



Birla Sun Life
Mutual Fund

The name inspires trust

OFFER DOCUMENT



BIRLA INDIA GENNEXT FUND

(An open ended Growth Scheme)

Offer of units of Rs. 10/- each (subject to applicable load) during the Initial Offer Period and at NAV based prices during the Continuous Offer.

INITIAL OFFER OPENS ON : JUNE 14, 2005
INITIAL OFFER CLOSSES ON : JULY 12, 2005

● **SPONSORS** : Birla Global Finance Limited, Apeejay, 2nd Floor, Shahid Bhagat Singh Marg, Fort, Mumbai - 400 023. ● **Sun Life (India) AMC Investments Inc.**, 150 King Street West, Toronto, ON Canada M5H 1J9 ● **INVESTMENT MANAGER** : Birla Sun Life Asset Management Company Limited, 2nd Floor, Tower A, Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400 093 • Tel. : +91-22 56928000 • Fax : +91-22 56928111 ● **TRUSTEE** : Birla Sun Life Trustee Co. Private Limited, 2nd Floor, Tower A, Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400 093. • Tel. : +91-22 56928000 • Fax : +91-22 56928111 ● **REGISTRARS** : Computer Age Management Services Ltd. (CAMS), A & B Laxmi Bhawan, 609, Anna Salai, Chennai - 600 006. ● **CUSTODIAN** : J.P. Morgan Chase Bank, Mafatlal Centre, 9th Floor, Nariman Point, Mumbai - 400 021.

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

The particulars of this offering have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended till date and filed with SEBI. The Units offered for public subscription have neither been approved or disapproved of by SEBI, nor has SEBI certified the accuracy or adequacy of the Offer Document. The Offer Document will remain effective till a material change occurs. Such changes shall be filed with SEBI, circulated to unit holder alongwith quarterly and half yearly reports, and attached to the Offer Document. The Offer Document shall be updated at least once in two years.

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

This Offer Document is dated June 1, 2005.



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HIGHLIGHTS, RISK FACTORS & SPECIAL CONSIDERATIONS

HIGHLIGHTS

Sponsors	The Sponsors of the Mutual Fund are Birla Global Finance Ltd., part of the Aditya Birla Group, which is a premier conglomerate of businesses in India. Sun Life Financial Inc., which is a leading international financial services organization providing a diverse range of wealth accumulation and protection products and services to individuals and corporate customers, is the joint venture partner.
Name of the Scheme	Birla India GenNext Fund
Structure	An open ended Growth Scheme.
Investment Objective	To target growth of capital by investing in equity/ equity related instruments of companies that are expected to benefit from the rising consumption patterns in India, which in turn is getting fuelled by high disposable incomes of the young generation (Generation Next). The scheme will invest in companies that have the following characteristics: <ol style="list-style-type: none"> 1. Companies that seek growth in revenues arising out of demand from the younger generation (GenNext) for their products or services. 2. They should be engaged in manufacturing of products or rendering of services that go directly to the consumer. 3. The products and services should have distinct brand identity, thereby enabling choice.
Liquidity	The Scheme being offered through this Offer Document is an open ended Scheme. The Scheme will offer for Repurchase, Units at NAV based prices on every Business Day on an ongoing basis, commencing not later than 30 days from the closure of Initial Offer Period. Under normal circumstances, the Mutual Fund will endeavour to despatch the Redemption cheque within 4 Business Days from the acceptance of the valid Redemption request.
Minimum Application Amount	Minimum of Rs. 5,000/- and in multiples of Re. 1/- thereafter.
Options	The scheme offers a Dividend and Growth Option. The Dividend Option will offer Payout and Reinvestment facility.
Target Amount to be raised	Rs. 1,00,00,000/- during the Initial Offer Period
Initial Offer Price	Rs. 10/- per unit plus applicable load.
Transparency	The AMC will calculate and disclose the first NAVs of the scheme not later than 30 days from the closure of Initial Offer Period. NAV will be calculated up to two decimal places and disclosed at the close of every Business Day and released to the Press, News Agencies and the Association of Mutual Funds of India (AMFI). NAVs will also be displayed on the Website of the Mutual Fund. As presently required by the SEBI Regulations, a complete statement of the Scheme portfolio would be published by the Mutual Fund as an advertisement in a newspaper within one month from the close of each half year (i.e. March 31 & September 30) or mailed to the Unit holders
Repatriation Facility	NRIs, FIIs and PIOs may invest in the scheme on a full repatriation basis. (Investment will be governed by rules laid down by RBI/SEBI in this regard).

Taxation (as per Tax Laws)	As per the present tax laws, the income distributed by the Scheme is exempt in the hands of investors. Units of the Scheme are not subject to Wealth Tax and Gift Tax. Long Term Capital Gains tax on sale of units in an equity-oriented mutual fund is Nil. Also, short-term capital gains tax on sale of units in an equity-oriented mutual fund is 10% (plus applicable surcharge & cess). There will also be no tax deduction at source on redemption irrespective of the redemption amount for resident investors. For details refer to Section on "Tax Benefits" from Page 33-34
Benchmark Index	S&P CNX NIFTY The fund reserves the right to change the benchmark for evaluation of the performance of the scheme from time to time, subject to SEBI Regulations and other prevailing guidelines if any.

RISK FACTORS

Mutual Funds and securities investments are subject to market risks and there can be no assurance or guarantee that the objectives of the Scheme will be achieved.

- As with any investment in securities, the NAV of the Units issued under the Scheme may go up or down depending on the various factors and forces affecting capital markets and money markets.
- Past performance of the Sponsor / Investment Manager / Mutual Fund does not indicate the future performance of the Scheme and may not necessarily provide a basis of comparison with other investments.
- Birla India GenNext Fund is the name of the Scheme and does not, in any manner, indicate either the quality of the Scheme or its future prospects or returns.
- The Sponsors are not responsible or liable for any loss resulting from the operation of the Schemes beyond the initial contribution of Rs. 1,00,000 towards setting up the Mutual Fund.
- Investors in the scheme are not being offered any guaranteed / assured returns.

