



The name inspires trust

OFFER DOCUMENT BIRLA FIXED TERM PLAN – SERIES AL – SERIES AS

(A closed end Income Scheme)
Offer of units of Rs. 10/- each

NEW FUND OFFER OPENS ON	SERIES AL	SERIES AM	SERIES AN	SERIES AO	SERIES AP	SERIES AQ	SERIES AR	SERIES AS
NEW FUND OFFER CLOSES ON								

The subscription list may be closed earlier by giving at least one day's notice in one daily newspaper. The Trustee reserves the right to extend the closing date of the New Fund Offer Period, subject to the condition that the subscription list of the New Fund Offer Period shall not be kept open for more than 45 days.

SPONSORS	INVESTMENT MANAGER	TRUSTEE
Aditya Birla Nuvo Limited Indian Rayon Compound, Veraval, Gujarat- 362 266. Sun Life (India) AMC Investments Inc. 150 King Street West Toronto, ON Canada M5H 1J9	Birla Sun Life Asset Management Company Limited 2nd Floor, Tower A, Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400 093 Tel.: +91-22 66928000 Fax: +91-22 66928111	Birla Sun Life Trustee Company Private Limited 2nd Floor, Tower A, Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400 093. Tel.: +91-22 66928000 Fax: +91-22 66928111

This Offer Document sets forth concisely the information about the Schemes that a prospective investor ought to know before investing. The Offer Document should be retained for future reference.

The particulars of this offering have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended till date and filed with SEBI. The Units offered for public subscription have neither been approved nor disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of the Offer Document. This Offer Document will remain effective for a period of not more than two years from the date of the Offer Document after which it shall be fully revised and updated. Till the time the Offer Document is revised and reprinted, an addendum giving details of the each of the changes shall be attached to Offer Document.

No person has been authorised to give any information or to make any representations not confirmed in this Offer Document in connection with the offer or the issue of Units, and any information or representations not contained herein must not be relied upon as having been authorised by the Mutual Fund or the investment manager.

This Offer Document is dated _____.

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HIGHLIGHTS, RISK FACTORS & SPECIAL CONSIDERATIONS

HIGHLIGHTS

Sponsors	The Sponsors of the Mutual Fund are Aditya Birla Nuvo Limited part of the Aditya Birla Group, which is a premier conglomerate of businesses in India. Sun Life Financial Services Inc., Canada, which is a leading international financial services organization providing a diverse range of wealth accumulation and protection products and services to individuals and corporate customers, is the joint venture partner.
Name of the Scheme	Birla Fixed Term Plan – Series_____
Structure	A closed end income scheme.
Investment Objective	The scheme seeks to generate current income by investing in a portfolio of fixed income securities maturing normally in line with the duration of the scheme.
Details of scheme	The scheme will have duration of 12-18 months from the date of allotment. The scheme will provide for liquidity on a daily basis subject to the applicable exit load. For applicable load structure please refer to Section IV. The NAVs of the scheme will be announced on a daily basis.
Flexibility	The Mutual Fund will allow investors the flexibility to switch their investments from any other scheme(s)/ plans offered by the Mutual Fund to Birla Fixed Term Plan – Series _____ during the New Fund Offer period (subject to completion of lock-in period, if any, of the units of the scheme(s) from where the units are being switched).
Plans	The scheme will have Retail Plan and Institutional Plan with a common portfolio. Default Plan- Retail
Options	Each Plan under the Scheme will further have Dividend and Growth Options. Further, Dividend option shall have Payout and Reinvestment facility. Default Option/Facility - Growth Option/Dividend Reinvestment.
Minimum Application Amount	Retail Plan: Minimum of Rs. 5,000/- and in multiples of Re. 1/- thereafter during the New Fund Offer period. Institutional Plan: Minimum of Rs. 1,00,000/- and in multiples of Re. 1/- thereafter during the New Fund Offer period.
Target Amount to be raised	Rs. 10,00,000/-
Initial Issue Expenses	To be fully borne by the AMC.
New Fund Offer Price	Rs. 10/- per Unit.
Minimum Redemption Amount	In multiples of Re. 1/-.
Transparency	The AMC will calculate and disclose the first NAVs of the scheme not later than 15 days from the closure of New Fund Offer Period. NAVs will be calculated up to four decimal places and declared on a daily basis and released to the Press, News Agencies and the Association of Mutual Funds of India (AMFI). NAVs will also be displayed on the Website of the Mutual Fund. As presently required by the SEBI Regulations, a complete statement of the Scheme portfolio would be published by the Mutual Fund as an advertisement in a newspaper within one month from the close of each half year (i.e. March 31 & September 30) or mailed to the Unit holders.
Repatriation Facility	NRIs, FIIs and PIOs may invest in the scheme on a full repatriation basis. (Investment will be governed by rules laid down by RBI/SEBI in this regard).
Taxation (as per applicable Tax Laws)	As per the present tax laws, the income distributed by the Scheme is exempt in the hands of investors. Units of the Scheme are not subject to Wealth Tax and Gift Tax. There will also be no tax deduction at source on redemption irrespective of the redemption amount for resident investors.
Benchmark Index	CRISIL Short Term Bond Fund Index
Load	For details on load structure, please refer Section IV of this Offer Document.

Investors in the Scheme are not being offered any guaranteed / assured returns.

Investors are advised to consult their Legal /Tax and other Professional Advisors with regard to tax / legal implications relating to their investments in the Scheme and before making decision to invest in or redeem the Units

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RISK FACTORS

- **Mutual Funds and securities investments are subject to market risks and there can be no assurance or guarantee that the objectives of the Scheme will be achieved.**
- As with any investment in securities, the NAV of the Units issued under the Scheme may go up or down depending on the various factors and forces affecting capital markets and money markets.
- Past performance of the Sponsor / Investment Manager / Mutual Fund does not indicate the future performance of the Scheme and may not necessarily provide a basis of comparison with other investments.
- Birla Fixed Term Plan – Series ____ is the name of the Scheme and does not, in any manner, indicate either the quality of the Scheme or its future prospects or returns.
- The Sponsors are not responsible or liable for any loss resulting from the operation of the Schemes beyond the initial contribution of Rs.1, 00,000 towards setting up the Mutual Fund.

Scheme Specific Risk Factors and Special Considerations

- **Price-Risk or Interest-Rate Risk:** Fixed income securities such as bonds, debentures and money market instruments run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.
- **Credit Risk:** In simple terms this risk means that the issuer of a debenture/ bond or a money market instrument may default on interest payment or even in paying back the principal amount on maturity. Even where no default occurs, the price of a security may go down because the credit rating of an issuer goes down. It must, however, be noted that where the Scheme has invested in Government securities, there is no credit risk to that extent.
- **Liquidity or Marketability Risk:** This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market.
- **Reinvestment Risk:** Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.
- Different types of securities in which the scheme would invest as given in the offer document carry different levels and types of risk. Accordingly the scheme's risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds, which are AA rated, are comparatively more risky than bonds, which are AAA rated.
- The scheme may invest upto 100% of the net assets of the respective plan in domestic securitised debt assets. These assets would be in the nature of Mortgage backed securities (MBS) and Asset backed securities (ABS) with underlying pool of assets and receivables like Housing Loans, Auto loans and corporate loans. The fund intends to invest only in securitised instruments rated AAA by a recognised credit rating agency. The Securitised debt assets and the underlying asset classes like housing loans, Auto Loans and Corporate loans have the following risk factors:

Risks associated with Mortgage Backed Securities (MBS) - Housing Loans

1. **Prepayment Risk:** The fund may receive payment of monthly payouts earlier than scheduled. Prepayments shorten the life of the instrument to an extent that cannot be fully predicted. The rate of prepayments may be influenced by a variety of economic, social and other factors.
2. **Credit Risk:** Delinquencies may happen which would reduce the principal amount. Typically MBS structures come with credit enhancement in variety of forms. If delinquencies are higher than the amount available in the credit enhancement facility than the monthly payouts to the fund would reduce. Historically, it has been observed that housing loans have lower default rates as compared to other forms of credit.
3. **Liquidity Risk:** Historically the secondary market volume of securitised papers has been limited. This could limit the ability of the fund to resell them. Secondary market trades could be at a discount or premium depending upon the prevailing interest rates.

4. **Conversion risk:** Conversion of loans from fixed rate to floating rate loans and vice versa could lead to a change in the expected cash flows from the loans.

Risks associated with Asset Backed Securities (ABS)-Auto Loans

1. **Prepayment Risk:** The fund may receive payment of monthly payouts earlier than scheduled. Prepayments shorten the life of the instrument to an extent that cannot be fully predicted. The rate of prepayments may be influenced by a variety of economic, social and other factors. Prepayments in auto loans is lower than housing loans as the shorter tenor of auto loans makes it economically unattractive to prepay after considering the prepayment charges.
2. **Credit Risk:** Delinquencies may happen which would reduce the principal amount. Typically ABS structures come with credit enhancement in variety of forms. If delinquencies are higher than the amount available in the credit enhancement facility than the monthly payouts to the fund would reduce. Typically auto loans carry higher risk than MBS as the value retention of the underlying asset is higher in MBS as compared to the underlying asset of ABS.
3. **Liquidity Risk:** Historically the secondary market volume of securitised papers has been limited. This could limit the ability of the fund to resell them. Secondary market trades could be at a discount or premium depending upon the prevailing interest rates.

Risks associated with Asset Backed Securities (ABS)- Corporate Loans

1. **Credit Risk:** The fund has an exposure to the Borrower/Borrowers and servicing of the instrument depends on the credit risk of the Borrower. The value of the instrument would fluctuate depending upon the changes in the perceived level of credit risk as well as any actual default.
2. **Prepayment Risk:** The Borrower may prepay the receivables prior to their respective due dates. This may result in a change in the yield and tenor for the fund.
3. **Limited Liquidity and Price Risk:** Historically the secondary market volume of securitised papers has been limited. This could limit the ability of the fund to resell them. Secondary market trades could be at a discount or premium depending upon the prevailing interest rates.

Derivatives Risk

- The Fund may use derivative instruments like interest rate swaps, forward rate agreements or other derivative instruments, as permitted under the Regulations and guidelines. As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is a possibility that loss may be sustained by the portfolio as a result of the failure of another party (usually referred as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.

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Risks associated with Stock Lending

- The risks in lending portfolio securities, as with other extensions of credit, consist of the failure of another party, in this case the approved intermediary, to comply with the terms of agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure to comply can result in the possible loss of rights in the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary.

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Special Considerations

- The liquidity of the Scheme's investments is inherently restricted by trading volumes and settlement periods. In the event of an inordinately large number of redemptions or of a restructuring of the Scheme's investment portfolio, there may be delays in the redemption of units. Please refer to the

section on "Right to limit repurchases" and "Suspension of sales/repurchase/switching options of the units" in this Document.

- Changes in Government Policy in general and changes in tax benefits applicable to mutual funds may impact the returns to investors in the Scheme.
- The NAV of the scheme may be affected by changes in the general market conditions, factors and forces affecting capital market in particular, level of interest rates, various market related factors, settlement periods and transfer procedures.
- A Unitholder may invest in the schemes and acquire a substantial portion of the scheme units. The repurchase of units by the Unitholder may have an adverse impact on the units of the schemes, because the timing of such repurchase may impact the ability of other Unit holders to repurchase their units.
- Mutual Funds are vehicles of securities investments that are subject to market and other risks and there can be no guarantee against loss resulting from investing in the Scheme. The various factors that impact the value of the Scheme' investments include, but are not restricted to, fluctuations in the bond markets, fluctuations in interest rates, prevailing political and economic environment, changes in government policy, factors specific to the issuer of the securities, tax laws, liquidity of the underlying instruments, settlement periods, trading volumes etc.
- Redemptions due to change in the fundamental attributes of the Scheme or due to any other reasons may entail tax consequences. The Trustees, the Mutual Fund, the AMC, their directors or their employees shall not be liable for any tax consequences that may arise.

Minimum number of investors and minimum holding by single Investor:

As per SEBI circular dated December 12, 2003 ref SEBI/IMD/CIR No. 10/22701/03, each scheme and individual plan(s) under the schemes should have a minimum of 20 investors and no single investor should account for more than 25% of the corpus of such scheme/plan(s). In case of non-fulfillment with either of the above two conditions in a three months time period or the end of succeeding calendar quarter, whichever is earlier, from the close of the New Fund Offer (NFO) or on an ongoing basis for each calendar quarter, the schemes /plans shall be wound up by following the guidelines prescribed by SEBI and the investor's money would be redeemed at applicable NAV. SEBI has, vide its Circular No. SEBI/IMD/CIR No.1/42529/05 dated June 14, 2005, further clarified that the foresaid Circular would be applicable at the Portfolio level.

In case of close-ended schemes, the Scheme must have a minimum of 20 investors and no single investor should hold more than 25% of the corpus of the Scheme (at portfolio level) at the time of allotment. If the Scheme fails to get minimum of 20 investors in the New Fund Offer, the investors' application money would be refunded. Also the Mutual Fund will be constrained to reject the application by a single investor to the extent of having exposure of more than 25% of the Scheme corpus at the time of allotment. Hence such investor could be allotted limited units to such extent.

Investors should study this Offer Document carefully in its entirety and should not construe the contents hereof as advise relating to legal, taxation, investment or any other matters. Investors may, if they wish, consult their legal, tax, investment and other professional advisors to determine possible legal, tax, financial or other considerations of subscribing to or redeeming Units, before making a decision to invest/redeem Units.

The tax benefits described in this Offer Document are as available under the present taxation laws and are available subject to relevant conditions. The information given is included only for general purpose and is based on advice received by the AMC regarding the law and practice currently in force in India and the Investors should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Investor is advised to consult his / her own professional tax advisor.

Neither this Offer Document nor the Units have been registered in any jurisdiction. The distribution of this Offer Document in certain jurisdictions may be restricted or totally prohibited due to registration requirements and accordingly, persons who come into possession of this Offer Document are required to inform themselves about and to observe any such restrictions and or legal compliance requirements.

No person has been authorized to issue any advertisement or to give any information or to make any representations other than that contained in this Offer Document. Circulars in connection with this offering not authorized by the Mutual Fund and any information or representations not contained herein must not be relied upon as having been authorized by the Mutual Fund.

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DILIGENCE BY THE ASSET MANAGEMENT COMPANY

A Due Diligence Certificate, duly signed by the Compliance Officer of Birla Sun Life Asset Management Company Limited, has been submitted to SEBI on November 19, 2007 which reads as follows:

DUE DILIGENCE CERTIFICATE

It is confirmed that:

- The Offer Document forwarded to SEBI is in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- All legal requirements connected with the launching of the scheme and also the Guidelines, instructions, etc. issued by the Government of India and any other competent authority in this behalf, have been duly complied with.
- The disclosures made in the Offer Document are true, fair and adequate to enable the investors to make a well-informed decision regarding investments in the proposed Scheme.
- According to the information given to us, J.P.Morgan Chase Bank, the Custodian to the Scheme, is registered with SEBI and till date, such registration is valid.
- According to the information given to us, Computer Age Management Services Ltd (CAMS), the Registrar and Transfer Agent to the Scheme, is registered with SEBI and till date, such registration is valid.

Signed: sd/-

Place: Mumbai
Date: November 16, 2007

Name: **Laxmikant Gupta**
Compliance Officer

DEFINITIONS

In this Offer Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

"AMC" or "Asset Management Company" or "Investment Manager"	Birla Sun Life Asset Management Company Limited, incorporated under the provisions of Companies Act, 1956 and approved by the Securities and Exchange Board of India to act as the Asset Management Company for the scheme(s) of Birla Sun Life Mutual Fund
"Applicable NAV"	The NAV applicable for purchase or redemption or switching, based on the time of the Business Day on which the application is accepted.
"Benchmark"	CRISIL Short Term Bond Fund Index
"Business Day"	<p>A day other than:</p> <ul style="list-style-type: none"> • Saturday and Sunday or • A day on which the banks in Mumbai and / RBI are closed for business /clearing or • A day on which the Stock Exchange, Mumbai is closed or • A day, which is a public and /or bank holiday at a Investor Service Centre where the application is received or • A day on which Sale and Repurchase of Units is suspended by the AMC or • A day on which normal business cannot be transacted due to storms, floods, bandhs, strikes or such other events as the AMC may specify from time to time. <p>The AMC reserves the right to declare any day as a Business Day or otherwise at any or all Investor Service Centres.at any or all Investor Service Centres.</p>
"Call Money"/ "Money at Call"	Refers to the money lent by Mutual Funds in the Interbank Call Money Market, subject to necessary regulatory approvals
"Custodian"	A person who has been granted a certificate of registration to carry on the business of custodian of securities under the Securities and Exchange Board of India (Custodian of Securities) Regulations 1996, which for the time being is J.P.Morgan Chase Bank, Mumbai.
"Depository"	Depository as defined in the Depositories Act, 1996 (22 of 1996).
"FII"	Foreign Institutional Investor, registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
"Floating Rate Instruments"	Floating rate instruments are debt / money market instruments issued by Central / State Governments, with interest rates that are reset periodically. The periodicity of interest reset could be daily, monthly, annually or any other periodicity that may be mutually agreed between the issuer and the Fund.
"Gilt or Government Securities"	Securities created and issued by the Central Government and/or a State Government (including Treasury Bills) or Government Securities as defined in the Public Debt Act, 1944, as amended or re-enacted from time to time.
"Investment Management Agreement"	The agreement dated December 16, 1994 entered into between Birla Sun Life Trustee Company Private Limited and Birla Sun Life Asset Management Company Limited, as amended from time to time.

“Investor Service Centres” or “ISCs” or “Official Points of acceptance of transactions”	Designated branches of Birla Sun Life Asset Management Company Ltd. or such other enters / offices as may be designated by the AMC from time to time. All these locations are official points of acceptance of transactions and cut-off time as mentioned in the Offer Document shall be reckoned at these official points.
“Load”	In the case of Repurchase / Redemption / Switch out of a Unit, the sum of money deducted from the Applicable NAV on the Repurchase / Redemption / Switch out and in the case of Sale / Switch in of a Unit, a sum of money to be paid by the prospective investor on the Sale / Switch in of a Unit in addition to the Applicable NAV.
“Entry Load” or “Sales Load”	Load on Sale / Switch in of Units
“Exit Load” or “Repurchase Load” or “Redemption Load”	Load on Repurchase / Redemption / Switch out Units.
“Mutual Fund” or “the Fund”	Birla Sun Life Mutual Fund, a trust set up under the provisions of the Indian Trusts Act, 1882.
“Money Market Instruments”	Commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bills, Collateralized Borrowing and Lending Obligations (CBLOs) and any other like instruments as specified by the Reserve Bank of India from time to time
“NAV”	Net Asset Value per Unit of the Scheme, calculated in the manner described in this Offer Document or as may be prescribed by the SEBI Regulations from time to time.
“NRI”	A Non-Resident Indian or a person of Indian origin residing outside India.
“Offer Document”	This document issued by Birla Sun Life Mutual Fund, inviting offer for subscription to the units of the scheme for subscription,
“RBI”	Reserve Bank of India, established under the Reserve Bank of India Act, 1934.
“Registrar and Transfer Agent”	Computer Age Management Services Ltd (CAMS) is currently acting as registrar to the Scheme, or any other registrar appointed by the AMC from time to time.
“Repurchase / Redemption”	Repurchase / Redemption of Units of the Scheme as permitted.
“Sale / Subscription”	Sale or allotment of Units to the Unit holder upon subscription by the investor / applicant under the Scheme.
“SEBI”	Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act, 1992.
“SEBI Regulations” or “Regulations”	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended from time to time.
“Switch” or “Lateral Shift”	Redemption of a unit in any scheme of the Mutual Fund against purchase of a unit in another scheme (including the plans therein) of the Mutual Fund, subject to completion of lock-in period, if any, of the units of the scheme(s) from where the units are being switched and applicable load structure.
“The Scheme”	Birla Fixed Term Plan– Series _____

"Trustee"	Birla Sun Life Trustee Company Private Ltd., incorporated under the provisions of the Companies Act, 1956 and approved by SEBI to act as Trustee to the schemes of Birla Sun Life Mutual Fund (BSLMF).
"Trust Deed"	The Trust Deed dated December 16, 1994 (read with all amendments and supplemental trust deeds thereto) made by and between the Sponsor and Birla Sun Life Trustee Company Private Limited ("Trustee"), thereby establishing an irrevocable trust, called Birla Sun Life Mutual Fund as amended from time to time.
"Unit"	The interest of the Unit holder, which consists of, each Unit representing one undivided share in the assets of the Scheme.
"Unit holder"	A person holding Units in the Scheme of the Birla Sun Life Mutual Fund (BSLMF) offered under this Offer Document.

Interpretation

For all purposes of this Offer Document, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in this Offer Document include the plural as well as the singular. Pronouns having a masculine or feminine gender shall be deemed to include the other. Words and expressions used herein but not defined herein shall have the meanings respectively assigned to them therein under the SEBI Act or the SEBI Regulations.

SECTION I

Constitution Of the Mutual Fund

BACKGROUND OF THE ASSET MANAGEMENT COMPANY'S PROMOTERS

The Aditya Birla Group

An industrial conglomerate with a market capitalisation of US \$23 billion and in the League of Fortune 500, the Aditya Birla Group is anchored by an extraordinary force of 100,000 employees, belonging to 25 different nationalities. Over 50 per cent of its revenues flow from its operations across the world.

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The Aditya Birla Group's products and services offer distinctive customer solutions worldwide. The Group has operations in 20 countries - India, Thailand, Laos, Indonesia, Philippines, Egypt, China, Canada, Australia, USA, UK, Germany, Hungary, Brazil, Italy, France, Luxembourg, Switzerland, Malaysia and Korea.

A premium conglomerate, the Aditya Birla Group is a dominant player in all of the sectors in which it operates. Such as viscose staple fibre, non-ferrous metals, cement, viscose filament yarn, branded apparel, carbon black, chemicals, fertilizers, sponge iron, insulators, financial services, Telecom, BPO and IT Services. Hewitt-Economic Times and Wall Street Journal Study 2007 have adjudged the Group "The Best Employer in India and among the top 20 in Asia".

Sun Life Financial Inc.

Sun Life Financial is a leading international financial services organization providing a diverse range of wealth accumulation and protection products and services to individuals and corporate customers. Chartered in 1865, Sun Life Financial and its partners today have operations in key markets worldwide, including Canada, the United States, the United Kingdom, Hong Kong, the Philippines, Indonesia, India, China, Chile, Ireland and Bermuda. As of December 31, 2006 the Sun Life Financial Inc. group of companies had total assets under management CDN\$ 436.50 billion.

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Fund Organisation And Management

Birla Sun Life Mutual Fund has been constituted as a trust under the provisions of the Indian Trusts Act, 1882 (2 of 1882) and registered with SEBI bearing registration no. MF/020/94/8 dated December 23, 1994. The objective of the Mutual Fund is to offer to the public and other eligible investors units in one or more schemes in the Mutual Fund for making group or collective investments primarily in Indian Securities in accordance with and as permitted under the directions and guidelines issued from time to time by SEBI. The Corporate Office of the Mutual Fund is at Ahura Centre, Tower A, 2nd Floor, 96 A/D Mahakali Caves Road, Andheri (East), Mumbai - 400 093.

The Sponsors

The sponsors of Birla Sun Life Mutual Fund are Aditya Birla Nuvo Limited and Sun Life (India) AMC Investments Inc. (a company governed by the laws of Canada), which is a wholly-owned subsidiary of Sun Life Financial Inc. Sun Life (India) AMC Investments Inc. is a deemed sponsor under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

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Financial Summary of Aditya Birla Nuvo Limited

Figures in lacs (Rs.)

Particulars	Year ended 31.03.2007	Year ended 31.03.2006	Year ended 31.03.2005
Total Income	3464.98	2665.49	1870.56
Profit after tax & provisions	224.97	186.93	113.72
Equity Capital	93.31	83.50	59.88
Reserves	3031.24	2124.11	1294.18
Net Worth	3124.55	2207.61	1354.06
Earning per share	25.60	25.40	18.99

Financial Summary of Sun Life Financial Inc.

For the year ending December 31
Figures in Millions of Canadian Dollars

Particulars	Year ended 31.12.2006	Year ended 31.12.2005	Year ended 31.12.2004
Total Income (Revenues)	24,287	21,918	21,730
Profit after tax (Shareholders net income)	2,089	1,843	1,680
Equity Capital (Share Capital & Contributed Surplus)	7,154	7,239	7,308
Reserves (Retained Earnings)	10,117	9,095	8,204
Net Worth (Total Equity)	17,184	15,546	14,415
Earning per share	3.62	3.14	2.81

The Trustee Company

Birla Sun Life Trustee Company Private Ltd. (BSLTC) is a company incorporated with limited liability under the Companies Act, 1956. Under the Trust Deed dated December 16, 1994 BSLTC has been appointed as the trustee for BSLMF with Aditya Birla Nuvo Limited as the Settlor. BSLTC is a joint venture between the Aditya Birla Group and the Sun Life Financial Inc. of Canada (through its wholly-owned subsidiary Sun Life (India) AMC Investments Inc.). Each of the joint venture partners holds 50% of the equity capital of BSLTC.

Summary of substantive provisions of the trust deed, which may be of material interest to the unit holders:

General Power Of The Trustee

It is hereby declared that the Trustee shall have and shall be deemed to have the legal ownership of the Trust Fund and that the general superintendence, direction and management of the affairs of the Trust and all powers, authorities and discretions appurtenant to or incidental to the purpose of the trust shall absolutely vest in the Trustee, subject nevertheless to the provisions of this Instrument. Subject to the aforesaid, the trustee shall as regards all trusts, powers, authorities and discretions hereby vested in them, have absolute and uncontrolled discretion as to the exercise thereof in relation to the mode and time for exercise thereof.

Trustee To Act Efficiently

The Trustee shall manage affairs of the Trust with utmost economy consistent with the maintenance of efficiency of administration and act in interests of the Unit holders.

Responsibilities Of The Trustees And Its Directors

- I. The Trustee and its Directors shall maintain arms' length relationship with other companies, or institutions or financial intermediaries or any body corporate with which the Trustee may be associated.
- II. The directors of the Trustee shall not participate in any decision-making process/resolutions of its Board Meetings for any investment in which they may be interested.

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Amendments to the trust deed shall not be carried out without prior approval of SEBI and unitholders approval would be obtained where it affects the interest of unitholder.

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The Directors of BSLTC are:

Mr. B.N. Puranmalka * Aditya Birla Centre, S.K. Ahire Marg, Mumbai 400 022 Corporate Executive	Other Directorships: Birla Sun Life Distribution Co. Ltd. India Advantage Fund Ltd., (Mauritius) Birla Sun Life Insurance Co. Ltd. Birla Global Asset Finance Co. Ltd. Bina Power Supply Co. Ltd.
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<p>Mr. Gurcharan Das 124 Jor Bagh, New Delhi. Consultant</p>	<p>Gurcharan Das Consultancy (P) Ltd. Crest Animation Studio Ltd. Ankar Capital Pvt. Ltd. Fortis Healthcare Ltd. Berger Paints (I) Ltd. Ranbaxy Laboratories Ltd SKS Microfinance Pvt Ltd IDBI Capital Market Services Ltd. Gillette India Ltd.</p>
<p>Dr. V. Arunachalam 547, 9th Cross, J.P. Nagar, Phase III, Bangalore 560 078 Professor</p>	<p>Tasty Bites Preferred Foods India Ltd. Centre for Study of Science Technology & Policy</p>
<p>Mr. Prafull Anubhai Brij House, 1st Floor, Opp High Court, Stadium Road, Ahmedabad 380 014 Businessman</p>	<p>Unichem Laboratories Ltd. Vardhman Textiles Limited Gruh Finance Ltd. Torrent Cables Ltd. The H.K. Finechem Ltd The EMSAF-Mauritius, Mauritius Soma Textiles & Industries Ltd. Niche Generics Ltd., London Management Structure & Systems Private Ltd Baker Oil Tools (India) Private Ltd Center For Science, Technology and Policy</p>
<p>Mr. Suresh Talwar* 10, Shiv Shanti Bhuvan, 146 Maharshi Karve Road, Churchgate Reclamation, Mumbai 400 020. Solicitor & Advocate</p>	<p>PZ Cussons India Private Limited Armstrong World Industries (India) Pvt. Ltd. Merck Ltd. Romil Finance & Investments Pvt Ltd. Sidham Finance & Investments Pvt Ltd. 20th Century Fox Corpn (I) Pvt Ltd Aon Global Insurance Services Private Limited Biocon Limited Birla Sun Life Insurance Company Ltd Blue Star Limited Blue Star Infotech Limited Cadbury India Limited Carborundum Universal Limited Cholamandalam MS General Insurance Co. Ltd. Chowgule And Company Private Limited Decagon Investments Pvt. Ltd. Emerson Process Management (India) Pvt Ltd Epitome Global Services Pvt Ltd. Greaves Cotton Ltd. India Value Fund Trustee Co Pvt Ltd IVF (Mauritius) PCC IVF (Mauritius) Ltd. JM Morgan Stanley IndiaCompany Private Limited Jhon Fowler (India) Pvt Ltd Larsen &Toubro Ltd MF Global (India) Private Ltd Rediffusion -Dentsu, Young & Rubicam Pvy Ltd Sandvik Asia Ltd. Shrenuj & Co Ltd Solvay Pharma India Ltd Snowcem Paints Pvt. Ltd Swiss Re Shared Services (India) Pvt Ltd Showdiff Worldwide Pvt Ltd Sonata Software Ltd Warner Bros Pictures (India) Pvt Ltd Albright &Wilson Chemicals India Ltd ELANTAS BECK India Limited</p>

	Esab India Ltd FCI OEN Connectors Ltd Garware-Wall Ropes Ltd Johnson & Johnson Ltd Schenectady (India) Holding Pvt Ltd SI Group - India Ltd Trans Warranty Finance Ltd Uhde India Ltd Wyeth Ltd. RAKEEN Development PJSc IVF Trustee Company Pvt. Ltd. Reva Electric Car Co Pvt Ltd Collins Stewart Inga Pvt Ltd Rakindo Developers Private Limited Swiss Re Healthcare Services Pvt Ltd TTK Healthcare Services Private limited WAVE Suspension Systems India Private Limited Hindustan Gum & Chemicals Limited
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* The Directors are associated with sponsors.

Trustee Meetings

The Board of Trustee has met six times in the previous year (2006-07). The performances of all the schemes are placed before the Trustee at such meetings. The report on statutory compliance and investor servicing are also regularly placed at such meetings by AMC. Audit committee of the Trustee has been constituted to review the internal audit systems and the recommendation of the internal and statutory audit reports and to ensure that the rectification as suggested by internal and external auditors are acted upon. An independent Trustee chairs the committee.

Std Obs 8

Trusteeship Fees

The Trustee Company, shall during the continuance of this Trust, in accordance with the provisions of the Trust Deed dated December 16, 1994, be entitled to receive, in addition to the reimbursement of all costs, charges and expenses, fee @ 0.05% or of the amount being aggregate of the Trust Fund and Unit Capital on 1st April each year or a sum of Rs. 5 lacs per anum apportioned over all the Schemes of Birla Sun Life Mutual Fund, whichever is lower.

Rights and Obligations of the Trustee

Pursuant to the Trust Deed constituting the Mutual Fund and SEBI (Mutual Funds) Regulations, 1996 the Trustee has several rights and obligations.

