



## INSTRUCTIONS

1. For fresh purchases under new scheme, plan or option - please refer the respective SID/SAI/KIM for more details and default values.
2. To make an additional purchase, please send us a local cheque / DD payable at any of our branch/ authorised centre. Please make the cheque/DD payable in favour of the respective scheme.

In pursuance to Best Practice Guidelines issued by Association of Mutual Funds in India [AMFI] Vide Circular No.135/BP/16/10 dated August 16th 2010 for acceptance of Third party cheques, Tata Asset Management Ltd has decided henceforth not to accept subscriptions with Third-Party cheques\* except in the following exceptional situations:

- a) Payment by Parents/Grand-Parents/related persons on behalf of a minor in consideration of natural love & affection or as gift for a value not exceeding ₹ 50,000/- (for each regular purchase or per SIP installment).
- b) Payment by Employer on behalf of employee under Systematic Investment Plans through Payroll deductions.
- c) Custodian on behalf of an FII or a client.

\* Third Party Cheque means:

- a) When payment is made through instruments issued from an account other than that of the beneficiary investor, the same is referred to as Third-Party payment.
- b) 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, otherwise it will be treated as third party cheque.
- c) Investments from the investor's account with a different bank i.e., the pay-in & payout banks are different, if the pay-in bank mandate could not be established to be that of the investor, it will also be treated as third party investment.

3. PAN is mandatory for investments in Mutual Funds. KYC is mandatory for purchases, switch of units for all investors irrespective of the amount of investment and such transactions must be accompanied with a documentary proof of KYC compliance. In case of a minor, PAN and KYC details of the Guardian must be submitted. Application without this would be rejected by the Mutual Fund without any reference to the investor.
4. Investors shall note that KYC is mandatory and they need to comply with the 'Know Your Client' requirements, by submitting requisite documents to KYC Registration Agency. For more information on KYC, please log on to [www.tatamutualfund.com](http://www.tatamutualfund.com) before investing. Applications are liable to be rejected without any intimation to the applicants, if required KYC compliance is not complied by all the unit holders.
5. Cash or outstation cheques will not be accepted. If there is no authorised centre where the investor resides he may send a DD after deducting the bank charges not exceeding the rate prescribed by State Bank of India.
6. ADDITIONAL PURCHASE THROUGH OTM FACILITY: If you are making payment through OTM facility registered in your folio, please tick the relevant box and do not attach any cheque. If more than one bank account is registered in your folio under OTM facility, please mention the bank account number and bank name where you wish the debit to happen. If the same is not mentioned or is not registered, default bank mandate under OTM facility will be considered to debit the purchase amount.
7. Requests for change from dividend option to growth option and vice versa should be given under switch request.
8. In case of Switch of units, investors shall ensure that they have read and understood the Scheme Information Document of the Switch in Scheme.
9. If there is no sufficient amount/ units, the balance available free units in the respective account will be redeemed/ switched.
10. Redemption may not be processed if folio number and full scheme name including plan and option is not mentioned. Please ensure that either of amount or units is mentioned in the redemption request. The fund offers a facility to register multiple bank accounts and designate one of the bank account as "Default Bank Account". Default Bank Account will be used for all dividends and redemptions payouts including FMP schemes maturity proceeds unless investor specifies one of the existing registered bank account in the redemption request for receiving redemption proceeds.

11. Redemption requests should not be accompanied with requests for Change of Bank Account Details. If the Change of Bank Account Detail request is received along with Redemption requests only the redemption request will be processed and the redemption proceeds will be credited to the last registered bank mandate & the request for Change of bank mandate will be rejected. New bank accounts can only be registered using the designated "Bank Account Registration Form/Multiple Bank Account Registration Form".

In case the investor needs to add/alter the existing bank mandate he should carry out the same 10 business days prior to date of redemption.

12. Proceeds of any redemption request will be sent only to a bank account that is already registered and validated in the folio at the time of redemption transaction processing. Unit holder(s) may choose to mention any of the existing registered bank accounts with redemption request for receiving redemption proceeds. If no registered bank account is mentioned, default bank account will be used. If unit holder(s) provide a new and unregistered bank mandate with a specific redemption request (with or without necessary supporting documents) such bank account will not be considered for payment of redemption proceeds. Tata Asset Management Ltd OR Tata Mutual Fund will not be liable for any loss arising to the unitholder(s) due to the credit of redemption proceeds into any of the bank accounts registered with us for the aforesaid folio.

