

UTI Mutual Fund
UTI Asset Management Company Limited
UTI-Fixed Income Interval Fund-Series II
(A debt oriented interval fund)
Offer Document

***New Fund Offer Opens on: _____ ***New Fund Offer Closes on _____

This offer document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. The offer document should be retained for future reference. The 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, for any changes of material nature made to the scheme, an addendum will be prepared and attached to the offer document. The addendum will also be circulated to the existing unitholders.

The statutory provisions included in this offer document are general and indicative in nature and are neither exhaustive nor any particular investor specific.

The scheme particulars have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended till date, and filed with Securities and Exchange Board of India (SEBI). The units offered for public subscription have not been approved or disapproved by the SEBI, nor has the SEBI certified on the accuracy or adequacy of the offer document.

HIGHLIGHTS

| | | |
|-----------|------------------------------------|---|
| 1. | Nature of scheme | A debt oriented interval scheme with income oriented portfolio consisting of Gsecs and other fixed income/ debt securities. . |
| 2. | Investment objective | The scheme aims to generate regular returns by investing in a portfolio of fixed income securities normally maturing in line with the time profile of the respective Plan. Each Plan will invest in a distinct portfolio of securities. However, the scheme does not guarantee /indicate any returns. There is no assurance that the fund's objective will be achieved. |
| 3. | Plans available | Plans – Quarterly Interval Plan No of Series* - Four Name of the Series - Quarterly Interval Plan IV, V, VI & VII * Each series will have a separate portfolio |
| 4. | Eligible Investors | Open to Resident individuals, Institutions, Non-resident individuals and FIIs. |
| 5. | Options available | Retail & Institutional Option with Dividend payout & reinvestment and Growth sub-options |
| 6. | Face Value of Units | The face value of a unit is Rs. 10/-. |
| 7. | Purchase / Redemption Price | During the New Fund Offer Period, the units of the fund will be sold at the face value of Rs.10/- per unit. The scheme will offer for subscription / switch and redemption / switch out of units without any load on specified transaction period, once a quarter on an on going basis, under the quarterly interval plan series. The scheme will also offer redemption on all business days, other than the transaction period, subject to the applicable exit load. The AMC will have the flexibility to change / alter the Transaction Period depending on the prevailing market conditions and in the interest of the unit holder. |
| 8. | New Fund Offer | The Scheme being an Open Ended scheme, no New Fund Offer expenses shall be charged in accordance with SEBI Circular dated April 04, 2006. |

| | | |
|------------|-----------------------------------|---|
| | Expenses | |
| 9. | Net Asset Value | Declaration of NAV on a daily basis within 30 days from the date of closure of the New Fund Offer Period. |
| 10. | Minimum Application Amount | Rs.10000/- for Dividend Sub-Option and Rs.5000 for Growth Sub-Option and in multiples of Re.1/- under Retail Option and Rs.1 Crore and in multiples of Re.1/- under Institutional Option. |
| 11 | Benchmark Index | Quarterly Interval Plan CRISIL Liquid Fund Index |

II. DUE DILIGENCE CERTIFICATE

Due Diligence Certificate submitted to SEBI for UTI-Fixed Income Interval Fund - Series II

It is confirmed that:

- I. The Draft Offer Document forwarded to Securities And Exchange Board of India is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- II. All legal requirements connected with the launching of the scheme as also the guidelines, instructions, etc. issued by the Government and any other competent authority in this behalf, have been duly complied with.
- III. The disclosures made in the offer document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the scheme.
- IV. All the intermediaries named in the offer document are registered with SEBI and till date such registration is valid.

Date:
Place : Mumbai

S Linga Pandian
Compliance Officer

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III. DEFINITIONS

In the scheme unless the context otherwise requires:

1. "Acceptance date" or "date of acceptance" with reference to an application made by an applicant to the UTI Asset Management Company Ltd. (UTI AMC) for purchase or redemption of units means the day on which the UTI Financial Centres (UFCs)/ Registrars or the official point of acceptance as per the list attached with this Offer Document after being satisfied that such application is complete in all respects, accepts the same.
2. "Accounting Year" of UTI Mutual Fund is from April to March.
3. "Act" means the Securities and Exchange Board of India Act, 1992, (15 of 1992) as amended from time to time.
4. "Applicant" means an investor who is eligible to participate in the scheme and who is not a minor and shall include the alternate applicant mentioned in the application form.
5. "Alternate applicant" in case of a minor means the parent other than the parent who has made the application on behalf of the minor.
6. "AMFI" means Association of Mutual Funds in India.
7. "Asset Management Company/UTI AMC/AMC/ Investment Manager" means the UTI Asset Management Company Limited incorporated under the Companies Act, 1956, (1 of 1956) and approved as such by Securities and Exchange Board of India (SEBI) under sub-regulation (2) of Regulation 21 to act as the Investment Manager to the schemes of UTI Mutual Fund.
8. "Body Corporate" or "Corporation" includes a company incorporated outside India but does not include (a) a corporation sole, (b) a co-operative society registered under any law relating to co-operative societies and (c) any other body corporate (not being a company as defined in this Act), which the Central Government may, by notification in the Official Gazette, specify in this behalf.
9. "Bonus Units" means and includes, where the context so requires, a unit issued as fully paid up bonus unit by capitalising a part of the amount standing to the credit of the account of the reserves formed or otherwise in respect of this scheme.
10. "Business Day" means a day other than (i) Saturday and Sunday or (ii) a day on which the principal stock exchange with reference to which the valuation of securities under the scheme is done is closed, or the Reserve Bank of India or banks in Mumbai are closed for business, or (iii) a day on which the UTI AMC offices in Mumbai remain closed or (iv) a day on which purchase and redemption/changeover /switchover of unit is suspended by the Trustee or (v) a day on which normal business could not be transacted due to storm, floods, bandhs, strikes or such other events as the AMC may specify from time to time.

The AMC reserves the right to declare any day as a Business day or otherwise at any or all Official Points of Acceptance.

11. "Eligible Trust" means - (i) a trust created by or in pursuance of the provisions of any law which is for the time being in force in any State, or (ii) a trust, the properties of which are vested in a treasurer under the Charitable Endowments Act 1890 (Act 6 of 1890), or (iii) a religious or charitable trust which is administered or controlled or supervised by or under the provisions of any law, which is for the time being in force relating to religious or charitable trusts or, (iv) any other trust, being an irrevocable trust, which has been created for the purpose of or in connection with the endowment of any property or properties for the benefit or use of the public or any section thereof, or (v) a trust created by a will which is valid and has become effective, or (vi) any other trust, being an irrevocable trust, which has been created by an instrument in writing and includes 'depository'

within the meaning of clause (e) of Sub-section (1) of Section 2 of The Depository Act, 1996.

12. "Firm", "partner" and "partnership" have the meanings assigned to them in the Indian Partnership Act, 1932 (9 of 1932), but the expression partner shall also include any person who being a minor is admitted to the benefits of the partnership.
13. "Fund Manager" means the manager appointed for the day-to-day management and administration of the scheme.
14. "Interval Fund" means a fund that is open for sale or redemption during Specified Transaction Period.
15. "Investment Management Agreement or IMA" means the Investment Management Agreement (IMA) dated December 9, 2002, executed between UTI Trustee Company Private Limited and UTI Asset Management Company Limited.
16. "Investor Service Centre" such offices as are designated as ISC by the AMC from time to time.
17. "Load" is a charge that may be levied as a percentage of NAV at the time of entry into the Scheme or at the time of exiting from the Scheme.
18. "Mutual Fund" or "Fund" or "UTI MF" means UTI Mutual Fund, a Trust under the Indian Trust Act, 1882 registered with SEBI under registration number MF/048/03/01 dated January 14, 2003.
19. "NAV" means Net Asset Value of the units of the Scheme calculated in the manner provided in this Offer Document and in conformity with the SEBI Regulations as prescribed from time to time.
20. "New Fund Offer or NFO or New Fund Offer Period" means offer of the units of the UTI Fixed Income Interval Fund – Series II during the New Fund Offer Period.
21. "Non-Resident Indian (NRI)" shall have the meaning as defined under Foreign Exchange Management (Deposit) Regulations, 2000 (FEMA Regulation 2000) framed by Reserve Bank of India under Foreign Exchange Management Act, 1999 (42 of 1999). As per FEMA Regulation 2000, "Non-Resident Indian (NRI)" means a person resident outside India who is a citizen of India or is a person of Indian origin. A person shall be deemed to be a "person of Indian origin" if he is a citizen of any country other than Bangladesh or Pakistan and if (a) he at any time held Indian passport; or (b) he or either of his parents or any of his grand parents was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955); or (c) the person is a spouse of an Indian citizen or a person referred to in sub-clause (a) or (b) herein.
22. "Number of units deemed to be in issue" means the aggregate of the number of units issued and still remaining outstanding.
23. "Official points of acceptance" - UTI Financial Centres (UFCs), Offices of the Registrars of the Scheme, designated Chief Representative Collection Centres (CRCCs), designated branches of the banks and any other authorised centre as may be notified by UTI AMC from time to time are the official points of acceptance of purchase/changeover/switchover and redemption applications of the scheme. The cut off time that is mentioned in the offer document will be applicable at these official points of acceptance. At present in addition to UFCs and Registrars, the list of places as official point of acceptance is attached with this document.

For purchase, redemption, switchover or changeover of units applications received at any authorised collection centre (as per list attached), which is not an official point of acceptance (as per list attached), the cut off time at the official point of acceptance, will be applicable for determination of NAV purchase, redemption, switchover or changeover of units.
24. "RBI" means the Reserve Bank of India, constituted under the Reserve Bank of India Act, 1934.

25. "Record Date" means the date announced by the Fund for any benefits like dividends, bonus etc. The person holding the units as per the records of UTI AMC/ Registrars, on the record date shall be eligible for such benefits.
26. "Registrars" means a person whose services may be retained by UTI AMC to act as the Registrar under the scheme, from time to time.
27. "Regulations" or "SEBI Regulations" mean the SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.
28. "Scheme" means the UTI-Fixed Income Interval Fund - Series II comprising Quarterly Interval Plan.
29. "SEBI" means the Securities and Exchange Board of India set up under the Securities and Exchange Board of India Act, 1992 (15 of 1992).
30. "Society" means a society established under the Societies Registration Act 1860 (21 of 1860) or any other society established under any State or Central law for the time being in force.
31. "Sponsors" are Bank of Baroda, Punjab National Bank, Life Insurance Corporation of India and State Bank of India.
32. "Time" all time referred to in the offer document stands for Indian Standard Time.
33. "Trustee" means UTI Trustee Company Private Limited a company incorporated under the Companies Act, 1956 and approved by SEBI to act as the Trustee to the schemes of UTI Mutual Fund.
34. "Trust Deed" means the Trust Deed dated December 9, 2002 of UTI Mutual Fund.
35. "Unit" means the interest of the unitholders in a Scheme, which consists of each unit representing one undivided share in the assets of the Scheme.
36. "Unit Capital" means the aggregate of the face value of units issued under the scheme and outstanding for the time being.
37. "Unitholder" means a person holding units in the scheme of the Mutual Fund.
38. The Specified Transaction Period: The specified transaction period is the specified date(s) / period on / during which subscription / redemption / switches may be made in the scheme without any load once a quarter under the quarterly interval plans.

The transaction period would be different for quarterly plans and would generally be for one day of every quarter and shall commence after the expiry of one quarter from the date of allotment.

| Plan | Frequency | Specified Transaction Period |
|-------------------------|--------------------|--|
| Quarterly Interval Plan | Once every quarter | Shall be generally open atleast for 1 day for subscription / redemption / switch-out / switch-in without any Load, every quarter after expiry of 1 quarter from the date of allotment. |

While redemption and switch-out are allowed on all other business days also subject to applicable exit loads, other than the "Specified Transaction Period", subscription for purchase of units will be accepted only on / during the defined "Specified Transaction Period".

In case the date happens to be a non business day, then the immediate next business day shall be considered as the "Specified Transaction Period". However AMC reserves the right to change /

alter the “Specified Transaction Period” depending on the prevailing market condition and to protect the interest of the investors.

39. In this offer document, unless the context otherwise requires, (i) the singular includes the plural and vice versa, (ii) reference to any gender includes a reference to all other genders, (iii) heading and bold typeface are only for convenience and shall be ignored for the purposes of interpretation.

IV. RISK FACTORS

1. Mutual Funds and securities investments are subject to market risks and the NAV of the units issued under the scheme may go up or down depending on the factors and forces affecting the capital markets.
2. Past performance of other scheme(s)/plan(s) of UTI Mutual Fund and the Sponsors is not necessarily an indication of future results. There is no assurance or guarantee that the objective of the scheme will be achieved.
3. UTI-Fixed Income Interval Fund - Series II is only the name of the scheme and does not in any manner indicate either the quality of the scheme or its future prospects and returns.
4. Statements/observations made are subject to the laws of the land as they exist at any relevant point of time.
5. Growth, appreciation, dividend and income, if any, referred to in this offer document are subject to the tax laws and other fiscal enactments as they exist from time to time.
6. The NAVs 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 and trading volumes, settlement periods and transfer procedures.
7. Unitholders in the Scheme are not offered any guaranteed returns.
8. **Credit Risk:** Bonds/debentures as well as other money market instruments issued by corporates run the risk of down grading by the rating agencies and even default as the worst case. Securities issued by Central government have lesser to zero probability of credit/ default risk in view of the sovereign status of the issuer.
9. **Interest - Rate Risk:** Bonds/Central Government securities which are fixed income securities, run price risk like any other fixed income security. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The level of interest rates is determined by the rates at which government raises new money through RBI and the price levels at which the market is already dealing in existing securities, rate of inflation etc. The extent of fall or rise in the prices is a function of the prevailing coupon rate, number of days to maturity of a security and the increase or decrease in the level of interest rates. The prices of Bonds/ Central Government securities are also influenced by the liquidity in the financial system and/or the open market operations (OMO) by RBI. Pressure on exchange rate of the Rupee may also affect security prices. Such rise and fall in price of bonds/central government securities in the portfolio of the plans may influence the NAVs of the plans as and when such changes occur.
10. **Liquidity Risk:** The Indian debt market is such that a large percentage of the total traded volumes on particular days might be concentrated in a few securities. Traded volumes for particular securities differ significantly on a daily basis. Consequently, the plans might have to incur a significant “impact cost” while transacting large volumes in a particular security.
11. **Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme are reinvested. The additional income from reinvestment is the “interest on interest” component. The risk is that the rate at which interim cash flows can be reinvested may be

lower than that originally assumed.

12. Money Market Securities are subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer.
13. **Securities Lending:** It is one of the means of earning additional income for the plans with lesser degree of risk. The risk could be in the form of non-availability of ready securities for sale during the period the securities remain lent. The plans could also be exposed to risk through the possibility of default by the borrower/ intermediary in returning the securities. However, the risk would be adequately covered by taking in of suitable collateral from the borrower by the intermediary involved in the process. The plans will have a lien on such collateral. They will also have other suitable checks and controls to minimise any risk involved in the securities lending process.
14. **Investment in overseas market:** The success of investment in overseas market depends upon the ability of the fund manager to understand conditions of those markets and analyse the information, which could be different from Indian markets. Operations in foreign markets would be subject to exchange rate fluctuation risk besides the market risks of those markets.

15. **Risk Analysis on underlying asset classes in Securitisation:**

Securitisation - Features & Investment Strategy

Asset securitisation is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments. A typical process of asset securitisation involves sale of specific Receivables to a Special Purpose Vehicle (SPV) set up in the form of a trust or a company. The SPV in turn issues financial instruments (e.g., promissory notes, pass through certificates or other debt instruments) to investors, such instruments evidencing the beneficial ownership of the investors in the Receivables. The financial instruments are rated by an independent credit rating agency. An Investor's Agent is normally appointed for providing trusteeship services for the transaction.

The Fund will predominantly invest only in those securitisation issuances, which have AAA rating indicating the highest level of safety from credit risk point of view at the time of making an investment.

Generally available Asset Classes for securitisation in India

- Commercial Vehicles
- Auto and Two wheeler pools
- Mortgage pools (residential housing loans)
- Personal Loan, credit card and other retail loans
- Corporate loans/receivables

The fund may invest in various type of securitisation issuances as mentioned above, including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, Personal Loan Backed Securitisation, Collateralized Loan Obligation/ Collateralized Bond Obligation and so on.

Risk Factors specific to investments in Securitised Papers:

Types of Securitised Debt vary and carry different levels and types of risks. Credit Risk on Securitised Bonds depend upon the Originator and vary depending on whether they are issued with Recourse to Originator or otherwise. A structure with Recourse will have a lower Credit Risk than a structure without Recourse. Underlying assets in Securitised Debt may assume different forms and the general types of receivables include Auto Finance, Credit Cards, Home Loans or any such receipts, Credit risks relating to these types of receivables depend upon various factors including macro economic factors of these industries and economies. Specific factors like nature and adequacy of property mortgaged against these borrowings, nature of loan agreement/ mortgage deed in case of Home Loan, adequacy of documentation in case of Auto Finance and Home Loans, capacity of borrower to meet its obligation on borrowings in case of Credit Cards and intentions of the borrower influence the risks relating to the asset borrowings underlying the securitised debt. Holders of the securitised assets may have low credit risk with diversified retail base on underlying assets especially when securitised assets are created by high credit rated tranches, risk profiles of Planned Amortisation Class tranches (PAC), Principal Only Class Tranches (PO) and Interest Only

class tranches (IO) will differ depending upon the interest rate movement and speed of prepayment. Various types major Risks pertained to Securitised Paper are as below:

Liquidity & Price Risk

Presently, secondary market for securitised papers is not very liquid. This could limit the ability of the investor to resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.

Delinquency and Credit Risk

Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of a Obligor to repay his obligation, the Servicer may repossess and sell the underlying Asset. However many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor.

Prepayment Risk

Asset securitisation is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments. Full prepayment of underlying loan contract may during the tenure of the paper. In the event of prepayments, investors may be exposed to changes in tenor and reinvestment risk.

16. Trading in derivatives involves certain specific risks like:

- a. **Credit Risk:** This is the risk on default by the counter party. This is usually to the extent of difference between actual position and contracted position. This risk is substantially mitigated where derivative transactions happen through clearing corporation.
- b. **Market Risk:** Market movement may also adversely affect the pricing and settlement of derivative trades like cash trades.
- c. **Illiquidity Risk:** The risk that a derivative product may not be sold or purchased at a fair price due to lack of liquidity in the market.
- d. An exposure to derivatives can lead to losses. Success of dealing in derivatives depends on the ability of the fund manager to correctly assess the future market movement and in the event of incorrect assessment, if any, performance of the plans could be lower.
- e. Interest Rate Swaps (IRSs) and Forward Rate Agreements (FRAs) do also have inherent credit and settlement risks. However, these risks are substantially less as they are limited to the interest stream and not the notional principal amount.
- f. Participating in derivatives is a highly specialised activity and entails greater than ordinary investment risks. Notwithstanding such derivatives being used for limited purpose of hedging and portfolio balancing, the overall market in these segments could be highly speculative due to the action of other participants in the market.

17. The aggregate value of “illiquid securities” of the scheme, which are defined by SEBI as non traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the scheme and any illiquid securities held above 15% of the total assets shall be assigned zero value.

The proposed aggregate holding of assets considered “illiquid”, could be more than 10% of the value of the net assets of the scheme. In normal course of business, the scheme would be able to make payment of redemption proceeds within 10 business days, as it would have sufficient exposure to liquid assets.

In case of the need for exiting from such illiquid instruments in a short period of time, the NAV of the scheme could be impacted adversely.

18. In the event of receipt of inordinately large number of redemption or of restructuring of the schemes/plans portfolio, there may be delay in the redemption of units.
19. The Sponsors will not be liable to make good or otherwise be responsible for any loss or shortfall resulting from the operations of the Scheme, beyond the initial contribution of Rs.10,000/- made by them to the corpus of the Mutual Fund.
20. As per SEBI circular dated December 12, 2003 ref. SEBI/IMD/CIRNo.10/22701/03 and clarification issued by SEBI vide letter no. SEBI/IMD/CIR No. 1/42529/05 dated June 14, 2005, each portfolio under a scheme should have a minimum of 20 investors and no single investor should account for more than 25% of the corpus of such portfolio. In case of non-fulfilment with the requirement of 20 investors in each calendar quarter, the scheme portfolio shall be wound up by following the guidelines prescribed by SEBI and the investor's money would be redeemed at applicable NAV. In determining the 25% limit by an investor the average net assets of the scheme would be calculated daily and any breach of the 25% holding limit by an investor would be determined. At the end of the quarter, the average of daily holding by each such investor would be computed to determine whether that investor has breached the 25% limit over the quarter. If there is any breach of limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule would be given 15 days notice to redeem his exposure over the 25% limit. Failure on the part of the said investor to redeem his exposure over the 25% limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period.

21. Scheme specific Risk factors

- a. Investors may note that AMC/Fund Manger's investment decisions may not always be profitable, even though it is intended to generate capital appreciation and maximize the returns by actively investing in equity/ equity related securities.
- b. The value of the Scheme's investments, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Consequently, the NAV of the Units of the Scheme may fluctuate and can go up or down.
- c. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the equity and equity related investments made by the Scheme which could cause the scheme to miss certain investment opportunities. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. The inability of the Scheme to make intended securities purchases due to settlement problems could also cause the Scheme to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the Scheme's portfolio due to the absence of a well developed and liquid secondary market for debt securities would result, at times, in potential losses to the Scheme, in case of a subsequent decline in the value of securities held in the Scheme's portfolio.
- d. Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. Within the regulatory limits, the AMC may choose to invest in unlisted securities that offer attractive yields. This may however increase the risk of the portfolio.
- e. The Scheme may use various derivative products as permitted by the Regulations. Use of derivatives requires an understanding of not only the underlying instrument but also of the

derivative itself. Other risks include, the risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Usage of derivatives will expose the Scheme to certain risks inherent to such derivatives

- f. The Scheme may also invest in foreign debt securities as permitted by Reserve Bank of India and Securities and Exchange Board of India. To the extent that some part of the assets of the Plans may be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by the changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital also may be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.
- g. The scheme intends to deploy funds in money market instruments to maintain liquidity. To the extent that some assets/funds are deployed in money market instruments, the scheme will be subject to credit risk as well as settlement risk, which might effect the liquidity of the scheme.
- h. 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. For e.g. corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds which are AAA rated are comparatively less risky than bonds which are AA rated.

V. INVESTMENT OBJECTIVES, POLICIES, SECURITIES LENDING

1. Investment Objective

The scheme aims to generate regular returns by investing in a portfolio of fixed income securities normally maturing in line with the time profile of the respective Plan. Each Plan will invest in a distinct portfolio of securities. However, the scheme does not guarantee /indicate any returns. There is no assurance that the fund’s objective will be achieved.

2. Asset Allocation:

Under normal circumstances, the asset allocation for the Quarterly Plans under the scheme will be as follows:

| Particulars | Asset Allocation | Risk Profile |
|---|------------------|---------------|
| Money Market Instruments | 10% - 100% | Low to Medium |
| Government Securities issued by Central &/or State Govt. & other fixed income/debt securities including but not limited to Corporate bonds and securitised debt*. | 0%-90% | Low to Medium |

* Debt Securities will also include Securitised Debt, which may go up to 100% of the portfolio. Average time profile of the respective plans will normally in line with the maturity profile of the securities.

The scheme will invest in a portfolio predominantly of fixed income securities that are maturing in line with time profile of the respective plans.

However, the above asset allocation is only indicative and may change from time to time, keeping in view the market conditions and opportunities, applicable Regulations and political/economic factors. Such changes in the investment pattern will be short term and based on defensive considerations.

The investment managers would have the flexibility to invest the debt component into floating rate debt securities in order to reduce the impact of rising interest rates in the economy. Derivatives may be used to create synthetic fixed rate bond / floating rate bonds.

The above is only indicative and the trustees reserve the right to change the above pattern in the interest of the

investors depending on the market conditions for a short-term period of defensive consideration.

The Fund may also enter into “Repo”, hedging or such other transactions as may be allowed to Mutual Funds from time to time. Securitised Debt can be a part of the debt securities. The fund can invest in Money Market Instruments (Mibor linked instruments, CPs, T-Bills, CDs) and/or other Short Term debt instruments (Floating Rate Notes, Short Tenor NCDs, PTCs) and / or Less than 1 year maturity Gsecs.

Derivatives will be used only for the purpose of Hedging and Portfolio Rebalancing as permitted under SEBI Regulations from time to time.

The scheme reserves the right to invest its entire allocation in debt and money market securities in any one of the fixed income security clauses. Investments in rated fixed income securities will be in securities rated by atleast one recognized rating agency. Investments in unrated securities will be made with the approval of the Investment Committee within the parameters laid down by the Board of Directors of the AMC & the Trustees.

Investments shall be made in foreign debt securities. However, no investments shall be made in foreign securitised debt. The scheme shall invest in foreign debt securities of countries having fully convertible currencies. However, no investments shall be made in foreign securitised debt.

PTC is the abbreviated form for Pass Through Certificates. A pass through certificate represents beneficial interest in an underlying pool of cashflows. These cashflows represent dues against single or multiple loans originated by the seller of these loans. This pool of dues / receivables, after due sorting / cherry picking, is packaged as PTCs and sold to end investors like bank / mutual funds etc.

PTCs may be backed, but not exclusively by receivables of personal loans, car loans and two wheeler loans and other assets subject to SEBI / other Regulations.

Money Market instruments includes commercial papers, commercial bills, treasury bills, Corporate Debt, Government Securities having residual maturity up to one year, call or notice money, certificate of deposit, fixed deposits with scheduled commercial banks (both public & private), term deposits of development financial institutions, securitised debt, usance bills and any other like instruments as specified by the Reserve Bank of India from time to time. Short-term debt considerations for this Scheme includes maintaining an adequate float to meet anticipated levels of redemptions, expenses and other liquidity needs.

While no fixed allocation will normally be made for investment in money market instruments like Call Deposits, Commercial Papers, Treasury Bills etc. the same may be kept to the minimum generally to meet the liquidity needs of the scheme.

The corpus of the scheme can be invested in any (but not exclusively) of the following instruments.

- * Securities issued /guaranteed by the Central, State, and Local governments (including but not limited to coupon bearing bonds, Zero coupon bonds and treasury bills.)
- * Corporate debt (Public & private sector)
- * Debt obligations of domestic government agencies and statutory bodies which may or may not carry a central / state govt. guarantee.
- * Debt obligation of banks (public & private sector) and financial institution.
- * Money market instruments as permitted by SEBI and or / RBI.
- * Obligations / Term Deposits of banks (both public and private sector) and development financial institutions.
- * Certificate of deposit (CDs).
- * Commercial paper (CPs).
- * Bills of Exchange/ promissory notes.
- * Securitised Debt.
- * Call Money & Call.
- * Securities with floating rate instruments
- * Derivative instruments as permitted by SEBI/RBI
- * Any other fixed income securities
- * Any other instruments as may be permitted by RBI/SEBI other regulatory authorities from time to time.

The securities as mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through initial public offers, private placements, secondary market transactions, rights offer or negotiated deals.

The scheme based on views on debt markets and other market conditions may review the above pattern of investment and rebalance the portfolio of the scheme. However, at all times the portfolio will adhere to the overall investment objective of the scheme.

Fixed Income Interval Fund - Series II retains the option to alter the asset allocation for short-term periods on defensive considerations.

3. Fundamental Attributes:

- (a) "Fundamental Attributes" in the context of the scheme and plans launched thereunder mean the following:
- (i) **Type of Scheme:** UTI-Fixed Income Interval Fund - Series II is a debt oriented interval scheme
 - (ii) **Investment objective:** as provided under clause V (1) above of this offer document.
 - (iii) **Terms of issue:** provisions in respect of redemption of units, fees and expenses as indicated in this offer document.
- (b) The Trustee shall ensure that no change in the fundamental attributes of the scheme and plans launched thereunder or the trust or fees and expenses payable or any other change which would modify the scheme and plans launched thereunder and affect the interest of unitholders, shall be carried out unless:
- (i) a written communication about the proposed change is sent to each unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
 - (ii) the unitholders are given an option to exit at the prevailing Net Asset Value without any exit load.
- (c) The Trustee may from time to time add to or otherwise amend this scheme. However, any change/amendment/modification of the fundamental attributes of the scheme will be made with the prior approval of SEBI. In respect of other changes/amendments/modifications not being of fundamental nature and not affecting the interest of the unitholder adversely, SEBI will be kept informed. Such changes would be intimated to the unitholders i) as addendum ii) next earliest communication to the unitholders.

4 Investment Policies:

Subject to SEBI (MFs) Regulations and guidelines thereunder from time to time;

- (a) The Plan/s 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 authorized to carry out such activity under SEBI. Such investment limit may be extended to 20% of the NAV of Plan/s with the prior approval of the Trustees and 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 mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with SEBI.
- (b) The Plan/s 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 Plan/s. All such investments shall be made with the prior approval of the Trustees and Board of the AMC. UTI Mutual Fund may constitute committees who can approve proposals for investments in unrated instruments. However, the detailed parameters for such investments shall be approved by the AMC Boards and the Trustees. The details of such investments shall be communicated by UTI AMC to the Trustees in their periodical reports. However, in case any security does not fall under the parameters, the prior approval of the Board of AMC and Trustees shall be required.
- (c) Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments as specified under V 4 (a) and (b) above. It is further clarified that the investment limits at V 4 (a) and (b) above are applicable to all debt securities,

which are issued by public bodies/institutions such as electricity boards, municipal corporations, state transport corporations etc. guaranteed by either state or central government. Government securities issued by central/state government or on its behalf by the RBI are exempt from the above investment limits.

- (d) Pending deployment of funds of the Plan/s in securities in terms of the investment objective of the scheme as stated above, the funds of the Plan/s may be invested in short term deposits of scheduled commercial banks in accordance with SEBI guidelines.
- (e) No term loans will be advanced by the Plan/s for any purpose as per SEBI Regulation 44(3) of SEBI (Mutual Funds) Regulations 1996.
- (f) UTI Mutual fund shall, get the securities purchased by a plan/s transferred in the name of the concerned plan/s, wherever investments are intended to be of long term nature.
- (g) The Plan/s shall not make any investment in any fund of fund scheme.
- (h) UTI Mutual Fund shall 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 shall in no case put itself in a position whereby it has to make short sale or carry forward transaction unless allowed by SEBI.

However, the plan/s may also enter into derivatives transactions as may be permissible under the guidelines issued by SEBI.

- (i) The Mutual Fund under all its schemes taken together will not own more than 10% of any Company's paid up capital carrying voting rights.
- (j) (i) The Plan/s may participate in the securities lending programme, in accordance with the terms of securities lending scheme announced by SEBI. The activity shall be carried out through approved intermediary.
- (ii) The maximum exposure of the scheme to a single intermediary in the securities lending programme at any point of time would be 10% of the market value of the security class of the scheme or such limit as may be specified by SEBI.
- (iii) If mutual funds are permitted to borrow securities, the scheme may, in appropriate circumstances borrow securities in accordance with SEBI guidelines in that regard.
- (k) (1) The mutual funds can invest in
 - i. Initial and follow on public offerings for listing at recognized stock exchanges overseas
 - ii. Foreign debt securities in the countries with fully convertible currencies, short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies
 - iii. Money market instruments rated not below investment grade
 - iv. Repos in the form of investment, where the counterparty is rated not below investment grade; repos should not however, involve any borrowing of funds by mutual funds
 - v. Government securities where the countries are rated not below investment grade
 - vi. Derivatives traded on recognized stock exchanges overseas only for hedging and portfolio balancing with underlying as securities
 - vii. Short term deposits with banks overseas where the issuer is rated not below investment grade
 - viii. Units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in (a) aforesaid securities, (b) Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or (c) unlisted overseas securities (not exceeding 10% of their net assets).
- (2) The mutual fund can invest in Foreign Securities within overall limit of US \$ 5 bn with the sub-ceiling for individual mutual funds which should not exceed 10% of the net assets managed by them as on March 31 of each relevant year, subject to maximum of US \$ 300 mn. per mutual

fund.

- (l) The Plan/s shall not make any investment in any unlisted security of an associate or group company of the sponsors; or any security issued by way of private placement by an associate or group company of the sponsors; or the listed securities of group companies of the sponsors which is in excess of 25% of the net assets.
- (m) Investment in non-publicly offered debt: Depending upon the available yields the scheme, may invest in non-publicly offered debt securities to the extent to which such investment can be made by the scheme.
- (n) Based upon the liquidity needs, the scheme may invest in Government of India Securities to the extent to which such investment can be made by the scheme.
- (o) The aggregate value of “illiquid securities” of the scheme, which are defined by SEBI as non traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the scheme and any illiquid securities held above 15% of the total assets shall be assigned zero value.

The proposed aggregate holding of assets considered “illiquid”, could be more than 10% of the value of the net assets of the scheme. In normal course of business, the scheme would be able to make payment of redemption proceeds within 10 business days, as it would have sufficient exposure to liquid assets.

In case of the need for exiting from such illiquid instruments in a short period of time, the NAV of the scheme could be impacted adversely.

- (p) Investment in the equity shares or equity related instruments of any company shall not exceed more than 10% of the NAV of the Plan/s at the time of investment.
- (q) The Plan/s shall not invest more than 5% of its NAV in the unlisted equity shares or equity related instruments.
- (r) Investment by this scheme in other Mutual Fund schemes will be in accordance with Regulation 44(1), Seventh Schedule of the SEBI (MFs) Regulations as under:

A scheme may invest in another scheme under the same asset management company or any other mutual fund without charging any fees, provided that aggregate interscheme investment made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the mutual fund.

Such investment will be consistent with the investment objective of the scheme. No investment management fees will be charged by the AMC on such investments.