1. The Trustee and the Asset Management Company shall with prior approval of SEBI enter into an investment management agreement.
2. The investment management agreement shall contain such clauses as are mentioned in the Fourth Schedule and other such clauses as are necessary for the purpose of making investments.
3. The Trustee shall have a right to obtain from the Asset Management Company such information as is considered necessary by the Trustee.
4. The Trustee shall ensure before the launch of any scheme that the Asset Management Company has: -
 - a) systems in place for its back office, dealing room and accounting;
 - b) appointed all key personnel including fund manager(s) for the scheme(s) and submitted their bio-data which shall contain the educational qualifications, past experience in the securities market to the Trustees, within fifteen days of their appointment;
 - c) appointed auditors to audit its accounts;
 - d) appointed a compliance officer to comply with regulatory requirement and to redress investor grievances;
 - e) appointed registrars and laid down parameters for their supervision;
 - f) prepared a compliance manual and designed internal control mechanisms including internal audit systems;
 - g) specified norms for empanelment of brokers and marketing agents.
5. The Trustee shall ensure that the Asset Management Company has been diligent in empanelling the brokers and avoiding undue concentration of business with any broker.

6. The Trustee shall ensure that the Asset Management Company has not given any undue or unfair advantage to any associate or dealt with any of the associates of the Asset Management Company in any manner detrimental to the interest of the Unit holders.
7. The Trustee shall ensure that the transactions entered into by the Asset Management Company are in accordance with the SEBI Regulations, and the scheme.
8. The Trustee shall ensure that the Asset Management Company has been managing the mutual fund schemes independently of other activities and have taken adequate steps to ensure that the interest of investors of one scheme are not compromised with those of any other scheme or of other activities of the asset management company.
9. The Trustee shall ensure that all the activities of the Asset Management Company are in accordance with the provisions of SEBI Regulations.
10. Where the Trustee has reason to believe that the conduct of the business of the mutual fund is not in accordance with the Regulations and the scheme they shall forthwith take such remedial steps as are necessary and shall immediately inform SEBI of the violation and the action taken.
11. The Directors of the Trustee Company shall file the details of their transactions in securities on a quarterly basis with the Trustee Company.
12. The Trustee shall be accountable for and be the custodian of the property of the respective schemes and shall hold the same in trust for the benefit of the Unit holders in accordance with the SEBI Regulations, and the provisions of the Trust Deed.
13. The Trustee shall take steps to ensure that the transactions of the mutual fund are in accordance with the provisions of the Trust Deed.
14. The Trustee shall be responsible for the calculation of any income due to be paid to the mutual fund and also of any income received in the mutual fund for the holders of the units of any scheme in accordance with the Regulations and the Trust Deed.
15. The Trustee shall obtain the consent of the unit holders of the Scheme:
 - a) When the Trustee is required to do so by SEBI in the interests of the unit holders; or
 - b) Upon the request of three-fourths of the unit holders of any Scheme under the Mutual Fund; or
 - c) If a majority of the directors of the Trustee Company decide to wind up the Scheme or prematurely redeem the units
16. 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 unitholders, shall be carried out unless,
 - I. A written communication about the proposed change is sent to each unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the mutual fund is situated; and
 - II. The unitholders are given an option to exit at the prevailing Net Asset Value without any exit load.
17. The Trustee shall call for the details of transactions in securities by the key personnel of the Asset Management Company in his/her own name or on behalf of the Asset Management Company and shall report to SEBI, as and when required.
18. The Trustee shall quarterly review all transactions carried out between the mutual fund, Asset Management Company and its associates.
19. The Trustee shall quarterly review the networth of the Asset Management Company and in case of any shortfall ensure that the Asset Management Company make up for the shortfall per clause (f) of sub regulation (1) of SEBI Regulations.
20. The Trustee shall periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy itself that such contracts are executed in the interest of the unit holders.
21. The Trustee shall ensure that there is no conflict of interest between the manner of deployment of its networth by the Asset Management Company and the interest of the unit holders.
22. The Trustee shall periodically review the investor complaints received and the redressal of the same by the Asset Management Company.
23. The Trustee shall abide by the code of conduct as specified in the fifth schedule of SEBI Regulations.
24. The Trustee shall furnish to SEBI on a half yearly basis: -
 - a) a report on the activities of the mutual fund;

Std Obs 5(c)

- b) a certificate stating that the Trustees have satisfied themselves that there have been no instances of self dealing or front running by any of the Trustees, directors and key personnel of the Asset Management Company;
 - c) certificate to the effect that the Asset Management Company has been managing the schemes independently of any other activities and in case any activities of the nature referred to in regulation 24(2) of the SEBI Regulations have been undertaken by the AMC Co. and has taken adequate steps to ensure that the interest of the unit holders are protected.
25. The independent trustees shall give their comments on the report received from the Asset Management Company regarding the investments by the mutual fund in the securities of group companies of the sponsor.
26. Trustee shall exercise due diligence as under:

General Due Diligence

- a) The Trustee shall be discerning in the appointment of the Board of Directors of the AMC.
- b) The Trustee shall review the desirability of the continuance of AMC if substantial irregularities are observed in any scheme and shall not allow the AMC 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 SEBI or concerned regulatory authority.
- e) The Trustees shall arrange for test checks of service contracts.
- f) Trustees shall immediately report to SEBI of any special developments in the mutual fund

Specific Due Diligence

The Trustee shall

- a) Obtain internal audit reports at regular intervals from independent auditors appointed by the Trustees.
 - b) Obtain compliance certificates at regular intervals from the AMC.
 - c) Hold meetings of Trustees more frequently.
 - d) Consider the reports of the independent auditor and compliance reports of AMC at the meetings of Trustees for appropriate action.
 - e) Maintain records of the decisions of the Trustees, AMC and its personnel.
 - f) Prescribe and adhere to a code of ethics by the Trustees, AMC and its personnel.
 - g) Communicate in writing to the AMC of the deficiencies and checking the reduction of deficiencies.
27. Notwithstanding anything contained in sub-regulations (1) to (25) of the Regulations, the Trustees shall not be held liable for acts done in good faith if they have exercised adequate Due Diligence honestly.
28. The independent Directors of the Trustees 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 independent Directors.
 - d) Securities transactions involving affiliates to the extent such transactions are permitted.
 - e) Selecting and nominating individuals to fill independent director 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 the fees paid to the sponsors, AMC and any others for services provided.
 - h) Principal underwriting contracts and the renewals.
 - i) Any service contract with the associates of the AMC.

Auditors of Birla Sun Life Trustee Company Pvt Ltd

S. R. Batliboi & Co.

18th Floor, Express Tower, Nariman Point, Mumbai 400 021

Auditors of the Scheme

S. R. Batliboi & Co.

18th Floor, Express Tower, Nariman Point, Mumbai 400 021
The Trustees have the right to change the Auditors.

The Asset Management Company

Birla Sun Life Asset Management Company Ltd. (BSLAMC), the Investment Manager of Birla Sun Life Mutual Fund, is a joint venture between the Aditya Birla Group and the Sun Life Financials Inc of Canada (through its wholly-owned subsidiary Sun Life (India) AMC Investments Inc.). Both the joint venture partners hold 50% of the equity capital of BSLAMC. BSLAMC is acting as the Investment Manager for the schemes of BSLMF vide the Investment Management Agreement dated December 16, 1994.

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The Directors of BSLAMC are:

Mr. Donald Stewart*

Chairman

Chief Executive Officer of Sun Life Financial Inc., Canada

150 King Street West,
6th Floor, Toronto, ON M5H 1J9 Canada

Dr. Kumar Mangalam Birla*

Director

A leading industrialist and is the Chairman of Aditya Birla Group of Companies.

Aditya Birla Centre
S. K. Ahire Marg, Mumbai- 400018

Mr. Ajay Srinivasan*

Director

Chief Executive - Financial Services and Director - Corporate Strategy and Business Development

Aditya Birla Group
Aditya Birla Centre, Worli, Mumbai – 400 018

Mr. Stephan Rajotte*

Actuary

President, Sun Life Financial Asia

Flat A, 43/ F, Branksome Crest,
3A Tregunter Path, Mid Levels, Hong Kong

Mr. Gary Comerford (Alternate Director to Mr. Donald Stewart)*

Sun Life Financial Inc.,
150, King Street West,
6th Floor, Toronto, ON M5H 1J9, Canada

Mr. Venkatesh Mysore (Alternate Director to Mr. Stephan Rajotte)* Country Head- India, Sun Life Financial Inc, Asia

Raheja Bay, 1st7 Floor, Mount Mary Road,
Bandra (W), Mumbai – 400 050.

Mr. Ashok Goenka

Educationist

Ex-Chairman of General Insurance Corporation of India.
H-1539 C.R. Park, New Delhi 110 019

Mr. S. S. Raman

Director

Chartered Accountant
304 Cypress, Marigold Premises,
Kalyani Nagar, Pune - 411014

Mr. N. N. Jambusaria

Actuarial Consultant

Ex-Chairman of the Life Insurance Corporation of India.
401, Bakers Field, A-22, Shastri Nagar
Near Lokhadwala Complex,

Andheri (W), Mumbai-400 053

Mr. N.C. Singhal
Director

Ex-Vice Chairman and Managing Director of SCICI Ltd.
D/107, Poornima, 23, Peddar Road,
Mumbai-400 026

*Director(s) is/are associated with the sponsor or its associates.

The Auditors of BSLAMC are:

M/s Haribhakti & Co.

Chartered Accountants
42, Free Press House, 4th Floor,
215 Nariman Point, Mumbai- 400 021.

Key Personnel of the Investment Manager

Mr. Mukul Gupta, age 43 years, has been appointed as the Chief Executive Officer effective from January 3, 2007 as the head of BSLAMC. Mr. Gupta, a Chartered Accountant by qualification has over 20 years of experience in the Financial Services Industry. Prior to joining Birla Sun Life Asset Management Company Limited, he was Chief Financial Officer and Head-Bancassurance, Bajaj Allianz Life Insurance Company Ltd.

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The details of key personnel of BSLAMC and their experience are as under:

Name	Age	Designation	Educational Qualifications	Business Experience
A. Balasubramanian	39	Chief Investment Officer	BSc (Mathematics), Diploma in Financial Management	Overall experience of 15 years in the Financial Industry. Working with the AMC for the last 10 years. Previously worked with GIC Mutual Fund.
Raghvendra Nath	36	Vice President- Strategy & Business Development	B. E., MBA, C.F.A	Over 12 years experience in Financial Services, working with the AMC for 10 years, prior to this worked with Spic Group
Sanjay Parikh	35	Chief Financial Officer	B. Com, C.A. & C.F.A	Has held various positions over the past 11 years in the Aditya Birla Group and its joint ventures, including that of Head of Product Development and Head of Accounts at Birla Sun Life Insurance Company Limited and Executive Assistant to Chairman, Aditya Birla Group. Has worked with M/s. Arthur Andersen, as Sr. Consultant for 4 years.
Manoj Nagpal	37	Vice President Sales – Banks and National Distributors	B.E. (Electrical) & M.M.S.	Has over 14 years of experience. He was Head & Vice President - Bancassurance at Bajaj Allianz Life Insurance Co. Ltd. Prior to that he has worked in Sales and Marketing function in ABN Amro Bank, ING Investment Management (I) Pvt. Ltd and Unit Trust of India.
Swarup Anand Mohanty	36	Vice President Sales – Independent Financial Advisors (IFA) Sales	PGDBM	Has over 13 years of experience. He was Vice President - Sales Franklin Templeton Asset Management (I) Pvt. Ltd. Prior to this he has worked in Sales Function with Kotak Mahindra Asset Management Company Ltd., Tata Finance Ltd and Apple Industries Ltd.
Sarb Preet Singh	38	Vice President- Institutional	B.Com, M.M.M.	Has over 14 years of experience. He has been promoted from position of Asst. Vice President – Sales Head (North Zone). Prior to this he has

		Sales		held various positions in Sales function of BSLAMC.
Laxmikant Gupta	37	Vice President- Risk Management & Compliance Officer	A.C.A, Grad C.W.A., B. Com, F.R.M.	He has over 13 years of experience. He was Head - Risk Management at Franklin Templeton Asset Management Co. Ltd. Prior to this he has worked with CRIS RISC Information Services Ltd, Tata TD Waterhouse Securities Ltd and ICICI Securities & Finance Company Ltd.
Rekha Naidu	36	Head Investor Services	P.G.D. (Personnel Mgmt), M.Com	She has over 12 years of experience. She is associated with BSLAMC since last 8 years. Prior to this she worked with Karvy Consultants Ltd and Datamatics Ltd.

Details of the Fund Management Team:

The Investment Team comprises of fund managers, equity and debt research analyst and dealers having relevant experience in their field. A brief profile of these personnel is given below:

Name	Age	Portfolio	Educational Qualifications	Experience
A. Balasubramanian	39	Chief Investment Officer	BSc (Mathematics), Diploma in Financial Management	Overall experience of 15 years in the Financial Industry. Working with the AMC for over last 10 years. Previously worked with GIC Mutual Fund.
Navneet Munot	35	Chief Investment Officer - Fixed Income	M.Com, C.A.	Past experience – Birla Sun Life Securities Ltd. Total Experience of ten years in the financial services industry
Ajay Argal	37	Fund Manager	B. Tech (IIT Mumbai), PGDM (IIM Bangalore)	Over 12 years experience. Prior to joining BSLAMC, he has worked with UTI AMC and had handled various aspects of the Investments Function including managing offshore funds, equity funds, balanced funds, equity research and equity dealing.
Mahesh Patil	37	Fund Manager	B.E. (Electrical), MMS (Finance), CFA (ICFAI, Hyderabad)	Over 13 years experience. Prior to joining BSLAMC, he has worked with Reliance Infocom Ltd. in Business Strategy, and as a Senior Research Analyst with Motilal Oswal Securities and Parag Parikh Financial Advisory Services Ltd.
Satyabrata Mohanty	34	Fund Manager	B.Com, C.A., C.F.A	Over 9 years of experience in Finance and Research. Previously worked in Birla Management Corporation Ltd.
Sanjay Chawla	41	Fund Manager	MMS	Over 13 years of experience in Equity Research. Prior to this worked with SBI Capital Markets.
Ajay Garg	35	Fund Manager	B.E. (Electronics), MBA (Finance).	Working with the AMC since Jan., 2003. Prior to this worked with Birla Sun Life Securities Ltd. Total Work Experience of around 11 years in Equity Dealing.

Atul Penkar	32	Fund Manager	B.E. (Mechanical), MMS	Over 6 years of experience in Research. Prior to this worked with Emkay Shares & Stock Brokers Ltd.
Maneesh Dangi	30	Fund Manager	MBA, FRM	Over 6 years of experience in Finance and Research. Prior to this worked with Pioneer Investcorp
Vineet Maloo	26	Fund Manager	B.Com, C.A.	Has around 4 years of experience. He has been providing analytical support to the Chief Financial Officer of Hindalco Industries Limited, prior to which he has worked with Aditya Birla Management Corporation Ltd and M/s. D.K. Chajjer & Co, Chartered Accountants.
Naysar Shah	29	Fund Manager	C.A., CFA	Over 7 years of experience in Finance and Research. Prior to this worked with Asia Star Capital.

Research Team (Equity & Debt):

Equity:

Sr. No:	Name	Qualification
1.	Guarav Kapur Equity	MBA
2.	Prasad Dhonde Fixed Income	MBA
3.	Lokesh Mallya Fixed Income	MBA
4.	Sunaina F da Cunha Fixed Income	MBA

Dealer

Sr. No:	Name & Designation	Qualification
1.	Sujit Patki Dealer	DBM, MCS
2.	Hemang Dagli Dealer	M.F.M.

Fund Manager

Mr. Satyabrata Mohanty would be the designated Fund Manager of the Scheme.

Other Activities of BSLAMC

BSLAMC acts as investment advisor to two offshore funds, namely, India Advantage (Offshore) Fund and India Excel (Offshore) Fund. The AMC is also registered with SEBI as a Portfolio Manager (Registration No. INP000000597) dated January 22, 2002. This registration has been renewed for a period of 3 years upto January 31, 2008. This activity is being undertaken in compliance with the provisions of Regulation 24(2) of SEBI (Mutual Funds) Regulations and there is no conflict of interest.

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Obligations of the Asset Management Company

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 the 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 the 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. 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.
6. 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.
7. The Asset Management Company shall not purchase or sell securities through any broker [other than a broker referred to in clause 6 above] which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes, unless the Asset Management Company has recorded in writing the justification for exceeding the limit of 5% and reports of all such investments are sent to the Trustees on a quarterly basis. Provided that the aforesaid limit of 5% shall apply for a block of three months.
8. The 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 the issue of securities of associate companies
 - b. devolvement, if any
 - c. subscription by the schemes in the issues lead managed by associate companies
 - d. subscription to any issue of equity or debt on private placement basis where the sponsor or any of its associate companies has acted as arranger or manager.
9. The Asset Management Company shall file with the Trustees the details of transactions in securities by the key personnel of the Asset Management Company in their own name or on behalf of the Asset Management Company and shall also report to SEBI, as and when required by SEBI.
10. In case the Asset Management Company enters into any securities transactions with any of its associates a report to that effect shall be sent to the Trustees at its next meeting.
11. In case any company has invested more than 5 per cent of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the same mutual fund in that company or its subsidiaries shall be brought to the notice of the Trustees by the Asset Management Company and be disclosed in the half yearly and annual accounts of the respective schemes with justification for such investment. Provided the latter investment has been made within one year of the date of the former investment calculated on either side.
12. The Asset Management Company shall file with the Trustees and SEBI -
 - a. detailed bio-data of all its Directors alongwith their interest in other companies within fifteen days of their appointment; and
 - b. Any change in the interests of Directors every six months.
 - c. A quarterly report to the Trustees giving details and adequate justification about the purchase and sale of the securities of the group companies of the sponsor or the Asset Management Company as the case may be, by the mutual fund during the said quarter.
13. Each Director of the Asset Management Company shall file the details of his transactions of dealing in securities with the Trustees on a quarterly basis in accordance with guidelines issued by SEBI
14. The Asset Management Company shall not appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.
15. The Asset Management Company shall appoint registrars and share transfer agents who are registered with the SEBI.

16. The Asset Management Company shall abide by the Code of Conduct as specified in the Fifth Schedule of the SEBI Regulations.

Investment Management Fees

The Investment management fees charged by BSLAMC shall be 1.25 percent of the average weekly net assets for assets upto Rs.100 crores and 1.00 percent of the average weekly net assets on the balance amount above Rs. 100 crores.

Modifications to the Schemes

Trustee shall ensure that no change in the fundamental attributes of any schemes or the trust or fees and expenses payable or any other change which would modify the scheme and affects the interest of unitholders, shall be carried out unless,

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

If any difficulty arises in giving effect to the provisions of the Schemes, the Trustee may do anything not inconsistent with such provisions, which appear to them to be necessary, desirable or expedient, for the purpose of removing such difficulty.

In case of amendments made by SEBI to the Regulations, and changes effected in the Income Tax Act, 1961 or the rules thereof, the same will be applicable to the Schemes.

The Registrar

BSLAMC has appointed Computer Age Management Services Pvt. Ltd. (CAMS) to act as Registrar and Transfer Agents ("The Registrar") to the Scheme. The Registrar is registered with SEBI under registration number INR 000002813. BSLAMC and the Trustee have satisfied themselves, after undertaking appropriate due diligence measures, that the Registrar is able to provide the services required and has adequate facilities, including systems facilities and back up, to process applications and despatch Account Statements/Unit certificates to Unit holders within the time limits prescribed in the Regulations and also sufficient capacity to handle investor complaints.

The Custodian

J.P. Morgan Chase Bank, located at Mafatlal Centre, 9th Floor, Nariman Point, Mumbai-400 021, has been appointed as the custodian of the securities that are bought and sold under the Schemes. The custodian is registered with SEBI under registration number IN/CUS/014. The responsibilities of the custodian include:

- Keeping in safe custody the securities and such other instruments belonging to the Schemes.
- Use of reasonable care in performing its obligations
- Responsibility for loss due to negligence or fraud
- Ensuring the smooth inflow / outflow of securities and such other instruments as and when necessary in the best interests of the investors.
- Ensuring that the benefits due to the holdings are recovered.

SECTION II

INVESTMENT OBJECTIVES & POLICY

Type of the Scheme

Birla Fixed Term Plan- Series _____ is a closed end income scheme.

Investment Objective

The scheme seeks to generate current income by investing in a portfolio of fixed income securities maturing normally in line with the duration of the scheme. The Scheme does not guarantee/indicate any returns. There can be no assurance that the fund's objectives will be achieved.

Asset Allocation and Investment Pattern

The corpus of the Scheme will be invested in debt and money market instruments. Subject to the Regulations, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

1. Securities created and issued by Governments of India and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
2. Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
3. Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee.
4. Corporate debt and securities (of both public and private sector undertakings) including Bonds, Debentures, Notes, Strips etc.
5. Money market instruments permitted by SEBI/RBI, having maturities upto one year and more than one year, in call money market or in alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements.
6. Certificate of Deposits (CDs).
7. Commercial Paper (CPs).
8. Securitised Debt Obligations upto 100% of the net assets of the scheme except foreign securitized debt.
9. The non-convertible part of convertible securities.
10. Any other domestic fixed income securities.
11. Pass through, Pay through or other Participation Certificates, representing interest in a pool assets including receivables.
12. Derivative instruments like Interest Rate Swaps, Forward Rate Agreements and such other derivative instruments permitted by SEBI/RBI.
13. Any other like instruments as may be permitted by RBI/SEBI/ such other Regulatory Authority from time to time.

The securities mentioned above could be listed or unlisted, secured or unsecured, rated or un-rated and of varying maturity, as enabled under SEBI Regulations/ circulars/ RBI. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals.

The Scheme may also enter into repurchase and reverses repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

Under normal circumstances, the asset allocation of the Scheme will be as follows:

Instrument	Risk Profile	Indicative Allocation
Debt Securities and money market instruments*	Low to medium	100%

* Money Market Instruments include commercial papers, commercial bills, treasury bills, and Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bills, CBLOs and any other like instruments as specified by the Reserve Bank of India from time to time.

Under normal circumstances, the scheme will invest in above instruments in line with its duration.

- The investments in securitised debt papers may be made upto 100% of the net assets of the scheme.

Std Obs
2 j)

Std Obs
2 f)

Std Obs
2 f)

- The scheme may also invest upto 50% of the net assets of the scheme in such derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing as may be permitted under SEBI (MF) Regulations, 1996.

Std Obs 2 h)

The scheme does not intend to invest in Foreign Securities.

Change In Asset Allocation

The above mentioned investment pattern is indicative and may change for short duration.

Std Obs 2 j)

Subject to the Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the unit holders. Such changes in the investment pattern will be for short term and defensive considerations.

Provided further and subject to the above, any change in the asset allocation affecting the investment profile of the Scheme shall be effected only in accordance with the provisions of sub regulation (15A) of Regulation 18 of the Regulations.

Investment Strategy

The Investment Philosophy of the fund manager is to generate superior risk-adjusted returns on a consistent basis through a research driven investment approach in line with the investment objective of the scheme. The investment manager will aim to allocate assets of the scheme between various money market and fixed income securities. The actual percentage of investment in various fixed income securities will be decided after considering various factors like the prevailing interest rate and inflation scenario, performance of corporate sector, general liquidity and other considerations.

Risk Control

Investments made by the scheme would be in accordance with the investment objectives of the scheme and provisions of SEBI Regulations. Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks through portfolio diversification, taking care however not to dilute returns in the process. The AMC believes that this diversification would help achieve the desired level of consistency in returns. The AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, rigorous in-depth credit evaluation of the securities proposed to be invested in will be carried out by the investment team of the AMC.

The Scheme may also use various derivatives and hedging products from time to time, as would be available and permitted by SEBI/RBI, in an attempt to protect the value of the portfolio and enhance Unitholders' interest.

It is proposed to manage the risks by placing limit orders for basket trades and other trades, proactive follow-up with the service providers for daily change in weights in the respective indices as well as closely monitor daily inflows and outflows to and from the Fund.

While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.

Portfolio Turnover

The scheme has no explicit constraints either to maintain or limit the portfolio turnover. Portfolio turnover will depend upon the circumstances prevalent at any time and would also depend on the extent of volatility in the market and inflows/outflows in the scheme. The Fund Manager will however endeavor to maintain a low portfolio turnover rate.

Benchmark

The performance of the scheme will be benchmarked to the performance of CRISIL Short Term Bond Fund Index. The fund reserves the right to change the said benchmark and/or adopt one/more other benchmarks to compare the performance of the Scheme.

Std Obs 2 n)

The performance of this scheme will be compared with its peers in the Industry. The performance will be placed before the Investment Committee as well as the Board of Directors of the AMC and the Trustee Company in each of their meetings.

Rationale for adoption of benchmark:

CRISIL Short Term Bond Fund Index has been developed by CRISIL, an independent reputed credit rating agency. This index is a representation of the asset allocation of all the income funds in the industry. The

index has been constructed specifically for benchmarking performance of income funds. The index comprises of all asset classes - government securities, AAA, AA rated papers etc. in which the Scheme is expected to invest. Hence, it is proposed to use CRISIL Short Term Bond Fund Index as the benchmark index.

Debt Market In India

The instruments available in Indian Debt Market are classified into two categories, namely Government and Non - Government debt. The following instruments are available in these categories:

Std Obs 2 k)

- A] Government Debt -
 - Central Government Debt
 - Treasury Bills
 - Dated Government Securities
 - Coupon Bearing Bonds
 - Floating Rate Bonds
 - Zero Coupon Bonds
 - State Government Debt
 - State Government Loans
 - Coupon Bearing Bonds

- B] Non-Government Debt
 - Instruments issued by Government Agencies and other Statutory Bodies
 - Government Guaranteed Bonds
 - PSU Bonds
 - Instruments issued by Public Sector Undertakings
 - Commercial Paper
 - Fixed Coupon Bonds
 - Floating Rate Bonds
 - Zero Coupon Bonds
 - Instruments issued by Banks and Development Financial institutions
 - Certificates of Deposit
 - Promissory Notes
 - Instruments issued by Corporate Bodies
 - Non-Convertible Debentures
 - Fixed Coupon Debentures
 - Floating Rate Debentures
 - Zero Coupon Debentures

Activity in the Primary and Secondary Market is dominated by Central Government Securities including Treasury Bills. These instruments comprise close to 50% of all outstanding debt and close to 75% of the daily trading volume on the Wholesale Debt Market Segment of the National Stock Exchange of India Limited.

In the money market, activity levels of the Government and Non-Government Debt vary from time to time. Instruments that comprise a major portion of money market activity include but are not limited to,

- Overnight Call
- Repo / Reverse Repo Agreements
- Treasury Bills
- Government Securities with a residual maturity of < 1 year
- Commercial Paper
- Certificates of Deposit

Apart from these, there are some other options available for short tenure investments that include MIBOR linked debentures with periodic exit options and other such instruments. PSU / DFI / Corporate paper with a residual maturity of < 1 year, are actively traded and offer a viable investment option.

The following table gives approximate yields prevailing on October 31, 2007 on some instruments. These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing consequent to changes in the macro economic conditions and RBI Policies.

Instrument	Yield Range (% per annum)
Interbank Call Money	6.10 - 6.15%
91 Day Treasury Bill	6.90 - 6.95%
181 Day Treasury Bill	7.10 - 7.15%
P1 + Commercial Paper 90 Days	7.75 - 7.80%
5 Year Government of India Security	7.80 - 7.85%
10 Year Government of India Security	7.85 - 7.90%
15 Year Government of India Security	8.10 - 8.15%
1 Year Corporate AAA	8.55 - 8.60%
3 Year Corporate AAA	9.05 - 9.10%

Generally, for instruments issued by a non-Government entity (corporate/PSU bonds), the yield is higher than the yield on a Government Security with corresponding maturity. The difference, known as credit spread, depends on various factors including the credit rating of the entity.

Trading in Derivatives

SEBI has permitted Mutual Funds to participate in derivatives trading subject to observance of guidelines issued by it in this behalf. Accordingly, Mutual Funds may use various derivative products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unitholders' interest.

The scheme intends to use derivatives instruments like interest rate swaps, forward rate agreements or such other derivative instruments as may be introduced from time to time for the purpose of hedging, portfolio balancing as may be permitted under SEBI (MF) Regulations, 1996. The value of derivative contracts outstanding will be limited to 50% of net assets of the scheme.

RBI has permitted Mutual Funds to participate in Interest Rate Swaps and Forward Rate Agreements. SEBI has also permitted trading of interest rate derivatives through stock exchanges. The scheme may also trade in these instruments.

Interest Rate Swaps (IRS)

An IRS is an agreement between two parties to exchange stated interest obligations for an agreed period in respect of a notional principal amount. The most common form is a fixed to floating rate swap where one party receives a fixed (pre-determined) rate of interest while other receives a floating (variable) rate of interest.

Forward Rate Agreement (FRA)

An FRA is basically a forward starting IRS. It is an agreement between two parties to pay or receive the difference between an agreed fixed rate (the FRA rate) and the interest rate (reference rate) prevailing on a stipulated future date, based on a notional principal amount for an agreed period. The only cash flow is the difference between the FRA rate and the reference rate. As is the case with IRS, the notional amounts are not exchanged in FRAs.

Example of a derivatives transaction

Basic Structure of a Swap

Bank A has a 6 month Rs 10 crore liability, currently being deployed in call. Bank B has a Rs 10 crore 6 month asset, being funded through call. Both banks are running an interest rate risk. To hedge this interest rate risk, they can enter into a 6 month MIBOR (Mumbai Inter Bank Offered Rate) swap. Through this swap, A will receive a fixed preagreed rate (say 7%) and pay "call" on the NSE MIBOR ("the benchmark rate"). His paying at "call" on the benchmark rate will neutralise the interest rate risk of lending in call. B will pay 7% and receive interest at the benchmark rate. His receiving of "call" on the benchmark rate will neutralise his interest rate risk arising from his call borrowing. The mechanism is as follows:

- Assume the swap is for Rs.10 crore March 1, 2007 to September 1, 2007. A is a fixed rate receiver at 7% and B is a floating rate receiver at the overnight compounded rate.

Std Obs 2 (g)

- On March 1, 2007, A and B will exchange only an agreement of having entered this swap. This documentation would be as per International Securities Dealers Association (ISDA).
- On a daily basis, the benchmark rate fixed by NSE will be tracked by them. On September 1, 2007 they will calculate the following:

A is entitled to receive interest on Rs.10 crore at 7% for 184 days i.e. Rs. 35.28 lakh, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.

B is entitled to receive daily compounded call rate for 184 days & pay 7% fixed.

On September 1, 2007, if the total interest on the daily overnight compounded benchmark rate is higher than Rs. 35.28 lakhs, A will pay B the difference. If the daily compounded benchmark rate is lower, then B will pay A the difference.

Effectively Bank A earns interest at the rate of 7% p.a. for six months without lending money for 6 months fixed, while Bank B pays interest @ 7% p.a. for 6 months on Rs. 10 crore, without borrowing for 6 months fixed. As per abovesaid RBI circulars, mutual funds are permitted to do Interest Rate Swaps/Forward Rate Agreements, for hedging purposes only. Accordingly, the AMC would undertake the same for similar purposes only. IRS and FRAs do also have inherent credit and settlement risks. However, these risks are substantially reduced as they are limited to the interest streams and not the notional principal amounts.

