



## STATEMENT OF ADDITIONAL INFORMATION (SAI)

This Statement of Additional Information (SAI) contains details of SBI 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 June 30, 2011.

## TABLE OF CONTENTS

I	INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANIES.....	3
A.	Constitution of the Mutual Fund .....	3
B.	Sponsor .....	3
C.	Trustee .....	3
D.	Asset Management Company (AMC).....	7
E.	Service Providers .....	16
F.	Condensed financial Information (CFI): .....	19
II.	HOW TO APPLY.....	38
1)	Important instructions .....	38
2)	Third-Party Cheques/Payments .....	38
3)	Who Can Invest.....	40
4)	Who cannot invest.....	41
5)	Joint Applicants .....	41
6)	Defective applications liable for rejection .....	41
III.	RIGHTS OF UNITHOLDERS OF THE SCHEME.....	42
IV.	INVESTMENT VALUATION NORMS .....	43
A.	Traded Securities .....	43
B.	Thinly Traded Securities .....	43
C.	Non Traded Securities:.....	44
D.	Valuation of Non-Traded / Thinly Traded Securities.....	44
E.	Illiquid Securities:.....	45
F.	Valuation of Debt and Money Market Instruments .....	46
G.	Derivative Products.....	46
H.	Valuation of Government Securities .....	46
I.	Valuation of Unlisted Securities .....	46
J.	Valuation of Rights entitlement .....	47
K.	Valuation of securities with Put/Call Options .....	47
L.	Valuation Non Performing Assets (NPA) .....	48
M.	Expenses and Incomes Accrued.....	48
N.	Changes in securities and in number of units: .....	48
O.	Principles to be followed by AMC: .....	48
P.	Valuation of Gold.....	49
Q.	Valuation of foreign securities.....	51
V.	TAX & LEGAL & GENERAL INFORMATION .....	53
I.	Tax treatment for Investors (unit holders) and the Mutual Fund .....	53
II.	Legal Information .....	56
III.	General Information .....	63

## I INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANIES

### A. Constitution of the Mutual Fund

SBI Mutual Fund (the “Mutual Fund”) has been constituted on June 29, 1987 as a Trust in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with State Bank of India (SBI), as the Sponsor and SBI Mutual Fund Trustee Company Private Limited as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI on December 23, 1993 under Registration Code MF-009/93/3.

### B. Sponsor

SBI Mutual Fund is sponsored by State Bank of India, one of the largest public sector banks in India. The Sponsor is the Settlor of the Mutual Fund Trust. The Sponsor has entrusted a sum of Rs. 5 Lakhs to the Trustee as the initial contribution towards the corpus of the Mutual Fund.

The State Bank of India ‘SBI’ having its Corporate Office at State Bank Bhavan, Madame Cama Road, Mumbai - 400 021, is the largest public sector bank in India with 13542 branches in India and 156 offices in 32 countries worldwide. SBI also has 6 Banking Subsidiaries in addition to other non-banking subsidiaries in India. State Bank of India holds 63% stake in SBI Funds Management Private Limited.

### Financial Performance of the SBI (Sponsor) {past three years}:

Particulars	2011	2010	2009
Net Worth (Rs. Cr.) ( Paid up Capital and Reserves & Surplus)	64,986.00	65,949.00	57,948.00
Total Income (Rs. Cr.)	97219.00	85,962.00	76,479.00
Net Profit (Rs. Cr.)	8265.00	9,166.00	9,121.23

### C. Trustee

SBI Mutual Fund Trustee Company Private Limited (the “Trustee” or SBIMFTCPL), through its Board of Directors, shall discharge its obligations as Trustee of the SBI Mutual Fund. The Trustee ensures 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.

The registered office of SBIMFTCPL is situated at 191, Maker Tower ‘E’, Cuffe Parade, Mumbai 400 005. SBIMFTCPL is the Trustee to the Mutual Fund vide the Restated and Amended Trust Deed dated December 29, 2004, to supervise the activities of the Fund as disclosed hereunder.

#### (i) Details of Trustee Directors:

Sr. No.	Name/ Age / Qualification	Experience
1	Dr. Malati Anagol (Independent Director)  Age: 74 Years  M.A.(Delhi School of Economics); M.A. (Toronto); Ph.D. (Mumbai University)	Dr. (Mrs.) Malati Anagol was an Emeritus Professor, University of Bombay. She has participated in many university activities and has also conducted a large number of research which were published in reputed academic journals. She has written many books which include “Problems of Financing Informal Sector Enterprises”, Contemporary Issues in Global Trade and Finance”, etc. Her research work includes “A study of competitive efficiency of commercial bank in liberalised era” which was a research project under UGC Emeritus Fellowship; International Banks and Restructuring of heavily indebted countries-post doctoral, etc. Her professional experience abroad includes University of Toronto as the Commonwealth Scholar of the Govt. of India for Graduate Studies, USSR Academy of Science as academic invitee under the India-USSR exchange program to deliver lectures in Indo-Soviet Trade Relations and many other countries. Apart from her professional work she has also participated in various social service activities.

2	<p>Ms. Bharati Rao (Associate Director)</p> <p>Age: 63</p> <p>M.A. (Eco) and CAIIB</p>	<p>Ms. Rao is presently working as an Advisor (Mergers &amp; Acquisitions) to State Bank of India. She retired from services of State Bank of India on October 31, 2008. Before retirement, she was Deputy Managing Director &amp; CDO of SBI handling staff matters along with the charge of Associate Banks. She is also a Director on the Board of Directors of SBI Capital Markets Ltd; SBICAPS Ventures Ltd; SBI Factors &amp; Commercial Pvt. Ltd and SBI Custodial Services Pvt. Ltd.</p>
3	<p>Mr. Rajkumar S. Adukia (Independent Director)</p> <p>Age: 52</p> <p>B.Com (Hons.), A.I.C.W.A.I., F.C.A., L.L.B.</p>	<p>Mr. Adukia has about 25 years of experience in management consultancy. He has been an Independent Director in BOI Asset Management Limited for about 2 years. Mr. Adukia is also one of the national elected members at the Institute of Chartered Accountants of India for last 10 years and a member of the RBI inspectional panel for about 2 years.</p>
4	<p>Ms. Sandra Martyres (Associate Director)</p> <p>Age: 57 Years</p> <p>Master of Arts (Economics) CAIIB, Diploma in Business Management</p>	<p>Ms. Martyres has about 10 years of banking experience in various capacities in Indian Bank and about 23 years of experience in senior management positions at Societe Generale, India including an Investment Banking Programme at Kellogg School of Management - Northwestern University Chicago</p>
5	<p>Mr. T. L. Palani Kumar (Independent Director)</p> <p>Age: 60 Years</p> <p>B.Tech, Chemical Engineering (IIT- Chennai) &amp; P.G. Diploma, Business Administration (IIM-Ahmedabad)</p>	<p>Mr. Palani Kumar has had a career spanning over thirty four (34) years in marketing, manufacturing operations and enterprise leadership. During his long and successful career span, he has served as non-executive/independent directors on the board of reputed Indian companies and have held offices in various capacities including CEO, MD &amp; Whole Time Director. He is presently a Senior Advisor to a leading private equity fund and to a few business schools and organizational consultancies.</p>
6	<p>Mr. C. M. Dixit (Independent Director)</p> <p>Age: 61 Years</p> <p>B. Com (Hons.) -University of Pune (1971) and Chartered Accountant (1976).</p>	<p>Mr. C.M. Dixit is a Commerce Graduate (B.Com (Hons.)) from Pune University (1971) and a fellow member of The Institute of Chartered Accountants of India (1976). In his long and successful career spanning over 35 years, he has been involved in conducting Audits of Public Sector Banks, Private Sector Banks and Private Foreign Banks (Indian Business) as well as Public and Private Sector Companies and Mutual Funds. He has also served as shareholder's representative director on "Dena Bank", a Nationalised Bank for 2 terms of 3 years each. He has a strong foundation in Finance, Accounting &amp; Auditing.</p>

***(ii) Supervisory role of the Trustees***

The Board of Trustees monitors the activities of the AMC. From time to time it seeks information from the AMC in the form of Performance Reports, Compliance Reports, etc. On a quarterly basis, a review report is prepared by the AMC and the same is placed at the board meetings of the Trustee Company. Specific approval of the Trustees is also obtained on various important matters. The Audit Committee, comprising of three directors on the board of the Trustee Company has been constituted pursuant to the SEBI circular MFD/CIR/010/024/ 2000 dated January 17, 2000 to, inter alia, review internal audit systems and reports from internal and concurrent auditors. The Committee is chaired by an Independent Director of the Company. In the last financial year, the Board of Trustees met 7 times.

***(iii) Duties and Obligations of Trustees and Substantial Provisions of the Trust Deed:***

The rights, duties and obligations of the Trustee including the following:

- 1) To enter into an investment management agreement with the AMC with the prior approval of SEBI.
- 2) To ensure that the investment management agreement contains such clauses as are mentioned in the Fourth Schedule of SEBI (Mutual Fund) Regulations, 1996 and such other clauses as are necessary for the purpose of making investment.
- 3) The trustees shall have a right to obtain from the asset management company such information as is considered necessary by the trustees.

- 4) To ensure before the launch of any scheme that the AMC has: -
  - a) Systems in place for its back office, dealing room and accounting;
  - b) appointed all key personnel including fund manager(s) for the scheme(s) and submitted their bio data which shall contain the educational qualifications, past experience in the securities market with the Trustee, within 15 days of their appointment;
  - c) Appointed auditors to audit its accounts;
  - d) Appointed a compliance officer to comply with regulatory requirements;
  - e) Appointed registrars and laid down parameters for their supervision;
  - f) Prepared a compliance manual and designed internal control mechanisms including audit systems;
  - e) Specified norms for empanelment of brokers and marketing agents
- 5) To ensure that the AMC has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
- 6) To ensure that the AMC has not given any undue or unfair advantage to any associates or dealt with any of the associates of the asset management company in any manner detrimental to the interest of the Magnum / Unit holders.
- 7) To ensure that the transactions entered into by the asset management company are in accordance with SEBI (Mutual Fund) Regulations, 1996 and the scheme.
- 8) To ensure that the AMC has been managing the mutual fund schemes independently of other activities and have taken adequate steps to ensure that the interests of investors of one scheme are not being compromised with those of any other scheme or of other activities of the asset management company.
- 9) To ensure that all activities of the AMC are in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.
- 10) Where the Trustee have reason to believe that the conduct of business of the mutual fund is not in accordance with SEBI (Mutual Fund) Regulations, 1996 and the scheme they shall forthwith take such remedial steps as are necessary by them and shall immediately inform the SEBI of the violation and the action taken by them.
- 11) To file the details of his/her holdings in securities on a quarterly basis with the trust.
- 12) To be accountable for, and be the custodian of, the funds and property of the respective schemes and to hold the same in trust or the benefit of the unit holders in accordance with SEBI (Mutual Fund) Regulations, 1996 and the provisions of trust deed.
- 13) To take steps to ensure that the transactions of the mutual fund are in accordance with the provisions of the trust deed.
- 14) To be responsible for the calculation of any income due to be paid to the mutual fund and also of any income received in the mutual fund for the holders of the units of any scheme in accordance with SEBI (Mutual Fund) Regulations, 1996 and the trust deed.
- 15) To obtain the consent of the Unit holders:
  - i. whenever required to do so by the SEBI in the interest of the Magnum holders / Unit holders; or
  - ii. whenever required to do so on the requisition made by three fourths of the Magnum holders / Unit holders of any scheme; or
  - iii. when the majority of the Trustee decide to wind up or prematurely redeem the units;
- 16) To call for the details of transactions in securities by the key personnel of the AMC in his own name or on behalf of the AMC and shall report to the SEBI, as and when required.
- 17) To quarterly review all transactions carried out between the mutual fund, Asset Management Company and its associates.
- 18) To quarterly review the net worth of the AMC and in case of any shortfall, ensure that the AMC make up for the shortfall as per clause (f) of sub-regulation (1) of regulation 21 of SEBI (Mutual Fund) Regulations, 1996.
- 19) To periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy that such contracts are executed in the interest of the Unit holders.

- 20) To 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 Magnum holders / Unit holders.
- 21) To periodically review the investor complaints received and the redressal of the same by the AMC.
- 22) To abide by the Code of Conduct as specified in the fifth schedule of SEBI (Mutual Fund) Regulations, 1996.
- 23) To furnish to the SEBI on a half yearly basis: -
  - i. a report on the activities of the mutual fund;
  - ii. a certificate stating that the Trustee have satisfied themselves that there have been no instances of self dealing or front running by any of the Trustee, directors and key personnel of the AMC;
  - iii. a certificate to the effect that the AMC has been managing the schemes independently of any other activities and in case any activities of the nature referred to in sub-regulation (2) of regulation 24 of SEBI (Mutual Fund) Regulations, 1996 have been undertaken by the AMC and has taken adequate steps to ensure that the interests of the Magnum holders / Unit holders are protected.
- 24) The independent Trustee referred to in regulation 16 shall give their comments on the report received from the AMC regarding the investments made by the schemes in the securities of group companies of the Sponsor.
- 25) 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 Magnum holders / Unit holders, shall be carried out unless, a written communication about the proposed change is sent to each Magnum holder / Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the mutual fund is situated; and the Magnum holders / Unit holders are given an option to exit at the prevailing Net Asset Value without any exit load.

Explanation: For the purposes of this clause “fundamental attributes” means the Type of a Scheme, investment objectives and terms of a scheme as defined in the Scheme Information Document under the section “Investment Objectives and Policies”.

- 26) To maintain arms’ length relationship with other companies, or institutions or financial intermediaries or any body corporate with which he may be associated.
- 27) To ensure that no Trustee shall participate in the meetings of the board of Trustee or Trustee Company when any decisions for investments in which he may be interested are taken.
- 28) To furnish to the board of Trustee or trustee company particulars of interest which he may have in any other company, or institution or financial intermediary or any corporate by virtue of his position as director, partner or with which he may be associated in any other capacity.
- 29) To appoint a custodian and shall be responsible for the supervision of its activities in relation to the mutual fund and shall enter into a custodian agreement with the custodian for this purpose.
- 30) To ensure that the removal of a Trustee in all cases would require the prior approval of SEBI.
- 31) To ensure that the Trustee may dismiss the AMC under the specific events only with the approval of SEBI and in accordance with the SEBI Regulations.
- 32) To forbid the acquisition of any asset out of the trust property which involves the assumption of any liability which is unlimited and shall not result in encumbrance of the trust property in any way.
- 33) To provide or cause to provide information to unitholders and SEBI as may be specified by SEBI.

As per the sub-regulation (25), the Trustee shall exercise due diligence as under:

**A. General Due Diligence:**

- a. The Trustee shall be discerning in the appointment of the directors on the Board of the asset management company.
- b. Trustee shall review the desirability of continuance of the asset management company if substantial irregularities are observed in any of the schemes and shall not allow the asset management company to float new schemes.
- c. 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.

- d. The trustee shall ensure that all service providers are holding appropriate registrations from the Board or concerned regulatory authority.
- e. The Trustee shall arrange for test checks of service contracts.
- f. Trustee shall immediately report to Board of any special developments in the mutual fund.

#### **B. Specific Due Diligence:**

The Trustee shall:

- a. Obtain internal audit reports at regular intervals from independent auditors appointed by the Trustee.
- b. Obtain compliance certificates at regular intervals from the asset management company.
- c. Hold meeting of Trustee at frequent intervals.
- d. Consider the reports of the independent auditors and compliance reports of Asset Management Company at the meetings of Trustee for appropriate action.
- e. Maintain records of the decisions of the Trustee at their meetings and of the minutes of the meetings.
- f. Prescribe and adhere to a code of ethics by the Trustee, Asset Management Company and its personnel.
- g. Communicate in writing to the asset management company of the deficiencies and
- h. Checking on the rectification of deficiencies.

Notwithstanding the aforesaid, the Trustee shall not be held liable for acts done in good faith if they have exercised adequate due diligence honestly.

The independent Directors of the Trustee or AMC shall pay specific attention to the following, as may be applicable, namely:

- a. The Investment Management Agreement and the compensation paid under the agreement.
- b. Service contracts with affiliates - whether the AMC has charged higher fees than outside contractors for the same services.
- c. Selection of the AMC's independent directors.
- d. Securities transactions involving affiliates to the extent such transactions are permitted.
- e. Selecting and nominating individuals to fill independent directors' vacancies.
- f. Code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.
- g. The reasonableness of fees paid to Sponsors, AMC and any others for services provided.
- h. Principal underwriting contracts and their renewals.
- i. Any service contract with the associates of the AMC.

#### **iv. Modifications to the Trust Deed**

No amendments to the Trust Deed will be carried out without the prior approval of SEBI and the Unit holders' approval would be obtained where it affects the interests of the Unit holder.

#### **D. Asset Management Company (AMC)**

SBI Funds Management Private Limited (SBIFMPL) is a private limited company incorporated under the Companies Act, 1956 on February 17, 1992, having its Registered Office at 191, Maker Tower "E", 19th Floor, Cuffe Parade, Mumbai 400 005. SBIFMPL has been appointed as the Asset Management Company of the SBI Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated May 14, 1993 and also a supplemental thereto on April 28, 2003 and the same have been replaced by Restated and Amended Investment Management Agreement entered into between SBIFMPL and SBIFMPL on December 29, 2004.

As per the audited accounts on 31st March, 2011, the authorized and paid-up capital of the AMC was Rs. 50 crores and the Networth of the AMC was Rs. 266. 35 Crores. Pursuant to the Shareholders and Share Purchase Agreement dated November 5, 2004 Societe Générale Asset Management (SGAM) was holding 37% of the paid up share capital of the AMC (i.e. 18,50,000 equity shares of Rs. 100/- each). Pursuant to a global merger of the fundamental asset management businesses of Credit Agricole S.A. and Societe Generale S.A and execution of the Shareholders Agreement dated April 13, 2011 amongst State Bank of India, Amundi, Amundi India Holding (AIH), SBI Funds Management Private Limited, Credit Agricole S.A.; the Amundi S.A. through a wholly owned subsidiary known as Amundi India Holding ("AIH") acquired 37% stake from SGAM. Accordingly, SBI currently holds 63% stake in SBI FMPL and the balance 37% stake is held by Amundi S.A. through a wholly owned subsidiary known as Amundi India Holding ("AIH").

In terms of Investment Management Agreement, SBIFMPL has assumed the day to day investment management of the fund and in that capacity makes investment decisions and manages the SBI Mutual Fund Schemes in

accordance with the scheme objectives, Trust Deed, provisions of Investment Management Agreement and SEBI Regulations & Guidelines.

In addition to the investment management activity, SBI Funds Management Private Limited has also been granted a certificate of registration as a Portfolio Manager with Registration Code INP000000852. SEBI has renewed the certificate for a period from January 16, 2010 to January 15, 2013.

Apart from this SBI Funds Management Private Limited has received an 'In-principle' approval from SEBI for SBI Resurgent India Opportunities Fund (Offshore Fund) vide letter no. IMD/RK/53940/2005 dated November 16, 2005.

The AMC certifies that there would be no conflict of interest between the Asset Management activity and these other activities.

**(i) Details of AMC Directors:**

Sr. No.	Name/ Age/ Qualification	Experience
1	Mr. Pratip Chaudhuri (Chairman)  Age: 57 Years  B.Sc. (Hons), MBA	Mr. Pratip Chaudhuri is the Chairman of State Bank of India, prior to which he was Dy. Managing Director & Group Executive (International Banking), Mumbai. During his illustrious career spanning 36 years in State Bank of India, he held several important positions viz.: <ul style="list-style-type: none"> <li>• Chief General Manager (Foreign Offices) at Corporate Centre, Mumbai.</li> <li>• Managing Director, State Bank of Saurashtra.</li> <li>• Chief General Manager, Chennai Circle.</li> <li>• General Manager, Mid Corporate Group, New Delhi Region.</li> <li>• General Manager, Commercial Banking, Local Head Office, New Delhi.</li> <li>• Chief Investment Officer, SBI Mutual Fund.</li> <li>• Dy. General Manager, Merchant Banking, International Banking Group.</li> <li>• AGM &amp; Relationship Manager, Corporate Accounts Group, New Delhi.</li> <li>• Vice President (Operations), SBI Canada, Toronto.</li> </ul>
2	Mr. Deepak Kumar Chatterjee (Managing Director)  Age: 57 Years  M.Sc., MBA	Mr. Deepak Kumar Chatterjee took over as the Managing Director of SBI Funds Management Private Limited (SBIFMPL) on 13th January, 2011, prior to which Mr. Chatterjee was the General Manager (Financial Institutions Group) international Business Group, SBI. Mr. Chatterjee has an experience of over 32 years in State Bank of India in various areas such as Credit Administration, Investment Banking, International Banking Operations, Branch Management, etc.
3	Mr. Jayesh Gandhi (Independent Director)  Age: 48 Years  B.Com, F.C.A.	Mr. Jayesh Gandhi is a Chartered Accountant and Senior Partner from N. M. Rajji & Co. Chartered Accountants, Mumbai. Since last 18 years Mr. Gandhi has audit assignments of various companies like ICICI group including ICICI Bank Ltd., Wipro Group, Tata Finance Ltd., Tata Tea Ltd., Tata Chemicals Ltd., Prism Cement Ltd. He also handles various other assignments in audit of mutual funds.
4	Mr. Rajas R. Doshi (Independent Director)  Age: 59 Years  Bachelor of Civil Engineering	Mr. Doshi is the Chairman & Managing Director of Indian Hume Pipe Co. Ltd. a leading manufacturing company of pre stressed concrete, Non-Cylinder Pipes, Hume Steel Pipes, Bar Wrapped Steel Cylinder Pipes, Prestressed Concrete Railway Sleepers etc., and has an experience of more than 32 years in several fields. Mr. Doshi has joined Indian Hume Pipe Co. Ltd as Senior Executive in 1981 and has been elevated to Chairman & Managing Director in 1994. He is also a Director on the board of various companies like Hindustan Construction Co. Ltd., Modern India Ltd., IHP Finvest Ltd., Raj Jyoti Trading & Investment Pvt. Ltd., Mobile Systems India Pvt. Ltd., Ratanchand Investment Pvt. Ltd., including Section 25 Companies viz, Ratanchand Foundation & Walchand Foundation.