- (s) **Benchmark:**
CRISIL Liquid Fund Index is the benchmark for Quarterly Interval Plan. UTI AMC reserves the right to change the benchmark in future if a benchmark better suited to the investment objective of the plans is available.
- (t) **Portfolio Turnover Policy**
Portfolio Turnover is defined as the least of purchase or sales as a percentage of average size of a fund during any specified period of time. As sales and purchases of securities can be made on daily basis, it would be difficult to estimate with reasonable level of accuracy the likely turnover in portfolios. There could be instances of churning of portfolio to take advantage of trading opportunity existing in the market. But it would be difficult to set the target for the portfolio turnover as it would be a function of purchases/redemptions, general market conditions, trading opportunities, creation of liquidity to meet income distribution etc. The portfolio turnover shall be targeted so as to have return maximisation for the unitholders. At the same time, expenses such as brokerage and transaction cost shall be kept at low level so that it does not affect the earnings of the scheme. As the major portion of the portfolio of the Plans are maturing in line with time profile of the plan, the portfolio turnover will be less.

(u) **Procedure followed at UTI AMC for taking investment decisions:**

The Investment set-up

The broad procedure followed at UTI AMC for taking investment decisions is summarised as follows:

- (i) The investments of the scheme are managed by a Fund Manager on a regular basis. The fund manager constructs the appropriate portfolio in the light of the scheme objectives, prudential exposure norms, fund size, tenure of the scheme and the liquidity required for income distribution considering the normal redemption before the time profile, redemption at the end of time profile etc. All the investment decisions are based on scheme's investment objectives, internal guidelines, regulatory restrictions etc. The portfolio is monitored based on the research inputs, present & expected market conditions, future outlook on the economy/ sectors/individual scrips and fresh inflows/ outflows in the scheme with a view to optimise the return under the scheme. The Fund Manager's operational strategy and its implementation are reviewed by the Head of Fixed Income on an ongoing basis.
- (ii) Department of Securities Research is an internal set-up with analysts tracking specific sectors, which provides regular inputs to the fund managers on stocks/ industries/sectors, implication of Govt./RBI policies and trends in international markets. The fund managers and research analysts interact regularly through meetings and presentations. These inputs are discussed thoroughly in these meetings. The fund managers and analysts visit companies to obtain all publicly available information on company performance/management perspectives. The fund managers also attend company presentations as well as presentations by external research outfits / broking firms on company / industry performance.
- (iii) **Primary Market investments:** The investment in Initial Public Offerings and Private placements in primary markets are screened and scrutinised by a separate primary market team. On the basis of this team's information and research reports, the fund managers give their recommendation on the proposals keeping in mind the scheme's investment objectives, internal guidelines and SEBI guidelines. Such proposals are approved / ratified by the Executive Investment Committee (EIC). If investment proposals exceed the limits laid down by the internal guidelines the Chairman & Managing Director of UTI AMC would also join the EIC as one of its members.
- (iv) **Secondary market investments:** Fund Managers also interact with research analysts and dealers on regular basis. The fund managers also have access to external sources of data from analysts, publicly available information about company / sector etc. The fund manager prepares a strategy paper for the scheme on periodic basis, which is discussed with senior management of UTI AMC. Finally, these investment decisions made by the Fund Managers are executed by the designated dealer.
- (v) **Inter Scheme Transfers:** The inter-scheme buy and sale transactions are effected as per the SEBI Regulations.
- (vi) **Monitoring:** A memorandum to the Board of Directors of the Trustee Company is submitted containing a report for due diligence on investment decisions by UTI AMC for UTI MF schemes for each quarter.
- (vii) **Participating in Derivative Products:**
 - (i) The scheme will use hedging techniques including dealing in derivative products - like futures and options, warrants, interest rate swaps (IRS), forward rate agreement (FRA) as may be permissible under SEBI (MFs) Regulations.
 - (ii) The scheme may take derivatives position based on the opportunities available and in line with the overall investment objective of the scheme. These may be taken to hedge the portfolio and rebalance the same.
 - (iii) The Fund manager may use various strategies for trading in derivatives with a view to enhancing returns and taking cover against possible fluctuations in the market.
 - (iv) As per the current norms of UTI AMC, the value of derivative contracts outstanding at any point of time will be limited to 25% of the net assets of the scheme. UTI AMC may in future revise the limits within the investment objective of the scheme

SEBI has vide its circular DNPd/Cir-31/2006 dated September 22nd 2006 interalia specified the guidelines pertaining to trading by Mutual Funds in derivatives.

All derivative position taken in the portfolio would be guided by the following principles.

i. Position limit for Mutual Funds in index options contracts

- a. The Mutual Fund position limit in all index options contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index options, whichever is higher.
- b. This limit would be applicable on open positions in all options contracts on a particular underlying index.

ii. Position limit for Mutual Funds in index futures contracts:

- a. The Mutual Fund position limit in all index futures contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index futures, whichever is higher.
- b. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

iii. Additional position limit for hedging

In addition to the position limits at point (i) and (ii) above, Mutual Funds may take exposure in equity index derivatives subject to the following limits:

- a. Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.
- b. Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, government securities, T-Bills and similar instruments.

iv. Position limit for Mutual Funds for stock based derivative contracts

The Mutual Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts, stand modified in the following manner:-

The market wide position limit shall be linked to the free float market capitalisation and shall be equal to 20% of the numbers of shares held by non-promoters in the relevant underlying security (i.e. free float holding)

The limit would be applicable on aggregate open positions in all futures and all option contracts on a particular underlying stock.

v. Position limit for each scheme of a Mutual Fund

The position limits for each scheme of mutual fund and disclosure requirements shall be identical to that prescribed for a sub-account of a FII. Therefore, the scheme-wise position limit / disclosure requirements shall be –

For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a mutual fund shall not exceed the higher of :

1% of the free float market capitalisation (in terms of number of shares).

Or

- a. 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
- b. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
- c. For index based contracts, Mutual Funds shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

Derivatives:

A derivative instrument, broadly, is a financial contract whose payoff structure is determined by the value of an underlying security, index, interest rate etc. Thus a derivative instrument derives its value from some underlying variable. Derivatives are further classified into

- Futures
- Options
- Swaps

Futures:

A futures contract is a standardized contract between two parties where one of the parties commits to sell, and the other to buy, a stipulated quantity of a security at an agreed price on or before a given date in future.

Numerical example to illustrate the risk and the return ensuing from trading in Futures:

Let us consider a portfolio of size of Rs. 100 crore having the following asset composition:

Equity Rs. 90 crore

Cash Rs. 10 crore

Beta of Portfolio 1.1

If at any time, the fund manager is not optimistic on the market and/or expects it to decline, he/she may with a view to immunising the portfolio from such a decline, decide to sell index futures. In this case, the ideal value of futures contracts to be sold so as to achieve a perfect hedge would be $1.1(90)$ equal to Rs.99 crore. Let us suppose the index futures at that time are selling at 4300 level. The number of contracts to be sold by the fund manager (assuming a lot size of 50 per contract - Rs.99 crore/4300x50) is 4600 (rounded off).

At a later date, let us assume that the market declines by 10% and the index future price falls to 3900 and the fund manager decides to close out the position. While due to a 10% fall in the market, the stock portfolio would have declined by 11% i.e. Rs.9.9 crore, the net gain arising from futures position will work out to Rs.9.2 crore arrived at as under:

Purchase price per contract: 50 (4300)

Covered Price per contract = 50 (3900)

Profit per contract = 50 (400) = 20000

Total profit = 4600 (20000) = Rs.9.2 crore

This will reduce the net loss on the hedged portfolio to just Rs.0.7 crore (i.e. 9.9 - 9.2) as against a loss of Rs.9.9 crore had the portfolio remained unhedged.

The cost which the scheme will have to bear will be the opportunity cost which will be the interest, in this case, on the margin money amount of Rs.9.9 crore (assuming the margin specified by the Exchange is 10% of the value of the futures contract) and the brokerage.

Options:

An option is a derivative instrument which gives its holder (buyer) the right but not the obligation to buy or sell the underlying security at the contracted price on or before the specified date. The purchase of an option requires an up-front payment (premium) to the seller of the option. There are two basic types of options, call option and put option.

Call option:

A call option gives the buyer of the option the right but not the obligation to buy a given quantity of the underlying asset, at a given price (strike price), on or before a given future date.

Put option:

A put option gives the buyer of the option the right but not the obligation to sell a given quantity of the underlying asset, at a given price (strike price), on or before a given future date.

On expiry of a call option, if the market price of the underlying asset is lower than the strike price the call would expire unexercised. Likewise, if, on the expiry of a put option, the market price of the underlying asset is higher than that of the strike price the put option will expire unexercised.

The buyer/holder of an option can make loss of not more than the option premium paid to the seller/writer but the possible gain is unlimited. On the other hand, the option seller/writer's maximum gain is limited to the option premium charged by him from the buyer/ holder but can make unlimited loss.

Numerical example to illustrate the risk and return ensuing from trading in options.**Selling/Writing a call:**

Let us consider that a fund has stock X in its portfolio, which is quoting at a price of Rs.100 as of today. Now if fund manager's target price for the stock X is Rs.120 (at which he thinks it is fully valued) in such a case the

fund manager may write a call option on stock X at a strike price of Rs.120. This essentially means that besides selling stock for Rs.120 the fund gains additionally in the form of option premium (say Rs.2 prevailing at the time of writing the call). On the negative side if the stock moves up beyond a price of Rs.122 in such a case the fund will have to deliver/sell the stock losing out on the upward opportunity (beyond Rs.122). The other scenario is that the option expires out of the money and the fund will gain the premium amount.

Pay off from writing a call

| Possible price of Stock at maturity / exercise (Rs.) | Gain / Opportunity Loss on the option position (Rs.) |
|--|--|
| 80 | 2 |
| 100 | 2 |
| 120 | 2 |
| 130 | -8 |
| 140 | -18 |

Buying a Put:

If fund manager wants to hedge a stock (say quoting at Rs.500), without losing out on the upward gains that the stock may offer, he may opt for buying a put option (say for Rs.20 at a strike of Rs.500) instead of selling the stock in the cash market. In such a case the fund manager avoids a fall in the value of the fund due to any possible fall in that stock. On the negative side if the market moves up the fund loses on the premium. (Rs.20), but continues to be benefited by the appreciation in the price of the stock.

Pay off from buying a put

| Possible price of Stock at maturity/exercise (Rs.) | Gain/Opportunity Loss On option position (Rs.) |
|--|--|
| 400 | 80 |
| 450 | 30 |
| 500 | -20 |
| 550 | 30 |
| 600 | 80 |

The above examples are illustrative and not exhaustive. There are various possible combinations of strategies, which may be adopted, in a specific situation. The provision for trading in derivatives is an enabling provision and it is not binding on the Scheme to undertake trading on a day to day basis.

Swaps:

The exchange of a sequence of cash flows that derive from two different financial instruments. For example, the party receiving fixed in an ordinary Interest Rate Swap receives the excess of the fixed coupon payment over the floating rate payment. Of course, each payment depends on the rate, the relevant day count convention, the length of the accrual period, and the notional amount.

Numerical example to illustrate the risk and return ensuing from trading in debt derivatives.

The portfolio has debt securities of Rs.1000000/- with time profile of 2 years.

If the fund manager has a view that the interest rates are expected to move up, he may swap the fixed interest receivable into a floating one or vice versa. If the interest rate rises by 1% over a month, the floating exposure would have realised an additional value of Rs.20,000/- and hedged the fall in the value of the portfolio (due to an increase in the interest rate) to that extent.

If on the contrary the interest rate falls by 1% over one month, the floating rate exposure would realise Rs.20,000/- less than the unhedged exposure.

Debt derivatives are as of now customised over the counter products and there is no guarantee that these products will be available on tap.

The Fund may use derivative instruments like Stock/ Index Futures, Interest Rate Swaps, and Forward Rate Agreements or such other derivative instruments as may be introduced from time to time for the purpose of

hedging and portfolio balancing, within a permissible limit of 50% of portfolio, which may be increased as permitted under the Regulations and guidelines from time to time.

(w) Debt market in India

(i) Debt Instrument Characteristics :

A Debt Instrument is basically an obligation which the borrower has to service periodically and generally has the following features:

| | |
|---------------|---|
| Face Value: | Stated value of the paper /Principal Amount |
| Coupon: | Zero; fixed or floating |
| Frequency: | Semi-annual; annual, sometimes quarterly |
| Maturity: | Bullet, staggered |
| Redemption: | FV; premium or discount |
| Options: | Call/Put |
| Issue Price : | Par (FV) or premium or discount |

A debt instrument comprises of a unique series of cash flows for each paper, terms of which are decided at the time of issue. Discounting these cash flows to the present value at various applicable discount rates (market rates) provides the market price.

(ii) Debt Market Structure:

The Indian Debt market comprises of the Money Market and the Long Term Debt Market.

Money market instruments have a tenor of less than one year while debt market instruments typically have a tenor of more than one year.

Money market instruments are Commercial Papers (CPs), Certificates of Deposit (CDs), Treasury bills (T-bills), Repos, Inter-bank Call money deposit, CBLOs etc. They are mostly discounted instruments that are issued at a discount to face value.

Long Term Debt market in India comprises mainly of two segments viz., the Government securities market and the corporate securities market.

Government securities includes central, state and local issues. The main instruments in this market are Dated securities (Fixed or Floating) and Treasury bills (Discounted Papers) The Central Government securities are generally issued through auctions on the basis of 'Uniform price' method or 'Multiple price' method while State Govt. are through on-tap sales.

Corporate debt segment on the other hand includes bonds/debentures issued by private corporates, public sector units (PSUs) and development financial institutions (DFIs). The debentures are rated by a rating agency and based on the feedback from the market, the issue is priced accordingly. The bonds issued may be fixed or floating. The floating rate debt market has emerged as an active market in the rising interest rate scenario. Benchmarks range from Overnight rates or Treasury benchmarks.

Debt derivatives market comprises mainly of Interest Rate Swaps linked to Overnight benchmarks called MIBOR (Mumbai Inter Bank Offered Rate) and is an active market. Banks and corporate are major players here and of late Mutual Funds have also started hedging their exposures through these products.

Securitised Debt Instruments - Asset securitisation is a process of transfer of risk whereby commercial or consumer receivables are pooled packaged and sold in the form of financial instruments. A typical process of asset securitisation involves sale of specific Receivables to a Special Purpose Vehicle (SPV) set up in the form of a trust or a company. The SPV in turn issues financial instruments to investors, which are rated by an independent credit rating agency. Bank, Corporates, Housing and Finance companies generally issue securitised instruments. The underlying receivables generally comprise of loans of Commercial Vehicles, Auto and Two wheeler pools, Mortgage pools (residential housing loans), Personal Loan, credit card and Corporate receivables.

The instrument, which is issued, includes loans or receivables maturing only after all receivables are realized. However depending on timing of underlying receivables, the average tenure of the securitized

paper gives a better indication of the maturity of the instrument.

(iii) Regulators: The RBI operates both as the monetary authority and the debt manager to the government. In its role as a monetary authority, the RBI participates in the market through open-market operations as well as through Liquidity Adjustment facility (LAF) to regulate the money supply. It also regulates the bank rate and repo rate, and uses these rates as indirect tools for its monetary policy. The RBI as the debt manager issues the securities at the cheapest possible rate. The SEBI regulates the debt instruments listed on the stock exchanges.

(iv) Market Participants:

Given the large size of the trades, the debt market has remained predominantly a wholesale market.

Primary Dealers

Primary dealers (PDs) act as underwriters in the primary market, and as market makers in the secondary market.

Brokers

Brokers bring together counterparties and negotiate terms of the trade.

Investors

Banks, Insurance Companies, Mutual Funds are important players in the debt market. Other player are Trusts, Provident and pension funds.

(v) Types of Security Issuances and Eligible Investors

| Issuer | Instruments | Yields | Maturity | Investors |
|--------------------|-------------------------|------------|-----------------|--|
| Central Government | Dated Securities | 7.5%-8.5% | 1-30 years | RBI, Banks, Insurance Co, PFs, MFs, PDs, Individuals |
| Central Government | T-Bills | 7.5%-8% | 91/364 days | RBI, Banks, Insurance Co, PFs, MFs, PDs, Individuals |
| State Government | Dated Securities | 8.0-9.0% | 5-13 years | Banks, Insurance Co, Provident Funds |
| PSUs | Bonds | 9.5%-10.5% | 5-10 years | Banks, Insurance Co, PFs, MFs |
| Corporates | Debentures | 8.0-10.0% | 1-12 years | Banks, MFs, Corporates, Individuals |
| Corporates, PDs | Commercial Papers | 8%-11% | 15 days to 1 yr | Banks, MFs, Fin Inst, Corporates, Individuals, FIIs |
| Banks | Certificates of Deposit | 8%-11% | 15 days to 1 yr | Banks, Mutual Funds, Financial Institutions, |
| Banks | Bonds | 8%-10% | 5-15 years | Banks, Companies, MFs, PDs, Individuals |

(vi) Trading Mechanism

Government Securities and Money Market Instruments

Negotiated Dealing System (NDS) is an electronic platform for facilitating dealing and online reporting of transactions. Government Securities (including T-bills), call money, notice/term money, repos in eligible securities, etc. are available for negotiated dealing through NDS. Currently G-Sec deals are done telephonically and reported on NDS. Corporate Debt is basically a phone driven market where deals are concluded verbally over recorded lines. The reporting of trade is done on the NSE Wholesale Debt Market segment.

VI. UNITS & OFFER

1. UTI-Fixed Income Interval Fund - Series II is a debt oriented interval scheme.
2. The face value of a unit is Rs. 10/-.
3. Each Plan offers the following option (s) / Sub - option(s):
 - Retail Option
 - Institutional Option

The following sub options are available within Retail and Institutional Option.

- a. **Growth Sub-Option:** Ordinarily under this option no dividend distribution will be made and all accrued and earned income will be ploughed back and returns will be reflected through growth in the NAV.
- b. **Dividend Sub-Option:** Subject to availability of distributable surplus under the Dividend sub-option, dividend will be distributed at such interval/s as may be decided. Under this Payout and Reinvestment facilities are available.
- c. **Reinvestment facility:** Under this facility the dividend distribution in respect of unitholders under the Dividend sub-option (who opt for reinvestment facility) will be reinvested in further units at the NAV on the record date less dividend distributed per unit.

In case no sub-option is indicated in the application form, then the default options will be the growth option.

Pre closure & extension of the offer:

The AMC reserves the right to extend the closing date of the New Fund Offer period, subject to the condition that the subscription to the New Fund Offer shall not be kept open for more than 30 days. Similarly, the AMC may close the New Fund Offer earlier by giving one day's notice in one daily newspaper.

4. Details of the Scheme or Plans:

UTI-Fixed Income Interval Fund - Series II is the name of the scheme which contains various plans. The Scheme proposes to launch Four series of Quarterly Interval Plan within 6 months from _____ i.e. the date of SEBI clearance letter for the Offer Document. However, the AMC reserves the right to launch or defer the launch depending upon appetite for such products. Each plan will have a separate portfolio.

5. Applicants:

An application for issue of units may be made by any resident or non-resident Indian as well as non - individuals as indicated below:

- (a) a resident individual or a NRI or a person of Indian origin residing abroad, either singly or jointly with another or upto two other individuals on joint/ anyone or survivor basis. An individual may make an application in his personal capacity or in his capacity as an officer of a Government or of a Court,
- (b) a parent, step-parent or other lawful guardian on behalf of a resident or a NRI minor,
- (c) an association of persons or body of individuals whether incorporated or not,
- (d) a Hindu Undivided Family both resident and non- resident,
- (e) a body corporate including a company formed under the Companies Act, 1956 or established under State or Central Law for the time being in force,
- (f) a bank including a scheduled bank, a regional rural bank, a co-operative bank etc.,
- (g) an eligible trust including Private Trust being irrevocable trust and created by an instrument in writing,
- (h) a society as defined under the scheme,
- (i) a Financial Institution,
- (j) an Army/Navy/ Air Force/Paramilitary Fund,
- (k) a partnership Firm,

(An application by a Partnership firm shall be made by not more than two partners of the firm and the first named person shall be recognised by UTI AMC for all practical purposes as the unitholder. The first named person in the application form should either be authorised by all remaining partners to

sign on behalf of them or the partnership deed submitted by the partnership firm should so provide.)

- (l) FIIs registered with SEBI,
- (m) mutual funds,
- (n) Scientific and Industrial Research Organisation, and
- (o) Any other category of investors.

Note: Neither this Offer Document nor the Units have been registered in any jurisdiction including the United States of America. The distribution of this Offer Document in certain jurisdictions may be restricted or subject 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. No persons receiving a copy of this Offer Document or any accompanying application form in such jurisdiction may treat this Offer Document or such application form as constituting an invitation to them to subscribe for Units, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly this Offer Document does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Offer Document and any persons wishing to apply for Units pursuant to this Offer Document to inform themselves of and to observe, all applicable laws and Regulations of such relevant jurisdiction.

6. Amount of investment:

Retail Option:

Minimum amount of investment is Rs.10000/- for Dividend Sub-Option and Rs.5000 for Growth Sub-Option and in multiples of Re.1/-.

Institutional Option:

Minimum amount of investment is Rs.1,00,00,000/- (one crore) and in multiple of Re.1/-.

SEBI has made it mandatory for all applicants, irrespective of amount of investment, to furnish Income Tax PAN. An application without PAN will be rejected. Investors are required to provide the photocopy (self attested by the investor) of the PAN card along with the application form.

7. (i) Bank account particulars of applicant / unitholder, (ii) Despatch of Repurchase/ Redemption Cheque/Demand Draft/Dividend Distribution Warrant :

- (a) In order to avoid fraudulent encashment of redemption cheque/Demand Draft/Dividend Distribution Warrants (DDWs), SEBI has made it mandatory for unitholders, to furnish their bank account particulars i.e. nature of account, account number and name and address of the bank branch along with pin code. The unitholders are also required to furnish the 9 digit bank and branch MICR code number in the application for payment to the bank account of the unitholder through the various modes as indicated below.
- (b) The Applicant / Member by signing application form for subscription to units gives his / her / its consent to UTI AMC to despatch Repurchase / Redemption / Dividend Distribution Cheque / Warrant / Demand Draft either through Post Office or Courier or making payment directly through ECS / Direct Credit into the Unitholder's Bank Account.
- (c) For removal of doubt, it is clarified that having despatched payment / advice through any one of aforesaid modes, in the event of nondelivery / non-credit of the Repurchase / Redemption / Dividend Distribution Cheque / Warrant / Demand Draft and / or wrongful encashment of the said cheque / warrant / demand draft so mailed, UTI AMC will not, at all, be liable for the same.

8. Minimum target amount to be raised

An amount of Rs.10 lakhs is targeted to be raised during the New Fund Offer Period of the respective Plans. Over subscription above Rs.10 lakhs will be retained in full. If the targeted amount of Rs.10 lakhs is not subscribed to, UTI AMC shall refund the entire amount collected under the scheme by an account payee cheque/refund order or by any other mode of payment as may be decided by UTI AMC within 42 days from the close of the new fund offer period of the scheme. In the event of any failure to refund such amount within

42 days from the close of the new fund offer period of the scheme, UTI AMC shall be liable to pay to the concerned applicant interest @ 15% p.a. or such rate as may be prescribed by SEBI from time to time from the 43rd day of the date of closure of the new fund offer period of the scheme till the date of despatch of refund order.

9. Statement of Account:

- (a) For Purchase, reinvestment of dividend distribution and redemption UTI AMC will issue a statement of account (SOA) indicating, among other particulars, the date of acceptance, amount of investment, number of units issued/ redeemed and the outstanding balance.
- (b) SOA will be a valid evidence of admission of the applicant into the scheme. However, where the units are issued subject to realisation of cheque/ draft such issue of units will be cancelled if the cheque/ draft is returned unpaid and treated having not been issued.
- (c) UTI AMC shall endeavour to send the SOA within 15 business days from the date of acceptance of an application but in any case, not later than 30 days therefrom.
- (d) The NRI applicant may choose to receive the SOA at his/her Indian/foreign address or at the address of his/her relative resident in India.
- (e) UTI AMC shall send the SOA at the address mentioned in the application form and recorded with UTI AMC and shall not incur any liability for loss, damage, mis-delivery or non-delivery of the SOA.
- (f) Every unitholder will be given a folio number, which will be appearing in SOA for his initial investment. Further investments in the same name(s) and in the same order would be registered under the same folio, if folio number is mentioned by the unitholder.
- (g) If a unitholder desires to have a unit certificate (UC) in lieu of SOA the same would be issued to him within 30 days from the date of receipt of such request.
- (h) In case the unit certificate or SOA is mutilated/ defaced/lost, UTI AMC may issue a duplicate SOA on receipt of a request to that effect from the unitholder on a plain paper or in the manner as may be prescribed from time to time.

10. Switchover:

Unitholders may be permitted to switchover their investment partially or fully to any other scheme/s/ plan/s of UTI MF as may be allowed from time to time on such terms as may be announced by UTI AMC. In case of partial switchover to a plan/scheme/option/ sub-option, the condition of holding minimum investment prescribed under both the plans/schemes/ option /sub-option has to be satisfied. Similarly, changeover between the sub-options of the plans in this scheme may also be allowed.

11. Book Closure Period/Record Date:

The redemption of units shall remain open throughout the year except during book closure period/s not exceeding 15 days in a year. Besides, record date/s may be announced if dividend is distributed.

12. Suspension of Purchase and Redemption of units

The Trustee may decide to temporarily suspend determination of NAVs of the Plan (s) offered in this document, and consequently purchase and redemption of units, in any of the following events:

- (a) When one or more exchanges or markets, which provide basis for valuation for a substantial portion of the assets of the plan (s) are closed otherwise than for ordinary holidays.
- (b) When, as a result of political, economic or monetary events or any circumstances outside the control of UTI AMC, the disposal of the assets of the plan(s) is not reasonable, or would not reasonably be practicable without being detrimental to the interests of the unitholders.
- (c) In the event of breakdown in the means of communication used for the valuation of investments of the plan (s), without which the value of the securities of the plan(s) cannot be accurately calculated.
- (d) During periods of extreme volatility of markets, which in the opinion of UTI AMC are prejudicial to the interests of the unitholders of the plan(s).
- (e) In case of natural calamities, strikes, riots and bandhs.
- (f) In the event of any force majeure or disaster that effects the normal functioning of UTI AMC or the Registrar.
- (g) If so directed by SEBI.
- (h) The purchase of units may also be suspended if, in the Trustee's or AMC's view, increasing the size of the plan (s) any further may prove detrimental to the existing unitholders.

In the above eventualities, the limits indicated in the offer document, for processing of requests for purchase and redemption of units will not be applicable.

The approval of the Board of the AMC and the Trustee giving details of circumstances and justification for the suspension of redemption shall be informed to SEBI in advance.

VII. PURCHASE OF UNITS

1. Purchase contract:

(a) The price at which a unit will be sold is hereinafter referred to as “Purchase Price”.

The contract of purchase of units shall be deemed to have been concluded on the date of acceptance except in case where an application is rejected under clause VII (5) of this offer document.

Purchase Price = At face value during New Fund Offer and at NAV based price after the scheme reopens on an ongoing basis.

The Fund reserves the right to introduce or change the redemption load or with prospective effect subject to the maximum limits as prescribed by the SEBI (MFs) Regulations. Currently as per the SEBI (MFs) Regulations the purchase price will not be higher than 107% of the NAV and the redemption price will not be lower than 95% of the NAV. The difference between the redemption price and the purchase price of the unit shall not exceed 7% calculated on the purchase price or as per the limit prescribed by SEBI from time to time.

2. For details of Entry Load, please refer Section IX (4)

3. Submission of applications -

- (a) Applications may be accepted at Official Point of acceptance or as may be decided by UTI AMC from time to time.
- (b) Non individual applications along with required documents may be accepted only at UTI Financial Centres or as may be decided by UTI AMC from time to time.

4. Mode of Payment:

(a) Resident applicants

- (i) The payment for units applied for by a resident applicant has to be made either by a cheque or draft or in cash to the extent of amount permissible under Income Tax Act or by RBI or by any other mode as may be permitted by UTI AMC.
- (ii) Cheques/drafts should be drawn on a branch of a bank situated in the city / area of UTI Financial Centre/authorised collection centre where the application is tendered/submitted.
- (iii) The bank draft charges, if any, will have to be borne by the applicant. However for investment made from areas where there are no UTI Financial Centres or Chief Representative Collection Centres/Franchise offices or authorised collection centres (where local cheques are accepted), UTI AMC may, if it so decides, bear draft charges to the extent of Rs.250/- per application or the actual as is prescribed by banks, whichever is lower or such amount as may be decided by the AMC. The investors have to attach proof of the DD charges paid to a bank (i.e. acknowledgement issued by the bank where DD is purchased). The reimbursement/adjustment of DD charges is solely at the discretion of the AMC and in case if it is found that such charges are unreasonably higher than normal market rates, such charges may not be admissible. Demand Draft charges if reimbursed to unitholders will be borne by the AMC and will not be charged to the scheme. However in case of applications received along with local bank draft where the AMC has its Financial Centre or any other authorised collection centre, bank draft commission will have to be borne by the investors.

(b) NRI applicants:

- (i) By a rupee draft issued by a bank/exchange house abroad on its Indian correspondent bank.
- (ii) By a rupee cheque/draft issued out of NRE deposits of the applicant or received as a gift from another NRI out of the donor's NRE deposits or by a rupee draft purchased by him from a bank abroad.

- (iii) By a rupee cheque/draft issued out of NRO deposits of the applicant or out of the proceeds of the NRNR/NRSR deposits.
- (iv) Nepalese and Bhutanese currencies and cash are not accepted.

(c) FIIs

Investment by FIIs should be through payment by debit to Special Non-Resident Rupee Account maintained with a designated bank/authorised dealer approved by RBI.

Note: Investors may please note that the Agent / Chief Representative (CR) / Chief Agent (CA) / Franchise office (FO) of the AMC are not permitted to accept cash. UTI AMC will not be responsible for such or any other wrong tender of cash.

5. Right of UTI AMC to accept or reject applications:

- (a) UTI AMC shall have the right to accept and/or to reject, at its sole discretion, an application for issue of units under the scheme. An application for issue of units is liable for being rejected under the following circumstances which are illustrative in nature:
 - (i) If an application is received with amount less than the minimum prescribed amount of investment.
 - (ii) If the application has not been signed by the first applicant.
 - (iii) If the application is found to be incomplete in any respect.
 - (iv) If the bank account particulars as required are not furnished.
 - (v) If the applicant is not eligible to invest in the scheme.
 - (vi) If cheque/demand draft deposited alongwith the purchase application is rejected and payment is not received by AMC.
 - (vii) If PAN details, as required are not furnished.
- (b) Any decision of AMC about the eligibility or otherwise of a person to make an application under the scheme shall be final and binding on the applicant.
- (c) Refund of application amount in a rejected case will be made without AMC incurring any liability whatsoever, for interest or any other sum(s) and, at the cost of the applicant, after the requisite operational and other procedural formalities, as prescribed from time to time, are complied with.
- (d) The Trustee / AMC shall have the absolute discretion to accept/reject any application for purchase of units, if in the opinion of the Trustee/ AMC, increasing the size of the Scheme's Unit Capital is not in the general interest of the Unit holders, or the Trustee/AMC for any other reason believes it would be in the best interest of the scheme or the unitholders to accept reject such an application.

6. Requirement for admission into the scheme

- (a) An adult, being a parent, step-parent or other lawful guardian of a minor may hold units and deal with them on behalf of the minor. Such adult if so required shall furnish to the AMC, in such manner as may be specified, proof of the age of the minor and his capacity to hold and deal with units on behalf of the minor. The AMC shall be entitled to act on the statements made by such adult in the application form without any further proof.
- (b) The AMC shall be entitled to deal only with the applicant and in the event of his death, the alternate applicant for all practical purposes and any payment in respect of the units by AMC to the said applicant or the alternate applicant shall be a good discharge to the AMC.
- (c) In the case of non-individual applicants such as Body Corporate, Company, Eligible Institutions, Society, Trust, Partnership Firm, Banks, etc., no documents/resolution is normally called for except a declaration in the application itself or separately that "the applicant is empowered to invest and the signatories have necessary authorisation to invest on behalf of the applicant".
- (d) In the case of non-individual unitholders such as Body Corporate, Company, Eligible Institutions, Society, Trusts, Partnership Firm, Banks, etc., no documents/resolution is normally called for at the time of redemption, except a declaration in the redemption application itself or separately that "unitholder is empowered to disinvest and signatories have necessary authorisation to encash units on behalf of the "unitholder".

- (e) A firm shall be registered as a unitholder and the SOA shall be made in the name of the firm. In the event of any change in the constitution of the partnership firm, the same should be duly intimated to AMC along with the public notice, if any, issued in this regard at least within a month from the date of such change in the constitution of the firm.
- (f) An individual applying for units in his official capacity shall be issued units in his official name.

7. Prevention of money laundering

The Prevention of Money Laundering (Amendment) Act, 2005, (the Act) No.20 of 2005, and the Rules made thereunder have been made applicable from the 1st day of July, 2005. The same are required to be complied for making disclosures by the investors, and for complying with the procedures etc. as required under the Act and the Rules made thereunder. The applicant / joint applicant / alternate applicant / unitholder(s) shall be required to comply with all the procedures and make all the disclosures as required for the purposes of the Act, Rules.

SEBI has vide its circular no. ISD/CIR/RR/AML/1/06 dated 18th January 2006, directed all intermediaries, including Mutual Funds, to formulate and implement policies and procedures for dealing with money laundering and adoption of 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 the investor(s) / unitholder(s). SEBI has also vide its circular no. ISD/CIR/RR/AML/2/06 dated 20th March 2006, advised all intermediaries, including Mutual Funds, interalia, reporting of information relating to cash and suspicious transactions to the Director, Financial Intelligence Unit-India (FIU-IND), an Authority under the Act.

The investor(s) / unitholder(s) including guardian(s) where investor / unitholder is a minor, must ensure that the amount invested in the Scheme is derived only through legitimate sources and does not involve and is not designed for the purpose of any contravention or evasion of the provisions of all the applicable laws, rules and regulations, directions issued by the appropriate authority (the applicable laws) in force from time to time including the Prevention of Money Laundering Act, the Income Tax Act, 1961, or the Prevention of Corruption Act, 1988, etc.