13. a. Separate redemption/Switch out request is required for Plan A and Direct Plan.
- b. Redemption /Switch out request is required to clearly contain the name of the plan / option failing which the below mentioned business rule will apply
  - i If the folio has both the Plans / option and Both plans have unit balance under same option then redemption will be processed in Plan A
  - ii If the folio has both the Plans / option and One plan has NIL balance and other has unit balance under same option, redemption will be processed from Plan / option which has unit balance
  - iii If the Folio has only one Plan / option then redemption will be processed from that Plan/option
  - iv Folio has both the Plans and Both plans have unit balance under different options then the redemption request will be rejected

14. In accordance with SEBI circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, Tata Asset Management Limited/ Mutual Fund will deduct Transaction Charges from the purchase/ subscription amount received from the investors investing through a valid ARN Holder i.e. AMFI registered Distributor (provided the Distributor has opted to receive the Transaction Charges).

Transaction Charge of ₹ 100 per purchase / subscription of ₹ 10,000 and above are deductible from the purchase / subscription amount and payable to the Distributor. The balance amount shall be invested.

Transaction Charges shall not be deducted: (a) where the Distributor of the investor has not opted to receive any Transaction Charges (b) for purchases/subscriptions/ total commitment amount in case of SIP of an amount less than ₹ 10,000/- (c) for transactions other than purchases / subscriptions relating to new inflows i.e. through Switches/Systematic Transfers/Dividend Transfers/Dividend Reinvestment, etc. (d) for purchases/subscriptions made directly with the Fund (i.e. not through any Distributor); and (e) for purchases/subscriptions routed through Stock Exchange(s).

15. Employee Unique Identification Number (EUIIN): Further, SEBI has made it compulsory for every employee/ relationship manager/ sales person of the distributor of mutual fund products to quote the EUIIN obtained by him/her from AMFI in the Application Form. EUIIN would assist in addressing any instance of mis-selling even if the employee/relationship manager/sales person later leaves the employment of the distributor. Hence, if your investments are routed through a distributor please ensure that the EUIIN is correctly filled up in the Application Form.

However, if the transaction is executed without any interaction or advice of the employee/ relationship manager / sales person of the distributor the EUIIN box may be left blank. In this case you are required to provide a duly signed declaration to this effect in the form.

**Overseas Distributors:** Overseas Distributors are exempt from obtaining NISM certification and AMFI registration as per AMFI circular No. CIR/ ARN-14/12-13 dated July 13, 2012 and the EUIIN requirement as per AMFI Circular No.135/BP/33/2012-13 dated December 31, 2012. However, such Overseas Distributors are required to comply with the guidelines/ requirements as may be issued by AMFI /SEBI from time to time and also comply with the laws, rules and regulations of jurisdictions where they carry out their operations in the capacity of distributors.

16. The Email ID provided will be updated and already exiting email ID, if any, will be overruled. For faster dissemination of information, Unitholders are requested to provide their E-mail IDs. Delivering service through the internet & web-based services such as e-mail is a more efficient delivery channel. Annual report, Account statements & other communication will be sent via email, by default, to investors who have provided their email ID, unless specified otherwise. In such cases, the Mutual Fund / Registrars are not responsible for email not reaching the investor & for all consequences thereof. The Investor shall from time to time intimate the Mutual Fund / its transfer agents about any changes in the email address. In case of a large document, a suitable link would be provided & investor can download, save & print these documents. However, the investor always has a right to demand a physical copy of any or all the service deliverables, & the Fund would arrange to send the same to the investor. It is deemed that the Unitholder is aware of all the security risks associated with online communication, including the possibility of third party interception of the documents sent via email. Mutual Fund / registrar shall not be responsible for e-mail not reaching to the investors and for all consequences thereof.

## 17. DEFAULT VALUES

All open ended schemes of Tata Mutual Fund will have a separate plan for direct investment with effect from 1st January 2013 (Effective Date).

