

# CANARA ROBECO

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## STATEMENT OF ADDITIONAL INFORMATION (SAI)

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### Canara Robeco Mutual Fund

**Investment Manager:** Canara Robeco Asset Management Company Ltd.

**Trust:** Canara Robeco Mutual Fund

**Address:** Construction House, 4<sup>th</sup> Floor, 5, Walchand Hirachand Marg,  
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*This Statement of Additional Information (SAI) contains details of Canara Robeco Mutual Fund, its constitution, and certain tax, legal and general information. It is incorporated by reference (is legally a part of the Scheme Information Document).*

This SAI is dated 31<sup>st</sup> July, 2011.

**List of Addendum to Statement of Additional Information (SAI)**

<b>Addendum No.</b>	<b>Addendum dated</b>	<b>Particulars</b>
1	30-09-2011	Consolidated Account Statement (CAS) / Option to hold Units in dematerialized (demat) form/ Mailing of Annual Report or Abridged Summary
2	19-10-2011	Change in constitution of Board of Trustees
3	31-10-2011	Transaction Charges
4	31-12-2011	Revision in Know Your Customer (KYC) Procedure & Option to hold Units in dematerialized (demat) form
5	02-01-2012	Change in the Constitution of the Board of Directors of Canara Robeco Asset Management Company Limited
6	16-03-2012	Change in the Constitution of the Board of Directors of Canara Robeco Asset Management Company Limited

**Addendum No.1**

**Consolidated Account Statement (CAS) / Option to hold Units in dematerialized (demat) form/ Mailing of Annual Report or Abridged Summary**

**NOTICE** is hereby given for the following changes to Scheme Information Document(s)/ Key Information Memorandum(s) of Schemes of CRMF and Statement of Additional Information (as applicable) of CRMF:

**(A) Consolidated Account Statement (CAS):**

Pursuant to Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 and amendments thereto, read with SEBI circular No. Cir/ IMD/ DF/16/ 2011 dated September 8, 2011, the investor whose transaction\*\* has been accepted by the AMC/Mutual Fund **on or after October 1, 2011** shall receive the following:

- (i) On acceptance of the application for subscription, an allotment confirmation specifying the number of units allotted by way of email and/or SMS will be sent to the Unit holders registered e-mail address and/or mobile number within 5 Business Days from the date of closure of the initial subscription list or within 5 business days from the date receipt of request from the unitholder.
- (ii) Thereafter, a consolidated account statement (CAS) ^ for each calendar month to the Unit holder(s) in whose folio(s) transaction\*\*(s) has/have taken place during the month on or before 10<sup>th</sup> of the succeeding month shall be sent by mail/e-mail.

^**Consolidated Account Statement (CAS)** shall contain details relating to all the transactions\*\* carried out by the investor across all schemes of all mutual funds during the month and holding at the end of the month including transaction charges paid to the distributor.

**\*\*The word 'transaction' shall include purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions and also non-financial transactions such as change in bank mandate, change in address etc.**

- (iii) For the purpose of sending CAS, common investors across mutual funds shall be identified by their Permanent Account Number (PAN).
- (iv) In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/account statement.
- (v) The CAS shall not be received by the Unit holders for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN.

Further, the CAS detailing holding across all schemes of all mutual funds at the end of every six months (i.e. September/ March), shall be sent by mail/e-mail on or before 10<sup>th</sup> day of succeeding month, to all such Unit holders in whose folios no transaction has taken place during that period.

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

**(B) Option to hold Units in dematerialized (demat) form**

Pursuant to SEBI Circular no. CIR/IMD/DF/9/2011 dated May 19, 2011, except for the options(s) and facility in the schemes as mentioned below, effective from 1<sup>st</sup> October, 2011, an option to subscribe the units of the Scheme(s)/Plan(s) in dematerialized (demat) form shall be extended to all open ended Scheme(s)/Plan(s) of CRMF in addition to close ended, Interval Scheme(s)/Plan(s) of CRMF.

1. Daily, weekly and fortnightly dividend option(s) (Reinvestment and payout) of all the debt scheme(s) and liquid scheme of CRMF.
2. Systematic Investment Plan (SIP) facility in all the schemes of CRMF.

Consequently, the Unit holders under the Scheme(s)/Plan(s) shall have an option to subscribe/ hold the Units in demat form in accordance with the provisions laid under the respective Scheme(s)/Plan(s) and in terms of the guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) from time to time.

Investors intending to hold units in electronic (demat) form will be required to have beneficiary account with a Depository Participant (DP) (registered with NSDL / CDSL) and will be required to indicate, in the application form, the DP's name, DP ID Number and the Beneficiary account number of the applicant held with the DP at the time of subscribing to the units. Applicants must ensure that the sequence of the names as mentioned in the application form matches with that of the beneficiary account held with the DP. Names, PAN details, KYC details etc. mentioned in the Application Form will be verified against the Depository records. If the details mentioned in the application form are found to be incomplete / incorrect or not matching with the depository records, the application shall be treated as application for physical (non-demat) mode and accordingly units will be allotted in physical (non-demat) mode. Unitholders who have opted to hold and thereby allotted units in electronic (demat) form will receive payment of redemption / dividend proceeds into bank account linked to their Demat account.

In case, the Unit holder desires to hold the Units in a Dematerialized /Rematerialized form at a later date, the request for conversion of units held in non-demat form into Demat (electronic) form or vice-versa should be submitted alongwith a Demat/Remat Request Form to their Depository Participants.

Units held in demat form will be transferable subject to the provisions laid under the respective Scheme(s)/Plan(s) and in accordance with provisions of Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as may be amended from time to time.

**(C) Mailing of Annual Report or Abridged Summary:**

SEBI has advised the AMC/Mutual Fund to adhere to the provisions of Regulation 56 of SEBI (Mutual Funds) Regulations, 1996 and amendments thereto, read with SEBI circular No. Cir/ IMD/ DF/16/ 2011 dated September 8, 2011, pertaining to the mailing of annual report and/or abridged summary thereof. Accordingly, the Scheme wise annual report or an abridged summary hereinafter shall be sent as under:

(i) by e-mail to the Unit holders whose e-mail address is available with CRMF;

(ii) in physical form to the Unit holders whose email address is not available with the Fund and/or to those Unit holders who have opted / requested for the same.

The physical copy of the scheme wise annual report or abridged summary shall be made available to the investors at the registered office of the AMC. A link of the scheme annual report or abridged summary shall be displayed prominently on the website of the Fund.

**This Addendum is dated 30.09.2011**

### **Addendum No. 2**

#### **Change in Constitution of Board of Trustees of Canara Robeco Mutual Fund.**

With effect from 18<sup>th</sup> October, 2011, Ms. Archana S Bhargava has been appointed as an Associate Trustee on the Board of Trustees of Canara Robeco Mutual Fund. The details are as follows:

<b>Name</b>	<b>Age/Qualification</b>	<b>Brief Experience</b>
Archana S Bhargava	56/ M.Sc (University of Delhi)	Ms. Archana S Bhargava is presently the Executive Director of Canara Bank.  Ms. Bhargava joined Punjab National Bank in 1977 and rose to become a General Manager of the bank. Ms. Bhargava has worked in various portfolios including credit management, human resource management, planning and development, financial inclusion, and international banking during her career span.

**This Addendum is dated 19.10.2011**

### **Addendum No. 3**

#### **Introduction of Transaction Charges**

SEBI has allowed Asset Management Companies (AMCs) to deduct transaction charges per subscription of ` 10,000/- and above, vide its Circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011.

In accordance with said circular, the Asset Management Company (AMC)/Mutual Fund shall deduct the Transaction Charges on purchase / subscription received from first time mutual fund investors and investors other than first time mutual fund investors through the distributor/agent as under w.e.f November 1, 2011 subject to the following terms and conditions:

#### **(i) Payment of Transaction Charges:**

Transaction charges will be paid only to those distributors who have expressly opted-in to receive the transaction charges in accordance with the SEBI circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011.

#### **(ii) First Time Mutual Fund Investor (across Mutual Funds):**

Transaction charge of ` 150/- (Rupees One hundred fifty only) for subscription of ` 10,000/- (Rupees ten thousand only) and above will be deducted from the subscription amount and paid to the distributor/agent of the first time investor and the balance shall be invested.

#### **(iii) Investor other than First Time Mutual Fund Investor:**

Transaction charge of ` 100/- per subscription of ` 10,000/- and above will be deducted from the subscription amount and paid to the distributor/agent of the investor and the balance shall be invested.

**(iv) Transaction charges in case of investments through Systematic Investment Plan (SIP):**

Transaction charges in case of investments through Systematic Investment Plan (SIP) shall be deducted only if the total commitment (i.e. amount per SIP installment x No. of installments) amounts to ` 10,000/- or more. Such Transaction Charges shall be equally deducted in total of 4 installments starting with 2nd installment amount.

**(v) Transaction charges shall not be deducted for:**

- (a) purchases /subscriptions for an amount less than ` 10,000/-;
- (b) Transaction other than purchases/ subscriptions relating to new inflows such as Switch/ STP/, etc.
- (c) Purchases/subscriptions made directly with the Fund (i.e. not through any distributor/agent).
- (d) Purchases/Subscriptions made through National Stock Exchange/ Bombay Stock Exchange platform.

All other terms and conditions of the Scheme Information Document(s)/ Statement of Additional Information/Key Information Memorandum(s) of Canara Robeco Mutual Fund will remain unchanged.

**Addendum No 4**

**Revision in Know Your Customer (KYC) Procedure & Option to hold Units in dematerialized (demat) form**

**A) Revision in Know Your Customer (KYC) Procedure**

Pursuant to SEBI Circular No. MIRSD/Cir-26/2011 dated December 23, 2011, SEBI Circular No. MIRSD/SE/Cir-21/2011 dated October 5, 2011 and SEBI (KYC Registration Agency) Regulations, 2011, regarding uniformity in the Know Your Customer (KYC) process in the securities market and development of a mechanism for centralization of the KYC records to avoid duplication of KYC process across the intermediaries in the securities market. Canara Robeco Mutual Fund ("CRMF") w.e.f January 1, 2012 ("Effective Date") has decided to make following changes in Statement of Additional Information (SAI) and Key Information Memorandum of the Schemes of CRMF:

1. SEBI has introduced a common KYC Application Form for all the SEBI registered intermediaries viz. Mutual Funds, Portfolio Managers, Depository Participants, Stock Brokers, Venture Capital Funds, Collective Investment Schemes etc. New Investors are therefore requested to use the Common KYC Application Form and carry out the KYC process including In-Person Verification (IPV) with any SEBI registered intermediaries including mutual funds. The KYC Application Forms are available on our website [www.canararobeco.com](http://www.canararobeco.com)
2. The Mutual Fund/Register & Transfer Agents (RTA) shall perform the initial KYC of its new investors. The Mutual Fund/RTA shall upload the details of the investors on the system of the KYC Registration Agency (KRA). KRA shall send a letter to investor after receipt of initial/updated KYC documents from the Mutual Fund /RTA confirming the details thereof.
3. Once the investor has done KYC with a SEBI registered intermediary, the investor need not undergo the same process again with another intermediary including mutual funds. However, the Mutual Fund reserves the right to carry out fresh KYC of the investor.
4. It is mandatory for intermediaries including mutual funds to carry out IPV of its investors from the effective date. The IPV carried out by any SEBI registered intermediary can be relied upon by the Mutual Fund. Canara Robeco Asset Management Company Limited/RTA and NISM/AMFI certified distributors who are KYD compliant are authorized to carry out the IPV for Mutual Fund investors. Further, in case of any applications received directly (i.e without being routed through the distributors) from the investors, the Mutual Fund may rely upon the IPV (on the KYC Application Form) performed by the schedule commercial banks.
5. Existing KYC compliant investors of the Mutual Fund can continue to invest as per the current practice. However, existing investors are also urged to comply with the new KYC requirements including IPV as mandate by SEBI.

**B) Option to hold Units in dematerialized (demat) form**

Canara Robeco Mutual Fund has issued an addendum dated September 29, 2011 providing investors the option to subscribe the units of the Scheme(s)/Plan(s) in dematerialized (demat) form. CRMF has now decided to extend this facility to hold units in demat form for Systematic Investment Plan (SIP) transaction w.e.f January 1, 2012.

Under this option the units will be allotted based on the applicable NAV of the schemes of CRMF but will be credited to investors Demat Account on weekly basis only after realisation of funds i.e the units will be credited to investors Demat account every Monday for realization status received in last week from Monday to Friday.

**This Addendum is dated 30-12-2011**

**Addendum No. 5**

**Change in the Constitution of the Board of Directors of Canara Robeco Asset Management Company Limited**

Mr. Arvind Sethi, Independent Director has resigned from the Board of Canara Robeco Asset Management Company Limited.

All references to him in all Scheme related documents, therefore, stand removed.

**This Addendum is dated 02-01-2012**

**Addendum No. 6**

**Change in the Constitution of the Board of Directors of Canara Robeco Asset Management Company Limited**

(a) With effect from 13<sup>th</sup> March, 2012, Mr. S. Venkatachalam has been appointed as an Independent Director on the Board of Canara Robeco Asset Management Company Limited. The details are as follows:

<b>Name</b>	<b>Age/Qualification</b>	<b>Brief Experience</b>
Mr. S. Venkatachalam	67/ B.Com (University of Madras), CA	Mr. S. Venkatachalam was associated with A F Ferguson & Co., Chartered Accountants as a Senior Consultant before joining Citigroup as Assistant Manager in Citibank NA India in 1974. During his 30 year career with Citigroup & Citibank NA India, Mr. Venkatachalam has worked in various capacities before retiring as Sr. Vice President in 2005. As Sr. Vice President, Mr. Venkatachalam, has served as the Head of Compliance, Tax, Regulatory & Legal issues responsible for all regulatory & compliance matters of Citigroup & Citibank NA India. Post retirement, he acted as an advisor to Fullerton India Credit Corporation Ltd., Mumbai.

(b) With effect from 13<sup>th</sup> March, 2012, Mr. Antony James Edwards has been appointed as an Associate Director on the Board of Canara Robeco Asset Management Company Limited. The details are as follows:

Name	Age/Qualification	Brief Experience
Mr. Antony James Edwards	44/ B.Sc. (Hon) – Business Information Technology (Central University of Lancashire) Finance programme (London Business School )	Mr. Edwards is presently the CEO – Asia Pacific with Robeco Hong Kong Limited.  Mr. Edwards has 22 years of experience as a senior investment and capital markets participant. Mr. Edwards has worked in the Asian equity capital markets, based in Hong Kong and London, in various research, sales and ECM roles before joining AllianceBernstein as Head of Australian and New Zealand marketing, sales and client service (Sydney) and later as Senior Vice President, Senior Portfolio Manager (UK). Mr. Edwards was also associated with Neuberger Berman as the Managing Director and Head of Asia-Pac ex Japan.

This addendum is dated 16.03.2012

## I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANIES

### A. Constitution of the Mutual Fund

Canara Robeco Mutual Fund (the "Mutual Fund") (formerly Canbank Mutual Fund) has been constituted as a trust on 17/12/1987 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with Canara Bank and Robeco Groep N. V., as the Sponsors and Mr. G Anantharaman, Mr. Ashok Tankha, Mr. Rohit M. Desai and Ms. Sejal D. Jaradi as the Trustees. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI on 19/10/1993 under Registration Code MF-004/93/4.

### B. Sponsor

Canara Robeco Mutual Fund is sponsored by Canara Bank and Robeco Groep N.V. Canara Bank is the Settler of the Mutual Fund Trust. The Sponsor has entrusted a sum of Rs.10 lacs to the Trustees as the initial contribution towards the corpus of the Mutual Fund.

Financial Performance of the Canara Bank

(Rs. In Crores)

Year Ended 31 <sup>st</sup> March	2009	2010	2011
Total Income	19430.00	21610.00	27767.00
Profit after Tax	2072.00	3021.00	4026.00
Net-worth	10040.00	12540.00	17942.00
Assets Under Management (if applicable)	NA	NA	NA

Financial Performance of the Robeco Groep N.V.