UTI Mutual Fund / UTI Trustee Company Pvt. Ltd. / UTI Asset Management Company Ltd. (UTI AMC) reserve the right to take all steps and actions, including recording investor(s) / unitholder(s) telephonic calls, and / or obtain and retain documentation for establishing the identity of the investor, proof of residence, source of funds etc. in accordance with the applicable laws, from the investor(s) / unitholder(s), as may be required, to ensure the appropriate identification / verification / re-verification of the investor(s) / unitholder(s), the source of funds etc. under its KYC Policy.

If at any time, UTI Mutual Fund / UTI Trustee Company Pvt. Ltd. / UTI AMC believe that the transaction is suspicious in nature within the applicable laws, UTI AMC shall have the absolute discretion to report the suspicious transaction to FIU-IND and or to freeze the account, reject any application or compulsorily redeem the units of the investor(s) / unitholder(s) at NAV subject to payment of exit load, if any, and such guidelines, as applicable in this regard. UTI Mutual Fund, UTI Trustee Company Pvt. Ltd., UTI Asset Management Company Ltd. shall have no obligation to inform / advise the investor(s) / unitholder(s) or its agents or distributors of such reporting.

The above provisions shall also apply for the person(s) acquiring the units by operation of law, for e.g. by way of transmission.

UTI Mutual Fund, UTI Trustee Company Pvt. Ltd., UTI Asset Management Company Ltd. and their Directors, employees, Registrars and Transfer Agents to the scheme and agents, shall not be responsible / liable in any manner whatsoever due to the freezing of the accounts / folios or rejection of any application for investments in the units of the scheme or compulsory redemption of the units of the scheme due to non-compliance by the investor(s) / unitholders(s) with the provisions of the above mentioned laws, rules, regulations, KYC policy etc. and / or where UTI Asset Management Company Ltd. believes any transaction to be suspicious in nature within the purview of the applicable laws, rules, regulations etc.

8. Units held under false declaration

- (a) Unitholders who come to hold units under a false declaration/certificate shall be liable for having the unitholding cancelled and have their names deleted from the register of unitholders.
- (b) In such cases the AMC shall have the right to redeem the outstanding unit holding at face value or at NAV, whichever is lower, and deduct therefrom a sum equal to 25% of the redemption price towards penalty.
- (c) The AMC will also recover the amount of dividend distribution, if any, wrongly paid to such persons from out of the redemption proceeds.
- (d) The amount payable to such applicant shall not carry any interest or any other sum irrespective of the period it might take to effect the redemption and to pay the redemption proceeds.

9. Nomination:

- (a) Nomination facility is available to individuals applying on their own behalf i.e. singly or jointly.
- (b) Only one person, resident or NRI, including minors can be nominated. Nomination can also be in favour of the Central Government, State Government, a local authority, any person designated by virtue of his office or a religious or charitable trust.
- (c) Nomination of a NRI is subject to requirements, if any, prescribed by RBI and SEBI from time to time.
- (d) On registration of nomination a suitable endorsement shall be made on the statement of account or in the form of a separate letter.
- (e) Nomination can be changed at any time during the currency of the investment by the same persons who have made the nomination.
- (f) Unitholder being either parent or lawful guardian on behalf of a minor and an eligible institution, societies, HUF, AoPs and BoIs and partnership firms shall have no right to make any nomination.
- (g) The nominee shall not be a trust (other than a religious or charitable trust), society, body corporate, partnership firm, karta of HUF or power of attorney holder.
- (h) The facility of the nomination is available to a unitholder as provided by SEBI (MFs) Regulations and guidelines issued by SEBI from time to time.
- (i) On cancellation of nomination, the nomination shall stand rescinded.
- (j) Where a nomination in respect of any unit has been made, the units shall, on the death of the unitholder(s), vest in the nominee and on compliance of necessary formalities the nominee shall be issued a SOA in respect of the units so vested subject to any charge or encumbrance over the said units. Nominee would be able to hold the units provided he is otherwise eligible to become a unitholder of the plan.
- (k) Transmission made by the AMC, as aforesaid, shall be a full discharge to the AMC from all liability in respect of the said units.
- (l) Where there are two unitholders and one of whom has expired the title to units shall vest in the surviving unitholder(s) who may retain the nomination or change or cancel the same.
However, non-expression of desire to change or substitute the nominee by surviving unitholder shall be deemed to be the consent of surviving unitholder for the existing nomination.

10. Listing

Being an open ended scheme, the units of the plans under the scheme will not be listed on any stock exchange, at present. However the Trustees may, at its sole discretion, cause the units under the scheme to be listed on one or more stock exchanges.

VIII. REDEMPTION OF UNITS

1. The respective Plans will have a Specified Redemption Period.

- (a) For Redemptions made on the Specified Redemption Date, presently there is no exit load charged.
- (b) If the Specified Redemption Date is a day which is a non-business day for the scheme/plan, the redemption requests shall be accepted on the next business day for the scheme/plan.
- (c) The various plans also offers redemption facility after the closure of the issue at NAV based prices throughout the year other than the specified redemption period at NAV based prices less applicable Exit Load, except during the book closure period/s not exceeding 15 days in a year or such period as may be decided by SEBI from time to time. The investor may redeem the units on the stipulated date.

(based on the date of the closure of the issue).

Illustration: For example if the date of allotment of the plan is Sep 06, 2007, the stipulated / redemption dates / schedule during the tenure of the Plan will be as under:

| Stipulated date for redemption (Illustration) | |
|--|----------------------------------|
| Plan | Specified Redemption Date |
| Quarterly Interval Plan | 6-Dec-2007 |

Please note that if the Specified Redemption date for redemption falls on a non business day, then the units will be redeemed or scheme /plan will mature as the case may be, on the following business day for the scheme/plan. However AMC reserves the right to change / alter the “Specified Transaction Period” depending on the prevailing market condition and to protect the interest of the investors.

2. The redemption contract shall be deemed to have been concluded on the date of acceptance of redemption request duly completed in all respects. Explanation for ‘duly completed’ - An application will be considered as duly completed if the sole holder (in the case of single holding) or all the holders (in the case of joint holding) or one of the holders (in the case of any one or survivor holdings) have signed the redemption application and have alongwith this submitted the relevant SOA / Unit Certificate/s.
The redemption price will be arrived at which will be in line with SEBI formula as under:
Redemption Price = Applicable NAV *(1 - Exit Load, if any)
3. **Minimum & maximum redemption amount:**
Minimum redemption amount: Rs.1,000/- and in multiples of Re.1/-thereafter.
Maximum redemption amount: No limit
4. **For details on Exit Load, please refer Section IX (4)**
5. The difference between the redemption price and the purchase price of the unit shall not exceed 7% calculated on the purchase price or as per the limit prescribed by SEBI from time to time.
6. Redemption applications can be deposited at all Official Points of acceptance. UTI AMC may add or delete any authorised centre. Unitholders have to compulsorily furnish their bank account details in the application for redemption.
7. In respect of all applications for redemption received and accepted at all official points of acceptance, by 3 p.m. or such other time as may be prescribed by the AMC from time to time on a particular day the applicable NAV will be that of the same day. All applications received and accepted after 3 p.m. or such other time as may be prescribed by the AMC from time to time, will be governed by the NAV of the next business day. Accordingly, the application received after 3.00 p.m. or such other time as may be prescribed on any business Friday and the applications received on Saturdays and Sundays will be transacted at the NAV applicable for the following Monday. If the following Monday happens to be a non-business day in Mumbai, then the NAV applicable for the next business day will be applicable.
8. Redemption will be effected on receipt of the unit certificate / Statement of Account alongwith the redemption request slip / composite service form or such document duly completed in all respects as may be prescribed from time to time.
9. Cheque for redemption proceeds shall be despatched within 10 business days from the date of receipt of an application on the redemption slip / composite service form or any such other document as may be prescribed from time to time at the official points of acceptance which are complete in all respects. In the event of any delay in despatch of redemption cheque beyond 10 business days from the date of receipt of the redemption application at the processing centre, UTI AMC shall pay interest @ 15% p.a. or at such rate as may be prescribed by SEBI from the 11th business day to the date of despatch.
10. Partial redemption under a folio shall be permitted subject to the unitholder maintaining the prescribed minimum balance to be reckoned with reference to the redemption price applicable as on the date of

acceptance of the redemption application. Where the balance amount so calculated is found to be less than the prescribed minimum balance, UTI AMC may compulsorily redeem the entire outstanding holding of the unitholder without any fresh application for redemption of the balance holding and pay the proceeds to the unitholder.

11. No interest shall, on any account, except under sub clause 11 above be payable on the amount of redemption due to the applicant as prescribed by SEBI.
12. The receipt of the unitholder for any moneys paid to him in respect of the units indicated in the unit certificate / SOA shall be a good discharge to the Mutual Fund.
13. The cost of remittance or of realisation of cheque or draft sent by UTI AMC shall be borne by the applicant.
14. In case of NRI unitholders, redemption proceeds will be paid in the manner indicated in clause XIII (10).
15. In case of FII's, redemption proceeds will be paid / remitted depending upon the source of investment as mentioned in XIII (11).
16. Unitholders desiring redemption of dematerialized units should fill in the redemption request form (RRF) available with his Depository Participant (DP) and submit it to the DP.

17. Settlement of Claims

- (a) In the event of the death of the unitholder, the joint holder/nominee/legal representative of the unitholder may, if he is otherwise eligible for joining a plan as unitholder, be permitted to hold the units and become a unitholder. In that event a fresh SOA will be issued in his name in respect of units so desired to be held subject to the fulfilment of the condition regarding minimum holding and compliance with the required procedure as may be prescribed by UTI AMC from time to time.
- (b) If the joint holder/nominee/legal representative of the unitholder is not eligible to join a plan or he though eligible, opts for redemption and also in cases where no nomination has been made, the claimant (i.e. joint holder/nominee/legal representative of the unitholder, as the case may be) on surrender of the latest SOA of the deceased unitholder or any such other document, as may be prescribed from time to time, issued to the deceased unitholder and on due compliance with the procedural requirements, as may be prescribed by UTI AMC for recognising such claims, shall be paid redemption proceeds of the units outstanding to the credit of the deceased unitholder as on the date of acceptance of such applications.

18. Right to limit Redemptions:

The Trustees may, in the general interest of the unitholders of the plan/s offered under this Offer Document and keeping in view the unforeseen circumstances/unusual market 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, or such other percentage as may be determined.

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 by the AMC. Redemption so carried forward will be priced on the basis of the applicable NAV 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, redemptions will be made on a 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). In case a unitholder redeems units soon after making purchases the redemption cheque may not be despatched until sufficient time has elapsed to provide reasonable assurance that cheques or drafts for units purchased have been cleared.

The approval of the Board of Directors of the AMC and the Trustees giving details of circumstances and justification for the restriction of redemption shall also be informed to SEBI in advance.

- 19. Restrictions on purchase and redemption of units:** Notwithstanding anything contained in any provision of the scheme, UTI AMC shall not be under any obligation to sell or redeem units:

- i) If it is not a business day as announced by UTI AMC for this plan.
- ii) During book closure period/s, if any, (not exceeding 15 days in a financial year) when the register of unitholders is closed for any purpose as notified by UTI AMC and
- iii) On such days which the Trustee decides not to purchase / redeem units as indicated in clause VI (12).

20. Unclaimed Redemption/Dividend Amount

The unclaimed redemption amounts and dividend amounts may be deployed by the mutual fund in call money market or money market instruments and the investors who claim these amounts during a period of 3 years from the due date shall be paid at the prevailing net asset value. After a period of 3 years, this amount will be transferred to a pool account and the investors can claim the amount at the NAV prevailing at the end of the 3rd year. The income earned on such funds will be used for the purpose of investor education. The AMC will make continuous efforts to remind the investors through letters to take their unclaimed amounts. Further, the investment management fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points.

IX. EXPENSES

1. New Fund Offer Expenses:

(a) The Scheme being an open ended scheme, no New Fund Offer expenses shall be charged in accordance with SEBI Circular dated April 04, 2006.

(b) NFO expenses for past scheme

The initial issue expenses of UTI-Wealth Builder Fund launched in September 2006 was 5.45% of the funds mobilized, UTI-Long Term Advantage Fund launched in December 2006 expenses borne by the scheme was 6.00% and expenses borne by the AMC was 0.98% of the funds mobilized, UTI-Capital Protection Oriented Scheme-3 Years Plan launched in December 2006 expenses borne by the scheme was 3.25% and expenses borne by the AMC was 1.80% of the funds mobilized, UTI-Capital Protection Oriented Scheme-5 Years Plan launched in December 2006 expenses borne by the scheme was 4.25% and expenses borne by the AMC was 1.80% of the funds mobilized and UTI-Gold Exchange Traded Fund launched in March 2007 expenses born by the scheme was 2.02% and expenses borne by the AMC was 3.47% of the funds mobilized.

2. Recurring expenses:

(a) The total annual recurring expenses of the scheme excluding redemption expenses but including the investment management and advisory fees shall be subject to the following limits:

| First Rs.100 Crs | Next Rs.300 Crs | Next Rs.300 Crs | Over Rs.700 Crs |
|------------------|-----------------|-----------------|-----------------|
| 2.25% | 2.00% | 1.75% | 1.50% |

(b) The following estimated expenses incurred under the respective heads will be charged to the scheme(s)/plan(s) on a recurring basis. The estimate is subject to change inter se as per actual expenses incurred during any year.

| Items (up to maximum limit of 2.25 % for each of the plan) | Quarterly Interval Plan |
|---|-------------------------|
| Investment Management and Advisory Fees | 1.25 |
| Printing, stationary, postage etc. | 0.25 |
| Custodial Fees | 0.25 |
| Registrars Fees & Processing Charges including stamp duty, if any | 0.25 |
| Marketing & Sales Promotion | 0.25 |
| Total | 2.25 |

The purpose of the table is to assist the investor in understanding the various costs and expenses that an investor in the scheme/plan will bear directly or indirectly.

3. Fees

The Investment management and advisory fees will not exceed the limits specified under clause 2 of regulation 52 of SEBI (MFs) Regulations, 1996, namely:

- (i) One and quarter of one percent of the daily average net assets outstanding in each accounting year for the scheme as long as the net assets do not exceed Rs.100 crores, and
- (ii) One percent of the excess amount over Rs.100 crores, where net assets so calculated exceed Rs.100 crores.

4. Maximum Applicable Entry and Exit Load

- (a) The Purchase and redemption prices will be as under: Purchase Price = At face value. Here, as the purchase of units are restricted only to New Fund Offer, the applicable price will be the face value i.e. Rs.10/-. Redemption Price = Applicable NAV *(1 - Redemption Load, if any)

As per SEBI regulations, the maximum total transaction expenses of the Scheme that may be levied on the unitholder and expressed as a percentage of the amount of the Scheme's NAV, are estimated to be as follows:

| Type of transaction | Load upto% of NAV |
|---|---|
| Maximum Load imposed on Purchase | Nil |
| Purchase Load, if any, on issue of units in lieu of dividends | Nil |
| Contingent deferred redemption/purchase load | Nil |
| Maximum Redemption load | 5 |
| Maximum Switchover/Exchange fee | At applicable entry-exit loads for respective Plans |

The redemption price shall not be lower than 95% of NAV and the purchase will not be higher than 107% of the NAV. The difference between the redemption price and purchase price shall not exceed 7% of the purchase price.

At present, the scheme intends to charge the following load, till subsequently changed:

Load (as % of applicable NAV)

Entry Load: For all the plans, the Entry Load will be NIL

Exit Load: Nil if redeemed during “The Specified Transaction Period”. The below load structure will be applicable if redeemed at anytime other than “The Specified Transaction Period”.

| | |
|--------------------------------|-----------|
| Quarterly Interval Plan | 1% |
|--------------------------------|-----------|

The above load structure is proposed initially, however the same may undergo change at the time of launch of the plan/s. The same will be announced at the time of launch by issuing an addendum.

The AMC reserves the right to change/modify exit/ switchover load, depending upon the circumstances prevailing at any given time. A load structure when introduced by the AMC may comprise of exit load and/or switchover load as may be permissible under the SEBI Regulations. The load may also be changed from time to time and in the case of an exit/redemption load this may be linked to the period of holding. The switchover load may be different for different plans and the switchover load may be different from the entire and/or exit load charged for purchase and/or redemption of units. The load charged could also be different as regards the amount/tenor of investment, etc. However any such change in the load structure shall be applicable on prospective investment only.

- (b) All loads for the scheme/plan 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.

- (c) Any imposition or enhancement of load in future shall be applicable on prospective investments only. At the time of changing the load structure, the Mutual Fund shall consider the following measures to avoid complaints from investors about investment in the scheme without knowing the loads:
- (i) The addendum detailing the changes shall be attached to the offer documents and abridged offer documents. The addendum shall be circulated to all the distributors/brokers so that the same can be attached to all offer documents and abridged offer documents already in stock. The addendum shall be sent alongwith the communication sent to the unitholders immediately after the changes.
 - (ii) Arrangements shall be made to display the changes/modifications in the offer document in the form of a notice in all the official points of acceptance and distributors/brokers office.
 - (iii) The introduction of the exit load alongwith the details may be stamped in the acknowledgement slip issued to the investors on submission of the application form and shall also be disclosed in the statement of accounts issued after the introduction of such load.
 - (iv) Any other measures which the Mutual Fund may feel necessary.

X. TRANSFER/PLEDGE/ASSIGNMENT OF UNITS

1. Units issued under all the Plans of UTI-Fixed Income Interval Fund - Series II are not transferable.
2. However, "Pledge/Assignment of units permitted only in favor of banks/other financial institutions/Non Banking Financial Corporations (NBFCs)/any other body as follows: The unitholders may pledge/assign units in favour of banks/other financial institutions/Non Banking Financial Corporations (NBFCs) / any other body as a security for raising loans. Units can be pledged by completing the requisite forms/formalities, as may be required, whereupon UTI AMC will record a pledge/charge/ lien against units pledged. As long as the units are pledged, the pledgee bank/financial institution/body will have complete authority to redeem such units. The pledgor will not be allowed to redeem units so pledged until the bank/financial institution to which the units are pledged provides a written authorisation to the AMC that the pledge/charge/lien may be removed. However if pledged units are received for redemption, from the unitholder, the AMC has a right to redeem such units."
3. Further, if a person becomes a holder of units under a scheme by operation of law or due to death, insolvency or winding up of the affairs of unitholder or survivors of a joint holder then subject to production of such evidence which in the opinion of UTI AMC is sufficient, UTI AMC may effect the transfer if the intended transferee is otherwise eligible to hold units. Transfer of units in such cases will be subject to compliance of operational requirements as may be specified by UTI AMC from time to time.

XI. DIVIDEND DISTRIBUTION & CAPITALISATION

1. The unitholder shall have a choice to join either the Growth or the Dividend sub-option under the respective plans /options.
 - (a) In cases where neither of the sub-options are exercised by the applicant/unitholder at the time of making his investment or subsequently he will be deemed to be under the Growth sub-option and his application will be processed accordingly.
 - (b) The provisions of the scheme/plan will apply to both the sub-options and only where any provision varies details thereof will be indicated separately.
2. **Growth sub-option**
 Ordinarily no dividend distribution will be made under this sub option.
 All income generated and profits booked will be ploughed back and returns shall be reflected through the NAV.

3. Dividend Distribution

- (a) Dividend distribution, if any, under the scheme/ plan will be made subject to availability of distributable surplus and other factors and a decision is taken by the Trustee to make dividend distribution.
- (b) There is no assurance or guarantee to the unitholders as to the rate of dividend distribution.
- (c) Though it is the intention of the scheme/plan to make periodical dividend distribution, there may be instances when no dividend distribution could be made.
- (d) Such of the unitholders whose names appear in the register of unitholders as at the record date fixed for each dividend distribution shall be entitled to receive the dividend so distributed.
- (e) Presently, dividend distribution will be made through ECS or direct credit to the unitholder's account where such facility is available and at other places by issue of a dividend distribution warrant.
- (f) Dividend distribution warrants, when issued, shall have validity for a period of two months, or such other period as may be decided by UTI AMC from time to time.
- (g) Dispatch of the dividend distribution warrants or payment through other modes shall be made not later than 30 days from the date of each distribution/ or within such number of days as may be prescribed by SEBI. UTI AMC shall not be bound to pay interest in the event of any of the warrant(s) reaching the unitholders after the expiry of its validity period or in the event of that becoming stale.
- (h) **Dividend Distribution to NRI and FII unitholders:**
Payment of dividend distribution to NRI and FII unitholders will be made in the manner indicated under clause XIII (10) and (11) subject to compliance with the requirements prescribed by RBI from time to time.

4. Capitalisation and issue of bonus units

- (a) The Trustee may utilise any sums from reserves, unit premium or any such reserves including the amount of distributable surpluses of the scheme for issue of Bonus units.
- (b) Bonus units may be issued under the scheme, as may be decided by the Trustee from time to time.
- (c) Bonus units, when issued, will be in proportion to the unit holding of the unitholder as on the record date to be fixed for that purpose. No Exit Load will be charged on the bonus units at the time of redemption irrespective of the period of holding
- (d) The Trustee may accordingly make appropriations and applications of the sum decided by it to be so capitalised by allotment and issue of fully paid-up units as bonus units, and generally do all acts and things required to give effect thereto.
- (e) The bonus units so allotted and issued as aforesaid will as regards rights and entitlements rank pari passu with the units in existence on the record date in respect of which they are allotted and issued to all intents and purposes.
- (f) Interest created / sub options exercised by a unitholder on the units under a folio by way of nomination, if any, will automatically apply to the bonus units.
- (g) Pursuant to allotment of bonus units the NAV of the scheme would fall in proportion to the bonus units allotted and as a result the total value of units held by the unitholder would remain the same.

XII. REINVESTMENT OF DIVIDEND DISTRIBUTED

1. Unitholders if they so desire, will have facility to reinvest the dividend payable to them, into further units of the scheme.
2. On exercising of such an sub option the full amount of such dividend payable to any unitholder, after deduction of tax, if any, shall be reinvested into further units of the scheme at the NAV as on the record date less dividend per unit declared.
3. The reinvestment, if any, shall be treated as constructive payment of dividend to the unitholders as also constructive receipt of payment of the amount by the unitholders.
4. Applicants desiring to opt for the reinvestment of dividend distribution at the time of joining the scheme may indicate the same on the application.
5. The unitholders can also opt for reinvestment of dividend distribution at a later date by giving a suitable application on a plain paper or by filling up the prescribed composite service form or in such other manner as may be prescribed from time to time.
6. Unitholders who have opted for a particular mode of payment will continue to receive dividend distribution under the mode opted for, till such time the mandate is revoked by them in writing within such period as may be decided by UTI AMC from time to time.

XIII. TERMINATION/ WINDING UP OF THE SCHEME

- 1) The winding up / termination of the scheme shall be governed by SEBI (Mutual Funds) Regulations, 1996. In case of any inconsistency contained in the provisions of this offer document with the SEBI (Mutual Funds) Regulations, 1996, the SEBI (MFs) Regulations shall prevail.
- 2) UTI-Fixed Income Interval Fund - Series II is a close- ended scheme. The Plan/s will windup/terminate on completion of prescribed tenure. The Trustee may, however, terminate / windup the scheme / Plans under the following circumstances:
 - (a) on the happening of any event which in the opinion of the Trustee requires the scheme and all the plans launched under it or any of the plans launched under the scheme to be wound up; or
 - (b) if 75% of the unitholders of the plan/s pass a resolution to the effect that the said plan/s be wound up; or
 - (c) if the SEBI so directs in the interest of the unitholders of the plan/s; or
 - (d) if the outstanding holding falls below a limit to be decided by the Trustee.
- 3) Where the plan/s is/are wound up / terminated in pursuance of sub clause (2) above, The Trustee shall give notice of the circumstances leading to the winding up / terminated of the plan/s to SEBI and also in two daily newspapers having circulation all over India and in a vernacular newspaper circulating in Mumbai before the termination / winding up is effected as stipulated in SEBI (MFs) Regulations from time to time.
- 4) On and from the date of advertisement indicating the termination / winding up, the AMC shall cease to carry on any business activities in respect of the said plan/s and cease to issue, redeem and cancel units in the concerned plan/s.
- 5) The Trustees shall call a meeting of the unitholders of the plan/s to consider and pass necessary resolution by simple majority of the unitholders present and voting at the meeting for authorising the Trustees or any other person to take steps for winding up of the plan/s.
- 6) The Trustees or the person authorised under sub clause (5) shall dispose of the assets of the plan/s in the best interest of the unitholders of the plan/s.
- 7) The proceeds of purchase made in pursuance of sub clause (6) above, shall, in the first instance be utilised towards discharge of such liabilities as are properly due under the plan/s and after making appropriate provision for meeting the expenses connected with such winding up.
- 8) The balance shall be paid to the unitholders of the plan/s in proportion to their respective interest in the assets of the plan/s as on the date when the decision for winding up / termination was taken.
- 9) UTI AMC shall pay the redemption value as early as possible but not later than 10 business days after the date of duly discharge unit certificate/ SOA along with the redemption request or any other type of document as may be prescribed from time to time duly discharged has been received by it at the processing centre and/or other procedural and operational formalities are complied with. The SOA, the redemption request and other forms, if any, shall be retained by UTI AMC for cancellation. UTI AMC may at its discretion dispense with the requirement of calling back the unit certificate/ SOA.
- 10) Currently, redemption / terminal proceeds can be paid to NRI unitholders in the manner indicated below:
 - (a) Where units had been purchased by the unitholder himself while he was a resident in India or out of funds held in his NRO Account or out of proceeds from his NRSR/ NRNR deposits, the proceeds can be sent to his bankers in India in rupees for credit to his NRO account.
 - (b) If the investment had been made by the unitholder out of funds in his NRE account or by rupee draft purchased from a bank / exchange house operating abroad or received as gift from another NRI out of the donor's NRE account or by rupee draft purchased by him/her from a bank abroad, the redemption proceeds could be credited to his NRE / NRO account provided he continues to be an

NRI at the time of redemption.

(c) In other cases payment will be made in rupees for credit to the NRO account of the unitholder.

- 11) Where units were acquired by a FII, out of its special Non-Resident Rupee Account maintained in India the termination proceeds will be drawn payable to the same/similar Non-Resident Rupee Account maintained in India by the FII.
- 12) On completion of the winding up / termination, the Trustee shall forward to the SEBI and the unitholders of the plan/s a report on the winding up / termination containing particulars such as circumstances leading to the winding up, the steps taken for disposal of assets of the plan/s before winding up / termination, expenses of the plan/s for winding up / termination, net assets available for distribution to the unitholders and a certificate from the auditors of the plan/s.
- 13) Notwithstanding anything contained hereinabove, the applicability of the provisions of SEBI (MFs) Regulations in respect of disclosures of half yearly reports and annual report shall continue until winding up / termination is completed or the plan/s cease to exist.
- 14) After the receipt of the report referred to in sub clause (13) above, if the SEBI is satisfied that all measures for winding up of the plan(s)/scheme have been completed, the plan(s)/scheme shall cease to exist.

XIV. INTER-SCHEME TRANSFERS

Transfer of investments from /to the plans to/from other schemes/plans of UTI Mutual Fund shall be done only if-

- a) such transfers are on spot basis and are at the prevailing market price for quoted instruments. Explanation: “spot basis” shall have the same meaning as specified by the stock exchanges for spot transactions.
- b) the securities so transferred are in conformity with the investment objective of the scheme/s/ plan/s to which such transfers are made;
- c) The Mutual Fund shall not transfer illiquid securities from/to the scheme to/from other schemes/plans of the Mutual Fund. Illiquid securities are defined as non- traded, thinly traded and unlisted equity shares.
- d) NPAs of other schemes will not be acquired by the plans.

XV. ASSOCIATE TRANSACTIONS & BORROWINGS

1. Associate Transactions:

a) For the period April 1, 2004 to March 31, 2007

- (i) Underwriting obligation taken by scheme in respect of issues of securities of associate companies – NIL
- (ii) Devolvement – NIL
- (iii) Subscription in issues lead managed by associate company.

For the period April 1, 2004 to March 31, 2005:

| Date | Name of Co. | Instruments | Type of issue | Amt. Invest. (Cr) | Lead Manager |
|----------|----------------------|-------------|---------------|-------------------|-----------------------|
| 16-12-04 | Bharti Shipyard Ltd. | Equity | IPO | 2.30 | SBI Capital Mkt. Ltd. |
| 29-01-05 | Dena Bank | Equity | IPO | 10.66 | SBI Capital Mkt. Ltd. |
| 04-03-05 | Karnataka Bank | Equity | Rights Issue | 0.83 | SBI Capital Mkt. Ltd. |

For the period April 1, 2005 to March 31, 2006:

| Date | Name of Co. | Instruments | Type of issue | Amt. Invest. (Cr) | Lead Manager |
|----------|-----------------------|-------------|---------------|-------------------|-----------------------|
| 25-04-05 | Allahabad Bank | Equity | Public Issue | 28.70 | SBI Capital Mkt. Ltd. |
| 28-06-05 | Provogue (India) Ltd. | Equity | Public Issue | 1.20 | SBI Capital Mkt. Ltd. |

| | | | | | |
|----------|----------------------|--------|--------------|-------|-----------------------|
| 22-07-05 | Syndicate Bank | Equity | Public Issue | 1.32 | SBI Capital Mkt. Ltd. |
| 03-08-05 | IDFC | Equity | Public Issue | 16.31 | SBI Capital Mkt. Ltd. |
| 08-12-05 | AIA Engineering Ltd. | Equity | Public Issue | 1.53 | SBI Capital Mkt. Ltd. |
| 20-01-06 | Bank of Baroda | Equity | Public Issue | 10.39 | SBI Capital Mkt. Ltd. |
| 20-01-06 | Andhra Bank | Equity | Public Issue | 7.30 | SBI Capital Mkt. Ltd. |
| 21-02-06 | Union Bank | Equity | Public Issue | 8.89 | SBI Capital Mkt. Ltd. |
| 28-03-06 | Solar Explosives | Equity | Public Issue | 1.76 | SBI Capital Mkt. Ltd. |

For the period April 1, 2006 to March 31, 2007:

| Date | Name of Co. | Instruments | Type of issue | Amt. Invest. (Cr.) | Lead Manager |
|----------|-------------------------|-------------|---------------|--------------------|-----------------------|
| 05-05-06 | Reliance Petroleum Ltd. | Equity | Public Issue | 31.53 | SBI Capital Mkt. Ltd. |
| 14-02-07 | Mudra Lifestyle | Equity | Public Issue | 12.60 | SBI Capital Mkt. Ltd. |

(iv) Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies has acted as arranger or manager - NIL

b) All investments by the scheme in any of the sponsor companies or its associate companies would be made in accordance with the investment objectives and investment pattern as described in the offer document. All such investments by the scheme would be made in accordance with the SEBI (Mutual Funds) Regulations, 1996. All such investment transactions will be at the prevailing market prices/yields and will be carried out as normal market operations.

c) Aggregate market value of investments in sponsors and group companies of the sponsors (as on March 31, 2007):

Rs. in crores

| | |
|----------------------------|----------|
| Market Value of investment | 810 |
| AUM of UTI MF | 35488.24 |
| Inv. as % to AUM | 2.28 |

As on March 31, 2007, no scheme of UTI Mutual Fund has invested more than 25% of its net assets in group companies.

d) (i) Total business given to associate brokers and the percentage of brokerage paid to them for the period April 1, 2004 to March 31, 2005

| Broker Name | Business (Rs. in cr.) | Percentage to total business | Brokerage paid (Rs. in cr.) | Percentage to total brokerage |
|--------------------------|-----------------------|------------------------------|-----------------------------|-------------------------------|
| SBI Capital Markets Ltd. | 468.64 | 1.44 | 0.91 | 3.25 |

April 1, 2005 to March 31, 2006

| Broker Name | Business (Rs. in cr.) | Percentage to total business | Brokerage paid (Rs. in cr.) | Percentage to total brokerage |
|--------------------------|-----------------------|------------------------------|-----------------------------|-------------------------------|
| SBI Capital Markets Ltd. | 652.7 | 1.79 | 1.68 | 2.58 |

April 1, 2006 to March 31, 2007

| Broker Name | Business (Rs. in cr.) | Percentage to total business | Brokerage paid (Rs. in cr.) | Percentage to total brokerage |
|--------------------------|-----------------------|------------------------------|-----------------------------|-------------------------------|
| SBI Capital Markets Ltd. | 602.59 | 2.02 | 1.68 | 2.74 |

The rate of brokerage paid to them is in line with what is paid to non-associate brokers and the quantum of business shall be subject to the limits prescribed by SEBI.

(ii) Marketing, sale and distribution of the units of the Schemes of UTI Mutual Fund. Currently services of PNB Gilts Ltd., SBI Capital Markets Ltd., UTI Technology Services Limited, UTI International Limited, Bank of Baroda, LIC Housing Finance Ltd., State Bank of India and its Associate Banks are used for marketing and distributing the schemes. The AMC shall also ensure that the commission paid to associate brokers for the sale and distribution of units is at the same rates offered to the other distributors.

Commission paid to associates for the period April 2004 to March 2005:

| Name of the Associate | Amt. of commission pd. (Rs.) |
|-------------------------------|-------------------------------------|
| P N B GILTS LTD | 158509.41 |
| S B I CAPITAL MARKETS LTD | 3772110.27 |
| U T I TECHNOLOGY SERVICES LTD | 145515.32 |
| TOTAL | 4076135.00 |

Commission paid to associates for the period April 2005 to March 2006:

| Name of the Associate | Amt. of commission pd. (Rs.) |
|------------------------------|-------------------------------------|
| PNB GILTS LTD. | 449096.89 |
| STATE BANK OF INDORE | 8796.47 |
| SBI CAPITAL MARKETS LIMITED | 973168.88 |
| UTI INTERNATIONAL LIMITED | 356079.78 |
| TOTAL | 1787142.02 |

Commission paid to associates for the period April 2006 to March 2007:

| Name of the Associate | Amt. of commission pd. (Rs.) |
|--------------------------------|-------------------------------------|
| UTI INTERNATIONAL LTD. | 2934424.11 |
| STATE BANK OF INDIA | 143191.68 |
| STATE BANK OF HYDERABAD | 571724.42 |
| STATE BANK OF SAURASHTRA | 128339.02 |
| STATE BANK OF TRAVANCORE | 204074.03 |
| STATE BANK OF BIKANER & JAIPUR | 108414.75 |
| LIC HOUSING FINANCE LTD. | 27174.42 |
| BANK OF BARODA | 7169.91 |
| STATE BANK OF INDORE | 100392.40 |
| SBICAP SECURITIES LIMITED | 1222.83 |
| BOB CAPITAL MARKETS LIMITED | 100.23 |
| TOTAL | 4226227.80 |

e) Subject to the Regulations, the Sponsors, the Mutual Funds managed by them, their associates and the AMC may acquire units of the scheme. The AMC shall not be entitled to charge any fees on its investments in the scheme.