Risk factors

1. **Credit Risk:** The credit risk is the risk that the counter party will default obligations and is generally negligible, as there is no exchange of principal amounts in a derivative transaction.
2. **Market Risk:** Derivatives carry the risk of adverse changes in the market price.
3. **Illiquidity Risk:** The risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.
4. The fund pays the daily compounded rate. In practice however there can be a difference in the actual rate at which money is lent in the call market and the benchmark, which appears and is used.

It may be mentioned here that the guidelines issued by Reserve Bank of India from time to time for forward rate agreements and interest rate swaps and other derivative products would be adhered to.

Stock Lending By The Scheme:

Subject to the Regulations and the applicable guidelines issued by SEBI, the Trustee may permit the Fund to engage in stock lending. The Fund can temporarily lend stocks held with the Custodian to reputed counterparties, for a fee, subject to prudent limits and controls for enhancing returns. The Fund is allowed to lend securities subject to a maximum of 25%, in aggregate, of the net assets of each scheme and 5% in the case of a single intermediary.

Std Obs
2 (g)

Additional Risk Factors:

There can be temporary illiquidity of the securities that are lent out and the Fund may not be able to sell such lent-out securities, resulting in an opportunity loss. In case of a default by counterparty, the loss to the fund can be equivalent to the securities lent.

Investment Process and Recording of Investment Decisions

The investment policies of the schemes of Birla Sun Life Mutual Fund are decided by the investment committee which presently comprises of the CEO, AMC Director, Heads of Equity Fixed Income and Vice President (Asia) of Sun Life. The committee has put in place detailed investment guidelines defining the prudential and concentration limits for the portfolio. The investment management team is allowed full discretion to make sale and purchase decisions within the limits established. The responsibility for the investment decisions is with the portfolio managers and the CEO of the AMC does not have any role in the day to day decision making process. All the decisions will be recorded alongwith their justifications. The AMC and Trustee will review the performance of the scheme in their Board meetings. The performance would be compared with the performance of the CRISIL Short Term Bond Fund Index and with peer group in the industry.

Std Obs
2 (n)

Investments in the Scheme by the AMC, Sponsor, or their affiliates in the Scheme

The AMC, Sponsor, Trustee and their associates or affiliates may invest in the scheme during the New Fund Offer Period subject to the SEBI Regulations & circulars issued by SEBI and to the extent permitted by its Board of Directors from time to time. As per the existing SEBI Regulations, the AMC will not charge investment management and advisory fee on the investment made by it in the scheme.

Std Obs
2 (a)

Fundamental Attributes

Notwithstanding the above, when any change in the fundamental attributes of the Scheme or the Trust or fees and expenses payable or any other change which would modify the Scheme or affects the interest of the Unitholders, is proposed to be carried out, the Trustees shall ensure that such changes are made on fulfillment of parameters laid down by SEBI (Mutual Funds) Regulations, 1996.

Std Obs
5 (c)

For the purposes of this section, as per the current Regulations, "Fundamental Attributes" of the scheme shall mean:

- Type of scheme i.e. Closed end income scheme.
- Investment Objective as defined in Section II of the offer document
- Asset Allocation Pattern as defined in Section II of the offer document
- Terms of Issue:
Sale and Redemption of units as defined in Section named "Units and Offer" of this Offer Document. Fees and expenses as specified in the Section named "Loads and Recurring Expenses" of this Offer Document/ as permitted by the Regulations.

Fundamental Attributes will not cover such actions of the Trustees of the Mutual Fund or the Board of Directors of the Asset Management Company, made in order to conduct the business of the Trust, the Scheme or the Asset Management Company, where such business is in the nature of discharging the duties and responsibilities with which they have been charged. Nor will it include changes to the Scheme made in order to comply with changes in regulation with which the Scheme has been required to comply.

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

- A written communication about the proposed change is sent to each unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The unit holders are given an option to exit at the prevailing Net Asset Value without any exit load.

Unitholders are requested to note that no prior intimation/indication shall be given to the investors when there is a change in the composition/asset allocation pattern under the scheme.

Investment of Subscription Money

Pending deployment in securities as per the investment objectives of the scheme, the Fund may invest subscription money received from the investing public in bank deposits, or money market instruments before finalisation of the allotment of Units. The AMC, on being satisfied of the receipt of the minimum subscription amount, can commence investment out of the funds received in accordance with the investment objectives of the Scheme and as per the existing Regulations. The income earned out of such investments would be merged with the corpus of the Scheme on completion of the allotment of the Units.

Borrowing by the Mutual Fund

Under the SEBI Regulations, the Mutual Fund is allowed to borrow to meet the temporary liquidity requirements of its Scheme for the purpose of Redemption of Units or the payment of interest or dividend to the Unit holders. Further, as per the SEBI Regulations, the Mutual 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 Mutual Fund may raise such borrowings after approval by the Trustee from Sponsor or any of its Associate / Group Companies or Banks in India or any other entity at market related rates prevailing at the time and applicable to similar borrowings. The security for such borrowings, if required, will be as determined by the Trustee.

Investment Restrictions for the Scheme

All investments by the Scheme and the Mutual Fund will always be within the investment restrictions as specified in the SEBI Regulations. Pursuant to the Regulations, the following investment and other restrictions are presently applicable to the scheme:

Std Obs
2 (c)

- The scheme shall not invest more than 15% of its NAV in debt instruments issued by a single issuer, which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the SEBI Act, 1992. Such investment limit may be extended to 20% of the NAV of the Scheme with the prior approval of the Board of Trustees and the Board of the AMC. Provided that, such limit shall not be applicable for investments in government securities and money market instruments. Provided further that investment within such limit can be made in mortgage backed securitised debt which are rated not below investment grade by a credit rating agency registered with SEBI.

- The scheme shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of the Scheme. All such investments shall be made with the prior approval of the Board of Trustees and the Board of the AMC or a Committee constituted in this behalf.

- Transfer of investments from one scheme to another scheme in the Mutual Fund is permitted provided:

- Such transfers are done at the prevailing market price for quoted instruments on spot basis (spot basis shall have the same meaning as specified by a Stock Exchange for spot transactions); and

- The securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.

- **The scheme may invest in other schemes under the same AMC or any other Mutual Fund without charging any fees, provided the aggregate inter-scheme investment made by all the Schemes under the same management or in schemes under management of any other Asset Management Company shall not exceed 5% of the Net Asset Value of the Fund. No investment management fees shall be charged for investing in other schemes of the fund or in the schemes of any other Mutual Fund.**

Std Obs
2 (d)

- The initial issue expenses in respect of any scheme may not exceed 6% of the funds raised under that scheme.

- The fund shall get the securities purchased or transferred in the name of the fund on account of the concerned Scheme, wherever investments are intended to be of a long-term nature.

- The fund may buy and sell securities on the basis of deliveries and shall in all cases of purchases take delivery of relative securities and in all cases of sale, deliver the securities and will not make any short sales or engage in carry forward transaction or badla finance. Provided that the Mutual Fund shall enter into derivative transactions on a recognised stock exchange for the purpose of hedging and portfolio balancing, in accordance with the guidelines issued by SEBI.

- Pending deployment of the corpus of the Scheme in securities in terms of investment objective, the Fund can invest the corpus of the Scheme in short term deposits of scheduled commercial banks in accordance with the guidelines issued by SEBI.

- **The scheme shall not make any investment in:**

Std Obs
2 (e)

- **Any unlisted security of an associate or group company of the Sponsor; or**

- Any security issued by way of private placement by an associate or group company of the Sponsor; or

- The listed securities of group companies of the Sponsor, which is in excess of 25% of the net assets of the Scheme of the Mutual Fund.

- The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of repurchase / redemption of Units or payment of interest and dividend to the Unitholders.

Provided that the Fund shall not borrow more than 20% of the net assets of any individual Scheme and the duration of the borrowing shall not exceed a period of 6 months.

- The entire Scheme's investments will be in transferable securities (whether in capital markets or money markets) or in privately placed debentures or securitised debt, or bank deposits (pending deployment in securities in line with the investment objectives of the scheme) or in money at call.

- **Debentures, irrespective of any residual maturity period (above or below 1 year), shall attract the investment restrictions as applicable for debt instruments as specified under Clause 1 and 1A of the Seventh Schedule to the Regulations or as may be specified by SEBI from time to time.**

Std Obs
2 (l)

- No loans for any purpose shall be advanced by the Scheme.

- The Fund may lend securities in accordance with the stock lending scheme of SEBI.

- The Scheme shall not invest in a fund of funds scheme.

- The Scheme will comply with any other regulations applicable to the investments of mutual funds from time to time.

The Trustees may alter the above restrictions from time to time to the extent that changes in the Regulations may allow and as deemed fit in the general interest of the unit holders.

These investment restrictions shall in the ordinary course apply as at the date of the most recent transaction or commitment to invest, and changes do not have to be effected merely because, owing to appreciations or depreciations in value, or by reason of the receipt of any rights, bonuses or benefits in the nature of capital or of any schemes of arrangement or for amalgamation, reconstruction or exchange, or at any repayment or redemption or other reason outside the control of the Fund, any such limits would thereby be breached. If these limits are exceeded for reasons beyond its control, BSLAMC shall as soon as possible take appropriate corrective action, taking into account the interests of the Unitholders.

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

Std Obs 2 (i)

Valuation Of Assets And Determination Of Net Asset Value (NAV)

The NAV of the Units of the Scheme will be computed by dividing the net assets of the Scheme by the number of Units outstanding on the valuation date. The Mutual Fund will value its investments according to the valuation norms, as specified in the Schedule VIII of the SEBI Regulations, or such norms as may be prescribed by SEBI from time to time. The broad valuation norms pertaining to the Scheme are detailed below:

1. Traded Securities

- Traded securities (other than Government Securities) are valued at the last quoted closing price on the National Stock Exchange of India Limited (NSEIL).
- When the Securities are traded on more than one recognised stock exchange, the security shall be valued at the last quoted closing price on the stock exchange where the security is principally traded. The AMC will select the appropriate stock exchange but the reasons for the selection would be recorded in writing. All scrips may be valued at prices quoted on the stock exchange where majorities in value of the investments are principally traded.
- Once a stock exchange has been selected for valuation of a particular security, reasons for change of the exchange shall be recorded in writing by the AMC.

2. Thinly Traded Securities

Thinly Traded Debt Securities

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

3. Non- Traded Securities

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

Valuation of Non-traded / thinly traded Securities

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

Non Traded /Thinly Traded Debt Securities of Upto 182 Days to Maturity:

Non Traded / Thinly Traded Debt securities / asset backed securities purchased with residual maturity of upto 182 days are 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. Non Traded / Thinly Traded Debt securities/ asset backed

securities purchased with maturity greater than 182 days at the time of purchase, the last valuation price plus accrued interest is used instead of purchase cost.

Non Traded / Thinly Traded Debt Securities of over 182 days to Maturity

For the purpose of valuation, all Non Traded / Thinly 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 by using the process prescribed in the SEBI Guidelines for valuation of securities, from time to time.

4. Government Securities

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

5. Derivative Products

- The traded derivative shall be valued at market price in conformity with the stipulations of sub clause (i) to (v) of clause 1 of the Eighth Schedule to the SEBI Regulations.
- The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed in sub clauses (i) and (ii) of clause 2 of the Eighth Schedule to the SEBI Regulations.

6. Valuation of Securities with Put / Call options

The option embedded securities would be valued as follows:

- (i) Securities with call option:
 - a. The securities with call option shall be valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option.
 - b. In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instrument.
- (ii) Securities with Put option
 - a. The securities with put option shall be valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option
 - b. In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instruments.
- (iii) Securities with both Put and Call option on the same day
The securities with both Put and Call option on the same day would be deemed to mature on the Put/Call day and would be valued accordingly.

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

Valuation in respect of Non Performing Assets

Valuation in respect of Non Performing Assets (Debt Securities) is done in accordance with "SEBI guidelines for identification and provisioning for NPAs" issued vide circular dated 18th September, 2000 bearing reference no. MFD/CIR/8/92/2000 as modified by SEBI circulars both dated 28th March, 2001

bearing reference no. MFD/CIR/13/087/2001 as well as MFD/CIR/14/088/2001 and will form a part of this valuation policy.

Guidelines For Identification and Provisioning for Non Performing Assets (Debt Securities) For Mutual Funds are given hereunder:

(A) Definition of a Non Performing Asset (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.

(B) Effective date for classification and provisioning of NPAs :

The definition of NPA may be applied after a quarter past due date of the interest. For e.g. if the due date for interest is 30.06.2000, it will be classified as NPA from 01.10.2000.

(C) Treatment of income accrued on the NPA and further accruals

- After the expiry of the 1st quarter from the date the income has fallen due, there will be no further interest accrual on the asset i.e. if the due date for interest falls on 30.06.2000 and if the interest is not received, accrual will continue till 30.09.2000 after which there will be no further accrual of income. In short, taking the above example, from the beginning of the 2nd quarter there will be no further accrual on income.
- On classification of the asset as NPA from a quarter past due date of interest, all interest accrued and recognized in the books of accounts of the Fund till the date, should be provided for. For e.g if interest income falls due on 30.06.2000, accrual will continue till 30.09.2000 even if the income as on 30.06.2000 has not been received. Further, no accrual will be done from 01.10.2000 onwards. Full provision will also be made for interest accrued and outstanding as on 30.06.2000.

(D) Provision for NPAs – Debt Securities.

Both secured and unsecured investments once they are recognized as NPAs call for provisioning in the same manner and where these are related to close ended scheme the phasing would be such that to ensure full provisioning prior to the closure of the scheme or the scheduled phasing which ever is earlier. The value of the asset must be provided in the following manner or earlier at the discretion of the fund. Fund will not have discretion to extend the period of provisioning. The provisioning against the principal amount or instalments should be made at the following rates irrespective of whether the principal is due for repayment or not.

10% of the book value of the asset should be provided for after 6 months past due date of interest i.e. 3 months from the date of classification of the asset as NPA.

20% of the book value of the asset should be provided for after 9 months past due date of interest i.e 6 months from the date of classification of the asset as NPA.

Another 20% of the book value of the assets should be provided for after 12 months past due date of interest i.e 9 months from the date of classification of the asset as NPA.

Another 25% of the book value of the assets should be provided for after 15 months past due date of interest i.e. 12 months from the date of classification of the asset as NPA.

The balance 25% of the book value of the asset should be provided for after 18 months past due date of the interest i.e 15 months from the date of classification of the assets as NPA.

Book value for the purpose of provisioning for NPAs shall be taken as a value determined as per the prescribed valuation method.

This can be explained by an illustration :

Let us consider that interest income is due on a half yearly basis and the due date falls on 30.06.2005 and the interest is not received till 1st quarter after due date i.e. 30.09.2005. This provisioning will be done in following phased manner :

% of Provision	Date for Provisioning
10% provision	01.01.2006
20% provision	01.04.2006
20% provision	01.07.2006
25% provision	01.10.2006
25% provision	01.01.2007

Thus, 1 1/2; years past the due date of income or 1 1/4; year from the date of classification of the 'asset' as an NPA, the 'asset' will be fully provided for. If any instalment is fallen due, during the period of interest

default, the amount of provision should be instalment amount or above provision amount, whichever is higher.

(E) Reclassification of assets :

Upon reclassification of assets as 'performing assets' :

1. In case a company has fully cleared all the arrears of interest, the interest provisions can be written back in full.
2. The asset will be reclassified as performing on clearance of all interest arrears and if the debt is regularly serviced over the next two quarters.
3. In case the company has fully cleared all the arrears of interest, the interest not credited on accrual basis would be credited at the time of receipt.
4. The provision made for the principal amount can be written back in the following manner :-
100% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter where the provision of principal was made due to the interest defaults only.
50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25% after every subsequent quarter where both instalments and interest were in default earlier.
5. An asset is reclassified as 'standard asset' only when both overdue interest and overdue instalments are paid in full and there is satisfactory performance for a subsequent period of 6 months.

(F) Receipt of past dues :

When the fund has received income/principal amount after their classifications as NPAs ;

For the next 2 quarters, income should be recognized on cash basis and thereafter on accrual basis. The asset will be continued to be classified as NPA for these two quarters.

During this period of two quarters although the asset is classified as NPA no provision needs to be made for the principal if the same is not due and outstanding

If part payment is received towards principal, the asset continues to be classified as NPA and provisions are continued as per the norms set at (D) above. Any excess provision will be written back.

(G) Classification of Deep Discount Bonds as NPAs:

Investments in Deep Discount Bonds can be classified as NPAs, if any two of the following conditions are satisfied:

If the rating of the Bond comes down to grade 'BB' or below.

If the company is defaulting in their commitments in respect of other assets, if available.

Full Net worth erosion.

Provision should be made as per the norms set at (D) above as soon as the asset is classified as NPA. Full provision can be made if the rating comes down to grade 'D'

(H) Reschedulement of an asset :

In case any company defaults either interest or principal amount and the fund has accepted a reschedulement of the schedule of payments, then the following practice may be adhered to :

(i) In case it is a first reschedulement and only interest is in default, the status of the asset namely, 'NPA' may be continued and existing provisions should not be written back. This practice should be continued for two quarters of regular servicing of the debt. Thereafter, this be classified as 'performing asset' and the interest provided may be written back.

(ii) If the reschedulement is done due to default in interest and principal amount, the asset should be continued as non performing for a period of 4 quarters, even though the asset is continued to be serviced during these 4 quarters regularly. Thereafter, this can be classified as 'performing asset' and all the interest provided till such date should be written back.

(iii) If the reschedulement is done for a second/third time or thereafter, the characteristic of NPA should be continued for eight quarters of regular servicing of the debt. The provision should be written back only after it is reclassified as 'performing asset'.

(I) Disclosure in the Half Yearly Portfolio Reports:

The mutual funds shall make scripwise disclosures of NPAs on half yearly basis along with the half yearly portfolio disclosure.

The total amount of provisions made against the NPAs shall be disclosed in addition to the total quantum of NPAs and their proportion of the assets of the mutual fund scheme. In the list of investments an asterisk mark shall be given against such investments which are recognized as NPAs. Where the date of redemption of an investment has lapsed, the amount not redeemed shall be shown as 'Sundry Debtors' and not investment provided that where an investment is redeemable by instalments, that will be shown as an investment until all instalments have become overdue.

Accrual of Expenses & Income

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

Changes in securities and in number of Units

Any changes in securities and in the number of Units will be recorded in the books not later than the first valuation date following the date of transaction. If this is not possible, given the frequency of NAV disclosure, the recording may be delayed up to a period of 7 days following the date of the transaction, provided as a result of such non recording, the NAV calculation shall not be affected by more than 1%.

In case the NAV of the Scheme differs by more than 1%, due to non - recording of transactions, the investors or Scheme as the case may be, shall be paid the difference in amount as follows :-

- If the investors are allotted units at a price higher than NAV or are given a price lower than NAV at the time of sale of their Units, they shall be paid the difference in amount by the Scheme.
- If the investors are charged lower NAV at the time of purchase of their Units or are given higher NAV at the time of sale of their Units, the AMC shall pay the difference in amount to the Scheme. The AMC may recover the difference from the investors.

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

Computation Of Net Asset Value

The Net Asset Value (NAV) per Unit of the scheme will be computed by dividing the net assets of the scheme by the number of Units outstanding under the scheme on the valuation date. The Mutual Fund will value its investments according to the valuation norms, as specified in Schedule VIII of the SEBI Regulations, or such norms as may be specified by SEBI from time to time.

NAV of Units under the scheme shall be calculated as shown below :

$$\text{NAV (Rs) per Unit} = \frac{\begin{array}{l} \text{Market or Fair Value of the scheme's Investments} \\ + \text{Current Assets (including accrued income)} \\ - \text{Current Liabilities and Provisions} \\ \text{(including accrued expenses)} \end{array}}{\text{No. of Units outstanding under the scheme}}$$

The AMC will calculate and disclose the NAVs of the scheme on a daily basis. The NAVs of the Scheme will be calculated upto 4 and units will be allotted upto 3 decimals. NAVs of the growth option and dividend option will be different after the declaration of the first dividend.

Accounting Policies & Standards

In accordance with Regulation 50 read with the Ninth Schedule to the SEBI Regulations, the respective Plans shall follow the accounting policies and standards stated below:

1. All investments will be marked to market and will be carried in the balance sheet at market value. However, since the unrealised gain arising out of appreciation on investments cannot be distributed, provision will be made for exclusion of this item when arriving at distributable income.
2. In respect of all interest-bearing investments, income will be accrued on a day to day basis as it is earned. Therefore when such investments are purchased, interest paid for the period from the last interest due date upto the date of purchase shall not be treated as a cost of purchase but shall be debited to Interest Recoverable Account. Similarly, interest received at the time of sale for the period from the last interest due date upto the date of sale shall not be treated as an addition to sale value but shall be credited to Interest Recoverable Account.
3. In determining the holding cost of investments and the gains or loss on sale of investments, the "average cost" method shall be followed.
4. Transactions for purchase or sale of investments would be recognised as of the trade date and not as of the settlement date, so that the effect of all Investments traded during a financial year are recorded and reflected in the financial statements for that year. When investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction would be recorded, in the event of a purchase, as of the date on

which the Scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the Scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

5. When Units are sold, the difference between the Sale price and the face value of the Unit, if positive shall be credited to reserves and if negative will be debited to reserves, the face value being credited to Capital Account. Similarly, When Units are redeemed, the difference between the purchase price and face value of the unit, if positive, shall be debited to reserves, and, if negative, shall be credited to reserves, the face value being debited to the Capital account.
6. When Units are sold, an appropriate part of the Sale proceeds shall be credited to an Equalisation Account and when Units are redeemed, an appropriate amount would be debited to Equalisation Account. The net balance on this account shall be credited or debited to the Revenue Account. The balance on the Equalisation Account debited or credited to the Revenue Account shall not decrease or increase the net income of the Mutual Fund but is only an adjustment to the distributable surplus. It shall therefore, be reflected in the Revenue Account only after the net income of the Mutual Fund is determined.

The accounting policies and standards as mentioned above are in accordance with the Ninth Schedule of the SEBI Regulations and are subject to change as per any changes in the SEBI Regulations. All other policies and standards as specified therein, as well as any additions / modifications thereto as may be specified by SEBI from time to time shall be adhered to while preparing the books of accounts and financial statements of the Mutual Fund.

Unclaimed Redemption / Dividend Amount

The unclaimed redemption amount and dividend amounts may be deployed by the Mutual Fund 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 will be 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 will be used for the purpose of investor education. The AMC will make a continuous effort to remind the investors through letters to take their unclaimed amounts. Further, the investment management fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points.

Std Obs 5 (i)

SECTION III

Units and offer

The offer is being made for the subscription of Units of Birla Fixed Term Plan- Series _____, which is a closed end Income Scheme. The scheme will have duration of 12-18 months from the date of allotment. The tenure of the scheme will be mentioned in the final offer document to be filed with SEBI before the launch of New Fund Offer.

In case the Maturity date and/or Payout date falls on a non-business day, the maturity date would be the next succeeding business day.

New Fund Offer Period

The Scheme will open for subscription from _____ to _____ during the New Fund Offer Period of the Scheme.

New Fund Offer Price

The New Fund Offer price of Units of the scheme will be Rs.10 per Unit.

Early Closure/Extension of the New Fund Offer Period

The subscription list may be closed earlier by giving at least one day's notice in one daily newspaper. The Trustee reserves the right to extend the closing date of the New Fund Offer Period, subject to the condition that the subscription list of the New Fund Offer Period shall not be kept open for more than 45 days.

Minimum Amount for Application

Retail Plan: Minimum of Rs. 5,000/- and in multiples of Re. 1/- thereafter during the NFO period.

Institutional Plan: Minimum of Rs. 1,00,000/ and in multiples of Re. 1/- thereafter during the NFO period.

Minimum Subscription Amount

The minimum subscription (target) amount under the Scheme shall be Rs. 10,00,000 during the New Fund Offer Period. Therefore, subject to the applications being in accordance with the terms of this offer, full and firm allotment will be made to the Unit holders.

In accordance with the SEBI Regulations, if the Mutual Fund fails to collect the minimum subscription amounts as stated above, the Mutual Fund and the AMC shall be liable to refund the subscription amount to the Applicants of the scheme. In addition to the above, refund of subscription amount to Applicants whose applications are invalid for any reason whatsoever, will commence after the allotment process is completed.

Minimum number of investors and minimum holding by single investor:

As per SEBI circular dated December 12, 2003 ref SEBI/IMD/CIR No. 10/22701/03, each scheme and individual plan(s) under the schemes should have a minimum of 20 investors and no single investor should account for more than 25% of the corpus of such scheme/plan(s). In case of non-fulfillment with either of the above two conditions in a three months time period or the end of succeeding calendar quarter, whichever is earlier, from the close of the New Fund Offer (NFO) or on an ongoing basis for each calendar quarter, the schemes /plans shall be wound up by following the guidelines prescribed by SEBI and the investor's money would be redeemed at applicable NAV. SEBI has, vide its Circular No. SEBI/IMD/CIR No.1/42529/05 dated June 14, 2005, further clarified that the foresaid Circular would be applicable at the Portfolio level.

In case of close-ended schemes, the Scheme must have a minimum of 20 investors and no single investor should hold more than 25% of the corpus of the Scheme (at portfolio level) at the time of allotment. If the Scheme fails to get minimum of 20 investors in the New Fund Offer, the investors' application money would be refunded. Also the Mutual Fund will be constrained to reject the application by a single investor to the extent of having exposure of more than 25% of the Scheme corpus at the time of allotment. Hence such investor could be allotted limited units to such extent.

Allotment And Refund

All Applicants whose cheques towards purchase of Units have been realised will receive a full and firm allotment of Units, provided that the applications are complete in all respects and are found to be in order. The Trustee retains the sole and absolute discretion to reject any application. The process of allotment of Units and mailing of account statements reflecting the allotments will be completed within 15 days from the date of closure of the New Fund Offer Period.

Std Obs
17 (B)

No Interest will be payable on any subscription money refunded within 6 weeks from the closure of the New Fund Offer Period. Interest on subscription amount will be payable for amounts refunded later than 6 weeks from the closure of the New Fund Offer Period at the rate of 15% per annum for the period in excess of 6 weeks and will be charged to the AMC. Refund orders will be marked "A/c. Payee only" and will be in favour of and be despatched to the first / sole Applicant, by registered post.

Investment Plan

The Scheme will have Retail Plan and Institutional Plan with a common portfolio. Investors should indicate the plan for which the subscription is made by indicating the choice in the application form. In case of valid applications received, without indicating any choice of plan, the default plan shall be Retail Plan.

Option

Each plan under the scheme will have Dividend and Growth Options. Dividend option shall have Payout and Reinvestment facility. In case of valid applications received, without indicating any choice of option, the default option/facility shall be Growth option/Dividend Reinvestment.

Dividend Option

Under this option, it is proposed to declare dividends subject to the availability of distributable surplus as computed in accordance with SEBI Regulations. Dividends, if declared, will be paid (subject to deduction of tax at source, if any) to those unitholders, whose names appear in the register of unitholders on the notified record date. AMC reserves the right to change the record date from time to time. However, it must be distinctly understood that actual declaration of dividends and frequency thereof is at the discretion of trustees. There is no assurance or guarantee to unitholders as to the rate of dividend distribution nor that the dividends will be paid regularly. On payments of dividends, the NAV will stand reduced by the amount of dividend paid and the dividend distribution tax, if applicable.

Dividend Reinvestment Facility

Unitholders opting for dividend option may chose to reinvest the dividends to be received by them in additional units of the scheme. Under this facility the dividend due and payable to the unitholders will be compulsorily and without any further act by the unitholders, reinvested in the dividend option at a price based on the prevailing Net Asset Value per unit on the record date. The amount of dividend reinvested will be net of tax deducted at source, wherever applicable. Reinvestment of dividend shall constitute a constructive payment of dividends to the unitholders and a constructive receipt of the same amount from each unitholder for reinvestment in units. On reinvestment of dividends, the number of units to the credit of the unitholders will increase to the extent of the dividend reinvested divided by the applicable NAV as explained above. There shall, however, be no entry/sales load on the dividends so reinvested.

Dividend Distribution Procedure

The salient features with respect to. the dividend distribution, in accordance with SEBI circular no. SEBI/IMD/CIR No.1/64057/06, dated April 4, 2006, are as follows:

- Quantum of Dividend and Record date shall be fixed by the trustees.
- AMC shall issue a notice to the public communicating the decision about dividend including the record date, within one calendar day of the decision made by the trustees in their meeting.

Record date shall be the date that will be considered for the purpose of determining the eligibility of investors whose name appear on the register of unit holders. Record date shall be five calendar days from the issue of notice.

Growth Option

Under this option, no dividends will be declared. The income attributable to units under this option will continue to remain invested and will be reflected in the NAV of the units under this plan.

Default Option

In case the investor fails to specify their preference, the following would apply.

Lack of information	Default Plan / Option
Choice of Plan	Retail Plan
Choice of Option	Growth Option
Choice of Dividend Facility	Reinvestment facility

Who Can Invest?

The following persons are eligible and may apply for subscription to the Units of the Scheme (subject, wherever relevant, to purchase of units of mutual funds being permitted under relevant statutory regulations and their respective constitutions):

1. Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis;
2. Karta of Hindu Undivided Family (HUF)
3. Minors through parent / legal guardian;
4. Partnership Firms;
5. Companies, Bodies Corporate, Public Sector Undertakings, Association of Persons or bodies of individuals and societies registered under the Societies Registration Act, 1860;
6. Banks & Financial Institutions;
7. Mutual Funds registered with SEBI;
8. 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;
9. Non-Resident Indians / Persons of Indian origin residing abroad (NRIs) on repatriation basis or on non-repatriation basis;
10. Foreign Institutional Investors (FIIs) registered with SEBI on repatriation basis;
11. Army, Air Force, Navy and other para-military units and bodies created by such institutions;
12. Scientific and Industrial Research Organisations;
13. Multilateral Funding Agencies / Bodies Corporate incorporated outside India with the permission of Government of India / Reserve Bank of India;
14. Other schemes of Mutual Funds subject to the conditions and limits prescribed by SEBI Regulations;
15. Trustee, AMC or Sponsor or their associates may subscribe to Units under the Scheme;
16. Such other individuals / institutions / body corporate etc., as may be decided by the Mutual Fund from time to time, so long as wherever applicable they are in conformity with SEBI Regulations.

Notes:

1. Non Resident Indians and Persons of Indian Origin residing abroad (NRIs) / Foreign Institutional Investors (FIIs) have been granted a general permission by Reserve Bank of India [Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 for investing in / redeeming units of the mutual funds subject to conditions set out in the aforesaid regulations.
2. In case of application under a Power of Attorney or by a limited company or a corporate body or an eligible institution or a registered society or a trust fund, the original Power of Attorney or a certified true copy duly notarised or the relevant resolution or authority to make the application as the case may be, or duly 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) authorising such purchases and redemptions.
3. Returned cheques are not liable 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, if any, are liable to be debited to the investor.
4. 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 on the first day after the scheme opens for sale and redemption on an ongoing basis.

