvt Ltd, Ms. Thamarai Selvi, 60 Srikrishna Arcade, 1<sup>st</sup> Floor, Thennur High Road, Trichy - 621 017, Tel: (0431) 4020227, 2792800, Fax: (0431) 2794132 Email: mfstrichy@karvy.com. **Trivandrum:** Karvy Computershare Pvt Ltd, Ms. Malini, 2<sup>nd</sup> Floor, Akshaya Towers, Sasthamangalam, Trivandrum - 695 010, Tel: (0471) 2725728, 2725989/90/91, Fax: (0471) 4011924, Email: mfstrivandrum@karvy.com. **Varanasi:** Karvy Computershare Pvt Ltd, Mr. Saurabh Singh, D-64/132,KA 1<sup>st</sup> Floor, Anant Complex, Sagra, Varanasi - 226 022, Tel: (0542) 2227259, Email: varanasimfd@karvy.com. **Vijayawada:** Karvy Computershare Pvt Ltd, Ms. Sushma, 39-10-7, Opp Municipal Water Tank, Labbipet, Vijayawada - 520 010, Tel: (0866) 2495200,400 (Ext: 122,124), 2495588, Fax: (0866) 2495300 Email: vijayawadamfd@karvy.com. **Visakhapatnam:** Karvy Computershare Pvt Ltd, Mr. Sitaram, 47-14-5/1 Eswar Paradise, Dwaraka Nagar, Main Road, Visakhapatnam - 530 016, Tel: (0891) 2752915/16/17/18 Fax: (0891) 2752872, Email: vizagmfd@karvy.com