Scheme Specific Risk Factors and Special Considerations

- Subject to the stated investment objective, the Scheme proposes to invest in equity and equity related securities. Equity securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors.
- Redemption by the Unitholder due to change in the fundamental attributes of the Scheme or due to any other reasons or Winding-up of the Scheme for reasons mentioned in this Document may entail tax consequences. The Trustee, AMC, Mutual Fund, their Directors, officers or their employees shall not be liable for any such tax consequences that may arise.
- Investment decisions made by the AMC may not always be profitable.
- The liquidity of the Scheme's investments is inherently restricted by trading volumes and settlement periods. In the event of an inordinately large number of redemptions or of a restructuring of the Scheme's investment portfolio, there may be delays in the redemption of units. Please refer to the section on "Right to limit repurchases" and "Suspension of sales/repurchase/switching options of the units" in this Document.
- Changes in Government Policy in general and changes in tax benefits applicable to mutual funds may impact the returns to investors in the Scheme.
- The NAV of the scheme may be affected by changes in the general market conditions, factors and forces affecting capital market in particular, level of interest rates, various market related factors, settlement periods and transfer procedures.
- A Unitholder may invest in the schemes and acquire a substantial portion of the scheme units. The repurchase of units by the Unitholder may have an adverse impact on the units of the schemes, because the timing of such repurchase may impact the ability of other Unit holders to repurchase their units.
- **Derivatives Risk:** As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of



the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is a possibility that loss may be sustained by the portfolio as a result of the failure of another party (usually referred as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

- **Risks associated with stock lending:** The risks in lending portfolio securities, as with other extensions of credit, consist of the failure of another party, in this case the approved intermediary, to comply with the terms of agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure to comply can result in the possible loss of rights in the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary.
- **Risks associated with investments in foreign securities:** The scheme may also invest in overseas financial assets. To the extent that the assets of the scheme will be invested in the 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 relative values of certain foreign currencies. The repatriation of capital may also be hampered by changes in applicable laws.
- The initial issue expenses of the scheme over and above the entry load charged during the Initial Offer Period shall be charged to the scheme and amortised over a period of 5 years. Consequently, the NAV of the scheme will reduce daily to the extent of Re. 0.0001 due to the amortisation of initial issue expenses.

Investors are urged to study the terms of the Offer Document carefully before investing in this scheme, and to retain this Offer Document for future reference.

MINIMUM NUMBER OF INVESTORS AND MAXIMUM HOLDING BY A SINGLE INVESTOR

As per SEBI Circular SEBI/MD/CIR No. 10/22701/03 dated Dec12th 2003, each scheme and individual plans under the schemes should have a minimum of 20 investors and no single investor should account for more than 25% of the corpus of such scheme/plan(s).

In case of open ended schemes in case of non fulfillment of either of the conditions above a three month time period or the end of succeeding calendar quarter whichever is earlier from the close of the Initial Offer Period of open ended schemes will be available to balance and to ensure compliance with these two conditions failing which the provisions of Regulation 39 (2) c of SEBI (MF) Regulations 1996 would become applicable automatically without any reference from SEBI. Accordingly schemes / plans would be wound up by following the guidelines laid down by SEBI. After the Initial Offer Period and the three months balancing period in each subsequent calendar quarter thereafter on an average basis the schemes the schemes /plans should meet with both the conditions mentioned above. The average would be calculated on the basis of number of investors as at the end of the business hours of the scheme on a daily basis. The average would be calculated at the end of each calendar quarter.

Investors should study this Offer Document carefully in its entirety and should not construe the contents hereof as advise relating to legal, taxation, investment or any other matters. Investors may, if they wish, consult their legal, tax, investment and

other professional advisors to determine possible legal, tax, financial or other considerations of subscribing to or redeeming Units, before making a decision to invest/redeem Units.

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

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

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

DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

A Due Diligence Certificate, duly signed by the Compliance Officer of Birla Sun Life Asset Management Company Limited, has been submitted to SEBI on April 4, 2005, which reads as follows:

DUE DILIGENCE CERTIFICATE

It is confirmed that:

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

Place: Mumbai
Date: April 4, 2005

Signed: sd / -
Name: Rajesh Ajgaonkar
Designation: Compliance Officer



DEFINITIONS

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

"AMC" or "Asset Management Company" or "Investment Manager"	Birla Sun Life Asset Management Company Limited, incorporated under the provisions of Companies Act, 1956 and approved by the Securities and Exchange Board of India to act as the Asset Management Company for the scheme(s) of Birla Mutual Fund
"Applicable NAV"	The NAV applicable for purchase or redemption or switching, based on the time of the Business Day on which the application is accepted.
"Business Day"	A day other than: <ul style="list-style-type: none"> • Saturday and Sunday or • A day on which the banks in Mumbai and / RBI are closed for business /clearing or • A day on which the Stock Exchange, Mumbai is closed or • A day, which is a public and /or bank holiday at a Investor Service Centre where the application is received or • A day on which Sale and Repurchase of Units is suspended by the AMC or • A day on which normal business cannot be transacted due to storms, floods, bandhs, strikes or such other events as the AMC may specify from time to time. • The AMC reserves the right to declare any day as a Business Day or otherwise at any or all Investor Service Centres.at any or all Investor Service Centres.
"Custodian"	A person who has been granted a certificate of registration to carry on the business of custodian of securities under the Securities and Exchange Board of India (Custodian of Securities) Regulations 1996, which for the time being is J.P.Morgan Chase Bank, Mumbai.
"Depository"	Depository as defined in the Depositories Act, 1996 (22 of 1996).
"FI"	Foreign Institutional Investor, registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
"Investment Management Agreement"	The agreement dated December 16, 1994 entered into between Birla Sun Life Trustee Company Private Limited and Birla Sun Life Asset Management Company Limited, as amended from time to time.
"Investor Service Centres" or "ISCs" or "Official Points of acceptance of transactions"	Designated branches of Birla Sun Life Asset Management Company Ltd. or such other enters / offices as may be designated by the AMC from time to time. All these locations are official points of acceptance of transactions and cut-off time as mentioned in the Offer Document shall be reckoned at these official points.
"Load"	In the case of Repurchase / Redemption / Switch out of a Unit, the sum of money deducted from the Applicable NAV on the Repurchase / Redemption / Switch out and in the case of Sale / Switch in of a Unit, a sum of money to be paid by the prospective investor on the Sale / Switch in of a Unit in addition to the Applicable NAV.
"Entry Load" or "Sales Load"	Load on Sale / Switch in of Units
"Equity Related Securities"	Convertible debentures, equity warrants, convertible preference shares etc.

