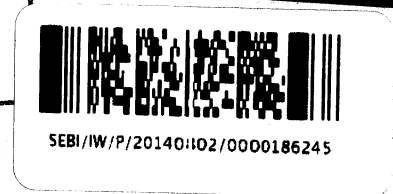
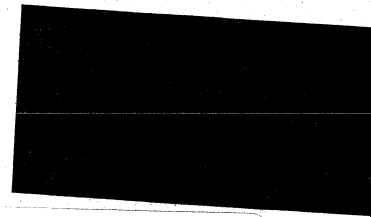
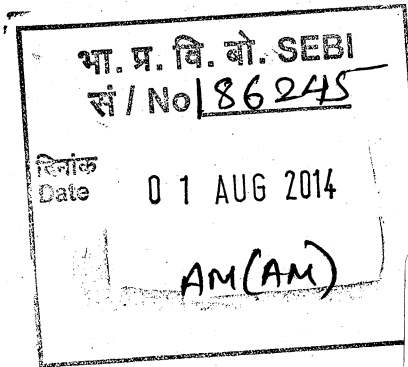


August 1, 2014

Mr. Asheesh Mehrotra
Securities and Exchange Board of India
Investment Management Department
Mutual Funds Division, 3rd Floor,
SEBI Bhavan,
Bandra (East),
Mumbai - 400 051.



Dear Sir,

Subject: Request for Informal Guidance by way of an interpretive letter under SEBI (Informal Guidance) Scheme, 2003 in connection with categorising an existing open ended debt/income scheme as a "Money Market Mutual Fund Scheme in Income Category" and applicability of Regulation 18 (15A) of SEBI (Mutual Funds) Regulations, 1996 thereto.

We write with reference and continuation of our letter dated July 3, 2014 seeking informal guidance on the aforesaid subject.

In addition to the details of the Scheme given in the section 'Material Facts' in the aforesaid letter, we request you to take note of certain details of the Scheme given below:

1. Investment Strategy:

The Investment Manager's primary goal is to seek to generate returns commensurate with minimal credit risk by investing in a portfolio comprising of Central Government Securities. The achievement of this goal depends, among other factors, on the magnitude of Government borrowing in a given fiscal year, the level of liquidity in the banking system and the general outlook for interest rates. Being sovereign debt, Central Government Securities carry minimal credit risk. However, Central Government Securities carry risk arising from the price movements in the market. Generally, prices of all fixed income securities have an inverse relationship with interest rate movements. The prices of fixed income securities increase when interest rates decline and vice versa. The price movement is also dependent on factors such as magnitude of change in interest rates, residual maturity of security and coupon rates. Normally, the price of longer maturity instruments will rise or fall more in relation to interest rate movements than shorter maturity instruments.

2. Where will the scheme invest:

Securities purchased may include treasury bills, coupon bearing, floating rate, deep discount or zero coupon securities, Government securities with put / call options, strip securities (interest only/principal only) among others. The Scheme may purchase securities through secondary market transactions, on tap sales by the RBI and auctions, among others. The Scheme will not invest in any other securities such as shares, debentures or bonds issued by any other entity other than the Central Government.

The Mutual Fund may seek to underwrite issuance of Government securities if and to the extent permitted by SEBI / RBI and subject to the prevailing rules and regulations specified in this respect and may also participate in auctions of Government Securities from time to time.


3. Review and Rebalancing Period:

The percentage of the Scheme's corpus invested in Central Government Securities may decrease subject to a minimum of 65% and in the event of the same falling below 65%, a review and rebalancing of the asset allocation will be called for by the Investment Manager. Such changes in the investment pattern will be for a short term and for defensive considerations and the intention being at all times to seek to protect the interests of the Unit Holders.

We request you to take the same on record.