5	<p>Mr. R.Sridharan (Associate Director)</p> <p>Age: 60 Years</p> <p>B. Com (Madras University)</p>	<p>Mr. R. Sridharan, took over as Managing Director &amp; Group Executive (Associates &amp; Subsidiaries) of State Bank of India (SBI), from December 5, 2008. A graduate from the Madras University, he joined as a Probationary Officer in 1972, and has held, with distinction, a variety of critical and challenging assignments in the Bank, both in India and abroad. Mr.Sridharan, before taking over as Managing Director was the Deputy Managing Director of the Bank looking after the Non-Banking Subsidiaries. Earlier, he was the Managing Director &amp; Chief Executive Officer of SBI Capital Markets Limited, a subsidiary of SBI. He has been the Chief General Manager of Bangalore (Karnataka) circle of SBI. Prior to this, he was General Manager (Treasury), dealing with SBI's investment portfolio, money market and Forex operations. He has also worked as the Regional Head of SBI's Corporate Accounts Group, Ahmedabad. Mr.Sridharan has held assignments in the Bank's International Division and at its Frankfurt Branch. He was also the Executive Vice President (Money &amp; Forex) at SBI, Tokyo. Mr.Sridharan has served as Advisor to the Ministry of Finance, Government of India, New Delhi. He brings with him a rich combination of knowledge and experience.</p>
6	<p>Mrs. Madhu Dubhashi (Independent Director)</p> <p>Age: 60 Years</p> <p>B. Com (Delhi University) PGDBM (IIM, Ahmedabad)</p>	<p>Mrs. Dubhashi has been associated with the capital market for over 37 years with an experience including assessment of viability of projects, post sanction follow ups for ICICI Bank Limited, managing of IPOs and FOOs during her tenure with Standard Chartered Bank, Investment banking division. She has also been instrumental in the set up of a data centre and facilities for financial analysis of companies rated by CRISIL in her capacity as Head of Global Data Services of India, a subsidiary of CRISIL. She is presently working with INNOVEN Business Consultancy as Managing Partner. She has addressed several seminars, written seminal papers on Non-Voting Shares and perils and dangers of permitting "Buy-Back of Shares" by the Indian corporate and contributed a number of articles to various reputed business journals.</p>
7	<p>Dr. H. K. Pradhan (Independent Director)</p> <p>Age: 52 Years</p> <p>M.A. M Phil ,Ph D, Post Doc. Columbia University</p>	<p>Dr. H.K. Pradhan is a Professor of Finance &amp; Economics at XLRI Jamshedpur and has experience of over 23 years in teaching &amp; research etc. He has handled various international assignments including two years as Regional Advisor, Commonwealth Secretarial Regional Advisor, Pacific Islands &amp; Fiji Islands. He has presented several research papers in international conferences held in US, Europe, Asia, Africa and Pacific countries related to Securities and Capital Market. He has also been Member, Board of Governors, XLRI Jamshedpur (2003 -2005). He is also associated with National Commodity Derivative Exchange (NCDEX) since 2008 as Member, Index &amp; Option Committee.</p>
8	<p>Mr. Jean-Paul Mazoyer (Associate Director)</p> <p>Age: 46 Years</p> <p>Master of Science in Management</p>	<p>Jean-Paul Mazoyer is Deputy Chief Executive Officer of Amundi in charge of the Support and Business Development. Prior to that, Mr. Mazoyer was Head of Development and a member of Crédit Agricole Asset Management (CAAM) General Management Committee since January 2008. Before joining CAAM in November 2007, he worked from July 2004 as International COO of Calyon. From 2002 to 2004, he worked for Crédit Agricole Ile-de-France as Loans and Risks Director, after being Marketing and Communications Director until 2002. In September 1996, he joined Caisse Nationale de Crédit Agricole as Head of Distribution of the Retail Marketing division. From 1989 to 1996, he was at Accenture, where he worked as a management consultant to commercial banks, such as Crédit Agricole (Regional Banks and Central Body). He began his career at Crédit Lyonnais Suisse in 1988.</p>
9	<p>Mr. Didier Turpin (Alternate Director to Mr.Jean Paul Mazoyer)</p>	<p>Experience of over 20 years with Societe Générale Group, France, in various areas in the securities industry, including over 13 years experience in the Asset Management Business. He is associated</p>

Age: 53 Years  Expert Comptable Memorialiste (equivalent to Chartered Accountant), DESS in Business Law (equivalent to MBA, Maitrise in Tax Law (Paris I Sorbonne)	with Societe General since 1988 and having experience in various areas such as Financial Director, Deputy General Manager in charge of support areas, Head of Operations, Global Custody Department. His last Assignment was as Head, European Network, SGAM, Paris.
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**(ii) Duties and Obligation of the Asset Management Company:**

Duties and obligation of the AMC as specified in the SEBI Mutual Fund Regulations are as under:

1. The asset management company shall take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any scheme is not contrary to the provisions of these regulations and the trust deed.
2. The asset management company shall exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
3. The asset management company shall be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the asset management company.
4. The asset management company shall submit to the trustees quarterly reports of each year on its activities and the compliance with these regulations.
5. The trustees at the request of the asset management company may terminate the assignment of the asset management company at any time:  
Provided that such termination shall become effective only after the trustees have accepted the termination of assignment and communicated their decision in writing to the asset management company.
6. Notwithstanding anything contained in any contract or agreement or termination, the asset management company or its directors or other officers shall not be absolved of liability to the mutual fund for their acts of commission or omissions, while holding such position or office.
7. The Chief Executive Officer (whatever his designation may be) of the asset management company shall ensure that the mutual fund complies with all the provisions of the regulations and the guidelines or circulars issued in relation thereto from time to time and that the investments made by the fund managers are in the interest of the unit holders and shall also be responsible for the overall risk management function of the mutual fund.

*Explanation: For the purpose of this sub-regulation, the words ‘these regulations’ shall mean and include the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time.*

8. The fund manager (whatever the designation may be) shall ensure that the funds of the schemes are invested to achieve the objectives of the scheme and in the interest of the unit holders.
9. a. An asset management company shall not through any broker associated with the sponsor, purchase or sell securities, which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes.

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

Provided further that the aforesaid limit of 5% shall apply for a block of any three months.

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

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

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

Provided that an asset management company may utilise such services if disclosure to that effect is made to the unit holders and the brokerage or commission paid is also disclosed in the half yearly annual accounts of the mutual fund.

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

- a) Any underwriting obligations undertaken by the schemes of the mutual funds with respect to issue of securities 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 its associate companies have acted as arranger or manager.
11. The asset management company shall file with the trustees the details of transactions in securities by the key personnel of the asset management company in their own name or on behalf of the asset management company and shall also report to the Board, as and when required by the Board.
12. 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.
13. 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.
14. The asset management company shall file with the Trustee and the Board -
- (a) Detailed bio-data of all its directors along with their interest in other companies within fifteen days of their appointment; and
  - (b) Any change in the interests of directors every six months.
  - (c) A quarterly report to the trustees giving details and adequate justification about the purchase and sale of the securities of the group companies of the sponsor or the asset management company as the case may be, by the mutual fund during the said quarter.
15. 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 the guidelines issued by the Board.
16. 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.
17. The asset management company shall appoint registrars and share transfer agents who are registered with the Board.

Provided if the work relating to the transfer of units is processed in-house, the charges at competitive market rates may be debited to the scheme and for rates higher than the competitive market rates, prior approval of the trustees shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.

18. The asset management company shall abide by the Code of Conduct as specified in the Fifth Schedule.

Further the Asset Management Company shall ensure the following

- a) Not to acquire any of the assets out of the Scheme property which involves the assumption of any liability which is unlimited or which may result in encumbrance of the Scheme property in any way.

- b) Not to take up any activity in contravention of the SEBI Regulations.
- c) To ensure that no loss or damage or expenses incurred by the AMC or officers of AMC or any person delegated by the AMC, shall be met out of the trust property.

**(iii) Information on Key Personnel:**

The day-to-day operations of the AMC for Mutual Fund are looked after by experienced and qualified professionals, consisting of senior officials on deputation from the State Bank of India and AMUNDI as well as directly recruited officials of the AMC. All the key personnel are based at the registered office of the AMC.

Name/Designation	Age/Qualification	Brief Experience
Mr. Deepak Kumar Chatterjee (Managing Director & CEO)	57 / M.Sc., MBA	Mr. Deepak Kumar Chatterjee took over as the Managing Director of SBI Funds Management Private Limited (SBIFMPL) on 13th January, 2011, prior to which Mr. Chatterjee was the General Manager (Financial Institutions Group) international Business Group, SBI. Mr. Chatterjee has an experience of over 32 years in State Bank of India in various areas such as Credit Administration, Investment Banking, International Banking Operations, Branch Management, etc.
Mr. Didier Turpin / Deputy Chief Executive Office	53/ Expert Comptable Memorialiste (equivalent Chartered Accountant) DESS in Business Law (equivalent to MBA) Maitrise in Tax Law (Paris I Sorbonne)	Experience of over 21 years with Societe Générale Group, France, in various areas in the securities industry, including over 13 years experience in the Asset Management Business.  Assignment during the last 10 years  He is associated with Societe General since 1988 and having experience in various areas such as Financial Director, Deputy General Manager in charge of support areas, Head of Operations, Global Custody Department. His last Assignment was as Head, European Network, SGAM, Paris.
Mr. Navneet Munot / Chief Investment Officer	40/ M.Com, C.A., C.F.A., C.A.I.A. FRM	Having experience of more than 16 years in the area of financial services. He has joined us from Morgan Stanley Investment Management where he worked as Executive Director responsible for Multi-Strategy Funds. Before that he worked with Birla Sun Life AMC as CIO - Fixed Income and Hybrid Funds. He also worked with Birla Global Finance Ltd and Birla Sun Life Securities Ltd.
Mr. K T Ravindran (Chief Operating Officer)	56 / B.Sc., CAIIB, Diploma in Management	Mr. Ravindran, General Manager, State Bank of India (SBI) has over 30 years of experience in various areas at SBI such as Credit Administration, Monitoring Asset Quality, International Banking Operations, Retail Banking, Branch Management, Internal Audit functions, Circle Balance Sheet and Compliance. Prior to assuming the charge of Chief Operating Officer at SBI Funds Management Pvt. Ltd, Mr. Ravindran was Deputy General Manager (Credit) of SBI Chennai Circle.
Ms. Vinaya Datar / Company Secretary & Compliance Officer	40 / B.Sc, C.S., L.L.B.	Having overall experience of more than 17 years including over 9 years in the field of financial services. She has extensively worked in the areas of Compliance, Secretarial, and Legal.  Prior to this assignment, she was Assistant Vice President - Compliance with Mirae Asset Global Investments (India) Pvt. Ltd. She has also been previously associated with Reliance Capital Asset Management Ltd, IL&FS Limited and UTI Infrastructure & Services Limited.
Mr. R. S. Srinivas/ Chief Marketing Officer	35/ B.Com	Experience of over 18 years in Financial Services industry, including over 8 years in Asset management Companies.

		<p>Assignment during the last 10 years</p> <p>Associated with SBIFMPL since May 2001 His last Assignment was as Regional head, South, SBI Funds Management Pvt. Ltd. Before joining to SBI Funds Management P. Ltd, he has been associated with Birla Sunlife AMC, Investment India Pvt. Ltd. Kotak Securities etc.</p>
Mr. Aparna Nirgude / Chief Risk Officer	38/ B.Com, MBA	<p>Experience of over 14 years in the mutual fund industry in the area of equity research and funds management. Associated with SBIFMPL since June 1993.</p> <p>Assignment during the last 10 years:</p> <ul style="list-style-type: none"> <li>• March 2005 onwards - Chief Risk Officer</li> <li>• February 2005 - March 2005 - Vice President (Investment Risk &amp; Monitoring)</li> <li>• August 2000 - February 2005 - Head of Research</li> <li>• July 1998 - August 2000 - Equity dealer</li> <li>• September 1994 - June 1998 - Portfolio Manager</li> </ul>
Mr. C A Santosh / Investor Relations Officer	38/ B.Sc.	<p>An experience of more than 16 years. Previously he was associated with Kotak Mahindra Bank as Chief Manager, Customer Contact Center and was responsible for running the Contact Center Operations and handling query / request / complains of customers. Before joining to Kotak Mahindra Bank, he was also associated with ICICI Bank and KLM/Northwest Airlines.</p> <p>Assignment during the last 10 years:</p> <ul style="list-style-type: none"> <li>• SBIFMPL since December 2007</li> <li>• Chief Manager - Customer Contact Center - Kotak Mahindra Bank (December 2004 - December 2007)</li> <li>• Senior Officer - Shift Supervisor - ICICI Bank (April 2000 - December 2004)</li> <li>• Customer Service Executive - KLM/Northwest Airlines ( September 1997 - September 1999)</li> </ul>
Ms. Sohini Andani / Fund Manager	40/ B.Com. C.A.	<p>Having experience of more than 16 years in the area of financial services. She has been working with SBI Funds Management Pvt Ltd as the Head of Research for the past 2 years. Prior to joining SBI Funds Management Pvt. Ltd. Ms. Sohini was with ING Investment Management Pvt. Ltd., where she worked as Senior Analyst and was responsible for contributing to Fund Managers and the CIO on their equity investments. Before that she worked with many organizations viz. ASK Raymond James &amp; Associates Pvt. Ltd., LKP Shares &amp; Securities Ltd., Advani Share Brokers Pvt. Ltd., CRISIL, K R Choksey Shares &amp; Securities Pvt. Ltd. handling primarily equity research responsibilities.</p>
Mr. Jayesh Shroff / Chief Manager (Fund Manager - Equity)	38/ PGD (MBFS) from ICFAI, B.Com	<p>Experience of over 10 years as a Fund Manager. Apart from the fund management experience, Mr. Shroff also has wide experience in investment banking activities including M&amp;A activities, venture capital funding, preparation of business plans, project reports etc.</p> <p>Assignment during the last 10 years:</p> <ul style="list-style-type: none"> <li>• Fund Manager - BOB Asset Management Company Ltd. - September 1999 to March 2006</li> <li>• Head - M&amp;A and Research &amp; Analysis - Tandem Financials Ltd. - September 1996 to September 1999</li> <li>• Associate - Corporate planning &amp; Finance department - Kishor J. Janani , Stock Brokers - May 1996 to September 1996</li> </ul>

Mr. Dharmendra Grover	41 / BCom (Hons.), PGDRM	Experience of over 13 years in Indian equity markets in various capacities. He has a rich experience in equity research, fund management, corporate strategy and investor relations. His experience spans working on the Equity Research side as Analyst and later as Head of Research. He has also worked as Fund Manager managing equity mutual fund schemes. As part of a research advisory enterprise, he was also involved in providing research on Indian companies for a foreign-based fund. Before joining of SBI; he was working as Head - PMS in Tata Securities Limited. He has also been associated with various organizations viz, Principal AMC, Artemis Advisors Pvt. Ltd. Tata Motors Ltd., Credit Suisse First Boston Sec. (India) Ltd., Motilal Oswal Securities Ltd.
Mr. Ajit Dange / Fund Manager	39/ B E (Metallurgy), M B A (Finance)	Over 13 years of experience in Indian financial services and capital markets in various capacities. He has a rich experience in equity research, portfolio management, term lending and recoveries. Mr. Dange joined SBIFMPL in December 2007 as Research Analyst. Before joining SBIFMPL, he was working as Equity Research Analyst with Infinity.Com Financial Services (PINC), HDFC Securities and UTI Securities (Now renamed Standard Chartered - STCI Capital Markets) & SICOM Ltd.
Ms Suchita Shah / Fund Manager & Dealer	30/ M.Sc. (Statistics), FRM	Over 6 years of experience in Indian financial services and capital markets in various capacities. She has a rich experience in Equity Trading and in Portfolio Analysis & Investment Risk. Ms. Shah joined SBIFMPL in October 2007 as dealer. Prior to joining SBI Funds Management she was working as Equity Derivative Analyst with Brics Securities Pvt Ltd and as a Risk Analyst at Franklin Templeton International Services Pvt Ltd
Mr. Neeraj Kumar / Dealer	40/ B Com (H), CA	13 years experience in equity dealing, equity research & Finance & Accounts Dept.  Assignment during the last 10 years: <ul style="list-style-type: none"> <li>• Equity Dealer - SBI Funds Management Private Limited - from 26/10/2006 till date</li> <li>• Equity Dealer , Equity Research Analyst - Life Insurance Corporation of India- September 1996 to October 2006</li> </ul>
Mr. Rajeev Radhakrishnan/ Head (Fixed Income)	34/ B.E (Production). MMS (Finance)  Cleared Level 2 of the CFA exam conducted by CFA Institute, USA.	Total experience of 9 years in funds management. Around 5 yrs in Fixed Income funds management and dealing. Previously he was associated UTI Asset Management Company Ltd. as Co - Fund Manager  Past experiences: <ul style="list-style-type: none"> <li>• SBI Funds Management P. Ltd - (From June 09, 2008 onwards)</li> <li>• Co - Fund Manager - UTI Asset Management Company Limited (June 2001-2008)</li> </ul>
Mr. Rama Iyer Srinivasan/Head of Equities	41/ M.Com & MFM	Having experience of more than 18 years in the area of financial services. Prior to joining SBI Funds Management Pvt. Ltd. Mr. Srinivasan was with Future Capital Holding, asset management and financial services entity of the Future Group, where he worked as Head - Portfolio Management and was responsible for Portfolio Management & Equity Research. Before that he worked with many organizations viz: Principal PNB AMC; Imperial Investment Advisor; Indosuez W.I. Carr Securities; Inquire (Indian Equity Research); Sunidhi Consultancy (Research unit); Capital Market Publishers etc.
Mr. Dinesh Ahuja, Fund Manager	37 / B.Com, M.M.S.	Over 13 years of experience in Indian financial services and capital markets in various capacities. He has a rich

		experience in managing debt schemes. Before joining SBIFMPL, Mr. Ahuja was working as Fund Manager with L&T Investment Management Ltd. He has also been associated with Reliance Asset Management Ltd. and Reliance General Insurance Co. Ltd.
Mr. Raviprakash Sharma, Chief Dealer & Fund Manager	33 / B.Com,C.A., C.F.A(USA)	Mr. Sharma has over 12 years experience in Indian capital markets in various capacities including Portfolio Management and Dealing in equity shares on behalf of clients. Experience in last 10 years: <ul style="list-style-type: none"> <li>• From April 2007 to Jan 2011- as Sr. Manager - Portfolio Management Services with HDFC Asset Management Co. Ltd.</li> <li>• From July 2006 to April 2007 - as financial advisor with Citigroup Wealth Advisors India Pvt. Ltd.</li> <li>• From Dec 2004 - July 2006 - as AVP - Non-Discretionary PMS with Kotak Securities Ltd.</li> <li>• From Nov 2003 to Nov 2004- as AVP - Fixed Income Group with Times Investors Services Pvt. Ltd., Mumbai. From Nov 1999 to Nov 2003 as Manager - Fixed Income Group with Birla Sun Life Securities Ltd.</li> </ul>
Anup Upadhyay	BTECH (Hons), PGDM	Mr. Upadhyay has over 7 years experience with over 4 years of experience in the area of financial services. He joined SBIFMPL in May, 2007 as an analyst and currently is a fund manager.
Mr. Tanmaya Desai (Fund Manager)	B.E (Electronics), MBA (Finance), C.F.A(USA) Level III candidate	Mr. Desai has close to 6 years of work experience with over 3 years of experience in Indian capital markets. Experience in last 7 years: <ul style="list-style-type: none"> <li>• From May 2008 till date - as Research Analyst - Investments with SBI Funds Management Private Limited.</li> <li>• From August 2004 to June 2006 - as Lecturer, Electronics Department with D J Sanghvi College of Engineering, Mumbai.</li> <li>• From Sept 2003 - April 2004 - as Software Engineer with PATNI COMPUTER SYSTEMS LTD, Mumbai.</li> </ul>
Mr. Ruchit Mehta (Fund Manager)	B.Com, MSc Finance. CFA Charter holder	Ruchit Has over 7 year experience in the industry primarily as a research analyst. Experience over the last 7 years: <ul style="list-style-type: none"> <li>• April 2010 - till date: Chief Manager Investments (Research) with SBI Funds Management Pvt. Ltd.</li> <li>• May 2006 - March 2010: AVP &amp; Assistant Fund Manager, HSBC Asset Management Pvt. Ltd.</li> <li>• July 2004 - May 2006: Analyst, ASK Raymond James &amp; Associates Pvt. Ltd.</li> <li>• Feb 2004 - July 2004: Associate, Prabhudas Lilladher Pvt. Ltd.</li> </ul>
Ms. Nidhi Chawla (Fund Manager)	BBS, MBE, Pursuing CFA (USA) Level III candidate	Ms. Nidhi has over 4 years experience in Mutual Fund Industry. She joined SBI Mutual Fund in May 2007. She has been working as an equity research analyst covering various sectors including Real Estate, Infrastructure and Construction.
Mr. Saurabh Pant (Fund Manager)	B.Com, MBE, C.F.A(USA) Level III candidate	Mr. Saurabh has over 4 years experience in Indian capital markets in the capacity of research analyst: <ul style="list-style-type: none"> <li>• From May 2007 to June 2011- as Research Analyst with SBI Funds Management Pvt Ltd.</li> </ul>

**(iv) Research Team**

The Research Team at SBIFMPL consists of following persons:

- a) Sohini Andani - Head of Research, has total work experience of 16 years
- b) Rohit Shimpi - Equity Analyst, has total work experience of 7 years.
- c) Bhavna Pursnani - Senior Manager, has total work experience of 8 years.
- d) Vishal Saraf - Senior Manager, has total work experience of 4 years experience in financial services
- e) Anup Upadhyay - Associate, has total work experience of 7 years.
- f) Saurabh Pant - Associate, has total work experience of 4 years.
- g) Ajit Dange - has total work experience of 13 years.
- h) Aparna Shankar - has total work experience of 20 years.
- i) Tanmay Desai - Associate, has total experience of 4.7 years
- j) Nidhi Chawla - Associate, has total experience of 7 years
- k) Ruchit Mehta - Analyst, has total experience of 6 years

#### ***V. Procedures followed for Investment decisions***

The process of approval of transactions is done by the investment team comprising of Chief Investment Officer (CIO), Vice President (Investment Risk & Process Control) and all Fund Managers. The committee also invites the Compliance Officer and Head of Research in its meetings. The investment committee holds periodic meetings for a detailed review of investment strategy, portfolio holdings, review of research and dealing activities, analysis of scheme performances and also to ensure adherence to all internal guidelines and processes. The Investment Committee monitors and supervises the investment decisions made by the Investment team and also monitors the risk parameters in each scheme to ensure that the investment limits are properly observed. The risk origination for the investments is done based on the guidelines issued by SEBI and Board of Trustees. Concurrent auditors periodically check the limits and their reports are placed before the Audit Committee, which is comprised of the independent Directors and Trustees. The monitoring of decisions is taken through quarterly secondary and primary market report to the Directors. All the deals, both primary and secondary market are reported periodically to the investment committee and the Board of Trustees.