Prevention of Money Laundering and Know Your Customer

Prevention of Money Laundering Act, 2002 (hereinafter referred to as the PMLA) came into effect from July 1, 2005 vide Notification No. GSR 436(E) dated July 1, 2005 issued by Department of Revenue, Ministry of Finance, Government of India. Also, SEBI vide its circular no. ISD/CIR/RR/AML/1/06 dated January 18, 2006 mandated that all intermediaries including Mutual Funds should formulate and implement a proper policy framework as per the guidelines on anti money laundering measures and also to adopt a Know Your Customer (KYC) policy. The intermediaries may, according to their requirements specify additional disclosures to be made by clients for the purpose of identifying, monitoring and reporting incidents of money laundering and suspicious transactions undertaken by clients. Further SEBI vide its circular no. ISD/CIR/RR/AML/2/06, dated March 20, 2006, advised all intermediaries to take necessary steps to ensure compliance with the requirement of section 12 of the Act inter-alia maintenance and preservation of records and reporting of information relating to cash and suspicious transactions to Financial Intelligence Unit-India (FIU-IND), New Delhi.

The investor(s) should ensure that the amount invested in the scheme is through legitimate sources only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, Prevention of Money Laundering Act, Prevention of Corruption Act and / or any other applicable law in force and also any laws enacted by the Government of India from time to time or any rules, regulations, notifications or directions issued thereunder. To ensure appropriate identification of the investor(s) under its KYC policy and with a view to monitor transactions for the prevention of money laundering, Birla Sun Life Asset Management Company Limited ("BSLAMC") investment manager of Birla Sun Life Mutual Fund reserves the right to seek information, record investor's telephonic calls and / or obtain and retain documentation for establishing the identity of the investor, proof of residence, source of funds, etc. It may re-verify identity and obtain any incomplete or additional information for this purpose.

The investor(s) and their attorney, if any, shall produce reliable, independent source documents such as photographs, certified copies of ration card/ passport/ driving license/PAN card, etc. and/or such documents or produce such information as may be required from time to time for verification of the identity, residential address and financial information of the investor(s) by BSLAMC. If the investor(s) or the person making payment on behalf of the investor(s), refuses / fails to provide the required documents/ information within the period specified in the communication(s) sent by BSLAMC to the investor(s), and after applying appropriate due diligence measures, BSLAMC believes that the transaction is suspicious in nature within the purview of the Act and SEBI circulars issued from time to time and/or on account of deficiencies in the documentation, BSLAMC shall have absolute discretion to report suspicious transactions to FIU-IND and / or to freeze the folios of the investor(s), reject any application(s) / allotment of units and effect mandatory redemption of unit holdings of the investor(s) at the applicable NAV subject to payment of exit load, if any, in terms of the said communication sent by the AMC to the investor(s) in this regard.

The Birla Sun Life Mutual Fund, Birla Sun Life Asset Management Company Limited, Birla Sun Life Trustee Company Private Limited and their Directors, employees and agents shall not be liable in any manner for any claims arising whatsoever on account of freezing the folios / rejection of any application / allotment of units or mandatory redemption of units due to non-compliance with the provisions of the PMLA, SEBI circular(s) and KYC policy and / or where the AMC believes that transaction is suspicious in nature within the purview of the Act and SEBI circular(s) and reporting the same to FIU-IND.

The KYC documentation shall also be mandatorily complied with by the unitholders entering the Register of Members by virtue of operation of law e.g. transmission, etc.

Suspicious Transaction Reporting:

If after due diligence, the AMC believes that the transaction is suspicious in nature as regards money laundering, the AMC shall report any suspicious transactions to competent authorities under the PMLA and rules / guidelines issued thereunder by SEBI and RBI, furnish any such information in connection therewith to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under the PMLA without obtaining the prior approval of the investor / Unit Holder / a person making the payment on behalf of the investor.

How To Apply?

1. The application form for the Sale of Units of the Scheme will be available / accepted at the office of the Investor Service Centres (ISCs) during Business Hours on all Business Days.
2. Applications must be completed in Block Letters in English.
3. Signatures should be in English or in any Indian Language.

4. All cheques and bank drafts must be drawn in favor of "Birla Fixed Term Plan– Series _____" and crossed "Account Payee Only". A separate cheque or bank draft must accompany each application /each Scheme.
5. Investors must write the Folio Number / Application Form number on the reverse of the cheques and bank drafts accompanying the Application Form.
6. **Bank Details** In order to protect the interest of investors from fraudulent encashment of cheques, the current SEBI Regulations have made it mandatory for investors to mention in their application / Redemption request, the bank name and account number. Applications without these details will be rejected.
7. **Permanent Account Number (PAN)** It is compulsory for all investors to quote their Permanent Account Number (PAN) and submit copy of the PAN card issued by the Income Tax Department, irrespective of the amount of investment, while making an application for Purchase of Units. In case of joint applicants, PAN details of all holders should be submitted. In case the investor making the application is a minor, PAN details of the Guardian must be submitted. All applications made by the investors not having PAN should be accompanied by the evidence of having applied for PAN until December 31, 2007. Further, if the purchase is equal to or above Rs. 50,000/- the investor also need to make a declaration in Form 60/61 giving therein the particulars of the transaction. Applications without the aforesaid details are liable to be rejected without any reference to the investors.
8. **Mutual Fund Identification Number:** Until March 1, 2007, it was mandatory for all applications for subscription of value of Rs.50, 000/- and above to quote the MIN of all the applicants (guardian in case of minor) in the application form for subscription. However, with effective from March 2, 2007 MIN stands withdrawn vide AMFI circular 35/MEM-COR/77/06-07, dated March 01, 2007. Investors are required only to quote Permanent Account Number (PAN).
In order comply with Know Your Customers (KYC) norms and help the investors to give one time information, the Investors will be required to submit a completed MIN Application Form ('MIN Form') along with all the prescribed documents listed in the MIN Form, at any of the Point of Service ('POS'). No MIN number will be issued. PAN will be only identification and reference number.
The MIN Form is available at our website (birlasunlife.com) and AMFI website (www.amfiindia.com). POS are the designated centres appointed by the Central Agency for receiving application forms. List of and location of POS is available at our website (birlasunlife.com) and at AMFI website (www.amfiindia.com). Applications not complete in any respect are liable to be rejected.
However, in order to strengthen the Know Your Client (KYC) norms and identify every participant in the securities market with their respective PAN, that shall ensure sound audit trail of all the transactions, SEBI vide circular no. MRD/DoP/Cir- 05/2007 dated April 27, 2007, has decided that PAN (either with an alpha-numeric prefix or suffix) would be the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction effective from July 2, 2007.
9. Applications not complete in any respect are liable to be rejected.
10. The AMC / Trustee retains the sole and absolute discretion to reject any application.

Std Obs 9

Mode Of Payment

Resident Investors

Payment may be made by MICR cheques only or bank draft drawn on any bank, which is situated at and is a member of the Bankers' Clearing House, located at the place where the application is submitted. No Cash, Money Orders, Outstation Cheques, Post Dated Cheques, Non MICR Cheques, Postal Orders will be accepted. Bank charges for Demand Drafts will have to be borne by the investors.

NRIs/FIIs

Repatriation Basis

- In the case of NRIs, payment may be made either by inward remittance through normal banking channels or out of funds held in their Non - Resident (External) Rupee Account (NRE) / Foreign Currency (Non-Resident) Account (FCNR).
- FIIs shall pay their subscription either by inward remittance through normal banking channels or out of funds held in Foreign Currency Account or Non-Resident Rupee Account maintained by the FII with a designated branch of an authorised dealer.

Non Repatriation Basis

- In the case of NRIs, payment may be made either by inward remittance through normal banking channels or out of funds held in their NRE / FCNR / Non-Resident Ordinary Rupee Account (NRO) / Non-Resident (Special) Rupee Account (NRSR).

Single Folio Facility

As an investor friendly measure, unless otherwise requested by the Unit holder, one Folio Number will be assigned for one unit holder having holdings in different schemes of the Mutual Fund. In such a case, one consolidated Account Statement will be provided. The number of Units allotted/redeemed will be reflected in his or her account and a statement to this effect will be issued to the Unit holder. The AMC reserves the right to assign the existing Folio Number against multiple applications and / or subsequent purchases under a new application form by an existing holder, with identical mode of holding and address.

Account Statement

An Account Statement reflecting the number of Units allotted will be despatched within 10 Business Days to the Unit holder after every financial transaction is effected. The Account Statement shall not be construed as a proof of title and is only a computer generated statement indicating the details of transactions under the Scheme and is a non-transferable document. The Account Statement will be issued in lieu of Unit Certificates.

Inter – Scheme Switching option

Unit holders under the Scheme have the option to Switch part or all of their Unit holdings in the respective Plans to open ended schemes established by the Mutual Fund. The Mutual Fund also, provides the investors the flexibility to switch their investments from any other scheme(s) / plan (s) offered by the Mutual Fund to this scheme during the New Fund Offer period.

This Option will be useful to Unit holders who wish to alter the allocation of their investment among the open ended scheme(s) / plan(s) of the Mutual Fund (subject to completion of lock-in period, if any, of the units of the scheme(s) from where the units are being switched) in order to meet their changed investment needs. The Switch will be effected by way of a Redemption of Units from the Scheme / Plan and a reinvestment of the Redemption proceeds in an open-ended scheme / plan and accordingly, to be effective, the Switch must comply with the Redemption rules of the Scheme and the issue rules of the other scheme (for e.g. as to the minimum number of Units that may be redeemed or issued, Exit / Entry Load etc). The price at which the Units will be Switched out of the respective Plans will be based on the Redemption Price, and the proceeds will be invested in an open ended scheme / plan at the prevailing sale price for units in that scheme / plan.

Intra – Scheme Switching option

Unit holders under the Scheme have the option to Switch their Unit holdings from Growth Plan to Dividend Plan within the Plan or vice-versa. No Exit Load will be charged in respect of such Intra-Scheme Switching. The switches would be done at the applicable NAV based prices and the difference between the NAVs of the two plans will be reflected in the number of units allotted.

Account Statement

An Account Statement reflecting the number of Units allotted will be despatched within 10 Business Days to the Unit holder after every financial transaction is effected. The Account Statement shall not be construed as a proof of title and is only a computer generated statement indicating the details of transactions under the Scheme and is a non-transferable document. The Account Statement will be issued in lieu of Unit Certificates.

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Unit Certificates

Normally no Unit certificates will be issued. However, if the applicant so desires, the AMC shall issue a non-transferable Unit certificate to the applicant within 30 days of the receipt of request for the certificate. Unit certificate if issued must be duly discharged by the Unit holder(s) and surrendered alongwith the request for Redemption/ Switch or any other transaction of Units covered therein.

Joint Holders

In the event the account has more than one registered holder the first-named Unit 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 holder shall have the voting rights, as permitted, associated with such Units as per the applicable guidelines.

The Unit holder must specify the 'mode of holding' in the application form as 'Jointly' or 'Anyone or Survivor'. In the case of holding specified as 'Jointly', Redemptions would have to be signed by all joint holders. However, in cases of holding specified as 'Anyone or Survivor', any one of the Unit holders will have the power / authority 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 to the first-named Unit holder. In the event the account has more than one registered unitholder and the mode of holding is not specified in the application form, the default option would be considered to be 'Anyone or Survivor'.

In case of death / insolvency of any one or more of the persons named in the Register of Unit holders as the joint holders of any Units, the AMC shall not be bound to recognise any person(s) other than the remaining holders. In all such cases, the proceeds of the Redemption will be paid to the first-named of such remaining Unit holders.

Nomination Facility

Pursuant to Regulation 29A of the SEBI Regulations, the AMC is providing an option to the Unit holder to nominate (in the manner prescribed under the SEBI Regulations), a person in whom the Units held by him/her shall vest in the event of his/her death. Where the Units are held by more than one person jointly, the joint Unit holders may together nominate a person in whom all the rights in the Units shall vest in the event of death of all the joint Unit holders. By provision of this facility the AMC is not in any way attempting to grant any rights other than those granted by law to the nominee. A nomination in respect of the Units does not create an interest in the property after the death of the Unit holder. The nominee shall receive the Units only as an agent and trustee for the legal heirs or legatees as the case may be. It is, hereby, clarified that the nominees under the nomination facility provided herein shall not necessarily acquire any title or beneficial interest in the property by virtue of this nomination.

Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. The Nominee shall not be a trust other than a religious or charitable trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a Power of Attorney holder. A minor can be nominated and in that event, the name and address of the guardian of the minor nominee shall be provided by the unit holder. Nomination can also be in favour of the Central Government, State Government, a local authority, any person designated by virtue of these office or a religious or charitable trust. A non-resident Indian can be a Nominee subject to the exchange controls in force from time to time. Nomination in respect of the Units stands rescinded upon the Redemption of Units. Cancellation of nomination can be made only by those individuals who hold Units on their own behalf singly or jointly and who made the original nomination. On cancellation of the nomination the nomination shall stand rescinded and the Mutual Fund / AMC shall not be under any obligation to transfer the Units in favour of the nominee. The nomination facility extended under the Scheme is subject to existing laws. The AMC shall, subject to production of such evidence which in their opinion is sufficient, proceed to effect the payment to the Nominee. Transfer of Units / payment to the nominee of the sums shall discharge the Mutual Fund / AMC of all liability towards the estate of the deceased Unit holder and his/her/their successors/legal heirs.

Transfer Facility

The Mutual Fund will be repurchasing Units on an ongoing basis and hence the transfer facility is found redundant. However, if a transferee becomes a holder of the Units by operation of law or upon enforcement of a pledge, the AMC shall, subject to production of such evidence, which in their opinion is sufficient, proceed to effect the transfer, if the intended transferee is otherwise eligible to hold the Units.

Listing

Being an closed end Scheme under which Repurchase facility is being offered by the Mutual Fund, the Units of the Scheme are not proposed to be listed on any stock exchange. However, the Mutual Fund may at its sole discretion list the Units of the Scheme on one or more stock exchanges at a later date.

Pledge Of Units

The Units under the Scheme may be offered as security by way of a pledge / charge in favour of scheduled banks, financial institutions, non-banking finance companies (NBFC's), or any other body. The AMC and / or

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the ISC will note and record such Pledged Units. A standard form for this purpose is available on request from any of the ISCs. The AMC shall mark a lien only upon receiving the duly completed form and documents as it may require. Disbursement of such loans will be at the entire discretion of the bank / financial institution / NBFC or any other body concerned and the Mutual Fund assumes no responsibility thereof.

The Pledgor will not be able to redeem Units that are pledged until the entity to which the Units are pledged provides written authorisation to the Mutual Fund that the pledge / lien charge may be removed.

Units With Depository

Units of the Scheme may, if decided by the AMC, be held with a Depository. Under such circumstances, Units will be transferable in accordance with the provisions of Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as may be amended from time to time.

Web Based Transactions

The Mutual Fund may allow subscriptions / Redemption of Units, during the period when the ongoing subscription list is opened by the Trustees, by electronic mode through the various web -sites with whom the AMC would have an arrangement from time to time. Normally, the subscription proceeds, when invested through this mode, are by way of direct credit to the designated bank collection account of the Scheme. The Redemption proceeds, (subject to deduction of tax at source, if any) through this mode, are directly credited to the bank account of the Investors who have an account at the designated banks with whom the AMC has made arrangements from time to time. The intermediary will aggregate the data and forward the same to the AMC / ISC for processing. Unit holders may request for change of address / bank account etc. through this mode provided, such web-site(s) provide for this facility. These transactions will be converted into a physical piece of instructions and date/time stamped in accordance with the guidelines specified in SEBIs circular dated March 19, 2004. The Fund, the AMC, the Trustee, alongwith its directors, employees and representatives shall not be liable for any damages or injuries arising out of or in connection with the use of the web-site or its non-use including non-availability or failure of performance, loss or corruption of data, loss of or damage to property (including profit and goodwill), work stoppage, computer failure or malfunctioning or interruption of business; error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communication line failure, unauthorised access or use of information. The Fund may introduce a facility for distributors to transact on the web on behalf of their clients, provided the client has authorised the distributors to do so by executing a Power of Attorney in favour of the distributor for this purpose. It shall be the responsibility of the distributor, to ensure that the Power of Attorney is valid and subsisting to carry out the transaction.

Redemption Of Units

To provide additional facility to the Unitholders, the Fund will offer to repurchase Units on a daily basis, subject to applicable exit load. The Units can be repurchased/redeemed (i.e., sold back to the Fund), at the Applicable NAV subject to payment of exit load, if any. The Units so repurchased shall not be reissued. Redemption requests can be made in amounts/Units. The Redemption / Switch-out request can be made by way of a written request on a pre-printed form or by using the relevant tear off section of the Transaction Slip enclosed with the Account Statement, which should be submitted at / may be sent by mail to any of the ISCs.

In case the Units are held in the names of more than one Unit holder, where mode of holding is specified as "Joint", Redemption requests will have to be signed by all the joint holders. However, in cases of holding specified as 'Anyone or Survivor', any of the Unit holders will have the power to make Redemption request, without it being necessary for all the Unit holders to sign. However, in all cases, the Redemption proceeds will be paid only to the first named holder.

The Redemption would be permitted to the extent of clear credit balance in the Unit holder's account. The Redemption request can be made by specifying the rupee amount or by specifying the number of Units to be redeemed. If a Redemption request is for both, a specified rupee amount and a specified number of Units, the specified number of Units will be considered the definitive request. If only the Redemption amount is specified by the Unit holder, the AMC will divide the Redemption amount so specified by the Redemption Price to arrive at the number of Units. The request for Redemption of Units could also be in fractions, upto three decimal places. The minimum amount of Redemption may be changed in future by the AMC. If the balance in the account of the Unit holder does not cover the amount of Redemption request, then the Mutual Fund is authorised to close the account of the Unit holder and send the entire such (lesser) balance to the Unit holder.

Redemption Price

Redemption Price will be calculated on the basis of the applicable NAV and exit load. The Redemption Price per Unit will be calculated using the following formula:

Redemption Price = Applicable NAV * (1-Exit Load, if any)

Example Of Calculation Of Redemption Price

If the Applicable NAV is Rs. 10.00; Exit / Redemption Load is 2 percent, then the Redemption Price will be calculated as follows :

$$\begin{aligned} &= \text{Rs. } 10.00 * (1-0.02) \\ &= \text{Rs. } 10.00 * (0.98) \\ &= \text{Rs. } 9.80 \end{aligned}$$

Applicable NAV For Redemptions Including Switch-Out Of Units

- a) In respect of applications received at the Official Point of Acceptance upto 3.00 pm, closing NAV of the day of receipt of application shall be applicable; and
- b) In respect of applications received at the Official Point of Acceptance after 3.00 pm, closing NAV of the next business day shall be applicable.

Payment Of Redemption Proceeds

- (a) For Investors having a bank account with a bank with whom the AMC would have an arrangement from time to time.

Unit holders having a bank account with certain banks with whom the Mutual Fund would have an arrangement from time to time may avail the facility of Direct Credit to their account for Redemption of the Units of the Scheme. In such cases the Mutual Fund will under normal circumstances endeavour to credit the first/sole Unit holders account with the Redemption proceeds within one Business Day of the acceptance of Redemption request.

- (b) For other Investors not covered by (a) above:

Redemption proceeds will be paid by cheque and payments will be made in favour of the Unit holders registered name and bank account number.

Please note that it is mandatory for the investors to provide their complete account details.

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Redemption cheques will be sent to the Unitholders address (or, if there is more than one holder on record, the address of the first-named holder). All Redemption payments will be made in favour of the registered holder of the Units or, if there is more than one registered holder, to the first registered holder).

As per SEBI Regulations, the Mutual Fund shall despatch Redemption proceeds within 10 working days of receiving the Redemption request. If the despatch of redemption proceeds is not made within 10 working days, the Unitholders shall be paid interest @15% p.a. for the delayed period and the interest shall be borne by the AMC. However, under normal circumstances, the Mutual Fund will endeavor to despatch the Redemption cheque within 4 Business Days of the receipt of redemption request.

Redemptions By NRIS/FIIS

Credit balances in the account of an NRI / FII Unit holder, may be redeemed by such Unit holder in accordance with the procedure described above and subject to any procedures laid down by the RBI, if any.

Payment to NRI / FII Unit holders will be subject to the relevant laws / guidelines of the RBI as are applicable from time to time (subject to deduction of tax at source as applicable).

In the case of NRIs :

- (i) Credited only to NRSR account of the NRI investor where the payment for purchase of Units redeemed was made out of funds held in NRSR account or
- (ii) Credited, at the NRI investor's option, to his / her NRO or NRSR account, where the payment for the purchase of the Units redeemed was made out of funds held in NRO account or
- (iii) Remitted abroad or at the NRI investor's option, credited to his / its NRE / FCNR / NRO / NRSR account, where the Units were purchased on repatriation basis and the payment for the purchase of

Units redeemed was made by inward remittance through normal banking channels or out of funds held in NRE / FCNR account.

In the case of FIIIs

Credit the net amount of redemption proceeds of such Units to the foreign currency account or Non-Resident Rupee Account of the FII investor. Pursuant to Government of India Notification No. GSR (381) E dated May 3, 2000, transactions which are not specifically prohibited under the Foreign Exchange Management (Current Account Transactions) Rules, 2000 or which are not included in Schedule II (transactions specified in this Schedule require prior approval of the Government of India) or Schedule III (transactions specified in this Schedule require prior approval of Reserve Bank of India) may be permitted by authorised dealers without any monetary / percentage ceilings subject to compliance with the provisions of Section 10(5) of the Foreign Exchange Management Act, 1999.

Right To Limit Redemptions

The AMC may, in the general interest of the Unit holders of the Scheme, keeping in view the unforeseen circumstances/unsure conditions, limit the total number of Units which may be redeemed on any Business Day to 5% of the total number of Units then in issue under the Scheme (or such higher percentage as the AMC may decide in any particular case). In addition, the Trustee reserves the right, in its sole discretion, to limit Redemptions with respect to any single account to an amount of Rs. 2 crore on a single Business Day.

Any Units, which by virtue of these limitations are not redeemed on a particular Business Day will be carried forward for Redemption to the next Business Day, in order of receipt. Redemptions so carried forward will be priced on the basis of the Redemption Price of the Business Day on which Redemption is made. Under such circumstances, to the extent multiple Redemption requests are received at the same time on a single Business Day, Redemption will be made on pro-rata basis, based on the size of each Redemption request, the balance amount being carried forward for Redemption to the next Business Day(s).

Closure Of Unitholders Account

Investors may note that the AMC at its sole discretion may close a Unit holder's account under the scheme after giving notice of 30 days, if at the time of any part Redemption, the value of balance Units (represented by the Units in the Unit holder's account if such Redemption / Switch were to take place, valued at the applicable Redemption Price), falls below the minimum balance of Rs. 500/- (or such other amount as the AMC may decide from time to time) or where the Units are held by a Unit holder in breach of any Regulation.

Suspension Of Sale/Redemption/Switching Option Of Units

The Mutual Fund at its sole discretion reserves the right to withdraw Sale and/or Redemption or Switching of the Units in the Scheme (including any one Plan of the Scheme) temporarily or indefinitely, if in the opinion of the AMC the general market conditions are not favourable and/or suitable investment opportunities are not available for deployment of funds. However, the suspension of Sale/Redemption/Switch either temporarily or indefinitely will be with the approval of the Trustee.

The Sale, Redemption and Switching of the Units may be temporarily suspended under the following conditions:

1. When one or more stock exchanges or markets, which provide basis for valuation for a substantial portion of the assets of the Scheme are closed otherwise than for ordinary holidays.
2. When, as a result of political, economic or monetary events or any circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the Scheme are not reasonable, or would not reasonably be practicable without being detrimental to the interests of the Unit holders.
3. In the event of breakdown in the means of communication used for the valuation of investments of the Scheme, without which the value of the securities of the Scheme cannot be accurately calculated.
4. During periods of extreme volatility of markets, which in the opinion of the AMC are prejudicial to the interests of the Unit holders of the Scheme.
5. In case of natural calamities, strikes, riots and bandhs.
6. In the event of any force majeure or disaster that affects the normal functioning of the AMC or the ISC.
7. During the period of Book Closure.
8. If so directed by SEBI.

The AMC reserves the right in its sole discretion to withdraw the facility of Sale and Switching option of Units into and out of the Scheme [including any one Plan of the Scheme], temporarily or indefinitely, if AMC

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views that changing the size of the corpus further may prove detrimental to the existing Unit holders of the Scheme. Suspension or restriction of Redemption facility shall be made applicable only after the approval of the Board of Directors of the AMC and the Trustee. The approval from the AMC Board and the Trustee giving details of circumstances and justification for the proposed action shall also be informed to SEBI in advance.

Official points of Acceptance of Transactions

All applications for redemption of units should be submitted by investors at the official point of acceptance of transaction as may be notified by the AMC from time to time. For details, please refer to the application form and/or website of the Mutual Fund.

SECTION IV

LOAD STRUCTURE AND RECURRING EXPENSES

Expenses of the Scheme

The information provided under this Section seeks to assist the investor in understanding the expense structure of the scheme and types of different fees / expenses and their percentage the investor is likely to incur on purchasing and selling the Units of the scheme.

A. Price

1. Issue Price

Units will be sold at Rs. 10/- each during the new fund offer period.

2. Repurchase Price

Repurchase facility will be offered on a daily basis at the Applicable NAV on such date after charging applicable Exit Load, if any. While calculating the repurchase price, the Fund shall be at liberty to charge a load as permitted under SEBI regulations. The Repurchase Price of the Units as per current SEBI regulations shall not be lower than 95% of the Applicable NAV. The Fund also has the right to charge a different load and therefore a different repurchase price for investors who want to switch over to other eligible schemes of the Fund. An indicative load structure is given hereunder.

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4 (b)

B. LOAD STRUCTURE

1. Entry Load

As per SEBI circular dated April 4, 2006 ref SEBI/IMD/Cir No. 1/64057/06, close end schemes are not permitted to charge entry load. Hence the scheme being close ended, no entry load is charged during the new fund offer period.

2. Exit Load: (Depending upon the final maturity period of the scheme)

Redemptions made on the Maturity Date of the series under the scheme do not attract any exit load. Redemptions made after the date of allotment but before the maturity will be charged exit load as under:

A: During the first 180 days from the date of allotment will attract an exit load on the amount sought to be redeemed at the rate of 2.00% of the NAV.

B. After 180 days but before the Maturity date will attract an exit load on the amount sought to be redeemed at the rate of 1.00% of the NAV

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

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3 (b)

2. Initial Issue Expenses

Initial Issue Expenses for the Scheme is estimated as under:

Initial Issue Expense Head	As a % of Target Mobilisation
Advertising, Marketing, Printing and Distribution Expenses.	0.10
Collection and Registrars Expenses	0.03
Bank Charges and other Expenses	0.02
Selling expenses including Commission to Agents/ Brokers	0.10
Total	0.25

The above estimates are based on the minimum subscription (target) amount for the Scheme and are subject to change both inter-se and as an increase or decrease as per actual. However, initial issue expenses shall be borne by the AMC.

The entire amount subscribed by the investor in the scheme during the New Fund Offer will be available to the scheme for investments.

3. Annual Scheme Recurring Expenses

The fees and expenses of operating the scheme on an annual basis expressed as a percentage of the scheme average net assets, is estimated (based on the corpus size of Rs. 100 crores) as follows:

(% per annum of average weekly net assets)

Expense Head	Birla Fixed Term Plan-Series _____
Investment Management and Advisory Fee**	1.25%
Marketing & Selling expenses including agents commission	0.60%
Registrar & Transfer Agent Fees	0.05%
Such other expenses, which are directly attributable to the Scheme	0.35%
Total estimated recurring expenses	2.25%

**The Investment Management and Advisory Fee would be charged same for both Retail and Institutional Plan offered under this Scheme.

These estimates have been made in good faith by the AMC and are subject to change inter se. The expenses under any head may vary than as specified in the table above, but the total recurring expenses that can be charged to the scheme will be subject to limits prescribed from time to time under the SEBI Regulations. The purpose of the above table is to assist the investor in understanding the various costs and expenses that an investor in the Scheme will bear directly or indirectly. Expenses over and above the limits prescribed under the SEBI Regulations shall be borne by the AMC.

As per the SEBI Regulations, the maximum recurring expenses including the investment management and advisory fee that can be charged to the Scheme shall be subject to a percentage limit of average weekly net assets as given in the table below. Subject to the SEBI Regulations and the Offer Document, expenses over and above the prescribed ceiling will be borne by the AMC.

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

As per the SEBI Regulations, the AMC is entitled to an Investment Management and Advisory fee at the rate of 1.25% per annum of the weekly average net assets outstanding in each accounting year for the Scheme(s), as long as the net assets do not exceed Rs. 100 crore and 1.00% of the excess amount over Rs. 100 crore, where net assets so calculated exceed Rs. 100 crore.

Std Obs
3 a)

Initial Issue Expenses for the Schemes launched in last one year

Income Schemes: Birla Fixed Term Plan – Series L, P, O, N, R, S, T, U, V, W, X, Y, AA, AB, AC, AD, AE, Birla Fixed Term Plan- Quarterly Series 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14,15,16,17,18,19, 20, 21, 22, 23, Birla Fixed Term Plan - Half Yearly Series- 1, 2, 3 and Birla Sun Life Interval Income Fund- Quarterly Plan-Series I, Series II & Series III were launched during the last one year. The initial issue expenses for the above schemes/plans were borne by the AMC.

Other Schemes: Birla Long Term Advantage Fund, Birla Sun Life Long Term Advantage Fund – Series 1 and Birla Sun Life Capital Protection Oriented Fund were launched during the last one-year. The Initial issue expenses for Birla Long Term Advantage Fund, Birla Sun Life Long Term Advantage Fund- Series 1 and Birla Sun Life Capital Protection Oriented Fund are as under:

Expense Head	Estimated % to Target Amount	Actuals % to Subscription	Estimated % to Target Amount	Actuals % to Subscription
	Birla Long Term Advantage Fund		Birla Sun Life Long Term Advantage Fund – Series 1	
Advertising, Marketing, Printing and Distribution Expenses.	2.70	1.41	2.70	1.14
Collection and Registrars Expenses	0.20	0.08	0.20	0.08
Bank Charges and other Expenses	0.10	0.02	0.10	0.03
Selling expenses including Commission to Agents/ Brokers	3.00	4.49	3.00	4.75
Total	6.00	6.00	6.00	6.00
Target Amount / Amount Mobilised (Rs.)	10,000,000.00	403,18,83,838.50	10,000,000.00	397,35,38,401.85

Expense Head	Estimated % to Target Amount	Actuals % to Subscription	Estimated % to Target Amount	Actuals % to Subscription
	Birla Sun Life Capital Protection Oriented Fund- 3 Year Plan		Birla Sun Life Capital Protection Oriented Fund- 5 Year Plan	
Advertising, Marketing, Printing and Distribution Expenses.	0.90	1.22	1.13	0.39
Collection and Registrars Expenses	0.18	0.01	0.22	0.02
Bank Charges and other Expenses	0.12	0.02	0.15	0.03
Selling expenses including Commission to Agents/ Brokers	2.80	2.75	3.50	4.55
Total	4.00	4.00	5.00	5.00
Target Amount / Amount Mobilised (Rs.)	1,00,00,000.00	20,98,15,408.00	1,00,00,000.00	11,08,36,897.00

Condensed Financial Information in respect of the Schemes launched during the last three fiscal years and from April 1, 2007 October 15, 2007.