Direct Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund & is not available for investors who route their investments through a Distributor. Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc & no commission for distribution of Units will be paid / charged under Direct Plan.

How to apply for direct plan: Investors subscribing under Direct Plan of a Scheme will have to indicate "Direct Plan" against the Scheme name in the application form e.g. "Tata Retirement Savings Fund – Direct Plan". Investors should also indicate "Direct" in the ARN column of the application form. However, in case Distributor code is mentioned in the application form, but "Direct Plan" is indicated against the Scheme name, the Distributor code will be ignored & the application will be processed under Direct Plan. Further, where application is received for Existing Plan without Distributor code (left blank) or "Direct" mentioned in the ARN Column, the application will be processed under Direct Plan.

In case there is any ambiguity in the scheme plan name i.e. neither Direct Plan or Existing Plan (Plan A) is indicated:

- In case "Direct" is mentioned in the ARN code or if the ARN code is kept blank or there is a strike off in the ARN code, the default scheme will be the Direct Plan of the mentioned scheme.
- In case the ARN number is mentioned in the ARN code & the scheme Plan does not mention "Direct Plan", then the default scheme Plan will be existing Plan i.e. Plan A of the mentioned scheme.
- In case investor fails to specify even a single plan, then units shall, by default, be issued under the following plans depending upon the age of the investors:
  - i) In case the age of investor is less than 45 years then units shall be allotted under "Progressive Plan".
  - ii) In case the age of investor is 45 years or more but less than 60 years then units shall, by default, be allotted under "Moderate Plan"
  - iii) In case the age of investor is 60 years or more then units shall, by default, be allotted under "Conservative Plan".

## 18. AUTO SWITCH FACILITY

Auto Switch is a facility wherein investors' investment shall be switched automatically from one plan to another plan upon occurrence of a pre-defined trigger which is linked with the age of the investor.

Auto Switch facility is available in Progressive Plan and Moderate Plan.

### (a) Auto Switch under Progressive Plan:

#### Option 1:

Upon completion of 45 years of age, investments shall be switched automatically from "Progressive Plan" to "Moderate Plan". This option is applicable for those investors whose age at the time of investment is less than 45 years.

Applicable NAV: Such auto switch-out from "Progressive Plan" and "Switch-in" to "Moderate Plan" will be done at the applicable NAV on the date on which investor completes\* the age of 45 years or immediate next business day if such day is non-business day.

Please note that upon completion of 60 years of age, investments shall be auto switched again to Conservative Plan. (Please refer Para "(B) Auto Switch under Moderate Plan" for further details on auto switch from Moderate plan to Conservative Plan).

#### Option 2:

Upon completion of 60 years of age, investments shall be switched automatically from "Progressive Plan" to "Conservative Plan".

Applicable NAV: Since different cut-off timings are applicable for equity (Progressive Plan) and debt (Conservative Plan) oriented schemes, NAV applicability for switch-out from "Progressive Plan" and Switch-in to "Conservative Plan" shall be as under:

For Switch-out from "Progressive Plan":

Auto switch-out will be done at the applicable NAV on the date on which investor completes\* the age of 60 years or immediate next business day if such day is non-business day.

For Switch-in to "Conservative Plan":

If switch-in amount is less than Rs. 2 lacs: Switch-in will be done at the applicable NAV on the date on which investor completes\* the age of 60 years or immediate next business day if such day is non-business day.

If switch-in amount is greater than or equal to Rs. 2 lacs: Switch-in will be done at the applicable NAV on the date on which funds are available for utilization in the "Conservative Plan".

However, if an investor does not wish to opt for auto switch facility, they can continue in the Progressive Plan and redeem the units on any business day at applicable NAV.

Default Option:

Investor should appropriately tick the 'option' (i.e. option 1 or option 2 or no auto switch) in the application form. If the option is not indicated by the investor, then units shall, by default, be allotted as under:

- a) If, at the time of investment, investor's age is less than 45 years then option 1 shall be considered as a default option and units shall be allotted accordingly.
- b) If, at the time of investment, investor's age is 45 years or greater but less than 60 years then option 2 shall be considered as a default option and units shall be allotted accordingly.
- c) If, at the time of investment, investor's age is 60 years or greater then auto switch facility shall not be available and his investments shall, by default, remain invested in the original plan (i.e. Progressive Plan).