#### ***E. Service Providers***

##### **Custodian**

The Mutual Fund has following Custodians for various Schemes:

- (a) Stock Holding Corporation of India Ltd. (SEBI Registration Number: IN/CUS/011) situated at Plot No. P-51, T.T.C. Industrial Area, MIDC, Mahape, Navi Mumbai - 400 701.
- (b) CITI BANK N.A. (SEBI Registration Number: IN/CUS/004) situated at 77 Ramnord House, Dr. Annie Besant Road, Worli, Mumbai - 400 018.
- (c) HDFC Bank Ltd. (SEBI Registration Number: IN/CUS/001) situated at Sandoz House, Dr. Annie Besant Road, Worli Mumbai - 400 018.
- (d) Bank of Nova Scotia is the custodian for Gold for SBI Gold Exchange Traded Scheme (SEBI Reg. No.: IN/CUS/018) Address: 12-13, Maker Chambers VI, 220, Nariman Point, Mumbai - 400 021.

#### **Role of Custodians (For SBI Gold Exchange Traded Scheme)**

##### **(1) Role of Bank of Nova Scotia**

As Custodian of Gold, Bank of Nova Scotia (BNS or Bank) may select Sub custodians to perform any of its duties, including holding gold for it. By virtue of agreement entered into Asset Management Company (AMC) and Custodian, the Custodian may, with the prior written consent of the Trustees/AMC, entrust Gold held in the Account to a specified sub-custodian that is eligible to act as a custodian of Gold under applicable laws and regulations together with SEBI (Custodian of Securities) Regulations 1996 selected by Custodian with due care. The Custodian alone shall be fully liable for any fees, loss, damages, costs or charges of such Sub-Custodian. The Custodian shall continue to be liable and responsible to comply with the terms of the Agreement. The Trustees/AMC shall not recognize any sub-custodian and there shall be no privity of contract between the Trustee/AMC and the Sub-custodian.

The Custodian shall be fully responsible for custody/losses/ damages of physical gold whether the Custodian appoints Sub-custodian or not. Custodian will maintain all ledgers (or other records) reflecting Property in physical possession of Custodian, or held by any Sub-Custodian.

In terms of the Agreement entered into with the Bank of Nova Scotia (the custodian), the Custodian is liable for any loss, damage, cost, judgment, expense or any other liability including any physical loss, destruction or



damage to the Property, except, for Losses arising from nuclear fission or fusion, radioactivity, war, terrorist event, invasion, insurrection, civil commotion, riot, strike, act of government or public authority, acts of God or a similar cause that is beyond the control of the Custodian (“Force Majeure”).

In the event of such Force Majeure, the Custodian shall promptly inform the Trustee of the same; the disruption that such Force Majeure has caused to the services agreed to be provided by the Custodian under this Agreement and shall make immediate alternate arrangements so as to ensure that the services under the Agreement continue to be available to the Trustees.

Following activities form part of the Custody operations:

- a) Account opening and KYC
- b) Processing of initial creation/subscription of units
- c) Processing of redemption of units
- d) Reporting
- e) Reconciliation
- f) Accounting
- g) Compliance
- h) Business Resumption Plan

#### Account Opening and KYC:

KYC, due diligence requirements as specified /lay down by the Reserve Bank of India and Bank’s internal rules are followed with regard to the opening of the Mutual Fund (MF) account with Bank of Nova Scotia.

#### Processing of Initial Creation/subscription of Units:

Post the initial subscription (via NFO), the designated Mutual Fund (SBI Mutual Fund) can invest in Gold and either request Bank of Nova Scotia to procure gold or source gold from other agencies for the collections made by them. The Mutual Fund will purchase the gold from the Bullion Division of the Bank of Nova Scotia or from other bankers. The custody division of the bank, will issue a pre-alert to the custody agent (Vault) advising the Quantity and the bar numbers that are to be accepted in the Mutual Fund name. As at close of day, the vault will have to advise the closing stock held in custody for the Mutual Fund along with the distinctive bar numbers. With regard to subsequent subscription of units, the Mutual Fund will advise Bank of Nova Scotia details of the Authorized Participants name, quantity and value date of the transaction. Cash component if any will be deposited with Bank of Nova Scotia or as per transfer instructions received from the Mutual Fund. Bank of Nova Scotia will process the transaction and instruct the vault agent to accept the metal on behalf of the fund. The vault will confirm receipt of the metal and confirm good/bad delivery status as per prescribed norms and vault the metal in the Mutual Fund’s account with them. Bank of Nova Scotia will settle the purchase for the Mutual Fund and update the Mutual Fund’s holding accordingly

#### Processing of redemption of units:

Based on the Authorised Participant’s request to the Mutual Fund, Bank of Nova Scotia will receive written instructions with regard to redemption of units along with the Authorised Participants name, quantity and value date for the transaction. On receipt of confirmation from the Mutual Fund, instructions will be issued by Bank of Nova Scotia to release the Gold to the Authorised Participants. Bank of Nova Scotia will settle the redemption trade for the Mutual Fund and update the Mutual Fund’s holding accordingly.

#### Reporting:

This is broadly classified into the following categories:

#### Client reporting:

- a) Holding report
- b) Daily transaction report (on month end)
- c) Fail trade report (as and when it happens)
- d) Pending deals report
- e) Asset valuation report
- f) Tax invoices as at month ends
- g) Statement of account

Regulatory reporting:

Data on purchase, subscription and redemption as and when it occurs coupled with the monthly, quarterly reporting as prescribed by SEBI. Presently there is no specific reporting to RBI.

Reconciliation:

The daily closing positions of ETF stocks is advised to the Mutual Fund.

Accounting:

Mutual Funds are billed on a monthly basis for the custody charges based on the agreed fee structure. The billing is accompanied with a detailed annexure which gives day wise transaction charges and the holding position with respective valuations for each day Income and expenses related to custody are accounted in the Bank's financial system on an accrual basis.

Compliance:

The Bank's Compliance Officer is responsible for the overall compliance of this business.

Physical Risk:

The risk of loss through transportation, storage and delivery are insured by the Bank's Global Service Provider-M/s Lloyds Insurance and in any event through the Bank's general insurance cover.

Disaster recovery Plan:

Existing operations are centralized in Mumbai. The back up for all financial transactions is taken on a daily basis BNS's commercial branch located at Mittal Towers, Mumbai. Their staff can access the information from the commercial branch. In the case of the Precious metals system, the day to day processing is backed up by BNS's London Office accessing the system remotely. Tapes are stored offsite with a semi annual inspection of the same done by the bank.

Role of HDFC Bank Limited

The Custodian will be required to take delivery of all properties other than Gold and cash belonging to the scheme and to hold them in separate custody account and also separately from the assets of the custodian and their clients. The Custodian will ensure that the sale, purchase and registration of the properties other than Gold and cash of the fund will be in the name of the fund (SBI GETS). And will deliver them only as per instructions of the AMC and on receipt of the consideration.

The Custodian shall collect, receive and deposit in the account or accounts of the Fund with the Bank, income, interest, rights and other payments of whatever kind with respect to the securities and other assets and items of alike nature of the Fund held by or to the order of the Custodian and shall execute such ownership and other confirmations as are necessary. The Custodian shall be generally authorized to attend to all non-discretionary and procedural details for discharge of normal custodial functions in connection with the sale, purchase, transfer and other assets held for the account of the fund by the Custodian as an Agent except as may otherwise be directed by the Fund. For their services, the Custodian shall be paid a custodial fee as agreed upon by the AMC and the

Custodian and within the limits given in the section “Expenses”. The AMC reserves the right to change the Custodian at any time with the approval of the Board of Directors of the Trustees Company and the Committee of Board of Directors of the AMC.

#### Registrar, Transfer agent

The Mutual Fund has appointed M/s Computer Age Management Services (Pvt.) Ltd. (SEBI Registration Number: INR 000002813) situated at 148, Old Mahabalipuram Road, Okkiyam Thuraipakkam, Chennai 600 096 as Registrars, Transfer Agents to the Scheme.

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

#### Legal counsel

Based on the issue on hand, the AMC appoints appropriate legal counsel on a case to case basis.

#### Fund Accountant

SBI-SG Global Securities Services Pvt. Ltd. situated at " Jeevan Seva " Annexe Bldg., Ground Floor, S.V. Road, Santacruz (West), Mumbai - 400 054.

#### Statutory Auditor

SBIMF has appointed M/s. M. M. Nissim & Company, Chartered Accountants, situated at 3<sup>rd</sup> Floor, B Wing, Barodawala Mansion, 81, Dr. Annie Besant Road, Worli, Mumbai - 400 018 as the Statutory Auditor to the scheme. The AMC reserves the right to change the Auditor at any time with the approval of the Trustee and the Committee of the Board of Directors of AMC.

#### Collecting Bankers

For Collecting Bankers to NFOs please refer Scheme Information Document of the respective scheme.

#### F. Condensed financial Information (CFI):

CFI in respect of schemes launched during the last three fiscal years (excluding redeemed schemes) in the format given below:

CONDENSED FINANCIAL INFORMATION AS ON 27.06.2011				
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HISTORICAL PER UNIT STATISTICS	SBI Debt Fund Series - 18 Months - 4 - Growth			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.1931	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.3115	10.1931	N.A.	N.A.
Annualised return**	1.1348	1.933	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	166.56	164.65	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.30	0.27	N.A.	N.A.
Date of Allotment of Units : 3rd December, 2010				
Date of First N.A.V : 10th December, 2010 (NAV : 10.0099)				

HISTORICAL PER UNIT STATISTICS	SBI Debt Fund Series - 18 Months - 4 - Dividend			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.1931	N.A.	N.A.	N.A.
Dividends*	Nil	Nil	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.3116	10.1931	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	21.91	21.66	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.30	0.27	N.A.	N.A.
Date of Allotment of Units : 3rd December, 2010				
Date of First N.A.V : 10th December, 2010 (NAV : 10.0099)				

HISTORICAL PER UNIT STATISTICS	SBI Debt Fund Series - 370 Days - 8 - Growth			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.2421	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.3676	10.2421	N.A.	N.A.
Annualised return**	1.2046	2.418	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	551.25	544.58	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.37	0.29	N.A.	N.A.
Date of Allotment of Units : 18th November, 2010				
Date of First N.A.V : 25th November, 2010 (NAV : 10.0009)				

HISTORICAL PER UNIT STATISTICS	SBI Debt Fund Series - 370 Days - 8 - Dividend			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.1917	N.A.	N.A.	N.A.
Dividends (Individual)*	Nil	0.0439	N.A.	N.A.
Dividends (Other than Individual)*	Nil	0.0409	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.3166	10.1917	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	96.30	95.14	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.37	0.29	N.A.	N.A.
Date of Allotment of Units : 18th November, 2010				
Date of First N.A.V : 25th November, 2010 (NAV : 10.0009)				

HISTORICAL PER UNIT STATISTICS	SBI GOLD EXCHANGE TRADED SCHEME			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009

NAV at the beginning of the year/period	2064.1324	1645.1438	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year/period (as on March 31)	2228.7200	2064.1324	1645.1438	N.A.
Annualised return**	8.02	25.83	12.07	N.A.
Net Assets end of year/period (Rs. Crs.)	233.70	187.03	105.47	N.A.
Ratio of Recurring Expenses to net assets	1.00	1.08	1.07	N.A.
Date of Allotment of Units : 18th May, 2009				
Date of First N.A.V : 27th May, 2009 (NAV : 1487.5429)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES - 370 DAYS - 5 (26/08/2010)-DIVIDEND			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year/period	10.2960	N.A.	N.A.	N.A.
Dividends (Individual)*	0.03866	0.0658	N.A.	N.A.
Dividends (Other than Individual)*	0.03608	0.0613	N.A.	N.A.
N.A.V at the end of the year/period (as on March 31)	10.4389	10.2960	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of year/period (Rs. Crs.)	47.17	46.52	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.25	0.11	N.A.	N.A.
Date of Allotment of Units : 26th August, 2010				
Date of First N.A.V : 02nd September, 2010 (NAV : 10.0198)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES - 370 DAYS - 5 (26/08/2010)-GROWTH			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year/period	10.3716	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year/period (as on March 31)	10.5155	10.3716	N.A.	N.A.
Annualised return**	1.4217	3.6550	N.A.	N.A.
Net Assets end of year/period (Rs. Crs.)	221.80	218.76	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.25	0.11	N.A.	N.A.
Date of Allotment of Units : 26th August, 2010				
Date of First N.A.V : 02nd September, 2010 (NAV : 10.0198)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES - 370 DAYS - 6 (08/09/2010)-DIVIDEND PLAN			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year/period	10.2725	N.A.	N.A.	N.A.
Dividends (Individual)*	Nil	0.0658	N.A.	N.A.
Dividends (Other than Individual)*	Nil	0.0613	N.A.	N.A.

N.A.V at the end of the year/period (as on March 31)	10.4108	10.2725	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of year/period (Rs. Crs.)	17.75	17.51	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.47	0.49	N.A.	N.A.
Date of Allotment of Units : 08th September, 2010.				
Date of First N.A.V : 16th September, 2010 (NAV : 10.0290)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES - 370 DAYS - 6 (08/09/2010)-GROWTH PLAN			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year/period	10.3483	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year/period (as on March 31)	10.4874	10.3483	N.A.	N.A.
Annualised return**	1.3197	3.483	N.A.	N.A.
Net Assets end of year/period (Rs. Crs.)	190.61	188.08	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.47	0.49	N.A.	N.A.
Date of Allotment of Units : 08th September, 2010.				
Date of First N.A.V : 16th September, 2010 (NAV : 10.0290)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES - 180 DAYS - 18 (12/05/2011)-DIVIDEND PLAN			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year/period	N.A.	N.A.	N.A.	N.A.
Dividends*	Nil	N.A.	N.A.	N.A.
N.A.V at the end of the year/period (as on March 31)	10.0413	N.A.	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of year/period (Rs. Crs.)	434.03	N.A.	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.16	N.A.	N.A.	N.A.
Date of Allotment of Units : 12th May, 2011.				
Date of First N.A.V : 20th May, 2011 (NAV : 10.0295)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES - 180 DAYS - 18 (12/05/2011)-GROWTH PLAN			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year/period	N.A.	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year/period (as on March 31)	10.0413	N.A.	N.A.	N.A.
Annualised return**	0.413	N.A.	N.A.	N.A.
Net Assets end of year/period (Rs. Crs.)	55.32	N.A.	N.A.	N.A.

Ratio of Recurring Expenses to net assets	0.16	N.A.	N.A.	N.A.
Date of Allotment of Units : 12th May, 2011.				
Date of First N.A.V : 20th May, 2011(NAV : 10.0295)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERS-15M-5 DIVIDEND			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.4393	10.0319	N.A.	N.A.
Dividends (Individual)*	0.5236	0.1592	Nil	N.A.
Dividends (Other than Individual)*	0.4887	0.1483	Nil	N.A.
N.A.V at the end of the year (as on March 31)	10.5944	10.4393	10.0319	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	91.08	89.75	86.25	N.A.
Ratio of Recurring Expenses to net assets	0.60	0.55	0.6	N.A.
Date of allotment of units: 09th March 2010				
Date of First N.A.V : March 17, 2010 (NAV : 10.0097)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERS-15M-5 GROWTH			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.6252	10.0320	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.783	10.6252	10.032	N.A.
Annualised return**	1.4976	5.8732	0.32	N.A.
Net Assets end of period (Rs. Crs.)	532.81	525.01	495.7	N.A.
Ratio of Recurring Expenses to net assets	0.60	0.55	0.6	N.A.
(Date of allotment of units: 09th March 2010)				
Date of First N.A.V : March 17, 2010 (NAV : 10.0097)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES - 180 DAYS - 16 DIVIDEND			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.0937	N.A.	N.A.	N.A.
Dividends (Individual)*	0.2133	Nil	N.A.	N.A.
Dividends (Other than Individual)*	0.1991	Nil		
N.A.V at the end of the year (as on March 31)	10.2421	10.0937	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	86.43	85.18	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.13	0.02	N.A.	N.A.
Date of Allotment of Units : 04th March,				

2011				
Date of First N.A.V : 11th March,2011 (NAV: 10.0315)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES - 180 DAYS - 16 GROWTH			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.0937	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.2422	10.0937	N.A.	N.A.
Annualised return**	1.4381	0.944	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	28.41	28.00	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.13	0.02	N.A.	N.A.
Date of Allotment of Units : 04th March, 2011				
Date of First N.A.V : 11th March,2011 (NAV: 10.0315)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES - 13 MONTHS - 11 DIVIDEND			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.0944	N.A.	N.A.	N.A.
Dividends*	Nil	Nil	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.1887	10.0944	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	21.42	21.22	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.35	0.02	N.A.	N.A.
Date of Allotment of Units : 10th March, 2011				
Date of First N.A.V : 21st March,2011 (NAV: 10.0181)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES - 13 MONTHS - 11 GROWTH			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.0944	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.1887	10.0944	N.A.	N.A.
Annualised return**	0.9042	0.95	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	297.74	295.06	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.35	0.02	N.A.	N.A.
Date of Allotment of Units : 10th March, 2011				
Date of First N.A.V : 21st March,2011 (NAV: 10.0181)				



HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES - 90 DAYS 41 DIVIDEND			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.0439	N.A.	N.A.	N.A.
Dividends (Individual)*	0.1816	Nil	N.A.	N.A.
Dividends (Other than Individual)*	0.1695	Nil	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.2061	10.0439	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	505.87	497.83	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.10	0.01	N.A.	N.A.
Date of Allotment of Units : 15th March, 2011				
Date of First N.A.V : 22nd March,2011 (NAV: 10.0203)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES - 90 DAYS 41 GROWTH			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.0439	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.2063	10.0439	N.A.	N.A.
Annualised return**	1.5866	0.442	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	37.41	36.82	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.10	0.01	N.A.	N.A.
Date of Allotment of Units : 15th March, 2011				
Date of First N.A.V : 22nd March,2011 (NAV: 10.0203)				

HISTORICAL PER UNIT STATISTICS	Magnum Income Fund - FRP - SPBP - Daily Dividend			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.0747	N.A.	N.A.	N.A.
Dividends (Individual)*	0.1355	0.0180	N.A.	N.A.
Dividends (Other than Individual)*	0.1266	0.0168	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.0622	10.0747	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	4.46	146.21	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.22	0.26	N.A.	N.A.
Date of Allotment of Units : 09th December, 2010.				
Date of First N.A.V : 31st March, 2011.(NAV : 10.0774)				

HISTORICAL PER UNIT STATISTICS	SBI Debt Fund Series - 180 DAYS - 14 - Dividend			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.1682	N.A.	N.A.	N.A.
Dividends (Individual)*	0.2944	0.0439	N.A.	N.A.
Dividends (Other than Individual)*	0.2748	0.0409	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.3342	10.1682	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	363.04	357.21	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.34	0.34	N.A.	N.A.
Date of Allotment of Units : 28th December, 2010.				
Date of First N.A.V : 04th January, 2011. (NAV : 10.0351)				

HISTORICAL PER UNIT STATISTICS	SBI Debt Fund Series - 180 DAYS - 14 - Growth			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.2182	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.3851	10.2182	N.A.	N.A.
Annualised return**	1.5986	2.1890	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	43.90	43.20	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.34	0.34	N.A.	N.A.
Date of Allotment of Units : 28th December, 2010.				
Date of First N.A.V : 04th January, 2011. (NAV : 10.0351)				

HISTORICAL PER UNIT STATISTICS	SBI Debt Fund Series - 18 Months - 5 - Dividend			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.1464	N.A.	N.A.	N.A.
Dividends*	Nil	Nil	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.2657	10.1464	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	4.63	4.57	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.32	0.34	N.A.	N.A.
Date of Allotment of Units : 10th January, 2011.				
Date of First N.A.V : 17th January, 2011. (NAV : 10.2290)				

HISTORICAL PER UNIT STATISTICS	SBI Debt Fund Series - 18 Months - 5 - Growth			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.1464	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.2656	10.1464	N.A.	N.A.
Annualised return**	1.1339	1.4800	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	63.95	63.21	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.32	0.34	N.A.	N.A.
Date of Allotment of Units : 10th January, 2011.				
Date of First N.A.V : 17th January, 2011. (NAV : 10.2290)				

HISTORICAL PER UNIT STATISTICS	SBI Debt Fund Series - 90 Days - 42 - Dividend			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	N.A.	N.A.	N.A.	N.A.
Dividends (Individual)*	0.1504	Nil	N.A.	N.A.
Dividends (Other than Individual)*	0.1403	Nil	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.1702	N.A.	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	356.39	350.52	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.18	0.18	N.A.	N.A.
Date of Allotment of Units : 29th March, 2011.				
Date of First N.A.V : 07th April, 2011. (NAV : 10.0272)				

HISTORICAL PER UNIT STATISTICS	SBI Debt Fund Series - 90 Days - 42 - Growth			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	N.A.	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.1675	N.A.	N.A.	N.A.
Annualised return**	1.7020	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	63.82	62.41	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.18	0.18	N.A.	N.A.
Date of Allotment of Units : 29th March, 2011.				
Date of First N.A.V : 07th April, 2011. (NAV : 10.0272)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES 370 DAYS -12-DIVIDEND			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	N.A.	N.A.	N.A.	N.A.
Dividends*	Nil	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.1053	N.A.	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	87.44	N.A.	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.45	0.95	N.A.	N.A.
Date of Allotment of Units : 30th March, 2011				
Date of First N.A.V : 08th April, 2011 (NAV : 10.0229)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES 370 DAYS -12-GROWTH			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	N.A.	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.1053	N.A.	N.A.	N.A.
Annualised return**	1.0530	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	634.76	N.A.	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.45	0.95	N.A.	N.A.
Date of Allotment of Units : 30th March, 2011				
Date of First N.A.V : 08th April, 2011 (NAV : 10.0229)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES 24 MONTHS -2-DIVIDEND			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.1936	N.A.	N.A.	N.A.
Dividends*	Nil	Nil	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.3131	10.1936	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	4.72	4.66	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.60	0.62	N.A.	N.A.
Date of Allotment of Units : 21st September, 2010				
Date of First N.A.V : 28th September, 2010 (NAV : 10.0167)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES 24 MONTHS -2-GROWTH			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.1946	N.A.	N.A.	N.A.

Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.3142	10.1946	N.A.	N.A.
Annualised return**	1.1156	1.982	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	22.43	22.17	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.60	0.62	N.A.	N.A.
Date of Allotment of Units : 21st September, 2010				
Date of First N.A.V : 28th September, 2010 (NAV : 10.0167)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES 370 DAYS -7-DIVIDEND			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.2351	N.A.	N.A.	N.A.
Dividends*	Nil	IV: 0.0439; OT:0.0409	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.3611	10.2351	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	49.97	49.36	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.39	0.28	N.A.	N.A.
Date of Allotment of Units : 28th October, 2010				
Date of First N.A.V : 04th November, 2010 (NAV : 10.0244)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES 370 DAYS -7-GROWTH			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.2854	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.4120	10.2854	N.A.	N.A.
Annualised return**	1.2122	2.849	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	356.83	352.49	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.39	0.28	N.A.	N.A.
Date of Allotment of Units : 28th October, 2010				
Date of First N.A.V : 04th November, 2010 (NAV : 10.0244)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES 60 MONTHS -1-DIVIDEND			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.1306	N.A.	N.A.	N.A.
Dividends*	Nil	Nil	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.1501	10.1306	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	3.43	3.42	N.A.	N.A.

Ratio of Recurring Expenses to net assets	0.50	0.66	N.A.	N.A.
Date of Allotment of Units : 04th October, 2010				
Date of First N.A.V : 08th October, 2010 (NAV : 10.0149)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES 60 MONTHS -1-GROWTH			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.1305	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.1501	10.1305	N.A.	N.A.
Annualised return**	0.0897	1.388	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	6.74	6.73	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.50	0.66	N.A.	N.A.
Date of Allotment of Units : 04th October, 2010				
Date of First N.A.V : 08th October, 2010 (NAV : 10.0149)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES 18 MONTHS -6-DIVIDEND			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.1506	N.A.	N.A.	N.A.
Dividends*	NIL	Nil	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.2646	10.1506	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	4.18	4.13	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.30	0.47	N.A.	N.A.
Date of Allotment of Units : 21 January, 2011				
Date of First N.A.V : 31 January, 2011 (NAV : 10.0155)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES 18 MONTHS -6-GROWTH			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.1506	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.2645	10.1506	N.A.	N.A.
Annualised return**	1.0574	1.547	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	24.18	23.91	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.30	0.47	N.A.	N.A.
Date of Allotment of Units : 21 January, 2011				
Date of First N.A.V : 31 January, 2011 (NAV : 10.0155)				

HISTORICAL PER UNIT STATISTICS	SBI CAPITAL PROTECTION ORIENTED FUND SERIES - 2 - GROWTH			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.0688	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.0069	10.0688	N.A.	N.A.
Annualised return**	-0.6138	0.674	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	106.700	107.36	N.A.	N.A.
Ratio of Recurring Expenses to net assets	2.00	1.77	N.A.	N.A.
Date of Allotment of Units : 11 March, 2011				
Date of First N.A.V : 18 March, 2011 (NAV :10.0561)				
HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES 370 DAYS -10-DIVIDEND			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.1380	N.A.	N.A.	N.A.
Dividends*	Nil	Nil	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.2382	10.1380	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	27.88	27.61	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.17	0.19	N.A.	N.A.
Date of Allotment of Units : 1 March, 2011				
Date of First N.A.V : 9 March, 2011 (NAV :10.0340)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES 370 DAYS -10-GROWTH			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.1380	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.2382	10.1380	N.A.	N.A.
Annualised return**	0.9625	1.3820	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	907.67	898.78	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.17	0.19	N.A.	N.A.
Date of Allotment of Units : 1 March, 2011				
Date of First N.A.V : 9 March, 2011 (NAV :10.0340)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES 370 DAYS -11-DIVIDEND			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	N.A.	N.A.	N.A.	N.A.

Dividends*	Nil	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.1726	N.A.	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	58.46	N.A.	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.15	0.35	N.A.	N.A.
Date of Allotment of Units : 28 March, 2011				
Date of First N.A.V : 6 April, 2011 (NAV : 10.0691)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES 370 DAYS -11-GROWTH			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	N.A.	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.1727	N.A.	N.A.	N.A.
Annualised return**	1.7270	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	1067.30	N.A.	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.15	0.35	N.A.	N.A.
Date of Allotment of Units : 28 March, 2011				
Date of First N.A.V : 6 April, 2011 (NAV : 10.0691)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES 370 DAYS -13-DIVIDEND			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	N.A.	N.A.	N.A.	N.A.
Dividends*	Nil	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.0844	N.A.	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	11.52	N.A.	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.18	N.A.	N.A.	N.A.
Date of Allotment of Units : 7 April, 2011				
Date of First N.A.V : 18 April, 2011 (NAV : 10.0105)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES 370 DAYS -13-GROWTH			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	N.A.	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.0845	N.A.	N.A.	N.A.
Annualised return**	0.8450	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	174.43	N.A.	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.18	N.A.	N.A.	N.A.
Date of Allotment of Units : 7 April, 2011				



Date of First N.A.V : 18 April, 2011 (NAV : 10.0105)			
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HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES 180 DAYS -17-DIVIDEND			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	N.A.	N.A.	N.A.	N.A.
Dividends*	Nil	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.0771	N.A.	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	169.45	N.A.	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.22	N.A.	N.A.	N.A.
Date of Allotment of Units : 20 April, 2011				
Date of First N.A.V : 28 April, 2011 (NAV : 10.0279)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES 180 DAYS -17-GROWTH			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	N.A.	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.0771	N.A.	N.A.	N.A.
Annualised return**	0.7710	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	77.11	N.A.	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.22	N.A.	N.A.	N.A.
Date of Allotment of Units : 20 April, 2011				
Date of First N.A.V : 28 April, 2011 (NAV : 10.0279)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES 370 DAYS -14-DIVIDEND			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	N.A.	N.A.	N.A.	N.A.
Dividends*	Nil	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.0583	N.A.	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	31.07	N.A.	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.50	N.A.	N.A.	N.A.
Date of Allotment of Units : 29 April, 2011				
Date of First N.A.V : 6 May, 2011 (NAV : 10.0105)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES 370 DAYS -14-GROWTH			
	01/04/11 TO	2010-2011	2009-2010	2008-2009

	31/05/11			
NAV at the beginning of the year	N.A.	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on March 31)	10.0583	N.A.	N.A.	N.A.
Annualised return**	0.5830	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	122.83	N.A.	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.50	N.A.	N.A.	N.A.
Date of Allotment of Units : 29 April, 2011				
Date of First N.A.V : 6 May, 2011 (NAV : 10.0105)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES - 370 DAYS - 9 - DIVIDEND			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the Period	10.1701	N.A.	N.A.	N.A.
Dividends*	Nil	N.A.	N.A.	N.A.
N.A.V at the end of the Period	10.2795	10.1701	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	14.69	14.54	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.20	0.20	N.A.	N.A.
Date of Allotment of Units : 9th February, 2011				
Date of First N.A.V : 17th February , 2011 (NAV:10.0177)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES - 370 DAYS - 9 - GROWTH			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.1698	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on May 20)	10.279	10.1698	N.A.	N.A.
Annualised return**	1.044	1.704	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	603.92	597.51	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.20	0.20	N.A.	N.A.
Date of Allotment of Units : 9th February, 2011				
Date of First N.A.V : 17th February , 2011 (NAV:10.0177)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES - 180 DAYS - 15 - DIVIDEND			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.1195	N.A.	N.A.	N.A.
Dividends (Individual)*	0.2361	N.A.	N.A.	N.A.
Dividends (Other than Individual)*	0.2203	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on May	10.2734	10.1195	N.A.	N.A.

20)				
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	154.68	152.36	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.17	0.03	N.A.	N.A.
Date of Allotment of Units : 9th February, 2011				
Date of First N.A.V : 17th February , 2011 (NAV:10.0161)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES - 180 DAYS - 15 - GROWTH			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	10.1446	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on May 20)	10.2991	10.1446	N.A.	N.A.
Annualised return**	1.49	1.454	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	7.71	7.59	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.17	0.03	N.A.	N.A.
Date of Allotment of Units : 9th February, 2011				
Date of First N.A.V : 17th February, 2011 (NAV:10.0161)				

HISTORICAL PER UNIT STATISTICS	SBI PSU FUND- DIVIDEND			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	9.86	N.A.	N.A.	N.A.
Dividends*	Nil	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on May 20)	9.54	9.86	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	220.13	229.31	N.A.	N.A.
Ratio of Recurring Expenses to net assets	2.50	1.88	N.A.	N.A.
Date of Allotment of Units : 07th July, 2010				
Date of First N.A.V : 12th July , 2010 (NAV:10.07)				

HISTORICAL PER UNIT STATISTICS	SBI PSU FUND- GROWTH			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year	9.86	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year (as on May 20)	9.54	9.86	N.A.	N.A.
Annualised return**	-3.05	-1.6	N.A.	N.A.
Net Assets end of period (Rs. Crs.)	371.00	385.79	N.A.	N.A.

Ratio of Recurring Expenses to net assets	2.50	1.88	N.A.	N.A.
Date of Allotment of Units : 07th July, 2010				
Date of First N.A.V : 12th July , 2010 (NAV:10.07)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES - 15 MONTHS - 6 (07/02/2011) - DIVIDEND			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year/period	10.1435	N.A.	N.A.	N.A.
Dividends*	Nil	Nil	N.A.	N.A.
N.A.V at the end of the year/period (as on March 31)	10.2868	10.1435	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of year/period (Rs. Crs.)	24.26	23.92	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.31	0.38	N.A.	N.A.
Date of Allotment of Units : 7th February, 2011			N.A.	N.A.
Date of First N.A.V : 14th February, 2011 (NAV:10.0180 )			N.A.	N.A.

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES - 15 MONTHS - 6 (07/02/2011) - GROWTH			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year/period	10.1435	N.A.	N.A.	N.A.
Dividends*	N.A.	Nil	N.A.	N.A.
N.A.V at the end of the year/period (as on March 31)	10.2869	10.1435	N.A.	N.A.
Annualised return**	1.3697	1.451	N.A.	N.A.
Net Assets end of year/period (Rs. Crs.)	97.76	96.39	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.31	0.38	N.A.	N.A.
Date of Allotment of Units : 7th February, 2011			N.A.	N.A.
Date of First N.A.V : 14th February, 2011 (NAV:10.0180 )			N.A.	N.A.

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES - 90 DAYS 43 - (05/05/2011) - DIVIDEND			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year/period	N.A.	N.A.	N.A.	N.A.
Dividends (Individual)*	0.0586	N.A.	N.A.	N.A.
Dividends (Other than Individual)*	0.0547	N.A.	N.A.	N.A.
N.A.V at the end of the year/period (as on March 31)	10.0665	N.A.	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of year/period (Rs. Crs.)	561.39	N.A.	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.17	N.A.	N.A.	N.A.

Date of Allotment of Units : 3rd May, 2011				
Date of First N.A.V :12th May, 2011 (NAV:10.0194)				

HISTORICAL PER UNIT STATISTICS	SBI DEBT FUND SERIES - 90 DAYS 43 - (05/05/2011) - GROWTH			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year/period	N.A.	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year/period (as on March 31)	10.0665	N.A.	N.A.	N.A.
Annualised return**	0.665	N.A.	N.A.	N.A.
Net Assets end of year/period (Rs. Crs.)	62.67	N.A.	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.17	N.A.	N.A.	N.A.
Date of Allotment of Units : 3rd May, 2011				
Date of First N.A.V :12th May, 2011 (NAV:10.0194)				

HISTORICAL PER UNIT STATISTICS	MAGNUM INSTA CASH FUND - LIQUID FLOATER PLAN - DAILY DIVIDEND PLAN			
	01/04/11 TO 31/05/11	2010-2011	2009-2010	2008-2009
NAV at the beginning of the year/period	10.1042	N.A.	N.A.	N.A.
Dividends*	N.A.	N.A.	N.A.	N.A.
N.A.V at the end of the year/period (as on March 31)	10.0991	10.1042	N.A.	N.A.
Annualised return**	N.A.	N.A.	N.A.	N.A.
Net Assets end of year/period (Rs. Crs.)	76.52	29.25	N.A.	N.A.
Ratio of Recurring Expenses to net assets	0.35	0.29	N.A.	N.A.
Date of Allotment of Units :				
Date of First N.A.V : 23rd November, 2010 (NAV:10.0019)				

\*Excluding dividend details of liquid scheme.

\*\* Only for growth option - Absolute returns to be provided for schemes less than one year.

## II. HOW TO APPLY

### 1) **Important instructions:**

- a. Applications complete in all respects together with necessary remittance may be submitted before the closing of the new fund offer at any SBIMF Investor Service Centers/Investor Service Desks, SBI MF Corporate Office or other such collecting centers as may be designated by the AMC. The application amount in cheque or Demand Draft shall be payable to \_\_\_\_\_ (Please see the Key Information Memorandum & Application Form of the respective Scheme). The Cheques / Demand Drafts should be payable at the Centre where the application is lodged. No outstation cheques or stock invests or cash will be accepted.
- b. Pursuant to AMFI Best Practice Guideline Circular No. 13/2007 - 08 dated October 3, 2007, Demand Draft charges if reimbursed to the unit holders are to be borne by the AMC and not to be charged to the scheme. Investors may please further note that in case of any application made through the Demand Draft, no Demand Draft charges will be reimbursed by the AMC in any case. The same will have to be borne by investors only.
- c. Investors are advised to fill up the details of their bank account numbers on the application form in the space provided. In order to protect the interest of the Unit holders from fraudulent encashment of cheques, SEBI has made it mandatory for investors in mutual funds to state their bank account numbers in their applications. SEBI has also made it mandatory for investors to mention their Permanent Account Number (PAN) transacting in the units of SBI Mutual Fund, irrespective of the amount of transaction. Submission of copy of PAN card is mandatory for all categories of investors (including NRIs, Guardian of a minor) for transacting in units of SBI Mutual Fund. Submission of copy of PAN card by Guardian of a minor is mandatory for investments by minor whether copy of PAN of minor is provided or not. The verification of PAN would be carried out with the Income tax database. In case of failure, communication would be sent to the customers to provide the correct PAN details or communication from Income Tax authorities evidencing the validity of PAN. Such folios would be blocked for additional purchases and future SIP registrations till receipt of the above documents and verification with original. In case of web-based transactions, investors would be allowed to transact subject to PAN validation. Pursuant to implementation of Know Your Customer (KYC) norms under Prevention of Money Laundering Act, 2002 (PMLA) and in accordance with AMFI circular 35/MEM-COR/62/10-11 dated October 07, 2010, KYC Compliance has been made mandatory effective January 1, 2011 (the "Effective Date"), irrespective of the amount of investment. Please refer to 'Legal Section' of the SAI.
- d. Investors are advised to retain the acknowledgement slip signed/ stamped by the collection centre where they submit the application.
- e. In respect of New Fund Offer (NFO) of Schemes/Plan(s) launched on or after July 1, 2010, 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.

### 2) **Third-Party Cheques/Payments**

**Definition:** When payment is made through instruments issued from an account other than that of the beneficiary investor mentioned in the application form.

- a) In case of payments from a joint bank account, the first holder of the mutual fund folio has to be one of the joint holders of the bank account from which payment is made.

#### **A. Restriction on acceptance of Third-party payments**

SBIMF will not accept subscriptions with Third-Party payments except in the following exceptional situations:

- 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). However this restriction will not be applicable for payment made by a guardian whose name is registered in the records of Mutual Fund in that folio
- b) Payment by Employer on behalf of employee under Systematic Investment Plans or lump sum / one-time subscription, through Payroll deductions.
- c) Custodian on behalf of an FII or a client

*(Note: For all the above instances, the investor and the person making the payment should be KYC compliant and also submit 'Third Party Payment Declaration Form' with complete details. The said form is available at the nearest Investor Service Centre (ISC) of SBI Mutual Fund or can be downloaded from our website [www.sbimf.com](http://www.sbimf.com))*

In case of Systematic Investment Plan (SIP), it may please be noted that the above guidelines will be applicable for all new SIPs received on or after November 15, 2010. The new guidelines will not be applicable for the SIPs registered before November 15, 2010.

**Instructions / Guidelines for Third-Party payments:**

- a) An investor at the time of his purchase must provide 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 dividend / redemption proceeds are to be paid).

Please refer the paragraph of “multiple bank accounts” facility available to the investors to *register multiple bank accounts*.

- b) If the subscription is settled with pre-funded instruments such as Pay Order, Demand Draft, Banker’s cheque, etc., a Certificate from the Issuing banker must accompany the purchase application, stating the Account holder’s name and the Bank Account number from which the amount has been debited for issue of the instrument.
- c) A pre-funded instrument issued by the bank against cash shall not be accepted for investments of Rs.50,000/- or more. This also should be accompanied by a certificate from the banker mentioning name, address and PAN (if available) of the person who has requested for the said instrument.
- d) If payment is made by RTGS, NEFT, ECS, Bank transfer, etc., an acknowledged copy of the instruction to the bank stating the bank account number from which the amount has been debited, must accompany the purchase application.

**Acceptance of Demand Drafts for subscription of units**

**1. Payments towards subscription of Units - DD issued against debit to investor’s bank account:**

Where an investor subscribes for units vide a DD issued by way of debit to his / her bank account, fund houses may now accept any one of following:

- a. a proof of debit to the investor’s bank account in the form of a bank manager’s certificate with details of account holder’s Name, bank account number and PAN as per bank records, if available.
- b. a copy of the acknowledgement from the bank, wherein the instructions to debit carry the bank account details and name of the investor as an account holder are available.
- c. a copy of the passbook/bank statement evidencing the debit for issuance of a DD

The above will be a valid supporting document in such subscriptions

**2. Payments towards subscription of Units - DD issued by bank against cash:**

In such instances, a banker’s certificate for issuance of a DD against cash that also states the investor’s Name, bank account number and PAN as per bank record, if available, is a must.

However, it must be ensured for both the examples as shown above, that such bank account number of the investor is the same as the / one of the registered bank account mandate(s) with the fund or the bank details mentioned in the application form.

**Safe mode of writing cheque:**

In order to prevent frauds and misuse of payment instruments, investors are requested to make the payment instrument i.e. cheque, demand draft, pay order etc. favouring as under:

1. "SBIMF-XYZ Scheme A/c - Permanent Account Number". For example: "SBIMF - Magnum TaxGain Scheme A/c - ABCDE3456F"
- OR
2. "SBIMF-XYZ Scheme A/c - First Investor Name". For example: "SBIMF - Magnum TaxGain Scheme A/c - Ashok Kumar"

Investors transacting through MFSS / BSE StAR MF Platform under the electronic order collection system for schemes which are unlisted and Stock Exchange(s) for the listed schemes will have to comply with norms / rules as prescribed by the Stock Exchange(s).