Birla TOP 100 Fund								
HISTORICAL PER UNIT STATISTICS	Dividend	Growth	Dividend	Growth	Dividend	Growth	Dividend	Growth
	April 1, 2007 to October 15, 2007		2006-07		2005-06		2004-05	
NAV at the beginning of the year/period	13.6029	15.0015	14.2947	14.2952	N.A	N.A	N.A	N.A
Net Income per unit	3.17		3.82		1.27		N.A	
Dividends P.U	Nil	-	1.5	-	-	-	N.A	N.A
Transfer to reserves (if any) (Rs. Crs.)	Nil		91.97		50.02		N.A	
NAV at the end of the year/period	18.9784	20.9243	13.6029	15.0015	14.2947	14.2952	N.A	N.A
Annualised / absolute return since inception till end of the year/period	45.32%		32.79%		42.94%		N.A	
Returns on Benchmark index since inception till end of the year/period	54.70%		38.65%		42.07%		N.A	
Net Assets at end of the year/period (Rs. Crs.)	494.30		465.92		604.64		N.A	
Ratio of Recurring Expenses to net assets	2.26%		2.24%		2.25%		N.A	
Date of Allotment	October 24, 2005.							
Benchmark Index	S&P CNX NIFTY							

Birla Long Term Advantage Fund.				
HISTORICAL PER UNIT STATISTICS	Dividend	Growth	Dividend	Growth
	April 1, 2007 to October 15, 2007		2006-07	
NAV at the beginning of the year/period	10.13	10.13	N.A	N.A
Net Income per unit	1.04		-0.04	
Dividends P.U	Nil	-	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil		-1.6	
NAV at the end of the year/period	13.28	13.28	10.13	10.13
Annualised / absolute return since inception till end of the year/period	32.29%		1.30%	
Returns on Benchmark index since inception till end of the year/period	53.25%		5.73%	
Net Assets at end of the year/period (Rs. Crs.)	462.47		389.73	
Ratio of Recurring Expenses to net assets	3.33%		3.15%	
Date of Allotment	October 10, 2006.			
Benchmark Index	BSE Sensex			

Birla Sun Life Long Term Advantage Fund - Series 1				
HISTORICAL PER UNIT STATISTICS	Dividend	Growth	Dividend	Growth
	April 1, 2007 to October 15, 2007		2006-07	
NAV at the beginning of the year/period	N.A	N.A	N.A	N.A
Net Income per unit	0.19		Nil	
Dividends P.U	Nil	-	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil		N.A	
NAV at the end of the year/period	11.30	11.30	N.A	N.A
Annualised / absolute return since inception till end of the year/period	13.03%		N.A	
Returns on Benchmark index since inception till end of the year/period	30.77%		N.A	
Net Assets at end of the year/period (Rs. Crs.)	419.59		N.A	
Ratio of Recurring Expenses to net assets	4.32%		N.A	
Date of Allotment	May 31, 2007			
Benchmark Index	BSE 500			

Birla Infrastructure Fund								
HISTORICAL PER UNIT STATISTICS	Dividend	Growth	Dividend	Growth	Dividend	Growth	Dividend	Growth
	April 1, 2007 to October 15, 2007		2006-07		2005-06		2004-05	
NAV at the beginning of the year/period	11.30	11.30	10.49	10.49	N.A	N.A	N.A	N.A
Net Income per unit	2.63		1.30		-0.18		N.A	
Dividends P.U	Nil	-	Nil	-	Nil	-	N.A	N.A
Transfer to reserves (if any) (Rs. Crs.)	Nil		48.66		-10.73		N.A	
NAV at the end of the year/period	18.09	18.09	11.30	11.30	10.49	10.49	N.A	N.A
Annualised / absolute return since inception till end of the year/period	45.50%		12.53%		4.90%		N.A	
Returns on Benchmark index since inception till end of the year/period	42.65%		17.49%		5.21%		N.A	
Net Assets at end of the year/period (Rs. Crs.)	529.91		449.62		609.77		N.A	
Ratio of Recurring Expenses to net assets	2.27%		2.23%		2.32%		N.A	
Date of Allotment	March 17, 2006.							
Benchmark Index	S&P CNX NIFTY							

Birla Dynamic Bond Fund								
HISTORICAL PER UNIT STATISTICS	Quarterly Dividend	Growth	Quarterly Dividend	Growth	Quarterly Dividend	Growth	Quarterly Dividend	Growth
	April 1, 2007 to October 15, 2007		2006-07		2005-06		2004-05	
NAV at the beginning of the year/period	10.2446	11.4517	10.1262	10.7578	10.1617	10.2360	N.A	N.A
Net Income per unit	3.65		0.08		2.47		1.08	
Dividends P.U	0.4810	-	0.4702	-	0.5484	-	0.08	-
Transfer to reserves (if any) (Rs. Crs.)	Nil		6.28		0.18		0.32	
NAV at the end of the year/period	10.2490	12.0018	10.2446	11.4517	10.1262	10.7578	10.1617	10.2360
Annualised / absolute return since inception till end of the year/period	6.17%		5.55%		4.97%		2.36%	
Returns on Benchmark index since inception till end of the year/period	4.53%		3.53%		3.38%		1.71%	
Net Assets at end of the year/period (Rs. Crs.)	10.77		279.04		4.51		18.22	
Ratio of Recurring Expenses to net assets	0.15%		0.24%		0.75%		0.78%	
Date of Allotment	September 27, 2004.							
Benchmark Index	CRISIL Composite Bond Fund Index							

Birla Monthly Income Plan - Savings 5								
HISTORICAL PER UNIT STATISTICS	Dividend	Growth	Dividend	Growth	Dividend	Growth	Dividend	Growth
	April 1, 2007 to October 15, 2007		2006-07		2005-06		2004-05	
NAV at the beginning of the year/period	10.0976	11.6446	10.1341	10.9260	10.1184	10.366	N.A	N.A
Net Income per unit	0.64		0.99		0.80		0.84	
Dividends P.U	0.4655	-	0.5910	-	0.5800	-	0.2452	-
Transfer to reserves (if any) (Rs. Crs.)	Nil		0.33		0.43		0.26	
NAV at the end of the year/period	10.1696	12.2769	10.0976	11.6446	10.1341	10.9260	10.1184	10.366
Annualised / absolute return since inception till end of the year/period	6.22%		5.47%		4.88%		3.66%	
Returns on Benchmark index since inception till end of the year/period	9.25%		7.18%		8.13%		1.70%	
Net Assets at end of the year/period (Rs. Crs.)	564.15		5.92		9.16		16.90	
Ratio of Recurring Expenses to net assets	0.41%		1.50%		1.50%		1.42%	
Date of Allotment	May 22, 2004.							
Benchmark Index	CRISIL MIP Blended Index							

Birla Monthly Income Plan - Wealth 25								
HISTORICAL PER UNIT STATISTICS	Dividend	Growth	Dividend	Growth	Dividend	Growth	Dividend	Growth
	April 1, 2007 to October 15, 2007		2006-07		2005-06		2004-05	
NAV at the beginning of the year/period	10.9099	13.3186	11.2429	12.6479	10.3909	10.8666	N.A	N.A
Net Income per unit	0.87		1.09		1.42		0.71	
Dividends P.U	0.5927	-	0.7830	-	0.8620	-	0.4700	-
Transfer to reserves (if any) (Rs. Crs.)	Nil		9.69		5.13		3.80	
NAV at the end of the year/period	11.5719	14.8856	10.9099	13.3186	11.2429	12.6479	10.3909	10.867
Annualised / absolute return since inception till end of the year/period	12.41%		10.55%		13.48%		8.67%	
Returns on Benchmark index since inception till end of the year/period	9.25%		7.18%		8.13%		1.70%	
Net Assets at end of the year/period (Rs. Crs.)	114.76		116.60		80.92		121.59	
Ratio of Recurring Expenses to net assets	2.22%		2.24%		2.24%		2.11%	
Date of Allotment	May 22, 2004.							
Benchmark Index	CRISIL MIP Blended Index							

Birla Generation Next Fund								
HISTORICAL PER UNIT STATISTICS	Dividend	Growth	Dividend	Growth	Dividend	Growth	Dividend	Growth
	April 1, 2007 to October 15, 2007		2006-07		2005-06		2004-05	
NAV at the beginning of the year/period	15.54	15.54	14.05	14.05	N.A	N.A	N.A	N.A
Net Income per unit	2.04		7.37		2.05		N.A	
Dividends P.U	2.00	-	Nil	-	Nil	-	N.A	N.A
Transfer to reserves (if any) (Rs. Crs.)	Nil		53.58		43.90		N.A	
NAV at the end of the year/period	18.69	21.18	15.54	15.54	14.05	14.05	N.A	N.A
Annualised / absolute return since inception till end of the year/period	40.77%		30.64%		40.50%		N.A	
Returns on Benchmark index since inception till end of the year/period	49.07%		33.90%		44.10%		N.A	
Net Assets at end of the year/period (Rs. Crs.)	176.03		161.37		370.28		N.A	
Ratio of Recurring Expenses to net assets	2.40%		2.36%		2.31%		N.A	
Date of Allotment	August 05, 2005.							
Benchmark Index	S&P CNX NIFTY							

Birla Sun Life Capital Protection Oriented Fund - 3 Yrs				
HISTORICAL PER UNIT STATISTICS	Dividend	Growth	Dividend	Growth
	April 1, 2007 to October 15, 2007		2006-07	
NAV at the beginning of the year/period	N.A	N.A	N.A	N.A
Net Income per unit	0.19		Nil	
Dividends P.U	N.A	-	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil		N.A	
NAV at the end of the year/period	10.36	10.36	N.A	N.A
Annualised / absolute return since inception till end of the year/period	3.64%		N.A	
Returns on Benchmark index since inception till end of the year/period	4.81%		N.A	
Net Assets at end of the year/period (Rs. Crs.)	21.74		N.A	
Ratio of Recurring Expenses to net assets	2.55%		N.A	
Date of Allotment	August 03, 2007.			
Benchmark Index	Crisil MIP Blended Index			

Birla Sun Life Capital Protection Oriented Fund - 5 Yrs				
HISTORICAL PER UNIT STATISTICS	Dividend	Growth	Dividend	Growth
	April 1, 2007 to October 15, 2007		2006-07	
NAV at the beginning of the year/period	N.A	N.A	N.A	N.A
Net Income per unit	0.24		Nil	
Dividends P.U	N.A	-	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil		N.A	
NAV at the end of the year/period	10.49	10.49	N.A	N.A
Annualised / absolute return since inception till end of the year/period	4.91%		N.A	
Returns on Benchmark index since inception till end of the year/period	4.81%		N.A	
Net Assets at end of the year/period (Rs. Crs.)	11.63		N.A	
Ratio of Recurring Expenses to net assets	2.22%		N.A	
Date of Allotment	August 03, 2007.			
Benchmark Index	Crisil MIP Blended Index			

Birla Fixed Maturity Plan - Annual Series 1								
HISTORICAL PER UNIT STATISTICS	Dividend	Growth	Dividend	Growth	Dividend	Growth	Dividend	Growth
	April 1, 2007 to October 15, 2007		2006-07		2005-06		2004-05	
NAV at the beginning of the year/period	10.3714	11.6329	10.2734	10.8547	10.2842	10.284	N.A	N.A
Net Income per unit	0.49		0.62		2.12		0.31	
Dividends P.U	Nil	-	0.6158	-	0.5621	-	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil		1.26		2.51		2.24	
NAV at the end of the year/period	10.8101	12.1250	10.3714	11.6329	10.2734	10.8547	10.2842	10.284
Annualised / absolute return since inception till end of the year/period	6.48%		6.17%		5.52%		2.84%	
Returns on Benchmark index since inception till end of the year/period	5.85%		5.35%		4.70%		2.49%	
Net Assets at end of the year/period (Rs. Crs.)	25.07		24.05		12.90		80.88	
Ratio of Recurring Expenses to net assets	0.22%		0.22%		0.22%		0.20%	
Date of Allotment	September 20, 2004.							
Benchmark Index	Crisil Liquid Fund Index							

Birla Fixed Maturity Plan - Quarterly Series 2								
HISTORICAL PER UNIT STATISTICS	Dividend	Growth	Dividend	Growth	Dividend	Growth	Dividend	Growth
	April 1, 2007 to October 15, 2007		2006-07		2005-06		2004-05	
NAV at the beginning of the year/period	10.0293	11.7659	10.0183	10.8871	10.0046	10.3014	N.A	N.A
Net Income per unit	0.96		0.44		1.60		0.41	
Dividends P.U	0.4985	-	0.7297	-	0.5490	-	0.2947	-
Transfer to reserves (if any) (Rs. Crs.)	Nil		3.09		0.68		1.50	
NAV at the end of the year/period	10.0631	12.3996	10.0293	11.7659	10.0183	10.8871	10.0046	10.301
Annualised / absolute return since inception till end of the year/period	7.13%		5.88%		8.87%		1.20%	
Returns on Benchmark index since inception till end of the year/period	6.73%		5.32%		1.62%		2.65%	
Net Assets at end of the year/period (Rs. Crs.)	194.76		524.15		242.84		132.64	
Ratio of Recurring Expenses to net assets	0.20%		0.12%		0.12%		0.12%	
Date of Allotment	August 31, 2004.							
Benchmark Index	Crisil Liquid Fund Index							

Birla Fixed Maturity Plan - Annual Series 3								
HISTORICAL PER UNIT STATISTICS	Dividend	Growth	Dividend	Growth	Dividend	Growth	Dividend	Growth
	April 1, 2007 to October 15, 2007		2006-07		2005-06		2004-05	
NAV at the beginning of the year/period	10.0467	11.6973	10.2093	10.9225	10.2280	10.2280	N.A	N.A
Net Income per unit	0.56		1.34		0.47		0.23	
Dividends P.U	Nil	-	0.8683	-	0.6097	-	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil		4.77		4.09		1.32	
NAV at the end of the year/period	10.5479	12.2809	10.0467	11.6973	10.2093	10.9225	10.2280	10.2280
Annualised / absolute return since inception till end of the year/period	6.63%		6.63%		6.57%		2.28%	
Returns on Benchmark index since inception till end of the year/period	5.98%		5.48%		4.84%		1.90%	
Net Assets at end of the year/period (Rs. Crs.)	44.36		42.26		96.61		58.51	
Ratio of Recurring Expenses to net assets	0.25%		0.25%		0.25%		0.24%	
Date of Allotment	November 10, 2004.							
Benchmark Index	Crissil Liquid Fund Index							

Birla Fixed Term Plan - Series O				
HISTORICAL PER UNIT STATISTICS	Dividend	Growth	Dividend	Growth
	April 1, 2007 to October 15, 2007		2006-07	
NAV at the beginning of the year/period	10.0904	10.0906	N.A	N.A
Net Income per unit	0.48		0.09	
Dividends P.U	Nil	-	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil		1.58	
NAV at the end of the year/period	10.7247	10.7247	10.0904	10.0906
Annualised / absolute return since inception till end of the year/period	7.25%		0.88%	
Returns on Benchmark index since inception till end of the year/period	6.41%		0.88%	
Net Assets at end of the year/period (Rs. Crs.)	187.38		176.32	
Ratio of Recurring Expenses to net assets	0.10%		0.10%	
Date of Allotment	December 30, 2006			
Benchmark Index	CRISIL Short-Term Bond Fund Index			

Birla Fixed Term Plan - Series P				
HISTORICAL PER UNIT STATISTICS	Dividend	Growth	Dividend	Growth
	April 1, 2007 to October 15, 2007		2006-07	
NAV at the beginning of the year/period	10.0744	10.0744	N.A	N.A
Net Income per unit	0.51		0.07	
Dividends P.U	Nil	-	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil		0.83	
NAV at the end of the year/period	10.7312	10.7312	10.0744	10.0744
Annualised / absolute return since inception till end of the year/period	7.31%		0.72%	
Returns on Benchmark index since inception till end of the year/period	6.03%		0.52%	
Net Assets at end of the year/period (Rs. Crs.)	119.55		112.95	
Ratio of Recurring Expenses to net assets	0.10%		0.09%	
Date of Allotment	January 25, 2007			
Benchmark Index	CRISIL Short-Term Bond Fund Index			

Birla Fixed Term Plan - Series N				
HISTORICAL PER UNIT STATISTICS	Dividend		Growth	
	April 1, 2007 to October 15, 2007		2006-07	
NAV at the beginning of the year/period	10.0470	10.0470	N.A	N.A
Net Income per unit	0.42		0.05	
Dividends P.U	Nil	-	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil		0.11	
NAV at the end of the year/period	10.6620	10.6620	10.0470	10.0470
Annualised / absolute return since inception till end of the year/period	6.62%		0.44%	
Returns on Benchmark index since inception till end of the year/period	5.82%		0.32%	
Net Assets at end of the year/period (Rs. Crs.)	25.56		24.54	
Ratio of Recurring Expenses to net assets	0.60%		0.60%	
Date of Allotment	February 12,2007			
Benchmark Index	CRISIL Short-Term Bond Fund Index			

Birla Fixed Term Plan - Quarterly Series 22		
HISTORICAL PER UNIT STATISTICS	Dividend	Growth
	April 1, 2007 to October 15, 2007	
NAV at the beginning of the year/period	N.A	N.A
Net Income per unit	0.07	
Dividends P.U	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil	
NAV at the end of the year/period	10.0693	10.0693
Annualised / absolute return since inception till end of the year/period	0.69%	
Returns on Benchmark index since inception till end of the year/period	0.69%	
Net Assets at end of the year/period (Rs. Crs.)	34.98	
Ratio of Recurring Expenses to net assets	0.25%	
Date of Allotment	September 14,2007	
Benchmark Index	CRISIL Liquid Fund Index	

Birla Fixed Term Plan - Quarterly Series 23		
HISTORICAL PER UNIT STATISTICS	Dividend	Growth
	April 1, 2007 to October 15, 2007	
NAV at the beginning of the year/period	N.A	N.A
Net Income per unit	0.05	
Dividends P.U	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil	
NAV at the end of the year/period	10.0541	10.0541
Annualised / absolute return since inception till end of the year/period	0.54%	
Returns on Benchmark index since inception till end of the year/period	0.49%	
Net Assets at end of the year/period (Rs. Crs.)	112.34	
Ratio of Recurring Expenses to net assets	0.25%	
Date of Allotment	September 21,2007	
Benchmark Index	CRISIL Liquid Fund Index	

Birla FIXED TERM PLAN - Half Yearly - Series 3		
HISTORICAL PER UNIT STATISTICS	Dividend	Growth
	April 1, 2007 to October 15, 2007	
NAV at the beginning of the year/period	N.A	N.A
Net Income per unit	0.06	
Dividends P.U	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil	
NAV at the end of the year/period	10.0609	10.0609
Annualised / absolute return since inception till end of the year/period	0.61%	
Returns on Benchmark index since inception till end of the year/period	0.53%	
Net Assets at end of the year/period (Rs. Crs.)	26.45	
Ratio of Recurring Expenses to net assets	0.20%	
Date of Allotment	September 19,2007	
Benchmark Index	CRISIL Liquid Fund Index	

Birla Fixed Term Plan - Quarterly Series 20		
HISTORICAL PER UNIT STATISTICS	Dividend	Growth
	April 1, 2007 to October 15, 2007	
NAV at the beginning of the year/period	N.A	N.A
Net Income per unit	0.13	
Dividends P.U	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil	
NAV at the end of the year/period	10.1326	10.1326
Annualised / absolute return since inception till end of the year/period	1.33%	
Returns on Benchmark index since inception till end of the year/period	1.18%	
Net Assets at end of the year/period (Rs. Crs.)	204.98	
Ratio of Recurring Expenses to net assets	0.25%	
Date of Allotment	August 17,2007	
Benchmark Index	CRISIL Liquid Fund Index	

Birla Fixed Term Plan - Quarterly Series 21		
HISTORICAL PER UNIT STATISTICS	Dividend	Growth
	April 1, 2007 to October 15, 2007	
NAV at the beginning of the year/period	N.A	N.A
Net Income per unit	0.09	
Dividends P.U	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil	
NAV at the end of the year/period	10.0386	10.0881
Annualised / absolute return since inception till end of the year/period	0.88%	
Returns on Benchmark index since inception till end of the year/period	0.79%	
Net Assets at end of the year/period (Rs. Crs.)	171.48	
Ratio of Recurring Expenses to net assets	0.25%	
Date of Allotment	September 07,2007	
Benchmark Index	CRISIL Liquid Fund Index	

Birla Fixed Term Debt - Series 1 Plan 36 months						
HISTORICAL PER UNIT STATISTICS	Dividend	Growth	Dividend	Growth	Dividend	Growth
	April 1, 2007 to October 15, 2007		2006-07		2005-06	
NAV at the beginning of the year/period	10.9504	10.9504	10.2333	10.2333	N.A	N.A
Net Income per unit	0.44		0.89		0.24	
Dividends P.U	Nil	-	Nil	-	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil		0.88		0.31	
NAV at the end of the year/period	11.6153	11.6153	10.9504	10.9504	10.2333	10.2333
Annualised / absolute return since inception till end of the year/period	6.48%		5.04%		2.33%	
Returns on Benchmark index since inception till end of the year/period	4.76%		3.46%		2.63%	
Net Assets at end of the year/period (Rs. Crs.)	11.36		10.71		13.24	
Ratio of Recurring Expenses to net assets	0.70%		0.02%		0.70%	
Date of Allotment	May 27, 2005.					
Benchmark Index	CRISIL Composite Bond Fund Index					

Birla Fixed Term Debt - Series 3 Plan 36 months						
HISTORICAL PER UNIT STATISTICS	Dividend	Growth	Dividend	Growth	Dividend	Growth
	April 1, 2007 to October 15, 2007		2006-07		2005-06	
NAV at the beginning of the year/period	10.7550	10.7546	10.0585	10.0585	N.A	N.A
Net Income per unit	0.43		0.77		0.06	
Dividends P.U	Nil	-	Nil	-	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil		0.16		0.01	
NAV at the end of the year/period	11.3560	11.3560	10.7550	10.7546	10.0585	10.0585
Annualised / absolute return since inception till end of the year/period	5.95%		4.48%		0.59%	
Returns on Benchmark index since inception till end of the year/period	4.56%		3.05%		1.32%	
Net Assets at end of the year/period (Rs. Crs.)	2.36		2.25		2.31	
Ratio of Recurring Expenses to net assets	0.60%		-0.01%		0.60%	
Date of Allotment	August 03, 2005.					
Benchmark Index	CRISIL Composite Bond Fund Index					

Birla Asset Allocation Fund - Aggressive Plan											
HISTORICAL PER UNIT STATISTICS	Dividend	Growth	Dividend	Growth	Dividend	Growth	Dividend	Growth	Dividend	Growth	
	April 1, 2007 to October 15, 2007		2006-07		2005-06		2004-05		2003-04		
NAV at the beginning of the year/period	19.8074	19.8074	18.1223	18.1232	12.0247	12.0247	9.6857	9.6857	N.A	N.A	
Net Income per unit	3.08		3.27		6.18		2.65		-0.14		
Dividends P.U	Nil	-	Nil	-	Nil	-	Nil	-	Nil	-	
Transfer to reserves (if any) (Rs. Crs.)	Nil		1.19		2.52		2.38		-0.71		
NAV at the end of the year/period	25.4686	25.4686	19.8074	19.8074	18.1223	18.1232	12.0247	12.025	9.6857	9.6857	
Annualised / absolute return since inception till end of the year/period	29.27%		24.70%		32.75%		16.82%		-3.14%		
Returns on Benchmark index since inception till end of the year/period	36.60%		27.05%		34.69%		8.52%		-9.37%		
Net Assets at end of the year/period (Rs. Crs.)	8.96		7.93		8.61		8.61		21.75		
Ratio of Recurring Expenses to net assets	0.35%		0.35%		0.35%		0.24%		9.43%		
Date of Allotment	February 24, 2004.										
Benchmark Index	S&P Nifty										

Birla Asset Allocation Fund - Conservative Plan											
HISTORICAL PER UNIT STATISTICS	Dividend	Growth	Dividend	Growth	Dividend	Growth	Dividend	Growth	Dividend	Growth	
	April 1, 2007 to October 15, 2007		2006-07		2005-06		2004-05		2003-04		
NAV at the beginning of the year/period	14.0951	14.0951	13.0695	13.0695	11.0457	11.046	9.9611	9.9610	N.A	N.A	
Net Income per unit	1.01		1.46		1.84		0.86		-0.04		
Dividends P.U	Nil	-	Nil	-	Nil	-	Nil	-	Nil	-	
Transfer to reserves (if any) (Rs. Crs.)	Nil		0.55		1.06		0.57		-0.08		
NAV at the end of the year/period	15.8538	15.8538	14.0951	14.0951	13.0695	13.0695	11.0457	11.046	9.9611	9.9610	
Annualised / absolute return since inception till end of the year/period	13.49%		11.73%		13.61%		8.75%		-0.39%		
Returns on Benchmark index since inception till end of the year/period	8.37%		6.32%		6.74%		2.67%		0.10%		
Net Assets at end of the year/period (Rs. Crs.)	5.27		6.35		7.76		7.98		19.03		
Ratio of Recurring Expenses to net assets	0.35%		0.35%		0.35%		0.22%		3.03%		
Date of Allotment	February 24, 2004.										
Benchmark Index	Crisil MIP Blended Index										

Birla Asset Allocation Fund - Moderate Plan											
HISTORICAL PER UNIT STATISTICS	Dividend	Growth	Dividend	Growth	Dividend	Growth	Dividend	Growth	Dividend	Growth	
	April 1, 2007 to October 15, 2007		2006-07		2005-06		2004-05		2003-04		
NAV at the beginning of the year/period	17.2803	17.2803	15.9426	15.9427	11.6922	11.692	9.8273	9.8273	N.A	N.A	
Net Income per unit	1.95		2.53		4.54		1.69		-0.08		
Dividends P.U	Nil	-	Nil	-	Nil	-	Nil	-	Nil	-	
Transfer to reserves (if any) (Rs. Crs.)	Nil		0.57		1.46		1.22		-0.30		
NAV at the end of the year/period	21.4337	21.4337	17.2803	17.2803	15.9426	15.9427	11.6922	11.692	9.8273	9.8273	
Annualised / absolute return since inception till end of the year/period	23.29%		19.33%		24.89%		14.09%		-1.73%		
Returns on Benchmark index since inception till end of the year/period	23.22%		16.77%		20.60%		7.23%		2.15%		
Net Assets at end of the year/period (Rs. Crs.)	5.01		4.70		6.25		7.69		17.21		
Ratio of Recurring Expenses to net assets	0.35%		0.35%		0.35%		0.23%		6.08%		
Date of Allotment	February 24, 2004.										
Benchmark Index	Crisil Balanced Fund Index										

Birla Fixed Term Plan - Series Q				
HISTORICAL PER UNIT STATISTICS	Dividend		Growth	
	April 1, 2007 to October 15, 2007		2006-07	
NAV at the beginning of the year/period	N.A	N.A	N.A	N.A
Net Income per unit	0.50		-	
Dividends P.U	Nil	-	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil		Nil	
NAV at the end of the year/period	10.4937	10.4937	N.A	N.A
Annualised / absolute return since inception till end of the year/period	4.94%		N.A	
Returns on Benchmark index since inception till end of the year/period	3.39%		N.A	
Net Assets at end of the year/period (Rs. Crs.)	13.98		N.A	
Ratio of Recurring Expenses to net assets	0.27%		N.A	
Date of Allotment	April 24,2007			
Benchmark Index	CRISIL Liquid Fund Index			

Birla Fixed Term Plan - Series R									
HISTORICAL PER UNIT STATISTICS	Retail Dividend	Retail Growth	Institutional Dividend	Institutional Growth	Retail Dividend	Retail Growth	Institutional Dividend	Institutional Growth	
	April 1, 2007 to October 15, 2007				2006-07				
NAV at the beginning of the year/period	10.0698	10.0698	10.0731	10.0726	NA	NA	NA	NA	
Net Income per unit	0.53				0.07				
Dividends P.U	Nil	-	Nil	-	Nil	-	Nil	-	
Transfer to reserves (if any) (Rs. Crs.)	Nil				1.22				
NAV at the end of the year/period	10.6638	10.6638	10.6962	10.6962	10.0698	10.0698	10.0731	10.0726	
Annualised / absolute return since inception till end of the year/period	6.64%				NA				
Returns on Benchmark index since inception till end of the year/period	5.96%				NA				
Net Assets at end of the year/period (Rs. Crs.)	191.55				180.92				
Ratio of Recurring Expenses to net assets	0.30%				0.25%				
Date of Allotment	March 06,2007								
Benchmark Index	CRISIL Short Term Bond Fund Index								

Birla Fixed Term Plan - Series S									
HISTORICAL PER UNIT STATISTICS	Retail Dividend	Retail Growth	Institutional Dividend	Institutional Growth	Retail Dividend	Retail Growth	Institutional Dividend	Institutional Growth	
	April 1, 2007 to October 15, 2007				2006-07				
NAV at the beginning of the year/period	10.0612	10.0612	10.0630	10.0630	NA	NA	NA	NA	
Net Income per unit	0.58				0.05				
Dividends P.U	Nil	-	Nil	-	Nil	-	Nil	-	
Transfer to reserves (if any) (Rs. Crs.)	Nil				0.58				
NAV at the end of the year/period	10.6665	10.6665	10.6915	10.6915	10.0612	10.0612	10.0630	10.0630	
Annualised / absolute return since inception till end of the year/period	6.66%				NA				
Returns on Benchmark index since inception till end of the year/period	5.78%				NA				
Net Assets at end of the year/period (Rs. Crs.)	123.32				116.33				
Ratio of Recurring Expenses to net assets	0.28%				0.25%				
Date of Allotment	March 14,2007								
Benchmark Index	CRISIL Short Term Bond Fund Index								

Birla Fixed Term Plan - Series T									
HISTORICAL PER UNIT STATISTICS	Retail Dividend	Retail Growth	Institutional Dividend	Institutional Growth	Retail Dividend	Retail Growth	Institutional Dividend	Institutional Growth	
	April 1, 2007 to October 15, 2007				2006-07				
NAV at the beginning of the year/period	10.0320	10.0320	10.0322	10.0322	NA	NA	NA	NA	
Net Income per unit	0.58				0.02				
Dividends P.U	Nil	-	Nil	-	Nil	-	Nil	-	
Transfer to reserves (if any) (Rs. Crs.)	Nil				1.78				
NAV at the end of the year/period	10.6762	10.6762	10.6910	10.6910	10.0320	10.0320	10.0322	10.0322	
Annualised / absolute return since inception till end of the year/period	6.76%				NA				
Returns on Benchmark index since inception till end of the year/period	5.61%				NA				
Net Assets at end of the year/period (Rs. Crs.)	865.07				812.34				
Ratio of Recurring Expenses to net assets	0.17%				0.25%				
Date of Allotment	March 23,2007								
Benchmark Index	CRISIL Short Term Bond Fund Index								