"Exit Load" or "Repurchase Load" or "Redemption Load"	Load on Repurchase / Redemption / Switch out Units.
"Mutual Fund" or "the Fund"	Birla Mutual Fund, a trust set up under the provisions of the Indian Trusts Act, 1882.
"Money Market Instruments"	Commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bills, Collateralized Borrowing and Lending Obligations (CBLOs) and any other like instruments as specified by the Reserve Bank of India from time to time
"NAV"	Net Asset Value per Unit of the Scheme, calculated in the manner described in this Offer Document or as may be prescribed by the SEBI Regulations from time to time.
"NRI"	A Non-Resident Indian or a person of Indian origin residing outside India.
"Offer Document"	This document issued by Birla Mutual Fund, inviting offer for subscription to the units of the scheme for subscription,
"RBI"	Reserve Bank of India, established under the Reserve Bank of India Act, 1934.
"Registrar and Transfer Agent"	Computer Age Management Services Ltd (CAMS) is currently acting as registrar to the Scheme, or any other registrar appointed by the AMC from time to time.
"Repurchase / Redemption"	Repurchase / Redemption of Units of the Scheme as permitted.
"Sale / Subscription"	Sale or allotment of Units to the Unit holder upon subscription by the investor / applicant under the Scheme.
"SEBI"	Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act, 1992.
"SEBI Regulations" or "Regulations"	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended from time to time.
"Switch" or "Lateral Shift"	Redemption of a unit in any scheme of the Mutual Fund against purchase of a unit in another scheme (including the plans therein) of the Mutual Fund, subject to completion of lock-in period, if any, of the units of the scheme(s) from where the units are being switched and applicable load structure.
"Trustee"	Birla Sun Life Trustee Company Private Ltd., incorporated under the provisions of the Companies Act, 1956 and approved by SEBI to act as Trustee to the schemes of Birla Mutual Fund.
"Trust Deed"	The Trust Deed dated December 16, 1994 (read with all amendments and supplemental trust deeds thereto) made by and between the Sponsor and Birla Sun Life Trustee Company Private Limited ("Trustee"), thereby establishing an irrevocable trust, called Birla Mutual Fund.
"Unit"	The interest of the Unit holder which consists of each Unit representing one undivided share in the assets of the Scheme.
"Unit holder" or "Investor"	A person holding Units in the Scheme of the Birla Mutual Fund offered under this Offer Document.

Interpretation

For all purposes of this Offer Document, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in this Offer Document include the plural as well as the singular. Pronouns having a masculine or feminine gender shall be deemed to include the other.



SECTION I

CONSTITUTION OF THE MUTUAL FUND

BACKGROUND OF THE ASSET MANAGEMENT COMPANY'S PROMOTERS

The Aditya Birla Group

The Aditya Birla Group is one of India's largest business houses. Global in vision, rooted in Indian values, the Group is driven by a performance ethic pegged on value creation for its multiple stakeholders.

The Group's operations span 66 state of the art manufacturing units and sectoral services straddling India, Thailand, Malaysia, Indonesia, Philippines, Egypt, Canada, Australia and China. Its revenues are US\$ 6.5 billion and it has a market capitalisation of US\$ 6.33 billion. The Group has 72,000 committed employees belonging to over 20 different nationalities.

The Aditya Birla Group is a dominant player in all its areas of operations viz: Aluminium, Copper, Cement, Viscose Staple Fibre, Non-ferrous metals, Carbon Black, Viscose Filament Yarn, Fertilisers Insulators, Sponge Iron, Chemicals, Branded Apparels, Insurance and Asset Management.

The Group has strategic joint ventures with global majors such as Sun Life (Canada), AT&T (USA), the Tata Group and NGK Insulators (Japan), and has ventured into the BPO sector with the acquisition of TransWorks, a leading ITES/BPO company.

Sun Life Financial Inc.

Sun Life Financial is a leading international financial services organization providing a diverse range of wealth accumulation and protection products and services to individuals and corporate customers. Tracing its roots back to 1865, Sun Life Financial and its partners today have operations in key markets worldwide, including Canada, the United States, the United Kingdom, Hong Kong, the Philippines, Japan, Indonesia, India, China and Bermuda.

As of December 31, 2004, the Sun Life Financial group of companies had total assets under management of CDN \$359.6 billion. Sun Life Financial Inc. had shareholders' equity of CDN \$14335 million. Shareholders' reported net income for the year ended 2004 was CDN \$1681 million.

Sun Life Financial Inc. trades on the Toronto (TSX), New York (NYSE) and Philippine (PSE) stock exchanges under ticker symbol "SLF".

Fund Organisation And Management

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

The Sponsors

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

Financial Summary of Birla Global Finance Ltd.

In Indian Rupees (Lakhs)

Particulars	Year ended 31.03.2004	Year ended 31.03.2003	Year ended 31.03.2002
Total Income	5681	3576	5183
Profit after tax	312	153	293
Equity Capital	1575	1575	1575
Reserves	4316	4424	4591
Net Worth	5891	5999	6166
Earning per share	0.44	(1.06)	(0.58)
Percentage of dividend paid	10%	Nil	5%

Financial Summary of Sun Life Financial Inc.