## **B. Registration of multiple bank accounts:**

SBIMF has also provided a facility to the investors to register multiple bank accounts. In case an investor has multiple bank accounts, he/she is requested to register the same with SBIMF. By registering multiple bank accounts, investors can use any of the registered bank accounts to receive dividend / redemption proceeds. These account details will be used by the SBIMF/ R&T for verification of instrument used for subscription to ensure that third party payments are not used for mutual fund subscription, except where permitted in part A(2) above. 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 the nearest Investor Service Centre (ISC) of SBI Mutual Fund or the same can be downloaded from our website [www.sbimf.com](http://www.sbimf.com)

In case the application for subscription does not comply with the above provisions, the SBIMF retains the sole and absolute discretion to reject / not to process such application and refund the subscription money and shall not be liable for any such rejection.

### **3) Who Can Invest:**

Investors are advised to satisfy themselves that they are not prohibited by any law governing such entity and any Indian law from investing in the Scheme and are authorized to purchase units of mutual funds as per their respective constitutions, charter documents, corporate / other authorizations and relevant statutory provisions. The following is an indicative list of persons who are generally eligible and may apply for subscription to the units of the scheme:

- Indian resident adult individuals, either singly or jointly (not exceeding three);
- Minor through parent / lawful guardian; (please see the note below)
- Companies, bodies corporate, public sector undertakings, association of persons or bodies of individuals and societies registered under the Societies Registration Act, 1860;
- Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private Trusts authorised to invest in mutual fund schemes under their trust deeds;
- Partnership Firms constituted under the Partnership Act, 1932;
- A Hindu Undivided Family (HUF) through its Karta;
- Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions;
- Non-Resident Indians (NRIs) / Persons of Indian Origin (PIO) on full repatriation basis or on non-repatriation basis;
- Foreign Institutional Investors (FIIs) registered with SEBI on full repatriation basis;
- Army, Air Force, Navy and other para-military funds and eligible institutions;
- Scientific and Industrial Research Organisations;
- Provident / Pension / Gratuity and such other Funds as and when permitted to invest;
- International Multilateral Agencies approved by the Government of India / RBI; and
- The Trustee, AMC or Sponsor or their associates (if eligible and permitted under prevailing laws).
- A Mutual Fund through its schemes, including Fund of Funds schemes.

**Note:** Minor can invest in any scheme of SBI Mutual Fund through his/her guardian only. Minor Unit Holder on becoming major is required to provide prescribed document for changing the status in the Fund's records from 'Minor' to 'Major'. For details please refer to 'Legal Section' of Statement of Additional Information (SAI).

Minor can invest in any scheme of SBI Mutual Fund through his/her guardian only. Minor Unit Holder on becoming major may inform the Registrar about attaining majority and provide his specimen signature duly authenticated by his banker as well as his details of bank account and PAN (if required) to enable the Registrar to update their records and allow him to operate the Account in his own right.

#### Notes:

- a. 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.
- b. 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 notarised 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) authorizing such purchases and redemptions.

**Applications not complying with the above are liable to be rejected.**

- c. Returned cheques are liable not to be presented again for collection, and the accompanying application forms are liable to be rejected. In case the returned cheques are presented again, the necessary charges are liable to be debited to the investor.
- d. Any request for withdrawal of application made during the New Fund Offer Period will be treated as Redemption request and shall be processed at the Redemption Price based on the first NAV declared by the Scheme after the close of New Fund Offer.

**4) Who cannot invest:**

It should be noted that the following entities cannot invest in the scheme(s):

- a. Any individual who is a Foreign National
- b. Overseas Corporate Bodies (OCBs) shall not be allowed to invest in the Scheme. These would be firms and societies which are held directly or indirectly but ultimately to the extent of at least 60% by NRIs and trusts in which at least 60% of the beneficial interest is similarly held irrevocably by such persons (OCBs).

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

Subject to the Regulations, any application for Units may be accepted or rejected in the sole and absolute discretion of the AMC. For example, the AMC may reject any application for the Purchase of Units if the application is invalid or incomplete or if, in its opinion, increasing the size of any or all of the Scheme's Unit capital is not in the general interest of the Unit holders, or if the Trustee for any other reason does not believe that it would be in the best interest of the Scheme or its Unit holders to accept such an application.

The AMC may need to obtain from the investor verification of identity or such other details relating to a subscription for Units as may be required under any applicable law, which may result in delay in processing the application.

**5) Joint Applicants:**

In the event an account has more than one registered owner, the first-named holder shall receive the Account Statements, all notices and correspondence with respect to the Account, as well as the proceeds of any redemption requests or dividends or other distributions. In addition, such Unit holders shall have the voting rights, as permitted, associated with such units, as per the applicable guidelines. Applicants can specify the 'mode of holding' in the application form as 'Joint' or 'Any one or Survivor'. In the case of holding specified as 'Joint', Redemptions would have to be signed by all joint holders in the same order as registered with the Mutual Fund. However, in cases of holding specified as 'Anyone or Survivor', any one of the Unit holders will have the power to make Redemption requests, without it being necessary for all the Unit holders to sign. However, in all cases, the proceeds of the Redemption will be paid only to the first-named holder.

Investors are also requested to note that when subscription for mutual fund units are remitted through joint bank accounts of investors, the default option for applying for mutual funds unit should be in the joint names of all the account holders of the bank account

**6) Defective applications liable for rejection:**

Applications not complete in any respect are liable to be rejected. In the event of non-allotment of Units, no interest will be paid on the money refunded. In case of any representation to the AMC against the disqualification of any application, the decision of the AMC will be final.

Investors are requested to provide these details in the space provided in the application form. This measure is intended to avoid fraud / misuse or theft while investing in units of SBI Mutual Fund. Kindly note that the applications received which are incomplete or insufficient information is provided by the investors, are liable to be rejected. In the event of non-allotment of units, no interest will be paid on the money refunded

### 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. In case the AMC fails to dispatch redemption proceeds within the stipulated time, interest at the rate of 15% p.a. will be paid to such investors.
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:
  - a. Whenever required to do so by SEBI, in the interest of the Unit holders.
  - b. Whenever required to do so if a requisition is made by three- fourths of the Unit holders of the Scheme.
  - c. When the Trustee decides to wind up the Scheme or prematurely redeem the Units.
  - d. 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. Suspension or restriction of repurchase/redemption facility under any scheme of the mutual fund shall be made applicable only after the approval from the Board of Directors of the Asset Management Company and the Trustee. The approval from the AMC Board and the Trustees giving details of circumstances and justification for the proposed action shall also be informed to SEBI in advance.
10. The following would be the procedure for seeking approval of the Unit holders in specified circumstances.
  - (i) The Mutual Fund shall first determine a cut off date for ascertaining the names of the Unit holders whose consent is to be sought. This may necessitate the closing of books and register of Unit holders, if any, and suspension of approval of the sale and purchase of Units for a short period prior to the cut off date.
  - (ii) The Trustees of the Mutual Fund shall pass a resolution for convening a meeting of the general body of the Unit holders and give a notice atleast 21 days before the meeting too all Unit holders specifying the date, time, venue and purpose of holding the meeting and publish the public notice in at least two leading newspapers circulated in Mumbai including one English and one Marathi newspaper.

- (iii) At the meeting so convened, 5 Unit holders personally present shall constitute the quorum for the meeting and the Unit holders personally present at the meeting shall elect one of themselves to be the Chairman thereof by a show of hands. The Chairman of the meeting shall have the power to regulate the procedure at the meetings.
- (iv) At the meeting, the amendment proposed shall be put to vote and shall be decided in the first instance by a show of hands, unless a poll is demanded. A poll demanded shall be taken at such time not being later than 48 hours from the time when the demand was made, as the Chairman may direct. The result of the poll would determine whether the amendment proposed will be passed or not.
- (v) Before or on the declaration of the result of voting on a proposed amendment by a show of hands, a poll may be ordered to be taken by the Chairman, of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Unit Holder or Unit holders, holding units having a issue price of not less than Rs. 50,000/-.

#### **IV. INVESTMENT VALUATION NORMS**

##### **Valuation of Assets**

Valuation of Assets, computation of NAV, Repurchase Price and their frequency of disclosure will be in accordance with the provisions of SEBI Regulations /Guidelines/Directives issued by SEBI from time to time. The assets of the Scheme will be valued based on the following valuation norms.

##### **A. Traded Securities**

- a. The securities shall be valued at the last quoted price on the stock exchange.
- b. 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. It would be left to the Asset Management Company to select the appropriate stock exchange, but the reasons for the selection should be recorded in writing. There should however be no objection for all scrips being valued at the prices quoted on the stock exchange where a majority in value of the investments is principally traded.
- c. 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 Asset Management Company.
- d. When on a particular valuation day, a security has not been traded on the selected stock exchange the value at which it is traded on another stock exchange may be used.
- e. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provide such date is not more than thirty days prior to the valuation date.
- f. 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.
- g. 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.

##### **B. Thinly Traded Securities**

###### **a. Thinly Traded Equity/Equity Related Securities:**

When trading in an equity/equity related security (such as convertible debentures, equity warrants, etc.) in a month is less than Rs. 5 lacs and the total volume is less than 50,000 shares, it shall be considered as a thinly traded security and valued accordingly.

For example, if the volume of trade is 100,000 and value is Rs. 400,000, the share does not qualify as thinly traded. Also if the volume traded is 40,000, but the value of trades is Rs. 600,000, the share does not qualify as thinly traded.

Where a stock exchange identifies the "thinly traded" securities by applying the above parameters for the preceding calendar month and publishes/provides the required information along with the daily quotations, the same can be used by the mutual funds.

If the share is not listed on the stock exchanges which provide such information, then it will be obligatory on the part of the mutual fund to make its own analysis in line with the above criteria to check whether such securities are thinly traded which would then be valued accordingly.

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

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.

#### **b. Thinly Traded Debt Securities:**

A debt security (other than Government Securities) shall be considered as a thinly traded security if on the valuation date, there are no individual trades in that security in marketable lots (currently Rs 5 Crore) on the principal stock exchange or any other stock exchange. A thinly traded debt security as defined above would be valued as per the norms set for non-traded debt security.

In order to determine whether a security is thinly traded or not the volumes traded in all recognised stock exchanges in India may be taken into account.

#### **C. Non Traded Securities:**

When a security is not traded on any stock exchange for a period of thirty days prior to the valuation date, the scrip must be treated as 'non-traded' scrip.

#### **D. 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:**
  - a. Based on the latest available Balance Sheet, net worth shall be calculated as follows: 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 capitalised 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. (a) Non Traded /Thinly Traded Debt Securities of Upto 182 Days to Maturity:**

As the money market securities are valued on the basis of amortization (cost plus accrued interest till the beginning of the day plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instruments) a similar process should be adopted for non-traded debt securities with residual maturity of upto 182 days, in the absence of any other standard benchmarks in the market. Debt securities purchased with residual maturity of upto 182 days are to be valued at cost (including accrued interest till the beginning of the day) plus the difference between the redemption value (inclusive of interest) and cost spread uniformly over the remaining maturity period of the instrument. In case of a debt security with maturity greater than 182 days at the time of purchase, the last valuation price plus accrued interest should be used instead of purchase cost. All other non traded Non Government debt instruments shall be valued using the method suggested in (i) (b) hereof

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

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

All Non Government investment grade debt securities, classified as not traded, shall be valued on yield to maturity basis as described below.

- All Non Government non investment grade performing debt securities would be valued at a discount of 25% to the face value.
- All Non Government non investment grade non performing debt securities would be valued based on the provisioning norms.
- The approach in valuation of non traded debt securities is based on the concept of using spreads over the benchmark rate to arrive at the yields for pricing the non traded security.
- The Yields for pricing the non traded debt security would be arrived at using the process as defined below.

**Step A**

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

**Step B**

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

**Step C**

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

**Step D**

The Yields so arrived are used to price the portfolio.

**E. 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.

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

- i. All the illiquid securities above 20% of total assets of the scheme shall be assigned zero value on September 30, 2001.
- ii. All the illiquid securities above 15% of total assets of the scheme shall be assigned zero value on September 30, 2002.
- b. All funds shall disclose as on March 31 and September 30 the scheme-wise total illiquid securities in value and percentage of the net assets while making disclosures of half yearly portfolios to the unitholders. In the list of investments, an asterisk mark shall also be given against all such investments which are recognised as illiquid securities.
- c. Mutual Funds shall not be allowed to transfer illiquid securities among their schemes w.e.f. October 1, 2000.
- d. In respect of closed ended funds, for the purposes of valuation of illiquid securities, the limits of 15% and 20% applicable to open-ended funds should be increased to 20% and 25% respectively.
- e. Where a scheme has illiquid securities as at September 30, 2001 not exceeding 15% in the case of an open-ended fund and 20% in the case of closed fund, the concessions of giving time period for reducing the illiquid security to the prescribed limits would not be applicable and at all time the excess over 15% or 20% shall be assigned nil value.

**F. Valuation of Debt and Money Market Instruments**  
 (effective July 1, 2010)

Pursuant to the SEBI Circular no. SEBI/IMD/CIR No.16/ 193388/ 2010 dated February 02, 2010 on "Valuation of Debt and Money Market Instruments", the current provisions regarding valuation of these securities will be modified, as under effective July 1, 2010:

**I. 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.

**II. Valuation of money market and debt securities with residual maturity of over 91 days:**

All money market and debt securities, including floating rate securities, with residual maturity of over 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.

**G. Derivative Products**

The traded derivatives 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 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 Regulations

**H. Valuation of Government Securities**

As per Clause 2(CC) of Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996, government securities will be valued at yield to maturity based on the prevailing market rate. Further, in accordance with SEBI Circular MFD/CIR NO./ 14/442/2002 dated February 20,2002, for valuation of government securities, Mutual fund shall use the prices for Government Securities released by an agency suggested by AMFI for the sake of uniformity in calculation of NAVs.

**I. Valuation of Unlisted Securities**

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.

#### ***J. Valuation of Rights entitlement***

Until they are traded, the value of the "rights" shares should be calculated as:

$$V_r = n \times (P_{ex} - P_{of}) \quad m$$

Where  $V_r$  = Value of rights

$n$  = no. of rights offered

$m$  = no. of original shares held

$P_{ex}$  = Ex-rights price

$P_{of}$  = Rights Offer Price

Where the rights are not treated pari-passu with the existing shares, suitable adjustment should be made to the value of 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.

#### ***K. Valuation of securities with Put/Call Options***

The option embedded securities would be valued as follows:

Securities with call option:

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

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

Securities with Put option

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

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

Securities with both Put and Call option on the same day

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

#### ***L. Valuation Non Performing Assets (NPA)***

An 'asset' shall be classified as non performing, if the interest and/or principal amount have not been received or remained outstanding for one quarter from the day such income / instalment 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.

#### ***M. Expenses and Incomes Accrued***

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

#### ***N. Changes in securities and in number of units:***

Any changes in securities and in the number of units 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 upto 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%

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

#### ***O. Principles to be followed by AMC:***

Further, In Line with eighth Schedule of SEBI (Mutual Funds) Regulations, 1996, the Asset Management Company shall follow the following principles:

Non-traded securities shall be valued "in-good faith" by the asset management company on the basis of appropriate valuation methods based on the principles approved by the Board of the asset management company. Such decision of the Board must be documented in the Board minute and the supporting data in respect of each security so valued must be preserved. The methods used to arrive at values "in-good faith" shall be periodically reviewed by the trustees and reported upon by the auditors as "fair and reasonable" in their report on the annual accounts of the fund. For the purpose of valuation of non-traded securities, the following principles should be adopted:-



- (a) equity instruments shall generally be valued on the basis of capitalization of earnings solely or in combination with the net asset value, using for the purposes of capitalization, the price or earning ratios of comparable traded securities and with an appropriate discount for lower liquidity;
- (b) debt instruments shall generally be valued on a yield to maturity basis, the capitalization factor being determined for comparable traded securities and with an appropriate discount for lower liquidity;
- (c) while investments in call money, bills purchased under rediscounting scheme and short term deposits with banks shall be valued at cost plus accrual; other money market instruments shall be valued at the yield at which they are currently traded. For this purpose, non-traded instruments that is instruments not traded for a period of seven days will be valued at cost plus interest accrued till the beginning of the day plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instruments;
- (d) government securities will be valued at yield to maturity based on the prevailing market rate.
- (e) In respect of convertible debentures and bonds, the non-convertible and convertible components shall be valued separately. The non-convertible component should be valued on the same basis as would be applicable to a debt instrument. The convertible component should 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 the latter instrument can be adopted after an appropriate discount for the non-tradability of the instrument during the period preceding the conversion. While valuing such instruments, the fact whether the conversion is optional should also be factored in;
- (f) In respect of warrants to subscribe for shares attached to instruments, the warrants can 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 (as referred to in sub-paragraph (d) above) must be deducted to account for the period which must elapse before the warrant can be exercised;
- (g) Where instruments have been bought on `repo' basis, the instrument must 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 must be made for the difference between the repurchase price (after deduction of applicable interest upto date of repurchase) and the value of the instrument. If the repurchase price exceeds the value, the depreciation must be provided for and if the repurchase price is lower than the value, credit must be taken for the appreciation.

#### **P. Valuation of Gold**

1. The gold held by a gold exchange traded scheme shall be valued at the AM fixing price of London Bullion Market Association (LBMA) in US dollars per troy ounce for gold having a fineness of 995.0 parts per thousand, subject to the following:
  - a. adjustment for conversion to metric measures as per standard conversion rates
  - b. adjustment for conversion of US dollars into Indian rupees as per the RBI reference rate declared by the Foreign Exchange Dealers Association of India (FEDAI); and
  - c. addition of -
    - (i) transportation and other charges that may be normally incurred in bringing such gold from London to the place where it is actually stored on behalf of the mutual fund; and
    - (ii) notional customs duty and other applicable taxes and levies that may be normally incurred to bring the gold from London to the place where it is actually stored on behalf of the mutual fund:

*Provided that the adjustment under clause (c) above may be made on the basis of a notional premium that is usually charged for delivery of gold to the place where it is stored on behalf of the mutual fund. Provided further that where the gold held by a gold exchange traded scheme has a greater fineness, the relevant LBMA prices of AM fixing shall be taken as the reference price under this sub-paragraph.*

2. If the gold acquired by the gold exchange traded scheme is not in the form of standard bars, it shall be assayed and converted into standard bars which comply with the good delivery norms of the LBMA and thereafter valued in terms of subparagraph (1).”

LBMA Good Delivery Norms - The London Bullion Market Association (LBMA) Maintains List of Gold and Silver Refiners that have met the Association's requirement for assaying standards and Bar Quality and whose Large Bars are therefore accepted in the London Market as Good Delivery. The main requirements to be considered for listing are that a Refiner must,

- a. Have an established track record for at least three years of producing the refined metal.
- b. Produce a minimum quantity of metal per year- 10 tonnes of gold and 30 tonnes of silver.
- c. Have a tangible Net Worth of at least 10 Million.
- d. Furnish evidence of their ownership structure and directors.
- e. Provide a suitable letter of endorsement, e.g. Central Bank of their own country.

The Gold Bars purchased under the scheme will be of following specifications as per the Guidelines mentioned under the "General Specifications for the Good Delivery Bars guidelines of LBMA (please see the extract from the LBMA website below)"

- a) Weight = Standard 1000 gm or 1 Kg denomination bars
- b) Shape = Standard Rectangular shape.
- c) Fineness/Purity = 99.5% (995 Fineness) or higher.
- d) Marks = each bar shall bear the following marks:
  1. Serial Number.
  2. Assay Stamp of the Refiner.
  3. Fineness (to four significant figures)
  4. Year of Manufacture (expressed in four digits).

General Specifications for Good Delivery Bars -

- a) Weighing: Bars should be weighed in accordance with the procedure laid down by the LBMA.
- b) Shape: Bars should be ingot-shaped with the edges smooth, rounded and not sharp. They should be easy and safe to handle and convenient to stack with the larger surface.
- c) Appearance: Bars should be of good appearance. Faults that should be avoided especially on the top surface of a bar are irregularities such as surface cavities, layering and excessive shrinkage. The sides and bottom (smaller) surface should be smooth and free from cavities, excessive layering and bubbles.
- d) Marks: Bars should be marked on the larger surface (normally the cast surface at the top of the mould) of the two main surfaces of the bar. This is the surface that would normally be uppermost when the bars are stacked. The marks should include the stamp of the refiner (which if necessary for clear identification, should include its location), the assay mark (where used), the fineness, the serial number and the year of manufacture in four digits. The year should be shown as a separate mark and not incorporated into the serial number. An alphabetical prefix or suffix should be added to the serial number of the bar if such numbers are received each year. Marks should be clear and the height of characters used should be a minimum of 12.5mm.
- e) Weight Stamps: It is preferred that weights should not be stamped on Good Delivery gold bars since any adjustment to the weight of a bar caused by future handling or sampling would necessitate alteration to the mark.