Birla Fixed Term Plan - Series U									
HISTORICAL PER UNIT STATISTICS	Retail Dividend	Retail Growth	Institutional Dividend	Institutional Growth	Retail Dividend	Retail Growth	Institutional Dividend	Institutional Growth	
	April 1, 2007 to October 15, 2007				2006-07				
NAV at the beginning of the year/period	10.0069	10.0070	10.0069	10.0069	NA	NA	NA	NA	
Net Income per unit	0.60				0.01				
Dividends P.U	Nil	-	Nil	-	Nil	-	Nil	-	
Transfer to reserves (if any) (Rs. Crs.)	Nil				0.17				
NAV at the end of the year/period	10.6221	10.6221	10.6397	10.6397	10.0069	10.0070	10.0069	10.0069	
Annualised / absolute return since inception till end of the year/period	6.22%				NA				
Returns on Benchmark index since inception till end of the year/period	5.48%				NA				
Net Assets at end of the year/period (Rs. Crs.)	255.68				240.64				
Ratio of Recurring Expenses to net assets	0.13%				N.A				
Date of Allotment	March 29,2007								
Benchmark Index	CRISIL Short Term Bond Fund Index								

Birla Fixed Term Plan - Series V									
HISTORICAL PER UNIT STATISTICS	Retail Dividend	Retail Growth	Institutional Dividend	Institutional Growth	Retail Dividend	Retail Growth	Institutional Dividend	Institutional Growth	
	April 1, 2007 to October 15, 2007				2006-07				
NAV at the beginning of the year/period	NA	NA	NA	NA	NA	NA	NA	NA	
Net Income per unit	0.48				-				
Dividends P.U	Nil	-	Nil	-	Nil	-	Nil	-	
Transfer to reserves (if any) (Rs. Crs.)	Nil				Nil				
NAV at the end of the year/period	10.4792	10.4792	10.4964	10.4964	NA	NA	NA	NA	
Annualised / absolute return since inception till end of the year/period	4.79%				NA				
Returns on Benchmark index since inception till end of the year/period	4.69%				NA				
Net Assets at end of the year/period (Rs. Crs.)	96.25				NA				
Ratio of Recurring Expenses to net assets	0.27%				N.A				
Date of Allotment	April 28,2007								
Benchmark Index	CRISIL Short Term Bond Fund Index								

Birla Fixed Term Plan - Series W				
HISTORICAL PER UNIT STATISTICS	Retail Dividend	Retail Growth	Institutional Dividend	Institutional Growth
	April 1, 2007 to October 15, 2007			
NAV at the beginning of the year/period	N.A	N.A	N.A	N.A
Net Income per unit	0.37			
Dividends P.U	Nil	-	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil			
NAV at the end of the year/period	10.3574	10.3574	10.3692	10.3692
Annualised / absolute return since inception till end of the year/period	3.57%			
Returns on Benchmark index since inception till end of the year/period	3.61%			
Net Assets at end of the year/period (Rs. Crs.)	42.52			
Ratio of Recurring Expenses to net assets	0.39%			
Date of Allotment	May 30,2007			
Benchmark Index	CRISIL Short Term Bond Fund Index			

Birla Fixed Term Plan - Series 24 months				
HISTORICAL PER UNIT STATISTICS	Retail Dividend	Retail Growth	Institutional Dividend	Institutional Growth
	April 1, 2007 to October 15, 2007			
NAV at the beginning of the year/period	N.A	N.A	N.A	N.A
Net Income per unit	0.33			
Dividends P.U	Nil	-	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil			
NAV at the end of the year/period	10.5331	10.5331	10.5513	10.5513
Annualised / absolute return since inception till end of the year/period	5.33%			
Returns on Benchmark index since inception till end of the year/period	3.26%			
Net Assets at end of the year/period (Rs. Crs.)	72.95			
Ratio of Recurring Expenses to net assets	0.49%			
Date of Allotment	June 11,2007			
Benchmark Index	CRISIL Short Term Bond Fund Index			

Birla Fixed Term Plan - Series X				
HISTORICAL PER UNIT STATISTICS	Retail Dividend	Retail Growth	Institutional Dividend	Institutional Growth
	April 1, 2007 to October 15, 2007			
NAV at the beginning of the year/period	N.A	N.A	N.A	N.A
Net Income per unit	0.28			
Dividends P.U	Nil	-	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil			
NAV at the end of the year/period	10.2659	10.2659	10.2775	10.2775
Annualised / absolute return since inception till end of the year/period	2.66%			
Returns on Benchmark index since inception till end of the year/period	2.40%			
Net Assets at end of the year/period (Rs. Crs.)	121.52			
Ratio of Recurring Expenses to net assets	0.21%			
Date of Allotment	July 04,2007			
Benchmark Index	CRISIL Short Term Bond Fund Index			

Birla Fixed Term Plan - Series Y				
HISTORICAL PER UNIT STATISTICS	Retail Dividend	Retail Growth	Institutional Dividend	Institutional Growth
	April 1, 2007 to October 15, 2007			
NAV at the beginning of the year/period	N.A	N.A	N.A	N.A
Net Income per unit	0.17			
Dividends P.U	Nil	-	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil			
NAV at the end of the year/period	10.1634	10.1634	10.1712	10.1712
Annualised / absolute return since inception till end of the year/period	1.63%			
Returns on Benchmark index since inception till end of the year/period	1.32%			
Net Assets at end of the year/period (Rs. Crs.)	74.14			
Ratio of Recurring Expenses to net assets	0.28%			
Date of Allotment	August 07,2007			
Benchmark Index	CRISIL Short Term Bond Fund Index			

Birla Fixed Term Plan - Series AA				
HISTORICAL PER UNIT STATISTICS	Retail Dividend	Retail Growth	Institutional Dividend	Institutional Growth
	April 1, 2007 to October 15, 2007			
NAV at the beginning of the year/period	N.A	N.A	N.A	N.A
Net Income per unit	0.13			
Dividends P.U	Nil	-	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil			
NAV at the end of the year/period	10.1624	10.1624	10.1684	10.1684
Annualised / absolute return since inception till end of the year/period	1.62%			
Returns on Benchmark index since inception till end of the year/period	1.50%			
Net Assets at end of the year/period (Rs. Crs.)	294.69			
Ratio of Recurring Expenses to net assets	0.29%			
Date of Allotment	August 23,2007			
Benchmark Index	CRISIL Short-Term Bond Fund Index			

Birla Fixed Term Plan - Series AB				
HISTORICAL PER UNIT STATISTICS	Retail Dividend	Retail Growth	Institutional Dividend	Institutional Growth
	April 1, 2007 to October 15, 2007			
NAV at the beginning of the year/period	N.A	N.A	N.A	N.A
Net Income per unit	0.09			
Dividends P.U	Nil	-	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil			
NAV at the end of the year/period	10.1030	10.1030	10.1078	10.1078
Annualised / absolute return since inception till end of the year/period	1.08%			
Returns on Benchmark index since inception till end of the year/period	0.98%			
Net Assets at end of the year/period (Rs. Crs.)	294.62			
Ratio of Recurring Expenses to net assets	0.22%			
Date of Allotment	September 11,2007			
Benchmark Index	CRISIL Short-Term Bond Fund Index			

Birla Sun Life Interval Income Fund – Quarterly Plan - - Series I				
HISTORICAL PER UNIT STATISTICS	Retail Dividend	Retail Growth	Institutional Dividend	Institutional Growth
	April 1, 2007 to October 15, 2007			
NAV at the beginning of the year/period	N.A	N.A	N.A	N.A
Net Income per unit	0.11			
Dividends P.U	Nil	-	Nil	-
Transfer to reserves (if any) (Rs. Crs.)	Nil			
NAV at the end of the year/period	10.1075	10.1075	10.1088	10.1088
Annualised / absolute return since inception till end of the year/period	1.07%			
Returns on Benchmark index since inception till end of the year/period	1.02%			
Net Assets at end of the year/period (Rs. Crs.)	456.45			
Ratio of Recurring Expenses to net assets	0.15%			
Date of Allotment	August 29,2007			
Benchmark Index	Crisil Liquid Fund Index			

NOTES:

1. Annualised Returns for the Schemes have been calculated on Compounded Annualised basis for Growth Plan from the Date of Allotment, except, for Schemes not having Growth Plan, the same have been calculated for Dividend Plan after considering dividend reinvestment.
2. For Schemes having period of operation less than a year from the date of allotment, Absolute Returns have been calculated.
3. The per Unit NAV on the date of allotment is taken as Rs. 10 for computation of returns.

Borrowing of the Mutual Fund

Details of Borrowing by Birla Sun Life Mutual Fund are as follows:

Date of Borrowing	Amount of Borrowing (in Rs.)	Amount of Borrowing as % of NAV	Date of Repayment	Period of Borrowing	Purpose of Borrowing
April 3, 2007	198 Crores	4.88%	April 4, 2007	1 day	To meet Redemption

SECTION V

Unitholders' Rights and Services

Investor Services

Birla Sun Life Mutual Fund will endeavour to provide the Unit holders with the highest standards of service. The Mutual Fund is committed to put in place and upgrade on a continuous basis, systems and procedures that will enable effective investor servicing through the use of technology.

Official Points of Acceptance of Transactions

The AMC has designated official points of acceptance of transactions in various cities, the details of which are stated on the last page of this offer document. Unitholders can visit these centres for enquiries and transactions during business hours.

Account Statement

Account Statement reflecting the units allotted in the New Fund Offer Period as well as Redemption / Switch of Units shall be despatched to the Unit holder within 30 days from the date of allotment/transaction. However, under normal circumstances, the Mutual Fund shall endeavour to dispatch the Account Statement within 10 Business Days from the date of allotment/transaction.

Std Obs
5 (h)

Information Dissemination And Periodic Disclosure

The NAVs of the scheme will be calculated and announced by the AMC on a daily basis. Information regarding NAV can be obtained by the Unit holders / Investors by calling or visiting the nearest ISC. The NAVs of the respective plans shall be published atleast in two daily newspapers on a daily basis in accordance with SEBI Regulations; NAVs will also be displayed on the Website of the Mutual Fund.

Std Obs
4 (a)

AMC shall update the NAVs on the website of Association of Mutual Funds in India - AMFI (www.amfiindia.com) by 9.00p.m. on the day of declaration of the NAV. In case of any delay, the reasons for such delay would be explained to AMFI and SEBI by the next day. If the NAVs are not available before commencement of business hours on the following day due to any reason, Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs. The Sale and Redemption price of Units shall be published in a daily newspaper on a daily basis in accordance with SEBI Regulations.

The Scheme wise annual report or an abridged summary thereof shall be mailed to all Unit holders not later than six months from the date of closure of the relevant accounting year and full annual report shall be available for inspection at the Head Office of the Mutual Fund and a copy shall be made available to the Unit holders on request on payment of nominal fees, if any.

Std Obs
5 (a)

Before expiry of one month from the close of each half year that is on March 31 and September 30, the Mutual Fund will publish its half-yearly unaudited financial results in one national English daily newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated as per the format prescribed by SEBI vide their Circular No. MFD/CIR/1/200/2001 dated April 20, 2001. These results shall also be displayed on the website of the Mutual Fund and Association of Mutual Funds in India.

Std Obs
5 (b)

The Mutual Fund shall before the expiry of one month from the close of each half year i.e. March 31 and September 30, send to all Unit holders a complete statement of its Scheme portfolio. Provided that the statement of Scheme portfolio may not be sent to the Unit holders if the statement is published, by way of an advertisement, in one English daily circulating in the whole of India and in a newspaper published in the language of there on where the Head Office of the Mutual Fund is situated. The disclosure of Portfolio shall be made in the format prescribed by SEBI in their Circular No. MFD/CIR/9/120/2000 dated November 24, 2000.

The annual report containing accounts of the AMC shall be displayed on the Website of the Mutual Fund. Unit holders, if they so desire, may request for the annual report of the AMC.

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 despatched within 30 days of the declaration of the dividend.
3. Account Statement reflecting the new or additional subscription as well as Redemption / Switch of Units shall be despatched to the Unit holder within 10 business days from the date of receipt of the request

Std Obs
5 (e)

from the Unitholder. 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.

4. As per SEBI Regulations, the Mutual Fund shall despatch Redemption proceeds within 10 working days of receiving the Redemption request. As redemption facility in this scheme is available on a daily basis, the AMC will despatch the redemption cheques within 10 working days from the date of receipt of the request from the Unitholder. If the despatch of redemption proceeds is not made within 10 working days, the Unitholders shall be paid interest @15% p.a. for the delayed period and the interest shall be borne by the AMC. However, under normal circumstances, the Mutual Fund will endeavor to despatch the Redemption cheque within 4 Business Days from the date of receipt of the request from the Unitholder. Std Obs
5 (e)
5. The Trustee is bound to make such disclosures to the Unit holders as are essential in order to keep them informed about any information known to the Trustee which may have a material adverse bearing on their investments.
6. The appointment of the AMC for the Mutual Fund can be terminated by majority of the Directors of the Trustee of by 75% of the Unit holders of the Scheme. Std Obs
5 (d)
7. The Trustee is obliged to convene a meeting on a requisition of 75% of the Unit holders of a Scheme.
8. 75% of the Unit holders of a Scheme can pass a resolution to wind-up a Scheme. Std Obs
7
9. The Trustee shall obtain the consent of the Unit holders:
 - whenever required to do so by SEBI, in the interest of the Unit holders.
 - whenever required to do so on the requisition made by three-fourths of the Unit holders of the Scheme.
 - when the Trustee decides to wind up the Scheme or prematurely redeem the Units.
 - The Trustee shall ensure that no change in the fundamental attributes of any Scheme or the trust or fees and expenses payable or any other change which would modify the Scheme and affects the interest of Unit holders, shall be carried out unless :
 - (i) a written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and Std Obs
5 (c)
 - (ii) the Unit holders are given an option to exit at the prevailing Net Asset Value without any Exit Load. Std Obs
7
10. In specified 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.

Duration Of The Scheme/ Winding Up

- I. The scheme shall stand finally terminated on maturity date and the outstanding units of the unitholders shall be repurchased.
- II. Besides receiving the repurchase proceeds based on the repurchase price, no further benefit of any kind either by way of increase in repurchase value or by way of income for any subsequent period shall accrue. However, the fund reserves the right to extend the scheme beyond its redemption date, with the prior approval of SEBI and in accordance with the Regulations. In such an event, the unitholder shall be given an option to either sell back the units to the fund or to continue in the scheme. The fund can also give the unitholder an option to switch the repurchase proceeds into any other eligible scheme of the mutual fund launched or in operation at that time.
- III. The extension of the period of the scheme beyond final redemption date/s or roll over of the scheme shall be in accordance with the Regulations.
- IV. In terms of the SEBI Regulations, the Scheme may be wound up after repaying the amount due to the Unit holders:
 - (a) on completion of the scheme
 - (b) on the happening of any event which, in the opinion of the Trustee, requires the Scheme to be wound up; or
 - (c) If seventy five percent of the Unit holders of the Scheme pass a resolution that the Scheme be wound up; or
 - (d) If SEBI directs the Scheme to be wound up in the interest of the Unit holders.

Where a Scheme is to be wound up pursuant to the above SEBI Regulations, the Trustee shall give notice of the circumstances leading to the winding up of the Scheme:

1. to SEBI; and
2. in two daily newspapers having circulation all over India and also in a vernacular newspaper circulating at the place where the Mutual Fund is established.

On and from the date of the publication of the notice as stated above, the Trustee or the AMC as the case maybe, 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.

In the event of the Scheme being wound up (other than in case of maturity), the AMC shall proceed as follows:

1. The Trustee shall call a meeting of the Unit holders of the Scheme to consider and pass necessary resolutions by simple majority of Unit holders present and voting at the meeting for authorising the AMC or any other person / agency to take the steps for winding up of the Scheme.
 - (a) The Trustee or the person authorised as above, shall dispose the assets of the Scheme concerned in the best interests of the Unit holders of the Scheme.
 - (b) The proceeds of the sale made in pursuance of the above, shall in the first instance be utilised 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 Unit holders 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.
2. On the completion of the winding up, the Trustee shall forward to SEBI and the Unit holders, a report on the winding up containing particulars such as circumstances leading to the winding up, the steps taken for disposal of assets of the Scheme before winding up, expenses of the Scheme for winding up, net assets available for distribution to the Unit holders and a certificate from the Auditors of the Mutual Fund.
3. Notwithstanding anything contained herein, the application of the provisions of SEBI Regulations in respect of disclosures of half-yearly reports and annual reports shall continue to be applicable until the winding up is completed or the Scheme ceases to exist.
4. After the receipt of report referred to the above under if SEBI is satisfied that all measures for winding up of the Scheme have been complied with, the Scheme shall cease to exist.

SECTION VI

Other Matters

Unitholders Grievances Redressal Mechanism

Investors may contact the ISCs or the office of the AMC for any queries /clarifications. The Head Office of the AMC will follow up with the respective ISC to ensure timely redressal and prompt investor services. Ms.Rekha Naidu,Head- Investor Services can be contacted at the office of the AMC at Ahura Centre, 2nd Floor, Tower A, 96/A-D, Mahakali Caves Road, Andheri - (East) Mumbai 400093. at Telephone nos. (022) 66928000 Fax no. (022) 66928111.

Investor Complaints

Given below is the status of Investor Complaints received directly by the mutual fund and forwarded by SEBI.

Complaints Redressal Statistics April 1, 1999 – October 31, 2007

Std Obs 18

Scheme	Complaints Received	Complaints Redressed	Complaints Pending
Birla Advantage Fund	9546	9538	8
Birla Asset Allocation Fund	391	391	0
Birla Balance	6932	6932	0
Birla Bond Index Fund	32	32	0
Birla Sun Life Liquid Plus(Birla Bond Plus)	74	74	0
Birla Cash Plus	769	768	1
Birla Dividend Yield Plus	2226	2223	3
Birla Dynamic Bond	10	10	0
Birla Equity Plan	2883	2883	0
Birla Floating Rate Fund	70	69	1
Birla Fixed Maturity Plan	8	8	0
Birla Gilt Plus	451	451	0
Birla Income Plus	8906	8905	1
Birla Index Fund	60	60	0
Birla India GenNext Fund	245	245	0
Birla India Opportunities Fund	10166	10165	1
Birla Midcap	372	372	0
Birla MIP	1189	1187	2
Birla MIP II Saving 05	73	73	0
Birla MIP II Wealth 25	336	336	0
Birla MNC Fund	10029	10029	0
Birla Sun Life Equity Fund	372	371	1
Birla Sun Life Monthly Income	165	165	0
Birla Sun Life New Millennium Fund	295	295	0
Birla Sun Life '95 Fund	156	154	2
Birla Sun Life Income Fund	30	30	0
Birla Sun Life Basic Industries Fund	259	259	0
Birla Sun Capital Tax Relief-96	1419	1414	5
Birla Sun Buy India Fund	206	202	4
Birla Sun Life Frontline Equity Fund	227	227	0
Birla Sun Life Govt. Securities	2	2	0
Birla Taxplan'98	58	58	0
Birla Top 100 Fund	1117	1115	2
Birla Infrastructure Fund	873	868	5
Birla Fixed Maturity Plan	19	19	0
Birla Sun Life Cash Manager	16	16	0
Birla Long Term Advantage Fund	129	129	0
BSL Long Term Advantage Fund Series 1	7	7	0
Birla Sun Life Short Term Fund	4	4	0
Birla Cash Plus – Sweep Plan	1	1	0

Others	680	672	8
TOTAL	60803	60759	44

Associate Transactions

Business given to associates of BSLAMC and Payments made to sponsor and its associates during the last 3 financial years and from April 1, 2007 to October 31, 2007 is given below:

Name	April 1, 2007 – October 31, 2007 (Unaudited)	2006-2007	2005-06	2004-05
Birla Sun Life Distribution Co. Ltd.	5,46,82,392.49	3,05,73,688.17	29,045,647.51	45,870,325.14
Aditya Birla Nuvo Ltd (erstwhile Birla Global Finance Limited)	88,31,534.58	70,08,115.16	3,533,688.21	11,106,737.84

Investments in Group companies of BSLAMC

BSLAMC does not have any separate policy for investment in securities of the group companies. If at any time such investments are made, it will be done on pure commercial consideration for the benefit of the Fund. No investment will be made in any unlisted security of an associate or group company of the Sponsor and in any security issued by way of private placement by an associate or group company of the Sponsor. Further, investments in listed securities of the group company of the Sponsor will not exceed 25% of the net assets of each scheme of the Fund. Investment in-group companies will be done only in the interest of the Fund and as per the SEBI Regulations.

As on October 15, 2007 investments made in the securities of Group Companies of the sponsor stood as follows:

Scheme	Name of the Security	Security Category	Amount (Rs. in Lacs)	% of Net Assets of the Scheme	Net Assets (Rs.)
Birla Advantage Fund	Aditya Birla Nuvo Limited	Equity	1,488.76	2.54	5,850,964,167.16
Birla Cash Plus	Hindalco Industries Ltd.	Debt	2,327.27	0.25	92,001,321,817.79
Birla Equity Plan	Aditya Birla Nuvo Limited	Equity	686.26	4.13	1,661,289,783.34
	Grasim Industries Ltd.	Equity	285.87	1.72	
	Ultra Tech Cement Ltd	Equity	456.40	2.75	
Birla Generation Next	Idea Cellular Limited	Equity	1,003.71	424.45	23,647,504.13
Birla Infrastructure Fund	Grasim Industries Ltd.	Equity	1,143.48	44.73	255,632,554.95
Birla Long Term Advantage	Aditya Birla Nuvo Limited	Equity	806.54	4.58	1,760,333,284.54
	Idea Cellular Limited	Equity	892.20	5.07	
Birla Midcap Fund	Aditya Birla Nuvo Limited	Equity	1,815.07	3.53	5,146,944,313.50
Birla Sunlife Basic Industries Fund	Grasim Industries Ltd.	Equity	666.76	4.07	1,636,330,112.57

Birla Sunlife Equity Fund	Aditya Birla Nuvo Limited	Equity	3,090.23	9.82	3,145,405,388.30
	Grasim Industries Ltd.	Equity	2,783.69	8.85	
Birla Sunlife Frontline Equity Fund	Grasim Industries Ltd.	Equity	1,170.16	3.72	3,145,405,388.30
Birla Sunlife Long Term Advantage Sr 1	Aditya Birla Nuvo Limited	Equity	858.85	2.05	4,195,901,551.90
	Idea Cellular Limited	Equity	944.25	2.25	
Birla Sunlife Tax Relief 96	Aditya Birla Nuvo Limited	Equity	2,401.91	4.52	5,311,440,676.01
Birla Taxplan 98 (Close Ended)	Aditya Birla Nuvo Limited	Equity	77.46	9.11	85,037,927.71
	Grasim Industries Ltd.	Equity	43.83	5.15	
	Idea Cellular Limited	Equity	26.77	3.15	
Birla Top 100	Aditya Birla Nuvo Limited	Equity	584.97	1.18	4,943,010,752.35
	Grasim Industries Ltd.	Equity	991.02	2.00	
	Idea Cellular Limited	Equity	957.64	1.94	
Birla Index Fund	Grasim Industries Ltd.	Equity	40.67	0.97	419,580,540.00
	Hindalco Industries Ltd.	Equity	26.71	0.64	
Birla Fixed Term Debt - Sr 3 36 Mth	Hindalco Industries Ltd.	Debt	24.80	10.49	23,647,504.13
Birla Fixed Term Plan - Series N	Hindalco Industries Ltd.	Debt	396.74	15.52	255,632,554.95
Birla Income Plus	Hindalco Industries Ltd.	Debt	99.19	0.20	5,009,971,582.61

The above investments constitute 1.06% of the total net assets of the Fund as on October 15, 2007. The above investments were considered sound. Before making an investment, the AMC evaluated the same on merits and on arm's length basis and in accordance with the objective of the scheme.

Business dealings / transactions with associates of BSLAMC

BSLAMC utilises the services of Birla Sun Life Distribution Company Ltd., and Aditya Birla Nuvo Ltd (erstwhile Birla Global Finance Ltd) for marketing and distribution of the units of various schemes.

The AMC may utilise the services of Sponsor, group companies and any other subsidiary or associate company of the Sponsor established or to be established a later date, in case such a company (including their employees or relatives) in a position to provide the requisite services to the AMC. The AMC will conduct its business with the aforesaid companies (including their employees or relatives) on commercial terms and on arms-length basis and at mutually agreed terms and conditions to the extent permitted under the SEBI Regulations, after evaluation of the competitiveness of the pricing offered by the Sponsor, associate companies (including their employees or relatives) and the services to be provided by them.

Underwriting Obligations with respect to issues of Associate Companies -

The AMC has, till date not entered into any Underwriting contracts in respect of any public issue made by any of its associate companies.

Subscription in issues lead managed by the Sponsor or any of its associates-

Details of subscription in issues where Aditya Bilra Nuvo Ltd (erstwhile Birla Global Finance Limited) the sponsor was the arranger for financial years 2003-2004, 2004-2005, 2005-2006 and from April 2006-October 2007

Name of the Scheme	Security Description	Amount in Rs
Birla Cash Plus	6.50% Punjab Tractors Ltd.	200,000,000
Birla Cash Plus	6.75% Swaraj Engines Ltd.	50,000,000
Birla Cash Plus	6.15% Swaraj Engines	50,000,000
Birla Cash Plus	6.15% Swaraj Engines Ltd.	50,000,000
Birla Cash Plus	Sun Pharma - Mibor+15bps	100,000,000
Birla Bond Plus	Sun Pharma - Mibor+15bps	100,000,000
Birla Cash Plus	Sun Pharma - Mibor+15bps	300,000,000
Birla Cash Plus	Century Textiles - Mibor+10bps	50,000,000
Birla Cash Plus	5.50% Swaraj Engines Ltd	50,000,000
Birla Cash Plus	Century Textiles - Mibor+10bps	100,000,000
Birla Income Plus	Century Textiles - Mibor+10bps	100,000,000
Birla Cash Plus	5.7% Swaraj Engines Ncd	50,000,000
Birla Cash Plus	5.7% Swaraj Engines Ncd	50,000,000
Birla Cash Plus	NSEMIBOR plus10bps Century Text 89dys NCD Red29Mar04 PHYLOA	150,000,000
Birla Cash Plus	NSEMibor plus10bps Cent Text 89dysUnsec NCDRed 6Apr04 PHYLOA	50,000,000
Birla Cash Plus	4.98pc Punjab Tractors 72Days UnsecNCD Red25Mar04DMTLOA	150,000,000
Birla Floating Rate Fund - Short Term Plan	1yrGSEC 130bpsResetSemiAnnulDBI OMNI Bonds2004DRed9Mar09DMT	100,000,000
Birla Cash Plus	5.65pcGarden Silk Mill UnsecUnrtd63DaysNCD Red29Jun04DMTLOA	150,000,000
Birla Bond Plus	NM Plus5Bp Indian Oiltanking 89DaysNCD Red 26Jul2004 Phy Loa	50,000,000
Birla Cash Plus	NM Plus 5 BpsCentText ltd 89Days SecNcd Red 28Jul04 PHY LOA	200,000,000
Birla Cash Plus	5.65pc Swaraj Engines 89Days UnsecNCD Red28Jul04 PHYLOA	50,000,000
Birla Cash Plus	5.65pcGarden Silk Mill UnsecUnrtd48DaysNCD Red28Jun04DMTLOA	100,000,000
Birla Cash Plus	NM Plus 0 BpsCentText ltd 88Days SecNcd Red 20Aug04 PHY LOA	200,000,000
Birla Cash Plus	NM Plus0Bps IndianOiltanking 87DaysNCD Red 20Aug2004 Phy Loa	50,000,000
Birla Cash Plus	5.65pc Swaraj Mazda Ltd 78 Days Unsec NCD Red 29Sep04 PhyLoa	50,000,000
Birla Cash Plus	NSE MIBOR Cent Tex and Ind 87Days SecNCD Red11Oct04PHYLOA	100,000,000
Birla Cash Plus	5.65pc Swaraj Engines Urtd Unsec 89DaysNCD Red13Oct04DmtLOA	50,000,000
Birla Cash Plus	NM 0Bps IndianOiltanking 88DaysNCD Red 22Oct2004 Phy Loa	50,000,000
Birla Cash Plus	NM plus 0bps Century Textiles 89Days Sec NCDRed25Oct04PHYLOA	200,000,000
Birla Cash Plus	5.65pc Swaraj Engines Urtd Unsec 60DaysNCD Red28Sep04DmtLOA	50,000,000
Birla Cash Plus	6pc Swaraj Mazda Ltd 85 Days Unsec NCD Red 10Nov04 PHYLOA	50,000,000
Birla Fixed Maturity Plan- Quarterly Series 2	4.90pc Punjab Tractors 89Days UnsecNCD Red30Nov04DMTLOA	100,000,000
Birla Cash Plus	NMplus 0bps Century Text 89Days SecNCD Red 1Dec04 PHYLOA	450,000,000
Birla Cash Plus	5.65pc Swaraj Engines Urtd Unsec NCD Red 3 Dec 04 Dmt LOA	50,000,000
Birla Cash Plus	5.75pc Swaraj Mazda Ltd 84 Days Unsec NCD Red 22Dec04 PHYLOA	50,000,000
Birla Dynamic Bond Fund	NM Cent Tex and Ind 89Days SecNCD Red27Dec04PHYLOA	200,000,000
Birla Cash Plus	5.75pc Swaraj Eng 84Days UnrtdUnsecNCD Red24Dec04 DMTLOA	50,000,000
Birla Cash Plus	5.90pc Swaraj Eng 76Days UnrtdUnsecNCD Red 30Dec04 DMTLOA	50,000,000
Birla Floating Rate Fund - Short Term Plan	NM plus10bps Cent Tex and Ind 89Days SecNCDRed 2Feb05PHYLOA	200,000,000
Birla Floating Rate Fund - Short Term Plan	NM plus10bps Cent Tex and Ind 88Days SecNCDRed 4Feb05PhyLoa	200,000,000
Birla Cash Plus	6.40pc Swaraj Mazda Ltd 84 Days UnsecNCD Red 2Feb2005 PHYLOA	50,000,000
Birla Cash Plus	NM plus 0bps Century Text. 87Days Secu NCD Red11Mar05 PHYLOA	200,000,000

Birla Floating Rate Fund - Short Term Plan	NM plus 0bps Century Text. 87Days Secu NCD Red11Mar05 PHYLOA	200,000,000
Birla Floating Rate Fund - Long Term Plan	NSE Mibor Century Text. 86Days Secu NCD Red18Mar05 PHYLOA	100,000,000
Birla Floating Rate Fund - Short Term Plan	NSE Mibor Century Text. 86Days Secu NCD Red18Mar05 PHYLOA	100,000,000
Birla Cash Plus	6.50pc Swaraj Eng 82Days UnrtdUnsecNCD Red 15Mar05 PHYLOA	50,000,000
Birla Floating Rate Fund - Short Term Plan	NM plus15bps Century Text. 89Days Secu NCD Red29Mar05 PHYLOA	200,000,000
Birla Cash Plus	6.40pc Swaraj Eng 77Days UnrtdUnsecNCD Red 24Mar05 DMTLOA	50,000,000
Birla Cash Plus	6.40pc Swaraj Eng 63Days UnrtdUnsecNCD Red 10Mar05 DMTLOA	50,000,000
Birla Cash Plus	NM plus 5bps ACC Ltd 83Days Sec NCD Red 31Mar05 PHYLOA	150,000,000
Birla Cash Plus	NM plus 5bps Century Text 87Days Secu NCD Red15Apr05 PHYLOA	200,000,000
Birla Cash Plus	6.60pc Swaraj Mazda Ltd 89Days UnsecNCD Red 20Jun2005 PHYLOA	100,000,000
Birla Cash Plus	NMPlus20bps MothersonSumi Unsec30Days NCD Red 13May05 PhyLoa	50,000,000
Birla Cash Plus	6.50pc Swaraj Eng 80Days UnrtdUnsecNCD Red 8Jul05 DMTLOA	50,000,000
Birla Cash Plus	6.5pc Swaraj Eng 87Days UnrtdUnsecNCD Red 15Jul05 DMTLOA	50,000,000
Birla Cash Plus	NM plus 30bps Century Text 89Days Secu NCD Red 4Oct05 PHYLOA	300,000,000
Birla Cash Plus	6.45pc Swaraj MazdaLtd 71Days UnsecUnratedNCDRed29Sep2005PHY	100,000,000
Birla Cash Plus	NM plus 25bps Century Text84Days Secu NCD Red28Oct05 PHYLOA	200,000,000
Birla Cash Plus	6.40pc Swaraj Eng 89Days UnrtdUnsecNCD Red 8Nov05 PHYLOA	50,000,000
Birla Cash Plus	6.40pc Swaraj Eng 80Days UnrtdUnsecNCD Red 8Dec05 PHYLOA	50,000,000
Birla Cash Plus	6.40pc Swaraj MazdaLtd 86Days UnsecUnratedNCDRed14Dec2005PHY	50,000,000
Birla Cash Plus	6.6pc Swaraj MazdaLtd 71Days UnsecUnratedNCDRed30Dec2005PHY	100,000,000
Birla Floating Rate Fund - Short Term Plan	5.90pc Punjab Tractors 45Days UnsecNCD Red9Dec05 DMT LOA	250,000,000
Birla Cash Plus	6.75pc Swaraj MazdaLtd 48Days UnsecUnratedNCDRed29Dec2005PHY	50,000,000
Birla Cash Plus	7pc Swaraj Eng 88Days UnrtdUnsecNCD Red 7Mar2006 PHYLOA	50,000,000
Birla Cash Plus	6.50pc Punjab Tractors 84Days UnsecNCD Red3Mar2006 DMTLOA	250,000,000
Birla Cash Plus	6.50pc Punjab Tractors UnsecNCD DOA10Jan06 Red24Mar06 DMTLOA	200,000,000
Birla Cash Plus	NM plus30bps Century Text NCD DOA 20Jan06 Red19Apr06 LOA PHY	100,000,000
Birla Cash Plus	7.9pc Swaraj Mazda Ltd UnsNCD DOA7Feb06 Red 24Mar06 PHYLOA	50,000,000
Birla Cash Plus	NM plus 20bps Finoex Cables 87DaysUnsecNCDRed13Jul06 PHYLOA	20,00,00,000
Birla Cash Life Cash Manager	8.5pc Swaraj Mazda Ltd UnsDeb DOA13Nov06 Red 19Jan07 PHYLOA	5,00,00,000
Birla Infrastructure Fund	Simplex Projects Limited (IPO Equity Shares)	22,19,94,450
Birla Sun Life Liquid Plus	Redington India Ltd (Comm Paper DOI 23Aug07 Redemption 21Nov2007)	9,80,94,000

Disclosure under Regulation 25(11) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended Investments made by the schemes of Birla Sun Life Mutual Fund in Companies or their subsidiaries that have invested more than 5% of the net assets of any scheme.