For the year ending December 31

Figures in Millions of Canadian Dollars

Particulars	2004	2003	2002
Total Income	21748	22056	23101
Profit after tax	1681	1309	998
Equity Capital	7308	7365	7477
Reserves	8201	7284	6694
Net Worth	14412	13976	14909
Earning per share	2.81	2.15	1.84
Percentage of dividend paid	0.86	0.68	0.56

The Trustee Company

Birla Sun Life Trustee Company Private Ltd. (BSLTC) is a company incorporated with limited liability under the Companies Act, 1956. Under the Trust Deed dated December 16, 1994 BSLTC has been appointed as the trustee for BMF with Birla Global Finance Ltd. as the Settlor. BSLTC is a joint venture between the Aditya Birla Group and the Sun Life Financial Services of Canada Inc. (through its wholly-owned subsidiary Sun Life (India) AMC Investments Inc.). Both the joint venture partners hold 50% of the equity capital of BSLTC. Summary of substantive provisions of the trust deed, which may be of material interest to the unit holders:

General Power Of The Trustee

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

Trustee To Act Efficiently

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

Responsibilities Of The Trustees And Its Directors

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

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

The Directors of BSLTC are :

	Other Directorships:
Mr. B.N. Puranmalka * Aditya Birla Centre, C - wing, Ground Floor, S. K. Ahire Marg, Mumbai - 400018	Indo Gulf Fertilisers Ltd. Birla Global Finance Ltd. Birla Sun Life Distribution Co. Ltd. India Advantage Fund Ltd., (Mauritius) Birla Sun Life Insurance Co. Ltd. Birla Global Asset Finance Co. Ltd. Birla Insurance Advisory Services Ltd. Bina Power Supply Co. Ltd.
Mr. Gurcharan Das 124 Jor Bagh, New Delhi. Consultant	Zodiac Clothing Co. Ltd. Gurcharan Das Consultants Pvt. Ltd. Crest Communications Ltd. Ankar Capital Pvt. Ltd. AGNI Media Pvt. Ltd. Fortis Healthcare Ltd. Berger Paints (I) Ltd. Mastek Ltd. Ranbaxy Laboratories Ltd. GCD Consultants



<p>Dr. V. Arunachalam 5469, Northumberland Street, Pittsburgh-PA-15217 Professor</p> <p>Mr. Prafull Anubhai Brij House, 1st Floor, Opp High Court, Stadium Road, Ahmedabad 380 014 Businessman</p>	<p>Tasty Bites Preferred Foods India Ltd.</p> <p>Unichem Laboratories Ltd., Gruh Finance Ltd., Torrent Cables Ltd., The Emerging Markets South Asian Fund The EMSAF - Mauritius The H.K. Finechem Ltd. Mahavir Spinning Mills Ltd. Soma Textiles and Industries Ltd. M/s Niche Generics Ltd., London</p>
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* The Directors are associated with sponsors.

Trustee Meetings

The Trustee have met six times in the previous year (2004-05). The performances of all the schemes are placed before the Trustee at such meetings. The report on statutory compliance and investor servicing are also regularly placed at such meetings by AMC. Audit committee of the Trustee has been constituted to review the internal audit systems and the recommendation of the internal and statutory audit reports and to ensure that the rectification as suggested by internal and external auditors are acted upon. An independent Trustee chairs the committee.

Trusteeship Fees

The Trustee Company, BSLTC shall be entitled to a fee of Rs. 5 lacs per annum apportioned over all the schemes of BMF.

Rights and Obligations of the Trustee

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

- The Trustee and the Asset Management Company shall with prior approval of SEBI enter into an investment management agreement.
- The investment management agreement shall contain such clauses as are mentioned in the Fourth Schedule and other such clauses as are necessary for the purpose of making investments.
- The Trustee shall have a right to obtain from the Asset Management Company such information as is considered necessary by the Trustee.
- The Trustee shall ensure before the launch of any scheme that the Asset Management Company has: -
 - systems in place for its back office, dealing room and accounting;
 - appointed all key personnel including fund manager(s) for the scheme(s) and submitted their bio-data which shall contain the educational qualifications, past experience in the securities market to the Trustees, within fifteen days of their appointment;
 - appointed auditors to audit its accounts;
 - appointed a compliance officer to comply with regulatory requirement and to redress investor grievances;
 - appointed registrars and laid down parameters for their supervision;
 - prepared a compliance manual and designed internal control mechanisms including internal audit systems;
 - specified norms for empanelment of brokers and marketing agents.
- The Trustee shall ensure that the Asset Management Company has been diligent in empanelling the brokers and avoiding undue concentration of business with any broker.
- The Trustee shall ensure that the Asset Management Company has not given any undue or unfair advantage to any associate or dealt with any of the associates of the Asset Management Company in any manner detrimental to the interest of the Unit holders.
- The Trustee shall ensure that the transactions entered into by the Asset Management Company are in accordance with the SEBI Regulations, and the scheme.
- The Trustee shall ensure that the Asset Management Company has been managing the mutual fund schemes independently of other activities and have taken adequate steps to ensure that the interest of investors of one scheme are

not compromised with those of any other scheme or of other activities of the asset management company.