\*Example explaining the attainment of pre-defined age:

Date of Birth of the investor	Date of Completion of 45 years of age	Date of completion of 60 years of age
February 04, 1981	February 03, 2026	February 03, 2041

### (b) Auto Switch under Moderate Plan:

#### Option 3:

Upon completion of 60 years of age, investments shall be switched automatically from "Moderate Plan" to "Conservative Plan". This option is applicable for those investors whose age at the time of investment is less than 60 years.

Applicable NAV: Since different cut-off timings are applicable for equity (Moderate Plan) and debt (Conservative Plan) oriented schemes, NAV applicability for switch-out from "Moderate Plan" and Switch-in to "Conservative Plan" shall be as under:

For Switch-out from "Moderate Plan":

Auto switch-out will be done at the applicable NAV on the date on which investor completes\* the age of 60 years or immediate next business day if such day is non-business day.

For Switch-in to "Conservative Plan":

If switch-in amount is less than Rs. 2 Lacs: Switch-in will be done at the applicable NAV on the date on which investor completes\* the age of 60 years or immediate next business day if such day is non-business day.

If switch-in amount is greater than or equal to Rs. 2 Lacs: Switch-in will be done at the applicable NAV on the date on which funds are available for utilization in the "Conservative Plan".

However, if an investor does not wish to opt for auto switch facility, they can continue in the Moderate Plan and redeem the units on any business day at applicable NAV.

**Default Option:**

Investor should appropriately tick the 'option' (i.e. option 3 or no auto switch) in the application form. If the option is not indicated by the investor, then units shall, by default, be allotted as under:

- If, at the time of investment, investor's age is less than 60 years then option 3 shall be considered as a default option and units shall be allotted accordingly.
- If, at the time of investment, investor's age is 60 years or greater then auto switch facility shall not be available and his investments shall, by default, remain invested in the original plan (i.e. Moderate Plan).

\* Example explaining the completion of pre-defined age:

Date of Birth of the investor	Date of completion of 60 years of age
February 04, 1981	February 03, 2041

**(c) Auto Switch under Conservative Plan: Not Available.**

Please note that

- Amount which gets switched-out (from the transferor plan) automatically under auto-switch facility shall be treated as redemption and shall be subject to Income Tax provisions as applicable on such redemption. Hence, In case of NRIs, such auto switch-out shall be subject to TDS as applicable.
- Subsequent to auto switch, if investor redeems or switches-out from the transferee plan (before completion of the age of 60 years) then such redemption / switch-out shall be subject to the exit load depending upon the holding period criteria as explained under "Load Structure". However, holding period for the purpose of exit load will be the overall holding period in "Tata Retirement Savings Fund" (i.e. aggregate of the holding period in switch out plan as well as switch in plan).
- For Income tax purposes, holding period shall be calculated from the date of investment in the respective plan instead of date of original investment in the Fund.

Calculation of holding period is illustrated below:

**For Taxation purpose:**

Suppose an investor invests in 'Progressive Plan' on say July 01, 2011 and on April 30, 2012 his investments are switched (automatically or otherwise) to other plan say 'Moderate Plan' and on December 31, 2012 'his investments from Moderate Plan' are again switched (automatically or otherwise) to other plan say 'Conservative Plan' and ultimately such investments are redeemed on say January 31, 2014. Then in such case, provision of Income Tax shall be applied transaction-wise as there shall be following three transactions:

- Capital Gain / loss treatment on switching from Progressive Plan to Moderate plan. Considering the period of investment in Progressive plan i.e. from July 01, 2011 to April 30, 2012, capital gain / loss shall be short term in nature and shall be treated accordingly.
- Capital Gain / loss treatment on switching from Moderate Plan to Conservative plan. Considering the period of investment in Moderate plan i.e. from April 30, 2012 to December 31, 2012, capital gain / loss shall be short term in nature and shall be treated accordingly.
- Capital Gain / loss treatment on redeeming from Conservative Plan. Considering the period of investment in Conservative plan i.e. from December 31, 2012 to January 31, 2014, capital gain / loss shall be long term in nature and shall be treated accordingly.