Aggregate purchases made by the schemes during the Period October 16, 2005 to October 15, 2007 and the market/ fair value of such investments as at October 15, 2007 in companies which have invested in any scheme of the Fund, in excess of five per cent of that schemes net asset value.

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Company Name	Schemes invested in by the Company	Investment made by schemes of Birla Sun Life Mutual fund in the company / subsidiary	Aggregated for the period under Regulation 25(11) At cost (Rupees in Lakhs)	Outstanding as at October 15, 2007 At Market / Fair Value (Rupees in Lakhs)
Aban Offshore Ltd	BFL	BSLEQTY	1,050.25	1,482.87
		MIDCAP	285.67	Nil
Allahabad Bank	BBP	BBAL	182.82	Nil
	BSLCM	BBP	19,748.82	7,278.25
	GENNEXT	BDYP	2,133.84	Nil

	BFL	BFTPOS13	4,369.82	Nil
		BFTPOS14	4,170.01	Nil
		BFTPOS19	1,178.67	Nil
		BSLCM	17,001.64	Nil
		BSLEQTY	1,362.87	Nil
		BSLIF	283.16	Nil
		BSLMI	1,362.09	Nil
		BSLR96	89.39	Nil
		BSLSTF	1,799.40	206.94
		BSLTA1	1,133.20	872.10
		CASH	74,586.55	7,515.14
		CASHDIV	2,467.33	Nil
		FTPF	953.46	Nil
		FTPR	2,497.16	2,643.08
		GENNEXT	180.33	204.48
		MIDCAP	299.27	Nil
		MIP5	25,284.66	8,361.76
		PLUS	3,714.52	Nil
		TAX98	16.71	Nil
		TAX99	314.70	Nil
Axis Bank Ltd.	BSLCM	ADVG	1,294.22	1,205.15
	CASH	BBP	4,774.37	2,492.93
		BFL	2,495.51	Nil
		BFS	1,000.56	Nil
		BFTPOS6	948.73	Nil
		BLTA	749.62	896.79
		BSLCM	12,881.16	Nil
		BSLEQTY	830.57	Nil
		BSLFEF	209.37	Nil
		CASH	39,476.41	3,881.23
		CASHDIV	684.63	Nil
		FTD2P18	1,499.01	Nil
		FTPA	986.16	Nil
		GENNEXT	1,281.29	813.35
		MIP	1,001.11	Nil
		PLUS	501.44	Nil
		TAX99	360.00	Nil
Bajaj Auto Ltd.	BBP	ADVG	671.69	Nil
		BBAL	599.62	Nil
		BDYP	660.98	606.29
		BINFRA	68.16	Nil
		BSL95F	189.52	Nil
		BSLBIND	615.56	Nil
		BSLEQTY	1,746.10	Nil
		BSLFEF	420.27	Nil
		BSLMI	247.56	Nil
		BSLR96	95.79	Nil
		BTOP100	2,068.91	Nil
		GENNEXT	1,173.16	Nil

		NIFTY	720.76	30.58
		TAX98	23.20	Nil
		TAX99	219.56	Nil
Bharti Airtel Ltd.	BSLCM	ADVG	298.44	2,963.35
	BSLSTF	BBAL	835.03	281.69
		BINFRA	2,568.87	2,291.53
		BLTA	1,725.55	2,140.83
		BSL95F	95.24	338.03
		BSLBUYI	1,217.19	416.90
		BSLCP5	3.99	5.75
		BSLEQTY	5,570.21	4,664.80
		BSLFEF	1,942.43	1,274.29
		BSLMI	170.53	39.44
		BSLNMF	1,022.05	1,408.44
		BSLR96	849.78	1,521.11
		BSLTA1	576.15	507.04
		BTOP100	1,793.09	3,211.24
		GENNEXT	229.91	1,070.41
		MIP	234.21	56.34
		MIP25	89.48	33.80
		MNC	47.02	1,295.76
		NIFTY	3,265.38	247.86
		TAX98	10.76	Nil
		TAX99	504.08	563.38
Cairn India Ltd.	BFL	BSLTA1	586.88	Nil
		BTOP100	1,778.68	948.00
DLF Ltd.	BBP	BINFRA	693.13	Nil
	CASH	BTOP100	614.70	Nil
		GENNEXT	557.19	Nil
		TAX99	286.04	Nil
DSP Merrill Lynch Capital Ltd.	BSLCM	CASH	118,981.71	Nil
		FMPAS3	1,878.85	Nil
Edelweiss Securities Pvt Ltd	CASHDIV	BBP	2,369.33	2,418.06
Electrosteel Castings Ltd	BFL	CASH	2,000.00	Nil
Geometric Software Solutions Co. Ltd.	CASHDIV	BSLEQTY	695.17	Nil
		BSLFEF	20.65	Nil
		BSLNMF	388.75	Nil
		BSLTA1	832.12	650.65
		MIDCAP	130.04	Nil
		TAX99	225.77	Nil

Global Trade Finance Pvt Ltd.	BSLCM	BSLCM	4,500.00	Nil
		CASH	125,867.60	Nil
Grasim Industries Limited	BBP	ADVG	1,003.09	Nil
	BSLCM	BINFRA	3,469.96	1,143.48
	PLUS	BSLBIND	614.85	666.76
	BSLSTF	BSLEQTY	4,378.31	2,783.69
		BSLFEF	1,849.32	1,170.16
		BSLR96	641.15	Nil
		BTOP100	2,591.99	991.02
		NIFTY	693.81	40.67
		TAX98	33.22	43.83
		TAX99	601.09	285.87
GVK Power & Infrastructure Ltd.	BSLCM	BINFRA	523.13	706.37
		BLTA	493.33	Nil
		BSLEQTY	1,436.18	2,386.85
		BSLR96	447.08	1,053.46
		BSLTA1	1,045.61	1,872.48
		MIDCAP	462.49	Nil
H T Media Ltd.	BSLSTF	BSLNMF	38.82	Nil
		GENNEXT	325.04	341.89
HDFC Bank Ltd.	CASH	BBAL	44.80	41.92
		BBP	30,817.91	9,223.78
		BFS	273.81	Nil
		BINFRA	3,994.80	Nil
		BLTA	1,394.13	1,266.88
		BSLCM	3,864.42	Nil
		BSLEQTY	658.06	Nil
		BSLFEF	1,075.27	625.99
		BSLR96	1,849.44	2,584.49
		BSLSTF	1,965.58	288.21
		BTOP100	1,911.65	760.13
		CASH	78,398.42	480.35
		CASHDIV	888.31	Nil
		GENNEXT	675.21	Nil
		MIDCAP	394.86	Nil
		MIP	500.00	Nil
		MIP5	22,620.45	8,838.43
		NIFTY	914.81	61.42
		TAX99	191.47	245.92
Hindalco Industries Ltd.	BBP	BBP	1,440.42	Nil
	MIP5	BINFRA	1,606.45	Nil
		BSLBIND	305.31	Nil
		BSLCM	1,003.51	Nil

		BSLEQTY	2,971.98	Nil
		BSLFEF	204.32	Nil
		BSLR96	44.68	Nil
		BTOP100	306.95	Nil
		CASH	4,303.83	2,327.27
		FTD3P36	Nil	24.80
		FTPN	389.04	396.74
		NIFTY	556.28	26.71
		PLUS	Nil	99.19
		TAX99	296.67	Nil
Hindustan Unilever Ltd.	CASH	ADVG	1,762.89	Nil
		BBAL	697.79	591.84
		BDYP	1,750.96	624.17
		BSLBUYI	777.81	Nil
		BSLCP3	13.75	Nil
		BSLEQTY	1,819.62	Nil
		BSLFEF	1,100.73	219.20
		BTOP100	1,782.60	Nil
		GENNEXT	1,040.22	Nil
		MIP	153.27	142.48
		MIP25	189.18	142.48
		MNC	572.51	670.75
		NIFTY	1,373.04	56.25
Housing Development & Infrastructure Ltd.	BBP	ADVG	1,866.16	2,127.12
		BSLEQTY	3,311.62	2,425.53
		BSLFEF	1,138.12	654.53
		BTOP100	556.56	Nil
		MIDCAP	1,567.72	382.58
ICICI Bank Ltd.	BBP	ADVG	15,958.61	1,535.38
	CASH	BBAL	1,432.97	Nil
		BBP	191,837.29	97,421.25
		BDB	4,874.66	983.91
		BDYP	3,071.95	Nil
		BFL	21,851.52	1,921.79
		BFS	19,273.60	1,586.80
		BFTO	327.84	337.95
		BFTPOS10	31,862.23	Nil
		BFTPOS12	49.40	Nil
		BFTPOS13	7,844.77	Nil
		BFTPOS14	3,678.00	Nil
		BFTPOS15	9,204.64	Nil
		BFTPOS16	3,577.53	Nil
		BFTPOS18	61.01	Nil
		BFTPOS2	9,586.52	Nil
		BFTPOS4	4,618.19	Nil
		BINFRA	9,182.88	758.31
		BLTA	12,863.75	1,809.56

	BSL95F	2,121.27	Nil
	BSLBIND	6,234.87	606.44
	BSLBUYI	672.60	Nil
	BSLCM	51,094.88	2,926.00
	BSLCP3	10.04	12.06
	BSLEQTY	11,337.88	4,432.86
	BSLFEF	4,839.11	1,486.72
	BSLIF	6,307.18	Nil
	BSLINTQ1	24,492.48	24,760.50
	BSLMI	8,318.82	Nil
	BSLNMF	199.73	Nil
	BSLR96	10,952.26	2,467.58
	BSLSTF	43,862.23	12,097.02
	BSLTA1	1,136.18	Nil
	BTOP100	9,434.33	2,357.91
	CASH	684,817.71	43,951.63
	CASHDIV	3,410.33	Nil
	FMPAS3	990.61	1,035.43
	FMPQS2	10,244.11	9,803.62
	FMPYS1	958.17	Nil
	FTP24	135.47	127.64
	FTPAA	52,875.70	Nil
	FTPAB	9,352.78	9,472.87
	FTPAC	9,164.31	9,247.64
	FTPCC	2,459.25	Nil
	FTPDD	3,436.73	Nil
	FTPE	1,621.88	Nil
	FTPF	945.44	Nil
	FTPG	44,707.79	Nil
	FTPH	82,502.49	Nil
	FTPN	61.43	61.90
	FTPP	70.37	72.04
	FTPQ	1,247.26	1,311.87
	FTPR	543.19	577.68
	FTPS	12,620.59	4,880.22
	FTPT	69,980.09	29,130.23
	FTPU	34,534.41	20,236.20
	FTPV	5,395.55	3,752.40
	FTPW	291.41	301.45
	FTPX	4,752.92	4,885.41
	FTPY	1,074.00	1,092.17
	GENNEXT	6,302.82	Nil
	MIDCAP	5,090.25	Nil
	MIP	3,462.53	Nil
	MIP25	3,540.68	Nil
	MIP5	53,684.12	19,493.57
	MNC	2,999.34	Nil
	NIFTY	20,965.77	139.31
	PLUS	38,713.29	2,819.83
	TAX98	34.90	Nil
	TAX99	820.21	252.24

ICICI Securities Primary Dealership Ltd. ¹ (Subsidiary of ICICI Bank Ltd.)	BSLCM	ADVG	500.00	Nil
		BBP	500.00	Nil
		BINFRA	500.00	Nil
		BSLFEF	500.00	Nil
		CASH	131,490.00	13,000.00
Idea Cellular Limited	BSLCM	ADVG	308.61	Nil
		BFL	21.73	Nil
		BINFRA	88.68	Nil
		BLTA	962.72	892.20
		BSL95F	23.94	Nil
		BSLBIND	30.07	Nil
		BSLBUYI	21.48	Nil
		BSLEQTY	1,591.86	Nil
		BSLFEF	514.64	Nil
		BSLMI	23.32	Nil
		BSLNMF	377.17	Nil
		BSLR96	56.77	Nil
		BSLTA1	692.12	944.25
		BTOP100	864.98	957.64
		GENNEXT	686.20	1,003.71
		ITF	15.71	Nil
		MIDCAP	42.22	Nil
		MIP	32.16	Nil
		MIP25	21.48	Nil
		MIP5	1.10	Nil
TAX98	32.70	26.77		
TAX99	92.70	Nil		
Infrastructure Leasing & Financial Services Ltd.	BSLCM	BBP	10.05	Nil
		BSLSTF	25.74	Nil
		CASH	52,035.53	15,000.00
Indiabulls Real Estate Ltd.	BBP	BBP	4,897.36	Nil
		BFTPOS23	4,905.34	4,933.85
Indian Bank	BSLCM	ADVG	717.07	592.74
		BBAL	27.35	Nil
		BFTO	94.16	Nil
		BINFRA	1,609.48	Nil
		BSL95F	136.37	Nil
		BSLBIND	38.56	Nil
		BSLCP3	2.98	3.20
		BSLCP5	9.89	10.67
		BSLEQTY	2,149.17	1,530.40
		BSLFEF	1,197.42	762.00
		BSLMI	28.59	Nil
BSLTA1	1,240.98	1,226.16		

		CASH	41,245.12	Nil
		FMPAS3	102.01	Nil
		FMPOS2	24,316.78	Nil
		MIDCAP	1,304.43	Nil
		MIP	39.21	Nil
		MIP25	26.10	Nil
		MIP5	9,759.83	Nil
		TAX99	229.25	173.36
Indusind Bank Ltd	BSLCM	BFTPOS18	7,738.33	Nil
		BFTPOS4	392.74	Nil
		BSLCM	2,471.26	Nil
		CASH	37,494.43	Nil
		FMPOS2	9,497.27	Nil
Industrial Development Bank Of India	BBP	ADVG	487.33	472.80
	BSLCM	BBAL	1,985.46	Nil
	CASH	BBP	34,094.56	19,772.81
		BDYP	779.04	Nil
		BFL	3,529.90	1,000.00
		BFS	8,986.52	1,511.66
		BFTO	1,508.54	1,482.44
		BFTPOS1	5,908.93	Nil
		BFTPOS12	24.17	Nil
		BFTPOS15	739.24	Nil
		BFTPOS16	9,937.51	Nil
		BFTPOS17	31.86	Nil
		BFTPOS18	24.70	Nil
		BFTPOS6	13,354.47	Nil
		BFTPOS7	8,629.64	Nil
		BFTPOS8	3,765.56	Nil
		BFTPOS9	6,471.02	Nil
		BLTA	1,865.32	Nil
		BSL95F	1,262.08	Nil
		BSLBUYI	1,862.19	Nil
		BSLCM	25,541.05	496.35
		BSLEQTY	1,453.24	Nil
		BSLFEF	170.18	Nil
		BSLMI	1,098.62	Nil
		BSLR96	764.53	Nil
		BSLSTF	4,637.48	1,383.93
		BTOP100	1,345.08	Nil
		CASH	138,921.16	17,041.44
		CASHDIV	1,072.47	Nil
		FMPQS2	3,043.42	Nil
		FTD2P18	1,001.65	Nil
		FTD3P36	Nil	40.55
		FTPA	5,317.71	Nil
		FTPC	678.80	Nil
		FTPE	105.65	Nil
		FTPG	498.69	Nil

		FTPYS1	1,210.61	Nil
		FTPYS2	7,151.73	Nil
		FTPL	231.01	Nil
		FTPW	2,996.94	3,102.41
		GENNEXT	558.73	Nil
		MIDCAP	2,977.64	472.80
		MIP	666.79	Nil
		MIP25	93.51	Nil
		MIP5	18,274.07	6,730.91
		PLUS	3,639.77	Nil
		TAX99	495.12	Nil
Infotech Enterprises Ltd.	BSLCM	BSLNMF	344.05	149.43
		ITF	197.40	196.29
		MIDCAP	875.01	711.03
		TAX99	195.51	174.79
ING Vysya Bank Ltd.	BBP	BFL	4,903.42	4,933.74
	BSLCM	BSLR96	722.78	Nil
		BSLSTF	3,409.18	3,422.92
		CASH	20,074.74	9,867.71
		MIDCAP	451.52	697.80
		MNC	796.23	1,514.19
		PLUS	1,461.04	1,466.93
I T C Ltd.	PLUS	ADVG	682.47	Nil
		BSLSTF	613.69	580.01
		BFL	1,395.28	1,309.70
		BSL95F	756.60	935.50
		BSLBUYI	1,074.26	Nil
		BSLEQTY	528.05	Nil
		BSLFEF	563.85	Nil
		BSLR96	487.23	Nil
		BTOP100	988.67	1,381.83
		GENNEXT	337.37	Nil
		MIP	129.10	149.68
		MIP25	92.82	130.97
		MNC	304.10	561.30
		NIFTY	1,810.20	81.73
	TAX99	408.38	Nil	
Jagran Prakashan Ltd.	BSLCM	BSLBUYI	330.47	Nil
		BSLEQTY	488.96	933.92
		BFL	223.23	389.67
		CASH	2,946.06	Nil
		GENNEXT	355.49	25.73
		TAX98	15.85	Nil

Maharashtra Seamless Ltd.	BSLSTF	ADVG	968.04	1,073.86
		BINFRA	634.93	607.03
		BLTA	876.43	757.37
		BSLBIND	153.48	167.83
		BSLCP3	4.99	4.77
		BSLTA1	556.04	520.13
		MNC	131.02	Nil
Mahindra And Mahindra Financial Services Ltd .	BSLCM	BBP	5,487.06	Nil
		BFL	2,500.18	Nil
		BFS	500.00	Nil
		BFTO	1,478.56	1,491.58
		BSLCM	2,000.00	Nil
		BSLIF	776.11	Nil
		BSLMI	1,999.91	Nil
		BTOP100	2,000.00	Nil
		CASH	81,201.99	18,500.00
		FTP24	250.32	254.93
		FTPD	1,201.35	Nil
		FTPE	1,792.06	Nil
		FTPH	290.46	Nil
		FTPN	395.17	400.90
		FTPP	296.38	300.68
		FTPR	788.56	801.80
		MIDCAP	59.99	Nil
		MIP	1,982.45	Nil
		MIP25	739.58	Nil
		PLUS	3,004.27	254.93
Maruti Suzuki India Ltd.	BBP	ADVG	495.45	696.21
		BFL	408.02	364.35
		BSLBIND	934.51	475.74
		BSLCP5	9.92	6.96
		BSLEQTY	4,686.54	2,584.10
		BSLFEF	1,468.43	741.03
		BSLR96	1,879.64	2,204.67
		BTOP100	2,005.40	580.18
		GENNEXT	2,300.90	986.30
		MNC	1,482.96	1,264.78
		NIFTY	736.91	38.95
		TAX98	63.93	58.02
		TAX99	1,325.22	661.40
Network 18 Fincap Ltd	BFS	BSLFEF	143.32	Nil
		BSLNMF	124.85	Nil
		GENNEXT	14.67	Nil

Patni Computer Systems Ltd .	BFL	BSLEQTY	1,125.11	Nil	
		BSLNMF	193.72	Nil	
		BSLTA1	1,051.13	Nil	
		ITF	50.38	Nil	
Reliance Industries Ltd.	BBP	ADVG	4,133.04	3,196.98	
	CASH	BBAL	473.78	399.62	
		BBP	3,038.34	Nil	
		BDB	1,617.11	Nil	
		BINFRA	4,604.42	599.43	
		BLTA	1,426.20	2,658.48	
		BSL95F	814.20	666.04	
		BSLBIND	1,637.48	586.11	
		BSLCM	502.79	Nil	
		BSLCP3	9.98	13.99	
		BSLEQTY	3,445.20	1,229.51	
		BSLFEF	2,647.54	1,577.18	
		BSLMI	2,295.45	1,406.76	
		BSLR96	2,442.08	2,397.74	
		BTOP100	3,198.32	3,996.23	
		CASH	552.43	Nil	
		MIDCAP	208.92	Nil	
		MIP	171.89	106.57	
		MIP25	137.37	79.92	
		MIP5	4.97	Nil	
		NIFTY	5,012.27	431.47	
		PLUS	907.01	74.04	
		TAX98	57.85	Nil	
		TAX99	750.15	Nil	
	Reliance Petroleum Ltd. ² (Subsidiary of Reliance Industries Ltd.)	BBP	ADVG	129.61	Nil
		CASH	BBAL	31.80	Nil
			BINFRA	148.70	Nil
		BLTA	813.18	Nil	
		BSL95F	29.60	Nil	
		BSLBIND	34.54	Nil	
		BSLEQTY	97.93	Nil	
		BSLFEF	13.34	Nil	
		BSLMI	32.85	Nil	
		BSLR96	5.36	Nil	
		BSLTA1	269.89	Nil	
		BTOP100	956.72	Nil	
		MIDCAP	39.83	Nil	
		MIP	52.96	Nil	
		MIP25	18.98	Nil	
		MIP5	1.06	Nil	
		NIFTY	68.42	94.67	
		TAX98	1.79	Nil	
	TAX99	19.88	Nil		

State Bank Of India	CASH	BBAL	1,091.27	359.37
		BBP	50,805.99	43,554.91
		BINFRA	2,335.65	Nil
		BLTA	561.26	Nil
		BSL95F	1,069.27	256.69
		BSLBIND	791.81	Nil
		BSLEQTY	2,685.60	Nil
		BSLFEF	1,297.59	489.24
		BSLIF	1,449.88	462.04
		BSLMI	1,554.81	667.06
		BSLR96	622.18	Nil
		BSLSTF	836.61	Nil
		BTOP100	2,543.75	832.51
		CASH	91,882.78	Nil
		FTPH	3,478.24	Nil
		GENNEXT	2,259.31	Nil
		MIP	3,051.98	942.65
		MIP25	1,823.27	205.35
		NIFTY	1,830.66	119.26
		PLUS	14,339.50	3,419.12
		TAX99	474.92	Nil
State Bank Of Bikaner And Jaipur- (Subsidiary of State Bank of India) ³	BSLCM	ADVG	979.91	Nil
		BBP	2,310.86	Nil
		BSLCM	392.99	Nil
		BSLEQTY	1,171.78	Nil
		BSLIF	400.00	400.00
		BSLMI	98.25	Nil
		BSLNMF	196.01	Nil
		BSLSTF	7,164.07	4,958.54
		CASH	24,463.00	3,463.53
		FMPAS3	2,299.53	2,461.79
		FMPYS1	1,388.08	1,484.37
		GENNEXT	1,469.87	Nil
		PLUS	3,000.00	3,000.00
State Bank of Hyderabad(Subsidiary of State Bank of India) ³	BSLCM	ADVG	6,824.32	Nil
		BBP	3,744.24	Nil
		BFS	1,889.93	Nil
		BINFRA	5,414.19	Nil
		BSLBIND	148.95	Nil
		BSLCM	247.10	Nil
		BSLEQTY	2,214.90	Nil
		BSLFEF	492.09	Nil
		BSLR96	1,968.36	Nil
		CASH	52,127.51	9,468.39
		CASHDIV	3,838.48	Nil
		GENNEXT	1,476.27	Nil
		ITF	446.31	Nil
		MIDCAP	2,072.06	Nil

		NIFTY	5,106.51	Nil
		TAX99	590.75	Nil
State Bank Of Patiala	BSLCM	ADVG	2,915.22	Nil
(Subsidiary of State Bank of India) ³		BBAL	976.18	Nil
		BBP	57,696.29	Nil
		BDYP	1,359.59	Nil
		BFL	6,289.34	2,417.15
		BFS	2,147.97	Nil
		BFTPOS12	7,975.23	Nil
		BFTPOS13	5,075.86	Nil
		BFTPOS15	8,477.48	Nil
		BFTPOS6	23,849.16	Nil
		BFTPOS7	18,953.62	Nil
		BINFRA	1,942.27	Nil
		BLTA	2,918.73	Nil
		BSL95F	1,573.27	Nil
		BSLBIND	194.27	Nil
		BSLBUYI	485.67	Nil
		BSLCM	40,555.83	494.28
		BSLEQTY	5,751.21	Nil
		BSLFEF	6,190.66	Nil
		BSLIF	2,252.16	Nil
		BSLMI	914.56	Nil
		BSLNMF	1,263.95	Nil
		BSLR96	4,276.54	Nil
		BSLSTF	6,470.71	Nil
		BSLTA1	18,780.95	Nil
		BTOP100	2,759.74	Nil
		CASH	172,180.47	Nil
		CASHDIV	2,413.57	Nil
		FMPOS2	1,820.89	Nil
		FMPYS1	472.83	Nil
		FTPG	9,262.45	Nil
		FTPH	5,177.48	Nil
		FTPHYS2	1,168.69	Nil
		GENNEXT	2,137.60	Nil
		ITF	582.80	Nil
		MIDCAP	2,285.27	Nil
		MIP	1,814.33	Nil
		MIP25	639.14	Nil
		MIP5	7,392.86	Nil
		MNC	2,334.43	Nil
		NIFTY	4,274.48	Nil
		PLUS	5,742.25	Nil
		TAX99	2,528.38	Nil
State Bank of Indore		ADVG	1,122.42	Nil
(Subsidiary of State Bank of India) ³		BBAL	133.86	Nil

Bank of India) ³				
		BBP	1,477.46	944.76
		BDB	118.99	Nil
		BDYP	1,084.10	Nil
		BFL	679.75	Nil
		BFS	7,195.31	Nil
		BINFRA	1,969.00	Nil
		BLTA	361.92	Nil
		BSLBIND	297.47	Nil
		BSLCM	11,285.17	Nil
		BSLIF	1,507.85	601.59
		BSLSTF	2,856.95	472.38
		CASH	56,287.89	Nil
		CASHDIV	58.05	Nil
		FMPYS1	472.83	Nil
		FTPE	560.09	Nil
		FTPF	1,766.08	Nil
		FTPG	970.19	Nil
		FTPH	1,690.75	Nil
		FTPW	910.98	845.56
		MIP25	477.60	Nil
		MNC	361.92	Nil
		NIFTY	892.40	Nil
		PLUS	2,123.94	2,009.54
		TAX99	356.96	Nil
State Bank Of Mysore		BBP	2,866.29	Nil
(Subsidiary of State Bank of India) ³		BFTPOS19	2,826.46	Nil
		BFTPOS6	915.19	Nil
		BFTPOS7	4,718.09	Nil
		BSLCM	2,929.11	977.64
		CASH	25,684.23	7,352.52
		FMPAS3	965.99	Nil
		FMPQS2	2,050.71	Nil
		FTPH	1,984.08	Nil
		FTPV	2,012.06	Nil
		MIP5	1,478.08	Nil
		PLUS	2,264.68	Nil
State Bank of Saurashtra		ADVG	647.68	Nil
(Subsidiary of State Bank of India) ³		BBP	31,033.74	24,413.03
		BDB	891.82	Nil
		BFS	6,875.53	Nil
		BFTPOS13	3,451.16	Nil
		BFTPOS14	1,845.67	Nil
		BFTPOS16	4,400.25	Nil

		BFTPOS18	9.90	Nil
		BFTPOS19	14.90	Nil
		BFTPOS4	2,451.17	Nil
		BFTPOS7	4,761.70	Nil
		BSLCM	6,850.83	Nil
		BSLIF	374.39	191.89
		CASH	82,894.81	5,909.42
		FMPQS2	29.80	Nil
		FTPH	496.02	Nil
		MIDCAP	298.90	Nil
		NIFTY	3,436.09	Nil
		PLUS	1,098.18	191.89
State Bank of Travancore		ADVG	478.52	Nil
(Subsidiary of State Bank of India) ³		BBAL	391.33	Nil
		BBP	2,721.64	Nil
		BDB	6,794.92	Nil
		BFL	6,019.99	Nil
		BINFRA	2,473.91	Nil
		BSLCM	1,943.80	Nil
		CASH	33,484.90	3,624.30
		FTPX	2,583.65	2,657.82
		GENNEXT	957.04	Nil
		PLUS	1,500.00	Nil
Sterlite Industries India Ltd.	BBP	ADVG	781.89	959.14
		BINFRA	1,328.37	Nil
		BSLBIND	1,017.98	Nil
		BSLEQTY	1,145.02	Nil
		BSLFEF	201.75	Nil
		BSLR96	59.50	Nil
		BTOP100	2,006.56	1,123.47
		CASH	24,400.00	Nil
		MIDCAP	866.73	558.72
		NIFTY	107.64	76.57
		TAX98	25.50	Nil
		TAX99	255.02	
Syndicate Bank	BBP	BBAL	535.21	Nil
	CASH	BDYP	4,827.03	Nil
		BINFRA	1,448.83	Nil
		BSL95F	191.13	Nil
		BSLBIND	150.62	Nil
		BSLEQTY	988.09	Nil
		BSLFEF	739.87	Nil
		BSLMI	80.74	Nil
		BSLR96	70.86	Nil

		BSLTA1	561.49	Nil
		BTOP100	926.37	Nil
		MIDCAP	1,071.25	Nil
		MIP	172.40	Nil
		MIP25	114.83	Nil
		MIP5	35.45	Nil
		TAX98	44.16	24.98
		TAX99	516.43	Nil
UCO Bank	BFS	ADVG	746.17	Nil
		BBAL	487.29	Nil
		BBP	37,308.36	4,619.16
		BDB	910.13	Nil
		BDYP	3,886.93	Nil
		BFL	5,231.26	Nil
		BFS	14,231.99	573.77
		BFTPOS10	1,286.56	Nil
		BFTPOS14	9,082.58	Nil
		BFTPOS18	2,337.47	Nil
		BFTPOS2	2,455.00	Nil
		BFTPOS8	2,371.63	Nil
		BINFRA	3,777.43	Nil
		BSL95F	1,451.50	Nil
		BSLBIND	988.15	Nil
		BSLBUYI	4,063.97	Nil
		BSLCM	23,317.15	Nil
		BSLEQTY	1,218.91	Nil
		BSLFEF	1,126.74	Nil
		BSLIF	485.30	Nil
		BSLINTQ1	10,052.57	10,159.69
		BSLNMF	209.79	Nil
		BSLR96	229.77	Nil
		BSLSTF	7,282.34	2,377.02
		BTOP100	6,041.35	Nil
		CASH	196,831.78	43,161.22
		CASHDIV	1,483.82	Nil
		FMPOS2	4,887.44	Nil
		FTPA	992.81	Nil
		FTPAA	4,310.97	Nil
		FTPC	19.77	Nil
		FTPF	853.28	Nil
		FTPG	4,684.26	Nil
		FTPH	3,422.86	Nil
		FTPT	93.75	95.63
		FTPV	1,828.25	1,244.95
		GENNEXT	1,980.11	Nil
		MIP25	1,270.07	Nil
		MIP5	5,747.49	95.63
		NIFTY	489.86	Nil
		PLUS	4,655.51	Nil

Wipro Ltd	BBP	BSLEQTY	2,256.49	Nil
	BSLSTF	BSLFEF	1,157.04	454.67
		BSLNMF	902.58	Nil
		BSLR96	1,312.22	Nil
		ITF	951.55	172.17
		MIDCAP	1,001.91	Nil
		NIFTY	2,263.25	83.37
		TAX98	15.32	Nil
		TAX99	400.59	Nil
Yes Bank Limited	BFS	BBP	4,895.60	Nil
		BFTPOS1	1,729.31	Nil
		BFTPOS17	63.61	Nil
		BFTPOS19	11.85	Nil
		BFTPOS4	7,354.61	Nil
		BSLCM	2,110.64	Nil
		BSLSTF	1,306.39	Nil
		CASH	37,261.33	4,355.03
		FMPQS2	7,372.43	Nil
		FTPA	2,436.68	Nil
		MNC	371.10	370.98

Notes:

1 ICICI Securities Primary Dealership Ltd. is a subsidiary of ICICI Bank.

2 Reliance Petroleum Ltd. is a subsidiary of Reliance Industries Ltd.

3 State Bank of Indore is a subsidiary of State Bank of India.

4 State Bank of Mysore is a subsidiary of State Bank of India.

5 State Bank of Patiala is a subsidiary of State Bank of India.

6 State Bank of Bikaner & Jaipur is a subsidiary of State Bank of India.

7 State Bank of Hyderabad is a subsidiary of State Bank of India.

8 State Bank of Saurashtra is a subsidiary of State Bank of India.

9 State Bank of Travancore is a subsidiary of State Bank of India.

Powers To Remove Difficulties

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

Powers To Make Rules

The AMC may from time to time prescribe such forms and make such rules for the purpose of giving effect to the provisions of the Scheme, and add to, alter or amend all or any of the forms and rules that may be framed from time to time.