2. Borrowings:

(a) The scheme shall not borrow except to meet temporary liquidity needs of the scheme for the purpose of redemption of units or payment of interest or dividend to the unitholders.

Provided that the scheme shall not borrow more than 20% of the net assets of the scheme and the duration of such a borrowing shall not exceed a period of six months.

(b) Borrowings by the scheme from AMC is given below:

Scheme wise borrowing from AMC for the Period 1st January 2007 to 31st March 2007

| Scheme | Date of Borrowing | Amount of Borrowing (Rs.) | Period of Borrowing | Date of Repayment | Net Assets (Rs.) | %age to NAV | Reason for Borrowing |
|------------------------|-------------------|---------------------------|---------------------|-------------------|------------------|-------------|--|
| UTI Nifty Index Fund | 2/28/2007 | 3200000 | 1 day | 3/1/2007 | 499530083.32 | 0.64 | due to delay in realisation of funds |
| UTI Nifty Index Fund | 3/7/2007 | 1300000 | 1 day | 3/8/2007 | 494182403.62 | 0.26 | due to delay in realisation of funds |
| UTI Liquid Cash Plan * | 3/26/2007 | 2500000000 | 5 day | 3/30/2007 | 56251599427.64 | 4.44 | to tide over temporary shortfall in liquidity owing to redemption pressure |

| *Details of Liquid Cash Plan Borrowing | |
|---|---------------|
| Borrowed from PSU Banks | Amount (crs.) |
| Central Bank of India | 100.00 |
| Vijaya Bank | 100.00 |
| Canara Bank | 50.00 |
| Total | 250.00 |

XVI. CORPORATE INVESTMENTS IN SCHEMES OF UTI MUTUAL FUND AND INVESTMENTS BY SCHEMES OF THE MUTUAL FUND IN SUCH CORPORATES.

The details of investments made in companies, which have invested more than 5% of the NAV of a scheme in terms of Regulation 25(11) of SEBI (MFs) Regulations, 1996 as on 30th September 2007 are given hereunder:

| Company which has invested more than 5% of the Net Assets | Scheme(s) in which companies have invested more than 5% of the net assets | Scheme(s) investment in the company | Aggregate cost of acquisition during the applicable period (Rs.Crores) | Holding as at 30th September 2007 at Fair/Market Value (Rs.Crores) |
|---|---|--------------------------------------|--|--|
| ALLAHABAD BANK | UTI - Liquid Plus Fund UTI - Floating Rate Fund STP | UTI - Unit Linked Insurance Plan | 71.97 | 4.81 |
| | | UTI - C.R.T.S. 1981 | 32.54 | 14.63 |
| | | UTI - Senior Citizens Unit Plan | 9.89 | 0.00 |
| | | UTI -Children's Career Balanced Plan | 106.64 | 10.00 |
| | | UTI-Retirement Benefit Pension Fund | 32.76 | 5.00 |
| | | UTI - Balanced Fund | 34.89 | 25.00 |
| | | UTI - Bond Fund | 28.84 | 0.00 |
| | | UTI - Mahila Unit scheme | 4.63 | 0.00 |
| | | UTI - Liquid Cash Plan | 236.41 | 53.23 |
| | | UTI - Short Term Income Fund | 0.00 | 1.34 |
| | | UTI - Liquid Plus Fund | 207.87 | 233.36 |
| | | UTI - Floating Rate Fund STP | 0.00 | 15.57 |
| | | UTI - MIS Advantage Plan | 9.06 | 4.81 |
| | | UTI - Spread Fund | 0.68 | 0.03 |
| AMBUJA CEMENTS LTD. | UTI FMP Quarterly Aug07 Series II | UTI - FMP Yearly Series Aug 2006 | 100.00 | 0.00 |
| | | UTI - FMP Yearly Series Sept 06 | 9.26 | 0.00 |
| | | UTI FMP Quarterly August07 Series I | 0.00 | 3.96 |
| | | UTI - Equity Fund | 24.09 | 18.45 |
| | | UTI - Master Index Fund | 0.39 | 0.74 |
| | | UTI - Nifty Index Fund | 0.32 | 0.49 |
| | | UTI - Variable Investment Scheme | 0.50 | 0.13 |
| | UTI - Sunder | 0.01 | 0.12 | |
| | UTI - Dividend Yield Fund | 12.56 | 15.42 | |

UTI-Fixed Income Interval Fund - Series II

| | | | | |
|--------------------|-------------------------------------|--------------------------------------|--------|--------|
| | | UTI - Spread Fund | 3.68 | 0.00 |
| ASHOK LEYLAND LTD. | UTI - Money Market Fund | UTI - Balanced Fund | 0.00 | 9.11 |
| | | UTI - Auto Sector Fund | 1.10 | 0.00 |
| | | UTI - Dividend Yield Fund | 9.02 | 0.00 |
| | | UTI - Spread Fund | 2.95 | 0.00 |
| AXIS BANK LTD. | UTI - Money Market Fund | UTI - Unit Linked Insurance Plan | 253.09 | 138.08 |
| | UTI - Liquid Cash Plan | UTI - C.R.T.S. 1981 | 18.52 | 5.73 |
| | | UTI - Mastershare Unit Scheme | 0.00 | 54.52 |
| | | UTI - Master Plus Unit Scheme | 23.00 | 34.41 |
| | | UTI - Equity Fund | 0.00 | 76.46 |
| | | UTI - Senior Citizens Unit Plan | 0.00 | 18.89 |
| | | UTI -Children's Career Balanced Plan | 0.11 | 138.71 |
| | | UTI-Retirement Benefit Pension Fund | 18.52 | 11.47 |
| | | UTI - Balanced Fund | 0.00 | 27.62 |
| | | UTI - Money Market Fund | 275.00 | 0.00 |
| | | UTI - MNC Fund | 6.00 | 0.00 |
| | | UTI - Bond Fund | 19.09 | 14.21 |
| | | UTI - GSF - Brand Value | 2.00 | 0.00 |
| | | UTI - GSF - Services | 5.95 | 15.22 |
| | | UTI - Equity Tax Savings Plan | 13.00 | 0.00 |
| | | UTI -Master Equity Plan Unit Scheme | 40.00 | 76.46 |
| | | UTI - Liquid Cash Plan | 826.09 | 153.94 |
| | | UTI - Children Career Bond Plan | 2.39 | 0.00 |
| | | UTI - Large Cap Fund | 0.90 | 0.00 |
| | | UTI - Infrastructure Fund | 20.00 | 0.00 |
| | | UTI - Banking Sector Fund | 1.30 | 6.08 |
| | | UTI - Liquid Plus Fund | 94.66 | 93.97 |
| | | UTI - Floating Rate Fund STP | 0.00 | 29.40 |
| | | UTI-GVF-Bonus Plan (terminated) | 7.71 | 0.00 |
| | | UTI - Dividend Yield Fund | 18.00 | 22.94 |
| | | UTI - Opportunities Fund | 10.95 | 23.87 |
| | | UTI - Leadership Equity Fund | 40.00 | 0.00 |
| | | UTI - Contra Fund | 0.01 | 0.00 |
| | | UTI-Fixed Term Income Fund (P18) Q4 | 10.00 | 0.00 |
| | | UTI - Spread Fund | 26.72 | 0.00 |
| | | UTI - FMP Yearly Series Aug 2006 | 46.31 | 0.00 |
| | | UTI - Wealth Builder Fund | 12.92 | 51.68 |
| | | UTI FMP Quarterly Oct06-Series II | 80.00 | 0.00 |
| | | UTI - FTIF Series II Plan 16 | 32.00 | 32.00 |
| | | UTI - FMP Half Yearly Dec 06 | 95.90 | 0.00 |
| | | UTI - Long Term Advantage Fund | 10.07 | 10.28 |
| | | UTI FMP Quarterly Jan07 Series I | 105.00 | 0.00 |
| | | UTI Half Yearly FMP Feb 2007 | 157.28 | 0.00 |
| | | UTI - FMP Quarterly Feb07 Series II | 120.00 | 0.00 |
| | | UTI - FMP Quarterly Mar07 Series I | 80.00 | 0.00 |
| | | UTI - FMP Half Yearly March 07 | 40.00 | 0.00 |
| | | UTI - FMP Quarterly Mar07 Series II | 25.00 | 0.00 |
| | | UTI - FMP Quarterly Apr07 Series II | 48.72 | 0.00 |
| | | UTI - FMP Yearly Series April 07 | 135.42 | 141.14 |
| | | UTI - FMP Quarterly May 07 Series I | 50.00 | 0.00 |
| | | UTI - FIIF Quarterly Interval Plan-I | 20.00 | 0.00 |
| | | UTI FMP Yearly June 2007 | 69.17 | 70.40 |
| | | UTI FIIF Annual Interval Plan S-III | 68.84 | 68.89 |
| BHARAT FORGE LTD. | UTI FMP Quarterly August07 Series I | UTI - Balanced Fund | 0.00 | 10.01 |
| | | UTI - Spread Fund | 3.43 | 0.94 |
| | | UTI - Long Term Advantage Fund | 2.07 | 1.84 |
| BHARTI AIRTEL LTD. | UTI - Money Market Fund | UTI - Unit Linked Insurance Plan | 54.85 | 41.36 |
| | UTI FIIF Monthly Interval Plan S-I | UTI - C.R.T.S. 1981 | 5.09 | 6.11 |
| | | UTI - Mastershare Unit Scheme | 0.00 | 145.68 |
| | | UTI - Master Plus Unit Scheme | 0.13 | 65.79 |
| | | UTI - Equity Fund | 59.26 | 104.71 |
| | | UTI - Mastergrowth | 22.02 | 24.66 |
| | | UTI -Children's Career Balanced Plan | 4.36 | 4.93 |
| | | UTI - Index Select Equity Fund | 11.90 | 19.59 |
| | | UTI - MNC Fund | 17.11 | 8.84 |
| | | UTI - Master Index Fund | 1.88 | 3.25 |
| | | UTI - GSF - Brand Value | 1.31 | 0.00 |
| | | UTI - GSF - Services | 15.49 | 36.90 |
| | | UTI - Equity Tax Savings Plan | 14.06 | 15.95 |
| | | UTI - Nifty Index Fund | 2.31 | 3.99 |
| | | UTI - Variable Investment Scheme | 1.85 | 0.58 |
| | | UTI - Master Equity Plan Unit Scheme | 0.00 | 164.48 |
| | | UTI - Sunder | 0.09 | 1.01 |
| | | UTI - Infrastructure Fund | 61.09 | 70.49 |

UTI-Fixed Income Interval Fund - Series II

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|--------------------------------|--------------------------------------|--------------------------------------|--------|--------|
| | | UTI - MIS Advantage Plan | 0.67 | 0.94 |
| | | UTI - Opportunities Fund | 37.52 | 9.77 |
| | | UTI - Leadership Equity Fund | 0.00 | 75.19 |
| | | UTI - Contra Fund | 0.00 | 30.55 |
| | | UTI - Spread Fund | 8.44 | 0.00 |
| | | UTI - Wealth Builder Fund | 207.21 | 32.46 |
| | | UTI - Long Term Advantage Fund | 18.82 | 17.28 |
| | | UTI-Cap. Protection Ortd.Sch.Plan3yr | 1.70 | 2.16 |
| | | UTI-Cap. Protection Ortd.Sch.Plan5yr | 3.24 | 3.75 |
| | | UTI - India Lifestyle Fund | 16.22 | 20.49 |
| BIRLA CORPORATION LIMITED. | UTI - FMP Half Yearly series May07 | UTI -Master Equity Plan Unit Scheme | 0.00 | 26.95 |
| | UTI FIIF Annual Interval Plan II | UTI - Dividend Yield Fund | 0.00 | 11.10 |
| | | UTI - Spread Fund | 2.67 | 3.12 |
| BONGIGAON REFINERY & PETR.LTD. | UTI - Money Market Fund | UTI - Spread Fund | 0.48 | 0.00 |
| CHENNAI PETROLEUM CORP LTD | UTI - Money Market Fund | UTI - GSF - Petro | 4.34 | 0.00 |
| | | UTI - PSU Fund | 0.13 | 0.00 |
| DLF LTD. | UTI - Liquid Cash Plan | UTI - Mastershare Unit Scheme | 9.21 | 10.68 |
| | UTI - Liquid Plus Fund | UTI - Master Plus Unit Scheme | 9.08 | 9.16 |
| | | UTI - Equity Fund | 8.05 | 4.20 |
| | | UTI - Infrastructure Fund | 12.03 | 15.26 |
| | | UTI - Spread Fund | 4.75 | 0.00 |
| | | UTI - Wealth Builder Fund | 22.53 | 26.60 |
| | | UTI - India Lifestyle Fund | 14.52 | 16.67 |
| EXIM BANK | UTI - Money Market Fund | UTI - Unit Linked Insurance Plan | 0.00 | 50.45 |
| | | UTI - C.R.T.S. 1981 | 0.00 | 9.98 |
| | | UTI -Children's Career Balanced Plan | 14.93 | 44.10 |
| | | UTI-Retirement Benefit Pension Fund | 24.81 | 24.50 |
| | | UTI - Balanced Fund | 0.00 | 4.97 |
| | | UTI - Bond Fund | 38.37 | 14.70 |
| | | UTI - Mahila Unit scheme | 3.19 | 3.01 |
| | | UTI - Liquid Cash Plan | 53.50 | 33.89 |
| | | UTI - Liquid Plus Fund | 194.32 | 132.73 |
| | | UTI - MIS Advantage Plan | 9.33 | 0.00 |
| GRASIM INDUSTRIES LTD. | UTI - FMP Quarterly Apr07 Series II | UTI - Unit Linked Insurance Plan | 19.92 | 75.60 |
| | UTI - FIIF Quarterly Interval Plan-I | UTI - C.R.T.S. 1981 | 5.20 | 6.74 |
| | UTI-FIIF Quarterly Interval Plan III | UTI - Mastershare Unit Scheme | 0.00 | 105.33 |
| | UTI FMP Quarterly Aug07 Series II | UTI - Master Plus Unit Scheme | 1.40 | 26.33 |
| | | UTI - Equity Fund | 32.59 | 35.11 |
| | | UTI - Mastergrowth | 8.35 | 0.00 |
| | | UTI - Senior Citizens Unit Plan | 0.00 | 10.53 |
| | | UTI -Children's Career Balanced Plan | 0.00 | 57.81 |
| | | UTI-Retirement Benefit Pension Fund | 11.27 | 27.54 |
| | | UTI - Balanced Fund | 0.00 | 67.09 |
| | | UTI - Index Select Equity Fund | 7.08 | 3.41 |
| | | UTI - Master Index Fund | 1.11 | 1.26 |
| | | UTI - Equity Tax Savings Plan | 5.41 | 6.58 |
| | | UTI - Nifty Index Fund | 0.61 | 0.72 |
| | | UTI - Mahila Unit scheme | 1.74 | 2.18 |
| | | UTI - Variable Investment Scheme | 0.92 | 0.22 |
| | | UTI -Master Equity Plan Unit Scheme | 0.00 | 70.22 |
| | | UTI - Sunder | 0.60 | 0.18 |
| | | UTI - Infrastructure Fund | 26.38 | 35.11 |
| | | UTI - Opportunities Fund | 7.88 | 7.02 |
| | | UTI - Leadership Equity Fund | 0.00 | 26.33 |
| | | UTI - Contra Fund | 3.97 | 5.27 |
| | | UTI - Spread Fund | 11.24 | 0.00 |
| | | UTI - Wealth Builder Fund | 1.27 | 0.00 |
| | | UTI-Cap. Protection Ortd.Sch.Plan3yr | 1.73 | 2.67 |
| | | UTI-Cap. Protection Ortd.Sch.Plan5yr | 2.32 | 3.58 |
| HCL TECHNOLOGIES LTD. | UTI - Liquid Plus Fund | UTI - Index Select Equity Fund | 1.10 | 0.00 |
| | | UTI - GSF - Software | 6.22 | 8.27 |
| | | UTI - Nifty Index Fund | 0.52 | 0.45 |
| | | UTI - Sunder | 0.59 | 0.11 |
| | | UTI - Dividend Yield Fund | 16.73 | 15.03 |
| HDFC BANK LTD. | UTI - Liquid Cash Plan | UTI - Unit Linked Insurance Plan | 23.25 | 0.00 |
| | UTI - Liquid Plus Fund | UTI - Mastershare Unit Scheme | 45.19 | 24.36 |
| | | UTI - Equity Fund | 19.79 | 26.57 |
| | | UTI - Mastergrowth | 6.85 | 0.00 |
| | | UTI - Index Select Equity Fund | 18.18 | 5.64 |
| | | UTI - Bond Fund | 6.96 | 0.00 |
| | | UTI - Master Index Fund | 1.61 | 1.99 |

UTI-Fixed Income Interval Fund - Series II

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|--------------------------|--------------------------------------|--------------------------------------|--------|--------|
| | | UTI - GSF - Services | 2.32 | 2.87 |
| | | UTI - Equity Tax Savings Plan | 6.65 | 6.03 |
| | | UTI - Nifty Index Fund | 0.93 | 1.13 |
| | | UTI - Variable Investment Scheme | 1.27 | 0.35 |
| | | UTI - Liquid Cash Plan | 729.60 | 58.20 |
| | | UTI - Sunder | 0.86 | 0.29 |
| | | UTI - Children Career Bond Plan | 2.98 | 0.00 |
| | | UTI - Banking Sector Fund | 11.66 | 10.09 |
| | | UTI - Liquid Plus Fund | 24.75 | 0.00 |
| | | UTI - FMP Quarterly Apr07 Series II | 146.30 | 0.00 |
| HINDALCO INDUSTRIES LTD. | UTI - Liquid Plus Fund | UTI - Equity Fund | 12.39 | 0.00 |
| | UTI - FMP Quarterly Apr07 Series I | UTI - Senior Citizens Unit Plan | 0.18 | 0.00 |
| | UTI - FMP Quarterly Apr07 Series II | UTI -Children's Career Balanced Plan | 1.06 | 47.82 |
| | UTI - FMP Yearly Series May07 | UTI - Balanced Fund | 0.28 | 12.08 |
| | UTI - FMP Half Yearly Series June 07 | UTI - Index Select Equity Fund | 6.07 | 0.00 |
| | UTI - FIIF Quarterly Interval Plan-I | UTI - Master Index Fund | 1.27 | 0.77 |
| | UTI FMP Yearly June 2007 | UTI - Equity Tax Savings Plan | 4.29 | 0.00 |
| | UTI FIIF Monthly Interval Plan S-I | UTI - Nifty Index Fund | 0.74 | 0.47 |
| | UTI FMP Quarterly June 07-Series II | UTI - Monthly Income Scheme | 0.05 | 1.31 |
| | UTI FIIF Annual Interval Plan II | UTI - Variable Investment Scheme | 0.92 | 0.14 |
| | UTI-FIIF Quarterly Interval Plan III | UTI - Sunder | 0.83 | 0.12 |
| | UTI FMP Quarterly Aug07 Series II | UTI - Children Career Bond Plan | 0.00 | 2.48 |
| | | UTI - Large Cap Fund | 0.49 | 0.00 |
| | | UTI - Infrastructure Fund | 7.45 | 1.94 |
| | | UTI - MIS Advantage Plan | 0.02 | 0.00 |
| | | UTI - Contra Fund | 23.95 | 0.00 |
| | | UTI - Spread Fund | 20.90 | 0.00 |
| | | UTI - Wealth Builder Fund | 11.43 | 0.00 |
| HINDUJA TMT LTD. | UTI - FMP Half Yearly Series June 07 | UTI - Mastergrowth | 8.95 | 0.00 |
| | UTI FMP Quarterly Sept 07 Series I | UTI - GSF - Services | 2.32 | 0.00 |
| | | UTI - India Advantage Equity Fund | 3.07 | 0.00 |
| | | UTI - Dynamic Equity Fund | 2.58 | 0.00 |
| | | UTI - Spread Fund | 1.13 | 0.42 |
| HINDUSTAN UNILEVER LTD. | UTI - FMP Quarterly Apr07 Series II | UTI - Master Plus Unit Scheme | 15.66 | 26.47 |
| | | UTI - Index Select Equity Fund | 18.14 | 0.00 |
| | | UTI - MNC Fund | 7.40 | 9.38 |
| | | UTI - Master Index Fund | 1.77 | 1.26 |
| | | UTI - GSF - Brand Value | 1.18 | 0.00 |
| | | UTI - Equity Tax Savings Plan | 9.85 | 7.06 |
| | | UTI - Nifty Index Fund | 1.49 | 1.09 |
| | | UTI - Variable Investment Scheme | 1.35 | 0.22 |
| | | UTI -Master Equity Plan Unit Scheme | 2.08 | 44.12 |
| | | UTI - Sunder | 1.82 | 0.28 |
| | | UTI - Large Cap Fund | 1.22 | 0.00 |
| | | UTI - Dividend Yield Fund | 22.50 | 21.24 |
| | | UTI - Opportunities Fund | 40.97 | 0.00 |
| | | UTI - Leadership Equity Fund | 32.36 | 26.47 |
| | | UTI - Contra Fund | 47.27 | 17.10 |
| | | UTI - Spread Fund | 2.06 | 0.00 |
| | | UTI - Wealth Builder Fund | 7.02 | 0.00 |
| | | UTI - Long Term Advantage Fund | 3.60 | 0.00 |
| | | UTI - India Lifestyle Fund | 13.18 | 11.85 |
| I C I (INDIA) LTD. | UTI - FMP Yearly Series May07 | UTI - Unit Linked Insurance Plan | 0.13 | 0.00 |
| | | UTI -Children's Career Balanced Plan | 0.00 | 8.19 |
| | | UTI - MNC Fund | 0.00 | 8.49 |
| | | UTI - Dividend Yield Fund | 0.27 | 25.04 |
| | | UTI - Opportunities Fund | 0.18 | 13.61 |
| | | UTI - Contra Fund | 0.49 | 12.25 |
| | | UTI - India Lifestyle Fund | 0.00 | 13.61 |
| ICICI BANK LTD | UTI - Money Market Fund | UTI - Unit Linked Insurance Plan | 32.46 | 80.06 |
| | UTI - Liquid Cash Plan | UTI - Mastershare Unit Scheme | 46.14 | 109.48 |
| | UTI - Liquid Plus Fund | UTI - Master Plus Unit Scheme | 36.27 | 53.12 |
| | | UTI - Equity Fund | 60.71 | 57.84 |
| | | UTI - Mastergrowth | 40.17 | 28.34 |
| | | UTI -Children's Career Balanced Plan | 0.00 | 76.30 |
| | | UTI-Retirement Benefit Pension Fund | 26.85 | 4.96 |
| | | UTI - Balanced Fund | 19.73 | 0.00 |
| | | UTI - Money Market Fund | 172.88 | 40.43 |
| | | UTI - Index Select Equity Fund | 29.60 | 19.62 |
| | | UTI - Bond Fund | 0.00 | 23.89 |
| | | UTI - Master Index Fund | 4.93 | 5.86 |
| | | UTI - GSF - Brand Value | 1.26 | 0.00 |
| | | UTI - GSF - Services | 35.15 | 41.89 |
| | | UTI - G-Sec-Investment Plan | 10.00 | 0.00 |

UTI-Fixed Income Interval Fund - Series II

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|--|-------------------------|--------------------------------------|---------|--------|
| | | UTI - Equity Tax Savings Plan | 14.96 | 17.95 |
| | | UTI - Nifty Index Fund | 2.38 | 2.60 |
| | | UTI - Mahila Unit scheme | 3.77 | 6.31 |
| | | UTI - Monthly Income Scheme | 9.86 | 1.65 |
| | | UTI - Variable Investment Scheme | 3.90 | 1.04 |
| | | UTI-Unit Scheme 2002 | 19.73 | 0.00 |
| | | UTI -Master Equity Plan Unit Scheme | 42.91 | 54.11 |
| | | UTI - Liquid Cash Plan | 1664.54 | 512.87 |
| | | UTI - Sunder | 1.87 | 0.66 |
| | | UTI - G-SEC STP | 10.00 | 0.00 |
| | | UTI - Children Career Bond Plan | 1.89 | 0.71 |
| | | UTI - Large Cap Fund | 2.86 | 0.00 |
| | | UTI - Banking Sector Fund | 16.26 | 24.59 |
| | | UTI - Liquid Plus Fund | 352.71 | 303.53 |
| | | UTI - Gilt Advantage Fund LTP | 10.00 | 0.00 |
| | | UTI - Floating Rate Fund STP | 42.29 | 48.64 |
| | | UTI - Dividend Yield Fund | 17.52 | 20.57 |
| | | UTI - Opportunities Fund | 67.28 | 34.16 |
| | | UTI - Leadership Equity Fund | 27.39 | 63.74 |
| | | UTI - Contra Fund | 10.86 | 13.28 |
| | | UTI - Spread Fund | 77.24 | 0.00 |
| | | UTI - FMP Yearly Series June 2006 | 146.23 | 0.00 |
| | | UTI - Wealth Builder Fund | 211.99 | 57.71 |
| | | UTI FMP Quarterly August06 - II | 363.00 | 0.00 |
| | | UTI FMP Quarterly Series Sept06-II | 75.00 | 0.00 |
| | | UTI - FTIF Series II Plan 16 | 18.00 | 18.00 |
| | | UTI - FMP Half Yearly Dec 06 | 95.82 | 0.00 |
| | | UTI - Long Term Advantage Fund | 29.32 | 23.07 |
| | | UTI-Cap. Protection Ortd.Sch.Plan3yr | 1.72 | 2.08 |
| | | UTI-Cap. Protection Ortd.Sch.Plan5yr | 2.27 | 2.76 |
| | | UTI - FMP Quarterly Feb07 Series I | 155.00 | 0.00 |
| | | UTI - FTIF Series II Plan 16 Feb 07 | 20.00 | 20.00 |
| | | UTI - FMP Quarterly Feb07 Series II | 87.67 | 0.00 |
| | | UTI - FMP Quarterly Mar07 Series I | 77.91 | 0.00 |
| | | UTI - FMP Yearly Series March 07 | 200.00 | 305.52 |
| | | UTI - FMP Yearly Series April 07 | 130.95 | 136.41 |
| | | UTI - FMP Quarterly May 07 Series I | 298.81 | 0.00 |
| | | UTI - FIIF Quarterly Interval Plan-I | 0.00 | 14.42 |
| | | UTI - India Lifestyle Fund | 30.05 | 34.00 |
| | | UTI-FIIF Quarterly Interval Plan III | 0.00 | 46.04 |
| | | UTI FMP Quarterly Aug07 Series II | 195.89 | 197.37 |
| | | UTI FMP Yearly August 07 | 91.66 | 57.11 |
| | | UTI FIIF Annual Interval Plan S-III | 91.74 | 91.86 |
| | | UTI - Liquid Cash Plan | 46.22 | 0.00 |
| | | UTI FIIF Annual Interval Plan S-III | 45.78 | 45.81 |
| ICICI HOME FINANCE (Subsidiary of ICICI BANK LTD.) | | UTI - Unit Linked Insurance Plan | 2.45 | 0.00 |
| IDEA CELLULAR LTD. | UTI - Money Market Fund | UTI - C.R.T.S. 1981 | 0.18 | 0.00 |
| | | UTI - Mastershare Unit Scheme | 3.22 | 6.16 |
| | | UTI - Master Plus Unit Scheme | 1.47 | 0.00 |
| | | UTI - Equity Fund | 2.52 | 0.00 |
| | | UTI-Retirement Benefit Pension Fund | 0.29 | 0.00 |
| | | UTI - Balanced Fund | 1.41 | 0.00 |
| | | UTI - Master Value Fund | 1.12 | 0.00 |
| | | UTI - GSF - Brand Value | 0.10 | 0.00 |
| | | UTI - GSF - Software | 0.21 | 0.00 |
| | | UTI - GSF - Services | 0.75 | 0.00 |
| | | UTI - Equity Tax Savings Plan | 3.49 | 0.00 |
| | | UTI -Master Equity Plan Unit Scheme | 2.09 | 0.00 |
| | | UTI - Mid Cap Fund | 0.14 | 0.00 |
| | | UTI - Infrastructure Fund | 23.67 | 27.57 |
| | | UTI - Growth & Value Fund | 0.27 | 0.00 |
| | | UTI - India Advantage Equity Fund | 0.10 | 0.00 |
| | | UTI - Dynamic Equity Fund | 0.23 | 0.00 |
| | | UTI - MIS Advantage Plan | 0.05 | 0.00 |
| | | UTI - Opportunities Fund | 0.88 | 0.00 |
| | | UTI - Leadership Equity Fund | 1.78 | 0.00 |
| | | UTI - Contra Fund | 1.10 | 0.00 |
| | | UTI - Spread Fund | 0.10 | 0.10 |
| | | UTI - Wealth Builder Fund | 1.60 | 0.00 |
| | | UTI - Long Term Advantage Fund | 0.12 | 0.00 |
| IFCI LTD | UTI - Money Market Fund | UTI - Spread Fund | 20.27 | 23.80 |
| | | UTI - Floating Rate Fund STP | | |

UTI-Fixed Income Interval Fund - Series II

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|---|-------------------------------------|--------------------------------------|--------|--------|
| INDIAN OIL CORPORATION LTD. | UTI - Money Market Fund | UTI - Unit Linked Insurance Plan | 0.00 | 47.77 |
| | UTI - Liquid Cash Plan | UTI - C.R.T.S. 1981 | 0.00 | 9.55 |
| | UTI - Liquid Plus Fund | UTI - Master Plus Unit Scheme | 0.00 | 18.82 |
| | | UTI-Retirement Benefit Pension Fund | 0.00 | 5.11 |
| | | UTI - GSF - Petro | 2.43 | 8.31 |
| | | UTI - Infrastructure Fund | 0.71 | 13.64 |
| | | UTI - Dividend Yield Fund | 11.98 | 24.67 |
| | | UTI - Leadership Equity Fund | 0.00 | 18.82 |
| | | UTI - Spread Fund | 0.14 | 0.06 |
| INDIAN PETRO CHEMICALS CORPN. LTD. | UTI - Liquid Plus Fund | UTI - Unit Linked Insurance Plan | 0.00 | 1.16 |
| | | UTI - C.R.T.S. 1981 | 0.00 | 0.75 |
| | | UTI - Senior Citizens Unit Plan | 0.00 | 0.25 |
| | | UTI -Children's Career Balanced Plan | 0.00 | 0.25 |
| | | UTI - Index Select Equity Fund | 2.01 | 0.00 |
| | | UTI - Nifty Index Fund | 0.20 | 0.31 |
| | | UTI - Sunder | 0.03 | 0.08 |
| | | UTI - Dividend Yield Fund | 17.09 | 20.63 |
| | | UTI - Opportunities Fund | 18.33 | 22.93 |
| | | UTI - Spread Fund | 28.47 | 0.00 |
| | | UTI - Wealth Builder Fund | 10.23 | 0.00 |
| INDUSTRIAL DEVELOPMENT BANK OF INDIA LIMITED. | UTI - Money Market Fund | UTI - Unit Linked Insurance Plan | 36.30 | 48.21 |
| | UTI - Liquid Cash Plan | UTI - C.R.T.S. 1981 | 0.00 | 19.18 |
| | UTI - Liquid Plus Fund | UTI - Senior Citizens Unit Plan | 0.00 | 15.49 |
| | | UTI -Children's Career Balanced Plan | 18.94 | 34.76 |
| | | UTI-Retirement Benefit Pension Fund | 27.79 | 27.98 |
| | | UTI - Balanced Fund | 0.00 | 4.84 |
| | | UTI - Mahila Unit scheme | 0.00 | 3.87 |
| | | UTI - Monthly Income Scheme | 0.00 | 10.00 |
| | | UTI - Liquid Cash Plan | 392.61 | 249.67 |
| | | UTI - Liquid Plus Fund | 322.32 | 301.55 |
| | | UTI - Spread Fund | 17.89 | 8.26 |
| | | UTI - FMP Yearly Series May07 | 0.00 | 9.41 |
| | | UTI FIIF Monthly Interval Plan S-I | 24.74 | 24.84 |
| IDBI HOME FINANCE LTD (Subsidiary of INDUSTRIAL DEVELOPMENT BANK OF INDIA LIMITED.) | | UTI - Liquid Cash Plan | 172.07 | 49.81 |
| | | UTI FMP Quarterly Nov06 Series - II | 24.53 | 0.00 |
| | | UTI - FMP Yearly Series April 07 | 45.12 | 47.04 |
| INFRASTRUCTURE DEVT FINANCE CO.LTD | UTI - Money Market Fund | UTI - Unit Linked Insurance Plan | 25.76 | 54.11 |
| | | UTI - C.R.T.S. 1981 | 0.00 | 20.38 |
| | | UTI - Mastershare Unit Scheme | 17.63 | 19.75 |
| | | UTI -Children's Career Balanced Plan | 0.00 | 7.98 |
| | | UTI-Retirement Benefit Pension Fund | 0.00 | 5.09 |
| | | UTI - GSF - Services | 5.25 | 5.64 |
| | | UTI - Liquid Cash Plan | 63.33 | 49.26 |
| | | UTI - Infrastructure Fund | 28.81 | 42.32 |
| | | UTI - Banking Sector Fund | 2.59 | 2.40 |
| | | UTI - Liquid Plus Fund | 124.12 | 0.00 |
| | | UTI - Opportunities Fund | 11.36 | 16.60 |
| | | UTI - Spread Fund | 11.53 | 3.58 |
| | | UTI - Wealth Builder Fund | 19.66 | 33.85 |
| | | UTI - Long Term Advantage Fund | 9.01 | 11.28 |
| | | UTI-Cap. Protection Ord.Sch.Plan5yr | 0.00 | 16.95 |
| | | UTI - India Lifestyle Fund | 13.39 | 14.88 |
| INFRASTRUCTURE LEASING & FIN.SER.LTD. | UTI - Money Market Fund | UTI - Unit Linked Insurance Plan | 0.00 | 28.07 |
| | | UTI - Senior Citizens Unit Plan | 0.00 | 2.12 |
| | | UTI -Children's Career Balanced Plan | 0.00 | 50.53 |
| | | UTI - Liquid Cash Plan | 102.31 | 29.03 |
| | | UTI - FMP Yearly Series May07 | 0.00 | 15.13 |
| | | UTI FMP Yearly June 2007 | 45.80 | 46.80 |
| INVESTSMART FINANCIAL SERVICES LTD. | UTI - Money Market Fund | UTI FIIF Monthly Interval Plan S-I | 0.00 | 35.06 |
| ITC LTD. | UTI - Bond Fund | UTI - Unit Linked Insurance Plan | 36.67 | 0.00 |
| | UTI - Liquid Plus Fund | UTI - C.R.T.S. 1981 | 3.52 | 0.00 |
| | UTI - FMP Quarterly Apr07 Series I | UTI - Mastershare Unit Scheme | 13.21 | 91.10 |
| | UTI - FMP Quarterly Apr07 Series II | UTI - Master Plus Unit Scheme | 4.16 | 29.42 |
| | | UTI - Equity Fund | 94.34 | 121.30 |
| | | UTI - Mastergrowth | 14.68 | 7.90 |
| | | UTI-Retirement Benefit Pension Fund | 10.02 | 0.00 |
| | | UTI - Balanced Fund | 2.69 | 9.95 |
| | | UTI - Index Select Equity Fund | 19.91 | 7.45 |