(Rs. In Crores)

Year Ended 31 <sup>st</sup> December	2008	2009	2010
Total Income	5671.69	3451.250	4637.00
Profit after Tax	1113.41	(89.60)	1100.30
Net-worth	8285.17	9211.80	9745.20
Assets Under Management (if applicable)	706.30	909.00	908.50

### C. The Trustee

Canara Robeco Mutual Fund (the "Trust"), through its Board of Trustees, shall discharge its obligations as the Trust and shall ensure that the transactions entered into by the AMC are in accordance with the SEBI Regulations and will also review the activities carried on by the AMC.



**Details of Trustees:**

Name	Age/Qualification	Brief Experience
Mr. G Anantharaman	67/ M.Sc Bio-Chemistry, Indian Revenue Services	Mr. Anantharaman, I.R.S. (Retd.), has worked in various senior capacities in the Revenue Service (Income Tax) of the Government of India since 1968 before retiring as Chief Commissioner of Income-tax - Mumbai in June 2004. Mr. Anantharaman has handled several tax fraud cases and matters relating to tax administration. He was also one of those who were instrumental in developing the Anti-Money Laundering Draft provisions in the Indian context from 1995 to 1996. Post retirement, he acted as a Whole Time Member of the Capital Market Regulator, Securities and Exchange Board of India (SEBI), as in-charge of Surveillance, Investigations and Market Regulations till 2008. He has also acted as Director (Vigilance) for Hindustan Petroleum Corporation Limited.
MR. ASHOK TANKHA (Independent Trustee)	63/B.Sc., Institute of Bankers, U.K.(part I)	Mr. Ashok Tankha has held top management posts in banking industry including HSBC and thereby leading Commerzbank in India as CEO during the period 1994 – 1998.  Currently he is a director on the Board of iDiscoveri Education and Enterprise Pvt Ltd.
MR. ROHIT M. DESAI (Independent Trustee)	67/ B.com, C.A.I.I.B.	Mr. Desai started his banking career as a Direct Recruit Officer on February 15, 1966 in Bank of India. There he held various senior positions such as; <ul style="list-style-type: none"><li>• General Manager (Planning), Head Office</li><li>• Dy. General Manager (HRD), Head Office</li><li>• Dy. General Manager (International), Head Office</li><li>• General Manager (Credit), Head Office</li><li>• Zonal Manager, Northern Zone</li><li>• Chief Executive, U.S. Operations, New York</li><li>• Zonal Manager &amp; General Manager, Mumbai South Zone</li></ul> He was appointed as Executive Director of Indian Overseas Bank on November 14, 2002 and was superannuated w.e.f.

		August 8, 2004.
MS. SEJAL D. JARADI (Associate Trustee)	40/B.COM, L.L.B., A.C.S.	Ms. Sejal Jaradi has working experience of over 14 years in the Company Secretarial and Legal profession.  Presently she works with Rabo India Finance Limited (RIF) (a wholly owned subsidiary of Rabobank International) as Head Compliance and Company Secretary.  She is also a Non-Executive Director on board of Rabo India Securities Private Limited (a wholly owned subsidiary of RIF).

The duties, responsibilities and functions of the Board of Trustees of the Fund are contained in the Principal Trust Deed (amended and restated) dated 26<sup>th</sup> September, 2007. The rights and obligations of the Trustees are governed by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended to date. They are briefly stated as under:

- a. The Trustees shall ensure that the transactions entered into by the AMC are in accordance with the SEBI Regulations and the Scheme objectives.
- b. The Trustees shall ensure that the AMC has been managing the Mutual Fund Schemes independently of other activities and have taken adequate steps to ensure that the interest of investors of one Scheme are not being compromised with those of any other Scheme or of the activities of the AMC.
- c. The Trustees shall take steps to ensure that the transactions of the Mutual Fund are in accordance with the provisions of the Trust Deed.
- d. The Trustees shall be responsible for the calculation of any income due to be paid to the Mutual Fund and also for 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.
- e. The Trustees shall ensure that there is no conflict of interest between the manner of deployment of its net worth by the AMC and the interest of the unit holders.
- f. 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 changes which would modify the Scheme and affects the interest of unit holders shall be carried out unless:
  - (i) a written communication about the proposed change is sent to each unit holder and an advertisement is given in one English daily newspaper having nation-wide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; in respect of open ended Schemes; and
  - (ii) the unit holders are given an option to exit at the prevailing Net Asset Value without any exit load.
- g. The Trustees shall exercise due diligence as under:

**General Due Diligence:**

- i) The Trustees shall be discerning in the appointment of the Directors on the Board of the AMC.
- ii) Trustees shall review the desirability of continuance of the AMC, if substantial irregularities are observed in any of the Schemes and shall not allow the AMC to float new Schemes.
- iii) The Trustee shall ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons.
- iv) The Trustee shall ensure that all service providers are holding appropriate registrations from the Board of concerned regulatory authority.
- v) The Trustees shall arrange for test checks of service contracts.
- vi) Trustees shall immediately report to SEBI of any special developments in the Mutual Fund.

**Specific Due Diligence:**

The Trustees shall:

- i) obtain internal audit reports at regular intervals from independent auditors appointed by the Trustees.
- ii) obtain compliance certificates at regular intervals from the AMC.
- iii) hold meeting of trustees more frequently.
- iv) consider the reports of the independent auditor and compliance reports of AMC at the meetings of the 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, AMC and its personnel.
- vii) communicate in writing to the AMC of the deficiencies and checking on the rectification of deficiencies.

No amendment to the Trust deed will be carried out without the prior approval of the SEBI and unit holders' approval will be obtained where amendments affect their interest. The procedure for obtaining approval of the unit holders, wherever necessary, will be in accordance with the Regulations / Circulars or as may be prescribed by SEBI.

The Board of Trustees meets at regular intervals, at which reports pertaining to the performance of the Schemes / compliance with statutory requirements / Trustees' orders are placed. Apart from the said reports, the AMC also submits reports and information called for by the Trustees.

In terms of the Third Schedule to the Regulations, a meeting of the Trustees is required to be held at least once in every two months and six such meetings are required to be held in a year.

The Board of Trustees has met 6 times during 2008-2009, 6 times during 2009-2010 and 6 times during 2010-2011.

Trusteeship Fees: The Trustees shall be entitled to charge a trusteeship fee of 0.05% of the Net Assets of the Scheme to meet the expenses and contingencies.

#### D. Asset Management Company

Canara Robeco Asset Management Company Ltd. ("AMC") (formerly known as Canbank Investment Management Services Ltd.) is a company incorporated under the Companies Act, 1956 on 2<sup>nd</sup> March, 1993, having its registered office at Construction House, 4<sup>th</sup> Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400 001. Canara Robeco Asset Management Company Ltd. has been appointed as the Asset Management Company of the Canara Robeco Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated 16<sup>th</sup> June, 1993 and executed between Canara Robeco Mutual Fund (formerly Canbank Mutual Fund) and Canara Robeco Asset Management Company Ltd (formerly known as Canbank Investment Management Services Ltd.).

The AMC was originally incorporated as Canbank Investment Management Services Ltd. under the Companies Act, 1956 on 2<sup>nd</sup> March, 1993 to manage the assets of Canbank Mutual Fund ("Fund"). Pursuant to the joint venture documents signed between Canara Bank and Robeco Groep N. V., Robeco India Holding B. V. on 26.09.2007 acquired 49% stake in the AMC and Canara Bank retained the remaining 51%. Consequent to this, the Fund was renamed as Canara Robeco Mutual Fund and the AMC as Canara Robeco Asset Management Company Ltd. The Schemes of the mutual fund have accordingly been renamed to reflect the joint venture.

The AMC is the sub-Investment Manager in respect of Can bank (Offshore) Fund.

The AMC sub-advises Robeco, Hongkong for Indian Securities pursuant to No Objection issued by SEBI vide its letter dated 29<sup>th</sup> June, 2011.

The AMC is Portfolio Manager pursuant to Certificate of Registration INP000003740 dated 28<sup>th</sup> June, 2010 granted by SEBI. There is no conflict of interest in managing the Schemes of the Fund and business of Portfolio Manager.

Controls and safeguards prescribed under Regulation 24 (2) of SEBI (MF) Regulation, 1996 for managing the other business activities of AMC as mentioned above are being adhered to and there is no conflict of interest in managing the Schemes of the Fund and the said business activities of AMC.

#### **Procedure followed for investment decisions:**

The procedure followed for investment decisions is as under:

The daily recommendations of the Fund Managers of the Schemes to buy or sell various securities, after giving due regard to the liquidity requirements of the respective schemes and their investment objective, will be placed (along with relevant information including research report from Research Department supported by justifications) before the Market Operation Committee (MOC). The MOC headed by the Chief Executive Officer of the AMC and consists of Chief Operating Officer, Head - Equities and Head – Fixed Income. The MOC considers the recommendations and records the buy or sell decisions in writing. The decisions will be noted by the Chief Executive Officer and in his absence by the Chief Operating Officer. The executives in charge of Equity, Debt & Money Market of the AMC shall be responsible for investment/disinvestment decisions in their respective segments.

#### **Details of AMC Directors:**

Name	Age/Qualification	Brief Experience
Mr. S. Raman (Chairman & Associate Director)	59/ Post graduate in Economics, Diploma in Business Management, a Senior Diploma in German Language besides CAIIB from the Indian	Mr. S. Raman, presently the Chairman & Managing Director of Canara Bank.  Mr. Raman had joined Bank of India in 1974. He also had two stints overseas when he was serving Bank of India - at

	Institute of Bankers and ACIB from the Chartered Institute of Bankers, London.	Jersey (UK) from 1983 to 1987 and as Chief Executive of Bank of India's US Operations from June 2005 to October 2008. He was elevated as Executive Director of Union Bank of India in October 2008 where he oversaw treasury, corporate credit and transaction banking, among others.
Mr. M A K Prabhu (Associate Director)	55/ B.Com, CAIIB, PG Diploma in Management	Mr. M A K Prabhu is presently the General Manager, Treasury & International Operation wing of Canara Bank.  Mr. Prabhu during his career has headed various functions within Canara Bank such as DGM of Patna Circle, Head of Treasury Mid-Office etc. He also had an overseas stint with Canara Bank as Chief Executive of Hong Kong Branch from December 2007 to October 2009.
Ms. Hester W. D. G. Borrie (Associate Director)	41/ Masters in Economics (Rotterdam)	She is the Managing Director for: - Director Global Distribution & Marketing - Robeco Nederland B.V - India Holding B.V.
Mr. D. K. Kapila (Independent Director)	60/ B. Com (Hons), F.C.A.	He is a fellow member of the Institute of Chartered Accountant and is the founder partner of M/s. Jain Kapila, Chartered Accountants.
Mr. Arvind Sethi (Independent Director)	54/B.A (Hons) M.A, Philosophy, Political & Economics (PPE) from Oxford University	He is a Managing Partner in CAP-M Consulting.
Mr. V. H. Ramakrishnan (Independent Director)	70/ B. Sc., ACA, AICWA	He is a Director of Andhra Bank & The KCP Ltd. He also acts as an Advisor for Shriram Group, Chennai.
Mr. Shital Kumar Jain	72/ MBA, Indiana University, U.S. A. Dean's List	He is a Director on the Board of R. S. Software India Ltd. & PNB Housing Finance Ltd.

#### **Obligations of the AMC:**

1. The AMC shall take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any scheme is not contrary to the provisions of the Regulations and the Trust Deed.
2. The AMC shall exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
3. The AMC shall obtain, wherever required under these regulations, prior in-principle approval from the recognised stock exchange(s) where units are proposed to be listed.

4. The AMC shall be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the Asset Management Company.
5. The AMC shall submit to the trustees Quarterly reports of each year on its activities and the compliance with the Regulations.
6. An AMC shall not through any broker associated with the sponsor, purchase or sell securities, which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes. Provided that for the purpose of this 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.
7. The AMC shall not purchase or sell securities through any broker [other than a broker referred to in clause 6 above] which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes, unless the 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 quarterly basis. Provided that the aforesaid limit of 5% shall apply for a block of three months.
8. The AMC shall not utilise the services of the sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities. Provided that an AMC may utilise such services if disclosure to that effect is made to the unit holders and the brokerage or commission paid is also disclosed in the half yearly annual accounts of the mutual fund.

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

- a. any underwriting obligations undertaken by the schemes of the mutual funds with respect to the issue of securities of associate companies
  - b. devolvement, if any
  - c. subscription by the schemes in the issues lead managed by associate companies
  - d. subscription to any issue of equity or debt on private placement basis where the sponsor or any of its associate companies has 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 SEBI, as and when required by SEBI.
  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 SEBI -
    - a. detailed bio-data of all its Directors alongwith their interest in other companies within fifteen days of their appointment; and
    - b. Any change in the interests of Directors every six months.
    - c. A quarterly report to the 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. Each Director of the Asset Management Company shall file the details of his transactions of dealing in securities with the Trustees on a quarterly basis in accordance with guidelines issued by SEBI.
14. The Asset Management Company shall not appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.
15. The Asset Management Company shall appoint registrars and share transfer agents who are registered with the SEBI.
16. The Asset Management Company shall abide by the Code of Conduct as specified in the Fifth Schedule of the SEBI Regulations.

**Information of Key Personnel :**

<b>Name/Designation</b>	<b>Age/Qualification</b>	<b>Brief Experience</b>
Mr. Rajnish Narula Chief Executive Officer	51/ B. Com., M.B.A.(USA)	26 years of experience in financial sector. Senior Management positions in Grindlays Bank and Standard Chartered Bank (Oct. 1982 to Sept. 2003). Chief Executive Officer, Alliance Capital (Sept.2003 – Dec.2005). Chief Executive Officer, DBS - Cholamandalam Asset Management Ltd. (Jun. 2006 to Jul. 2007)
Mr. Edwin Rietkerk Chief Operating Officer	38/ Certification on Management & Organization from the University of Groningen, Netherlands	Total Experience: 15 Years. <b>Details:</b> a) Internet Manager with Rabobank (August 1996 to December 2000); b) Senior Product Innovator with KPN van (a mobile phone co.) (December 2000 to April 2002); c) Senior Project Manager with Robeco Direct as (April 2002 to January 2005), Manager - Business Development (January 2005 to April 2007), Manager Sales & Advice – Vice President Robeco (April 2007 to July 2010).
Mr. Gurucharan V. Hoskote Head - Operations	46/B.Com., CAIIB (I)., MBA	26 years experience in the financial sector. 6 years of experience in Banking industry and 20 years in the Asset Management business. Mr. Hoskote was associated with Union Bank of India and Canara Bank in various supervisory capacities. Joined CRAMC as Head - Operations since January 2008.
Mr. Jignesh B. Modi Compliance Officer	34/ C.S, B.GL.	11 years of experience. Secretarial and Management trainee in Greaves Ltd. (June 2000 to September 2001), Assistant Company Secretary in Sanghvi Woods Limited (Sister concern of Hindustan Pencils Limited) (December 2001 to May 2004) Manager - Legal in Sodexo Pass India Pvt. Ltd. (June 2004 to June 2005), Manager - Secretarial and Legal in Venture Infotek Global Pvt. Ltd. (June 2005 to January 2007), Senior Manager - Legal & Company Secretary in Sodexo Facilities Management Services Pvt. Ltd. (February 2007 to November 2008) & Chief Manager - Secretarial, Legal and Compliance in Birla Sun Life Asset Management Company Limited (November 2008 to March, 2010)
Mr. Avinash Ramnath Head – Sales & Marketing	40/ B.Sc., M.M. S.	Over 16 years of experience in financial sector. Assistant Manager – Marketing in The Arvind Mills Limited (March 1995 – April 1998), Area Sales Manager – Liabilities, Retail Group in Bank Of America (May 1998 – May 1999), Associate Vice President, Private Client Group in Kotak Securities (June 1999 - September 2000), Regional Sales Manager & later Regional Sales Head in Alliance Capital Asset Management (I) Pvt. Ltd. (September 2000 to October 2005), Channel Head – DB Advantage Banking (Personal Banking) & National Sales Manager in Deutsche Bank AG (November 2005 – 2007)
Mr. S. R. Ramaraj Risk Manager	52/ M.Sc. (Applied Chemistry) Grad CWA, CAIIB	Over 23 years of experience. 6 years in investment banking and the last 17 years, with the AMC in debt management and Systems.
Ms. Manjiri Dolhare Manager –	39/M.Com	10 yrs Experience in Customer Service and Operations Dept in Mutual Fund Industry having AMC as well as R&T



Customer Service		background. Computer Age Management services for 3.5 years as Executive - Investor Relation, Mumbai, Sundaram Asset Management Co. Ltd for 4.5 years as Manager - Investor Relation, Mumbai.
Mr. Soumendra Nath Lahiri Head - Equities	44/ B.E, PGDM	21 years of experience. Chief Investment Officer - PMS Equity Investment with Emkay Investment Managers Limited (January 2011 to March 2011). Chief Investment Officer - Advisory Services with Fortuna Capital (May 2008 to December 2010). Co-Head - Equities with DSP Merrill Lynch Investment Managers Private Limited (June 2004 to March 2008) and Head - Equities with Dolat Capital Market Private Limited (September 1995 to May 2004)
Mr. Ritesh Jain Head – Investments	36/ B.Com., M.B.E,	11 years of experience. IDBI Bank Ltd., Mumbai as Manager, Treasury (1998-2001). Kotak Mahindra Asset Management Co. Ltd., Mumbai as Fund Manager (2002-2007) and as Head – Fixed income (2007- Till April 2008)

#### E. Service providers

##### The Custodian:

The Trustees of the Fund have appointed the following as Custodian/sub-custodian:

**Custodian:** Hongkong and Shanghai Banking Corporation Ltd., located at Plot No. 139-140 B, Western Express Highway, Sahar Road Junction, Vile Parle (E), Mumbai 400 057 registered with SEBI under Registration No.IN/CUS/009 dated 15.07.1998.