**For Exit Load purpose:**

Referring to the scenario as mentioned above, to decide the applicability of exit load, investors' holding period shall be considered from July 01, 2011 to January 31, 2014 i.e. from the date of initial investment in Tata Retirement Savings Fund to the date of final exit from Tata Retirement Savings Fund.

**Salient Features of Auto Switch facility:** 1.) SIPs will move as per the Auto switch e.g. if the investor moves from Progressive to Moderate to Conservative and he has an existing SIP, his SIP will move as per his pre opted auto switch. 2.) In case of Investor initiated switches, the SIP will continue in the plan which he had earlier opted for unless he provides the requests to move his SIPs to the new plan. Also the investor will not be required to sign in a fresh mandate for such requests. 3.) Auto switch will be a trigger for movement of SIPs in that Plan only. 4.) Any investor initiated switch (even partial switch) will disable the auto switch opted in the switch out plan. E.g. investor has investments in Progressive plan with a auto switch and does a partial switch to Conservative, his auto switch in the Progressive Plan will be disabled.

**19. AUTO SWP FACILITY (after attaining the retirement age i.e. 60 years)**

This facility aims to provide a regular inflow of money to investors (monthly or quarterly) by automatic redemption of units in staggered manner after attainment of retirement age. This is subject to following terms:

- This facility is available under all plans of the fund.
- Auto SWP shall be either on a monthly or a quarterly frequency as mandated by the investors in application form;
- In case of monthly Auto SWP, systematic withdrawal amount shall be equal to 0.50% of the market value of the investment as on the date of completion of 60years of age in the respective plan and in case of quarterly auto SWP, systematic withdrawal amount shall be equal to 1.5% of the market value of investment as on the date of completion of 60 years of age in the respective plan.
- Investors will also be given an option to withdraw a flat amount with a minimum amount being Rs.500 and in multiples of Rs.500 on monthly basis. In case of any ambiguity the default value for SWP will be fixed percentage SWP Quarterly frequency.
- i) SWP start date for those investors who have opted for auto switch facility on attainment of retirement age ie. 60 years:
  - SWP shall start from the 1st working day the month followed by the month in which investments are auto – switched.
  - For example, if investments are auto switched on May 3rd, then his auto SWP shall start from 1st June (assumed to be the first business day of the following month).
  - ii) SWP start date for other investors who have not opted for auto switch facility:
    - SWP shall start from the 1st working day the month followed by the month in which investor attains the age of 60 years.

For example if an investor attains the age of 60 years on say May 16th then his auto SWP shall start from 1st June (assumed to be the first business day of the following month).

However, it may be noted that:

- Auto SWP facility is at the option of the investors. Investors can chose not to opt for this facility by ticking at the appropriate box in the application form. However if investors does not indicate his/her option for auto SWP (i.e no auto SWP or monthly SWP or quarterly SWP), then quarterly SWP shall be considered as a default option. If investors have opted for auto SWP facility but have not indicated the specified frequency for such auto SWP then quarterly SWP shall be considered as a default option.
- SWP amount as mentioned above is the default amount and investors can indicate their preference for a different SWP amount in the application form.
- Systematic withdrawal shall be treated as redemption for income tax purposes and shall be liable to capital gain (if any) tax. Hence, systematic withdrawal by NRIs shall be subject to TDS as applicable.
- For Income tax purposes, holding period shall be calculated at plan level instead of aggregating holding period in the Fund
- If investor registers for SWP (other than the auto SWP) before completion of 60 years of age, then such SWP shall be subject to the exit load depending upon the holding period criteria as explained under "Load Structure". However, holding period for the purpose of exit load will be the overall holding period in "Tata Retirement Savings Fund" (i.e. aggregate of the holding period in switch out plan as well as switch in plan).
- At the age of 60, the investors who have opted for SWP, monthly or quarterly, the percentage of payout will be standard across all plans.
- The investor can have an option of switching between Monthly or Quarterly SWP. However on selecting one of the options the previous option will be ceased.
- For investors who are under the NO Auto SWP option and are applying for SWP at a later date i.e. after the retirement age, it will be a normal SWP i.e. fixed amount or fixed units.