- The Trustee shall ensure that all the activities of the Asset Management Company are in accordance with the provisions of SEBI Regulations.
- Where the Trustee has reason to believe that the conduct of the business of the mutual fund is not in accordance with the Regulations and the scheme they shall forthwith take such remedial steps as are necessary and shall immediately inform SEBI of the violation and the action taken.
- The Directors of the Trustee Company shall file the details of their transactions in securities on a quarterly basis with the Trustee Company.
- The Trustee shall be accountable for and be the custodian of the property of the respective schemes and shall hold the same in trust for the benefit of the Unit holders in accordance with the SEBI Regulations, and the provisions of the Trust Deed.
- The Trustee shall take steps to ensure that the transactions of the mutual fund are in accordance with the provisions of the Trust Deed.
- The Trustee shall be responsible for the calculation of any income due to be paid to the mutual fund and also of any income received in the mutual fund for the holders of the units of any scheme in accordance with the Regulations and the Trust Deed.
- The Trustee shall obtain the consent of the unit holders of the Scheme:
 - When the Trustee is required to do so by SEBI in the interests of the unit holders; or
 - Upon the request of three-fourths of the unit holders of any Scheme under the Mutual Fund; or
 - If a majority of the directors of the Trustee Company decide to wind up the Scheme or prematurely redeem the units
- A. The Trustee shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would modify the scheme and affects the interest of unitholders, shall be carried out unless, -
 - A written communication about the proposed change is sent to each unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the mutual fund is situated; and
 - The unitholders are given an option to exit at the prevailing Net Asset Value without any exit load.
- The Trustee shall call for the details of transactions in securities by the key personnel of the Asset Management Company in his/her own name or on behalf of the Asset Management Company and shall report to SEBI, as and when required.
- The Trustee shall quarterly review all transactions carried out between the mutual fund, Asset Management Company and its associates.
- The Trustee shall quarterly review the networth of the Asset Management Company and in case of any shortfall ensure that the Asset Management Company make up for the shortfall per clause (f) of sub regulation (1) of SEBI Regulations.
- The Trustee shall periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy itself that such contracts are executed in the interest of the unit holders.
- The Trustee shall ensure that there is no conflict of interest between the manner of deployment of its networth by the Asset Management Company and the interest of the unit holders.
- The Trustee shall periodically review the investor complaints received and the redressal of the same by the Asset Management Company.
- The Trustee shall abide by the code of conduct as specified in the fifth schedule of SEBI Regulations.
- The Trustee shall furnish to SEBI on a half yearly basis: -
 - a report on the activities of the mutual fund;
 - a certificate stating that the Trustees have satisfied themselves that there have been no instances of self dealing or front running by any of the Trustees, directors and key personnel of the Asset Management Company;
 - certificate to the effect that the Asset Management Company has been managing the schemes independently of any other activities and in case



any activities of the nature referred to in regulation 24(2) of the SEBI Regulations have been undertaken by the AMC Co. and has taken adequate steps to ensure that the interest of the unit holders are protected.

24. The independent trustees shall give their comments on the report received from the Asset Management Company regarding the investments by the mutual fund in the securities of group companies of the sponsor.
25. Trustee shall exercise due diligence as under:

General Due Diligence

- a) The Trustee shall be discerning in the appointment of the Board of Directors of the AMC.
- b) The Trustee shall review the desirability of the continuance of AMC if substantial irregularities are observed in any scheme and shall not allow the AMC to float new schemes.
- c) The Trustee shall ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons.
- d) The Trustee shall ensure that all service providers are holding appropriate registrations from SEBI or concerned regulatory authority.
- e) The Trustees shall arrange for test checks of service contracts.
- f) Trustees shall immediately report to SEBI of any special developments in the mutual fund

Specific Due Diligence

The Trustee shall

- a) Obtain internal audit reports at regular intervals from independent auditors appointed by the Trustees.
 - b) Obtain compliance certificates at regular intervals from the AMC.
 - c) Hold meetings of Trustees more frequently.
 - d) Consider the reports of the independent auditor and compliance reports of AMC at the meetings of Trustees for appropriate action.
 - e) Maintain records of the decisions of the Trustees, AMC and its personnel.
 - f) Prescribe and adhere to a code of ethics by the Trustees, AMC and its personnel.
 - g) Communicate in writing to the AMC of the deficiencies and checking the reduction of deficiencies.
26. Notwithstanding anything contained in sub-regulations (1) to (25) of the Regulations, the Trustees shall not be held liable for acts done in good faith if they have exercised adequate Due Diligence honestly.
 27. The independent Directors of the Trustees shall pay specific attention to the following, as may be applicable, namely-
 - a) The Investment Management Agreement and the compensation paid under the agreement.
 - b) Service contracts with affiliates whether the AMC has charged higher fees than outside contractors for the same services.
 - c) Selection of the independent Directors.
 - d) Securities transactions involving affiliates to the extent such transactions are permitted.
 - e) Selecting and nominating individuals to fill independent director vacancies.
 - f) Code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.
 - g) The reasonableness of the fees paid to the sponsors, AMC and any others for services provided.
 - h) Principal underwriting contracts and the renewals.
 - i) Any service contract with the associates of the AMC.

Auditors of the Scheme

S. R. Batliboi & Co.

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

The Asset Management Company

Birla Sun Life Asset Management Company Ltd. (BSLAMC), the Investment Manager of Birla Mutual Fund, is a joint venture between the Aditya Birla Group and the Sun

Life Assurance Company of Canada (through its wholly-owned subsidiary Sun Life (India) AMC Investments Inc.). Both the joint venture partners hold 50% of the equity capital of BSLAMC. BSLAMC is acting as the Investment Manager for the schemes of BMF vide the Investment Management Agreement dated December 16, 1994.

The Directors of BSLAMC are:

Mr. Donald Stewart* *Chairman*

Sun Life Financial Inc,
150 King Street West,
6th Floor, Toronto,
ON M5H1J9 Canada

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

Sun Life Financial Inc,
150, King Street West,
6th Floor, Toronto,
ONM5H1J9, Canada

Mr. K.M. Birla* *Director*

Industrialist
Aditya Birla Centre,
S. K. Ahire Marg,
Mumbai 400 022.

Mr. S.K. Mitra*

Director - Financial Services,
Aditya Birla Group
Apeejay, Second Floor,
Shahid Bhagatsingh Marg
Mumbai 400 023.

Mr. Douglas C. Henck* *Company Executive*

Sun Life Financial Asia
Sun Life Financial Inc.
Suite 2001, Two Pacific Place,
88 Queensway, Hong Kong.

Mr. Ashok Goenka

Educationist
H-1539 C.R. Park,
New Delhi 110 019.
Mr. S. S. Raman
195, Siddartha Enclave,
Ring Road, New Delhi - 110 019

Mr. N. N. Jambusaria

Actuary
401, Bakers Field
A22, Shastri Nagar,
Lokhadwala Complex,
Andheri (W), Mumbai-400 053.

Mr. N.C. Singhal

Director
D-107, Poornima,
23, Peddar Road,
Mumbai - 400 026.

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

The Auditors of BSLAMC are:

M/s RSM & Co.