**Sub-custodian:** HDFC Bank Ltd., located at Lodha – I Think Techno Campus, Building Alpha, Custody Department, 8th Floor, Opp Crompton Greaves, Kanjurmarg (E), Mumbai – 400 042 registered with SEBI under Registration No.IN/CUS/001 dated 02.02.1998.

##### Registrar & Transfer Agents:

The Registrar & Transfer Agent along with the dividend payment agent is:

##### Karvy Computershare Pvt. Limited

21, Road No. 4, Street No. 1,  
Banjara Hills Hyderabad 500 034  
Tel. No.:- (040) 23390404 / 23394436 / 2337901  
Fax :- (040) 23311968  
E-mail id:- crmf@karvy.com

Karvy is registered with SEBI vide **Regn No. INR000000221** dated 11.09.2006

The Board of the Trustees and the AMC has ensured that the Registrar has adequate capacity to discharge responsibilities with regard to processing of applications and dispatching unit certificates to unitholders within the time limit prescribed in the Regulations and also have sufficient capacity to handle investor complaints.

The Trustees reserve the right to change the R&T Agents, as may be required from time to time, to ensure high service standards required for the Scheme.

### Statutory Auditor

#### **Live/Current Schemes:**

M/s. S. R. Batliboi & Co., Chartered Accountants, having their Office at 6<sup>th</sup> Floor, Express Tower, Nariman Point, Mumbai - 400 021

#### **Redeemed Schemes:**

M/s. Chokshi & Chokshi, Chartered Accountants, having their Office at 15/17, Raghavji, 'B' Building, Ground floor, Raghavji Road, Gowalia Tank, Off Kempes Corner, Mumbai - 400 036.

### Legal Counsel

(Inhouse)

Mr. K. Raveendra

Head – Legal

### Fund Accountant

Hongkong and Shanghai Banking Corporation Ltd. (HSBC), located at 52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001.

### Collecting Bankers

<b>Collecting Bankers</b>	<b>Address</b>	<b>SEBI Registration No.</b>
Canara Bank	112, J. C. Road, Bangalore 560 002.	INBI00000019
HDFC Bank Ltd.	Ground Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013	INBI00000063

#### **F. Condensed financial information (CFI) for all the schemes launched by MF during the last three fiscal years (excluding redeemed schemes)**

##### **Canara Robeco Interval Fund Sr 2 (Quarterly Plan 2)**

<b>HISTORICAL PER UNIT STATISTICS</b>			
	<b>YR. 1 (10-11)</b>	<b>YR. 2 (09-10)</b>	<b>YR. 3 (08-09)</b>
<i>NAV at the beginning of the year (as on April 1)</i>	10.78	10.45	10.00*
<i>Dividends (% per unit)</i>	-	-	-
<i>NAV at the end of the year (as on March 31)</i>	11.59	10.78	10.45
<i>Annualised return</i>	7.48%	3.22%	8.10%**
<i>Net Assets end of period (Rs. Crs.)</i>	148.28	340.68	0.57
<i>Ratio of Recurring Expenses to net</i>	0.09%	0.11%	0.21%

assets as at the end of the year			
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\*Date of Inception – 10<sup>th</sup> September, 2008

\*\* Annualized Return is from the date of inception till the end of the financial year.

**Canara Robeco Fixed Maturity Plan SR 6 – 13 Months A**

<b>HISTORICAL PER UNIT STATISTICS</b>			
	<b>YR. 1 (10-11)</b>	<b>YR. 2 (09-10)</b>	<b>YR. 3 (08-09)</b>
NAV at the beginning of the year (as on April 1)	10.00*	-	-
Dividends (% per unit)	-	-	-
NAV at the end of the year (as on March 31)	10.14	-	-
Annualised return	15.72%**	-	-
Net Assets end of period (Rs. Crs.)	209.43	-	-
Ratio of Recurring Expenses to net assets as at the end of the year	0.10%	-	-

\*Date on Inception – 25<sup>th</sup> February, 2011

\*\* Annualized Return is from the date of inception till the end of the financial year.

**Canara Robeco Fixed Maturity Plan SR 6 – 13 Months B**

<b>HISTORICAL PER UNIT STATISTICS</b>			
	<b>YR. 1 (10-11)</b>	<b>YR. 2 (09-10)</b>	<b>YR. 3 (08-09)</b>
NAV at the beginning of the year (as on April 1)	10.00*	-	-
Dividends (% per unit)	-	-	-
NAV at the end of the year (as on March 31)	10.06	-	-
Annualised return	37.59%**	-	-
Net Assets end of period (Rs. Crs.)	260.72	-	-

<i>Ratio of Recurring Expenses to net assets as at the end of the year</i>	0.10%	-	-
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\*Date on Inception – 25<sup>th</sup> Mar, 2011

\*\* Annualized Return is from the date of inception till the end of the financial year.

**Canara Robeco Fixed Maturity Plan SR 6 – 14 Months**

<b>HISTORICAL PER UNIT STATISTICS</b>			
	<b>YR. 1 (09-10)</b>	<b>YR. 2 (08-09)</b>	<b>YR. 3 (07-08)</b>
<i>NAV at the beginning of the year (as on April 1)</i>	10.00*	-	-
<i>Dividends (% per unit)</i>	-	-	-
<i>NAV at the end of the year (as on March 31)</i>	10.18	-	-
<i>Annualised return</i>	11.00%**	-	-
<i>Net Assets end of period (Rs. Crs.)</i>	22.36	-	-
<i>Ratio of Recurring Expenses to net assets as at the end of the year</i>	0.06%	-	-

\*Date on Inception – 28<sup>th</sup> Jan, 2011

\*\* Annualized Return is from the date of inception till the end of the financial year.

**Canara Robeco Short Term Fund**

<b>HISTORICAL PER UNIT STATISTICS</b>			
	<b>YR. 1 (10-11)</b>	<b>YR. 2 (09-10)</b>	<b>YR. 3(08-09)</b>
<i>NAV at the beginning of the year (as on April 1)</i>	10.61	10.02	-
<i>Dividends (% per unit)</i>	-	-	-
<i>NAV at the end of the year (as on March 31)</i>	11.23	10.61	10.00*
<i>Annualised return</i>	5.93%	6.08%	-

<i>Net Assets end of period (Rs. Crs.)</i>	70.82**	230.03	-
<i>Ratio of Recurring Expenses to net assets</i>	1.16%	1.09%	1.27%

\*Date of Inception – 31<sup>st</sup> March, 2009

\*\*Quarterly Average Assets Under Management - (quarter ending 31<sup>st</sup> March, 2011)

#### **Canara Robeco Dynamic Bond Fund**

<b>HISTORICAL PER UNIT STATISTICS</b>			
	<b>YR. 1 (10-11)</b>	<b>YR. 2 (09-10)</b>	<b>YR. 3 (08-09)</b>
<i>NAV at the beginning of the year (as on April 1)</i>	10.20	10.00*	-
<i>Dividends (% per unit)</i>	-	-	-
<i>NAV at the end of the year (as on March 31)</i>	10.73	10.20	-
<i>Annualised return</i>	5.24%	2.41%**	-
<i>Net Assets end of period (Rs. Crs.)</i>	26.90 <sup>#</sup>	27.78	-
<i>Ratio of Recurring Expenses to net assets</i>	0.80%	1.76%	-

\*Date of Inception – 29<sup>th</sup> May, 2009

\*\* Annualized Return is from the date of inception till the end of the financial year.

<sup>#</sup>Quarterly Average Assets Under Management - (quarter ending 31<sup>st</sup> March, 2011).

#### **Canara Robeco Gilt Advantage Fund**

<b>HISTORICAL PER UNIT STATISTICS</b>			
	<b>YR. 1 (10-11)</b>	<b>YR. 2 (09-10)</b>	<b>YR. 3(08-09)</b>
<i>NAV at the beginning of the year (as on April 1)</i>	10.00*	-	-
<i>Dividends (% per unit)</i>	-	-	-
<i>NAV at the end of the year (as on March 31)</i>	10.06	-	-

<i>Annualised return</i>	8.25%**	-	-
<i>Net Assets end of period (Rs. Crs.)</i>	19.80	-	-
<i>Ratio of Recurring Expenses to net assets</i>	1.00%	-	-

\*Date of Inception – 01<sup>st</sup> Mar, 2011

\*\* Annualized Return is from the date of inception till the end of the financial year.

**Canara Robeco Capital Protection Fund – Series 1- 36 Months( Plan A)**

<b>HISTORICAL PER UNIT STATISTICS</b>			
	<b>YR. 1 (10-11)</b>	<b>YR. 2 (09-10)</b>	<b>YR. 3(08-09)</b>
<i>NAV at the beginning of the year (as on April 1)</i>	10.00*	-	-
<i>Dividends (% per unit)</i>	-	-	-
<i>NAV at the end of the year (as on March 31)</i>	10.207	-	-
<i>Annualised return</i>	12.01%**	-	-
<i>Net Assets end of period (Rs. Crs.)</i>	35.80	-	-
<i>Ratio of Recurring Expenses to net assets</i>	1.89%	-	-

\*Date of Inception – 07<sup>th</sup> Mar, 2011

\*\* Annualized Return is from the date of inception till the end of the financial year.

**Canara Robeco F.O.R.C.E Fund (retail)**

<b>HISTORICAL PER UNIT STATISTICS</b>			
	<b>YR. 1 (10-11)</b>	<b>YR. 2 (09-10)</b>	<b>YR. 3(08-09)</b>
<i>NAV at the beginning of the year (as on April 1)</i>	11.52	10.00*	-
<i>Dividends (% per unit)</i>		-	-
<i>NAV at the end of the year (as on March 31)</i>	13.52	11.52	-

<i>Annualised return</i>	17.36%	28.02%**	-
<i>Net Assets end of period (Rs. Crs.)</i>	192.97	194.46	-
<i>Ratio of Recurring Expenses to net assets</i>	2.34%	2.23%	-

\*Date of Inception – 14<sup>th</sup> September, 2009

\*\* Annualized Return is from the date of inception till the end of the financial year.

**Canara Robeco Fixed Maturity Plan - Series – 5 – 13 Months (Plan A)**

<b>HISTORICAL PER UNIT STATISTICS</b>			
	<b>YR. 1 (10-11)</b>	<b>YR. 2 (09-10)</b>	<b>YR. 3(08-09)</b>
<i>NAV at the beginning of the year (as on April 1)</i>	10.04	10.00*	-
<i>Dividends (% per unit)</i>	-	-	-
<i>NAV at the end of the year (as on March 31)</i>	10.75	10.04	-
<i>Annualised return</i>	7.07%	7.09%**	-
<i>Net Assets end of period (Rs. Crs.)</i>	105.95	99.81	-
<i>Ratio of Recurring Expenses to net assets</i>	0.20%	0.20%	-

\*Date of Inception – 12<sup>th</sup> March, 2010

\*\* Annualized Return is from the date of Inception till the end of the financial year.

**Canara Robeco Fixed Maturity Plan - Series – 5 – 13 Months (Plan B)**

<b>HISTORICAL PER UNIT STATISTICS</b>			
	<b>YR. 1 (10-11)</b>	<b>YR. 2 (09-10)</b>	<b>YR. 3(08-09)</b>
<i>NAV at the beginning of the year (as on April 1)</i>	10.00	-	-
<i>Dividends (% per unit)</i>	-	-	-
<i>NAV at the end of the year (as on March 31)</i>	10.68	10.00*	-

<i>Annualised return</i>	6.80%	-	-
<i>Net Assets end of period (Rs. Crs.)</i>	19.73	18.57	-
<i>Ratio of Recurring Expenses to net assets</i>	0.10%	0.10%	-

\*Date of Inception – 31<sup>st</sup> March, 2010

**Canara Robeco InDiGo Fund**

<b>HISTORICAL PER UNIT STATISTICS</b>			
	<b>YR. 1 (10-11)</b>	<b>YR. 2 (09-10)</b>	<b>YR. 3(08-09)</b>
<i>NAV at the beginning of the year (as on April 1)</i>	10.00*	-	-
<i>Dividends (% per unit)</i>	-	-	-
<i>NAV at the end of the year (as on March 31)</i>	10.54	-	-
<i>Annualised return</i>	7.44%	-	-
<i>Net Assets end of period (Rs. Crs.)</i>	410.14	-	-
<i>Ratio of Recurring Expenses to net assets</i>	1.91%	-	-

\*Date of Inception – 09<sup>th</sup> July, 2010

**Canara Robeco LargeCap + Fund**

<b>HISTORICAL PER UNIT STATISTICS</b>			
	<b>YR. 1 (10-11)</b>	<b>YR. 2 (09-10)</b>	<b>YR. 3(08-09)</b>
<i>NAV at the beginning of the year (as on April 1)</i>	10.00*	-	-
<i>Dividends (% per unit)</i>	-	-	-
<i>NAV at the end of the year (as on March 31)</i>	10.51	-	-
<i>Annualised return</i>	8.35%	-	-
<i>Net Assets end of period (Rs. Crs.)</i>	190.06	-	-



<i>Ratio of Recurring Expenses to net assets</i>	2.31%	-	-
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\*Date of Inception – 20<sup>th</sup> Aug, 2010

*Please note: (a) Growth option has been considered for the purpose of calculation (b) Retail Plan has been considered for the purpose of calculation.*

**Note:**

**Equity Schemes:** Returns are based on growth NAV and are calculated on compounded annualized basis for a period of more than (or equal to) a year and absolute basis for a period less than a year.

**Debt Schemes:** Returns are based on growth NAV and are calculated on compounded annualized basis for a period of more than (or equal to) a year and simple annualised basis for a period less than a year.

## II. HOW TO APPLY?

### a) During the New Fund Offer:

Applications complete in all respects together with necessary remittance may be submitted at the offices of the Investment Manager or such collecting centres as may be designated by the Investment Manager.

Payment will be accepted through a cheque or demand draft payable at the centre where the application is lodged and drawn in favour of "CANARA ROBECO MUTUAL FUND" and crossed 'A/c Payee only'. Investors located at places other than at the Sales Offices (Investor Relations Centres) of Investment Manager or at designated centres are requested to make payment by demand draft. In case of payment by demand draft, actual DD charges will be absorbed by the Investment Manager.

An investor can subscribe to the NFO through Applications Supported by Blocked Amount (ASBA) facility by applying for the Units offered under the Option(s)/Plan(s) of the Scheme(s) in the ASBA Application Form and following the procedure as prescribed in the form. For details please refer to the Section "Applications Supported by Blocked Amount (ASBA) facility" on Page 26.