UTI-Fixed Income Interval Fund - Series II

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|-----------------------------------|-------------------------------------|--------------------------------------|-------|--------|
| | | UTI - Master Index Fund | 3.23 | 2.60 |
| | | UTI - Equity Tax Savings Plan | 5.19 | 11.39 |
| | | UTI - Nifty Index Fund | 1.95 | 1.60 |
| | | UTI - Variable Investment Scheme | 2.48 | 0.46 |
| | | UTI -Master Equity Plan Unit Scheme | 0.00 | 34.16 |
| | | UTI - Sunder | 2.30 | 0.41 |
| | | UTI - Large Cap Fund | 0.14 | 0.00 |
| | | UTI - MIS Advantage Plan | 0.16 | 0.00 |
| | | UTI - Dividend Yield Fund | 1.86 | 0.00 |
| | | UTI - Opportunities Fund | 38.10 | 14.30 |
| | | UTI - Leadership Equity Fund | 0.00 | 28.47 |
| | | UTI - Contra Fund | 24.53 | 15.18 |
| | | UTI - Spread Fund | 0.46 | 0.00 |
| | | UTI - Wealth Builder Fund | 47.27 | 21.83 |
| | | UTI-Cap. Protection Ortd.Sch.Plan3yr | 1.79 | 2.04 |
| | | UTI-Cap. Protection Ortd.Sch.Plan5yr | 2.35 | 2.66 |
| | | UTI - India Lifestyle Fund | 11.28 | 11.39 |
| JINDAL STAINLESS STEEL LTD. | UTI - Money Market Fund | UTI - Spread Fund | 0.89 | 0.00 |
| KALPATARU POWER TRANSMISSION LTD. | UTI - Money Market Fund | UTI - Mastershare Unit Scheme | 2.68 | 0.00 |
| | | UTI - Mastergrowth | 7.48 | 7.99 |
| | | UTI -Children's Career Balanced Plan | 0.00 | 24.82 |
| | | UTI - GSF - Services | 8.39 | 12.95 |
| | | UTI - Infrastructure Fund | 6.35 | 24.12 |
| | | UTI - MIS Advantage Plan | 0.00 | 1.45 |
| | | UTI - Long Term Advantage Fund | 4.75 | 10.54 |
| LARSEN & TOUBRO LTD. | UTI - FMP Quarterly Apr07 Series II | UTI - Unit Linked Insurance Plan | 29.28 | 52.30 |
| | UTI FIIF Annual Interval Plan S-III | UTI - C.R.T.S. 1981 | 3.76 | 7.16 |
| | | UTI - Mastershare Unit Scheme | 72.52 | 121.95 |
| | | UTI - Master Plus Unit Scheme | 7.09 | 84.24 |
| | | UTI - Equity Fund | 27.06 | 46.62 |
| | | UTI - Mastergrowth | 10.47 | 24.93 |
| | | UTI -Children's Career Balanced Plan | 1.90 | 2.85 |
| | | UTI-Retirement Benefit Pension Fund | 6.96 | 12.69 |
| | | UTI - Balanced Fund | 0.00 | 50.54 |
| | | UTI - Index Select Equity Fund | 8.81 | 16.08 |
| | | UTI - Master Index Fund | 2.44 | 3.73 |
| | | UTI - GSF - Services | 22.54 | 31.70 |
| | | UTI - Equity Tax Savings Plan | 12.68 | 18.10 |
| | | UTI - Nifty Index Fund | 1.25 | 1.80 |
| | | UTI - Mahila Unit scheme | 1.63 | 3.14 |
| | | UTI - Variable Investment Scheme | 2.00 | 0.67 |
| | | UTI - Sunder | 1.12 | 0.46 |
| | | UTI - Large Cap Fund | 0.41 | 0.00 |
| | | UTI - Infrastructure Fund | 77.69 | 84.24 |
| | | UTI - Opportunities Fund | 28.63 | 28.08 |
| | | UTI - Leadership Equity Fund | 6.34 | 70.20 |
| | | UTI - Wealth Builder Fund | 62.17 | 70.20 |
| | | UTI - Long Term Advantage Fund | 24.09 | 21.52 |
| | | UTI-Cap. Protection Ortd.Sch.Plan3yr | 1.75 | 3.09 |
| | | UTI-Cap. Protection Ortd.Sch.Plan5yr | 2.31 | 4.07 |
| MAHARASHTRA SEAMLESS LTD. | UTI - Liquid Plus Fund | UTI - GSF - Petro | 1.70 | 1.81 |
| | | UTI - Infrastructure Fund | 15.44 | 18.45 |
| | | UTI - Opportunities Fund | 8.37 | 9.84 |
| | | UTI - Wealth Builder Fund | 36.64 | 36.51 |
| MAHINDRA & MAHINDRA LTD. | UTI - Money Market Fund | UTI - Unit Linked Insurance Plan | 20.10 | 17.48 |
| | | UTI - C.R.T.S. 1981 | 4.31 | 3.76 |
| | | UTI - Mastershare Unit Scheme | 0.00 | 27.82 |
| | | UTI - Master Plus Unit Scheme | 3.23 | 22.56 |
| | | UTI - Equity Fund | 65.22 | 56.17 |
| | | UTI - Mastergrowth | 5.63 | 6.12 |
| | | UTI-Retirement Benefit Pension Fund | 6.34 | 5.56 |
| | | UTI - Index Select Equity Fund | 5.40 | 2.76 |
| | | UTI - Master Value Fund | 6.45 | 6.02 |
| | | UTI - Master Index Fund | 0.84 | 0.76 |
| | | UTI - Equity Tax Savings Plan | 3.73 | 3.76 |
| | | UTI - Nifty Index Fund | 0.51 | 0.41 |
| | | UTI - Mahila Unit scheme | 1.49 | 1.17 |
| | | UTI - Monthly Income Scheme | 0.00 | 1.32 |
| | | UTI - Variable Investment Scheme | 0.31 | 0.14 |
| | | UTI - Sunder | 0.52 | 0.10 |

UTI-Fixed Income Interval Fund - Series II

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|--|--------------------------------------|--------------------------------------|----------------------------------|--------|
| | | UTI - Auto Sector Fund | 0.00 | 9.65 |
| | | UTI - India Advantage Equity Fund | 1.35 | 0.00 |
| | | UTI - MIS Advantage Plan | 0.00 | 1.35 |
| | | UTI - Opportunities Fund | 25.98 | 0.00 |
| | | UTI - Wealth Builder Fund | 38.27 | 0.00 |
| | | UTI - Long Term Advantage Fund | 3.80 | 3.91 |
| MAHINDRA & MAHINDRA FIN.SER.LTD. (Subsidiary of MAHINDRA & MAHINDRA LTD.) | | UTI - Liquid Cash Plan | 49.36 | 24.92 |
| | | UTI - MIS Advantage Plan | 0.00 | 4.88 |
| | | UTI - FTIF Series II Plan 16 | 0.00 | 13.95 |
| | | UTI - FMP Yearly Series April 07 | 0.00 | 1.00 |
| | | UTI-FTIF Series-III Plan 20 | 25.27 | 25.54 |
| TECH MAHINDRA LTD (Subsidiary of MAHINDRA & MAHINDRA LTD.) | | UTI - Master Plus Unit Scheme | 0.76 | 0.00 |
| | | UTI - Mastergrowth | 0.32 | 0.00 |
| | | UTI - Balanced Fund | 0.50 | 0.00 |
| | | UTI - GSF - Software | 1.56 | 1.47 |
| | | UTI - GSF - Services | 0.10 | 0.00 |
| | | UTI - Mid Cap Fund | 0.07 | 0.00 |
| | | UTI - Growth & Value Fund | 0.15 | 0.00 |
| | | UTI - India Advantage Equity Fund | 0.05 | 0.00 |
| | | UTI - Dynamic Equity Fund | 0.12 | 0.00 |
| | | UTI - MIS Advantage Plan | 0.12 | 0.00 |
| MANGALORE REFINERY & PETROCHEM LTD. | UTI - Liquid Cash Plan | UTI - Spread Fund | 1.03 | 0.84 |
| MARUTI SUZUKI INDIA LTD. | UTI - Money Market Fund | UTI - Mastershare Unit Scheme | 42.25 | 48.01 |
| | UTI - Liquid Plus Fund | UTI - Master Plus Unit Scheme | 20.09 | 12.48 |
| | | UTI - Mastergrowth | 3.99 | 4.29 |
| | | UTI - Index Select Equity Fund | 10.36 | 2.97 |
| | | UTI - MNC Fund | 12.20 | 13.97 |
| | | UTI - Master Index Fund | 0.86 | 0.67 |
| | | UTI - GSF - Brand Value | 4.79 | 0.00 |
| | | UTI - Equity Tax Savings Plan | 12.78 | 6.99 |
| | | UTI - Nifty Index Fund | 0.71 | 0.65 |
| | | UTI - Variable Investment Scheme | 0.57 | 0.12 |
| | | UTI - Sunder | 0.80 | 0.16 |
| | | UTI - Large Cap Fund | 0.43 | 0.00 |
| | | UTI - Auto Sector Fund | 5.33 | 7.89 |
| | | UTI - Growth & Value Fund | 1.68 | 0.00 |
| | | UTI - Opportunities Fund | 49.58 | 11.99 |
| | | UTI - Leadership Equity Fund | 15.60 | 19.98 |
| | | UTI - Contra Fund | 22.24 | 14.98 |
| | | UTI - Wealth Builder Fund | 29.97 | 0.00 |
| | | UTI - Long Term Advantage Fund | 6.93 | 0.00 |
| | | UTI - India Lifestyle Fund | 11.77 | 13.18 |
| MINDTREE CONSULTING LTD. | UTI - FMP Half Yearly Series June 07 | UTI - C.R.T.S. 1981 | 0.03 | 0.00 |
| | | UTI-Retirement Benefit Pension Fund | 0.04 | 0.00 |
| | | UTI - GSF - Software | 0.10 | 0.00 |
| | | UTI - Equity Tax Savings Plan | 0.07 | 0.00 |
| | | UTI - Mid Cap Fund | 0.07 | 0.00 |
| | | UTI - India Advantage Equity Fund | 0.05 | 0.00 |
| | | UTI - Dynamic Equity Fund | 0.11 | 0.00 |
| | | UTI - MIS Advantage Plan | 0.02 | 0.00 |
| | | UTI - Contra Fund | 0.26 | 0.00 |
| | | UTI - Wealth Builder Fund | 0.33 | 0.00 |
| | | UTI - Long Term Advantage Fund | 0.02 | 0.00 |
| | NATIONAL HOUSING BANK | UTI - Money Market Fund | UTI - Unit Linked Insurance Plan | 9.83 |
| | | UTI -Children's Career Balanced Plan | 0.00 | 30.81 |
| | | UTI -Master Equity Plan Unit Scheme | 9.83 | 0.00 |
| | | UTI - Liquid Cash Plan | 492.25 | 0.00 |
| | | UTI - Liquid Plus Fund | 116.46 | 118.83 |
| NAVNEET PUBLICATIONS LTD. | UTI - Money Market Fund | UTI -Children's Career Balanced Plan | 0.00 | 13.95 |
| | | UTI - Master Value Fund | 0.00 | 14.46 |
| OIL & NATURAL GAS CORPORATION LTD. | UTI - Liquid Cash Plan | UTI - C.R.T.S. 1981 | 7.89 | 0.00 |
| | | UTI - Mastershare Unit Scheme | 17.48 | 64.12 |
| | | UTI - Master Plus Unit Scheme | 20.14 | 31.14 |
| | | UTI - Equity Fund | 14.24 | 0.00 |
| | | UTI - Mastergrowth | 43.08 | 14.12 |
| | | UTI - Index Select Equity Fund | 54.76 | 13.38 |
| | | UTI - Master Value Fund | 5.06 | 0.00 |
| | | UTI - Master Index Fund | 2.67 | 2.13 |

UTI-Fixed Income Interval Fund - Series II

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|--------------------------|-------------------------|--------------------------------------|---------|--------|
| | | UTI - GSF - Petro | 26.40 | 7.55 |
| | | UTI - Equity Tax Savings Plan | 21.64 | 0.00 |
| | | UTI - Nifty Index Fund | 5.37 | 4.58 |
| | | UTI - Monthly Income Scheme | 0.00 | 0.96 |
| | | UTI - Variable Investment Scheme | 1.82 | 0.38 |
| | | UTI - Sunder | 6.06 | 1.16 |
| | | UTI - Large Cap Fund | 0.65 | 0.00 |
| | | UTI - Infrastructure Fund | 37.30 | 44.55 |
| | | UTI - PSU Fund | 2.44 | 0.00 |
| | | UTI - Dividend Yield Fund | 65.15 | 35.48 |
| | | UTI - Opportunities Fund | 57.49 | 0.00 |
| | | UTI - Leadership Equity Fund | 18.53 | 33.53 |
| | | UTI - Contra Fund | 38.96 | 0.00 |
| | | UTI - Wealth Builder Fund | 8.43 | 0.00 |
| | | UTI - Long Term Advantage Fund | 33.04 | 10.94 |
| PUNJAB NATIONAL BANK | UTI - Liquid Cash Plan | UTI - Unit Linked Insurance Plan | 280.69 | 82.55 |
| | | UTI - Mastershare Unit Scheme | 28.40 | 0.00 |
| | | UTI - Master Plus Unit Scheme | 13.38 | 10.85 |
| | | UTI - Equity Fund | 12.58 | 0.00 |
| | | UTI - Balanced Fund | 0.00 | 5.03 |
| | | UTI - Money Market Fund | 350.00 | 0.00 |
| | | UTI - Index Select Equity Fund | 7.60 | 0.00 |
| | | UTI - Master Value Fund | 9.22 | 0.00 |
| | | UTI - GSF - Services | 11.09 | 0.00 |
| | | UTI - G-Sec-Investment Plan | 35.00 | 0.00 |
| | | UTI - Nifty Index Fund | 0.42 | 0.38 |
| | | UTI - Liquid Cash Plan | 3615.00 | 0.00 |
| | | UTI - Sunder | 0.45 | 0.10 |
| | | UTI - G-SEC STP | 35.00 | 0.00 |
| | | UTI - Mid Cap Fund | 0.80 | 0.00 |
| | | UTI - Banking Sector Fund | 2.27 | 2.90 |
| | | UTI - PSU Fund | 0.99 | 0.00 |
| | | UTI - Growth & Value Fund | 1.80 | 0.00 |
| | | UTI - India Advantage Equity Fund | 1.20 | 0.00 |
| | | UTI - Gilt Advantage Fund LTP | 10.00 | 0.00 |
| | | UTI - Dynamic Equity Fund | 1.60 | 0.00 |
| | | UTI - Dividend Yield Fund | 1.00 | 1.00 |
| | | UTI-FMP Yearly series September 05 | 90.00 | 0.00 |
| | | UTI - Contra Fund | 2.22 | 21.70 |
| | | UTI - Spread Fund | 56.89 | 8.18 |
| | | UTI - Wealth Builder Fund | 28.51 | 35.25 |
| | | UTI FMP Quarterly Dec06 Series - II | 220.00 | 0.00 |
| | | UTI - Long Term Advantage Fund | 9.07 | 4.58 |
| | | UTI - FMP Quarterly Feb07 Series II | 140.00 | 0.00 |
| | | UTI - FMP Quarterly Mar07 Series II | 250.00 | 0.00 |
| RELIANCE INDUSTRIES LTD. | UTI - Money Market Fund | UTI - Unit Linked Insurance Plan | 70.73 | 206.73 |
| | | UTI - C.R.T.S. 1981 | 16.51 | 35.19 |
| | | UTI - Mastershare Unit Scheme | 31.36 | 157.41 |
| | | UTI - Master Plus Unit Scheme | 3.23 | 103.41 |
| | | UTI - Equity Fund | 70.17 | 108.98 |
| | | UTI - Mastergrowth | 44.09 | 32.88 |
| | | UTI - Senior Citizens Unit Plan | 0.00 | 26.27 |
| | | UTI -Children's Career Balanced Plan | 56.00 | 185.66 |
| | | UTI-Retirement Benefit Pension Fund | 11.84 | 15.81 |
| | | UTI - Balanced Fund | 0.00 | 86.95 |
| | | UTI - Index Select Equity Fund | 40.27 | 32.10 |
| | | UTI - Bond Fund | 2.99 | 0.00 |
| | | UTI - Master Value Fund | 24.79 | 35.85 |
| | | UTI - Master Index Fund | 5.96 | 8.31 |
| | | UTI - GSF - Petro | 7.30 | 20.24 |
| | | UTI - Equity Tax Savings Plan | 14.99 | 25.28 |
| | | UTI - Nifty Index Fund | 5.20 | 7.16 |
| | | UTI - Mahila Unit scheme | 2.53 | 0.00 |
| | | UTI - Monthly Income Scheme | 0.00 | 3.67 |
| | | UTI - Variable Investment Scheme | 4.70 | 1.48 |
| | | UTI - Sunder | 4.74 | 1.82 |
| | | UTI - Children Career Bond Plan | 2.00 | 1.99 |
| | | UTI - Large Cap Fund | 0.57 | 0.00 |
| | | UTI - Infrastructure Fund | 111.25 | 103.41 |
| | | UTI - Growth & Value Fund | 1.44 | 0.00 |
| | | UTI - MIS Advantage Plan | 0.00 | 1.02 |
| | | UTI - Opportunities Fund | 10.48 | 0.00 |
| | | UTI - Leadership Equity Fund | 74.42 | 114.90 |
| | | UTI - Spread Fund | 31.42 | 0.00 |

UTI-Fixed Income Interval Fund - Series II

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|--|-------------------------------------|--------------------------------------|--------|--------|
| | | UTI - Wealth Builder Fund | 25.46 | 0.00 |
| | | UTI - Long Term Advantage Fund | 17.48 | 16.09 |
| | | UTI - India Lifestyle Fund | 12.30 | 15.17 |
| RELIANCE PETROLEUM LTD. | UTI - Money Market Fund | UTI - Unit Linked Insurance Plan | 6.47 | 0.00 |
| | UTI FMP Quarterly June 07-Series II | UTI - Mastershare Unit Scheme | 3.04 | 0.00 |
| | UTI FMP Quarterly Aug07 Series II | UTI - Master Plus Unit Scheme | 1.57 | 0.00 |
| | UTI FMP Yearly August 07 | UTI - Equity Fund | 2.12 | 0.00 |
| | UTI FIIF Annual Interval Plan S-III | UTI - Mastergrowth | 0.59 | 0.00 |
| | | UTI -Children's Career Balanced Plan | 3.90 | 0.00 |
| | | UTI - Balanced Fund | 1.36 | 0.00 |
| | | UTI - Index Select Equity Fund | 2.92 | 3.24 |
| | | UTI - Master Value Fund | 1.19 | 0.00 |
| | | UTI - GSF - Brand Value | 0.13 | 0.00 |
| | | UTI - GSF - Petro | 5.01 | 4.60 |
| | | UTI - Equity Tax Savings Plan | 0.36 | 0.00 |
| | | UTI - Nifty Index Fund | 1.17 | 1.54 |
| | | UTI -Master Equity Plan Unit Scheme | 2.15 | 0.00 |
| | | UTI - Sunder | 0.19 | 0.39 |
| | | UTI - Large Cap Fund | 0.05 | 0.00 |
| | | UTI - Infrastructure Fund | 0.66 | 0.00 |
| | | UTI - Growth & Value Fund | 0.31 | 0.00 |
| | | UTI - India Advantage Equity Fund | 0.11 | 0.00 |
| | | UTI - Dynamic Equity Fund | 0.30 | 0.00 |
| | | UTI - MIS Advantage Plan | 0.17 | 0.00 |
| | | UTI - Dividend Yield Fund | 0.84 | 0.00 |
| | | UTI - Leadership Equity Fund | 2.93 | 0.00 |
| SMALL INDST. DEV. BANK OF INDIA | UTI - Money Market Fund | UTI - Unit Linked Insurance Plan | 0.00 | 0.15 |
| | | UTI - Liquid Cash Plan | 64.89 | 0.00 |
| STATE BANK OF HYDERABAD | UTI - Money Market Fund | UTI - Liquid Cash Plan | 440.00 | 0.00 |
| | | UTI - G-SEC STP | 10.00 | 0.00 |
| | | UTI - FMP Yearly Series Sept 06 | 70.00 | 0.00 |
| | | UTI FMP Quarterly Series Jan 07- II | 110.00 | 0.00 |
| STATE BANK OF INDIA | UTI - Liquid Cash Plan | UTI - Unit Linked Insurance Plan | 21.53 | 87.16 |
| | UTI - Liquid Plus Fund | UTI - C.R.T.S. 1981 | 5.00 | 7.01 |
| | | UTI - Mastershare Unit Scheme | 0.55 | 110.46 |
| | | UTI - Master Plus Unit Scheme | 26.59 | 87.56 |
| | | UTI - Equity Fund | 99.22 | 57.40 |
| | | UTI - Housing Unit Scheme | 0.04 | 0.04 |
| | | UTI - Mastergrowth | 5.77 | 11.98 |
| | | UTI - Senior Citizens Unit Plan | 0.00 | 13.64 |
| | | UTI -Children's Career Balanced Plan | 0.00 | 71.11 |
| | | UTI-Retirement Benefit Pension Fund | 6.15 | 15.28 |
| | | UTI - Balanced Fund | 8.53 | 46.64 |
| | | UTI - Index Select Equity Fund | 11.05 | 8.03 |
| | | UTI - Master Value Fund | 6.21 | 9.73 |
| | | UTI - Master Index Fund | 0.74 | 2.40 |
| | | UTI - GSF - Services | 16.10 | 17.63 |
| | | UTI - Equity Tax Savings Plan | 1.71 | 15.18 |
| | | UTI - Nifty Index Fund | 1.00 | 2.29 |
| | | UTI - Mahila Unit scheme | 1.77 | 2.94 |
| | | UTI - Monthly Income Scheme | 0.00 | 2.53 |
| | | UTI - Variable Investment Scheme | 1.05 | 0.43 |
| | | UTI -Master Equity Plan Unit Scheme | 7.63 | 116.75 |
| | | UTI - Sunder | 0.05 | 0.58 |
| | | UTI - Banking Sector Fund | 13.31 | 21.70 |
| | | UTI - MIS Advantage Plan | 0.00 | 2.04 |
| | | UTI - Dividend Yield Fund | 0.00 | 29.19 |
| | | UTI - Opportunities Fund | 17.48 | 27.24 |
| | | UTI - Leadership Equity Fund | 19.63 | 72.97 |
| | | UTI - Contra Fund | 19.14 | 0.00 |
| | | UTI - Spread Fund | 42.63 | 30.70 |
| | | UTI - Wealth Builder Fund | 38.02 | 58.38 |
| | | UTI - Long Term Advantage Fund | 4.35 | 5.25 |
| | | UTI-Cap. Protection Ortd.Sch.Plan3yr | 0.16 | 1.36 |
| | | UTI-Cap. Protection Ortd.Sch.Plan5yr | 0.00 | 2.34 |
| | | UTI - India Lifestyle Fund | 19.86 | 23.35 |
| STATE BANK OF BIKANER & JAIPUR (Subsidiary of STATE BANK OF INDIA) | | UTI - Unit Linked Insurance Plan | 100.00 | 15.15 |
| | | UTI - Liquid Cash Plan | 200.00 | 0.00 |
| | | UTI-Fixed Term Income Fund (P18) Q4 | 4.50 | 0.00 |
| STATE BANK OF TRAVANCORE (Subsidiary of STATE BANK OF INDIA) | | UTI - Liquid Cash Plan | 200.00 | 0.00 |

UTI-Fixed Income Interval Fund - Series II

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|---|--------------------------------------|--------------------------------------|-------|-------|
| STERLITE INDUSTRIES (INDIA) LTD. | UTI - FIIF Quarterly Interval Plan-I | UTI - Mastershare Unit Scheme | 33.45 | 33.69 |
| | UTI FIIF Monthly Interval Plan S-I | UTI - Equity Fund | 28.93 | 1.12 |
| | UTI FMP Yearly August 07 | UTI - Index Select Equity Fund | 6.25 | 5.28 |
| | UTI FIIF Annual Interval Plan S-III | UTI - Equity Tax Savings Plan | 5.15 | 5.99 |
| | UTI FMP Quarterly Sep07 Series II | UTI - Nifty Index Fund | 1.19 | 1.19 |
| | | UTI - Sunder | 0.21 | 0.30 |
| | | UTI - Opportunities Fund | 25.26 | 12.19 |
| | | UTI - Spread Fund | 3.89 | 0.00 |
| | | UTI - Wealth Builder Fund | 59.83 | 21.16 |
| | | UTI - Long Term Advantage Fund | 6.25 | 8.84 |
| SYNDICATE BANK | UTI - Liquid Cash Plan | UTI - Senior Citizens Unit Plan | 0.00 | 4.08 |
| | | UTI - Spread Fund | 0.57 | 0.00 |
| TATA CHEMICALS LTD. | UTI FMP Quarterly Sep07 Series II | UTI - Mastershare Unit Scheme | 0.00 | 43.36 |
| | | UTI - Balanced Fund | 0.00 | 12.54 |
| | | UTI - Master Value Fund | 3.25 | 10.75 |
| | | UTI -Master Equity Plan Unit Scheme | 0.00 | 59.73 |
| | | UTI - Mid Cap Fund | 1.10 | 10.45 |
| | | UTI - Dividend Yield Fund | 1.83 | 29.87 |
| | | UTI - Wealth Builder Fund | 19.82 | 2.08 |
| TATA CONSULTANCY SERVICES LTD. | UTI - Money Market Fund | UTI - Unit Linked Insurance Plan | 23.64 | 16.05 |
| | UTI - Liquid Plus Fund | UTI - C.R.T.S. 1981 | 3.67 | 3.22 |
| | UTI - FMP Quarterly Apr07 Series I | UTI - Mastershare Unit Scheme | 4.27 | 31.80 |
| | UTI - FIIF Quarterly Interval Plan-I | UTI - Master Plus Unit Scheme | 8.77 | 21.20 |
| | UTI FIIF Monthly Interval Plan S-I | UTI - Equity Fund | 54.99 | 39.33 |
| | UTI FMP Quarterly Sep07 Series II | UTI - Mastergrowth | 10.79 | 14.71 |
| | | UTI-Retirement Benefit Pension Fund | 6.60 | 4.77 |
| | | UTI - Balanced Fund | 9.62 | 14.56 |
| | | UTI - Index Select Equity Fund | 25.13 | 15.04 |
| | | UTI - Master Index Fund | 1.38 | 1.07 |
| | | UTI - GSF - Software | 8.50 | 15.90 |
| | | UTI - GSF - Services | 24.23 | 18.22 |
| | | UTI - Equity Tax Savings Plan | 5.00 | 4.24 |
| | | UTI - Nifty Index Fund | 3.08 | 2.32 |
| | | UTI - Variable Investment Scheme | 1.16 | 0.19 |
| | | UTI - Sunder | 3.04 | 0.59 |
| | | UTI - Leadership Equity Fund | 32.11 | 21.20 |
| | | UTI - Contra Fund | 12.92 | 0.00 |
| | | UTI - Wealth Builder Fund | 12.00 | 0.00 |
| | | UTI - Long Term Advantage Fund | 3.72 | 3.19 |
| TATA INVESTMENT CORPORATION LTD. | UTI FIIF Annual Interval Plan II | UTI - Mid Cap Fund | 1.65 | 0.00 |
| TATA MOTORS LTD. | UTI FIIF Monthly Interval Plan S-I | UTI - Equity Fund | 28.56 | 0.00 |
| | | UTI - Mastergrowth | 1.50 | 0.00 |
| | | UTI - Senior Citizens Unit Plan | 0.00 | 9.00 |
| | | UTI -Children's Career Balanced Plan | 0.00 | 31.08 |
| | | UTI - Balanced Fund | 0.00 | 11.65 |
| | | UTI - Index Select Equity Fund | 2.58 | 0.00 |
| | | UTI - Master Index Fund | 0.45 | 0.94 |
| | | UTI - Nifty Index Fund | 0.42 | 0.67 |
| | | UTI - Variable Investment Scheme | 0.63 | 0.17 |
| | | UTI - Liquid Cash Plan | 0.00 | 35.54 |
| | | UTI - Sunder | 0.01 | 0.17 |
| | | UTI - Auto Sector Fund | 1.47 | 9.26 |
| | | UTI - Liquid Plus Fund | 72.03 | 73.01 |
| | | UTI - Dividend Yield Fund | 7.17 | 0.00 |
| | | UTI - Opportunities Fund | 2.08 | 0.00 |
| | | UTI - Leadership Equity Fund | 4.14 | 0.00 |
| | | UTI - Contra Fund | 22.56 | 0.00 |
| | | UTI - Spread Fund | 0.98 | 0.00 |
| TML FINANCIAL SERVICES LTD. (Subsidiary of TATA MOTORS LTD.) | | UTI - Unit Linked Insurance Plan | 0.00 | 25.13 |
| | | UTI - Liquid Cash Plan | 49.45 | 0.00 |
| ULTRA TECH CEMENT LTD. | UTI - Money Market Fund | UTI - Unit Linked Insurance Plan | 7.77 | 29.32 |
| | UTI - FIIF Quarterly Interval Plan-I | UTI -Children's Career Balanced Plan | 0.00 | 49.61 |
| | | UTI - Balanced Fund | 0.00 | 12.57 |
| | | UTI - Monthly Income Scheme | 0.00 | 9.55 |
| | | UTI - Opportunities Fund | 10.66 | 10.76 |
| | | UTI - Spread Fund | 0.80 | 0.80 |
| | | UTI - Wealth Builder Fund | 8.99 | 10.62 |
| WELSPUN INDIA LIMITED. | UTI - Money Market Fund | UTI - Equity Fund | 0.00 | 8.24 |
| | UTI - Liquid Plus Fund | UTI - Contra Fund | 0.00 | 12.83 |
| WIPRO LTD. | UTI - FMP Quarterly Apr07 Series I | UTI - Mastershare Unit Scheme | 35.43 | 26.82 |
| | UTI - FMP Quarterly Apr07 Series II | UTI - Index Select Equity Fund | 9.91 | 3.70 |

UTI-Fixed Income Interval Fund - Series II

| | | | | |
|---------------|--------------------------------------|--------------------------------------|--------|--------|
| | UTI - FMP Yearly Series May07 | UTI - Master Index Fund | 1.03 | 0.70 |
| | UTI - FMP Quarterly June07 Series I | UTI - GSF - Software | 3.83 | 8.05 |
| | UTI - FMP Half Yearly Series June 07 | UTI - GSF - Services | 14.47 | 7.87 |
| | UTI - FIIF Quarterly Interval Plan-I | UTI - Equity Tax Savings Plan | 3.89 | 0.00 |
| | UTI FMP Quarterly June 07-Series II | UTI - Nifty Index Fund | 2.24 | 1.50 |
| | UTI FIIF Annual Interval Plan II | UTI - Variable Investment Scheme | 0.85 | 0.12 |
| | UTI FIIF Annual Interval Plan S-III | UTI - Sunder | 2.35 | 0.38 |
| | | UTI - Large Cap Fund | 0.75 | 0.00 |
| | | UTI - Dividend Yield Fund | 3.12 | 0.00 |
| | | UTI - Opportunities Fund | 34.30 | 0.00 |
| | | UTI - Contra Fund | 11.48 | 4.60 |
| | | UTI - Wealth Builder Fund | 30.55 | 0.00 |
| YES BANK LTD. | UTI - Money Market Fund | UTI -Children's Career Balanced Plan | 58.42 | 0.00 |
| | | UTI - Money Market Fund | 14.44 | 0.00 |
| | | UTI - Liquid Cash Plan | 348.61 | 172.85 |
| | | UTI - Banking Sector Fund | 0.10 | 0.00 |
| | | UTI - Liquid Plus Fund | 135.22 | 163.20 |
| | | UTI - Floating Rate Fund STP | 9.63 | 0.00 |
| | | UTI FMP Quarterly August06 - II | 24.57 | 0.00 |
| | | UTI - FTIF Series II Plan 16 | 30.00 | 30.00 |
| | | UTI FMP Quarterly Series Jan 07- II | 24.46 | 0.00 |
| | | UTI - FMP Quarterly Feb07 Series I | 48.86 | 0.00 |
| | | UTI - FMP Half Yearly March 07 | 9.49 | 0.00 |
| | | UTI - FMP Quarterly Apr07 Series I | 48.78 | 0.00 |
| | | UTI - FMP Quarterly May 07 Series I | 24.37 | 0.00 |
| | | UTI - FMP Half Yearly series May07 | 0.00 | 2.65 |
| | | UTI - FMP Half Yearly Series June 07 | 0.00 | 2.94 |
| | | UTI FMP Yearly June 2007 | 45.60 | 46.66 |
| | | UTI FIIF Annual Interval Plan II | 13.75 | 13.89 |
| | | UTI-FIIF Quarterly Interval Plan III | 24.49 | 24.70 |

Justification:

These investments were made in the normal course of day to day operations of the said scheme/s and after considering the fund specific investment objectives and liquidity needs/availability of the respective Scheme/s.