Chartered Accountants
Ambit RSM House
449, Senapati Bapat Marg
Lower Parel, Mumbai 400 013

Key Personnel of the Investment Manager

Mr. S.V. Prasad, Chief Executive Officer (Age-46 Years), is the head of BSLAMC. A post graduate in management, Mr. Prasad has over 25 years of work experience. He was primarily in investment banking in the first 14 years of his career with major stints in Standard Chartered Bank and ANZ Grindlays Bank. Mr. Prasad joined the Mutual Fund industry in 1994 as the President and Chief Executive Officer of JM Mutual Fund. He switched over to Zurich Asset Management Company in August 1998 as the President of the Company. Under his leadership, Zurich India Mutual Fund grew rapidly and became one of the largest private sector mutual funds in the country.



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

Name	Age	Designation	Educational Qualifications	Business Experience
Mr. A. Balasubramanian	38	National Head - Sales & Business Development	BSc (Mathematics), Diploma in Financial Management	Overall experience of 15 years in the Financial Industry. Working with the AMC for the last 10 years. Previously worked with GIC Mutual Fund.
Mr. Nishid Shah	41	Chief Investment Officer - Equity	B.Com., ACA	Over 19 years of experience in Financial Industry. He has been working with the AMC for over 5 years. Prior to this assignment, Mr. Shah has been associated with Motilal Oswal Securities as Chief - Equity Research. He has earlier worked with A. F. Ferguson, Lovelock & Lewes, Coopers and Lybrand and Rhone Poulenc (India) Ltd.
Mr. Ravi Sharma	45	Vice President-Retail Sales and Head - Marketing & Communication	BCom, PGDM	Has been with the AMC for around 5 years. He has previously worked as Head - Marketing (Consumer Electronics) in Videocon International Ltd. Prior to that, he was associated with National Panasonic, BPL Ltd. and Hawkins Cookers Ltd.
Mr. I.D. Guru	49	Vice President HR	MBA (HRD)	Over 23 years of experience comprising of Industrial relations, Personnel Management and Human Resource Development in manufacturing as well as Service Sector including Software and Financial Services. Previous to this assignment, Mr. Guru was employed with Birla Consultancy Software Ltd.
Mr. K.R. Viswanarayan	44	Chief Financial Officer and Head- Investor Services	B. Com, ACA, ACS	Overall experience of 19 years in Operations and Accounting. His previous experience includes 5 years with DSP Merrill Lynch Asset Management Company Ltd. in operations. Previous to this, he had worked for seven years with Times of India.
Mr. Raghvendra Nath	36	Vice President- Strategy & Business Development	B. E. MBA	Over 11 years experience in Financial Services, working with the AMC for 7 years, prior to this worked with Spic Group
Mr. Rajesh Ajgaonkar	34	Company Secretary, Financial Controller & Compliance Officer	M.Com A.C.S, I.C.W.A., L.L.B,	15 years experience in accounting, secretarial, taxation and legal areas. He has previously worked with IDBI Capital Market Services Ltd. & Telco Ltd.
Mr. Lalit Vermani	35	Head-Risk Management	M.B.A (Finance) B.A with Honors in Eco, Financial Risk Manager(FRM) certified by Global Association of Risk Professionals	13 years experience in Regulatory work and Investment Banking. Previous to this assignment he has worked with J.M.Capital Management Pvt Ltd., SEBI, Onida Finance, PNB Capital Services Ltd.

Details of the Fund Management Team:

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

Name	Age	Portfolio	Educational Qualifications	Experience
Mr. Jayashankar Madhavan	39	Head of Portfolio Risk Management	C.A., CFA, Member of GARP & New York Society of Security Analyst	Previously worked as Senior Analyst with ADIA Alternative Inv. Dept
Mr. K.Ramanathan	32	Fund Manager	BE, MMS.	Working with the AMC for seven years. Previously worked with CARE Ltd.
Mr. Navneet Munot	34	Fund Manager & Chief Dealer	M.Com, C.A.	Past experience - Birla Sun Life Securities Ltd. Total Experience of ten years in the financial services industry
Mr. Mahesh A. Chhabria	29	Credit Analyst	B.Com, F.C.A, C.F.A	Over 6 years of experience in Finance and Research. Working with the AMC since 3 years. Previously worked with RSM & Co., Chartered Accountants.
Mr. Sunil Kumar Nair	31	Dealer	BA.	Working with the AMC since 10 years. Previous assignment with Indsec Securities
Mr. Deven Sangoi	34	Fund Manager	B.E. (Electronics), MBA.	Working with the AMC since 5 years. Previously worked with Alchemy Stock & Shares Ltd.
Mr. Satyabrata Mohanty	34	Fund Manager	B.Com, C.A.	Over 6 years of experience in Finance and Research. Previously worked in Birla Management Corporation Ltd.
Mr. Ajay Garg	35	Dealer Equities & Equity Derivatives	B.E. (Electronics), MBA (Finance).	Working with the AMC since Jan., 2003. Prior to this worked with Birla Sun Life Securities Ltd. Total Work Experience of around 11 years in Equity Dealing.
Mr. Ankit Sancheti	27	Analyst	B.Com, C.A.	Over 4 years of experience in Equity Research. Previously worked with Development Credit Bank

Fund Manager

Mr. Nishid Shah would be the designated Fund Manager of the Scheme.

Other Activities of BSLAMC

BSLAMC acts as investment advisor to two offshore funds, namely, India Advantage (Offshore) Fund and India Excel (Offshore) Fund. The AMC is also registered with SEBI as a Portfolio Manager (Registration No. INB 000000597) dated January 22, 2002. This registration has been renewed for a period of 3 years upto January 31, 2008. This activity is being undertaken in compliance with the provisions of Regulation 24(2) of SEBI (Mutual Funds) Regulations and there is no conflict of interest.

Obligations of the Asset Management Company

1. The Asset Management Company shall take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any scheme is not contrary to the provisions of the Regulations and the Trust Deed.
2. The Asset Management Company shall exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
3. The Asset Management Company shall be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the Asset Management Company.