The number of units allotted will be the amount invested divided by the sale price applicable for the day on which applications are accepted by the Investment Manager, rounded off to the four decimals place. Such allotment will be for a minimum amount prescribed. Applications received by post will be deemed to have been submitted on the date of receipt at the office of the Investment Manager and the applicable rate will be the rate prevailing on the date of receipt of underlying instrument accompanying such application. In case of payment by bank drafts, the amount of investment and bank charges shall be clearly mentioned by the applicant in the application. The Scheme will allot units to the extent of amount remitted by way of demand draft plus bank charges incurred by the applicant, duly absorbing the bank charges.

The Statement of Account for the units allotted under "New Fund Offer" will be dispatched to the unit holders within 5 business days from the date of closure of NFO.

Allotment of units will be at the absolute discretion of the Trustees and the applications can be rejected without assigning any reason whatsoever.

### b) Ongoing basis:

1. The application form for the subscription of units of the Scheme will be available / accepted at the office of the Investor Service Centres (ISCs) during Business Hours on all Business Days.
2. Applications must be completed in Block Letters in English.
3. The signature should be in English or in any of the Indian languages specified in the eighth schedule of the Constitution of India. Thumb Impressions must be attested by a magistrate or a notary public or a special executive magistrate under his/her official seal. Applications by minors should be signed by the guardians. In case of H. U. F., the Karta should sign on behalf of the H.U.F.
4. All cheques and bank drafts must be drawn in favour of "Scheme Name" and crossed "Account Payee Only". A separate cheque or bank draft must accompany each application/each Scheme.
5. Investors must write the Existing Folio No. / Application Form number on the reverse of the cheques and bank drafts accompanying the Application Form.
6. Direct Applications: Investors should ensure to write the word 'DIRECT' in the column 'ARN No' or 'Broker Code' in their applications, where applications are not routed through any

distributor/agent/broker. In cases where unit holder uses a pre-printed transaction slip/application form where details in the 'ARN No' or 'Broker Code' column is already printed, unit holder should cancel the ARN No/ Broker Code, write 'DIRECT' in the said column. It should also be counter signed by the unit holder/ all joint holder(s). Transactions slips/application forms where the column under 'ARN No or 'Broker Code' is provided, has to be filled by the unit holder as 'DIRECT' for processing the same as Direct applications. Investors can submit their applications for subscription at any of the Collection Centers of Canara Robeco Mutual Fund.

7. The number of units allotted will be the amount invested divided by the sale price applicable for the day on which applications are accepted by the Investment Manager, rounded off to four decimals. Such allotment will be for a minimum amount prescribed.
8. In case of payment by bank drafts, the amount of investment and bank charges shall be clearly mentioned by the applicant in the application. The Scheme will allot units to the extent of amount remitted by way of demand draft plus bank charges incurred by the applicant, duly absorbing the bank charges.
9. The Statement of Account for the units allotted under "ongoing basis" will be dispatched to the unit holders within 10 days from the date of allotment.
10. However the Investment Manager may periodically review the sale price. Such modifications shall be announced periodically along with the NAV / sale price. At any time, the spread between the selling and repurchase price will not be more than 7% of the sale price.
11. Allotment of units will be at the absolute discretion of the Trustees and the applications can be rejected without assigning any reason whatsoever.

**c) MICRO SIP:**

In accordance with AMFI notification and Guidelines issued on July 14, 2009, Systematic Investment Plans (SIPs) by investor where aggregate of installments in a rolling 12-month period or in a financial year i.e. April to March does not exceed Rs 50,000/- (known as "Micro SIP") shall be exempted from the requirement of PAN.

This exemption of PAN requirement is only available to individuals (including NRIs but not PIOs), Minors and Sole proprietary firms. HUFs cannot avail this exemption.

In lieu of PAN Card any one of the following PHOTO IDENTIFICATION documents (supporting documents) alongwith the address proof can be submitted along with Micro SIP applications as proof of identification:

1. Voter Identity Card
2. Driving License
3. Government / Defense identification card
4. Passport
5. Photo Ration Card
6. Photo Debit Card (Credit card not included because it may not be backed up by a bank account)
7. Employee ID cards issued by companies registered with Registrar of Companies (database available in the following link of Ministry of Company affairs
8. Photo Identification issued by Bank Managers of Scheduled Commercial Banks /Gazetted Officer / Elected Representatives to the Legislative Assembly / Parliament
9. ID card issued to employees of Scheduled Commercial / State / District Co-operative Banks
10. Senior Citizen / Freedom Fighter ID card issued by Government
11. Cards issued by Universities / deemed Universities or institutes under statutes like ICAI, ICWA, ICSI.
12. Permanent Retirement Account No (PRAN) card issued to New Pension System (NPS) subscribers by CRA (NSDL)

13. Any other photo ID card issued by Central Government/State Governments/Municipal authorities / Government organizations like ESIC / EPFO

**Address Proof: Copy of any one of following:**

Latest Telephone or Electricity Bill / Passport / Driving Licence / Voter's ID Card / Latest Bank Passbook or Bank Account Statement of Demat Account Statement / Photo identification issued by Bank Manager of Scheduled Commercial Banks or Gazetted Officer or Notary Public or Elected Representative to the Legislative Assembly or Parliament.

Note : Address proof documents should not be more than 3 months old.

The above documents should be self attested by the investor / attested by the ARN holder mentioning the ARN number.

Subsequent Micro SIP in same folio: For subsequent Micro SIP applications, investor can quote the existing folio number where a Micro SIP has been registered and need not resubmit the supporting document.

**d) Joint Applications:**

In the event of joint application, applicant shall specify the 'mode of holding' as 'Jointly' or 'Anyone or Survivor'.

If specified as 'Jointly', redemption/additional purchase/switch and all other requests shall be signed by all the joint holders.

If the holding is specified as 'Anyone or Survivor', any one of the unit holders will be entitled to make redemption/additional purchase/switch and other requests, without the need for all the unit holders to sign.

If the mode of holding is not specified, it shall be deemed that the holding is on 'Joint' basis.

However, in the event of joint holding, the first-named holder shall receive the accounts statement, all notices and correspondence with respect to the account as well as the proceeds of redemption or dividends or other distributions.

All payments and settlements made to the first named applicant would constitute valid discharge by the Fund.

**e) Applicable NAV for Sale of Units :**

**1) Applicable NAV for sale and repurchase : For all Scheme except Canara Robeco Liquid Schemes**

**For Sale of units (including Switch - In) :**

- a) For applications received up to 3 p.m, along with instruments payable at par at the place of receipt, closing NAV of the same day on which the application is received shall be applicable.
- b) For applications received after 3 p.m, along with instruments payable at par at the place of receipt, closing NAV of the next business day shall be applicable.
- c) For applications received with outstation instruments not payable at par at the place of receipt, closing NAV of the day of realisation of the instruments shall be applicable.
- d) For applications received on non-business day along with instruments payable at par at the place of receipt, closing NAV of the next business day shall be applicable.

- e) Where the Application for amount equal to or more than Rs.1 crore is received upto 3 p.m (i.e. cut off time for Debt/ Income Scheme(s) other than Liquid schemes) on a day and funds for entire amount of subscription/ purchase as per application are credited to the Bank account of the respective scheme(s) before the cut-off time i.e. available for utilization before the cut-off time – the closing NAV of the day shall be applicable.
- f) where the application for amount equal to or more than Rs.1 crore is received after 3.00 p.m. on a day and funds for entire amount of subscription/ purchase as per application are credited to the Bank account of the respective scheme(s) before cut-off time of the next business day i.e. available for utilization before the cut-off time of the next business day- the closing NAV of the next business day shall be applicable and
- g) irrespective of the time of receipt of application for amount equal to or more than Rs.1 crore, where funds for entire amount of subscription/ purchase as per application are credited to the Bank account of the respective scheme(s) before the cut-off time on any subsequent business day i.e. available for utilization before the cut-off time on any subsequent business day– the closing NAV of such subsequent business day shall be applicable..

**For Repurchase of units (including Switch - Out):**

- a) For application received upto 3.00 p.m.closing NAV of the day of receipt of application shall be applicable.
- b) For application received after 3.00 p.m. closing NAV of the next business day shall be applicable.

**2) For Canara Robeco Liquid Scheme(s)**

**Applicable NAV for sale of units (including switch - ins)**

- i. where the application is received upto 2.00 p.m. on a day and funds for entire amount of subscription/ purchase as per application are credited to the Bank account of the respective scheme(s) before the cut-off time i.e. available for utilization before the cut-off time– the closing NAV of the day immediately preceding the day of receipt of application;
- ii. where the application is received after 2.00 p.m. on a day and funds for entire amount of subscription/ purchase as per application are credited to the Bank account of the respective scheme(s) i.e. available for utilization on the same day – the closing NAV of the day immediately preceding the next business day and
- iii. irrespective of the time of receipt of application, where funds for entire amount of subscription/ purchase as per application are not credited to the Bank account of the respective Liquid schemes before the cut-off time i.e. not available for utilization before the cut-off time – the closing NAV of the day immediately preceding the day on which the funds are available for utilization.

**Applicable NAV for Repurchase of Units (including switch - outs)**

- a) For application received upto 3.00 p.m. the closing NAV of the day shall be applicable.
- b) For application received after 3.00 p.m. closing NAV of next business day shall be applicable.

**f) Who can Apply :**

- 1. Adult Individual(s) and also minor(s) through their parent/guardian. (Application of minors jointly with adults not allowed).

2. Adult Individual(s) jointly not exceeding three, on first holder or survivor/s basis.
3. Hindu Undivided Family (HUF)
4. Partnership Firms
5. A Company as defined in the Companies Act, 1956, Public Sector Undertakings.
6. A Body Corporate established by or under any law in force in India.
7. A Co-operative Society registered under any law relating to Co-operative Societies in India.
8. A Religious or Charitable Trust / Wakfs or a Society established under the relevant laws and authorised to invest in Mutual Fund Schemes.
9. FIs registered with SEBI.
10. Banks and Financial Institutions.
11. Pension Funds/Pension Fund Managers.
12. Non Resident Indians (NRIs) and Persons of Indian Origin (PIOs) on repatriation / non-repatriation basis.
13. Army, Air Force, Navy and other para-military units and bodies created by such institutions. Scientific and Industrial Research Organisations.
14. Multilateral Funding Agencies / Body Corporates incorporated outside India with the permission of Government of India / Reserve Bank of India
15. Other Schemes of the Fund subject to the conditions and limits prescribed under SEBI Regulations.
16. Any other category of investors that may be permitted by regulations as may be amended from time to time or the Trustees as per the Indian Laws in future.

**Notes:**

- 1 Non Resident Indians and Persons of Indian Origin residing abroad (NRIs) / Foreign Institutional Investors (FIIs) have been granted a general permission by Reserve Bank of India [Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000] for investing in / redeeming units of the mutual funds subject to conditions set out in the aforesaid regulations.
- 2 In case of application under a Power of Attorney or by a limited company or a corporate body or an eligible institution or a registered society or a trust fund, the original Power of Attorney or a certified true copy duly notarised or the relevant resolution or authority to make the application as the case may be, or duly notarized copy thereof, 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 their official designation. A list of specimen signatures of the authorised officials, duly certified / attested should also be attached to the Application Form. In case of a Trust / Fund it shall submit a resolution from the Trustee(s) authorising such purchases and redemptions.

**g) Applications by NRIs and PIOs:**

Repatriation Basis:

In terms of Schedule 5 of Notification No. FEMA/20/2000 dt. May 03, 2000, the RBI has granted a general permission to Mutual Funds, as referred to in Clause (23D) of Section 10 of the Income Tax Act, 1961 to issue and repurchase units of their Schemes which are approved by SEBI, to / from NRIs / PIOs subject to conditions set out in the aforesaid notification. Further, general permission is also granted to send such units to NRIs / PIOs to their place of residence or location as the case may be.

NRI application on a repatriation basis will be made by submitting payment by demand drafts purchased from / cheques drawn on FCNR / NRE Bank accounts payable at a city where Investor Relations Centres of Investment Manager or its authorised agents are located. Such applicants would have to subsequently arrange to provide a debit certificate from their bankers confirming that the amount has been paid by debiting the NRE / FCNR account.

Non-Repatriation basis :

In case of NRIs / PIOs seeking to apply for units on a non-repatriation basis, payments may be made by cheques drawn on / draft drawn out of NRO / NRSR accounts.

**Please note that it is mandatory for Unit holders to:**

1. Mention their bank account numbers in their application for purchase of units and redemption requests.
2. Mention their Permanent Account Number (PAN) in their application.
3. With effect from 1<sup>st</sup> January, 2011 all investors have to provide letter from CVL (CDSL Ventures Ltd) confirming compliance with KYC requirements irrespective of the amount of investment.
4. Where the scheme is proposed to be listed on any recognised stock exchange, Unitholders may opt to hold the units in demat mode, where provided. Unit holders opting to hold the units in demat form must provide their Demat Account details in the specified section of the application form. The Unit holder intending to hold the units in Demat form are required to have a beneficiary account with a Depository Participant (DP) (registered with NSDL / CDSL as may be indicated by the Fund at the time of launch of the Plan) and will be required to indicate in the application the DP's name, DP ID Number and the beneficiary account number of the applicant held with the DP. In case the unit holders do not provide their Demat Account details, an Account Statement shall be sent to them. Such investors will not be able to trade in the stock exchange till their holdings are converted into demat form. For conversion of physical holdings into demat form, the unit holders will have to send the demat requests to their Depository Participants.

**h) Know Your Customer (KYC) Formalities**

With effect from 1<sup>st</sup> January, 2011 it shall be mandatory for all Investors to comply with 'Know Your Customer' (KYC) norms, irrespective of the amount of investment, [except for investments through Micro Systematic Investment Plan (SIP) upto Rs 50,000/- per year per investor]

All investors including guardians and power of attorney holders need to complete 'Know Your Customer' (KYC) formalities through CDSL Ventures Ltd. (CVL) by completing a KYC application form along with photograph, PAN card and Proof of Address for individuals, or Corporate Documents for bodies corporate, in accordance with the Prevention of Money-Laundering Act, 2002 (PMLA), Rules issued thereunder and the guidelines / circulars issued by SEBI thereto.

We have tied up with M/s CVL to increase reach and convenience for our investors. Applications for KYC along with PAN may be submitted at any "Point of Service" of CVL. All documents must be submitted in original along with a self-attested copy. The original will be returned across the counter after verification. Investors may also submit notarized copies of the requisite documents.

You will receive an acknowledgement which needs to be submitted to us along with a list of your folios numbers, as evidence of having completed these 2 important regulatory requirements.

As a majority of Mutual Funds have tied up with CVL, you only need to complete these formalities ONCE across all such participating Mutual Funds.

If you have previously completed your KYC formalities via CVL, please submit a copy of your KYC acknowledgement to us along with a list of your folio numbers for verification and update.

All investments in Canara Robeco Mutual Fund need to comply with the PAN and KYC requirements as noted above.

**i) Applications Supported by Blocked Amount (ASBA) facility**

Investors will be provided ASBA facility for all NFO launched on or after October 1, 2010. ASBA means "Application supported by Blocked Amount". ASBA is an application containing an authorization to block the application money in the bank account, for applying during the NFO. An ASBA investor shall submit an ASBA physically or electronically through the internet banking facility, to the Self Certified Syndicate Bank (SCSB) with whom, the bank account to be blocked is maintained. Self Certified

Syndicate Bank has the same meaning as given in the clause to it in clause (zi) of sub regulation (1) of regulation 2 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. SCSB is a bank which is recognized as a bank capable of providing ASBA services to its customers. Names of such banks shall appear in the list available on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in))

The SCSB shall then block the application money in the Bank account specified in the ASBA, on the basis of an authorization to this effect given by the account holder in the ASBA. The application money shall remain blocked in the bank account till the allotment of the issue or till withdrawal / rejection of the application, as the case may be. ASBA facility will be available to all categories of the investors mentioned under "Who can Invest" section of the respective SID's. An investor, who is eligible for ASBA facility, has the option of making application through ASBA or through the existing facility of applying with cheque / demand draft as mentioned in the SID.