XVII. NAV DETERMINATION & VALUATION OF ASSETS

1. Computation and disclosure of NAV

- The Net Asset Value (NAV) of a Plan shall be calculated by determining the value of the Plan's assets and subtracting therefrom the liabilities of the Plan taking into consideration the accruals and provisions. NAV shall be declared separately for different options of the Plan.
- The NAV per unit shall be calculated by dividing the NAV of a Plan by the total number of units issued and outstanding on the valuation day. The NAV will be rounded off upto four decimal places.
- A valuation day is a day other than (i) Saturday and Sunday (ii) a day on which both the stock exchanges (BSE and NSE) and the banks in Mumbai are closed (iii) A day on which the purchase and redemption of units is suspended. If any business day in UTI AMC, Mumbai is not a valuation day as defined above then the NAV will be calculated on the next valuation day and the same will be applicable for the previous business day's transactions including all intervening holidays.
- The NAVs shall be issued to two daily newspapers for publication on a daily basis and will also be available on web-site of UTI Mutual Fund, www.utimf.com and web-site of AMFI namely www.amfiindia.com

2. Valuation of investments:

I. Equity and Equity related Securities:

a. Traded Securities

When a security is traded on any stock exchange within a period of 30 days (including the valuation date) and the aggregate volume of trade during such period is more than 50,000 or if the trade value is greater than Rs.5,00,000 the security is treated as traded security. These are valued at the closing prices on NSE.

b. Non-traded /Thinly traded / Unlisted securities:

Investments in securities, which have not been traded on any stock exchange in the aforesaid manner, are stated at fair value as determined by UTI AMC in accordance with SEBI Regulations. In respect of Preference Shares, if any other security issued by the company is classified as NPA or if the company has declared no dividend for

the last 3 years, such Preference Shares are valued at 'NIL' value.

II. Debt Securities:

a. Traded Securities:

Investment in debentures and bonds are valued at the closing market rate as on the date of valuation and, in its absence, at the latest quote available during a period of fifteen days prior to the valuation date provided there is an individual trade in that security in marketable lot (presently Rs.5 Crore) on the Principal Stock Exchange or any other Stock Exchange.

b. Non-traded / Thinly traded Securities: Investment in non traded / thinly traded securities is valued as under:

i. Rated Debt Securities:

–Debt securities with residual maturity of greater than 182 days:

Investment in securities with residual maturity period of greater than 182 days are valued at Yield to Maturity (YTM) based on the matrix provided by CRISIL. The yield to maturity is marked up or down for illiquidity risk, which is determined by UTI AMC in accordance with SEBI Regulations.

–Debt securities with residual maturity of up to 182 days:

Investment in debt securities with residual maturity of up to 182 days are valued as on the valuation date on the basis of amortisation.

ii. Unrated Debt Securities:

Investments in unrated debt securities are valued at a discount of 25 percent to face value. Unrated Investments in deep discount bonds are valued at a discount of 25 percent to carrying cost.

III. Government Securities:

Investment in Government securities are valued as on the valuation date at the prices released by CRISIL as per SEBI Regulations.

IV. Index / Stock Futures:

Investments in Index/ Stock Futures are valued at settlement price declared by the relevant Stock Exchange as on the valuation date.

V. Index / Stock Options:

Investment in Index/ Stock Options are valued at the closing premium quote / exercise price declared by the relevant Stock Exchange as on the valuation date.

VI. Money Market Instruments:

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

In accordance with the Guidance Note on Accounting for Investments in the Financial Statement of Mutual Funds issued by the Institute of Chartered Accountants of India (pursuant to the eleventh schedule to the SEBI Regulations), the net unrealised gain or loss in the value of investments is determined separately for each category of investments.

XVIII. ACCOUNTING POLICIES

A. Basis of Accounting:

The method of accounting is on accrual basis.

B. Investments:

Investments are accounted on trade dates. The holding cost and profit & loss on sale of investments is computed

on 'weighted average cost' method.

C. Income Recognition:

- (a) Dividend income is accrued on the "ex-dividend" date.
- (b) Interest on debenture, asset backed securities and other fixed income investments is recognised as income on accrual basis.
- (c) Profit or loss on sale of investments is recognised on the trade dates on the basis of weighted average cost.

D. Equalisation Account:

When units are sold / repurchased, an amount equivalent to the distributable income attributable to the sale / repurchase of units is credited / debited to the Income Equalisation Account. The balance in equalisation account is transferred to revenue account at the end of the year.

E. Unit Premium Reserve:

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserves of the scheme / respective option/s, sub option/s after an appropriate portion of the issue proceeds and redemption pay out is credited or debited respectively to the Equalisation Account.

Unit premium reserve is available for dividend distribution, except to the extent it is represented by unrealised appreciation in the value of investments.

F. Provisions:

Provision is made in respect of outstanding interest income of the period prior to the date on which asset is classified as non-performing (NPA). An asset is classified as 'non-performing', if the interest and/or principal amount has not been received or has remained outstanding for one quarter, i.e., 90 days or more from the day such income/installment has fallen due. The interest and investment provision as above is made from the date the asset is classified as NPA. Provision is made in respect of dividend, where it remains outstanding for more than 120 days from the ex-dividend date.

G. Load Charges:

Load collected at the time of issue or redemption of units is retained under a separate account in the schemes books and is utilised to meet the selling and distribution expenses of the schemes. The balance in load account is shown as current liability and not considered for arriving at the Net Assets Value of the scheme.

H. Deferred Revenue Expenditure:

The initial issue expenses are charged over specified period as per provision of the scheme.

I. Expenses:

These are accounted for on accrual basis within the limit specified under regulation 52 of SEBI (Mutual Fund) Regulations.

J. Custodian:

Stock Holding Corporation of India (SHCIL), HDFC Bank and Citi Bank have provided custodial services and their fees are accounted for on accrual basis.

K. Registrars & Transfer Agents:

UTI Technology Services Limited, Datamatics Financial Services Ltd, M/s Karvy Consultants Ltd, M/s Computer Age Management Services Ltd have provided the Registrar & Transfer Agency services and their fees are accounted for on accrual basis.

XIX. TAX TREATMENT OF INVESTMENTS

The disclosures in respect of tax benefits to the Mutual Fund and the unitholders is in accordance with the prevailing tax laws. The information stated below is based on UTI Mutual Fund's understanding of the tax laws and only for the purposes of providing general information to the investors of the scheme. As in the case with any investment there can be no guarantee that the tax position prevailing at the time of investment in the scheme will endure indefinitely.

Further statements with regard to tax benefits mentioned herein below are mere expressions of opinion and are not representations of the Mutual Fund to induce any investor to acquire units whether directly from the Mutual Fund or indirectly from any other persons by the secondary market operations. Thus the prospective investors should not treat the contents of this section of the offer document as advice relating to legal, taxation, investment or any other matter and are advised to consult his or her or its own tax consultant with respect to the specific tax implications arising out of his or her or its participation in the scheme.

1. Tax issues concerning Mutual Fund

UTI Mutual Fund is a Mutual Fund registered with SEBI and as such is eligible for benefits under section 10 (23D) of the Income Tax Act, 1961 (hereinafter referred to as "the Act") to have its entire income exempt from income tax.

The Mutual Fund will receive all income without any deduction of tax at source under the provisions of Section 196(iv) of the Act.

By virtue of section 45 of the Wealth Tax Act, 1957, wealth tax is not chargeable in respect of net wealth of a Mutual Fund registered under section 10(23D) of the Income Tax Act, 1961, hence UTI Mutual Fund is not liable to pay Wealth Tax under the provisions of the Wealth Tax Act, 1957.

2. Tax issues concerning Unit holders

A. Tax on income in respect of units

As per the section 10(35) of the Act, income received by investors under the schemes of UTI MF is exempt from income tax in the hands of the recipient unitholders.

As per section 115R of the Act, income distribution tax shall be levied at 12.5% plus surcharge for distribution made to individuals or Hindu Undivided Families and for any other person at 20% plus surcharge w.e.f. 9th July 2004. Further education cess @2% and secondary and higher education cess @ 1% would be charged on amount of tax plus surcharge.

TDS on income of units

As per the provisions of section 194K and section 196A of the Act where any income is credited or paid on or after 1st April 2003 by a Mutual Fund, no tax is required to be deducted at source.

B. Tax on capital gains

Long Term Capital Gains

Resident Unitholders

Any long term capital gain arising on redemption of units by residents is subject to treatment indicated under Section 48 and 112 of the Income Tax Act, 1961. Long term capital gains in respect of units held for more than 12 months is chargeable to tax @ 20% after factoring the benefit of cost inflation index or tax at the rate of 10% without indexation, whichever is lower.

The said tax rate would be increased by applicable surcharge i.e. @ 10% for Individuals, HUF, AOP, BOI having total income above Rs.10 Lakhs, @ 10% for firms and domestic company @ 2.5% for non-domestic company and @ Nil for Co-operative Society or local authority. The tax and surcharge will be increased by education cess @ 2% and secondary and higher education cess @ 1% on amount of tax plus surcharge.

Non Resident Unitholders

Under section 115 E of the Income Tax Act, 1961, in case of income of non resident Indians by way of long term capital gains, in respect of units is chargeable at the rate of 20% plus surcharge. The tax and surcharge will be increased by education cess @2% and secondary and higher education cess @ 1% on amount of tax plus surcharge. Chapter exclusively deals with taxation related to Non-resident Indians. Under section 115 D of the Income Tax Act, a non-resident Indian cannot avail the benefit of indexation.

In the alternative the capital gains tax may be computed by the non residents under section 112, if it is more beneficial to them. Under Section 112 of the Income Tax Act, 1961 long term capital gains are taxed at the rate of tax @ 20% plus surcharge. The tax and surcharge will be increased by education cess @2% and secondary and higher education cess @ 1% on amount of tax plus surcharge. The benefit of indexation is also available to the non residents under section 48 of the Income Tax Act, 1961. Gains on short term capital asset are taxed as regular income.

FII's

As per section 115 AD of the Act, long term capital gains on sale of units are to be taxed @ 10% and short term tax are to be taxed @ 30%. Such gains in either case would be calculated without indexation benefit as the first and second provisos to section 48 do not apply to FIIs by virtue of section 115 AD (3) of the Act. The applicable tax rates would be increased by applicable surcharge. The tax and surcharge will be increased by education cess @ 2% and secondary and higher education cess @ 1% on the amount of tax plus surcharge.

ii) Short Term Capital Gains

Units held for not more than twelve months proceeding the date of their transfer are short term capital assets. Capital gains arising from the transfer of short term capital assets will be subject to tax at the normal rates of tax applicable to such assessee.

C. TDS on capital gains

i) Resident Investors

As per Central Board of Direct Taxes ('CBDT') circular No.715 dated 8th August 1995, in case of resident unitholders no tax is required to be deducted from capital gains arising at the time of redemption of the units.

ii) for Non Resident Investors

Long Term Capital Gains

As per Part II of the First Schedule to the Finance Act 2007 {Clause 1 (b) (i) (D)}, the Mutual Fund is liable to deduct tax @ 20% on long term capital gains.

Short Term Capital Gains

As per Part II of the First Schedule to the Finance Act 2007 {Clause 1 (b) (i) (K)}, the Mutual Fund is liable to deduct tax @ 30% on short term capital gains.

The TDS will have to be increased by applicable surcharge. Further an education cess @ 2% and secondary and higher education cess @1% would be charged on amount of tax and surcharge.

iii) Other than a Domestic Company:

Long Term Capital Gains

As per Part II of the First Schedule to the Finance Act 2007 {Clause 2 (b) (viii)}, the Mutual Fund is liable to deduct tax @ 20% on long term capital gains.

Short Term Capital Gains

As per Part II of the First Schedule to the Finance Act 2007 {Clause 2 (b) (ix)}, the Mutual Fund is liable to deduct tax @ 40% on short term capital gains.

The TDS will have to be increased by applicable surcharge. Further an education cess @ 2% and secondary and higher education cess @1% would be charged on amount of tax and surcharge.

3. Foreign Institutional Investors (FIIs):

In the case of Foreign Institutional Investors (FIIs), no tax would be deductible at source from the capital gains arising on redemption of units in view of section 196 D (2) of the Act.

GENERAL:**Double Taxation Avoidance Agreement (DTAA)**

As per Circular No. 728 dated October 30, 1995 issued by the CBDT, in the case of remittance to a country with which a DTAA is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. In order for the unitholder to obtain the benefit of a lower rate available under a DTAA, the unit holder will be required to provide the Mutual Fund with a certificate obtained from his Assessing Officer stating his eligibility for the lower rate.

D. Short Term Capital Losses

According to section 94(7) of the Act as amended by the Finance (No. 2) Act, 2004, if any person buys or acquires units within a period of three months prior to the record date fixed for declaration of dividend or distribution of income and sells or transfers the same within a period of nine months from such record date, then losses arising from such sale to the extent of income received or receivable on such units, which are exempt under the Act, will be ignored for the purpose of computing his income chargeable to tax.

Further, Finance (No.2) Act, 2004 has inserted sub-section (8) in Section 94 which provides that, where additional units have been issued to any person without any payment, on the basis of existing units held by such person then the loss on sale of original units shall be ignored for the purpose of computing income chargeable to tax, if the original units were acquired within 3 months prior to the record date fixed for receipt of additional units and sold within 9 months from such record date. However, the loss so ignored shall be considered as cost of acquisition of such additional units held on the date of sale by such person.

E. Investment in units of the Mutual Fund will rank as eligible form of investment under section 11(5) and section 13 of the Act read with Rule 17C(i) of the Income Tax Rules, 1962 for Public Religious & Charitable Trust.

E. Wealth Tax

Units of Mutual Fund are not covered under the definition of 'assets' under section 2(ea) of the Wealth Tax Act, 1957, and hence value of investment in units under the scheme is completely exempt from Wealth Tax.

F. Gift Tax

The Gift Tax Act, 1958 has abolished the levy of Gift Tax in respect of gifts made on or after 1st October 1998. Thus, gifts of units on or after 1st October, 1998 are exempt from Gift Tax.

Further, subject to certain exceptions, gifts from persons exceeding Rs.25,000/- are taxable as income in the hands of donee on or after 1st September 2004 pursuant to section 2(24)(xiii) of the Act read with section 56(2)(v) of the Act.

XX. UNITHOLDERS' RIGHTS & SERVICES

1. Unitholders under the plans have a proportionate right in the beneficial ownership of the assets of the concerned plan and to the dividend, if any, declared by the Plan.
2. The unitholders have a right to ask the Trustees any information, which may have an adverse bearing on their investments, and the Trustees shall be bound to disclose such information to the unitholders.
3. The unitholders have the right to have the SOA issued to them not later than 30 days from the date of acceptance of their application and unit certificates within 30 days from the date of receipt of request for issue of unit certificate in lieu of SOA or as may be decided by SEBI from time to time.
4. Unitholders under the dividend option of the Bond Plan would have the right to have their dividend distribution warrants/ECS credit advice mailed to them within 30 days from the date of declaration of the dividend distribution.

5. The unitholders have the right to have the redemption proceeds despatched to them within 10 business days (provided the application is complete in all respects) from the date of acceptance of the application at the office where the redemption requests are processed. In the event of delay in despatch of redemption proceeds beyond 10 business days from the date of acceptance of redemption application at the processing centre, UTI AMC shall pay interest @ 15 % per annum (or such rate as may be specified by SEBI) from the 11th business day till the date of despatch.
6. An abridged annual report in respect of the scheme shall be mailed to the unitholders not later than six months from the date of closure of the relevant accounting year and the full annual report shall be made available for inspection at UTI Tower, Gn Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051. A copy of the full annual report shall also be made available to the unitholders on request on payment of nominal fee, if any.
7. Before expiry of one month from the date of close of each half year that is as on 31st March and 30th September UTI Mutual Fund will publish unaudited financial results in prescribed format by SEBI in one national English daily and one Marathi daily. The same would also be made available on websites of UTI Mutual Fund & AMFI.
8. Full portfolio in the prescribed format shall also be disclosed either by publishing it in the newspapers or by sending to the unitholders within one month from the end of each half-year and it shall also be displayed on the web site of UTI Mutual Fund.
9. No 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 and affect the interest of the 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.
10. Approval of unitholders in specified circumstances – The Trustees shall adopt any of the following alternative procedures as the Trustee considers appropriate in the circumstances:
 - i) Seeking approval of the unitholders through postal ballot. This would entail seeking positive consent of the Unitholders on the specific proposal(s) by sending to the Unitholders the necessary mailers and seeking their consent through return post/courier/fax as may be decided by the Trustee. The Trustee shall lay down detailed guidelines for the actual conduct and accomplishment of the postal ballot and announcement of its results;
 - ii) Seeking approval of the Unitholders present and voting at a meeting, to be specifically summoned by the Trustee at the appointed day, date, time and venue. A notice convening such meeting shall be sent to the Unitholders at least 21 days prior to the appointed date setting out the proposal(s) which would be voted on the sanctioned meeting. The Trustee shall lay down the detailed guidelines for the actual conduct and accomplishment of the voting at a meeting and announcement of its results; and
 - iii) Seeking approval of the Unitholders through such manner as may be determined by the Trustee from time to time.
11. The unitholders have the right to inspect the following documents at UTI-Tower, Gn Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051.
 - i) Copy of the Trust Deed.
 - ii) Copy of the Investment Management Agreement.
 - iii) Memorandum and Articles of Association of Trustee.
 - iv) Memorandum and Articles of Association of the AMC.
 - v) Copy of the Custodian Agreement
 - vi) Copy of the MOU with the Registrar and Transfer Agent
 - vii) Copy of offer document of UTI-Fixed Income Interval Fund - Series II.
 - viii) Copy of SEBI Regulations.
 - ix) Copy of Indian Trusts Act, 1882

XXI. CONSTITUTION & MANAGEMENT OF UTI MUTUAL FUND

A: UTI – The Division and Repeal of the Unit Trust of India Act, 1963 (UTI Act)

In terms of The Unit Trust of India (Transfer of Undertaking and Repeal) Act 2002 (hereafter referred to as the Act) the assets and liabilities of erstwhile Unit Trust of India have been bifurcated into two parts the specified undertaking and the specified company. The Administrator of the Specified Undertaking of Unit Trust of India comprises of Unit Scheme 64 and assured return schemes (most of which have since been converted into tax free bonds, the present investment is guaranteed by the Govt. of India). The Specified Company has been set up as a Mutual Fund viz. UTI Mutual Fund, comprising of all net asset value based schemes including the scheme mentioned in this offer document. UTI Mutual Fund has been structured in accordance with SEBI (Mutual Funds) Regulations, 1996. The UTI Act has been repealed with effect from 1st February 2003.

B. CONSTITUTION AND OBJECTIVE OF UTI MUTUAL FUND

The **UTI Mutual Fund** (the Mutual Fund) has been constituted as a Trust under the Indian Trust Act, 1882 (2 of 1882). The Mutual Fund was registered with SEBI on January 14, 2003 under Registration Code MF/048/03/01.

The main objective of the Mutual Fund is:

Pooling of capital from the public for collective investment by way of acquisition, holding, management, trading or disposal of securities or any other property whatsoever, for the purpose of providing facilities for the participation by persons as beneficiaries in such properties or investments and in the profits or income arising there from.

C. THE SPONSORS

Three leading public sector banks – Bank of Baroda, Punjab National Bank and State Bank of India and Life Insurance Corporation of India (LIC), the largest public financial investment institution and life insurer in India are the sponsors of UTI Mutual Fund.

a) Bank of Baroda:-

Bank of Baroda is a commercial bank performing activities in terms of Banking Companies (Acquisition and Transfer of Undertakings Act 1970) under which the Undertaking of the Bank was taken over by the Central Government. During the period since inception, it has always maintained its practice of sound value based banking to emerge as one of the premier public sector Banks of the country today. It has a track record of uninterrupted profits since inception in 1908. The financial strength of the Bank and its long tradition of efficient customer service are drawn substantially from the extensive reach of its 2732 strong branch network (as of 31.03.2007) covering almost every State and Union Territory in the Country. The Bank is also one of the few Indian Banks with a formidable presence overseas with 40 branches. Thus, the total branch network is 2,772 as at 31.03.2007.

The financial performance of Bank of Baroda during the last 3 fiscal years is as under:

| Particulars | (Rupees in crores) | | |
|----------------------------|---------------------------|------------------|------------------|
| | 2004-2005 | 2005-2006 | 2006-2007 |
| Total Income | 7736 | 8291 | 10386 |
| Total Expenditure | 5434 | 6260 | 7971 |
| Operating Profit | 2302 | 2031 | 2415 |
| Profit After Tax | 677 | 827 | 1026 |
| Deposits | 81333 | 93661 | 124916 |
| Advances | 43400 | 59911 | 83621 |
| Capital Adequacy Ratio (%) | 12.61 | 13.65 | 11.80 |
| Paid-up Capital | 294 | 365 | 365 |
| Reserves & Surplus | 5333 | 7478 | 8284 |
| Net worth | 5627 | 7843 | 8436 |

| | | | |
|-------------------------------|--------|--------|--------|
| Earning Per Share (in Rs.) | 23.08 | 27.10 | 28.18 |
| Book Value per Share (in Rs.) | 183.33 | 209.18 | 231.59 |
| Dividend Paid (%) | 50 | 50 | 60 |

b) Life Insurance Corporation of India

Life Insurance Corporation of India (LIC) is amongst the largest insurance companies in the world, with 2048 branches and having a Fund size of Rs. 4,63,147.62 crore.

The financial performance of LIC during the last 3 fiscal years is as under:

| | Rs. in crores | | |
|--|---------------|-----------|-----------|
| | 2003-2004 | 2004-2005 | 2005-2006 |
| Total Income | 93088.91 | 112346.24 | 132146.88 |
| Free Reserves | | 81.93 | 172 |
| Net Worth | | | |
| Capital | 5.00 | 5.00 | 5.00 |
| Free Reserves | 120.43 | ---- | ---- |
| General Reserves (Shareholders' Fund) | | 132.19 | 172.00 |
| Insurance Reserves | | 2907.75 | 2843.28 |
| Fair Value Change | | 28226.35 | 65222.45 |
| TOTAL | 125.43 | 31271.29 | 68242.73 |
| Profit after Tax | 551.81 | NA | NA |
| % of dividend paid | - | - | - |

Note:

1. The entire capital of Rs.5 crore has been provided by the Central Government in terms of Section 5 of the LIC Act, 1956.
2. Earning per Share/Book Value per Share: Not applicable to the Corporation.
3. % of Dividend paid is equal to 5% of the Valuation Surplus and since the Government holds the entire capital of Rs.5 crore, the whole dividend is paid to the Government under Section 28 of the LIC Act, 1956.

c) Punjab National Bank

Punjab National Bank is a commercial bank performing activities in terms of Banking Companies (Acquisition and Transfer of Undertakings Act 1970) under which the Undertaking of the Bank was taken over by the Central Government. The main object of the bank under the said Act is as below:-

An act to provide for the acquisition and transfer of the undertaking of certain banking companies, having regard to their size, resources coverage and organisation, in order to further to control the heights of the economy, to meet progressively and serve better, the needs of the development of the economy and to promote the welfare of the people, in conformity with the policy of the State towards securing the principles laid down in clause (b) and (c) of Article 39 of the Constitution of India and for matter connected therewith or incidental therein.

As on 31.03.2007 Punjab National Bank has 4539 domestic offices including 421 extension counters, 2 subsidiaries and a deposit size of Rs.1,39,860 crores.

The financial performance of the Punjab National Bank during the last 3 fiscal years is as under:

| | (Amount Rs. in crores) | | |
|--|------------------------|-----------|-----------|
| Particulars | 2004-2005 | 2005-2006 | 2006-2007 |
| Total Income | 10135.53 | 10815.31 | 12580 |
| Profit after tax | 1410.12 | 1439.31 | 1540 |
| Equity Capital Share Application Money | 315.30 | 315.30 | 315.30 |
| Free Reserves excluding revaluation reserve | 7533.50** | 8758.68* | 9826.31 |
| Net worth | 7848.80 | 9073.98 | 10141.61 |

| | | | |
|----------------------------|--------|--------|--------|
| Earning per share (Rs.) | 52.93 | 45.65 | 48.84 |
| Book value per share (Rs.) | 248.93 | 287.79 | 321.65 |
| Dividend paid to Govt. | 60% | 60% | 60% |

** Including Share Premium Reserves of Rs.2011.43 cr.

* Including share Premium Reserves of Rs.2011.43 crore & Statutory Reserves of Rs.1903.40 crore.

d) State Bank of India:

The State Bank of India is the largest public sector bank in India with 9177 branches in India and 70 offices in 30 countries worldwide. In addition to this, SBI also has 21 subsidiaries.

The financial performance of State Bank of India for the last three fiscal years is summarised below:

(Amount Rs. in crores)

| Particulars | 2003-2004 | 2004-2005 | 2005-2006 |
|----------------------------|-----------|-----------|-----------|
| Total Income (Rs. Cr.) | 38073 | 39548 | 43184 |
| Profit after tax (Rs. Cr.) | 3681 | 4305 | 4407 |
| Equity Capital (Rs. Cr.) | 526 | 526 | 526 |
| Free Reserves (Rs. Cr.) | 19704 | 23545 | 27117 |
| Net Worth (Rs. Cr.) | 20231 | 24072 | 27644 |
| Deposits (Rs. Cr.) | 318619 | 367048 | 380046 |
| Earning per share (Rs.) | 69.94 | 81.79 | 83.73 |
| Book value per share (Rs.) | 384.40 | 457.38 | 525.25 |
| Capital Adequacy Ratio (%) | 13.53 | 12.45 | 11.88 |
| Dividend paid (%) | 110% | 125% | 140% |

The sponsors are not responsible nor liable for any loss resulting from the operation of the scheme beyond the contribution of an amount of Rs.10,000/- made by them towards setting up of the Mutual Fund.

D. THE TRUSTEE

a) UTI Trustee Company Private Limited a company incorporated under the Indian Companies Act, 1956 will be the first and sole trustee of the Mutual Fund under the Trust Deed dated December 9, 2002 executed between the Sponsors and the Trustee Company (the Trustee).

b) Registered office: UTI Tower, Gn Block, Bandra - Kurla Complex, Bandra (East), Mumbai 400 051.

c) Board of Directors of UTI Trustee Company Private Limited

| Name and Address | Other Directorships |
|---|--|
| Shri Janki Ballabh, Chairman Former Chairman, SBI Flat No. 605, Versova Vinayak Co-op. Hsg. Soc., HSG Plot No. 8, Near Versova Telephone Exchange, Versova, Andheri (W), Mumbai - 400 053. | (i) Independent Director - Small Industries Development Bank of India (ii) Member – Asia Pacific Advisory Committee of Barclays Bank PLC, London (iii) Director, Tata AIG Life Insurance Co. Ltd. |
| Dr. P G Apte, Professor, Indian Institute of Management, Bangalore, 415, IIMB Campus, Bannerghatta Road, Bangalore - 560 076. | (i) Member, Board of Directors – GMR Infrastructure Ltd., (ii) Chairman – SEBI Secondary Market Advisory Committee, (iii) Member of Governing Body – International Institute of Information Technology, Bangalore (IIIT-B), (iv) Member of Advisory Board – Fixed Income Money Market and Derivatives Association of India (FIMMDA), Mumbai, (v) Member of Governing Body of GMR Institute of Technology (GMRIT), Rajam, Andhra Pradesh, (vi) Member of the Academic Council of the University of Petroleum & Energy Studies, Dehradun, (vii) Member of the Governing Board of the Institute of Bioinformatics and Applied Biotechnology (IBAB), |

| | |
|--|---|
| | <p>Bangalore,</p> <p>(viii) Member – Governing Board, National Institute of Bank Management, Pune,</p> <p>(ix) Member – Governing Board of the Southern India Banks’ Staff Training College, Bangalore,</p> <p>(x) Member – Governing Board of the Asian School of Business, Thiruvananthapuram,</p> <p>(xi) Permanent Invitee – Central Zoo Authority, Government of India.</p> <p>(xii) Director, HPCL</p> <p>(xiii) Non-Official part-time Director on the Board, Power Finance Corporation, New Delhi,</p> <p>(xiv) Leader of the Indian Group of the Joint Indo-Russian Expert Committee, Ministry of Defence, Department of Defence Production, New Delhi-110 011,</p> <p>(xv) Member, NSE’s Certification in Financial Markets (NCFM) Committee of the National Stock Exchange of India Ltd., Mumbai,</p> <p>(xvi) Non-Official Director, Board of Deposit Insurance and Credit Guarantee Corporation (DICGC), RBI, Mumbai,</p> <p>(xvii) Member, Committee on Credit Risk Model, Deposit Insurance and Credit Guarantee Corporation (DICGC), RBI, Mumbai.</p> |
| <p>Shri S P Oswal Chairman & Managing Director– Vardhman Textiles Ltd. Auro Mirra Bhawan, 2722, Gurdev Nagar, Pakhowal Road, Ludhiana.</p> | <p>(i) Chairman & Managing Director (Executive) – Vardhman Textiles Ltd.,</p> <p>(ii) Chairman & Director (Non-Executive) – Vardhman Holdings Ltd.,</p> <p>(iii) Chairman & Director (Non-Executive) - VMT Spinning Co. Ltd.,</p> <p>(iv) Chairman & Director (Non-Executive) – Vardhman Acrylics Ltd.,</p> <p>(v) Chairman & Director (Non-Executive) – Vardhman Threads Ltd.,</p> <p>(vi) Director (Non-Executive) – Vardhman Yarns & Threads Ltd.,</p> <p>(vii) Director & Member (Non-Executive) – Adinath Investment & Trading Co.,</p> <p>(viii) Director & Member (Non-Executive) – Devakar Investment & Trading Co. P. Ltd.,</p> <p>(ix) Director & Member (Non-Executive) – Anklesh Investments (P) Ltd.,</p> <p>(x) Director & Member (Non-Executive) – Srestha Holding Ltd.,</p> <p>(xi) Director & Member (Non-Executive) – Vardhman Textile Processors (P) Ltd.,</p> <p>(xii) Director & Member (Non-Executive) – Santon Finance & Investment Co. Ltd.,</p> <p>(xiii) Director & Member (Non-Executive) – Flamingo Finance & Investment Co. Ltd.,</p> <p>(xiv) Director & Member (Non-Executive) – Ramaniya Finance & Investment Co. Ltd.,</p> <p>(xv) Director (Non-Executive) – Marshall Investment & Trading Co. P. Ltd.,</p> <p>(xvi) Director & Member (Non-Executive) – Pradeep Mercantile Co. Pvt. Ltd.,</p> <p>(xvii) Director & Member (Non-Executive) - Plaza Trading Co. Pvt. Ltd.,</p> <p>(xviii) Director & Member (Non-Executive) – Syracuse Investment & Trading Co. Pvt. Ltd.,</p> <p>(xix) Partner – Amber Syndicate,</p> |

| | |
|---|---|
| | <p>(xx) Partner – Paras Syndicate, (xxi) Partner – Adinath Syndicate, (xxii) Partner – Northern Trading Company, (xxiii) Partner – Eastern Trading Company, (xxiv) Partner – Ajit Steel Rolling Mills, (xxv) Director (Non-Executive) – Vardhman Linen Ltd., (xxvi) Chairman & Director (Non-Executive) – Nimbua Greenfield (Punjab) Limited, (xxvii) Non-Official Director (Non-Executive) - Export - Import Bank of India, (xxviii) Trustee – Smt. Banarso Devi Oswal Public Charitable Turst, (xxix) Trustee-Sri Aurobindo Socio Economic & Management. Research Institute, (xxx) Trustee – Rattan Chand Oswal Public Charitable Trust, (xxxi) Trustee – VSGM Ltd. Employees Gratuity Fund Trust, (xxxii) Trustee – Mahavir Employees Gratuity Fund Trust, (xxxiii) Trustee – Vardhman Superannuation Scheme, (xxxiv) Trustee- Mahavir Superannuation Scheme, (xxxv) Trustee – VAL Superannuation Scheme, (xxxvi) Trustee – VMT Superannuation Scheme, (xxxvii) Trustee – VTL Superannuation Scheme, (xxxviii) Member on the Board of Governors (Non-Executive) – Indian Institute of Technology (IIT), Delhi, (xxxix) Member on the Board of Governors (Non-Executive) – Punjab Technical University, (xxxx) Director (Non-Executive) – Confederation of Indian Textile Industry.</p> |
| <p>Shri Babasaheb Neelkanth Kalyani Chairman & Managing Director - Bharat Forge Limited 'Amit' 221/A, Kalyani Nagar, Yerawada, Pune - 411 006</p> | <p>(i) Chairman & Managing Director, Bharat Forge Ltd (ii) Chairman, Kalyani Steels Limited, (iii) Director, Automotive Axles Limited, (iv) Director, The Ugar Sugar Works Limited, (v) Director, Hikal Limited, (vi) Director, Nandi Infrastructure Corridor Enterprises Limited, (vii) Director, Nandi Economic Corridor Enterprises Limited, (viii) Director, Kalyani Lemmerze Limited, (ix) Director, Kalyani Carpenter Special Steels Limited, (x) Director, Kalyani Carpenter Metal Centres Limited, (xi) Director, Meritor HVS (India) Limited, (xii) Director, BF Utilities Limited, (xiii) Director, CDP Bharat Forge GmbH, Germany, (xiv) Director, Bharat Forge Aluminiumtechnik GmbH, Germany, (xv) Director, Bharat Forge America Inc (xvi) Director, Bharat Forge Kilsta AB, Sweden, (xvii) Director, Bharat Forge Scottish Stampings Ltd., Scotland (xviii) Vice President – Executive Committee – Maharatta Chamber of Commerce, Industry & Agriculture (xix) Director - Epicenter Technologies Pvt. Ltd. (xx) Member – Advisory Committee, Robert Bosch GmbH, Germany</p> |
| <p>*Shri Ashok K Kini Flat No. B-202, Mantri Pride Apartment, 1st Cross Mountain Road, Jayanagar, 1st Block, Bangalore – 560011</p> | <p>(i) Independent Director - Gulf Oil Corporation Ltd.</p> |
| <p>*Shri S Ravi Senior Partner, Ravi Rajan & Co. Chartered Accountants D-218, Saket,</p> | <p>(i) Independent Director - IFCI Ltd., (ii) Independent Director - Corporation Bank, (iii) Independent Director - IDBI Capital Markets Services Ltd., (iv) Independent Director -Mahindra Ugine Steel Co. Ltd.,</p> |

| | |
|---|--|
| New Delhi - 110 017 | (v) Director - Batliboi Ltd., (vi) Director-Spectrum Power Generation Ltd. (vii) Director - Gujarat Pipavav Port Ltd. (viii) Independent Director - LIC Housing Finance Ltd., (ix) Independent Director - IDBI Homefinance Ltd., (x) Independent Director - Kudremukh Iron Ore Company Ltd., (xi) Director - Hindustan Aeronautics Ltd., (xii) Member - Management Development Institute. (xiii) Part-Time Director - Ravi Rajan & Co (P) Ltd. |
| Prof P V Ramana Chairman ITM Business School Kharghar Bungalow No 12, Gulab View, Near Chembur, Mumbai - 400 071 | (i) Director, ITM (Pvt) Ltd (ii) Director, IIF (Pvt) Ltd |

* Associate Director

d) Duties and Responsibilities of the Trustee and substantial provisions of the Trust Deed

Pursuant to the Trust Deed constituting the Mutual Fund and the SEBI (Mutual Funds) Regulations, 1996 the Trustees have several duties and responsibilities including the following:

- (1) The trustees and the Asset Management Company (AMC) shall with the 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 such other clauses as are necessary for the purpose of making investments.
- (3) The trustees shall have a right to obtain from the AMC such information as is considered necessary by the trustees.
- (4) The trustees shall ensure before the launch of any scheme that the AMC has: -
 - (a) systems in place for its back office, dealing room and accounting;
 - (b) appointed all key personnel including fund manager(s) for the scheme(s) and submitted their bio-data which shall contain the educational qualifications, past experience in the securities market with the trustees, within 15 days of their appointment;
 - (c) appointed auditors to audit its accounts;
 - (d) appointed a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines instructions etc issued by SEBI or the Central Government and for redressal of investors' 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 trustees shall ensure that an AMC has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
- (6) The trustees shall ensure that the AMC has not given any undue or unfair advantage to any associates or dealt with any of the associates of the AMC in any manner detrimental to interest of the unitholders.
- (7) The trustees shall ensure that the transactions entered into by the AMC are in accordance with the regulations and the scheme.
- (8) The trustees shall ensure that the AMC has been managing the mutual fund schemes independently of other activities and have taken adequate steps to ensure that the interest of investors of one scheme are not being compromised with those of any other scheme or of other activities of the AMC.
- (9) The trustees shall ensure that all the activities of the AMC are in accordance with the provisions of the regulations.
- (10) Where the trustees have reason to believe that the conduct of 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 by them and shall immediately inform SEBI of the violation and the action taken by them.
- (11) Each trustee shall file the details of his transactions of dealing in securities (above Rs.1 lac per transaction) with the Mutual Fund on a quarterly basis.
- (12) The trustees shall be accountable for, and be the custodian of, the funds and property of the respective schemes and shall hold the same in trust for the benefit of the unitholders in accordance with the regulations and the provisions of trust deed.