Example:

ASSET VALUATION REPORT		
London AM Fix Price	USD	650
Fixing Charges	USD/Cents	0.25

Premium	USD/Cents	0.85
<b>METAL RATE</b>		<b>651.1</b>
Conversion Factor (Kgs to troy ounce)	Ozs	31.99
RBI Reference Rate	USD	41
Metal Rate per kilo	INR	853,976.25
Customs Duty per kilo	INR	10,300.00
<b>TOTAL PRICE INCL. CUSTOMS DUTY</b>	<b>INR</b>	<b>864,276.25</b>
Stamp Duty (0.1% of total price including customs duty)	INR	864.28
Total Price (including customs duty & stamp duty)	INR	865,140.53
Octroi 0.1% of the total price (including customs & stamp duty)	INR	865.14
Total Metal Price excluding VAT	INR	866,005.67
VAT 1% on the Metal Price	INR	8,660.06
<b>LANDED PRICE OF GOLD (DOMESTIC)</b>	<b>INR</b>	<b>874,665.72</b>
Price per 10 Grams	INR	8,746.66
<b>HOLDING POSITION</b>	<b>Kgs</b>	<b>1,000.00</b>
<b>VALUE OF PORTFOLIO</b>	<b>INR</b>	<b>874,665,722.43</b>

Purchase of Gold: The Mutual Fund will purchase the gold from RBI Authorized Banks (Bullion division of Bank of Nova Scotia in SBIMF case). The Bank of Nova Scotia will procure or source gold from the refineries, which are registered under LBMA. (Updated list of the Refiners can be obtained from the LBMA Website [www.lbma.org.uk](http://www.lbma.org.uk)).

#### **Q. Valuation of 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.

## **V. TAX & LEGAL & GENERAL INFORMATION**

### ***1. Tax treatment for Investors (unit holders) and the Mutual Fund***

As per the taxation laws in force as at the date of the document, and as per the provisions contained in the Finance Act, 2011 certain tax benefits are available under the Income tax Act, 1961 ('the Act') to the investors in mutual funds and mutual fund. The same are stated below:

#### **Note:**

The tax benefits described in this document are as available under the present taxation laws and are available subject to fulfillment of stipulated conditions. The information given is included only for general purpose, regarding the law and practice currently in force in India and Investors should be aware that the relevant fiscal rules or their interpretation may change. In view of the individual nature of tax implication, each investor is advised to consult his/her own tax advisor to understand the tax implications in respect of an investment decision.

#### **FOR THE FUND:**

##### **1. Registered with SEBI**

SBI Mutual Fund is registered with SEBI and is as such eligible for benefits under section 10(23D) of the Act. Accordingly its entire income is exempt from tax.

##### **2. Dividend Distribution Tax**

Mutual Funds are liable to pay dividend distribution tax as per section 115R of the Income tax Act, 1961. The rates (inclusive of surcharge and education cess) are as follows:

- a. 27.04% on income distributed to an individual or Hindu Undivided Family by a Money Market Mutual Fund OR Liquid Fund
- b. 32.45% on income distributed to any other person by a Money Market Mutual Fund or Liquid Fund
- c. 13.52% on income distributed to any person being an individual or a Hindu Undivided Family by a fund other than Money Market Mutual Fund/Liquid Fund
- d. 32.45% on income distribution to any Other person by a fund other than a Money Market Mutual Fund/Liquid Fund

##### **3. No TDS on receipt of income**

The Fund will receive all its income without deduction of tax as per provisions of section 196 (iv) of the Act.

##### **4. Service tax**

AMC / Mutual Funds are covered under the category of "Business Auxiliary Services" and are liable for paying service tax as service recipients on services provided by distributors of mutual fund /agents. The rate of service tax is 10.3% (inclusive of education cess of 3%).

#### **FOR UNIT HOLDERS:**

##### **1. Income in respect of units**

As per the provisions of Section 10(35) of the Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the Act is exempt from income tax in the hands of the recipient unit holders.

##### **2. Capital Gain**

As per section 2(42A) of the Act, units of the scheme held as a capital asset, for a period of more than 12 months immediately preceding the date of transfer, will be treated as long-term capital assets for the computation of capital gains; in all other cases, they would be treated as short-term capital assets.

Rates of tax and tax deducted at source (TDS) under the Act for Capital Gains on units of Equity Oriented Fund:

	Tax Rates under the Act		TDS Rates under the Act	
	Resident/PIO/NRI/ Other non FII non resident	FII	Resident	NRI/ Other non FII non resident /FII
<b>Short Term Capital Gain</b>	<u>Under Section 111A</u>  15% on such gain if STT has been paid on redemption  Normal Rates in other cases	<u>Under Section 115AD</u>  15% on such gain if STT has been paid on redemption  30% in other cases	NIL	<u>Under Section 195</u>  15%
<b>Long Term Capital Gain</b>	Exemption in case of redemption of units where STT is payable on redemption [under section 10(38)]  20% in other cases		Nil	Nil  20%

Rates of tax and tax deducted at source (TDS) under the Act for Capital Gains on units of Non-Equity oriented Fund:

	Tax Rates under the Act		TDS Rate under the Act	
	Resident/PIO/NRI/ Other non FII non resident	FII	Resident	NRI/ Other non FII non resident /FII
<b>Short Term Capital Gain</b>	Taxable at normal rates of tax applicable to the assessee	<u>Under Section 115AD</u>  30%	Nil	<u>Under Section 195</u> 30% for non resident non corporate, 40% for non resident corporate and FII.
<b>Long Term Capital Gain</b>	<u>Under Section 112</u> 10% without indexation (Refer Note 4) , or 20% with indexation.	<u>Under Section 115AD</u> 10% with no indexation benefit	Nil	<u>Under Section 195</u>  20%

Rates of tax and tax deducted at source (TDS) under the Act for Capital Gains on units of Mutual Fund specified under section 10(23D):

	Overseas Financial Organisation	
	Tax Rates under the Act	TDS Rate under the Act
	<b>Long Term Capital Gain</b>	<u>Under Section 115AB</u>  10%

**Note 1:** The above tax rate will further include surcharge & education cess.

**Note 2:** In the case of non-resident investors, the above rates would be subject to applicable treaty relief. As per circular no. 728 dated October 1995 by CBDT, in case of remittance to a country with which a Double Taxation Avoidance Agreement (DTAA) is in force, the tax should 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.

### Note 3: Securities Transaction Tax (STT)

From 01.04.2007, the seller of equity oriented mutual fund units has to pay a STT of 0.25% of the redemption value of the investment. However, no deduction would be allowed to any unit holder for STT paid while computing Capital Gains.

Note: 'Equity oriented fund' is defined as -

- a mutual fund where the assets are invested in the equity shares of domestic companies to the extent of more than **sixty five** per cent of the total proceeds of such fund; and
- Which has been set up under a scheme of a Mutual Fund specified in section 10(23D) of the Act?

The percentage of equity holding of such fund would be calculated as the annual average of the monthly averages of the opening and closing figures.

Note 4: Indexation means adjusting the actual cost of acquisition by applying to the original cost, the cost inflation index notified by the Central Government for the year in which the units are sold, redeemed otherwise transferred.

### **3. Capital Losses**

The capital losses resulting from the sale of units would be available for setting off against capital gains which would reduce the tax liability of the unit holder to that extent. However the losses on transfer of **long term capital assets** shall be carried forward separately for a period of eight assessment years to be set off against long term capital gains only.

Unabsorbed **short term capital losses** shall be carried forward and set off against the income under the head 'Capital Gain' (whether short term or long term) in any of the subsequent eight assessment years.

However, no set-off or carry forward can be claimed in respect of capital loss arising on a long term capital asset under section 10(38).

### **4. Dividend Stripping**

As per section 94 (7) of the Act, as in computing the income of an assessee, loss arising on sale of units, which have been 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 of the record date, shall be ignored to the extent of income on such units (such income being tax exempt).

### **5. Bonus Stripping**

As per section 94(8) of the Act, the loss arising on sale of original units (wholly or partly), which were bought within a period of 3 months prior to the record date (i.e. the date fixed by the Mutual Fund for the purposes of entitlement of bonus units to the unit holders) and sold within 9 months of the record date, shall be ignored for the purpose of computation of income chargeable to tax. However, such loss shall be considered as the cost of acquisition of the 'bonus shares' of the unit holders.

### **6. Rebate under section 88E of the Act**

Rebate under section 88E in respect of STT paid cannot be claimed as a deduction by an unit holder in computing profits and gains from taxable securities transaction.

### **7. Exemption under Section 54EC**

The long term capital gain would not be subject to tax in terms of Section 54EC of the Act, if the entire capital gain realized in respect of such units (other than of equity oriented mutual fund) is invested within six months from the date of transfer in the redeemable bonds issued by the specified undertakings.

### **8. Investments by charitable and religious trusts**

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

#### 9. Wealth Tax

Units in a scheme a Mutual Fund are not regarded as an 'asset' within the meaning of section 2(ea) of the Wealth Tax Act, 1957 and are, therefore, not liable to wealth - tax.

#### 10. Gift Tax

The Gift Tax Act, 1958 has ceased to apply to gifts made on or after October 1, 1998. Gifts of Units purchased under a plan, would therefore, be exempt from gift tax. Where, however, a gift of units in a mutual fund scheme exceeding Rs.25,000/- is made on after 01.09.04, the value of is to be included as income in the hands of donee (recipient of the gift) under section 2(24)(xiii) read with section 56(2)(v).

#### 11. Deduction under section 80C in respect of amount invested

Section 80C as introduced by the Finance Act, 2005, provides that from the total income of an individual and HUF, deduction for an amount paid or deposited in certain eligible schemes or investments would be available, subject to maximum amount of Rs. 100,000.

According section 80C(2)(xiii)/(xx), any subscription to any units of Mutual Fund notified under section 10(23D)(2)(xx) would qualify for deduction under the aforesaid section provided:

- the plan formulated in accordance with a scheme notified by the Central Government; or
- approved by CBDT on an application made by the Mutual Fund and the amount of subscription to such units is subscribed only in eligible issue of capital of any company.

**The benefit of deduction under section 80C can be availed by the unitholders investing during the year in Magnum Tax Gain Scheme.**

## II. Legal Information

### a) Nomination Facility:

Nomination facility is available only for individuals applying on their own behalf. Nomination can also be in favour of the Central Government, State Government, a local authority, any person designated by virtue of his office or a religious or charitable trust. As per AMFI letter 35/MEM-COR/57/07-08 dated January 03, 2008, applicants can make multiple nominations to the maximum of three. This facility is also available to NRI investors. A non-resident Indian can be a nominee subject to the exchange controls in force from time to time. Applicants may change their nomination at any time during the currency of the scheme. In case of multiple nominations, applicants must clearly specify the percentage of units in favour of each nominee. In case the applicants do not specify the percentage of units for each nominee, units will be distributed equally among all the nominees. Please note that such allocation/share should be in whole numbers without any decimals making a total of 100 percent.

Where the units of the scheme are issued in electronic form in the depository account of the unit holder, the nomination registered with the Depository will be applicable to the units of the scheme. Such nomination including any variation, cancellation or substitution of Nominee(s) shall be governed by the rules and bye-laws of the Depository. Transmission / Payment, if any to the nominee of the sums shall discharge the Fund from all liability towards the estate of the deceased unit holder and his/her legal successors/legal heirs.

### b) STANDARDIZATION OF PROCESSES REGARDING INVESTMENTS MADE ON BEHALF OF MINORS, REGISTRATION OF NOMINEE AND TRANSMISSION OF UNITS

AMFI Best Practice Guidelines dated 28<sup>th</sup> January, 2011 recommended a standardized procedure in case of investments made on behalf of Minors, minors attaining majority, change in guardian, Nomination facility and Transmission facility.

In this regard, notice is hereby given that the following procedures will be made effective from 1<sup>st</sup> April, 2011 by SBI Mutual Fund (the Fund):

- 'On behalf of Minor' accounts :



- ✓ Minor has to be the first and sole holder in a folio.
  - ✓ Guardian, being a natural (father or mother) or a court-appointed guardian shall submit supporting documents to the AMC / Registrar evidencing the relationship / Status of the guardian.
  - ✓ Date of birth of minor and supporting documents thereof (i.e. Birth Certificate, School leaving certificate, Passport or any other document evidencing the date of birth of minor) to be provided mandatorily while opening the folio on behalf of a minor.
- **Minor attaining majority:**
    - ✓ In case of a minor investor attaining the age of majority (i.e. completes 18 years of age), the AMC / Registrar will send an advance notice advising the guardian and minor to submit an application along with prescribed documents for changing the status in the Fund's records from 'Minor' to 'Major'.
    - ✓ The guardian cannot undertake any financial and non-financial transactions including fresh registration of Systematic Transfer Plan (STP), Systematic Investment Plan (SIP) and Systematic Withdrawal Plan (SWP) after the date of the minor attaining majority till the time the above application form along with the prescribed documents are received by the AMC / Registrar.
    - ✓ In case of existing standing instructions including STP, SIP and SWP registered prior to the minor attaining majority, the AMC / Registrar shall send an advance notice to the registered correspondence address advising the guardian and the minor that the existing standing instructions will continue to be processed beyond the date of the minor attaining majority till the time a instruction from the major to terminate the standing instruction is received by the mutual fund along with the prescribed documents. Such instructions to terminate the standing instruction shall be implemented within 30 days from the date of the instruction.
- **Change in Guardian:**
    - ✓ In case there is a change in guardian of the minor, the new guardian must be either a natural guardian (mother/father) or court appointed guardian and such guardian will have to provide valid prescribed document/s prior to registering the guardianship including Know Your Customer (KYC) related evidence and bank attestation of his/her signature from the Branch Manager of the bank with whom his/her name is registered as the guardian of the minor.
- **Nomination facility:**
    - ✓ Nomination will be mandatory for new folios opened by individuals especially where the investments are being made in Single holding.
    - ✓ Nomination will not be permitted in a folio held on behalf of a minor.
    - ✓ In case of joint holders, all holders will have to sign the request for nomination/cancellation of nomination, irrespective of the mode of holding.
    - ✓ Nomination form cannot be signed by holder/s of Power of Attorney (PoA).
    - ✓ Investors who do not wish to appoint a nominee must sign separately (provided in the application form) confirming their intention for not appointing a nominee.
- **Transmission:**
    - ✓ In case of transmission of units (i.e. where the sole/ first unitholder or any of the joint unitholders/ all unitholders have deceased, the claimant/s have to submit requisite valid documents for the transmission of units in his/her name. Please refer to the para of Transmission for the requirement of various documents that needs to be submitted under different transmission scenarios.
    - ✓ In the event of transmission of units in favor of a minor, the guardian (father/mother/court appointed guardian) must submit prescribed documents including PAN, KYC, banker's attestation of his/her signature, indemnity as per prescribed format etc.
    - ✓ The AMC may seek additional documents if the amount involved in transmission is more than Rs 1 lakh, on a case-to-case basis or depending upon the circumstances of each case.

**c) Requirements under Prevention of Money Laundering Act:**

In accordance with Anti Money Laundering Act, Mutual Funds who are registered financial intermediaries are required to formulate and implement a client identification programme or Know Your Customer (KYC) to verify and maintain the records of the identity, address(s) and other details of the investors. In this regard, investors who wish to make an investment of RS. 50,000/- and above in the units of mutual fund will be required to produce prescribed documents to any of the Point of Service (POS) or such other offices as may be notified by SBIMF or AMFI from time to time in order to comply with KYC norms of SBIMF. However, the AMC reserves absolute discretion to revise the aforesaid investment limit in line with the existing AML rules & regulations.

In order to comply with regulatory provisions under the Prevention of Money Laundering Act 2002, Rules issued thereunder and related guidelines/circulars issued by SEBI, KYC formalities are required to be completed by all Unit Holders, including Guardians and Power of Attorney holders. For the convenience of investors in mutual funds, all mutual funds have made special arrangements with CDSL Ventures Ltd. (CVL), a wholly owned subsidiary of Central Depository Services (India) Ltd. (CDSL) to comply the KYC process.

Presently, KYC formalities are required to be completed for all Unit Holders, including Guardians and Power of Attorney holders, for any investment (whether new or additional purchase) of Rs. 50,000/- or more per application in mutual funds by submitting the following documents at any of the designated POS:

- (1) Proof of Identity
- (2) Proof of Address
- (3) PAN Card
- (4) Photograph

The originals of these documents along with a copy each to be presented to POS and the original will be returned after verification. Alternatively, investors can also provide an attested true copy of the relevant documents. Attestation could be done by Notary Public/ Gazetted Officer/ Manager of a Scheduled Commercial Bank.

Instead of providing the required documents again and again to different mutual funds in which one would like to invest, CVL, on behalf of all mutual funds will carry out the process of KYC and issue an acknowledgement.

#### **d) KNOW YOUR CUSTOMER (KYC) COMPLIANCE REQUIREMENTS**

Investors may note that in terms of the Prevention of Money Laundering Act, 2002 ('PMLA'), the Rules issued there under and the guidelines/ circulars issued by SEBI regarding Anti Money Laundering, all intermediaries, including mutual funds, have to formulate and implement a client identification programme as well as verify and maintain records of the identity and address(es) of investors.

Pursuant to implementation of Know Your Customer (KYC) norms under Prevention of Money Laundering Act, 2002 (PMLA) through CDSL Ventures Limited (CVL) and in accordance with AMFI circular 35/MEM-COR/62/10-11 dated October 07, 2010, KYC Compliance has been made mandatory to all investors, (including Power of Attorney holders and guardian in case of a minor) intending to invest any amounts in units of the Mutual Fund. effective January 1, 2011 (the "Effective Date"), irrespective of the amount of investment.

In other words, KYC compliance is mandatory for all investors/client categories and for any amount of investment including but not limited to the following transactions:

1. New / Additional Purchases
2. Switch Transactions,
3. New SIP Registrations (including SIP related products) received from the said effective date.
4. New STP Registrations (including STP related products like trigger facilities) received from the said effective date.
5. New DTP Registrations (including DTP related products) received from the said effective date.

Notwithstanding the above, investors investing through Micro SIP route and investor residing in State of Sikkim shall not be subject to the above KYC formalities.

For investor investing through Micro SIP route (i.e Rs. 50000/- per year per investor) following documents are required:

1. Standard specified identification instruments like Voter ID card, Government/Defense ID card, Card of Reputed employer, Driving License, Passport in lieu of PAN.
2. Proof of address copy. It is clarified that where identification documents photo contains the address of the investor, a separate proof of address is not required.
3. Supporting documents copy shall be self attested by the investor / attested by the ARN holder mentioning the ARN number or attested by any competent authority.

For investors based in State of Sikkim the following documents are required:

- a. Proof of address of Sikkim state and application form should mention the same address.
- b. Address proof shall be self attested by the investor / attested by the ARN holder mentioning the ARN number or attested by any competent authority.

- **Duration of the Scheme:**

The duration of the Open ended Scheme is perpetual. In case of Close ended Scheme, duration is limited and specified in the SID of the respective Scheme.

**e) Winding up of the Scheme:**

A scheme of a mutual fund may be wound up, after repaying the amount due to the unitholders, -

- 1) on the happening of any event which, in the opinion of the trustees, requires the scheme to be wound up; or
- 2) if seventy five per cent of the unit holders of a scheme pass a resolution that the scheme be wound up; or
- 3) if the Board so directs in the interest of the unit-holders.

Where a scheme is to be wound up, 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, a vernacular newspaper circulating at the place where the mutual fund is formed.

- **Effect of winding up**

On and from the date of the publication of notice under clause (b) of sub-regulation (3) of regulation 39, the trustee or the asset management company as the case may be, shall-

- (a) Cease to carry on any business activities in respect of the scheme so wound up;
- (b) Cease to create or cancel units in the scheme;
- (c) Cease to issue or redeem units in the scheme.

- **Procedure and manner of Winding Up:**

- a) The Trustee shall call a meeting of the Unitholders to consider and pass necessary resolutions by simple majority of the Unitholders present and voting at the meeting for authorizing the Trustee or any other person to take steps for winding up the Scheme concerned.

Provided that a meeting of the unit holders shall not be necessary if the scheme is wound up at the end of maturity period of the scheme.

- b) The Trustee or the person authorized as above, shall dispose off the assets of the Scheme concerned in the best interest of the Unitholders of that Scheme.
- c) The proceeds of the sale made in pursuance of the above, shall, in the first instance, be utilized towards discharge of such liabilities as are properly due under the Scheme and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the Unitholders in proportion to their respective interests in the assets of the Scheme as on the date when the decision for the winding up was taken.
- d) On completion of the winding up, the Trustee shall forward to the Board and the Unitholders, a report on the winding up containing particulars such as circumstances leading to the winding up, steps taken for the disposal of the assets of the Fund before winding up, expenses of the Fund for winding up, net assets available for distribution to the Unitholders and a certificate from the Auditors of the Scheme concerned.
- e) Notwithstanding anything contained herein, the provisions of the Regulations in respect of the disclosure of half-yearly reports and annual reports shall continue to apply. After the receipt of the report referred to above under 'Procedure and Manner of Winding Up', if SEBI is satisfied that all measures for winding up of the Scheme concerned have been completed, the Scheme shall cease to exist.

f) **Transfer & Transmission**

**A) Transfer of Units**

Units of the Schemes held in physical form shall be non-transferable. However, if a person becomes a holder of the Units consequent to operation of law or upon enforcement of a pledge, the Mutual Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place consequent to death, insolvency etc., and the transferee's name will be recorded by the Mutual Fund subject to production of satisfactory evidence.

Further for units of the Schemes held in electronic (demat) form, the Units will be transferable (in terms of SEBI circular number CIR/IMD/DF/10/2010 dated August 18, 2010) and will be subject to the transmission facility in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time. However, restrictions on transfer of units of ELSS schemes during the lock-in period shall continue to be applicable as per the ELSS Guidelines

**B) Transmission**

**(i) Transmission to surviving Unit holders in case of death of one or more Unit holders:**

In case units are held by more than one registered unit holder, then upon death of first unit holder, units shall be transmitted in favour of the second named holder on production of the following documents to the satisfaction of the Mutual Fund, AMC /Trustee or Registrar:

- a. Letter from surviving Unit holder(s) or the surviving Unit holders requesting for transmission of Units;
- b. Death Certificate/s in original or photocopy duly notarized or attested by gazette officer or a bank manager;
- c. 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; and
- d. KYC of the surviving Unit holders, if not already available.