#### **j) Restriction on Acceptance of Third Party Payments for Subscription of Units**

1. AMC shall not accept the payments through Third Party Instruments w.e.f. November 15, 2010. The third party instruments are defined as "when payment is made through instruments issued from an account other than that of the beneficiary investor". In case the payment is made from a joint bank account, the first holder of the mutual fund folio has to be one of the joint holders of the bank account from which payment is made.
2. AMC shall not accept subscription with third party instruments except in following exceptional situation subject to submission of requisite documentation / declarations:
  - a) Payment by Parents/Grand-Parents/related persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs.50,000/- (each regular purchase or per SIP installment);
  - b) Payment by Employer on behalf of employee under Systematic Investment Plans or lump sum / one-time subscription, through Payroll deductions. Asset management companies should exercise extra due diligence in terms of ensuring the authenticity of such arrangements from a fraud prevention and KYC perspectives.
  - c) Custodian on behalf of an FII or a client.
3. In case of exceptions, investors are required to submit following documents alongwith the application without which such applications for subscriptions for units will be rejected / not processed / refunded.
  - a) Mandatory KYC for all investors (guardian in case of minor) and the person making the payment i.e. third party. In order for an application to be considered as valid, investors and the person making the payment should attach their valid KYC Acknowledgement Letter to the application form.
  - b) Submit the Declaration Form containing the details of the bank account from which the payment is made and the relationship with the investor(s). The declaration has to be given by the person making the payment i.e Third Party. Please contact the nearest Investor Service Centre (ISC) of Canara Robeco Mutual Fund or visit our website [www.canararobeco.com](http://www.canararobeco.com) for the said Declaration Form.
4. The Mutual Fund shall adopt the following procedures to ascertain whether payments are Third Party Payments and investors are therefore required to comply with the requirements specified here in below:

##### **(i) If invested through cheque via Bank account other than pay-out bank account**

An investor at the time of his / her purchase of units must provide in the application form the details of his pay-in bank account (i.e. account from which a subscription payment is made) and his pay-out bank account (i.e. account into which redemption / dividend proceeds are to be paid). The details of the pay-in bank account will be matched with the details of the pay-out bank account to identify the third party cheque. If the name is not pre-printed on the cheque or signature on the cheque does



not match or the account number is handwritten, then the investor should submit any one of the following documents:

- (a) Bank Statement / Pass Book Page with account number, account holders' name and address. If copy is submitted, unitholder should bring the original to the office for verification to the ISCs/Official Points of Acceptance of Canara Robeco Mutual Fund for their verification. The original documents will be returned across the counter to the Unit holder after due verification.
- (b) a letter (in original) from the bank on its letterhead certifying that the investor maintains an account with the bank, along with information like bank account number, bank branch, account type, the MICR code of the branch & IFSC Code (where available).
- (c) Investors should note that where the bank account numbers have changed on account of the implementation of core banking system at their banks, any related communication from the bank towards a change in bank account number should accompany the application form for subscription of units.

The Mutual Fund also provides a facility to the investors to register multiple bank accounts in a folio. It allows registration upto 5 different bank account for a folio in case of individuals and HUFs and upto 10 different bank accounts in case of non-individuals. By registering multiple bank accounts, the investors can use any of the registered bank accounts to receive redemption proceeds. These registered account details will be used for verification of instrument used for subscription to ensure that third party payments are not used for mutual fund subscription, except where permitted. Investors are requested to avail the facility of registering multiple bank accounts by filling in the Application Form for Registration of Multiple Bank Accounts available at our Investor Service Centres (ISCs) or on our website [www.canararobeco.com](http://www.canararobeco.com).

**(ii) If invested through pre-funded instruments such as Pay Order, Demand Draft, Banker's cheque etc.**

Investors should provide a Certificate (in original) from the issuing banker with the application, stating the Account holder's name and the Account Number which has been debited for issue of the instrument. The account number mentioned in the Certificate should be a registered bank account or the first unitholder should be one of the account holders to the bank account debited for issue of such instruments.

**(iii) If invested through a pre-funded instrument issued by the Bank against Cash**

CRMF will not accept any investment of Rs.50,000 or more from investors through a pre-funded instrument issued by a bank against cash. The investor should submit a Certificate (in original) from the bank giving name, address and PAN (if available) of the person who has requested for the payment instrument. The name mentioned on the Certificate should match with the name of the first unitholder.

**(iv) If invested through RTGS, NEFT, ECS, bank transfer etc.**

Investors should provide an acknowledged copy of the instruction to the bank stating the account number debited with the application. The account number mentioned on the instruction copy should be a registered bank account or the first unitholder should be one of the account holders to the bank account

**(k) Investment on behalf of minor**

**Application on behalf of Minor:**

1. The minor shall be the first and the sole holder in an account i.e. there cannot be any joint holder with the minor as the first or joint holder.
2. Guardian in the folio on behalf of the minor should either be a natural guardian (i.e. father or mother) or a court appointed legal guardian
3. Date of birth of the minor should be mentioned on the application and as proof following supporting documents be furnished:
  - Birth certificate of the minor, or
  - School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., or
  - Passport of the minor, or
  - Any other suitable proof evidencing the date of birth of the minor.

**Minor Attaining Majority – Status Change:** Prior to minor attaining majority, mutual funds to send advance notice to the registered correspondence address advising the guardian and the minor to submit an application form along with prescribed documents to change the status of the account to “major” such as:

- Services Request form, duly filled and containing details like name of major, folio numbers, etc.
- New Bank mandate where account changed from minor to major,
- Signature attestation of the major by a manager of a scheduled bank / Bank Certificate / Letter,
- KYC acknowledgement of the major.

In case of non receipt of request letter along with relevant documents as mentioned above, folio would be frozen for operation by the guardian. Mutual funds shall continue to process the existing standing instructions like SIP, STP, SWP registered prior to the minor attaining majority. Mutual funds shall send these intimations by email and mobile alerts where email ids and mobile numbers are available. It may also be clarified in the notice that the standing instruction shall be terminated within 30 days from the date of receiving the instruction.

In case of non receipt of request for change of status along with relevant documents, minor folio/account will be frozen for operation by guardian from the date of minor attaining the status of majority as per the records and a reminder letter would be send on that date.

**Change in Guardian:** When there is a change in guardian either due to mutual consent or demise of existing guardian, mutual funds shall seek the following documents prior to registering the new guardian:

- Request letter from the new guardian,
- No Objection Letter (NoC) or Consent Letter from existing guardian or Court Order for new guardian, in case the existing guardian is alive.
- Notarized copy or attested copy (by a special executive magistrate, AMC authorised official or manager of a scheduled bank) of the Death Certificate of the deceased guardian, where applicable.
- The new guardian must be a natural guardian (i.e. father or mother) or a court appointed legal guardian.

New Guardian should submit any one of the following documents:

- a. KYC acknowledgment
- b. Relationship evidence documents:
  - ✓ Birth certificate of the minor or
  - ✓ School leaving certificate / mark sheet of Higher Secondary Board of respective states, ICSE, CBSE etc. or
  - ✓ Passport of the minor or
  - ✓ Any other suitable proof evidencing the relationship
- c. In case of court appointed legal guardian, supporting documentary evidence shall be obtained

- d. Bank attesting the signature of the new guardian in a bank account of the minor where the new guardian is registered as the under guardian.

### III. RIGHTS OF UNITHOLDERS OF THE SCHEME

1. Unit holders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme.
2. When the Mutual Fund declares a dividend under the Scheme, the dividend warrants shall be dispatched within 30 days of the declaration of the dividend. Account Statement reflecting the new or additional subscription as well as Redemption / Switch of Units shall be dispatched to the Unit holder within 10 business days of the Specified Redemption Date. Provided if a Unit holder so desires the Mutual Fund shall issue a Unit certificate (non- transferable) within 30 days of the receipt of request for the certificate.
3. The Mutual Fund shall dispatch Redemption proceeds within 10 Business Days of receiving the Redemption request.
4. The Trustee is bound to make such disclosures to the Unit holders as are essential in order to keep the unitholders informed about any information known to the Trustee which may have a material adverse bearing on their investments.
5. The appointment of the AMC for the Mutual Fund can be terminated by majority of the Directors of the Trustee Board or by 75% of the Unit holders of the Scheme.
6. 75% of the Unit holders of a Scheme can pass a resolution to wind- up a Scheme.
7. The Trustee shall obtain the consent of the Unit holders:
  - whenever required to do so by SEBI, in the interest of the Unit holders.
  - whenever required to do so if a requisition is made by three- fourths of the Unit holders of the Scheme.
  - when the Trustee decides to wind up the Scheme or prematurely redeem the Units.
  - The Trustee shall ensure that no change in the fundamental attributes of any Scheme or the trust or fees and expenses payable or any other change which would modify the Scheme and affects the interest of Unit holders, shall be carried out unless :
    - (i) a written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
    - (ii) the Unit holders are given an option to exit at the prevailing Net Asset Value without any Exit Load.
8. In specific circumstances, where the approval of unitholders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.
9. Disclosure - Unclaimed Redemption and Dividend Amounts  
As per circular No. MFD/CIR/9/120/2000, dated November 24, 2000 issued by SEBI, the unclaimed redemption and dividend amounts shall be deployed by the Fund as under:
  1. The Fund may deploy the unclaimed Redemption and Dividend amounts in Call Money Market or Money Market instruments or such other instruments / investments that may be permitted by SEBI from time to time.
  2. The unit holders who claim the redemption amount during the period of three years from the Due Date shall be paid at the prevailing Net Asset Value.
  3. After a period of 3 years, such amounts can be transferred to pool account and the unit holders can claim the amount at NAV prevailing at the end of third year.
  4. The income earned on such funds after completion of 3 years may be utilised for the purpose of investor education.
  5. The management fee charged the AMC for managing such unclaimed amounts shall not exceed 0.50% of the average weekly net assets.

In terms of the above circular, the Fund reminds the investors about the position of unclaimed redemption/dividends through Monthly Connect, Newsletters and unit holders Annual Reports.

The Investors who have not received / encashed the dividends distributed by the Schemes, may write to the respective Registrar, duly furnishing the Name of the Scheme, Folio Nos. and the details of dividends not receive.

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

Mutual Fund shall value its investments according to the following valuation norms: -

##### 1. Traded Securities

- Traded securities are valued at the last quoted closing price on the Mumbai Stock Exchange (BSE), the Principal stock exchange.
- When the securities are traded on more than one recognized stock exchange, the securities shall be valued at the last quoted closing price on the stock exchange where the security is principally traded. The AMC will select the appropriate stock exchange, but the reasons for the selection would be recorded in writing. All scrips may be valued at the prices quoted on the stock exchange where a majority in value of the investments is principally traded.
- Once a Stock Exchange has been selected for valuation of a particular security, reasons for change of the exchange shall be recorded in writing by the AMC.
- When on a particular valuation day, a security has not been traded on the BSE, the value at which it is traded on another stock exchange may be used.
- When a security (other than debt securities) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to valuation date.
- When a debt security (other than Government Securities) is not traded on any stock exchange on any particular valuation day, the value at which it was traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than fifteen days prior to valuation date.
- When a debt security (other than Government Securities) is purchased by way of private placement, the value at which it was bought may be used for a period of fifteen days beginning from the date of purchase.

##### 2. Thinly Traded Securities

- Thinly Traded Equity / Equity related securities are those securities whose trade in a month, are both less than Rs 5 lakhs and the total volume is less than 50,000 shares. Non-Traded / Thinly Traded Equity Securities will be fair valued as per procedures determined by the AMC and approved by Trustee of CANARA ROBECO Mutual Fund, in accordance with the SEBI (MF) Regulations and related circulars. Further it is clarified that in order to determine whether a security is thinly traded or not, the volumes traded in all recognized stock exchanges in India may be taken into account.
- In case trading in an equity security is suspended upto 30 days, then the last traded price would be considered for valuation of that security. If an equity security is suspended for more than 30 days, then the Asset Management Company/Trustees will decide the valuation norms to be followed and such norms would be documented and recorded.
- A debt security (other than Government Securities) is considered as a thinly traded security if on the valuation date, there are no individual trades in that security in marketable lots (presently 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.

##### 3. Non-Traded Securities

- Non-traded Equity / Equity related securities are those securities when it is not traded on any stock exchange for a period of thirty days prior to the valuation date. Non-traded Equity Securities will be fair valued as per procedures determined by the AMC and approved by Trustee of CANARA ROBECO Mutual Fund in accordance with the SEBI (MF) Regulations and related circulars.
- When a debt security (other than Government Securities) is not traded on any stock exchange on a particular valuation day, the security is considered as 'Non Traded Security'. The value at which it was traded on the principal stock exchange or any other stock exchange, as the case

may be, on the earliest previous day is used provided such date is not more than 15 days prior to valuation date. When a debt security (other than Government Securities) is purchased by way of private placement, the value at which it was bought is used for a period of 15 days from the date of purchase.

#### **4. Valuation of Non-traded / Thinly Traded Securities**

Non traded/ thinly traded securities shall be valued "in good faith" by the asset management company on the basis of the valuation principles laid down below:

##### **i. Non-traded / thinly traded equity securities:**

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

- a. Net Worth per share = [share capital+ reserves (excluding revaluation reserves) - Misc. expenditure and Debit Balance in P&L A/c] Divided by No. of Paid up Shares.
- b. Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.
- c. The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for ill-liquidity so as to arrive at the fair value per share.
- d. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalized earning.
- e. In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.
- f. In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security.

To determine if a security accounts for more than 5% of the total assets of the scheme, it should be valued by the procedure above and the proportion which it bears to the total net assets of the scheme to which it belongs would be compared on the date of valuation.

##### **ii. ii) Non Traded / Thinly Traded Debt securities / asset backed securities**

###### **Valuation of Money Market and Debt Securities with Residual Maturity of upto 91 Days**

All money market and debt securities, including floating rate securities, with residual maturity of upto 91 days shall be valued at the weighted average price at which they are traded on the particular valuation day. When such securities are not traded on a particular valuation day they shall be valued on amortization basis. It is further clarified that in case of floating rate securities with floor and caps on coupon rate and residual maturity of upto 91 days then those shall be valued on amortization basis taking the coupon rate as floor

###### **Valuation of Money Market and Debt Securities with Residual Maturity of above 91 Days**

All money market and debt securities, including floating rate securities, with residual maturity of above 91 days shall be valued at weighted average price at which they are traded on the particular valuation day. When such securities are not traded on a particular valuation day they shall be valued at benchmark yield/ matrix of spread over risk free benchmark yield obtained from agency(ies) entrusted for the said purpose by AMFI. In case of Treasury Bills, the price taken will be the average of the prices provided by CRISIL and ICRA, agencies entrusted for the said purpose by AMFI

All other non traded Non Government debt instruments should be valued using the method suggested below:

- For the purpose of valuation, all Non Traded Debt Securities will be classified into "Investment grade" and "Non Investment grade" securities based on their credit ratings. The non-investment grade securities will further be classified as "Performing" and "Non Performing" assets
- All Non Government investment grade debt securities, classified as not traded, will be valued on yield to maturity basis as described below.
- All Non Government non investment grade performing debt securities will be valued at a discount of 25% to the face value.
- All Non Government non investment grade non performing debt securities will be valued based on the provisioning norms.
- The approach in valuation of non traded debt security 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 (Gov Securities) as the base. Gov Securities 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) is 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.

#### **Step C**

The yields as calculated above are marked-up / marked down for illiquidity 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. Accordingly, there will be a benchmark YTM for each duration bucket. The benchmark as calculated above will be set at least weekly, and in the event of any significant movement of prices of Government securities on account of any event impacting interest rates on any day such as change in the RBI policies, 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) (Rupees One Crore Only) 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 days 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, carrying the spreads from the last matrix will fill the gaps in the 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 by an appropriate discount or premium as may be required. SEBI has revised the discretionary mark up and mark down limits vide SEBI Circular SEBI / IMD / CIR No. 2/166256/ 2009 dated June 12, 2009 as given below.

*In case of rated debt securities:*

Category	+	-
Rated instruments with duration upto 2 years	100 bps	50 bps
Rated instruments with duration over 2 years	75 bps	25 bps

C (II). Adjustments for Internally Rated Securities

To value an unrated security, the fund manager has to assign an internal credit rating, which will be used for valuation. The discretionary mark up will be as given below.