- (13) The trustees shall take steps to ensure that the transactions of the mutual fund are in accordance with the provisions of the trust deed.
- (14) The trustees shall be responsible for the calculation of any income due to be paid to the mutual fund and also of any income received in the mutual fund for the holders of the units of any scheme in accordance with the regulations and the trust deed.
- (15) The trustees shall obtain the consent of the unitholders -
- (a) whenever required to do so by SEBI in the interest of the unitholders; or
 - (b) whenever required to do so on the requisition made by three-fourths of the unitholders of any scheme; or
 - (c) when the majority of the trustees decide to wind up or prematurely redeem the units.
- (16) The trustees shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would modify the scheme and affects the interest of unitholders, shall be carried out unless, -
- (i) a written communication about the proposed change is sent to each unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the mutual fund is situated; and
 - (ii) the unitholders are given an option to exit at the prevailing Net Asset Value without any exit load.
- (17) The trustees shall call for the details of transactions in securities by the key personnel of the AMC in his own name or on behalf of the AMC and shall report to SEBI, as and when required.
- (18) The trustees shall quarterly review all transactions carried out between the mutual funds, AMC and its associates.
- (19) The trustees shall quarterly review the networth of the AMC and in case of any shortfall, ensure that the AMC make up for the shortfall as per clause (f) of sub-regulation (1) of regulation 21 of SEBI (MFs) Regulations.
- (20) The trustees shall periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy itself that such contracts are executed in the interest of the unitholders.
- (21) The trustees shall ensure that there is no conflict of interest between the manner of deployment of its networth by the AMC and the interest of the unitholders.
- (22) The trustees shall periodically review the investor complaints received and the redressal of the same by the AMC.
- (23) The trustees shall abide by the Code of Conduct as specified in the Fifth Schedule of the SEBI (Mutual Funds) Regulations.
- (24) The trustees shall furnish to SEBI on a half yearly basis, -
- (a) a report on the activities of the mutual fund;
 - (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 AMC;
 - (c) a certificate to the effect that the AMC has been managing the schemes independently of any other activities and in case any activities of the nature referred to in sub-regulation (2) of regulation 24 have been undertaken by the AMC and has taken adequate steps to ensure that the interest of the unitholders are protected.
- (25) The independent trustees referred to in sub-regulation (5) of regulation 16 shall give their comments on the report received from the AMC regarding the investments by the mutual fund in the securities of group companies of the sponsors.
- (26) Trustees shall exercise due diligence as under:

A. General Due Diligence:

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

B. Specific Due Diligence:

The Trustees shall:

- (i) obtain internal audit reports at regular intervals from independent auditors appointed by the Trustees.
- (ii) obtain compliance certificates at regular intervals from the AMC.

- (iii) hold meeting of trustees more frequently.
- (iv) consider the reports of the independent auditor and compliance reports of AMC at the meetings of trustees for appropriate action.
- (v) maintain records of the decisions of the Trustees at their meetings and of the minutes of the meetings.
- (vi) prescribe and adhere to a code of ethics by the Trustees, AMC and its personnel.
- (vii) communicate in writing to the AMC of the deficiencies and checking on the rectification of deficiencies.
- (27) 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 or AMC shall pay specific attention to the following, as may be applicable, namely:-
 - (i) the Investment Management Agreement and the compensation paid under the agreement.
 - (ii) service contracts with affiliates - whether the AMC has charged higher fees than outside contractors for the same services.
 - (iii) selection of the AMC's independent directors
 - (iv) securities transactions involving affiliates to the extent such transactions are permitted.
 - (v) selecting and nominating individuals to fill independent directors vacancies.
 - (vi) code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.
 - (vii) the reasonableness of fees paid to sponsors, AMC and any others for services provided.
 - (viii) principal underwriting contracts and their renewals any service contract with the associates of the AMC.
- (29) In carrying out their responsibilities, each member of the Board of Directors of Trustee Company shall maintain arms' length relationship with other companies, or institutions or financial intermediaries or any body corporate with which he may be associated in any capacity.
- (30) No trustee shall participate in the meetings of the Board of Directors of the Trustee Company or in any decision making process for any investment in which he may be deemed to be interested.
- (31) All members of the Board of Directors of the Trustee Company shall furnish to SEBI and Trustee Company the interest which they may have in any other company, or institution or financial intermediary or any body corporate by virtue of his position as director, partner or with which he may be associated in any other capacity.
- (32) The Trustee shall at no time acquire any asset out of the Trust Property, which involves the assumption of any liability which is unlimited or results in encumbrance of the Trust Property in any way, except to the extent permitted by the SEBI Regulations.
- (33) Except with the prior approval of the Trustee and SEBI in writing, the Mutual Fund shall not make or grant loans or guarantee loans nor shall they carry out at any time any activity in contravention of the SEBI Regulations.

Any addition/modification/deletion in the duties and responsibilities of the Trustee due to a change in the SEBI Regulations shall be applicable accordingly.

e) Modifications, Amendments, etc. to the Trust Deed

The Sponsors and the Trustee shall be entitled, by a deed supplemental to the Trust Deed, to modify or alter the provisions of the Trust Deed, in such manner and to such extent as they may consider in the interest of and for the purpose of the Trust, but subject to the approval of SEBI, and unitholders, if required.

f) Meetings

Seven meetings of the Board of Directors of the Trustee Company were held from 1st April 2006 upto 31st March 2007. As per the Trust Deed the Board of Directors of the Trustee Company shall, subject to the requirements under the Regulations, meet at least once every two months and at least six such meetings shall be held every year. The Trustees shall review the information/reports submitted by the AMC in accordance with the SEBI (MFs) Regulations

g) Trusteeship Fees

As per the Trust Deed the Trustee shall be paid a fee calculated on such basis and such intervals as set out in the prospectus/offer documents of the scheme(s) framed for the issue of units or as agreed between the parties.

E. ASSET MANAGEMENT COMPANY (AMC)

- a) UTI Asset Management Company Limited is a company incorporated under the Companies Act, 1956.

- b) **Registered office:** UTI Tower, Gn Block, Bandra - Kurla Complex, Bandra (East), Mumbai 400 051.
- c) UTI Asset Management Company Limited has been appointed as the Asset Management Company of the Mutual Fund by the Trustee vide Investment Management Agreement dated December 9, 2002 executed between UTI Trustee Company Private Limited and UTI Asset Management Company Limited. The AMC was approved by SEBI to act as the asset management company for UTI Mutual Fund vide their letter no. MF/BC/PKN/03 dated January 14, 2003. Out of the AMC's total paid-up capital of Rs.10 crore, 25% is held by each of the Sponsors. The AMC will manage the schemes of the Mutual Fund including the scheme mentioned in this offer document, in accordance with the provisions of the Investment Management Agreement, the Trust Deed, the SEBI (Mutual Funds) Regulations and the objectives of the scheme. UTI AMC has entered into a service agreement with the Administrator of the Specified Undertaking of Unit Trust of India to provide back office support for business processes excluding fund management. UTI AMC has been registered as a portfolio manager under the SEBI (Portfolio Managers) Regulations, 1993 on February 3 2004, for undertaking portfolio management services. The registration code is PM/INP 000000860.

UTI International Ltd., a 100 % subsidiary of UTI AMC, registered in Guernsey, Channel Islands, acts as manager to offshore funds and markets these offshore funds abroad.

UTI Venture Funds Management Co. Ltd., a 100 % subsidiary of UTI AMC, acts as a venture capital manager to venture capital schemes.

Systems are in place to ensure that bank and securities accounts are segregated and there is no conflict of interest.

UTI AMC is not undertaking any other business activities other than those mentioned above.

d) Names of Directors of UTI Asset Management Co. Ltd.

| Name and Address | Other Directorships |
|--|--|
| <p>*Shri U K Sinha, Chairman & Managing Director E-9 Bapu Dham, Central Govt. Officers Quarters, Chanakyapuri, New Delhi - 110 021.</p> | <p>(i) Chairman & Director (Non Executive) – UTI - India Pharma Fund, (ii) Director (Non Executive) – UTI - India IT Fund, (iii) Chairman & Director (Non Executive) – UTI – International Ltd (iv) Chairman & Director (Non Executive) Shinsei UTI India Fund Ltd (v) Chairman & Director (Non Executive) – UTI – International Singapore P Ltd (vi) Director – UTI Private Equity Advisors Ltd., Mauritius, (vii) Member of the Board of Governors/Society – National Institute of Industrial Engineering, Mumbai (viii) Member of the Board of Governors – IIM, Lucknow, (ix) Chairman – CII-Committee on Mutual Fund. (x) Member, Government of India Committee on Haj Management Reforms (xi) RBI Committee on Financial Sector Assessment Constitution of Advisory Panel (xii) Head of the Committee, SEBI Committee on Infrastructure Funds</p> |
| <p>*Shri S C Bhargava Non Executive Chairman, OTC Exchange of India Ltd., Flat No.14, Queens Court, Maharshi Karve Road, Churchgate, Mumbai - 400 020.</p> | <p>(i) Director – Aditya Birla Nuvo Ltd., (ii) Director – DCM Shriram Consolidated Ltd., (iii) Director – Escorts Ltd., (iv) Director–Swaraj Engine Ltd. & Member–Audit Committee, (v) Director – Jaiprakash Associates Ltd., (vi) Director – Jaiprakash Enterprises Ltd., (vii) Director – Jaiprakash Power Ventures Ltd., (viii) Director – Jaypee Cement Ltd. (ix) Director–Mudra Lifestyles Ltd., Chairman–Audit Committee, Shareholder Grievances Committee & Member – Remuneration Committee,</p> |

| | |
|--|--|
| | (x) Non Executive Chairman – OTC Securities Ltd., (xi) Non Executive Chairman – IL&FS Academy for Insurance & Finance Ltd., (xii) Non-Executive Chairman – IL&FS Insurance & Risk Management Services Ltd., (xiii) Director - A K Capital Services Ltd. (xiv) Director – Cox & Kings (India) Ltd. |
| Dr. K C Mishra Director, National Insurance Academy, Pune, B2-32, Elite Empire, Balewadi, Pune – 411 045 | (i) Board Member – LPA Ltd., (ii) Board Member – Insurance Institute of India, (iii) Member of Board of Governors –ICFAI’s CPMR, (iv) Member – IRDA Advisory Committee, (v) Member – SEBI Market Development Committee, (vi) Director – Maharashtra State Co-operative Deposit Guarantee Corporation. (vii) Member, Audit Board of Comptroller & Auditor General of India (viii) Member, Working Group on E-governance of Govt of India named as “Legal enablement of ICT systems” (ix) Member of Institute for Global Insurance Education (x) Director – Doha Bank Assurance Company Limited, Doha, Qatar |
| Ms. Anita Ramachandran Director & CEO, Cerebrus Consultants Pvt. Ltd., 13, Navroze Apts., Bhulabhai Desai Road, Mumbai - 400 026. | (i) Director – Connexus Consultants P. Ltd., (ii) Director – HCL Infosystems Ltd., (iii) Director – Geometric Software Solutions Co. Ltd., (iv) Director – Force Motors Ltd., (v) Director – Swadhar Finaccess. (vi) Director - Godrej & Boyce Manufacturing Co Ltd |
| Shri. Prithvi Haldea Managing Director, Praxis Consulting & Information Services Pvt. Ltd., C-101, Rishi Apartments, Alaknanda, New Delhi – 110 019. | (i) Director – Prime Investors Protection Association & League, (ii) Managing Director – Venture Media Pvt. Ltd., (iii) Director – primedatabase.com Pvt. Ltd., (iv) Independent Director – Nucleus Software Exports Ltd., (v) Independent Director – Protect Insurance Services (India) Pvt. Ltd., |
| *Shri P R Khanna Chartered Accountant, 70, Sundar Nagar, New Delhi - 110 003. | (i) Director - DCM Shriram Industries Ltd., Member-Shareholders/Investors Grievances Committee, Remuneration Committee, Chairman – Audit Committee, (ii) Director- Indag Rubber Ltd. & Member Remuneration Committee & Audit Committee, (iii) Director – Ansal Properties & Infrastructure Ltd., Member-Shareholders/Investors Grievances Committee, Remuneration Committee, Directors Committee, Resource Planning & Review Committee, Audit Committee (iv) Director – Uniproducts Ltd., (v) Member of the Governing Body of Shri Ram College of Commerce, Delhi and Shriram Industrial and Scientific Research Foundation, (vi) Trustee-Nabha Foundation (a Charitable Trust for restoration of Nabha in Punjab) & Director- Nabha Development Initiative, (vii) Trustee – ICRA Employees Welfare Trust. |

* Associate Directors

e) Under the SEBI (Mutual Funds) Regulations, 1996, and the IMA executed in accordance with the Regulations, the Asset Management Company has the following obligations:

1. To 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 SEBI (Mutual Fund) Regulations, 1996 and the trust deed.
2. To exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.

3. To be responsible for the acts of commissions or omissions by its employees or the persons whose services the AMC has procured.
4. To submit to the trustees quarterly reports of each year on its activities and the compliance with SEBI (Mutual Fund) Regulations.
5. The trustees at the request of the AMC may terminate the assignment of the AMC 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 AMC.
6. Notwithstanding anything contained in any contract or agreement or termination, the AMC or its directors or other officers shall not be absolved of liability to the mutual fund for their acts of commissions or omissions, while holding such position or office.
7. a) The AMC shall not through any broker associated with the sponsors, purchase or sell securities, which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes.
Provided that for the purpose of this sub-regulation, aggregate purchase and sale of securities shall exclude sale and distribution of units issued by the mutual fund.
Provided further that the aforesaid limit of 5% shall apply for a block of any three months.
- b) The AMC shall not purchase or sell securities through any broker (other than a broker referred to in clause (a) 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 AMC has recorded in writing the justification for exceeding the limit of 5% and reports of all such investments are sent to the trustees on a quarterly basis.
Provided that the aforesaid limit shall apply for a block of three months.
8. Not to utilise the services of the sponsors or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities:
Provided that the AMC may utilise such services if disclosure to that effect is made to the unit holders and the brokerage or commission paid is also disclosed in the half yearly annual accounts of the mutual fund.
9. To file with the trustees the details of transactions in securities by the key personnel of the AMC in their own name or on behalf of the AMC and to also report to the SEBI, as and when required by the SEBI.
10. In case the AMC enters into any securities transactions with any of its associates, a report to that effect to be sent to the trustees at its next meeting.
11. In case any company has invested more than 5 percent 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 to be brought to the notice of the trustees by the AMC and to be disclosed in the half yearly and annual accounts of the respective schemes with justification for such investment. Provided that the latter investment has been made within 1 year of the date of the former investment calculated on either side.
12. To file with the trustees and the SEBI -
 - a) Detailed bio-data of all its directors along with their interest in other companies within fifteen days of their appointment; and
 - b) Any change in the interests of the directors every six months.
 - c) quarterly report to the trustees giving details and adequate justification about the purchase and sale of the securities of the group companies of the sponsors or the asset management company as the case may be, by the mutual fund during the said quarter.
13. Each director of the AMC shall file the details of his transactions of dealing in securities with the trustees on a quarterly basis in accordance with the guidelines issued by SEBI.
14. Not to appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.
15. To appoint registrars and share transfer agents who are registered with the SEBI.
Provided if the work relating to the transfer of units, redemption etc is processed in-house, the charges at competitive market rates may be debited to the scheme and for rates higher than the competitive market rates, prior approval of the trustees shall be obtained and reasons of charging higher rates shall be disclosed in the annual accounts.
16. To abide by the Code of Conduct as specified in the Fifth Schedule of the SEBI Regulations.
The appointment of the AMC can be terminated by a majority of the trustees or by seventy five percent of unitholders of the scheme.

However, any addition/modification/deletion in the duties and responsibilities of the AMC due to a change in the SEBI Regulations shall be applicable accordingly.

f) AMC Fees

UTI AMC shall subject to the ceiling as may be prescribed by the Regulations, be entitled to management and advisory fees at the rate of 1.25% per annum of the weekly average net assets outstanding for net assets of Rs.100 crore and at the rate of 1.00% per annum for the net assets in excess of Rs.100 crore. Payment of fees to the AMC may be made either on a weekly, fortnightly or monthly basis, unless otherwise agreed between the AMC and the Trustee.

F. DETAILS OF KEY PERSONNEL OF UTI AMC

| Sr. No. | Name and Designation of the Key Personnel | Age (in yrs) | Qualifications | Experience |
|----------------|--|---------------------|---|---|
| 1. | Shri U K Sinha Chairman and Managing Director | 55 | M.Sc., LLB | 02-06-2002 to 02-11-2005 Joint Secretary, Ministry of Finance, Department of Economic Affairs, North Block, New Delhi 30-10-2000 to 02-06-2002 Joint Secretary, Ministry of Finance, Banking Division 29-06-1998 to 28-10-2000 Secretary, Road Construction Department, (Bihar – Patna) 04-12-1997 to 07-06-1998 Commissioner, Patna Division, Bihar |
| 2. | Shri Jaideep Bhattacharya Chief Marketing Officer | 41 | M.A. (Economics) | April 2004 to August 2006 - Country Head - Products, Channels & Marketing Group, ICICI Bank, Mumbai December 2002 to March 2004 - Zonal Head, North & East India, Emerging Corporates Group, ICICI Bank, New Delhi July 2002 to December 2002 - Branch Manager, Standard Chartered Bank, Kolkata March 2000 to July 2002 - Cluster Head, Personal Banking, Standard Chartered Bank, Ahmedabad September 1996 to March 2000 - Branch Manager, Personal Banking, ANZ Grindlays Bank, Jodhpur Branch, Brabourne Road November 1994 to September 1996 - Relationship Manager, ANZ Grindlays Bank, Kolkata November 1993 to October 1994 - Card Products Division, Hongkong Bank, Kolkata December 1988 to October 1993 - Accounts Executive, Key Accounts Team, HCL Hewlett, Kolkata |
| 3. | Shri A. Rama Mohan Rao Chief Operating Officer & Head-Department of Investor Services | 52 | B.Com., ACA, CAIIB-I, Certificate Examination of IIB for the Employees of UTI | 26 years of experience working with UTI and its subsidiaries. Worked in UTI in different capacities as Branch Manager, Head of Back Office (Off-shore funds), General Manager in Primary Market Investment division, Chief Investment Officer for Balance funds. Worked (on deputation) as Managing Director of UTI Securities Ltd. for 5 years. |

| | | | | |
|-----|--|----|--|--|
| 4. | Shri S C Dikshit Chief Legal Advisor, Chief Vigilance Officer, Dept of Risk Management & Dept. of Internal Audit | 54 | B.Sc., M.A., L.L.B. | 18 years of experience in the legal affairs of the Organization including around 1 year experience in Internal Audit and Risk Management areas. |
| 5. | Shri Imtaiyazur Rahman Chief Finance Officer, Company Secretary & Incharge Dept. of Administration, Administration part of Dealing Section | 43 | B.Sc, FICWA, FCS, CPA(USA) | 17 years of experience in the fields of Finance, Accounts, Taxation, Administration, IT, Operations and Secretarial functions. He is currently looking after the Investment accounts, AMC Accounts, Information Technology & Secretarial functions. In addition, he is also heading the Dept. of Administration. |
| 6. | Shri Amandeep Chopra Head – Fixed Income | 36 | BSc, MBA | Joined UTI in May 1994 and was in the area of Investment Research till August 1998. Since August 1998 he has been in Funds Management. Currently his role is as Fund Manager and Head of Fixed Income. |
| 7. | Shri Anoop Bhaskar Head - Equity, Dept of Securities Research | 39 | B.Com., MBA (Finance) | Has over 17 years of experience in Funds Management and Equity Research. Joined UTI MF in March 2007 prior to which he was Head-Equity, Sundaram Asset Management. |
| 8. | Shri T N Radhakrishna Head-HR | 52 | BSc, MSW (Masters of Social Work) | May 2004 to April 2007 – Global Head- HR, Datamatics Technologies Ltd., Jan 1997 to April 2004 – Sr. Manager, Performance & Reward Management, Sr Mgr- HR, Head, Performance Improvement, Quality & Trg., Head, HR Relationship Management etc., Standard Chartered Bank & Scope International July 1994 to Dec 1996 – General Manager, HRD, Datamatics Ltd., Software Exports Division July 1993 to July 1994 – Dy. General Manager, HRD, Kanoria Industries Ltd. March 1986 to June 1993 – Manager, Personnel, NELCO June 1984 to Feb 1986 – Sr. Personnel Officer, Lupin Laboratories ltd., Corporate Office June 1983 to May 1984 – Personnel Officer, Firth (India) Steel Co. Ltd. June 1979 to June 1983 – Asst. Administrative Officer, Casablancas Engg. Ltd. |
| 9. | Shri Ashish Ranawade Head - PMS Division | 36 | B.E.,MMS | 11 years of experience in the fields of Research & Planning, Funds Management & International Finance. |
| 10. | Shri Yeshwanth Kini Head - Offshore Funds | 41 | B.Tech (IT- BHU), PGDM (IIM, Ahmedabad) | Over 16 years of top management experience in management consulting, equity research & corporate finance in leading international firms. Two years plus in Morgan Stanley in equity research and fixed income research division. One & half years in ASK Raymond James in research covering Indian Technology Services |

| | | | | |
|-----|---|----|---|--|
| | | | | <p>Sector.</p> <p>Five years in SG Security in technology research & equity research.</p> <p>One year in AV Birla Group in Corporate Finance.</p> <p>One & half years in NatWet Markets in research in telecom and metals sectors. Four years in A F Ferguson and Co. in management consultancy division.</p> <p>UTI AMC as Head-Offshore Funds and Fund Manager-Infrastructure Fund with effect from October 16, 2006.</p> |
| 11. | Shri Sanjay Dongre Senior Fund Manager | 38 | BE, PGDM | Experience in Investments and Investment Monitoring from Aug. 1994 till Apr.98 (4 years), 1 year in Equity Research, 1 year in Dealing. Since July 2000, he has been in Funds Management as a Fund Manager for Equity Schemes. |
| 12. | Shri S Linga Pandian, Compliance Officer | 47 | MBA, M Com, MA, M Phil, LL B, AMP (MDI, Gurgaon), CIA (USA), CFSA (USA) CAIIB | Has been with UTI Mutual Fund for 21 years, working in a wide spectrum of areas including internal audit, fund accounting, dealing in equities and equity related derivatives in secondary market, and scheme operations. Has also functioned as the maiden Branch Manager of Thiruvananthapuram Branch. Was a member of the UTI's Special Team on Business Process Re-engineering (BPR) exercise assigned to M/s McKinsey & Co. Recently been associated with a BCG Pilot Project on Cross Selling. Prior to joining UTI, had 6 years' experience with SBI. |
| 13. | Shri Sanjeev Bhasin Fund Manager | 37 | B.Com. ACA | Has around 12 years of experience in Fund Management, Portfolio Management, Financial and Quantitative Analysis & Investment Banking. UTI AMC Fund Management since July 2004 |
| 14. | Smt Silpita Guha Fund Manager (Offshore) | 43 | M.Sc.(Eco), MBA | Has more than 7 years experience in debt investments, primary debt dealing, Investment monitoring and Asset Reconstruction. In Funds Management as fund manager for offshore fund since Nov 2006. |
| 15. | Ms. Swati Kulkarni Fund Manager | 42 | B Com. MFM (NMIMS), CAIIB-I, Certificate Examination of IIB for the Employees of UTI | She has been a Fund Manager since June 2004. Prior experience of 13 years includes, Fund Management of Equity, Balanced and Offshore Equity Funds, Macro Research, Quantitative Analysis and Corporate Financial Planning. |
| 16. | Shri Harsha Upadhyaya Fund Manager | 34 | B.E.(Mech.), PGDM, CFA | About 11 years of experience in Funds Management, Equity Research, Business Analysis and Finance. |
| 17. | Vineet Lakhotia Fund Manager | 29 | B.Com (Hons) C.A., C.S., M.S.(Finance), | Joined UTI in Jan 2000 and has worked in Internal Audit for one and a half years, and with fund management experience for the last 5 years. |

| | | | | |
|-----|---|----|---|---|
| 18. | Ms. Gautami Desai Fund Manager | 32 | B.E., MMS | Since Sept. 2005 has been in Funds Management as a Fund manager for equity schemes. Aug2001-Aug2005 (4years): Asst. Fund Manager in Funds Management involved in all microlevel fund management as well as in equity research. May 1998-July2001 (3years) - worked as an analyst in the credit rating cell. |
| 19. | Shri Deb Bhattacharya Fund Manager | 29 | B.Com, PGDM, | He has experience in the following departments since 2001- Department of Funds Management, SU-UTI and Department of Funds Management. |
| 20. | Shri V Srivatsa, Fund Manager (Offshore) | 32 | B.Com., ICWA, ACA, PGDM | 3 years of experience in the Equity Securities Research handling variety of sectors. Last two years in the fund management as fund manager for offshore funds. |
| 21. | Shri Manish Joshi Dealer (Debt) | 37 | M.Sc (Physics), MFM, | About 7 years in Department of International Finance. 3 years in Department of Dealing and Department of Funds Management - Income. |
| 22. | Rajeev Radhakrishnan Dealer (Debt) | 31 | BE, MMS (Finance) | 2 years in UTI Offshore Funds and SUUTI. Over 4 years in Fixed Income Funds Management. |
| 23. | Shri Sunil Tawade Dealer (Money Market) | 40 | B.Com, NCFM, Diploma in Software Technology | He has been with UTI since 1997. Presently he is working in Department of Dealing. |
| 24. | Shri Sanjay Kumar Dealer (Equity) | 39 | B.Com., M.Com., I.C.W.A., MBA, CAIIB-I, Certificate Examination of IIB for the Employees of UTI | 2 years in Equity Dealing. 13 years in Operation and Marketing. |
| 25. | Shri. J Praveen Dealer (Equity) | 36 | B.Com., CAIIB- I, Certificate Examination of IIB for the Employees of UTI | 1 year in Equity Dealing. 12 years Accounts and Operation. |

Management of UTI-Fixed Income Interval Fund-Series II:-

Shri Amandeep Chopra and Shri Sanjeev Bhasin are the fund manager(s) for UTI-Fixed Income Interval Fund-Series II

XXII. OTHER SERVICE PROVIDERS FOR THE SCHEME

1. Custodians

- (a) Stock Holding Corporation of India Ltd., situated at Mittal Court, B-Wing, Nariman Point, Mumbai – 400021, have been functioning as custodian for all our schemes and plans as per the agreement entered into with them on January 17, 1994.
- (b) Citibank N.A., Citigroup Centre, C- 61, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, will be the Custodian for foreign securities.
- (c) The custodians are required to take delivery of all securities belonging to schemes/funds/plans of UTI Mutual Fund and hold them in its custody.
- (d) The custodians will deliver the securities only as per instructions from UTI Mutual Fund and on receipt of the consideration.
- (e) The custodian shall be generally authorised to attend to all non-discretionary and procedural details for discharge of normal custodial functions in connection with the sale, purchase, transfer of and other dealings in the securities, other assets held by them as an agent except as may otherwise be directed by the Mutual Fund.
- (f) Custodians shall provide all information, reports or any explanation sought by the Mutual Fund or the auditors of the Fund for the purpose of audit and for physical verification and reconciliation of securities belonging to the schemes/ funds / plans of UTI Mutual fund.
- (g) The SEBI registration number of SHCIL is IN/CUS/011 and Citibank is INBI00000037.
- (h) The Custodian will charge fees as per the Custodial Agreement.

2. Auditors:

M/s Haribhakti & Co., Chartered Accountants, 42, Free Press House, 4th Floor, 215, Nariman Point, Mumbai 400 021 have been appointed as Auditors of UTI Mutual Fund for the Accounting year 1st April 2007 to 31st March 2008.

3. Registrar and transfer agent:

M/s Karvy Computershare Pvt. Ltd.

(SEBI Registration no. INR000000221) have been appointed as the Registrars.

Processing of applications and after sales services will be handled by the following branch of the Registrars:

M/s Karvy Computershare Pvt. Ltd.,
Karvy Registry Building, Road No. 1,

Banjara Hills, Hyderabad - 500034.

Tel: 23312454/23320751.

email: customercare@karvy.com.

It has been ensured that the Registrars have adequate capacity to discharge their responsibilities with regard to processing of applications, despatch of SOAs / unit certificates and dividend distribution warrants within the time frame prescribed in SEBI (MFs) Regulations and also handle investor complaints.

4. Collecting and Paying Bankers:

HDFC Bank Ltd, and or such other banks registered with SEBI may be appointed as the collecting banker(s)/paying banker(s) under the schemes on such terms and conditions as may be decided by UTI AMC from time to time.

Principal Business Address of the Bank.

HDFC Bank Ltd.