**(ii)Transmission to registered nominee(s) in case of death of sole or all Unit holders:**

Units shall be transmitted in favour of the registered nominee(s) in case of death of sole or all Unit holders upon production of the following documents to the satisfaction of the Mutual Fund, AMC/ Trustee or Registrar:

- a. Letter from claimant nominee(s) requesting for transmission of Units;
- b. Death Certificate(s) in original or photocopy duly notarized or attested by gazette officer or a bank manager;
- c. 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;
- d. KYC of the claimant(s); and
- e. If the transmission amount is Rs One Lakh or more an indemnity duly signed and executed by the nominee(s).

**(iii) Transmission to claimant(s), where nominee is not registered, in case of death of sole or all Unit holders:**

If the Unit holder has not appointed a nominee, the Units shall be transmitted in favour of the Unit holder's executor / administrator of estate/legal heir(s), as the case may be, on production of the following documents, in addition to the documents mentioned in (i) above, to the satisfaction of the Mutual Fund, AMC/Trustee or Registrar:

- a. Indemnity Bond from legal heir(s);
- b. Individual affidavits from legal heir(s);
- c. If the transmission amount is below Rs. One Lakh: any appropriate document evidencing relationship of the claimant/s with the deceased Unit holder(s);
- d. If the transmission amount is Rs One Lakh or more: Any one of the documents mentioned below:
  - Notarised copy of probated will, or
  - Legal Heir Certificate or Succession Certificate or Claimant's Certificate issued by a competent court, or
  - Letter of Administration, in case of Intestate Succession.

**(iv) 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 who appoint the new Karta need to submit following documents for transmission:

- a. Letter Requesting for change of Karta;
- b. Death Certificate in original or photocopy duly notarized or attested by gazette officer

**g) Permanent Account Number (PAN)**

With effect from July 2, 2007, Permanent Account Number (PAN) is the sole identification number for all investors transacting in the units of SBI Mutual Fund, irrespective of the amount of transaction. Submission of copy of PAN card is mandatory for all categories of investors (including NRIs, Guardian of a minor) for transacting in units of SBI Mutual Fund. Submission of copy of PAN card by Guardian of a minor is mandatory for investments by minor whether copy of PAN of minor is provided or not. From January 01, 2008 onwards, only PAN will be accepted for making investment in the scheme irrespective of the amount of investment.

The verification of PAN would be carried out with the Income tax database. In case of failure, communication would be sent to the customers to provide the correct PAN details or communication from Income Tax authorities evidencing the validity of PAN. Such folios would be blocked for additional purchases and future SIP registrations till receipt of the above documents and verification with original. In case of web-based transactions, investors would be allowed to transact subject to PAN validation.

Pursuant to SEBI Circular MRD/DoP/MF/Cir-08/2008 dated April 03, 2008 investors residing in the state of Sikkim are exempted from the mandatory requirement of PAN for their investments in mutual funds, However, this would be subject to the mutual fund to verify the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence. Further, investors will also be subject to compliance of applicable KYC norms.

SEBI vide its Circular MRD/DoP/Cir-20/2008 dated June 30, 2008 directed that PAN may not be insisted in the case of Central Government, State Government, and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) for transacting in the securities market, however, the aforementioned exemption would be subject to the veracity of the claim of the specified organizations, by collecting sufficient documentary evidence in support of their claim for such an exemption.

**Exemption of PAN for MICRO SIP:** According to SEBI's letter dated June 19, 2009 to AMFI, investment in Micro Systematic Investment Plans (Micro SIPs) up to Rs. 50,000/- per year per investor shall be exempted from the requirement of PAN subject to operational guidelines.

It is clarified that any investment through Systematic Investment Plans (SIPs) by investors where aggregate of installments in a rolling 12 month period or in a financial year i.e. April to March, which does not exceed Rs 50,000/- will come under Micro SIP for above purpose. This exemption will only be available to individuals (including NRIs but not PIOs), Minors and Sole proprietary firms.

**h) OPERATIONAL GUIDELINES FOR MICRO SIP**

In view of the SEBI's letter dated June 19, 2009 to AMFI, investment in Micro Systematic Investment Plans (Micro SIPs) up to Rs. 50,000/- per year per investor shall be exempted from the requirement of PAN and on the basis of AMFI Guidelines for uniform Implementation of SEBI letter dated June 19, 2009, investors are requested to note following guidelines:

• **Applicability:**

- (i) "Micro SIP" mean Systematic Investment Plans (SIPs) 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.
- (ii) This exemption will also not be available to normal purchase transactions upto Rs. 50,000 which will continue to be subject to PAN requirement.
- (iii) This exemption will be applicable ONLY to investments by individuals (including NRIs but not PIOs), Minors and Sole proprietary firms. HUFs and other categories will not be eligible for Micro SIPs. The exemption is also applicable to joint holders.

**i) KYC procedure for Micro SIP:**

- (i) Micro SIP is not subject to common KYC process through CVL and for Micro SIP, the process would be handled at Registrars (RTA) level.
- (ii) Any one of the following **PHOTO IDENTIFICATION** documents can be submitted by the investors (including joint holders) along with Micro SIP applications as proof of identification in lieu of PAN:

- (a) Voter Identity Card
  - (b) Driving License
  - (c) Government / Defense identification card
  - (d) Passport
  - (e) Photo Ration Card
  - (f) Photo Debit Card (Credit card not included because it may not be backed up by a bank account).
  - (g) Employee ID cards issued by companies registered with Registrar of Companies)
  - (h) Photo Identification issued by Bank Managers of Scheduled Commercial Banks / Gazetted Officer / Elected Representatives to the Legislative Assembly / Parliament
  - (i) ID card issued to employees of Scheduled Commercial / State / District Co-operative Banks.
  - (j) Senior Citizen / Freedom Fighter ID card issued by Government.
  - (k) Cards issued by Universities / deemed Universities or institutes under statutes like ICAI, ICWA, ICSI.
  - (l) Permanent Retirement Account No (PRAN) card issued to New Pension System (NPS) subscribers by CRA (NSDL).
  - (m) Any other photo ID card issued by Central Government / State Governments /Municipal authorities / Government organizations like ESIC / EPFO.
- (iii) In addition to the photo identification documents prescribed above, investor shall be required to submit a copy of the proof of address which is self attested and attested by the ARN holder.
  - (iv) Document must be current and valid.
  - (v) Investors has to give a declaration stating that the he does not have any existing Micro SIPs which together with the current application will result in aggregate investments exceeding Rs. 50,000 in a year

- **Verification and registration process:**

- (i) RTA front office will on a best effort basis do a preliminary due diligence in terms of ensuring that the supporting document belongs to the investor by verifying the name and address (if available on the document) and the same is current and valid (by checking the expiry date where available and the application may be rejected where deficiencies are found in the supporting document.
- (ii) On the basis of Name, Address, Bank Details, Date of Birth and Document identification number (as submitted in the application form), RTA (at back office level) do the second level of check and verify from their database of Micro SIP registrations whether, by registering the Micro SIP application, the aggregate of Micro SIP installments of the investor will exceed Rs. 50,000 in a financial year (April to March).
- (iii) The application of Micro SIP would be rejected where it is found that the registration of the application will result in the aggregate of Micro SIP installments in a financial year exceeding Rs 50,000 or where there are deficiencies in supporting documents.
- (iv) Rejected application will be sent back to the investor with a deficiency memo.

In case the first Micro SIP installment is processed (as the cheque may be banked), and the application is found to be defective, the Micro SIP registration will be ceased for future installments. No refunds to be made for the units already allotted. Investor will be sent a communication to this effect. However, redemptions shall be allowed.

**j) Right to Limit Redemptions**

The Mutual Fund reserves the right to temporarily suspend further reissues or repurchases under the scheme in case of any of the following:

- a natural calamity / strikes / riots and bandhs or
- in case of conditions leading to a breakdown of the normal functioning of securities markets or
- periods of extreme volatility of markets, which in the opinion of AMC, prejudicial to the interest of the unit holders of the scheme or illiquidity
- under a SEBI or Government directive
- under a court decree / directive
- in the event of any force majeure or disaster that affect a normal functioning of AMC or the Registrar
- political, economic or monetary events or any circumstances outside the control of the Trustee and the AMC.

Suspension or restriction of repurchase/redemption facility under any scheme of the mutual fund shall be made applicable only after the approval from the Board of Directors of the Asset Management Company and the Trustee. The approval from the Board of Directors and the Trustees giving details of circumstances and justification for the proposed action shall also be informed to SEBI in advance.

### **III. General Information**

#### **1) 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.

#### **2) Underwriting by the Mutual Fund**

Subject to the Regulations, the Scheme may enter into underwriting agreements after the Fund obtains a certificate of registration in terms of the Securities and Exchange Board of India (Underwriters) Rules and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, authorizing it to carry on activities as underwriters.

The capital adequacy norms for the purpose of underwriting shall be the net assets of the Scheme and the underwriting obligation of the Scheme shall not at any time exceed the total net asset value of the Scheme

As on date, SBI Mutual Fund has not entered into any underwriting agreements.

#### **3) Stock Lending by Mutual Fund**

If permitted by SEBI under extant regulations/guidelines, the scheme may also engage in stock lending. Stock lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation. The securities lent will be returned by the borrower on expiry of the stipulated period.

The Fund may in future carry out stock-lending activity under any of its schemes, in order to augment its income. Stock lending may involve risk of default on part of the borrower. However, this risk will be substantially reduced as the Fund has opted for the "Principal Lender Scheme of Stock Lending", where entire risk of borrower's default rests with approved intermediary and not with the Fund. There may also be risks associated with Stock Lending such as liquidity and other market risks.

Any stock lending done by the scheme shall be in accordance with any Regulations or guidelines regarding the same. The AMC will apply the following limits, should it desire to engage in Stock Lending:

a. Not more than 20% of the net assets can generally be deployed in Stock Lending

b. Not more than 5% of the net assets can generally be deployed in Stock Lending to any single counter party.

As on date, SBI Mutual Fund has not engaged in any stock lending.

#### 4) Borrowing by Mutual Fund

Under Regulation 44(2) of SEBI (MF) Regulations, 1996, the Fund is allowed to borrow to meet its temporary liquidity need of the Scheme for the purpose of repurchase, redemption of Units or payment of interest or dividend to the Unit holders. Further, as per the Regulation, the Fund shall not borrow more than 20% of the Net Assets of the Scheme and the duration of such borrowing shall not exceed a period of six months.

The scheme wise borrowings by the Mutual Fund as on June 27, 2011 is nil.

If the scheme decides to borrow, it may borrow either from SBI Group banks and / or any other bank(s) or from any other sources as may be decided by the AMC. The loans may be without collateral or may consider using a part of the scheme's assets as collateral with the prior approval of the Board of Directors of the AMC and the Board of Trustees of the scheme.

#### 5) Associate Transactions

##### a) Who is an Associate?

For the purpose of this section, an associate or group company shall include State Bank of India (SBI), its subsidiaries (including the AMC), joint ventures and the associate banks of SBI and Amundi.

##### b) Investments in Associate or Group Companies of the Sponsor

Apart from applicable SEBI regulations from time to time, there is no separate policy regarding investments in associate or group companies of the sponsor. Therefore, as per SEBI Regulations, the scheme will not invest more than 25% of net assets of the scheme in the securities of the State Bank Group companies. Further, the aggregate investment made by all the SBI Mutual Fund schemes in the securities of State Bank Group companies will not exceed 25% of the net assets of the fund as a whole. No investment shall be made in any unlisted security of an associate or Group Company of the Sponsor, any security issued by way of private placement by an associate or group company of the Sponsor.

As on June 15, 2010, various schemes of the Mutual Fund have invested Rs. 6272.85 Crores in the various equity instruments of Associate or Group Companies. The scheme shall not invest in privately placed or unlisted securities of associates / group companies. The percentage of brokerage paid to associate brokers was in line with the norms relating to brokerage payment for secondary market transactions of the Mutual Fund.

##### c) Underwriting Obligations of SBI Mutual Fund

As on date, SBIMF has no underwriting obligations.

##### d) Subscription in Issues Lead Managed by Associates of Sponsor

In the last three fiscal years and until May 31, 2011, different schemes of the Fund have subscribed to some of the issues lead managed by SBI Capital Markets Ltd.

However, these investments may or may not stand in the books of concerned schemes at present. The details of various subscription of issues are as follows:

Name of the Company	Type	Quantity	Quantity	Amount
		Applied	Allotted	(Rs. lakhs)
Gujarat Gas Company Ltd.	Debentures	20	20	200
Krishna Baghya Jala Nigam Ltd.	Debentures	500	500	500
National Aluminium Co. Ltd.	Debentures	500000	450000	4500
Deepak Fertilizers	Debentures	500	500	500
State Bank of Bikaner & Jaipur	Equity	30000	30000	162
Bharat Petroleum Corporation Ltd.	Debentures	15	15	1500
EXIM Bank	Debentures	2,000	2,000	2000
Bharat Heavy Electricals	Debentures	35	35	3500
HPCL	Debentures	50	50	500
Neyveli Lignite Corporation Ltd.	Debentures	200	200	2000



NALCO	Debentures	500	500	500
Hindustan Aeronautics Ltd.	Debentures	1	1	500
L & T PTC	Debentures	2864	2864	2864
IFFCO PTC	Debentures	2810	2810	2811
NHYD PTC	Debentures	5425	5425	5425
JNPT	Debentures	545	545	545
ITI Limited	Debentures	6	6	300
Rural Electrification Corporation Ltd.	Equity	36501960	1240412	13.02
NHPC Limited	Equity	394369325	21880942	7877.14
India Bulls Power Ltd	Equity	33962550	1930065	868.53
IL&FS Transportation Networks Ltd	Equity	15649800	326008	841.10
Goenka Diamond & Jewels Ltd	Equity	352120	352120	475.36
Jaypee Infratech Ltd	Equity	1800000	1709560	1,743.75
Standard Chartered PLC	Equity	5800000	5800000	6032.00
REC	Debenture	150	250	1500000000
PFC	Debenture	250	250	250000000
HPCL	Debenture	250	250	250000000
ENGINEERS INDIA LIMITED	Equity	10424900	654677	1898.56
TECHPRO SYSTEM LTD	Equity	1130850	51092	181.38
POWER GRID CORPORATION OF INDIA LTD	Equity	51563395	4849988	4364.99
TATA STEEL LIMITED	Equity	1838420	213844	1304.45
SBI	Debenture	70000	2940	29400000

**e) Associate Brokers**

(i) In the last three fiscal years, different schemes of the SBI Mutual Fund have paid brokerage to SBICAP Securities Limited, Credit Lyonnais Securities Asia (CLSA) and SG Asia Securities (India) Private Limited for secondary market transactions (Equity & F&O) as under:

Brokerage paid to associates/related parties/group companies of Sponsor/AMC						
Period covered	Name of associate/related parties/group companies of Sponsor/AMC	Nature of Association /Nature of Relation	Value of transaction ( in Rs. & % of total value of transaction of the fund)		Brokerage paid by (Rs. & % of total brokerage paid by the fund)	
			(In Rs.)	%	(In Rs.)	%
01-04-2011 to 31-05-2011	SBICAP Securities Ltd	Associate	1,827,252,899.74	3.78	3332345.34	4.17
	SG ASIA SECURITIES (INDIA) PVT LTD		-	-	-	0.00
	CLSA		2,234,685,470.28	4.62	4,457,419.69	5.58
		<b>Total</b>	<b>4,061,938,370.02</b>		<b>7,789,765.03</b>	
01-04-2010 to 31-03-2011	SBICAP Securities Ltd	Associate	9,506,473,041.45	3.22	17967370.29	4.28
	SG ASIA SECURITIES (INDIA) PVT LTD		-	-	-	-
	CLSA		10,560,725,061.57	3.58	19573624.51	4.66
		<b>Total</b>	<b>20,067,198,103.02</b>		<b>37,540,994.80</b>	
01-04-2009 to 31-03-2010	SBICAP Securities Ltd	Associate	12,690,746,191.07	2.79	20,491,555.60	3.76
	SG ASIA SECURITIES (INDIA) PVT LTD		779,909,472.90	0.17	304,313.72	0.06

	CLSA		19,254,326,487.57	4.24	24094616.36	4.43
		Total	32,724,982,151.54		44,890,485.68	
01-04-2008 to 31-03- 2009	SBICAP Securities Ltd	Associate	6,558,450,868.39	0.35	9,822,347.85	4.42
	SG ASIA SECURITIES (INDIA) PVT LTD		2,891,104,452.99	0.16	1,184,818.49	0.53
	CLSA		8,705,158,139.91	0.47	10000842.93	4.48
		Total	18,154,713,461.29		21,008,009.27	

#### f) Agent Commission

For applications directly solicited and collected by the branches of SBI or by any associates, they may also be paid an agent commission at a rate not exceeding the rate of commission being paid to other agents for the scheme.

NAME OF ASSOCIATE / RELATED PARTIES / GROUP COMPANIES OF SPONSOR / AMC	NATURE OF ASSOCIATION / NATURE OF RELATION	PERIOD COVERED	Business given (Rs. Cr & % of Total Business received by the Fund)		Commission Paid (Rs. & % of total commission paid by the Fund)	
			(In Rs. Crs)	%	(In Rs.)	%
			TOTAL BUSINESS		GROSS	
			(In Rs. Crs)	%	(In Rs.)	%
SBI CAPITAL MARKETS LIMITED	Associates	April 11 - May 11	2.77	0.004%	145,927	0.218%
STATE BANK OF HYDERABAD	Associates	April 11 - May 11	1130.61	1.612%	63,943	0.095%
STATE BANK OF INDIA	Sponsor	April 11 - May 11	8243.01	11.756%	10,374,603	15.480%
STATE BANK OF TRAVANCORE	Associates	April 11 - May 11	210.99	0.301%	119,242	0.178%
STATE BANK OF BIKANER & JAIPUR	Associates	April 11 - May 11	122.12	0.174%	37,361	0.056%
STATE BANK OF PATIALA	Associates	April 11 - May 11	1583.38	2.258%	486,005	0.725%
SBI Commercial & International Bank Ltd	Associates	April 11 - May 11	0.54	0.001%	-2,376	-0.004%
Sbi DFHI Ltd	Associates	April 11 - May 11	66.00	0.094%	68	0.000%
PURVANCHAL GRAMIN BANK	Associates	April 11 - May 11	0.13	0.000%	3,462	0.005%
Chhattisgarh Gramin Bank	Associates	April 11 - May 11	0.03	0.000%	2,861	0.004%
State Bank of Mysore	Associates	April 11 - May 11	202.46	0.289%	119,542	0.178%

NAME OF ASSOCIATE / RELATED PARTIES / GROUP COMPANIES OF SPONSOR / AMC	NATURE OF ASSOCIATION / NATURE OF RELATION	PERIOD COVERED	Business given (Rs. Cr & % of Total Business received by the Fund)		Commission Paid (Rs. & % of total commission paid by the Fund)	
			(In Rs. Crs)	%	(In Rs.)	%
			TOTAL BUSINESS		GROSS	
			(In Rs. Crs)	%	(In Rs.)	%
SBI CAPITAL MARKETS LIMITED	Associates	Apr 10 - Mar 11	4,151.38	0.448	2,908,215.30	0.196
STATE BANK OF HYDERABAD	Associates	Apr 10 - Mar 11	18,584.99	2.004	12,110,412.90	0.815
STATE BANK OF INDIA	Sponsor	Apr 10 - Mar 11	59,745.57	6.443	353,250,118.62	23.776
STATE BANK OF TRAVANCORE	Associates	Apr 10 - Mar 11	890.66	0.096	13,413,880.99	0.903
State Bank of Indore	Associates	Apr 10 - Mar 11	0.00	0.000	1,561,712.82	0.105

STATE BANK OF BIKANER & JAIPUR	Associates	Apr 10 - Mar 11	1,595.18	0.172	8,601,687.85	0.579
STATE BANK OF PATIALA	Associates	Apr 10 - Mar 11	7,869.59	0.849	17,102,780.08	1.151
SBI Commercial & International Bank Ltd	Associates	Apr 10 - Mar 11	290.84	0.031	790,782.30	0.053
Sbi DFHI Ltd	Associates	Apr 10 - Mar 11	178.51	0.019	540.00	0.000
Malwa Gramin Bank	Associates	Apr 10 - Mar 11	0.00	0.000	365,210.35	0.025
UTTARANCHAL GRAMIN BANK	Associates	Apr 10 - Mar 11	0.00	0.000	100.00	0.000
PURVANCHAL GRAMIN BANK	Associates	Apr 10 - Mar 11	1.06	0.000	149,336.18	0.010
Chhattisgarh Gramin Bank	Associates	Apr 10 - Mar 11	0.62	0.000	33,485.41	0.002
State Bank of Mysore	Associates	Apr 10 - Mar 11	4,011.62	0.433	5,660,041.12	0.381

NAME OF ASSOCIATE / RELATED PARTIES / GROUP COMPANIES OF SPONSOR / AMC	NATURE OF ASSOCIATION / NATURE OF RELATION	PERIOD COVERED	Business given (Rs. Cr & % of Total Business received by the Fund)		Commission Paid (Rs. & % of total commission paid by the Fund)	
			(In Rs.Crs)	%	( In Rs.)	%
			<b>TOTAL BUSINESS</b>		<b>GROSS</b>	
			(In Rs.Crs)	%	( In Rs.)	%
ANAND RATHI FINANCIAL SERVICES LTD.	Associates	APR09-MAR10	101.300	0.035	2437170.34	0.175
CENTRUM FINANCE LTD.	Associates	APR09-MAR10	0.447	0.000	1905966.51	0.137
SBI DFHI LTD	Associates	APR09-MAR10	876.113	0.304	427.50	0.000
SBICAP SECURITIES LIMITED	Associates	APR09-MAR10	16999.218	5.906	4650637.42	0.334
STATE BANK OF BIKANER & JAIPUR	Associates	APR09-MAR10	3602.503	1.252	4901951.63	0.352
STATE BANK OF HYDERABAD	Associates	APR09-MAR10	4736.607	1.646	11648224.84	0.836
STATE BANK OF INDIA	Sponsor	APR09-MAR10	37696.892	13.096	283617448.30	20.356
STATE BANK OF INDORE	Associates	APR09-MAR10	248.886	0.086	2909080.81	0.209
STATE BANK OF MYSORE	Associates	APR09-MAR10	292.055	0.101	5355652.79	0.384
STATE BANK OF PATIALA	Associates	APR09-MAR10	4632.573	1.609	10752365.52	0.772
STATE BANK OF TRAVANCORE	Associates	APR09-MAR10	1022.185	0.355	12343063.36	0.886

NAME OF ASSOCIATE / RELATED PARTIES / GROUP COMPANIES OF SPONSOR / AMC	NATURE OF ASSOCIATION / NATURE OF RELATION	PERIOD COVERED	Business given (Rs. Cr & % of Total Business received by the Fund)		Commission Paid (Rs. & % of total commission paid by the Fund)	
			(In Rs.Crs)	%	( In Rs.)	%
			<b>TOTAL BUSINESS</b>		<b>GROSS</b>	
			(In Rs.Crs)	%	( In Rs.)	%
ANAND RATHI FINANCIAL SERVICES LTD.	Associates	APR08-MAR09	85.442	0.034	3146071.68	0.224
CENTRUM FINANCE LTD.	Associates	APR08-MAR09	113.915	0.045	2080998.94	0.148
SBI DFHI LTD	Associates	APR08-MAR09	1589.377	0.631	365409.91	0.026
SBICAP SECURITIES LIMITED	Associates	APR08-MAR09	11397.208	4.526	9418114.21	0.669
STATE BANK OF BIKANER & JAIPUR	Associates	APR08-MAR09	660.957	0.262	5168434.13	0.367
STATE BANK OF HYDERABAD	Associates	APR08-MAR09	5939.970	2.359	11187245.35	0.795
STATE BANK OF INDIA	Sponsor	APR08-MAR09	26278.037	10.436	233499518.43	16.593

STATE BANK OF INDORE	Associates	APR08-MAR09	7154.732	2.841	2598897.64	0.185
STATE BANK OF MYSORE	Associates	APR08-MAR09	744.800	0.296	5026184.28	0.357
STATE BANK OF PATIALA	Associates	APR08-MAR09	3478.425	1.381	7664081.38	0.545
STATE BANK OF TRAVANCORE	Associates	APR08-MAR09	2698.635	1.072	11549218.62	0.821

#### g) Other Associate Transactions

SBI Capital Markets Ltd. was appointed as the Principal Marketing Advisors for Magnum Gilt Fund.