*In case of unrated debt securities:*

Category	
Un Rated instruments with duration upto 2 years	Discretionary discount of upto +50 bps over and above mandatory discount of + 50 bps
Rated instruments with duration over 2 years	Discretionary discount of upto +50 bps over and above mandatory discount of + 25 bps

The following shall apply in case of discretionary mark up/ mark down limits for valuation of rated and unrated debt securities:

Chief Executive Officer (whatever his designation may be) of the Asset Management Company shall give prior approval to the use of discretionary mark up or down limit.

C(III). 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.

## 5. Unlisted Equity Shares

Unlisted equity shares of a company shall be valued "in good faith" on the basis of the valuation principles laid down below:

- a) Based on the latest available audited balance sheet, net worth shall be calculated as lower of (i) and (ii) below:
  - i. Net worth per share = [share capital plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by Number of Paid up Shares.
  - ii. After taking into account the outstanding warrants and options, net worth per share shall again be calculated and shall be = [share capital plus consideration on exercise of Option / Warrants received / receivable by the Company plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by [Number of Paid up Shares plus Number of Shares that would be obtained on conversion / exercise of Outstanding Warrants and Options].

The lower of (i) and (ii) above shall be used for calculation of net worth per share and for further calculation in (c) below.

- b) Average capitalisation rate (P / E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P / E shall be taken as capitalisation rate (P / E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.
- c) The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 15% for illiquidity so as to arrive at the fair value per share.

The above methodology for valuation shall be subject to the following conditions:

- i. All calculations as aforesaid shall be based on audited accounts.

- ii. In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.
- iii. If the net worth of the company is negative, the share would be marked down to zero.
- iv. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.
- v. In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5% of the total assets of the scheme, it should be valued in accordance with the procedure as mentioned above on the date of valuation.

At the discretion of the AMC and with the approval of the trustees, an unlisted equity share may be valued at a price lower than the value derived using the aforesaid methodology.

**6. Until they are traded, the value of "rights" shares shall be calculated as:**

$$Vr = n \div m \times (Pex - Pof)$$

Where

Vr = Value of rights

n = no. of rights offered

m = no. of original shares held

Pex = Ex-rights price

Pof = Rights Offer Price

Where the rights are not treated pari passu with the existing shares, suitable adjustments shall be made to the value of the rights. Where it is decided not to subscribe for the rights but to renounce them and renunciations are being traded, the rights can be valued at the renunciation value.

- 7. Investments in call money,** bills purchased under rediscounting scheme and short term deposits with banks will be valued at cost plus accrual. Other money market instruments will be valued at the yield at which they are currently traded. For this purpose, non-traded instruments that are 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.

**8. Derivative Products**

- 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 SEBI (MF) Regulations.
- The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed in sub clauses (i) and (ii) of clause 2 of the Eighth Schedule to the SEBI (MF) Regulations.

**9. Valuation of securities with Put/Call Options**

The option embedded securities would be valued as follows:

- i. Securities with call option :
  - a) 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.
  - b) 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.
- ii. Securities with Put option :
  - a) 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.
  - b) 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.

iii. 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.

#### **10. Government Securities**

Government Securities are valued at the prices released by CRISIL, which is currently the only approved agency suggested by Association of Mutual Funds in India (AMFI).

#### **11. Valuation of Convertible debentures and bonds**

The non-convertible and convertible components of convertible debentures and bonds shall be valued separately. The non-convertible component would be valued on the same basis as would be applicable to a debt instrument. The convertible component shall be valued on the same basis as would be applicable to an equity instrument. If, after conversion the resultant equity instrument would be traded pari passu with an existing instrument, which is traded, the value of later instrument can be adopted after an appropriate discount for the non-tradability of the instrument during the period preceding conversion. While valuing such instruments, the fact whether the conversion is optional will also be factored in.

#### **12. Valuation of warrants**

In respect of warrants to subscribe for shares attached to instruments, the warrants would be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant. A discount similar to the discount to be determined in respect of convertible debentures shall be deducted to account for the period, which must elapse before the warrant can be exercised.

#### **13. Illiquid Securities**

- a) Aggregate value of "illiquid securities" of scheme, which are defined as non-traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the scheme and any illiquid securities held above 15% of the total assets shall be assigned zero value.
- 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 scheme(s) w.e.f. October 1,2000.

#### **14. Foreign Securities**

There are no specific SEBI guidelines on valuation of foreign securities at present. In the absence of any guidelines, the following policy will be followed:

The security issued outside India and listed on the stock exchanges outside India shall be valued at the closing price on the stock exchange at which it is listed. However in case a security is listed on more than one stock exchange, the AMC reserves the right to determine the stock exchange, the price of which would be used for the purpose of valuation of that security. Any subsequent change in the reference stock exchange used for valuation will be backed by reasons for such change being recorded in writing by the AMC. Further in case of extreme volatility in the overseas markets, the securities listed in those markets may be valued on a fair value basis.

If a significant event has occurred after security prices were established for the computation of NAV of the Scheme, the AMC reserves the right to value the said securities on fair value basis. When on a particular valuation day, a security has not been traded on the selected stock exchange; the security will be valued in accordance with SEBI guidelines applicable for security listed in India.

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

Due to difference in time zones of different markets, closing price of overseas securities/ units of overseas mutual fund may be available only after the prescribed time limit for declaration of NAV in India. In such cases, the NAV of the Scheme for any Business Day (T day) will be available on the next Business Day (T+1 day) and the same shall be posted, on each Business Day, on the Fund's website and on the AMFI website - [www.amfiindia.com](http://www.amfiindia.com) on date of computation of NAV.

On the Valuation Day, all assets and liabilities denominated in foreign currency will be valued in Indian Rupees at the exchange rate available on Bloomberg / Reuters / RBI at the close of banking hours in India. The Trustees reserve the right to change the source for determining the exchange rate.

The exchange gain / loss resulting from the aforesaid conversion shall be recognized as unrealized exchange gain / loss in the books of the Scheme on the day of valuation.

Further, the exchange gain / loss resulting from the settlement of assets / liabilities denominated in foreign currency shall be recognized as realized exchange gain / loss in the books of the scheme on the settlement of such assets / liabilities.

**15. Valuation of "Repo"**

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

**16. Accrual of expenses and income**

All expenses and incomes accrued upto the valuation date shall be considered for computation of net asset value. For this purpose, major expenses like management fees and other periodic expenses would be accrued on a day-to-day basis. The other minor expenses and income will be accrued on a periodic basis, provided the non-accrual does not affect the NAV calculations by more than 1%.

**17. Recording of changes**

Any changes in securities and in the number of Units will be recorded in the books not later than the first valuation date following the date of transaction. If this is not possible given the frequency of the Net Asset Value disclosure, the recording may be delayed up to a period of seven days following the date of the transaction, provided that as a result of the non-recording, the Net Asset Value calculations shall not be affected by more than 1%.

In case the Net Asset Value of a Scheme differs by more than 1%, due to non - recording of the transactions, the investors or Scheme(s) as the case may be, shall be paid the difference in amount as follows: -

- i. If the investors are allotted Units at a price higher than Net Asset Value or are given a price lower than Net Asset Value at the time of sale of their Units, they shall be paid the difference in amount by the Scheme.

- ii. If the investors are charged lower Net Asset Value at the time of purchase of their Units or are given higher Net Asset Value at the time of sale of their Units, the AMC shall pay the difference in amount to the Scheme(s). The AMC may recover the difference from the investors.

**18. Non Performing Assets (NPA)**

An "asset" shall be classified as nonperforming, if the interest and/or principal amount have not been received or remained outstanding for one quarter from the day such income / installment has fallen due. The valuation of Non Performing Assets (NPA) would be in accordance with SEBI Circular MFD/CIR/8/92/2000 dated September 18, 2000 and SEBI Circular no. MFD / CIR / 14 / 088 / 2001 dated March 28, 2001 as amended from time to time.

The valuation guidelines as outlined above are as per SEBI (MF) Regulations and are subject to change from time to time in conformity with changes made by SEBI.

## V. TAX & LEGAL & GENERAL INFORMATION

### A. Taxation on investing in Mutual Funds

The information given is included only for general purpose and is based on advise received by the AMC regarding the law and practice currently in force in India and the Investors/Unit holders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely.

Tax Benefit to Mutual fund:

Entire income of the Mutual Fund is exempt from income tax in accordance with the provisions of sec. 10 (23D) of the Income tax Act, 1961. The income received by the Fund is not liable for deduction of tax at source.

Income received by unit holders in respect of the units of the Mutual Fund would be tax free in the hands of the unit holders in accordance with the provisions of section 10 (35) of the Act.

#### **Securities Transaction Tax**

Sale of units of equity oriented schemes to the Mutual fund would be liable to Securities Transaction Tax (STT). STT would be payable at the rate of 0.25% on the redemption value by the investor and would be collected by the Fund at the time of redemption of units.

### Tax Benefits to the unit holders

- **Distribution Tax**

Income distributed by equity schemes (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 schemes) will not be subject to dividend distribution tax and will be tax free in the hands of the investors - sec. 10 (35) of the Income tax Act, 1961

In the case of schemes (other than equity oriented mutual funds), income distributed will be subject to Income Tax (Dividend Distribution Tax). This additional Income Tax is payable by the mutual fund at the rate of:

- a. 13.841% (including surcharge and educational cess) in case of Individuals/Hindu Undivided Family- HUF
- b. 22.145% (including surcharge and educational cess) in the case of any other investor.

In the case of money market mutual fund or liquid fund (as defined/classified in accordance with the guidelines issued under SEBI (Mutual Fund) Regulations, 1996, the additional tax payable by the mutual fund would be 27.681% (including applicable surcharge, educational cess).

- **Long Term Capital Gains Tax (LTCG)**

LTCG arising from sale of units held for a period of more than 12 months of an equity oriented mutual fund entered into a on a stock exchange or sale of such units to mutual fund is exempt from income tax in the hands of unit holders, provided that such transaction of sale is chargeable to STT. Long term capital gains arising out of investments in schemes, other than equity oriented mutual funds, are chargeable at the rate of 10% (plus applicable surcharge and cess) with Indexation or 20% (plus applicable surcharge and cess) without Indexation.

- **Short Term Capital Gains Tax (STCG)**

Short Term Capital Gains arising on sale of units held for a period of not more than 12 months, of an equity oriented mutual fund entered into in a recognized stock exchange or sale of such units to the mutual fund shall be taxed at 15% plus applicable surcharge and cess, provided such transaction is chargeable to STT. Short term capital gains arising out of investments in schemes, other than equity oriented mutual funds, are chargeable at the marginal rate of tax applicable to the investor.

- **Capital Losses :**

Losses under the head "Capital Gains" cannot be set off against income under any other head. Further within the head "Capital Gains", losses arising from the transfer of long-term capital assets cannot be adjusted against gains arising from the transfer of a short term capital asset. However, losses arising from the transfer of short-term capital assets can be adjusted against gains arising from the transfer of either a long-term or a short-term capital asset.

Under Section 10(38), whereby Long term capital gain on sale of units of Equity Oriented Fund will be exempt from income tax provided certain conditions are fulfilled. Hence, long term capital losses arising from such type of transaction of sale of units of Equity Oriented fund would not be eligible for set-off against taxable capital gains.

- **Provision for Dividend**

Under the provisions of Section 94(7) of the Act, loss arising on sale of Units, which are bought within 3 months prior to the record date (i.e. the date fixed by the Mutual Fund for the purposes of entitlement of the Unit holders to receive the income) and sold within 9 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.

- **Provision for Bonus**

Additionally, as per sub clause (8) to section 94 of the Act, wherein in case of units purchased within a period of three months prior to the record date for entitlement of bonus and sold within nine months after the record date, the loss arising on transfer of original units shall be ignored for the purpose of computing the income chargeable to tax. The loss so ignored shall be treated as cost of acquisition of such bonus units.

- **Tax Deduction at Source**

No tax shall be deducted at source in respect of any income credited or paid in respect of units of the Fund.

No tax shall be deducted at source on capital gains arising to any resident unit holders.

In case of non-resident other than a company, tax shall be deducted at source at the rate of:

- a. 15.00% (plus applicable surcharge and cess) on short term capital gains
- b. 10.00% (plus applicable surcharge and cess) without Indexation or 20.00% (plus applicable surcharge and cess) with Indexation, whichever is beneficial to the unit holder

In case of foreign company tax shall be deducted at source in respect of short term capital gains at 40% (plus applicable surcharge and cess).



In case of remittance to a country with which a Double Taxation Avoidance Agreement (DTAA) is in force, the tax shall be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in DTAA whichever is more beneficial to the assessee.

- **Investments by Charitable and Religious Trusts**

Units of a Mutual fund scheme referred to in clause 23D of section 10 of the Income Tax Act, 1961, constitute an eligible avenue for investment by charitable or religious trusts as per rule 17C of the Income Tax Rules, 1962, read with clause (xii) of sub-section (5) of section 11 of the Income Tax, 1961.

- **Wealth-tax**

Units of the Mutual Fund are not treated as assets of the Wealth-tax Act 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 October 1, 1998. Units of Mutual Fund may be given as a gift and no gift tax will be payable either by the donor or the donee.

NOTE:

The above Statement of Possible Direct Tax Benefits / consequences sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of mutual fund units. The above list of tax treatment is not exhaustive and depends on specific entitlements of the assessee and his affairs and therefore the treatment may vary from case to case basis. In view of the individual nature of Tax Benefits, each investor is advised to consult his or her own Tax consultant with respect to the specific Tax implications arising out of his or her participation in the Scheme from the date of applicability of the various provisions furnished above. The Tax benefits stated above, in brief, are in accordance with prevailing Tax Laws.

**B. Legal Information**

- **Nomination Facility:**

The Scheme offers the facility of nomination in terms of Regulation 29A of SEBI (Mutual Funds) Regulations.

The terms and conditions are as follows:

1. Nomination is mandatory for new folios/accounts opened by individual especially with sole holding and no new folios/accounts for individuals in single holding will be opened without nomination.
2. The nomination can be made only by individuals applying for/holding units on their own behalf on sole or joint basis. Where the units are held by more than one person, the joint unitholders may together nominate a person in whom all the rights in the units shall vest in the event of death of all the joint unitholders. All such joint holders should sign the request for nomination/cancellation of nomination, even if the mode of holding is not "joint". Nomination form cannot be signed by Power of attorney (PoA) holders.
3. Even those investors who do not wish to nominate must sign separately confirming their non-intention to nominate

2. Non-individuals including Society, Trust (Other than a Religious or Charitable Trust), Body Corporate, Partnership Firms, Karta of HUF, Holder of Power of Attorney are not eligible to nominate.
3. A minor can be nominated and in that event, the guardian shall also sign the Nomination Form besides furnishing his/her name and address. The same guardian cannot be first / second holder for folio/account. Also, nomination shall be not allowed in a folio held on behalf of a minor. A nomination can also be in favour of Central Government, a Local Authority, any person designated by virtue of his office or a religious or charitable trust.
4. A Non-Resident Indian can be nominated subject to the Exchange Control Regulations in force in the country, from time to time.
5. Multiple nominations are permitted i.e. more than one person can be nominated per folio covering the entire unit holding in that folio.
6. The nomination once made in respect of a given folio would automatically extend to the units further acquired in the same folio. Similarly, if all the units in a folio are transferred/ repurchase/ redeemed from such folio, Nomination made in respect of such folio will automatically stand cancelled.
7. Nomination can be revoked /changed by submitting fresh Nomination Form, upon receipt of which the earlier nomination will stand cancelled.
8. The cancellation of nomination can be made only by those individuals who hold units on their own behalf on sole or joint basis and who made the original Nomination.
9. On cancellation of the Nomination, the AMC/the Fund shall not be under any obligation to pay the value of the units or transfer the units in favour of the Nominee.
10. Transfer of units in favour of a nominee or payment of the value of units to Nominee shall be a valid discharge by the AMC/the Fund against the legal heir(s).
11. A valid Nomination, once made, will override a Will or other testamentary document(s) executed by the deceased unitholder(s) and the Fund will not entertain any claim from any person other than the registered Nominee.
12. Nomination forms received by the Fund will be scrutinised and the Nomination will be registered if the Form is found complete in all respects. For all valid nominations received, the Fund will allot a Registration Number and communicate the same to the unitholder(s) concerned, who shall quote such number in all future correspondence.
13. For units held in electronic form, the Nomination shall be recorded with the respective Depository Participant. The Fund/AMC may not accept any Nomination in respect of such units.