4. The Asset Management Company shall submit to the trustees Quarterly reports of each year on its activities and the compliance with the Regulations.
 5. The Trustees at the request of the Asset Management Company may terminate the assignment of the Asset Management Company at any time. Provided that such termination shall become effective only after the Trustees have accepted the termination of assignment and communicated their decision in writing to the Asset Management Company. Notwithstanding anything contained in any contract or agreement or termination, the Asset Management Company or its directors or other officers shall not be absolved of liability to the mutual fund for their acts of commission or omissions, while holding such position or office.
 6. An Asset Management Company shall not through any broker associated with the sponsor, purchase or sell securities, which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes. Provided that for the purpose of this sub-regulation, aggregate purchase and sale of securities shall exclude sale and distribution of units issued by the mutual fund. Provided further that the aforesaid limit of 5% shall apply for a block of any three months.
 7. The Asset Management Company shall not purchase or sell securities through any broker [other than a broker referred to in clause 6 above] which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes, unless the Asset Management Company has recorded in writing the justification for exceeding the limit of 5% and reports of all such investments are sent to the Trustees on a quarterly basis. Provided that the aforesaid limit of 5% shall apply for a block of three months.
 8. The Asset Management Company shall not utilise the services of the sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities. Provided that an Asset Management Company may utilise such services if disclosure to that effect is made to the unit holders and the brokerage or commission paid is also disclosed in the half yearly annual accounts of the mutual fund.
Provided further that the mutual funds shall disclose at the time of declaring half-yearly and yearly results
 - a. any underwriting obligations undertaken by the schemes of the mutual funds with respect to the issue of securities of associate companies
 - b. devolvement, if any
 - c. subscription by the schemes in the issues lead managed by associate companies
 - d. subscription to any issue of equity or debt on private placement basis where the sponsor or any of its associate companies has acted as arranger or manager.
 9. The Asset Management Company shall file with the Trustees the details of transactions in securities by the key personnel of the Asset Management Company in their own name or on behalf of the Asset Management Company and shall also report to SEBI, as and when required by SEBI.
 10. In case the Asset Management Company enters into any securities transactions with any of its associates a report to that effect shall be sent to the Trustees at its next meeting.
 11. In case any company has invested more than 5 per cent of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the same mutual fund in that company or its subsidiaries shall be brought to the notice of the Trustees by the Asset Management Company and be disclosed in the half yearly and annual accounts of the respective schemes with justification for such investment. Provided the latter investment has been made within one year of the date of the former investment calculated on either side.
 12. The Asset Management Company shall file with the Trustees and SEBI -
 - a. detailed bio-data of all its Directors alongwith their interest in other companies within fifteen days of their appointment; and
 - b. Any change in the interests of Directors every six months.
 - c. A quarterly report to the Trustees giving details and adequate justification about the purchase and sale of the securities of the group companies of the sponsor or the Asset Management Company as the case may be, by the mutual fund during the said quarter.
 13. Each Director of the Asset Management Company shall file the details of his transactions of dealing in securities with the Trustees on a quarterly basis in accordance with guidelines issued by SEBI
 14. The Asset Management Company shall not appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.
 15. The Asset Management Company shall appoint registrars and share transfer agents who are registered with the SEBI.
 16. The Asset Management Company shall abide by the Code of Conduct as specified in the Fifth Schedule of the SEBI Regulations.
- #### Investment Management Fees
- The Investment management fees charged by BSLAMC shall be 1.25 percent of the average weekly net assets for assets upto Rs.100 crores and 1.00 percent of the average weekly net assets on the balance amount above Rs. 100 crores.
- #### Modifications to the Schemes
- The Trustee may from time to time, prescribe such terms and make such rules for the purpose of giving effect to the provisions of the Schemes with power to the Investment Manager to add to, alter or amend all or any of the terms and rules that may be framed from time to time. However, the Trustee shall ensure that no change in the fundamental attributes of any schemes or the trust or fees and expenses payable or any other change which would modify the scheme and affects the interest of unitholders, shall be carried out unless,
- I. A written communication about the proposed change is sent to each unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the mutual fund is situated; and
 - II. The unitholders are given an option to exit at the prevailing Net Asset Value without any exit load.
- If any difficulty arises in giving effect to the provisions of the Schemes, the Trustee may do anything not inconsistent with such provisions, which appear to them to be necessary, desirable or expedient, for the purpose of removing such difficulty.
- In case of amendments made by SEBI to the Regulations, and changes effected in the Income Tax Act, 1961 or the rules thereof, the same will be applicable to the Schemes.
- #### The Registrar
- BSLAMC has appointed Computer Age Management Services Ltd. (CAMS) to act as Registrar and Transfer Agents ("The Registrar") to the Scheme. The Registrar is registered with SEBI under registration number INR 000002813. BSLAMC and the Trustee have satisfied themselves, after undertaking appropriate due diligence measures, that the Registrar is able to provide the services required and has adequate facilities, including systems facilities and back up, to process applications and despatch Account Statements/Unit certificates to Unit holders within the time limits prescribed in the Regulations and also sufficient capacity to handle investor complaints.
- #### The Custodian
- J.P. Morgan Chase Bank, located at Mafatlal Centre, 9th Floor, Nariman Point, Mumbai-400 021, has been appointed as the custodian of the securities that are bought and sold under the Schemes. The custodian is registered with SEBI under registration number IN/CUS/014. The responsibilities of the custodian include:
- Keeping in safe custody the securities and such other instruments belonging to the Schemes.
 - Use of reasonable care in performing its obligations
 - Responsibility for loss due to negligence or fraud
 - Ensuring the smooth inflow / outflow of securities and such other instruments as and when necessary in the best interests of the investors.
 - Ensuring that the benefits due to the holdings are recovered.



SECTION II

INVESTMENT OBJECTIVES & POLICY

Birla India GenNext Fund

Type of Scheme

Birla India GenNext Fund is an open ended Growth Scheme.

Investment Objective

To target growth of capital by investing in equity/equity related instruments of companies that are expected to benefit from the rising consumption patterns in India, which in turn is getting fuelled by high disposable incomes of the young generation (Generation Next). The scheme will invest in companies that have the following characteristics:

1. Companies that seek growth in revenues arising out of demand from the younger generation (GenNext) for their products or services.
2. They should be engaged in manufacturing of products or rendering of services that go directly to the consumer.
3. The products and services should have distinct brand identity, thereby enabling choice.