At present, the Fund does not have any other transaction with the Sponsor or its associates apart from those disclosed above. In future, however, SBI or any associates of SBI (including but not limited to SBI Capital Markets and/or SBI Cap Securities Ltd.) may be entrusted the work of marketing, book-building, distribution or any other activity connected with the scheme or any other schemes of SBI Mutual Fund, as may be allowed by SEBI or any other competent authority, and within the relevant provisions of Regulations prevailing from time to time.

#### 6) Fund's Policy on Unclaimed Redemption Amount

In line with SEBI circular No. MFD/CIR/9/120/2000 dated 24/11/2000, unclaimed redemption and dividend amounts are being deployed by the mutual funds in call money market or money market instruments only and the investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing Net Asset Value. After a period of three years, this amount is being transferred to a pool account and the investors can claim the amount at NAV prevailing at the end of the third year. The income earned on such funds may be used for the purpose of investor education. The AMC would make continuous effort to remind the investors through letters to take their unclaimed amounts. The investment management fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points.

#### 7) Jurisdiction

The jurisdiction for any matters or disputes arising out of the scheme shall reside with the Courts in India.

#### 8) Other Important Information:

##### (a) Client/Investor information

The Mutual Fund shall presume that the identity of the investor and the information disclosed by him is true and correct. It will also be presumed that the funds invested by the investor in the Schemes of the Mutual Fund come from legitimate sources / manner and the investor is duly entitled to invest the said funds. The Mutual Fund is not, in any way, responsible for correctness of the information provided by the investor to the Mutual Fund, as to his identity or any other information, and also his sources of income.

Where the funds invested are for the benefit of a person (beneficiary) other than the person in whose name the units are issued and registered, the Mutual Fund shall assume that the investor holding the Units in his name is legally authorized / entitled to invest the said funds in the Units of the Mutual Fund, for the benefit of the beneficiaries.

Units of the Schemes are not offered, nor are the Funds managed or intended to serve, as a vehicle for frequent trading that seeks to take advantage of short-term fluctuations in the securities market. This type of trading activity is often referred to as "market timing" and could result in actual or potential harm to the Unit Holders. Accordingly, the Mutual Fund (MF) at its sole discretion may reject any purchase or exchange of Units that the MF reasonably believes may represent a pattern of market timing activity involving the Schemes of the MF.

##### (b) Website

The website of the Mutual Fund (the said Website) is intended solely for the use of Resident Indians, Non Resident Indians, persons of Indian Origin and Foreign Institutional Investors registered with Securities and Exchange Board of India. It should not be regarded as a solicitation for business in any jurisdiction other than India. In particular the information is not for distribution and does not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction where such activity is prohibited including the United States of America. Any persons resident outside India who nevertheless intend to respond to this material must first satisfy themselves that they are not subject to any local requirements, which restrict or prohibit them from doing so.

Information other than that relating specifically to the AMC, the Mutual Fund and its products, is for information purposes only and should not be relied upon as a basis for investment decisions. The AMC shall not be responsible, nor be held liable, for any information contained in any website linked from the said Website.

The AMC makes no representations whatsoever about any such website which the user may access through the said Website. A link to another website does not mean that the AMC endorses or accepts any responsibility for the content, or the use, of such website. It is the responsibility of the user to take precautions to ensure that whatever is selected for use is free of such items as viruses and other items of a destructive nature.

The investors are requested to read the Terms and Conditions given on the said Website carefully before using the said Website. By using the said Website, the investor will be deemed to have agreed that the Terms and Conditions specified apply to the use of the investor of the said Website, any information obtained from the site, and our products and services. If the investor does not agree to the specified Terms, the investor may not use the said Website or download any content from it.

#### **(c) Application via electronic mode**

SBIFMPL/SBIMF/Registrar to the scheme(s) (hereinafter referred to as 'Recipient') may accept certain transactions through one or more electronic mode such as facsimile, web or through any other electronic manner (hereinafter referred to as 'electronic transaction') from time to time, subject to the investor fulfilling terms and conditions stipulated as under:

Acceptance of electronic transactions by the recipient will be as permitted by SEBI or other regulatory authorities or the rules & regulations governing the same;

Transmitter accepts that the electronic transactions shall not be processed until time- stamped as a valid transaction in the scheme in line with SEBI regulations;

Acceptance of electronic transactions will be solely at the risk of the transmitter of such transactions and the recipient shall not in any way be liable or responsible for any loss, damage, costs caused to the transmitter directly or indirectly, as a result of the transmitter sending or purporting to send such transactions;

Recipient will also not be liable in case where the transaction sent or purported to be sent is not processed on account of the fact that it was not received by the recipient;

Recipient, instead of accepting electronic transactions, may require the transmitter to apply through any other permitted manner and is under no obligation to act on any electronic transaction received, which is sent or purported to be sent by the transmitter;

Transmitter acknowledges that electronic transactions is not a secure means of giving instructions/ requests and that the transmitter is aware of the risks involved arising out of such transmission, including but not limited to, such transmission being inaccurate, incomplete, lacks clarity or quality, altered, misrepresented, unlawful, or is not received on time as prescribed, etc.;

Recipient on receiving any electronic transaction may in good faith agree to process the same on the presumption that it is transmitted in lawful manner. Recipient shall not be liable or responsible if any complaint is received thereafter in respect of such transmission;

Transmitter agrees that security procedures adopted by the recipient may include signature verification, telephone call backs which may be recorded by tape recording device and the transmitter consents to such recording and agrees to co-operate with the recipient to enable confirmation of such electronic transaction;

Transmitter agrees to indemnify and keep indemnified the AMC, Directors, employees, agents, representatives of the AMC, SBI Mutual Fund and Trustees from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred, sustained by or threatened against the indemnified parties whatsoever arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on electronic transaction or relying upon such electronic transaction, which is sent or purported to be sent by the transmitter.

The SBIFMPL reserves the right to discontinue the facility at any point of time.

#### **(d) Payment facility with State Bank of India ATM Cum Debit Card**

Investors are requested to note that a new payment facility through State Bank of India (SBI) ATM Cum Debit Card in the schemes of SBI Mutual Fund for online investments through SBI Mutual Fund website is being introduced with effect from March 22, 2010.

This facility will be available for all SBIMF schemes except Magnum Instacash Fund, Magnum Instacash Fund - Liquid Floater, SBI Premier Liquid Fund and SBI Short Horizon Debt Fund - Ultra Short Term Fund.

Maximum amount of investment through this facility will be restricted to limits set by State Bank of India from time to time.

#### (e) Personal Identification Number (PIN) based Transactions

For the convenience of Unit Holder(s), SBI Mutual Fund has introduced the facility of Website (web)/ Telephone based transactions. Facility of Web based transactions will be available at [www.sbimf.com](http://www.sbimf.com). To avail this facility, Unit Holder(s) will be required to obtain a Personal Identification Number (PIN). Unit Holder(s) will have to apply in a specified format to Computer Age Management Services (Private) Limited (Registrars to SBI Mutual Fund), and also execute an agreement with SBI Mutual Fund to receive PIN.

Services available with the use of PIN	Services not available with the use of PIN
<ul style="list-style-type: none"> <li>• access to NAV information</li> <li>• access to unit Balance information</li> <li>• access to print Statement of Account</li> <li>• links to other mutual funds</li> <li>• access to service request based on emails</li> <li>• change of dividend option</li> <li>• change of T-pin</li> <li>• redemption, switch ( up to a limit of Rs. 10.00 lacs per day)</li> </ul>	<ul style="list-style-type: none"> <li>▪ purchases</li> <li>▪ change of Bank Mandate</li> <li>▪ updation of Permanent Account Number</li> <li>▪ Change in mode of holding</li> <li>▪ registration of nominee</li> <li>▪ redemption / switches in case of joint holdings</li> <li>▪ Change of address</li> </ul>

PIN will be issued to Unit Holder(s) subject to following terms and conditions:

1. PIN facility will be available only to those Unit Holder(s) of the Fund who indicate their desire to avail this facility in the separate application form for PIN. The application form will be available at the Offices and website of SBI Mutual Fund. This facility will be available to Individual Investors only. However, Non-Individuals (Corporate, Institutions) may use the facility for a limited purpose of ordering Statement of Account.
2. PIN will be generated by the Registrar and sent to Unit Holder(s) by Post in a sealed envelope, entirely at the risk of the Sole/ First Unit Holder(s). While receiving the PIN, the Unit Holder(s) will have to ensure that it is received in a sealed envelope. In case the Unit Holder(s) has any doubt that the seal has been tampered with, he should immediately inform the Registrar.
3. Unit Holder(s) are requested to note that in respect of redemptions through the website, the server time will be reckoned for arriving at the applicable NAV and in respect of Telephone based redemptions, the time of logging the interaction in the system will be reckoned for arriving at the applicable NAV.
4. The applicability of NAV will be governed by the terms and conditions mentioned in the Offer Document of the respective schemes of SBI Mutual Fund.
5. For Telephone based transactions, Unit Holder(s) will be asked for PIN verification before the request is accepted. The Mutual Fund also reserves the right to ask for a fax confirmation of the request and any additional information about the account of the Unit Holder.
6. Unit Holder(s) should not disclose the PIN to any person nor should the PIN be written down where any other person can discover it. It shall be the sole responsibility of the Unit Holder(s) to ensure the confidentiality of PIN. Disclosure of PIN to any other person shall be at the risk of Unit Holder(s).
7. The Mutual Fund or the Registrar is not liable for unauthorized usage of PIN facility or unauthorized transactions being done with PIN. Unit Holder(s) will be solely responsible for all the transactions done with the use of PIN. The Unit Holder(s) shall indemnify the Registrar, the Mutual Fund/Asset Management Company for all liabilities, losses, damages and expenses which may sustain or incur directly or indirectly as a result of:
  - Providing the facility of carrying out transactions, as available, over the telephone or web
  - Fraud relating to any transaction using PIN.
  - Non compliance of terms and conditions relating to transactions over telephone or web using PIN.

- Any transactions that are carried out on the basis of instructions over the telephone/web, given by unauthorized persons by gaining access to PIN.
8. It is the duty of the Unit Holder(s) to immediately report the loss of PIN to the Registrar/Mutual Fund.
  9. Unit Holder(s) will abide by the record of transactions generated by the Mutual Fund/Registrar.
  10. The Mutual Fund/Registrar may, at its absolute discretion, issue a new PIN to Unit Holder(s) on the aforesaid terms and conditions or on such terms and conditions, as may deem fit. The Mutual Fund may discontinue this facility at any time in future or make changes in the terms and conditions of web/telephone based transactions without assigning any reasons and the Unit Holder(s) are bound by the same.

**(f) Electronic Credit Clearing Service (ECS)**

**ECS** - ECS is a facility offered by the Reserve Bank of India for facilitating better customer service by direct credit of dividend amount to an investor's bank account through electronic credit. This helps in avoiding loss of dividend warrants in transit or fraudulent encashment. This facility is optional for the investors in the scheme. Dividends proceeds may be distributed through the ECS facility to investors residing in any of the cities where such a facility is available. Payments of up to Rs.1, 00,000/- per transaction can be made through the ECS. All investors will have to provide the additional details required in the space provided on the application form. If they have also opted for the ECS facility, their bank branch will directly credit the amount due to them to their account wherever the payment is through ECS. The Registrars will send a separate advice to the investors informing them of the direct credit. The ECS facility will be offered by the Fund in any centre only if there is sufficient demand for the facility. In places where such a facility is not available or if the facility is discontinued by the scheme for any reason, or in cases where the dividends or redemption proceeds exceed Rs. 1,00,000/- , the dividend warrants will be mailed to the investors.

**(g) Direct Credit**

This service will facilitate direct credit of dividend(s) amount(s) or redemption proceeds into the bank account of the investors. Investors will have to clearly mention their bank account details as may be required in this regard. This helps in avoiding loss of dividend or redemption warrants in transit or fraudulent encashment thereof. This facility is optional for the investors in the scheme. SBI Mutual Fund has entered into an agreement in respect of direct credit facility for dividend payment/redemption proceeds with select banks viz. State Bank of India, State Bank of Hyderabad, State Bank of Mysore, State Bank of Travancore, State Bank of Patiala, State Bank of Indore, HDFC Bank, ICICI Bank, CITI Bank, Kotak Bank, IDBI Bank, Axis Bank, Standard Chartered Bank, HSBC Bank, Indus Ind Bank, ING Vysya Bank, Yes Bank, ABN Bank, Deutsche Bank, Corporation Bank, Syndicate Bank, Punjab National Bank. Investors who have an account with the aforesaid banks (where no mode of payment is specified), the default option for such dividend payment/redemption proceeds will be direct credit into their respective bank account.

The AMC/SBI Mutual Fund may at any time alter the list of banks participating in direct credit arrangement from time to time/ withdraw direct credit facility from banks, or add/withdraw the name of bank with whom direct credit facility arrangement can be introduced/discontinued as the case may be. However, in the event of direct credit facility being discontinued, the unit holders will receive payments in respect of dividend payment/redemption proceeds through other mode such as cheque, demand draft, etc.

The AMC / SBI Mutual Fund shall have absolute discretion to add, withdraw or suspend any facility/service that may be provided to the investors in order to comply with the statutory requirements from time to time.

**(h) Purchase / Redemption of Units of SBI Mutual Fund (SBI MF) Schemes through Stock Exchange Infrastructure**

Units of the following Schemes of the SBI Mutual Fund (SBI MF) can be transacted through registered trading members (broker) of the National Stock Exchange of India Limited (NSE) on the Mutual Fund Service System (MFSS) of NSE and / or registered stock brokers of Bombay Stock Exchange Limited (BSE) on the BSE Stock Exchange Platform for Allotment and Repurchase of Mutual Funds (BSE StAR MF) of BSE, who are registered with Association of Mutual Funds of India and are empanelled with SBI Funds Management Private Limited (SBIFMPL). Accordingly, such brokers shall be eligible to be considered as 'Official Points of Acceptance' as per SEBI Circular No. SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006:

S. No.	Scheme Name	S. No.	Schemes Name
1	Magnum Balanced Fund	12	Magnum Sector Fund Umbrella - IT

2	SBI Arbitrage Opportunities Fund	13	Magnum Sector Fund Umbrella - Pharma
3	SBI Blue Chip Fund	14	Magnum Taxgain Scheme - 1993
4	Magnum Equity Fund	15	Magnum Midcap Fund
5	Magnum Multicap Fund	16	Magnum Index Fund
6	Magnum Global Fund	17	Magnum Monthly Income Plan*
7	Magnum Multiplier Plus Scheme - 1993	18	Magnum Monthly Income Plan-Floater *
8	Magnum Comma Fund	19	Magnum Income Fund - 1998 *
9	Magnum Sector Fund Umbrella - Contra	20	Magnum Gilt Fund *
10	Magnum Sector Fund Umbrella - Emerging Businesses Fund	21	Magnum Children Benefit Plan *
11	Magnum Sector Fund Umbrella - FMCG	22	SBI PSU Fund

\* Purchase application below Rs. 1 Crore will be allowed.

Only subscription and redemption transactions for the aforesaid schemes would be accepted in this mechanism. Switch transactions are currently not available.

The units of the above mentioned Schemes can be transacted through BSE StAR MF and NSE MFSS Platforms through registered Stock brokers with effect from December 04, 2009.

Time stamping as evidenced by the confirmation slip given by the stock exchange mechanism shall be considered for the purpose of determining applicable NAV and cut off timing for the transactions. Units shall be allotted in the physical / depository mode as per the request of the investor.

#### For units issued in Physical Form:

1. Investors who desire to purchase/redeem through this infrastructure will have to approach the registered member of NSE /BSE brokers with application/redemption form and other documents as per regulatory requirement for purchase/Redemption of units.
2. The maximum redemption amount shall be subject to Stock Exchange guidelines/ rules, if any. Presently, maximum redemption request will be limited to Rs. 1 lakh per folio per day in MFSS system.
3. Redemption payouts will be made to the investors Bank accounts directly as per the bank mandate by the Registrar (RTA) and within the timelines as per the SEBI regulations as are applicable from time to time.
4. Request for non commercial transactions like change of address, change of bank particulars etc. will not be entertained by NSE /BSE brokers. For these transactions, investors have to contact AMC /RTA of the scheme.

#### For units issued in Dematerialized Form

1. Investors need to have a demat account opened with NSDL / CDSL as the case may be.
2. No limit for redemption as mentioned above will be applicable.
3. Request for non commercial transactions like change of address, change of bank particulars etc. will have to be intimated to respective Depository Participant (DP).
4. In case investors desire to convert the physical units into dematerialized form, the dematerialization request shall be submitted to the Registrar. SBIFMPL will facilitate the same with Registrar, Depositories and Depository Participants (DPs).
5. Where the units are held in demat form, the demat account statement issued by the DPs would be adequate compliance of the requirements in respect of the dispatch of the statement of accounts.
6. In case units are desired to be held by investors in dematerialized form, the KYC performed by the DPs shall be considered as compliance with SEBI Circular ISD/AML/CIR -1/ 2008 dated December 19, 2008.

Investors are also requested to note that all the terms & conditions of the circular / guidelines issued by NSE / BSE shall be applicable for purchase / redemption of units through Stock exchange platform.



**(i) Additional mode of payment through Applications Supported by Blocked Amount (hereinafter referred to as "ASBA") in Mutual Funds and Reduction in New Fund offer (NFO) period**

Persuant to SEBI Circular No. SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15, 2010, SEBI has extended ASBA facility to the investors subscribing to New Fund Offers (NFOs) of mutual fund schemes. Accordingly, all NFOs launched on or after July 01, 2010 would compulsorily offer ASBA facility to the investors.

**9) Documents Available for Inspection**

The following documents will be available for inspection at the office of the Mutual Fund at 191, Maker Tower "E", 19<sup>th</sup> Floor, Cuffe Parade, Mumbai 400 005 during business hours on any day (excluding Saturdays, Sundays and bank/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
- Consent of Legal Advisors 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.

**10) Investor Grievances Redressal Mechanism**

The Investor Services Department at SBI Mutual Fund functions under the supervision of Head - Investor Relations Officer. The investor grievances are redressed by the AMC directly and also by our Investor Service Centers (ISC) and Investor Service Desks all over the country. All grievances are redressed within the time stipulated by SEBI. Our ISCs/ISDs are equipped with upgraded technological facilities to respond to the investor queries. The statistical data for investor complaints received is as follows:

**Number of complaints received during the period April 2008 - May 31, 2011**

	Apr. 1, 08 - March 31, 09	Apr. 1, 09 - March 31, 2010	Apr. 1 2010 - March 31, 2011	Apr. 1 2011 - May 31, 2011
<b>Complaints Received</b>	7519	8174	3615	1596
<b>Complaints Redressed</b>	7504	8167	3619	1593
<b>Pending</b>	15	7	3	3

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

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