Applicant(s)/unitholders(s) desirous of availing Nomination facility may use the Nomination Form provided in the Application Form or may obtain Nomination Form together with instructions/guidelines from R&T Agents/Investor Relation Centres.

- Please note that it is mandatory for Unit holders to :
  1. Mention their bank account numbers in their application for purchase of units and redemption requests.
  2. Mention their Permanent Account Number (PAN) in their application.
  3. With effect from 1<sup>st</sup> January 2011, all investors including joint holders are required to produce a letter from CVL (CDSL Ventures Ltd) confirming compliance with KYC requirements.

- **PAN mandatory for all investors**

As per SEBI Circular dated April 27, 2007, Permanent Account Number (PAN) has been made the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction, effective July 02, 2007.

It is compulsory for all investors to quote their Permanent Account Number (PAN) irrespective of the amount of investment, while making an application for Purchase of Units. In case of joint applicants, PAN details of all holders should be submitted. In case the investor making the application is a minor, PAN details of Statement of Additional Information (SAI) the Guardian must be submitted.

Investors residing in the state of Sikkim are exempt from the mandatory requirement of PAN proof submission, however sufficient documentary evidence shall have to be submitted to the Mutual Fund for verifying that they are residents of State of Sikkim.

Investors (being individuals) applying for Micro SIP registrations are exempt from mandatory requirement of PAN submission. For further details on the documents required for Micro SIP please refer "Section II – How to Apply?"

- **Know Your Customer**

With effect 1<sup>st</sup> January, 2011 it shall be mandatory for all Investors to comply with 'Know Your Customer' (KYC) norms ,irrespective of the amount of investment, [except for investments through Micro Systematic Investment Plan (SIP) upto Rs 50,000 per year per investor]

All investors including guardians and power of attorney holders need to complete 'Know Your Customer' (KYC) formalities through CVL (CDSL Ventures Ltd.) by completing a KYC application form along with photograph, PAN card and Proof of Address for individuals, or Corporate Documents for bodies corporate, in accordance with the Prevention of Money-Laundering Act, 2002 (PMLA), Rules issued thereunder and the guidelines / circulars issued by SEBI thereto.

We have tied up with M/s CVL to increase reach and convenience for our investors. Applications for KYC along with PAN may be submitted at any "Point of Service" of CVL. All documents must be submitted in original along with a self-attested copy. The original will be returned across the counter after verification. Investors may also submit notarized copies of the requisite documents.

You will receive an acknowledgement which needs to be submitted to us along with a list of your folios numbers, as evidence of having completed these 2 important regulatory requirements.

As a majority of Mutual Funds have tied up with CVL, you only need to complete these formalities ONCE across all such participating Mutual Funds.

If you have previously completed your KYC formalities via CVL, please submit a copy of your KYC acknowledgement to us along with a list of your folio numbers for verification and update.

All investments in Canara Robeco Mutual Fund need to comply with the PAN and KYC requirements as noted above.

- **Transferability / Transmission:**

As repurchase facility is available on an ongoing basis, the transfer facility is redundant. However, if a transferee becomes a holder of the units by operation of Law or on enforcement of a pledge or due to the death, insolvency or winding up of the affairs of the sole holder or the survivors of the joint holder, then the Trustee shall, subsequent to production of such evidence to which in their opinion is sufficient, proceed to effect the transfer if the intended transferee is otherwise eligible to hold the units. Further, if either the mutual fund or the Asset Management Company incur any loss whatsoever arising out of any litigation or harm that it may suffer in relation to the transmission, they will be entitled to be indemnified absolutely from the deceased unit holder's estate.

AMFI has issued 'Best Practices guidelines' listing the following documents as required for transmission of units:

**1. Transmission to surviving unit holders in case of death of one or more unitholders:**

- Letter from surviving unitholders to the Fund / AMC / RTA requesting for transmission of units,
- Death Certificate in original or photocopy duly notarized or attested by gazette officer or a bank manager,
- Bank Account Details of the new first unit holder along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name.
- KYC of the surviving unit holders, if not already available.

**2. Transmission to registered nominee/s in case of death of Sole or All unit holders:**

- Letter from claimant nominee/s to the Fund / AMC / RTA requesting for transmission of units,
- Death Certificate/s in original or photocopy duly notarized or attested by gazette officer or a bank manager,
- Bank Account details of the new first unit holder along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name.
- KYC of the claimant/s,
- If the transmission amount is Rs One Lakh or more - Indemnity duly signed and executed by the nominee/s

**3. Transmission to claimant/s, where nominee is not registered, in case of death of Sole or All unit holders:**

- Letter from claimant/s to the Fund / AMC / RTA requesting for transmission of units
- Death Certificate/s in original or photocopy duly notarized or attested by gazette officer or a bank manager
- Bank Account Details of the new first unit holder as per Annexure 1 of the circular along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name.
- KYC of the claimant/s
- Indemnity Bond from legal heir/s.
- Individual affidavits from legal heir/s
- If the transmission amount is below Rs One Lakh: any appropriate document evidencing relationship of the claimant/s with the deceased unitholder/s.
- If the transmission amount is Rs One Lakh or more, any one of the following documents:
  - a. Notarised copy of Probated Will, or
  - b. Legal Heir Certificate or Succession Certificate or Claimant's Certificate issued by a competent court, or
  - c. Letter of Administration, in case of Intestate Succession.

**4. Transmission in case of HUF, due to death of Karta:**

HUF, being a Hindu Undivided Family, the property of the family is managed by the Karta and HUF does not come to an end in the event of death of the Karta. In such a case, the members of the HUF will appoint the new Karta who needs to submit following documents for transmission:

- Letter Requesting for change of Karta
- Death Certificate in original or photocopy duly notarized or attested by gazette officer or a bank manager
- Duly certified Bank certificate stating that the signature and details of new Karta have been appended in the bank account of the HUF
- KYC of the new Karta and KYC of HUF, if not already available
- Indemnity bond signed by all the surviving coparceners and new Karta
- In case of no surviving co-parceners OR the transmission amount is Rs One Lakh or more OR where there is an objection from any surviving members of the HUF, transmission should be effected only on the basis of any of the following mandatory documents:
  - a. Notarized copy of Settlement Deed, or
  - b. Notarized copy of Deed of Partition, or
  - c. Notarized copy of Decree of the relevant competent Court

Pursuant to SEBI Circular no. CIR/MD/DF/10/2010 dated August 18, 2010 it is clarified that, in order to facilitate transferability of units held in one demat account to another demat account, units of Canara Robeco Mutual Fund schemes (other than open ended ELSS scheme) held in demat form shall be freely transferable.

#### **Clarifications**

It is clarified that PAN card copy or another proof of identity of claimant/s is not required separately if KYC acknowledgement issued by CVL is made available.

Where the units are to be transmitted to a claimant who is a minor, various documents like KYC, PAN, Bank details, indemnity should be of the guardian of the nominee.

- **Winding up of the Scheme**

Regulation 39(2) of SEBI (Mutual Funds) Regulations, 1996, provides that a Scheme of a Mutual Fund may be wound up, after repaying the amount due to the unit holders ;

- a. on the happening of any event which, in the opinion of the Trustees, requires the Scheme to be wound up ; or
- b. if 75% of the unit holders of a Scheme pass a resolution that the Scheme be wound up ; or
- c. if SEBI so directs in the interest of unit holders.

Where a Scheme is wound up under the above Regulation, the Trustees shall give notice disclosing the circumstances leading to the winding up of the Scheme :

- a. to SEBI; and
- b. in two daily newspapers having circulation all over India and a vernacular news paper circulating at the place where the Mutual Fund is formed.

In case of winding up of the Scheme, the Trustees shall proceed as follows :

From the proceeds of the assets of the Scheme, the Trustees shall first discharge all liabilities of the Scheme and make provision for meeting the expenses of winding up of the Scheme, including the fees of the Investment Manager. The Trustees shall distribute proceeds to the unit holders, in proportion to their respective interests, all proceeds derived from the realisation of the investments, after recovering all costs, charges, expenses, claims, liabilities, whether actual or

contingent, incurred, made or apprehended by the Trustees in connection with or arising out of the winding up of the Scheme. It will be ensured that the redemption proceeds are dispatched to the unit holders within a maximum period of ten working days from the date of completion of winding up of the Scheme.

### **C. General Information**

#### **I. Underwriting:**

The Schemes may take up underwriting of other issues subject to the relevant SEBI Regulations and as may be permitted by the Board of Directors of the Investment Manager.

Regulation 46 of SEBI (Mutual Funds) Regulations, 1996, states that:

“Mutual Funds may enter into underwriting agreement after obtaining a certificate of registration in terms of the SEBI (underwriters) rules and SEBI (underwriters) Regulations, 1993, authorising it to carry on activities as underwriters.

For the purpose of these Regulations, the underwriting obligation will be deemed as if the investments are made in such securities.

The capital adequacy norms for the purpose of underwriting shall be the net assets of the Scheme. Provided that the underwriting obligation of a Mutual Fund shall not at any time exceed the total value of net assets of the Scheme”.

#### **II. Stock/Securities lending by the Fund:**

The Fund may in future carry out stock/securities lending activity under any of its Schemes, in order to augment its income. Stock/securities lending may involve the risk of default such as loss, bankruptcy etc. on part of the borrower. However, this is unlikely to happen if the stock/securities lending is carried out for stocks/securities which are in dematerialised form and through an authorised stock/securities lending Scheme which is subject to appropriate regulation. Any stock/securities lending done by the Scheme shall be in accordance with any regulations or guidelines regarding the same. The policy to be followed for stock/securities lending shall be approved by the Board of Directors of the Investment Manager as well as by the Board of Trustees.

#### **III. Inter-Scheme Transfer of Investments:**

Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if -

(a) Such transfers are done at the prevailing market price for quoted instruments on spot basis.

*Explanation: “spot basis” shall have same meaning as specified by stock exchange for spot transactions.*

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

#### **IV. Associate Transactions**

##### **• Investments in Associates or Group Companies of the Sponsors:**

AMC does not have any separate policy for investment in securities of the group companies. If at any time such investments are made, it will be done on pure commercial consideration for the benefit of the Fund. No investment will be made in any unlisted security of an associate or

group company of the Sponsor and in any security issued by way of private placement by an associate or group company of the Sponsor.

In accordance with SEBI (Mutual Fund) Regulation, 1996, the Scheme shall not make any investment in:

- any unlisted security of an associate or group company of the Sponsors ; or
- any security issued by way of private placement by an associate or group company of the Sponsors ; or
- the listed securities of group companies of the Sponsors which is in excess of 25% of the Net Assets.

• **Business dealings / transactions with associates of AMC**

The AMC shall conduct its business with these Subsidiaries / Associates of the Sponsors on commercial terms and on arms length basis and at the prevailing market rate. The prevailing market rate is the extent permitted under the regulations determined after an evaluation of the competitiveness of the pricing offered by the Associates / Subsidiaries of the Sponsors and the services to be provided by them. The AMC may also utilise the services of Canara Bank/ Robeco Groep N .V for marketing / distribution of applications and agency commission at a rate not exceeding the rate of commission being paid to other at the rate not exceeding the rate of commission being paid to others.

- Underwriting Obligations with respect to issues of Associates Companies of Sponsors: As on date, the Fund has no underwriting obligations.
- Subscription in Issues lead managed by the Sponsors or its Associates during 2008-09, 2009-10 & 2010-11

**For the year 2008-09:**

Nil

**For the year 2009-10:**

Nil

**For the year 2010-11:**

Nil

- **Brokerage and commission paid to associates/related parties/group companies of Sponsor/AMC during the past three years is as under:**

**I) Commission paid to associates/related parties/group companies:**

**Period: 2008 - 09**

Name of associate	Nature of Association/	Period covered	Business Given	Commission paid
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/related parties/ Group companies of Sponsor/AMC	Nature of Relation		Rs. in Cr.	% of total business received by the fund	Rs. in Cr.	% of total commission paid by the fund
Canara Bank	Sponsor	Apr 2008 to Mar 2009	0.28	14.94	0.01	10.50
Canara Bank	Sponsor	Apr 2008 to Mar 2009	7.87	7.21	0.08	37.17
Canara Bank	Sponsor	Apr 2008 to Mar 2009	0.00	27.56	0.00	66.43
Canara Bank	Sponsor	Apr 2008 to Mar 2009	0.00	0.00	0.13	43.26
Canara Bank	Sponsor	Apr 2008 to Mar 2009	0.04	14.27	0.02	33.54
YES Bank Limited	Associate	Apr 2008 to Mar 2009	0.01	3.90	0.00	0.54
Canara Bank	Sponsor	Apr 2008 to Mar 2009	19.15	1.10	0.01	9.03
Canara Bank	Sponsor	Apr 2008 to Mar 2009	0.00	0.00	0.00	0.97
Canara Bank	Sponsor	Apr 2008 to Mar 2009	5.01	6.03	0.00	4.36
Canara Bank	Sponsor	Apr 2008 to Mar 2009	8.68	1.30	0.03	0.95
YES Bank Limited	Associate	Apr 2008 to Mar 2009	0.22	0.03	0.00	0.05
Canara Bank	Sponsor	Apr 2008 to Mar 2009	6.70	28.43	0.34	29.27
YES Bank Limited	Associate	Apr 2008 to Mar 2009	0.00	0.01	0.00	0.00
Canara Bank	Sponsor	Apr 2008 to Mar 2009	19.06	2.26	0.00	1.98
Canara Bank	Sponsor	Apr 2008 to Mar 2009	1.92	1.76	0.00	1.00
Canara Bank	Sponsor	Apr 2008 to Mar 2009	587.02	0.84	0.05	4.38
YES Bank Limited	Associate	Apr 2008 to Mar 2009	150.00	0.21	0.00	0.02
Canara Bank	Sponsor	Apr 2008 to Mar 2009	2.81	1.43	0.00	2.47
Canara Bank	Sponsor	Apr 2008 to Mar 2009	3.63	33.17	0.09	38.95
YES Bank Limited	Associate	Apr 2008 to Mar 2009	0.00	0.03	0.00	0.05
Canara Bank	Sponsor	Apr 2008 to Mar 2009	0.89	0.86	0.00	0.87
YES Bank Limited	Associate	Apr 2008 to Mar 2009	0.02	0.02	0.00	0.02
Canara Bank	Sponsor	Apr 2008 to Mar 2009	0.34	0.09	0.00	0.11
YES Bank Limited	Associate	Apr 2008 to Mar 2009	0.03	0.01	0.00	0.00
Canara Bank	Sponsor	Apr 2008 to Mar 2009	10.99	7.97	0.00	8.92
Canara Bank	Sponsor	Apr 2008 to Mar 2009	3.03	3.13	0.00	5.66
YES Bank Limited	Associate	Apr 2008 to Mar 2009	0.02	0.02	0.00	0.05
Canara Bank	Sponsor	Apr 2008 to Mar 2009	2.96	2.05	0.00	1.88



YES Bank Limited	Associate	Apr 2008 to Mar 2009	0.10	0.07	0.00	0.09
Canara Bank	Sponsor	Apr 2008 to Mar 2009	0.26	4.02	0.00	3.89
Canara Bank	Sponsor	Apr 2008 to Mar 2009	0.05	0.38	0.00	1.76
Canara Bank	Sponsor	Apr 2008 to Mar 2009	0.20	0.16	0.00	1.07
YES Bank Limited	Associate	Apr 2008 to Mar 2009	0.09	0.07	0.00	0.46
Canara Bank	Sponsor	Apr 2008 to Mar 2009	0.33	0.72	0.00	0.81
YES Bank Limited	Associate	Apr 2008 to Mar 2009	0.10	0.22	0.00	0.25
Canara Bank	Sponsor	Apr 2008 to Mar 2009	3.26	1.37	0.00	1.35
YES Bank Limited	Associate	Apr 2008 to Mar 2009	0.02	0.01	0.00	0.01
Canara Bank	Sponsor	Apr 2008 to Mar 2009	0.56	0.55	0.00	0.52
Canara Bank	Sponsor	Apr 2008 to Mar 2009	0.38	1.86	0.00	1.40
YES Bank Limited	Associate	Apr 2008 to Mar 2009	0.09	0.44	0.00	0.33
Canara Bank	Sponsor	Apr 2008 to Mar 2009	2.49	1.64	0.00	2.20
Canara Bank	Sponsor	Apr 2008 to Mar 2009	0.05	10.26	0.00	3.57
Canara Bank	Sponsor	Apr 2008 to Mar 2009	1.05	2.21	0.00	1.17
Canara Bank	Sponsor	Apr 2008 to Mar 2009	526.84	3.12	0.07	6.24