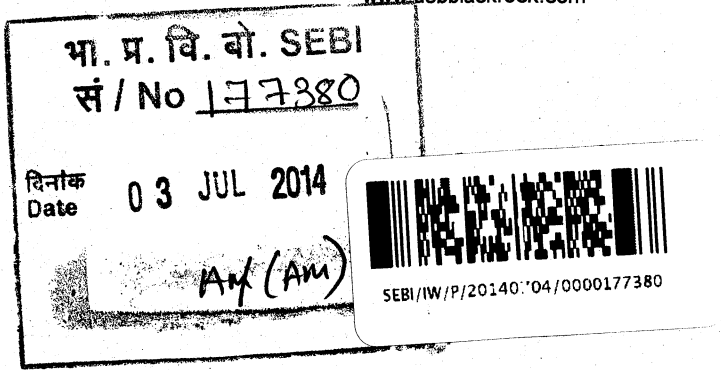
Thanking you,
Yours Sincerely,

DSP BlackRock Investment Managers Pvt. Ltd.


Pritesh Majmudar (Dr.)
Compliance Officer

July 3, 2014

Mr. Asheesh Mehrotra
Securities and Exchange Board of India
Investment Management Department
Mutual Funds Division, 3rd Floor,
SEBI Bhavan,
Bandra (East),
Mumbai - 400 051



Subject: Request for Informal Guidance by way of an interpretive letter under SEBI (Informal Guidance) Scheme, 2003 in connection with categorising an existing open ended debt/income scheme as a "Money Market Mutual Fund Scheme in Income Category" and applicability of Regulation 18 (15A) of SEBI (Mutual Funds) Regulations, 1996 thereto.

We would like to submit the following facts for your consideration and seek guidance with respect to interpretation of SEBI circular no. IIMARP/MF/CIR/01/294/98 dated February 4, 1998 which elaborates on the term "fundamental attributes" as mentioned in the erstwhile clause (d) of sub-regulation (15) of regulation 18 of SEBI (Mutual Funds) Regulations, 1996 (hereafter referred as "MF Regulations").

A. Material Facts

DSP BlackRock Investment Managers Pvt. Ltd. is registered under the Companies Act, 1956 and acts as an Investment Manager to the schemes of DSP BlackRock Mutual Fund (Fund). The Fund is registered with SEBI vide registration no. MF/036/97/7.

The Fund has an open ended income scheme (hereinafter referred as the "Scheme"), the key features whereof are as under:

1. Type of scheme : Open Ended Income Scheme

2. Investment objective : The primary investment objective of the Scheme is to generate income through investment in a portfolio comprising of Treasury Bills and other Central Government Securities with a residual maturity less than or equal to 1 year. It is envisaged that the average maturity of this portfolio will not exceed 1 year. Investors with a short term investment horizon may select this scheme. The risk and return profile of this portfolio is expected to be commensurate with the investment pattern of the Scheme.

3. Asset Allocation : Treasury Bills issued by the Government of India, Repo, Reverse Repo, CBLO, and any other money market instruments permitted by the RBI for deploying surplus liquidity: 0%-100%.

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In accordance with the investment objective read with the asset allocation, one can conclude that the Scheme can invest only in money market instruments defined as per Regulation 2 (o) of MF Regulations.

B. Proposed Categorisation:

It is proposed to change the categorisation of the Scheme as under:

Existing	Revised
Open ended Income scheme	Open ended Money Market Mutual Fund Scheme in Income Category

All other features of the Scheme, including the investment objectives, asset allocation pattern and investment strategies would remain unchanged. The Scheme will continue to invest only in money market instruments.

C. Relevant Regulatory provisions

a. Regulations 2(o) defines the term 'money market instruments' as:

'money market instruments' includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time.'

b. Regulation 2(p) defines the term 'money market mutual fund' as:

'Money market mutual fund' means a scheme of a mutual fund which has been set up with the objective of investing exclusively in money market instruments.'

c. SEBI circular vide ref. no. IIMARP/MF/CIR/01/294/98 dated February 4, 1998 states as under:

"(a) The words "fundamental attributes" as mentioned in clause (d) of sub-regulation (15) of regulation 18 are being elaborated as below:

(i) *Type of a scheme*

- *Open ended/Close ended/Interval scheme*
- *Sectoral Fund/Equity Fund/Balance Fund/Income Fund/Debt Fund/ Index Fund/Any other type of Fund.*