TAX BENEFITS

(As per laws currently in force)

As per the taxation laws in force as amended by the Finance Act, 2007 ("the FA") the tax benefits that are available to the investors investing in the Units of the Schemes are stated herein below. The information so stated is based on the Mutual Fund's understanding of such tax laws in force as of the date of this Offer Document, which have been vetted by the tax consultants.

The following information is provided for only general information purposes. In view of the individual nature of tax benefits, each investor is advised to consult with his or her own tax consultant with respect to the specific tax and other implications arising out of their participation in the scheme.

A. INCOME TAX

1. Tax Implications on Mutual Fund:

Birla Sun Life Mutual Fund is registered with SEBI and as such, the entire income of the Fund is exempt from income tax under Section 10(23D) of the Act. In view of the provisions of Section 196(iv) of the Act, no income tax is deductible at source on the income earned by the mutual fund.

2. Exemption u/s. 10(35):

Under the provisions of Section 10(35) of the Act income received in respect of the units of a mutual fund specified u/s. 10(23D) will be exempt from income tax in the hands of all unitholders. In view of this position, no tax needs to be deducted at source from such distribution by the fund. However, by virtue of the proviso to section 10(35), this exemption does not apply to income arising on "transfer" of units of a mutual fund.

3. Long Term Capital Gains:

i. On units of funds other than the equity oriented funds:

➤ For Individuals and Hindu Undivided Families ("HUF"s):

Long-term capital gains in respect of units held for a period of more than 12 months will be chargeable u/s.112 at the rate of 20% (plus surcharge), as applicable. Capital gains would be computed after reducing the aggregate of cost of acquisition (as adjusted by cost inflation index notified by the Central Government) and expenditure incurred wholly and exclusively in connection with transfer.

An assessee will have an option to apply concessional rate of tax of 10% (plus surcharge) provided the long term capital gains are computed without substituting indexed cost in place of cost of acquisition.

Further, in the case of Individuals and HUFs, being resident, where taxable income as reduced by long-term capital gains, is below the basic exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be subjected to income tax at 20% (plus surcharge) or 10% (plus surcharge) as the case may be.

➤ For Partnership firms, Indian Companies and other residents:

Long term capital gains will be subjected to the income tax at the rate of 20% (plus surcharge) or 10% (plus surcharge) as the case may be.

➤ For non-residents and foreign companies:

Long-term capital gains will be subjected to the income tax at the rate of 20% (plus surcharge). However, no benefit of Cost Inflation Indexation is available.

➤ For Non-resident Indians

Under section 115E of the Act for non-resident Indians, income by way of long-term capital gains in respect of Units is chargeable at the rate of 10% (plus surcharge). However, no benefit of Cost Inflation Indexation is available.

Non-resident Indians may opt for computation of long-term capital gains as per section 112, if it is more beneficial.

➤ **For Overseas Financial Organizations, including Overseas Corporate Bodies fulfilling conditions laid down under section 115AB (Offshore Funds)**

Under section 115AB of the Act, long term capital gains in respect of units held for a period of more than 12 months will be chargeable at the rate of 10% (plus surcharge). Such gains would be calculated without indexation of cost of acquisition.

➤ **For Foreign Institutional Investors ("FIIs"):**

Under section 115AD of the Act, long term capital gains in respect of units held for more than 12 months would be taxed at the rate of 10% plus surcharge. Such gains would be calculated without indexation of cost of acquisition.

Tax on long term capital gains in all the above cases will be further increased by the Education Cess ("EC") calculated @ 3% on tax plus surcharge as per the FA.

4. Short Term Capital Gains:

On units of funds other than equity oriented funds :

Short term Capital Gains in respect of Units held for a period of not more than 12 months is added to the total income. Total income including short-term capital gains is chargeable to tax as per the relevant slab rates. The maximum tax rates applicable to different categories of assesses are as follows:

Resident Individuals and HUF	30% plus surcharge
Partnership Firms	30% plus surcharge
Indian companies	30% plus surcharge
Non Resident Indians	30% plus surcharge
Foreign Companies	40% plus surcharge
Overseas financial Organisations	30% plus surcharge
FIIs	30% plus surcharge

Tax on short term capital gains in all the above cases will be further increased by the EC calculated @ 3% on tax plus surcharge as per the FA.

5. Capital Loss:

Section 94(7) disallows any capital loss, arising to a unitholder if he acquires units of a mutual fund within a period of three months prior to the record date fixed for declaration of dividend or distribution of income and sells or transfers such units within a period of nine months from such record date, to the extent of dividend or income received or receivable on such units.

Section 94(8) provides that if a person buys or acquires units ("the original units") of a mutual fund within a period of three months prior to the record date fixed for allotment of bonus units and sells the original units within nine months from the date of allotment of bonus units then the loss arising on such sale or transfer shall be ignored. Further, such loss shall be deemed to be the cost of acquisition or purchase of the bonus units.

6. Tax Deduction At Source On Capital Gains:

(i) No tax is required to be deducted at source on capital gains arising to any resident unit holder.

(ii) Under section 195 of Act, tax shall be deducted at source in respect of capital gains as under:

- a. In case of a non-resident other than a company -
- | | |
|---|-----------|
| ▪ Long term capital gains on units | 20% plus |
| ▪ of funds other than equity oriented funds | surcharge |
| ▪ Short term capital gains on units | 30% plus |
| of funds other than equity oriented funds | Surcharge |
- b. In case of a foreign company -
- | | |
|---|-----------|
| ▪ Long term capital gains on units | 20% plus |
| of funds other than equity oriented funds | surcharge |
| ▪ Short term capital gains on units | 40% plus |
| of funds other than equity oriented funds | surcharge |

Tax Deducted At Source on short term and long term capital gains in all the above cases will be further increased by the Education Cess calculated @ 3% on tax plus surcharge as per the FA.

- (iii) Under section 196B of the Act tax at 10% plus surcharge and Education Cess calculated @ 3% on tax plus surcharge as per the FA shall be deducted at source from long term capital gains on units other than the units of equity-oriented mutual funds earned by Overseas Financial Organisation.
- (iv) Under Section 196D of the Act, no deduction shall be made from any income by way of capital gains, in respect of transfer of securities referred to in Section 115AD of the Act.

As per circular no. 728 dated October 1995 by CBDT, in the case of a remittance to a country with which a Double Taxation Avoidance Agreement (DTAA) is in force, 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.

In order for the unitholder to obtain the benefit of a lower rate under the DTAA, the unitholder would be required to provide the fund with a certificate obtained from his Assessing Officer stating his eligibility for the lower rate.

7. Investments By Charitable And Religious Trusts:

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

B. WEALTH TAX

Units held under the Schemes of Mutual Fund are not treated as assets within the meaning of section 2(ea) of the Wealth Tax Act, 1957 and are, therefore, not liable to Wealth-Tax

C. GIFT TAX

If units of Mutual Fund Scheme are gifted, no gift tax shall be payable either by the donor or the donee as the Gift Tax has been abolished.

D. DISTRIBUTION TAX

Birla Sun Life Mutual Fund is a Mutual Fund registered with SEBI and as is eligible for benefits under Section 10(23D) of the Act. Accordingly, entire income is exempt from tax.

However, the Mutual Fund is required to pay dividend distribution tax as follows:

For Debt Schemes:

- At the rate of 14.1625 % (including a surcharge of 10% and an additional surcharge by way of education cess of 2 percent and secondary and higher education cess of 1 percent on the amount of tax plus surcharge) on dividend distributed to individuals and HUFs; and
- At the rate of 22.66% (including a surcharge of 10% and an additional surcharge by way of education cess of 2 percent and secondary and higher education cess of 1 percent on the amount of tax plus surcharge) on dividend distributed to persons other than individuals and HUFs.

Notes:

The Income Tax/Wealth Tax/Capital Gains Tax and investment by NRIs/FIIs/OCBs are subject to relevant requirements under the Income Tax, FEMA and RBI Directions.

Penalties, Pending Litigation Or Proceedings, Findings Of Inspections Or Investigation For Which Action May Have Been Taken Or Is In The Process Of Being Taken By Any Regulatory Authority

- 1) All cases of penalties awarded by SEBI under the SEBI Act or any of its regulations against the Sponsor of the Mutual Fund or any company associated with the Sponsor in any **capacity** including the Asset Management Company, Trustee Company/Board of Trustees, or any of the directors or key personnel (specifically the fund managers) of the Asset Management Company and Trustee Company. The nature of the penalty must be disclosed. For Sponsor and its associates, other than the penalties as mentioned above, the penalties awarded by any financial regulatory body, including stock exchanges, for defaults in respect of shareholders, debenture holders and depositors shall also be

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disclosed. Additionally, penalties awarded for any economic offence and violation of any securities laws shall be disclosed.

SEBI has imposed a penalty of Rs. 75,000/- on Birla Sun Life Mutual Fund for non-compliance of disclosure requirements under Regulation 7(1) and (2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 pursuant to the acquisition of 1,61,200 shares (representing 5.01% of the paid up capital) of Subex Systems Ltd. on October 18, 1999 by the schemes of Birla Sun Life Mutual Fund.

The details of penalties awarded by financial regulatory bodies on Sponsors and its associates are given below:

a) A fine of Rs. 25000/- was charged against Birla Sun Life Securities Ltd. by National Stock Exchange of India Limited for following:

- i) Non Execution of Member Constituent Agreement and Know Your Client Forms- A fine of Rs. 10,000/- (Rupees Ten Thousand) was levied.
- ii) Incomplete Know Your Client Forms- A fine of Rs. 5,000/- (Rupees Five Thousand) was levied.
- iii) Margin Money not collected- A fine of Rs. 10,000/- (Rupees Ten Thousand) was levied.

b) As regards Sun Life Assurance Company of Canada (Sun Life Financial), on February 5, 2004, one of its Mutual Funds subsidiaries, Massachusetts Financial Services Company (MFS) reached settlements with federal and state regulators related to administrative proceedings against it alleging false and misleading information in certain MFS fund prospectuses regarding market timing and related issues. Under the terms of the settlements, MFS neither admitted nor denied wrongdoing. As part of the settlement with the United States Securities and Exchange Commission (SEC), MFS agreed to pay US\$225 million to compensate certain fund shareholders, of which US\$50 million is a penalty, and agreed with the New Hampshire Bureau of Securities Regulation to pay an administrative fine in the amount of US\$1 million. MFS further agreed with the Attorney General of the State of New York (NYAG) to reduce fees on the funds it advises by approximately US\$25 million annually over the next five years. In addition to steps MFS had previously adopted to reinforce its frequent trading policies and procedures, MFS agreed to undertake a number of other governance reforms, including retaining an independent compliance consultant, creating an internal compliance controls committee, establishing a code of ethics oversight committee, and hiring a corporate ombudsman.

c) In November 2003, the SEC and Morgan Stanley DW, Inc. (Morgan Stanley) settled an enforcement action against Morgan Stanley relating to the receipt of fees from certain Mutual Funds companies in return for preferred marketing of their funds. MFS was one of the 14 fund companies reported to be on Morgan Stanley's preferred list. As a result, MFS has been under investigation by the SEC relating to its directed brokerage and revenue-sharing arrangements with various distributors of its products, including Morgan Stanley. MFS is cooperating with the SEC's investigation, which is ongoing, and is pursuing a possible settlement of these allegations. MFS believes that any settlement could include MFS being sanctioned and MFS' payment of compensation or other financial penalties.

(d) In September 2003, the SEC issued an order instituting and settling an administrative proceeding against MFS, alleging that MFS did not have adequate internal policies relating to the prevention of misuse of non-public information.

(e) The SEC and other regulators have conducted or are conducting investigations and examinations of certain of Sun Life Financial's affiliates relating to various issues including market timing and late trading of mutual fund and variable insurance products, directed brokerage, revenue-sharing and other arrangements with distributors.

(f) Sun Life Financial's United Kingdom operations continue to be subject to regulatory overview in the United Kingdom, including reviews of past business sold, and the Company has regularly engaged in discussions with United Kingdom regulators with respect to these and other matters. Sun Life Financial's United Kingdom operations may be subject to censure if it fails to satisfy the Financial Services Authority as to the scope and conduct of these reviews. Sun Life Financial's past business sold includes a variety of endowment products in the United Kingdom. Endowment policies are sometimes sold to provide customers with a method of repaying mortgage debt at the end of a mortgage term. There can be no assurance that United Kingdom regulators will not, in the future, require providers of endowment products to bear some or all of the additional costs required to ensure that such policies meet their target mortgage debts.

No Penalties have been awarded for any Economic Offences in case of AMC, Sponsors and Trustee Company.

- 2) Any pending material litigation proceedings incidental to the business of the Mutual Fund to which the Sponsor of the Mutual Fund or any company associated with the Sponsor in any capacity including the AMC, Board of Trustees /Trustee Company or any of the directors or key personnel is a party. Any pending criminal cases against the Sponsor or any company associated with the Sponsor in any capacity including the AMC, Board of Trustees/Trustee Company or any of the directors or key personnel should also be disclosed separately.

There are no pending material litigation proceedings incidental to the business of the Mutual Fund to which the Sponsor of the Mutual Fund or any company associated with the Sponsor in any capacity including the Asset Management Company, Trustee Company or any of the directors or key personnel is a party.

- (a) Certain of the arrangements in Sun Life Financial's run-off reinsurance operations are subject to litigation or arbitration. In particular, Sun Life Financial has been engaged in arbitration proceedings in the United States and in England with certain of the companies that have contracts to provide reinsurance to Sun Life Financial. In late 2003, Sun Life Financial initiated arbitration proceedings against its largest retrocessionaire. Those companies are disputing their obligation to provide retrocession cover to Sun Life Financial under their respective contracts of reinsurance. Other reinsurers of Sun Life Financial may institute similar proceedings. The liabilities of Sun Life Financial under these arrangements are subject to measurement uncertainty, and therefore uncertainty about the ultimate level of liability, but they are not expected to have a material adverse effect on Sun Life Financial's consolidated financial position.
- (b) Since December 2003, Sun Life Financial and MFS, along with certain MFS funds and Trustees who serve on the Board of Trustees of these MFS funds, have been named as defendants in purported class action lawsuits filed in the United States seeking damages of unspecified amounts. The lawsuits were purportedly filed on behalf of people who purchased, owned and/or redeemed shares of MFS funds during specified periods. The suits allege that certain defendants permitted market timing and late trading in the MFS funds which allegedly caused financial injury to the funds' shareholders. All of these lawsuits seek an unspecified amount of damages. The defendants are reviewing the allegations and will respond appropriately. Additional lawsuits based upon similar allegations may be filed in the future.
- (c) Sun Life and its subsidiaries are engaged in litigation arising in the ordinary course of business worldwide, none of which is expected to have a material adverse effect on the consolidated financial position of Sun Life other than those mentioned elsewhere in this section.

As regards Criminal Cases, there is a Criminal case pending against Mr. N.N. Jambusaria, director of the AMC, in his capacity as a non-executive director of some companies, from which he has since resigned. The cases include criminal complaints filed by Dept. of Company Affairs against DCM Ltd. and Premier Automobiles Ltd. for non-payment of dividend under section 207 of the Companies Act and cases filed under section 138 of the Negotiable Instruments Act against DCM Ltd. and Aldrich Pharmaceuticals Ltd. Also, there are 2 cases relating to disputed share issue/transfer against Mr. K.M. Birla in his capacity as Chairman of Grasim Industries Ltd. and as ex-director of MRPL Ltd., and other executives, and the respective companies are contesting the same.

- (d) Case no 2339/02 is pending in the Court of the Metropolitan Magistrate, Kanpur against Mr. K.M. Birla and Mr. S.K. Mitra in their capacity as Director of erstwhile Birla Global Finance Limited (now merged with the Aditya Birla Nuvo Limited) (BGFL) under sections 417, 418, 419 and 420 of the Indian Penal Code in relation to a hire purchase transaction entered by BGFL. The proceedings at the Court of the Metropolitan Magistrate, Kanpur were stayed by High Court at Allahabad vide its order dated October 16, 2003 on petition by BGFL. The stay is still in force and there are no further developments in the matter.
- (e) The Enforcement Directorate, Government of India has issued show cause notices to the erstwhile BGFL and its officials for alleged non-compliance of provision of section 7(4) read with section 6(4) and section 6(5) and section 49 of Foreign Exchange Regulation Act, 1973 in relation to irregular issuance of foreign exchange of US\$ 1,16,200 and US\$ 1,07,800 to M/s Jairam Exports and M/s Vikas Exports. BGFL has submitted, that the alleged contraventions, if any had been committed by junior employees of the company for their own benefit without any knowledge or neglect of the Company or its Directors and therefore the proceedings may be dropped against them.
- (f) A criminal complaint under section 138 of the Negotiable Instruments Act, 1881 has been filed in the Court of the Metropolitan Magistrate, Karkadooma, Delhi against BGFL and Mr. S. K.

- Mitra. BGFL has filed criminal revision petition under Section 397 read with Section 399 of Criminal Procedure Code in the Court of Additional Sessions Judge, Karkardooma, Delhi for setting aside the impugned order for issue of process against the BGFL dated February 28, 2005 passed by the Court of Metropolitan Magistrate, Karkardooma, Delhi and for staying the proceedings before the trial court. The matter is currently pending.
- (g) There are two income tax cases of Birla Sun Life Asset Management Company Ltd pending with Appellate authorities for Assessment Year 2006-07 and Assessment Year 2003-04 for tax aggregating to Rs. 11.73 crores.
- (h) There are seven cases pending before various Consumer Redressal Forums filed against the BSLAMC. The value of the amount disputed / claimed aggregates to Rs.0.3737 Crores.
- (i) BGFL has filed criminal complaints against M/s. Ramnaranjan Kedia Tourism Services Pvt Ltd and its Directors (RNK) under section 138 of Negotiable Instruments Act 1881 in connection with the payments towards hire purchase and loan facilities extended by BGFL to RNK. RNK have subsequently made an application for initiating proceedings for prosecution of respondent/original complainant i.e. BGFL and others for contempt under section 195 of Criminal Procedure Code. The application is pending disposal.
- 3) Any deficiency in the systems and operations of the Sponsor of the Mutual Fund or any company associated with the Sponsors in any capacity including the AMC or the Trustee Company which SEBI has specifically advised to be disclosed in the offer document, or which has been notified by any other regulatory agency, shall be disclosed.
- No such cases.
- 4) Any enquiry/adjudication proceedings under the SEBI Act and the Regulations made thereunder, that are in progress against the Sponsor of the Mutual Fund or any company associated with the Sponsor in any capacity including the AMC, Board of Trustees/Trustee Company or any of the Directors or key personnel of the Asset Management Company shall be disclosed.
- No such cases.

Documents Available For Inspection

Copies of the following documents may be inspected from 10am to 12noon on any Business Day at the registered office of the AMC.

- Trust Deed;
- Investment Management Agreement;
- Custodian Agreement;
- Registrars Agreement;
- Memorandum and Articles of Association of the Trustee and AMC;
- Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
- Indian Trusts Act, 1882;
- Registration Certificate for the Mutual Fund granted by SEBI.
- Annual Report of the Asset Management Company.

Notes:

1. Further, any amendments / replacement / re-enactment of SEBI Regulations subsequent to the date of the Offer Document shall prevail over those specified in this Offer Document.
2. The Scheme under this Offer Document was approved by the Trustee on November 12, 2007
3. Notwithstanding anything contained in the Offer Document, the provisions of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.

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For and on behalf of the Board of Directors of
Birla Sun Life Asset Management Company Ltd.

PLACE: MUMBAI
DATE November 19, 2007

Laxmikant Gupta
Compliance Officer

OFFICIAL POINTS OF ACCEPTANCE - AMC OFFICES

AGRA: F/1, Kailash Tower, Sanjay Place, Agra - 282002. Tel: 0562-2524409 **AHMEDABAD:** 505, Abhijeet 5th Floor, Mithakali Six Road, Navrang Pura, Ahmedabad-380009. Tel.:(079)-26403553/48. **ALLAHABAD:** Upper Ground Floor, House no 45/1(202), M.G.Marg, Civil Lines, Allahabad. **AMRITSAR:** 3rd Floor, Central Mall, Opp ICICI Prudential Mall Road, Amritsar-143001. **AURANGABAD:** 1st Floor, Sanjeevani Complex, Near Rantaprabhr motors, Adalat Road, Aurangabad. **BANGALORE:** G-011, HM Geneva House 14, Cunningham House Road, Bangalore-560052. Tel.: 080-22389991/2/3/5. **BARODA:** 3/ A Sun, 3rd Floor, Commercial Complex, Opp. Race Course Tower, Next To Citibank, Gotri Road, Baroda - 390 007. Tel: (0265)-6582984/2986.

BELGAUM: 1st Floor, Beside Canara Bank, Opp. Meenaxi Bhavan, Station Road, Belgaum - 590 001. Tel.: 9845871710. **BHILLAI:** Room 9, 2nd Floor, Chovan Estate, Ge Road, Bhillai - 490023. Tel: 0788-4083340 **BHOPAL:** Off.: 1st Floor, Kamal Towers, 149, M.P Nagar, Zone - 1, Bhopal - 462011. Tel: 0755-4061365/4074052 **CALICUT:** Shop no 110-111, First Floor, Calicut Mall, Stadium Junction, Puthiyara Road, Calicut-673004. **CHANDIGARH:** Sco: 149-150, Sector. 9C, Chandigarh - 160 017. Tel.: 0172-2749172/73. **CHENNAI:** Kubers Towers Old No-42, 1st Floor Pantheon Road, Egmore, Chennai - 600008. Tel.: 0044- 045003/5002/28191681/28116610 **COCHIN:** Casa Blanca, 2nd Floor, M G Road, Opp: Citi Bank, Cochin - 682035. Tel.: 0484 -2383969/ 2366817. **COIMBATORE:** 2nd Floor, Thirumalai Towers, 723 A & Bavinashi Road Coimbatore - 641018. Tel.: 0422-4350262/64. **DEHRADUN:** 97, India Trade Center Raipur Road, Dehradun-248001. Tel: 0135-3241324. **DURGAPUR:** 3rd Floor, City Plaza, City Center, Durgapur-16. Tel: 034- 36450619/21 **GOA:** 3-G, Sesa Ghor, Patto Plaza, Panjim, Goa-403001. Tel.: 0832-2437628/29. **GURGOAN:** 617, Galleria commercial complex, DLF City Phase IV, Gurgaon-122002. Tel: 0124-4235974-75 **GUWAHATI:** Orion Tower, 7,8, 1st floor, G.S Road, Guwhati 781 005 Tel: 0361-2599273/2595020. **HUBLI:** Shop no 7,8, Ground Floor, Shree Shivsheel Multiplex, Opp new Bus stand, Gokul Road, Hubli. **INDORE:** 405, City Centre, 570 M.G Road, Opp High Court, Indore. Tel.: 0731-2534502/5040496/5046789. **JAIPUR:** 204, Ganpat Plaza, 2nd Floor, M.I Road, Jaipur-302001. Tel.: 0141- 2389082/5116883/2389115 **JALANDHAR:** 210, 2nd Floor, Grand Mall, G.T Road, Jalandhar-144001. **JAMSHEDPUR:** 4th Floor, 4/1, Aditya Towers, Bistupur, Jamshedpur-1 Tel: 0657-6456127. **JODHPUR:** 2nd Floor, Above UTI securities, K.K Plaza, IC Road, Sardarpura Road, Gol Building, Jodhpur-342001. **KANPUR:** 14/113, Kan Chambers, Office no.103-106, Civil Lines, Kanpur-208001. Tel.: 0512-2331116/1121/3246000. **KOLKATA:** J.K Millennium, Center, 2nd Floor, 46, D.J.L.Nehru Road, Kolkata-700071. Tel.: 033-22882592/94/95. **LUCKNOW:** 103-B, 1st floor, Shalimar Square, BN Road, Lalbagh, Lucknow-226001. Tel.: 0522-4094110/11. **LUDHIANA:** SCO-2, Grouna Floor, Feroze Gandhi Market, Ludhiana-141001. Tel.: 0161-5088847/2771217. **MADURAI:** 215/A, 2nd Floor, R&J Plaza, Thenimain Road, P.P.Chavadi, Madurai-625016. Tel.: 0452-2382566/67. **MANGLORE:** BS-7, Essel Tower, Bunts Hostel, Mangalore-575003. **MYSORE:** Shop no 442-443, Laxman Plaza, Chamraja double road, Near Ramaswamy circle, Mysore-570024 **MUMBAI (SALES OFFICE):** Turner Morrison Building, 1st Floor, 16, Bank Street, Fort, Mumbai - 400 023. Tel.: (022)-56379999. **MUMBAI:** Birla Sun Life Asset Management Company Limited, Shop No. 6, Kohinoor Corner, Opp Siddhivinayak Temple, Prabhadevi, Mumbai - 400 025. Tel: (022)- 56661035/ 1036. **NAGPUR:** 6th Floor, Landmark, Wardha Road, Ramdaspeeth, Nagpur - 440012. Tel: 0712-6630899 **NASHIK:** Shop No 3, Upper Ground Floor, Rishiraj Avenue, Commissioner Office Road, Canada Corner, Nashik - 422006. **NEW DELHI:** 801& 802 Ashoka Estate, 24, Barakhamba Road, Connaught Place, New Delhi - 110001. Tel.: (011)-23358636/23320831. **PATNA:** 11/512, 5th Floor Ashiana Hari Niwas Complex, Dak Bunglow Road, Patna - 800 001 Tel.:(612)2207022/23/3890873. **PUNE:** Kapil Towers 'A' 2nd Floor, Dr. Ambedkar Road, Nr. Sangam Bridge, R.T.O., Pune-411001. Tel.: (020)-56011865/1866/1867. **RAIPUR:** 2nd Floor, Chawla Complex, Devendra Nagar Road, Raipur(C.G) 492001. Tel: 0771-4266894/9302271789 **RAJKOT:** 915-917, Star Plaza, 9th Floor, Phulchhab Chowk, Rajkot - 360001. **RANCHI:** 2nd Floor, Liya Complex, P.P Compound, Ranchi - 834001. **SECUNDRABAD :** Mayfair Complex, 1st Floor, S P Road, Secundrabad-500 003. Tel.: 040 - 65311052/3580/ 27721818. **SILLIGURI:** 2nd Floor, Ganpati Plaza, Sevoke Road, Siliguri - 734 001. **SURAT:** M-8, M-9, Mezzanie Floor, Jolly Plaza, Athwa Gate, Surat Tel.: 0261- 6581707/1708. **TRICHI:** 19/1, First Floor, Above UTI Mutual Fund, Kingston Park, Puthur High Road, Ramalinga Nagar, Woraiyur, Trichy-620017. **TRIVANDRUM:** 3rd Floor, Kailas Plaza, Pattom, Trivandrum - 695 004. **UDAIPUR:** 209-210, 2nd Floor, Daulat Chambers, Sardarpura, Udaipur - 331001. Tel: 0294-5102290/91 **VALSAD:** 103, Amar Chambers, Valsad - 396 001. Tel.: 9879503553. **VARANASI:** Arihant Complex, 3rd Floor, D-9/127, C- 4, Siga, Varanasi-10. Tel: 0542-2227755/2227756 **VISAKHAPATNAM:** 1st Floor, B-2, Pavan Palace, Opp T.S.R.Complex, Dawarkanagar, Vishakapatnam- 530016. Tel" 0891-6631337.