**For the Period: 2009 - 10**

Name of associate /related parties/ Group companies of Sponsor/AMC	Nature of Association/ Nature of Relation	Period covered	Business Given		Commission paid	
			Rs. in Cr.	% of total business received by the fund	Rs. in Cr.	% of total business received by the fund
Canara Bank	Sponsor	Apr 2009 to Mar 2010	1.98	10.70	0.03	17.37
Canara Bank	Sponsor	Apr 2009 to Mar 2010	13.62	12.18	0.24	15.59
Canara Bank	Sponsor	Apr 2009 to Mar 2010	0.00	0.00	0.14	49.29
Canara bank Securities	Associates	Apr 2009 to Mar 2010	0.05	0.27	0.00	0.02
Canara bank Securities	Associates	Apr 2009 to Mar 2010	0.01	0.01	0.00	0.23
Canara bank Securities	Associates	Apr 2009 to Mar 2010	0.00	0.00	0.00	0.00
Canara Bank	Sponsor	Apr 2009 to Mar 2010	0.30	1.50	0.02	5.79
YES Bank Limited	Associate	Apr 2009 to Mar 2010	0.00	0.00	0.00	0.02
Canara Bank	Sponsor	Apr 2009 to Mar 2010	29.81	1.46	0.01	8.71

Canara Bank	Sponsor	Apr 2009 to Mar 2010	60.47	18.98	1.57	32.75
Canara Bank Securities Limited	Associate	Apr 2009 to Mar 2010	16.22	5.09	0.27	5.62
Canara Bank	Sponsor	Apr 2009 to Mar 2010	0.98	0.52	0.01	0.53
Canara Bank Securities Limited	Associate	Apr 2009 to Mar 2010	0.00	0.00	0.00	0.00
YES Bank Limited	Associate	Apr 2009 to Mar 2010	0.10	0.05	0.00	0.06
Canara Bank	Sponsor	Apr 2009 to Mar 2010	11.89	15.02	0.46	19.01
Canara Bank Securities Limited	Associate	Apr 2009 to Mar 2010	0.03	0.04	0.00	0.02
YES Bank Limited	Associate	Apr 2009 to Mar 2010	0.01	0.01	0.00	0.00
Canara Bank	Sponsor	Apr 2009 to Mar 2010	0.00	0.00	0.00	3.59
Canara Bank	Sponsor	Apr 2009 to Mar 2010	793.64	0.67	0.01	1.11
Canara Bank Securities Limited	Associate	Apr 2009 to Mar 2010	20.71	0.02	0.00	0.06
YES Bank Limited	Associate	Apr 2009 to Mar 2010	110.00	0.09	0.00	0.02
Canara Bank	Sponsor	Apr 2009 to Mar 2010	18.09	1.52	0.01	0.76
Canara Bank	Sponsor	Apr 2009 to Mar 2010	8.82	1.92	0.03	3.61
YES Bank Limited	Associate	Apr 2009 to Mar 2010	2.00	0.44	0.00	0.45
Canara Bank	Sponsor	Apr 2009 to Mar 2010	12.66	11.42	0.44	17.23
Canara Bank Securities Limited	Associate	Apr 2009 to Mar 2010	0.14	0.13	0.01	0.20
YES Bank Limited	Associate	Apr 2009 to Mar 2010	0.02	0.02	0.00	0.01
Canara Bank	Sponsor	Apr 2009 to Mar 2010	1.80	1.81	0.00	1.98
Canara Bank	Sponsor	Apr 2009 to Mar 2010	0.11	0.58	0.00	0.60
Canara Bank	Sponsor	Apr 2009 to Mar 2010	0.02	0.13	0.00	0.19
Canara Bank	Sponsor	Apr 2009 to Mar 2010	0.00	0.00	0.00	4.22
Canara Bank	Sponsor	Apr 2009 to Mar 2010	1.25	0.37	0.00	0.68
Canara Bank	Sponsor	Apr 2009 to Mar 2010	22.36	9.69	0.29	11.32
Canara Bank Securities Limited	Associate	Apr 2009 to Mar 2010	0.01	0.01	0.00	0.01
Canara Bank	Sponsor	Apr 2009 to Mar 2010	0.04	0.98	0.00	0.91
Canara Bank Securities Limited	Associate	Apr 2009 to Mar 2010	0.00	0.01	0.00	0.00
Canara Bank	Sponsor	Apr 2009 to Mar 2010	989.13	2.32	0.16	5.25
Canara Bank Securities Limited	Associate	Apr 2009 to Mar 2010	15.60	0.04	0.00	0.12

**For the Period: 2010 - 11**

Name of associate /related parties/ Group companies of Sponsor/AMC	Nature of Association / Nature of Relation	Period covered	Business Given		Commission paid	
			Rs. in Cr.	% of total business received by the fund	Rs. in Cr.	% of total business received by the fund
Canara Bank	Sponsor	Apr 2010 to Mar 2011	24.16	68.01	0.12	68.64
Canara Bank	Sponsor	Apr 2010 to Mar 2011	0.20	0.57	0.00	0.00
Canara Bank	Sponsor	Apr 2010 to Mar 2011	0.61	1.33	0.05	4.51
Canara Bank	Sponsor	Apr 2010 to Mar 2011	2.00	3.07	0.01	4.97
Canara Bank	Sponsor	Apr 2010 to Mar 2011	0.48	1.32	0.02	4.76
Canara Bank	Sponsor	Apr 2010 to Mar 2011	40.03	22.07	0.36	19.09
Canara Bank	Sponsor	Apr 2010 to Mar 2011	11.52	8.84	0.17	14.83
Canara Bank	Sponsor	Apr 2010 to Mar 2011	7.56	3.66	0.00	3.56
Canara Bank	Sponsor	Apr 2010 to Mar 2011	5.22	2.01	0.00	0.00
Canara Bank	Sponsor	Apr 2010 to Mar 2011	1.71	7.80	0.00	12.11
Canara Bank	Sponsor	Apr 2010 to Mar 2011	48.14	4.21	0.00	1.92
Canara Bank	Sponsor	Apr 2010 to Mar 2011	8.08	5.39	0.23	17.79
Canara Bank	Sponsor	Apr 2010 to Mar 2011	1.12	0.89	0.01	0.75
Canara Bank	Sponsor	Apr 2010 to Mar 2011	184.47	39.59	1.63	40.92
Canara Bank	Sponsor	Apr 2010 to Mar 2011	3.94	11.25	0.26	26.86
Canara Bank	Sponsor	Apr 2010 to Mar 2011	22.24	1.75	0.00	0.11
Canara Bank	Sponsor	Apr 2010 to Mar 2011	60.00	26.87	0.74	36.64
Canara Bank	Sponsor	Apr 2010 to Mar 2011	1,515.01	1.37	0.02	2.25
Canara Bank	Sponsor	Apr 2010 to Mar 2011	10.91	4.40	0.09	3.99
Canara Bank	Sponsor	Apr 2010 to Mar 2011	0.04	4.51	0.00	4.68
Canara Bank	Sponsor	Apr 2010 to Mar 2011	10.66	9.03	0.01	1.51
Canara Bank	Sponsor	Apr 2010 to Mar 2011	646.81	1.86	0.14	4.23
Canara Bank	Sponsor	Apr 2010 to Mar 2011	0.00	0.00	0.14	55.71
Canara Bank Securities Limited	Associate	Apr 2010 to Mar 2011	5.02	14.13	0.02	14.26
Canara Bank Securities Limited	Associate	Apr 2010 to Mar 2011	10.04	5.53	0.03	1.63

Canara Bank Securities Limited	Associate	Apr 2010 to Mar 2011	0.15	0.11	0.00	0.03
Canara Bank Securities Limited	Associate	Apr 2010 to Mar 2011	0.04	0.03	0.07	5.31
Canara Bank Securities Limited	Associate	Apr 2010 to Mar 2011	52.00	53.26	0.00	1.37
Canara Bank Securities Limited	Associate	Apr 2010 to Mar 2011	0.01	0.01	0.00	0.00
Canara Bank Securities Limited	Associate	Apr 2010 to Mar 2011	14.23	3.05	0.17	4.19
Canara Bank Securities Limited	Associate	Apr 2010 to Mar 2011	0.03	0.09	0.00	0.01
Canara Bank Securities Limited	Associate	Apr 2010 to Mar 2011	16.14	7.23	0.23	11.46
Canara Bank Securities Limited	Associate	Apr 2010 to Mar 2011	1.08	0.00	0.04	4.14
Canara Bank Securities Limited	Associate	Apr 2010 to Mar 2011	0.06	0.02	0.00	0.01
Canara Bank Securities Limited	Associate	Apr 2010 to Mar 2011	0.01	1.72	0.00	0.10
Canara Bank Securities Limited	Associate	Apr 2010 to Mar 2011	51.07	0.15	0.02	0.47
YES Bank Limited	Associate	Apr 2010 to Mar 2011	0.00	0.00	0.00	0.01
YES Bank Limited	Associate	Apr 2010 to Mar 2011	0.03	0.09	0.00	0.00
YES Bank Limited	Associate	Apr 2010 to Mar 2011	0.00	0.00	0.00	0.00
YES Bank Limited	Associate	Apr 2010 to Mar 2011	0.00	0.00	0.00	0.01
YES Bank Limited	Associate	Apr 2010 to Mar 2011	0.00	0.00	0.00	0.01

**II) Brokerage paid to associates/related parties/group companies:**

**For the Period: 2008 - 09**

Name of associate /related parties/ Group companies of Sponsor/AMC	Nature of Association/ Nature of Relation	Period covered	Value of transaction		Brokerage paid	
			Rs. in Cr.	% of total value of transaction the fund	Rs. in Cr	% of total brokerage paid by the fund
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2008 to Mar 2009	12.12	1.55%	0.03	1.55%
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2008 to Mar 2009	0.30	1.43%	0.00	1.55%
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2008 to Mar 2009	1.77	2.78%	0.00	2.74%
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2008 to Mar 2009	10.55	0.80%	0.03	0.80%
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2008 to Mar 2009	3.96	1.40%	0.01	1.39%

Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2008 to Mar 2009	0.83	8.01%	0.00	8.04%
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2008 to Mar 2009	16.48	1.52%	0.05	1.53%
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2008 to Mar 2009	12.08	1.10%	0.03	1.10%

**For the Period: 2009 - 10**

Name of associate /related parties/ Group companies of Sponsor/AMC	Nature of Association/ Nature of Relation	Period covered	Value of transaction		Brokerage paid	
			Rs. in Cr.	% of total value of transaction the fund	Rs. in Cr	% of total brokerage paid by the fund
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2009 to Mar 2010	8.67	15.84%	0.02	15.83%
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2009 to Mar 2010	17.34	2.46%	0.05	2.46%
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2009 to Mar 2010	11.19	3.36%	0.03	3.36%
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2009 to Mar 2010	30.61	5.13%	0.08	5.13%
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2009 to Mar 2010	13.56	4.65%	0.04	4.73%
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2009 to Mar 2010	11.29	3.00%	0.03	2.99%
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2009 to Mar 2010	16.06	21.09%	0.04	22.48%
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2009 to Mar 2010	21.57	4.46%	0.06	4.46%

**For the Period: 2010 - 11**

Name of associate /related parties/ Group companies of Sponsor/AMC	Nature of Association/ Nature of Relation	Period covered	Value of transaction		Brokerage paid	
			Rs. in Cr.	% of total value of transaction the fund	Rs. in Cr	% of total brokerage paid by the fund
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2010 to Mar 2011	11.37	14.45%	0.03125	14.57%
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2010 to Mar 2011	28.08	3.60%	0.07719	4.01%
Canara Bank	Group	Apr 2010 to	15.71	3.17%	0.04323	3.46%

Securities Ltd	company of the Sponsor	Mar 2011				
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2010 to Mar 2011	21.24	5.98%	0.05843	6.01%
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2010 to Mar 2011	0.21	11.58%	0.00059	11.59%
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2010 to Mar 2011	16.77	5.59%	0.04614	6.21%
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2010 to Mar 2011	33.55	6.40%	0.08953	6.34%
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2010 to Mar 2011	16.06	3.96%	0.04143	4.04%
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2010 to Mar 2011	10.45	3.96%	0.02868	5.68%
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2010 to Mar 2011	6.86	5.38%	0.01889	5.42%
Canara Bank Securities Ltd	Group company of the Sponsor	Apr 2010 to Mar 2011	6.24	4.06%	0.00312	5.30%

The Investment Manager may from time to time for conducting the normal business, utilise the services of any of the Associates / Subsidiaries of the Sponsors. The Investment Manager may also utilise the services of any of the subsidiaries of the Sponsors to be established at a later date in case such subsidiaries are in a position to provide requisite services to the Investment Manager.

The Investment Manager shall conduct its business with these Subsidiaries / Associates of the Sponsors on commercial terms and on arms length basis and at the then prevailing market rates / prices to the extent permitted under the regulations, after an evaluation of the competitiveness of the pricing offered by the Associates / Subsidiaries of the Sponsors and the services to be provided by them. The Investment Manager may also utilise the services of Canara Bank for marketing / distribution of applications and agency commission at a rate not exceeding the rate of commission being paid to other agents for the Scheme will be paid for such services.

- **AMC's Investments in the Scheme:**

The Investment Manager may invest in the Scheme, on an ongoing basis, the maximum limit of such investment would be 25% of the net assets of the Scheme at the time of investment. Such investments will be in conformity with the Regulation 24(3) of the SEBI (Mutual Fund) Regulations, 1996. The AMC shall not be entitled to charge any fee on its investment in that Scheme.

**Documents Available for Inspection**

The following documents will be available for inspection at the office of the Mutual Fund at Construction House, 4<sup>th</sup> Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001 during business hours on any day (excluding Saturdays, Sundays and public holidays):

- Memorandum and Articles of Association of the AMC
- Investment Management Agreement

- Trust Deed and amendments thereto, if any
- Mutual Fund Registration Certificate
- Agreement between the Mutual Fund and the Custodian
- Agreement with Registrar and Share Transfer Agents
- Consent of Auditors to act in the said capacity
- Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments from time to time thereto.
- Indian Trusts Act, 1882.

### **Investor Grievances and Redressal**

The Canara Robeco Mutual Fund has an investor base of 4,50,350 (as on 31.07.2011). The Fund has appointed **Karvy Computershare Pvt. Limited** as its Registrar to service the investors and is constantly monitoring its functioning, by interacting with it, to provide efficient and expeditious service to the investors. 22 Investor Relation Centres have been set up at important places to give efficient service to the investors.

The statistical data for investor complaints / queries received are as follows:

<b>From</b>	1.04.2008	1.04.2009	1.04.2010	1.04.2011
<b>To</b>	31.03.2009	31.03.2010	31.03.2011	30.11.2011
<b>Complaints / Queries Received *</b>	9744	3751	1951	1115
<b>Pending Complaints /Queries *</b>	17	23	0	31

\*includes request for change of address, general correspondence etc.

Investors may contact the IRCs or the office of the AMC for any queries /clarifications. The Head Office of the AMC will follow up with the respective IRC to ensure timely redressal and prompt investor services. Ms. Manjiri Dolhare, Manager – Customer Relations can be contacted at the office of the Mumbai IRC at Ground floor, Construction House, 5 Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001, Telephone No.: 66585000, 66585085/86, 66585018/19, Fax No.: 66585012/13, Email: manjiri.dolhare@canararobeco.com, Website: www.canararobeco.com

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

For and on behalf of the Board of Directors of  
Canara Robeco Asset Management Company Ltd.  
Sd/-

PLACE: MUMBAI

**Jignesh B. Modi**  
**Compliance Officer**