(ii) *Investment Objective*

- *Main Objective - Growth/Income/Both.*
- *Investment pattern - The tentative Equity/Debt/Money Market portfolio break-up with minimum and maximum asset allocation, while retaining the option to alter the asset allocation for a short term period on defensive considerations.*

(iii) *Terms of Issue*

- *Liquidity provisions such as listing, repurchase, redemption.*
- *Aggregate fees and expenses charged to the scheme.*
- *Any safety net or guarantee provided.*

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The aforesaid provisions are also included in the format of Scheme Information Document prescribed by SEBI vide its circular ref. no. SEBI/IMD/CIR No. 5/126096/08 dated May 23, 2008 and hence not repeated.

D. SEBI observation in one of its earlier orders dealing with the matter related to Change of Fundamental Attribute of a scheme

It is pertinent to note that SEBI had reviewed and interpreted the relevant applicable circular and regulation dealing with change in fundamental attribute of a scheme and had observed as follows:

- i. The expression "fundamental attribute" has not been defined in MF regulations but are elaborated in the SEBI circular dated February 4, 1998.
- ii. The regulatory intention behind prescribing certain conditions before effecting changes in the fundamental attributes of any schemes, or any other change which would modify the scheme, is that the unit holders/investors of the scheme would be made aware of the proposed changes, may consider the same and exit from the scheme, if they found that the proposed changes were not in their interest. The objective behind the same is that the investors should not be disadvantaged by such adhoc or sudden changes made in the scheme.
- iii. Any fund house making any change so as to modify the scheme which affects the interest of the unit holders would be liable for the contravention of Regulation 18 (15A) of the MF Regulations, if they had effected such changes without complying with the procedure mentioned therein.
- iv. In case a particular change has not been specifically mentioned as a fundamental attribute in terms of the aforesaid circular, and such change is carried out by the fund house, it would not be appropriate to conclude that the fund house is guilty of violation of Regulation 18 (15A) of the MF Regulations.

E. Our Submissions

A combined reading of the aforesaid regulations, circular and SEBI observations leads to an inference that the basic test to determine whether a proposed change would attract compliances under Regulation 18(15A) of the MF Regulations would be that the change should not affect the interest of the unit holders of the concerned scheme.

Since the proposed categorisation of the Scheme shall (i) not harm/modify/change the general nature of the Scheme (being open ended income scheme) and (ii) affect the interest of the unit holders of the Scheme, we believe that compliances of Regulation 18 (15A) of the MF Regulations are not attracted.

The only change which would happen consequent to the proposed categorisation is that, post the change, the words describing the type of the Scheme would be changed from 'Open ended income scheme' to 'Open ended Money Market Mutual Fund Scheme in Income Category'. However, the

proposed categorisation would be intimated to the unit holders via public notice and an addendum to the scheme information document.

All other features of the Scheme, including the investment objectives, asset allocation pattern and investment strategies would remain unchanged.

F. Our query is as under

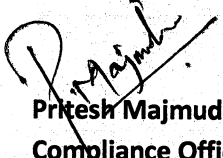
The subject matter of this letter is to seek informal guidance on whether the proposed categorisation of the Scheme from "an open ended income scheme" to "an open Money Market Mutual Fund Scheme in the Income Category" would attract the compliances of Regulation 18 (15A) of MF Regulations.

We request you to kindly consider our application and look forward to hearing from you and receiving the interpretive letter in relation to the above.

Enclosed herewith is the demand draft no. 005947 dated July 3, 2014 for Rs. 25,000/- (Rupees Twenty Five Thousand only) drawn on ICICI Bank in favour of 'Securities and Exchange Board of India' towards the fees as specified under the SEBI (Informal Guidance) Scheme, 2003.

Thanking you,
Yours Sincerely,

DSP BlackRock Investment Managers Pvt. Ltd.


Pritesh Majmudar (Dr.)
Compliance Officer

Encl : Demand Draft no. 005947 dated July 3, 2014 drawn on ICICI Bank