(INB 100000063)

HDFC Bank House, Senapati Bapat Marg,
Lower Parel (West), Mumbai – 400 013

Tel. 56521000/24961616

XXIII. INVESTORS' GRIEVANCE REDRESSAL

1. All investors could refer their grievances giving full particulars of investment at the following address:

Shri K P Ghosh
 UTI AMC Ltd.
 UTI Tower, Gn Block,
 Bandra – Kurla Complex,
 Bandra (East)
 Mumbai 400 051
 Tel: 6678 6666

2. Investor Complaints redressal record:

- (a) Complaints received, redressed and pending for UTI MF schemes for 01-04-2004 to 31-03-2007 are:

| Period | Received | No of Complaints Redressed | Pending | Pending to Total Received |
|--------------------------|----------|----------------------------|---------|---------------------------|
| 01-04-2004 to 31-03-2005 | 163782 | 163782 | 0 | Nil |
| 01-04-2005 to 31-03-2006 | 83213 | 83213 | 0 | Nil |
| 01-04-2006 to 31-03-2007 | 55982 | 55982 | 0 | Nil |

- (b) Schemewise details of complaints received, redressed and pending for the period 01/09/2006 to 31/08/2007 are given below:

| SCHEME NAME | RECEIVED | REDRESSED | PENDING | % |
|--|----------|-----------|---------|-------|
| UTI - BALANCED FUND | 865 | 860 | 5 | 0.58% |
| UTI - BOND ADVANTAGE FUND - STP | 22 | 22 | 0 | 0.00% |
| UTI - BOND ADVANTAGE FUND | 12 | 12 | 0 | 0.00% |
| UTI - BOND FUND | 481 | 475 | 6 | 1.25% |
| UTI - CAPITAL PROTECTION ORIENTED SCHEME | 71 | 71 | 0 | 0.00% |
| UTI - CHILDREN'S CAREER BOND PLAN | 218 | 218 | 0 | 0.00% |
| UTI - CHILDREN'S CAREER BALANCED PLAN | 2521 | 2508 | 13 | 0.52% |
| UTI - CONTRA FUND | 750 | 750 | 0 | 0.00% |
| UTI - CRTS | 61 | 61 | 0 | 0.00% |
| UTI - DIVIDEND YIELD FUND | 1770 | 1769 | 1 | 0.06% |
| UTI - DYNAMIC EQUITY FUND | 418 | 418 | 0 | 0.00% |
| UTI - EQUITY FUND | 24660 | 24423 | 237 | 0.96% |
| UTI - ETSP | 775 | 775 | 0 | 0.00% |
| UTI - FIXED MATURITY PLAN | 67 | 67 | 0 | 0.00% |
| UTI - FLOATING RATE FUND | 49 | 48 | 1 | 2.04% |
| UTI - FTIF S1-P18 | 23 | 23 | 0 | 0.00% |
| UTI - G - SEC FUND | 186 | 184 | 2 | 1.08% |
| UTI - GCGIP | 4 | 4 | 0 | 0.00% |
| UTI - GILT ADVANTAGE FUND (LTP&STP) | 237 | 237 | 0 | 0.00% |
| UTI - GOLD EXCHANGE TRADED FUND | 186 | 186 | 0 | 0.00% |
| UTI - GRANDMASTER | 42 | 40 | 2 | 4.76% |
| UTI - GROWTH & VALUE FUND | 487 | 487 | 0 | 0.00% |
| UTI - G-SEC FUND-STP | 204 | 200 | 4 | 1.96% |
| UTI - GSF - SOFTWARE | 512 | 506 | 6 | 1.17% |
| UTI - GSF - BRAND VALUE | 335 | 329 | 6 | 1.79% |
| UTI - GSF - PETRO | 763 | 760 | 3 | 0.39% |
| UTI - GSF - PHARMA & HEALTH CARE | 338 | 337 | 1 | 0.30% |
| UTI - GSF - SERVICES | 1045 | 1038 | 7 | 0.67% |
| UTI - GUP | 69 | 69 | 0 | 0.00% |
| UTI - INDEX ADVANTAGE FUND | 174 | 174 | 0 | 0.00% |
| UTI - INDEX ADVANTAGE FUND - NIFTY | 11 | 11 | 0 | 0.00% |
| UTI - INDEX SELECT FUND | 321 | 321 | 0 | 0.00% |
| UTI - INDIA ADVANTAGE EQUITY FUND | 447 | 447 | 0 | 0.00% |
| UTI - INDIA LIFESTYLE FUND | 33 | 33 | 0 | 0.00% |

| | | | | |
|--|--------------|--------------|------------|--------------|
| UTI - INFRASTRUCTURE FUND | 890 | 888 | 2 | 0.22% |
| UTI - LEADERSHIP EQUITY FUND | 787 | 786 | 1 | 0.13% |
| UTI - LIQUID ADVANTAGE FUND CALL | 12 | 12 | 0 | 0.00% |
| UTI - LIQUID ADVANTAGE FUND | 22 | 22 | 0 | 0.00% |
| UTI - LIQUID FUND - CASH PLAN | 27 | 27 | 0 | 0.00% |
| UTI - LIQUID FUND - SHORT TERM PLAN | 12 | 12 | 0 | 0.00% |
| UTI - LIONGTERM ADVANTAGE FUND | 438 | 438 | 0 | 0.00% |
| UTI - MASTER INDEX FUND | 98 | 98 | 0 | 0.00% |
| UTI - MASTER PLUS UNIT SCHEME | 16110 | 15945 | 165 | 1.02% |
| UTI - MASTER VALUE FUND | 642 | 639 | 3 | 0.47% |
| UTI - MASTERGROWTH | 557 | 551 | 6 | 1.08% |
| UTI - MASTERSHARE UNIT SCHEME | 1355 | 1352 | 3 | 0.22% |
| UTI - MEPUS | 1498 | 1493 | 5 | 0.33% |
| UTI - MIS ADVANTAGE PLAN | 150 | 150 | 0 | 0.00% |
| UTI - MNC FUND | 679 | 669 | 10 | 1.47% |
| UTI - MONEY MARKET FUND | 20 | 20 | 0 | 0.00% |
| UTI - MONTHLY INCOME SCHEME | 687 | 684 | 3 | 0.44% |
| UTI - MUS | 125 | 125 | 0 | 0.00% |
| UTI - NIFTY INDEX FUND | 74 | 74 | 0 | 0.00% |
| UTI - OPPORTUNITIES FUND | 520 | 520 | 0 | 0.00% |
| UTI - PEF UNIT SCHEME | 41 | 41 | 0 | 0.00% |
| UTI - RBP | 567 | 564 | 3 | 0.53% |
| UTI - SCUP | 710 | 708 | 2 | 0.28% |
| UTI - SPREAD FUND | 56 | 56 | 0 | 0.00% |
| UTI - SUNDER | 5 | 5 | 0 | 0.00% |
| UTI - THEMATIC - AUTO SECTOR FUND | 134 | 134 | 0 | 0.00% |
| UTI - THEMATIC - BANKING SECTOR FUND | 197 | 197 | 0 | 0.00% |
| UTI - THEMATIC - LARGE CAP FUND | 76 | 76 | 0 | 0.00% |
| UTI - THEMATIC - MID CAP FUND | 250 | 250 | 0 | 0.00% |
| UTI - THEMATIC - PSU FUND | 59 | 59 | 0 | 0.00% |
| UTI - ULIP | 4360 | 4331 | 29 | 0.67% |
| UTI - US 2002 | 1000 | 1000 | 0 | 0.00% |
| UTI - VARIABLE INVESTMENT SCHEME (ILP) | 31 | 30 | 1 | 3.23% |
| UTI - WEALTH BUILDER FUND | 1189 | 1189 | 0 | 0.00% |
| TOTAL | 71535 | 71008 | 527 | 0.74% |

Reasons for pending complaints are:

- (i) Non-receipt of application/funds from the collecting banks.
- (ii) Incomplete details of the investor in the application including address, name and signature of the investor.
- (iii) Change of address of investor not informed/not updated.
- (iv) Loss in transit.
- (v) Postal delay.
- (vi) Non-submission of required documents in case of transfer/death claims/Redemption.
- (vii) Incomplete details while forwarding the complaints.
- (viii) Non-receipt/ Delayed receipt of commission.
- (ix) Letters/Documents sent to the wrong office/Registrars.

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

1. 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 Trustee or any of the directors or key personnel (specifically the fund managers) of the Asset Management Company and Trustee Company. The nature of 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 should be disclosed. Additionally, penalties if any awarded for any economic offence and violation of any securities laws need to be disclosed.

- (a) On December 20, 2001, Bank of Baroda, New York paid US\$13,500 to the U.S. Department of Treasury, Office of Foreign Assets Control (OFAC) towards settlement to resolve the allegations set forth in OFAC's Prepenalty Notice dated August 21, 2001. Out of this amount, US\$4,500 was contributed by Indo-Zambia Bank Ltd., and the remaining amount was borne by the branch.

The properties which were the subject matters of the Prepenalty Notice were disposed off as under:

- (i) On November 27, 2001, Bank of Baroda, New York received US\$44,945.17 from JP Morgan Chase Bank, New York, being the amount blocked plus interest. Out of this amount \$4,500 was retained by the branch towards the portion of the settlement amount and \$40,495.17 was returned to Indo Zambia Bank Limited.
- (ii) The amount of US\$9,107.41 was returned to Bank of Baroda, Zaveri Bazar Branch, Mumbai, in accordance with the authorization received from the office of Foreign Assets Control, and confirmed to OFAC vide letter dtd. August 10, 1999.
- (iii) The amount of US\$21,628 was returned to Bank of Baroda, Mumbai Main Office, Mumbai, in accordance with authorization received from the office of Foreign Assets Control, and confirmed to OFAC vide letter dtd. December 6, 1999.

- (b) Penalties imposed against Life Insurance Corporation of India (Amount in Rs.):-

| | 1999-2000 | 2000-2001 | 2001-2002 | 2002-2003 |
|--------------------------------------|-----------|-----------|-----------|-----------|
| 1. Penalties under various statutes | --- | 45847 | 85275 | 578878 |
| 2. Penalty and Interest under IT Act | 414309 | 151741 | 22157 | 74273 |

For 2003-2004 (Rs. in crore) - Litigation pending before IT authorities:

| | |
|---------------|-----------|
| Income-tax | Rs.6.78 |
| Interest tax | Rs.17.02 |
| Tax on Profit | Rs.260.12 |

| Financial Year | Status | Amount (Rs. in Crore) | Remark |
|----------------|--------------|------------------------------|--------------------------------|
| 2004-2005 | Income Tax | 1352.09 | Appeal pending before CIT(A)-I |
| | Dividend Tax | 79.96 | Appeal pending before CIT(A)-I |
| 2005-2006 | Income Tax | Assessment not yet completed | |
| | Dividend Tax | Demand not raised | |

- (c) A penalty of Rs. 1 lac each has been imposed on LIC Mutual Fund and Jeevan Bima Sahyog Asset Management Co. Ltd. for violation of investment norms as per SEBI (Mutual Funds) Regulations, 1996 vide adjudication order dated 31/12/2002. The same has been paid of by both LIC Mutual Fund and Jeevan Bima Sahyog Asset Management Co. Ltd.
- (d) Punjab National Bank had gone public in March 2002 and since then no penalty has been imposed by SEBI except in three cases of public issue as under:
- (i) In public issue of M/s Elvis India Ltd. SEBI imposed a penalty of warning to the bank to be more careful in future vide its letter dated 03.09.2002 because the branch office at Ahmedabad, Navrangpura had accepted 40 applications with stock invest after closure of the issue in January 1995.
 - (ii) In public issue of M/s Dhanlakshmi Lease Finance Ltd. SEBI vide letter-dated 19.10.2002 imposed a penalty of debar to the branch office at Ahmedabad, Relief Road, for six months for undertaking any bankers to issue business because the branch had accepted applications after closing date of issue in November -December 1995 and failed to maintain proper records pertaining to the issue.
 - (iii) In public issue of M/s. Maha Chemicals Ltd., SEBI imposed 2 months de-authorization of the Ahmedabad, Shahibaug branch office vide order dated 10.09.03 effective for 3 weeks from the date of the order.
- (e) PNB Asset Management Company
SEBI on 29.03.01 imposed a penalty of Rs.2 (two) lacs for violating clause 10 of Regulation 44 (1) of VII schedule of SEBI (MFs) Regulations, 1996.

(f) State Bank of India

- (i) Securities and Exchange Commission of USA has concluded that SBI violated Sections 5 (a) and (c) of the Securities Act, by offering and selling securities i.e. Resurgent India Bonds, that were not registered with the commission. Hence, it ordered that SBI cease and desist, pursuant to Section 8A of the Securities Act, from committing or causing any violation and any future violation of Sections 5 (a) and (c) of the Securities Act. SBI accepted this Order without admitting or denying the findings contained in this Order. No monetary penalty was involved.
- (ii) Bank's US operations were subjected to a C&D Order and a Civil Money Penalty of USD 3.75 mio to Federal Reserve Bank and Federal Deposit Insurance Corporation and a Civil Monetary Payment of USD 3.75 mio to New York State Banking Department without admitting to any of the allegations in the C&D Order.
- (iii) In INMB Bank, a subsidiary in Nigeria, Central Bank of Nigeria imposed a penalty of Naira 1,100,000 (USD 8730 only) for procedural irregularities pointed out by them.
- (iv) A settlement amount of Euro 163,028.12 was paid by Frankfurt Branch in the year 2002 in full satisfaction of a notification received from the German Regulators alleging exceeding of exposure norms, which was purely technical in nature and there was no deliberate violation of any regulatory provisions.
- (v) Bijzondere Opsporing Brigade (BOB), Belgium registered a case in 1997 against key personnel of SBI, Antwerp branch for alleged violation of the tax laws of the Belgium Commission for Banking and Finance. The case is presently sub-judice.
- (vi) A C & D Order issued against SBI and its US operations by the US Regulators on 13/11/2001 was terminated on 13/10/2004
- (vii) INBL, the Bank's partly owned subsidiary in Nigeria, was required to pay N2.5 mio. (Rs.8.25 lacs) to National Accounting Standard Board, Nigeria for certain omission in the Annual Report for the year ending March 2005.

(g) State Bank of Indore

- (i) SEBI has warned the Bank to exercise more care and diligence as a Merchant Banker vide their letter No. IES/ID3/UN/AJS/9404/2002. dt. 29.5.2002 in case of M/s. Saket Extrusions Ltd.
- (ii) Due to default in maintenance of adequate CRR during 1990-91, RBI had levied net penalty of Rs.95 lacs on the Bank which was paid in September 2000 / April 2001.
- (iii) RBI has imposed a penalty of Rs.5.00 lacs for non-adherence of certain KYC norms relating to maintenance of account opening forms and monitoring operation in one of the deposit accounts opened on 27/03/2000.

(h) State Bank of Saurashtra

SEBI had undertaken an inquiry on the public issue of M/s. Tirupati Finlease Ltd., Ahmedabad, brought out during 8.1.96 to 10.1.96, wherein the Bank acted as one of the Bankers to the issue. The subject of inquiry was suspected acceptance of applications by the Bank's Shahibaug, (Ahmedabad) branch after the closure date of the issue. Pursuant to the inquiry, a penalty for suspension of Shahibaug (Ahmedabad) branch from undertaking any Banker to the Issue activity for a period of three months was imposed, vide SEBI judgement dt. 31.1.2000. The case has since been closed.

(i) State Bank of Travancore

- (i) A penalty of Rs.5 lacs was imposed by RBI on account of certain irregularities with respect to opening of accounts and non-monitoring of large value cash transactions by the Bank's Chavakad and Mumbai branches and the same was paid on 19.9.2002.

- (ii) Pursuant to a complaint made by Consumer Research and Education Centre (CREC), Ahmedabad that Ahmedabad branch of the Bank accepted share applications even after the stipulated date of closure of the public issue of M/s. Kengold India Ltd. in 1994, RBI conducted a detailed investigation and directed the Bank not to conduct the business of accepting share applications at Ahmedabad branch till 31st December 1996. Later, on consideration of the remedial measures taken by the Bank, RBI permitted resumption of the business w.e.f. 1st January 1997.
In April 1996, SEBI called for the explanation of the Bank for the inordinate delay in realisation of cheques collected for the captioned issue. The Bank furnished its explanation which was accepted by SEBI. A petition filed by CREC before the Delhi High Court in the matter was dismissed in Sept. 1999.
- (j) SBI Commercial & International Bank Ltd.
- (i) RBI, vide letter No. DBOD No.1722/12.07.059/99 dt. 15.02.99, had observed that the Bank has defaulted in maintenance of CRR for four fortnights during the quarter ended March 1998. RBI advised the Bank to pay a penalty of Rs.10,230/, which was paid by the Bank on 08.03.99.
- (ii) RBI, vide letter No. DBOD No.1725/12.07.059/99 dt. 15.02.99, had observed that the Bank has defaulted in maintenance of CRR for four fortnights during the quarter ended June 1998. RBI advised the Bank to pay a penalty of Rs.3,11,664/-, which was paid by the Bank on 08.03.99.
Further, RBI did not pay the interest on eligible CRR balances for the above mentioned two quarters, to the Bank.
- (iii) The Enforcement Directorate had issued a Show Cause Notice in March 2000 to one of the Bank's customers as well as to its group companies and an addendum in November 2002 to various banks and their respective officers, including SBICI Bank Ltd. The Office of the Special Director of Enforcement, Govt. of India, Ministry of Finance, Deptt. of Revenue, Mumbai imposed a penalty of Rs.3.5 lacs in September 2003 on the Bank for contravention of the provisions of Exchange Control Manual / Foreign Exchange Regulation Act, 1973. The Bank preferred an appeal before the Appellate Tribunal for Foreign Exchange, New Delhi, against the aforesaid order, who waived the pre-deposit of the penalty amount (in January 2004).
- (k) SBI Capital Markets Ltd.
- (i) Penalties levied by Stock Exchange for delay in submission of Margin Certificates, late / non-submission of client data Rs.44,800/- from May, 2002 to March, 2005.
- (ii) Penalties levied by National Stock Exchange Rs.5000/- in respect of WDM segment Rs.40,500/- in respect of Capital Market Segment.
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.
- (i) A Special Leave Petition was filed by the Income Tax Department before the Hon'ble Supreme Court of India against the Judgements and Orders of Hon'ble High Court of Bombay in the matter of applicability of Interest Tax, which is pending.
- (ii) There are 23 criminal cases pending against the UTI MF or key personnel relating to normal operation of UTI MF such as non-transfer of units, non-receipt of unit certificates, non-receipt of redemption proceeds, closure of the scheme/plan or income distribution. These cases are not maintainable and judging from our experience such cases are either dismissed by Courts or withdrawn by the complainant. In most of the cases stay has been obtained from the High Courts.
- (iii) On the basis of their investigation in the matter of investment in The Cyberspace Ltd. made by the erstwhile UTI, the Central Bureau of Investigation has initiated appropriate proceedings in the competent court against Shri P.S.Subramanyam (Ex-Chairman), Shri S.K. Basu and Smt. Prema Madhuprasad (Ex-officials of UTI AMC) and promoter directors of The Cyberspace Ltd.

- (iv) There are 2 criminal cases, 3 suits and 2 writ petitions pending against SBI Capital Markets Ltd. during the last 3 years.
- (v) There are 35 cases pending at different Courts related to Suits / Petitions filed by (a) Contract Workmen (b) Employees Association (c) employees / ex-employees etc. These cases are pending at different levels for adjudication.
- (vi) A Special Leave Petition has been filed by the Bajaj Auto Ltd. before the Hon'ble Supreme Court of India against the final Judgement and Order dated 09.10.2006 of Hon'ble High court of Bombay in the matter of the winding up of UTI-Growth & Value Fund - Bonus Plan with effect from 01.02.2005 in pursuance to circular dated 12.12.2003 of SEBI. The matter is pending for filing/exchanging pleadings by the parties.
3. Any deficiency in the systems and operations of the Sponsor of the Mutual Fund or any company associated with the sponsor in any capacity including the AMC or the Trustee Company which SEBI has specifically advised to be disclosed in the offer document, or which has been notified by any other regulatory agency. - **NIL**
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.
- (a) SEBI has directed Bank of Baroda to refund a sum of Rs. 40,31,018/- together with interest @ 15% p.a. from 25.03.1996 i.e. the day bank allowed withdrawal of the funds by Jaltarang Motels Ltd. in respect of funds collected from Public Issue in terms of order dated 19.01.2000 issued under Section 11B of SEBI Act. Detailed instructions on the method and manner of refund to the investors in the public issue are to be advised by SEBI separately in consultation with the intermediaries concerned. Bank of Baroda had preferred an appeal against the said order to the Appellate Authority. The Appellate Authority namely Securities Appellate Tribunal has considered and rejected the Bank's appeal by order dated 27.07.2000. The Bank has challenged the order of the Appellate Authority in the Mumbai High Court by filing Appeal No. 2 of 2000 under provisions of Section 152 of the SEBI Act, 1992. Later, on 13.11.2000 the single judge of the Mumbai High Court Mr. Justice F. I. Rebello has granted interim relief of stay of the operation of the orders dated 27.07.2000 of Securities Appellate Tribunal and 19.01.2000 passed by SEBI and further directed that the matter be placed on board for final hearing.
- (b) At the time of sanctioning credit facilities to Trident Steels Ltd. in the year 1987/89, Bank of Baroda, had obtained undertaking from the promoters/ directors/ major shareholders that they would not dispose off the shares unless permission is obtained from the Bank. Public issue of the Company was lead managed by Bank of Baroda in November 1993. SEBI has alleged non disclosure of undertaking of 1987/89 given by promoters/ directors/ major shareholders in the Prospectus by the Lead Manager to the issue. Bank has replied to the notice of SEBI. Inquiry is pending.
- (c) Public issue of Kraft Industries Ltd., which came in May 1995, was lead managed by Bank of Baroda. It is alleged that the Managing Director and Promoter of the Company did not possess the qualifications as mentioned in the Prospectus. SEBI has asked for qualification certificates/ copies from Bank. The Managing Director of the Company has reported having lost the certificates in transit. Bank has replied accordingly to SEBI. Inquiry is pending with SEBI.
- (d) In the public issue of M/s. Majestic Industries Ltd. at the Sector 17 B Chandigarh branch office of Punjab National Bank SEBI has alleged that issue had not been fully subscribed on the day of closure (10.04.96). There was a delay of 10-12 days in clearance of cheques enclosed with application. SEBI was pleaded that delay in clearance was due to rush of closing work at the controlling branch. Staff side is initiated and SEBI is requested to close the file. SEBI issued a show cause notice dated 15.12.04 which was replied vide out letter dated 31.12.04.
- (e) In Public issue of M/s. Growmore Solvent Ltd. at BO: Navrangpura, Ahmedabad, SEBI alleged that branch not only issued stock invests but also accepted applications subscribing to IPO (1994) and these

were also used for another company M/s. Saket Extrusions Ltd. SEBI was informed that bank had already taken appropriate action against the officer. SEBI vide letter dated 12.03.04 recommended a penalty of debarring the branch from carrying out activities of Bankers to the Issue for a period of 1 month. The branch is already deauthorised by the Bank to conduct Merchant Banking Business.

- (f) In respect of PNB Capital Services Ltd. (since merged with Punjab National Bank), SEBI alleged that in the issue of M/s. Mefcom Markets Ltd., erstwhile PNB Caps as lead Manager did not independently verify the claims of the issuer company for charging Rs.60/- per share for a share of Rs.10/- but instead relied upon the statement of the company. SEBI proposed warning to erstwhile PNB Caps for the violation. SEBI has been requested to take lenient view as erstwhile PNB Caps acted diligently and in compliance with the then existing guidelines of SEBI. Moreover, erstwhile PNB Capital Services stands merged with PNB. SEBI vide orders dated 18.2.05 has censured the bank.
- (g) State Bank of Patiala
An investigation by SEBI regarding alleged irregularities in connection with Rights issue of M/s. Majestic Industries Ltd. against one of the branches which was designated to collect applications is under process at present.
- (h) SBI Mutual Fund
Apart from the ordinary routine litigation incidental to the business of the Fund, the following petition / summary suit against the Fund is pending in Courts.
- (i) A summary Suit filed by M/s. Morarka Finance Limited in 1996 is pending in the High Court of Judicature at Mumbai. The Plaintiff has filed the suit for recovery of Rs.8.44 lakhs together with interest being the excess price paid by them in equity buyback transaction relating to the shares of M/s. Pumpsar Distilleries Ltd.
- (ii) A writ petition was filed in 1997 in the High Court of Karnataka at Bangalore by an investor, alleging debit of higher expenses resulting in suppression of returns. The Court has directed SEBI to examine the accounts and direct the sponsor and the asset management company to take necessary remedial action, if needed.
- (i) SBI Capital Markets Ltd.
(i) SBI CAP had received a show cause notice dated 19.9.02 from SEBI regarding method of acceptance of open offer in Hindustan Zinc Limited. Pursuant to SBICAP explaining the position to SEBI, a meeting was held with SEBI Chairman on 20.11.02. No response has been received from SEBI.
- (ii) SEBI has issued a show cause notice on 13/04/2006 in the matter of Public Issue of Syndicate Bank. The matter is pending.
- (iii) SEBI has issued order on 12/01/2006 for investigation and examination of systemic fault in the matter of Public Issue of IDFC Ltd. The matter is pending.
- (j) CSDL/NSDL
SEBI has issued interim order No.WTM/GA/60/ISD/04106 on 27/04/2006, in the matter of investigation into their Initial Public Offerings. The said order is stayed by Securities Appellate Tribunal on appeal.

XXV. CONDENSED FINANCIAL INFORMATION

The condensed financial information for the years 2005-2006 and 2006-2007 for all the schemes launched during the last three years is annexed.

Notwithstanding anything contained in the offer document the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the Guidelines thereunder shall be applicable.

The Board of Directors of UTI Trustees Company Pvt. Ltd. vide the meeting held on October 29, 2007 have approved the scheme under this offer document.

For and on behalf of the Board of Directors of
UTI Asset Management Company Limited

Amandeep Chopra
Head of Fixed Income
Place: Mumbai
Date: _____

Note: The investors may also like to ascertain about any further changes after the date of the offer document from UTI MC / Franchise offices / Authorised collection centres / Chief Representatives or Agents.

XXV. CONDENSED FINANCIAL INFORMATION

HISTORICAL PER UNIT STATISTICS

| SCHEMES Date of Allotment | UTI-DYF (11.04.05) | | UTI-Opportunities Fund (16.07.05) | | UTI-LEF (09.01.06) | | UTI-Contra Fund (22.02.06) | # UTI- SPREAD Fund (09.06.06) | # UTI-WBF (11.10.06) |
|---|-----------------------|-----------------------|---|-----------------------|-----------------------|-----------------------|----------------------------------|--|-------------------------|
| | 01.04.05- 31.03.06 | 01.04.06- 31.03.07 | 01.04.05- 31.03.06 | 01.04.06- 31.03.07 | 01.04.05- 31.03.06 | 01.04.06- 31.03.07 | 01.04.06- 31.03.07 | 01.04.06- 30.09.06 | 01.04.06- 31.03.07 |
| NAV at the beginning of the period | | | | | | | | | |
| Dividend Option | 10.00 | 13.14 | 10.00 | 15.01 | 10.00 | 10.63 | - | - | - |
| Growth Option | 10.00 | 14.89 | 10.00 | 15.01 | 10.00 | 10.63 | - | - | - |
| Net income per unit | 2.55 | 1.98 | 1.70 | 1.55 | 0.01 | 0.84 | -1.21 | 0.93 | 0.04 |
| Income Distribution (%) | 14.00 | 21.00 | - | 15.00 | - | - | - | - | - |
| Transfer to reserves per unit | - | - | - | - | - | - | - | - | - |
| NAV at the end of the period | | | | | | | | | |
| Dividend Option | 13.14 | 11.48 | 15.01 | 11.60 | 10.63 | 11.70 | 9.06 | 10.6292 | 10.16 |
| Growth Option | 14.89 | 15.62 | 15.01 | 13.21 | 10.63 | 11.69 | 9.06 | 10.6291 | 10.16 |
| Annualised return (%) (since inception) | 48.90 | 26.35 | 50.10 | 17.87 | 6.30 | 16.90 | -9.42 | 6.29 | 1.60 |
| Net assets at the end of the period (Rs. Crs) | 520.15 | 519.22 | 646.14 | 493.68 | 1819.90 | 1003.44 | 632.22 | 193.18 | 921.38 |
| Ratio of recurring exp. to net assets (%) | 1.92 | 2.22 | 2.22 | 2.21 | 1.54 | 1.94 | 2.05 | 0.75 | 1.97 |
| CAGR of benchmark index (%) | 63.49 | 37.06 | 53.62 | 35.31 | 18.01 | 28.48 | 14.31 | 4.77 | 4.60 |

| SCHEMES Date of Allotment | # FMP YFMP/0806 | # FMP YFMP/0906 | # FMP YFMP/1006 | # UTI-FTIF Series-II Plan 16 | # Capital Protection Oriented Scheme Plan 3 yrs | # Capital Protection Oriented Scheme Plan 5 yrs | # UTI-FTIF Series-II Plan 16 Feb' 07 | # FMP HFMP/0307 | # FMP YFMP/0307 |
|--|-----------------------|-----------------------|-----------------------|------------------------------------|---|---|---|-----------------------|-----------------------|
| | | | | 27.11.2006. | 26.12.2006 | 26.12.2006 | 19.02.2007 | | |
| | 01.04.06- 31.03.07 | 01.04.06- 31.03.07 | 01.04.06- 31.03.07 | 01.04.06- 31.03.07 | 01.04.06- 31.03.07 | 01.04.06- 31.03.07 | 01.04.06- 31.03.07 | 01.04.06- 31.03.07 | 01.04.06- 31.03.07 |
| NAV at the beginning of the period (Rs./ Unit) | | | | | | | | | |
| Dividend Option | - | - | - | - | - | - | - | - | - |
| Growth Option | - | - | - | - | - | - | - | - | - |
| Net Income per unit (Rs / Unit) | 0.50 | 0.47 | 0.31 | 0.16 | - | - | 0.06 | 0.06 | 0.02 |
| Dividend per unit (Rs.) | 4.70 | 4.06 | 2.96 | 1.45 | - | - | 0.51 | 0.41 | - |
| Institutional Dividend per unit (Rs.) | - | - | - | - | - | - | 0.54 | - | - |
| Transfer to Reserves | - | - | - | - | - | - | - | - | - |
| NAV at the end of the period (Rs./Unit) | | | | | | | | | |
| Dividend Option | 10.0086 | 10.0086 | 10.0089 | 10.0069 | 10.0003 | 9.9928 | 10.0359 | 10.0119 | 10.0200 |
| Growth Option | 10.4785 | 10.4152 | 10.3051 | 10.1522 | 10.0004 | 9.9927 | 10.0866 | 10.0525 | 10.0200 |
| Institutional Growth Plan | - | - | - | 10.1642 | - | - | 10.0902 | - | - |
| Institutional Dividend Plan | - | - | - | - | - | - | 10.0363 | - | - |
| Annualised Returns (%) (Since inception) | 4.79 | 4.15 | 3.05 | 1.64 | 0.00 | -0.07 | 0.90 | 0.53 | 0.20 |
| Net Assets at the end of period (Rs. Cr.) | 259.49 | 110.33 | 61.76 | 136.85 | 120.21 | 113.02 | 167.59 | 65.56 | 948.11 |
| Ratio of recurring expense to net assets (%) | 0.25 | 0.25 | 0.22 | 0.71 | 1.57 | 1.54 | 0.60 | 0.29 | 0.56 |
| CAGR of Benchmark index (%) (since inception) | 4.16 | 3.42 | 2.95 | 1.12 | -0.68 | -0.68 | 0.45 | 0.67 | 0.38 |

Amount in Rs.

Simple returns for schemes launched during the year

HISTORICAL PER UNIT STATISTICS

| Scheme Name | NAV as of 13/11/2007 | Annualised returns since inception (%) |
|--|-------------------------|--|
| UTI -Dividend Yield Fund | 24.1500 | 42.76 |
| UTI - Opportunities Fund | 22.1800 | 41.01 |
| UTI - Leadership Equity Fund | 17.5300 | 38.36 |
| UTI - Contra Fund | 12.1400 | 12.70 |
| UTI - SPREAD FUND | 11.1960 | 8.22 |
| UTI - Wealth Builder Fund | 15.6000 | 53.46 |
| UTI - FMP Yearly OCT 2006 # | 10.6468 | 6.47 |
| UTI - FTIF Series II Plan 16 Institutional # | 10.5868 | 5.87 |
| UTI - FTIF Series II Plan 16 # | 10.5479 | 5.48 |
| UTI - FTIF Series II Plan 16 Feb 07 Institutional # | 10.5367 | 5.37 |
| UTI - FTIF Series II Plan 16 Feb 07 # | 10.5075 | 5.08 |
| UTI - FMP Yearly Series March 07 # | 10.4885 | 4.89 |
| UTI - FMP Yearly Series April 07 # | 10.5267 | 5.27 |
| UTI - FMP Yearly Series April 07 Institutional # | 10.5455 | 5.46 |
| UTI - FMP Half Yearly series May07 Institutional # | 10.4117 | 4.12 |
| UTI - FMP Half Yearly series May07 # | 10.4040 | 4.04 |
| UTI - FMP Yearly Series May07 Institutional # | 10.4154 | 4.15 |
| UTI - FMP Yearly Series May07 # | 10.3932 | 3.93 |
| UTI - FMP Half Yearly Series June 07 Institutional # | 10.3988 | 3.99 |
| UTI - FMP Half Yearly Series June 07 # | 10.3925 | 3.93 |
| UTI - FIIF Quarterly Interval Plan-I Institutional # | 10.3322 | 3.32 |
| UTI - FIIF Quarterly Interval Plan-I # | 10.3284 | 3.28 |
| UTI - FMP Yearly June 2007 Institutional # | 10.3338 | 3.34 |
| UTI - FMP Yearly June 2007 # | 10.3158 | 3.16 |
| UTI - FIIF Monthly Interval Plan S-I # | 10.2654 | 2.65 |
| UTI - India Lifestyle Fund # | 10.7500 | 7.50 |
| UTI - FIIF Annual Interval Plan Series-I Institutional # | 10.2571 | 2.57 |
| UTI - FIIF Annual Interval Plan Series-I # | 10.2413 | 2.41 |
| UTI - FIIF Annual Interval Plan II Institutional # | 10.2233 | 2.23 |
| UTI - FIIF Annual Interval Plan II # | 10.2142 | 2.14 |
| UTI - FIIF Quarterly Interval Plan III Institutional # | 10.1850 | 1.85 |
| UTI - FIIF Quarterly Interval Plan III # | 10.1824 | 1.82 |
| UTI - FTIF Series-III Plan 20 Institutional # | 10.3221 | 3.22 |
| UTI - FTIF Series-III Plan 20 # | 10.3111 | 3.11 |
| UTI - FMP Quarterly Aug07 Series II Institutional # | 10.1778 | 1.78 |
| UTI - FMP Quarterly Aug07 Series II # | 10.1745 | 1.75 |
| UTI - FMP Yearly August 07 Institutional # | 10.1822 | 1.82 |
| UTI - FMP Yearly August 07 # | 10.1731 | 1.73 |
| UTI - FMP Quarterly Sept 07 Series I Institutional # | 10.1511 | 1.51 |
| UTI - FMP Quarterly Sept 07 Series I # | 10.1483 | 1.48 |
| UTI - FIIF Annual Interval Plan S-III Institutional # | 10.1294 | 1.29 |
| UTI - FIIF Annual Interval Plan S-III # | 10.1239 | 1.24 |
| UTI - FMP Quarterly Sep07 Series II Institutional # | 10.0940 | 0.94 |
| UTI - FMP Quarterly Sep07 Series II # | 10.0930 | 0.93 |
| UTI - FIIF Series III Plan 18 # | 10.0487 | 0.49 |
| UTI - FMP Half Yearly November 07 # | 10.0078 | 0.08 |

Simple Avg. Return