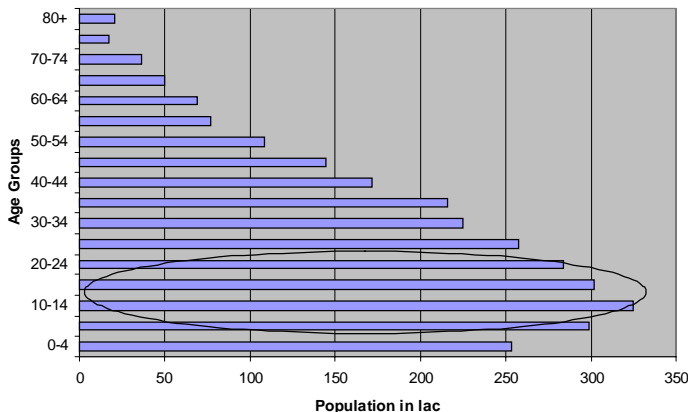
Investment Theme

"GenNext" or "Generation Next" in marketing lexicon refers to the people born in the eighties and nineties. The changing demographics of the India population, as brought out by the 2001 Census results, shows that a majority of these young people will be in their early twenties and thirties in the next five to ten years. Or in other words, India has not been so young ever before.

If we look at the consumer life cycle stages, then this population cohort will be passing through the following stages in their family life cycle in the next few years.

- Bachelor stage: Young, single, not living at home
- Newly married couples stage: Young, no children

Agewise distribution of urban population-Indian Census 2001



Source: Indian Census 2001

This is the population cohort Birla India GenNext Fund would focus on. At the time of the survey, people who were in the age group 5-24 will be in the age group of 10-29 in 2005. They pass through their early twenties and thirties in the time between 2005 and 2030. Rising aspirations as their incomes rise due to the transition to a service sector economy will drive the companies that the scheme is focusing on. Currently they form 42% of the population and their highest spending years are just around the corner.

Consumer behavior studies, the world over, has characterized this stage as one where consumers spend a significantly high amount of their earnings on consumer durables, consumer electronics, travel, entertainment, retail chains, personal grooming and housing products and services. This is a stage where these people have high disposable incomes and are relatively free from family commitments, as evinced by a lower dependency ratio.

Asset Allocation Pattern

Under normal circumstances, the asset allocation pattern of the scheme shall be as under:

(%age of investible corpus) at the time of investments

Instrument	Risk Profile	Range	Normal
Equity and Equity related Securities*	Medium to High	80%-100%	90%
Money market instruments**	Low to medium	0%-20%	10%

* Equity related securities include convertible debentures, equity warrants, convertible preference shares etc.

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

- The scheme may also invest upto 50% of the net assets of the scheme in derivative instruments for the purpose of hedging and portfolio balancing and other uses as may be permitted under SEBI (MF) Regulations, 1996. As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. There is a possibility that loss may be sustained by the portfolio as a result of the failure of another party (usually referred as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- If permitted by SEBI under extant regulations/guidelines, the scheme may also engage in stock lending subject to a maximum of 20%, in aggregate, of the net assets of the scheme and in case of a single intermediary. There can be temporary illiquidity of the securities that are lent out and the Fund may not be able to sell such lent-out securities, resulting in an opportunity loss. In case of a default by counterparty, the loss to the fund can be equivalent to the securities lent.
- The scheme may invest upto 25% of its net assets in ADRs/GDRs issued by Indian companies, which in the judgment of the Asset Management Company are eligible for investment as part of the scheme's portfolio and is consistent with the investment strategy, subject to a limit of US\$ 50 million or upto 10% of the net assets of the Mutual Fund as on January 31 of each relevant year, whichever is lower. To the extent that the assets of the scheme will be invested in the 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 relative values of certain foreign currencies. The repatriation of capital may also be hampered by changes in applicable laws.

Changes in Investment Pattern

Subject to SEBI Regulations, the asset allocation pattern indicated may change from time to time keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary depending on the perception of the investment manager, the intention being at all times to protect the interest of the unitholders. Such changes will be for short term and defensive considerations.

Provided further and subject to the above, any change in the asset allocation affecting the investment profile of the scheme shall be effected only in accordance with the provisions of Regulation 18 of the SEBI (Mutual Funds) Regulations, 1996.

Investment Strategy

Indian economy has seen a paradigm change in the consumption habits in the last decade.

This pattern is fuelled not only by the opening up of the Indian economy but also due to integration with the global markets. The rising income levels in India are primarily guiding the high value consumption patterns. For instance, the per capita income in the country has jumped by 78% at Rs25,723 per year in 2003 -04 from a level of Rs.14,463 per year in 1996-97. If the per capita income of urban areas is considered, the number would be even higher.

The rising levels of consumption are also being led by a growing breed of young educated mass of people working in areas like call centers, service desks, IT



companies, Financial Services etc. This young educated mass is earning well and spending well. The young generation has consumption habits that are markedly different from the existing middle class population.

It is a well-accepted fact that service industry is a major employment generator, as the primary reliance in service sector is on human capital. To give an example, scalability of a call center operation is directly linked to the number of persons employed. Even though India largely has a developing status, the proportion of services in the overall GDP of the country has grown to almost 51%. This proportion itself has shown a growth at the rate of 8 - 9% in the last few years.

With 56% of the Indian population being less than 25 years old, and with the changing consumption patterns, it can be safely said that the companies that cater to this segment would stand to benefit in the time to come.

Birla India GenNext Fund seeks to invest in such companies that are in products or services, which cater to the young consumers, or companies that have distinct brand identities and therefore enable choice.

Some of the sectors that are expected to benefit from this rising propensity to spend are:

- Automobiles
- Hospitality
- Travel and tourism
- Pharmaceutical and Health Care
- Utilities companies like telecom, power distribution etc.
- Retail chains
- Consumer Goods
- Consumer Durables
- Financial services and banks
- Housing finance companies

The fund would seek to invest in these sectors as well as others that cater directly to the consumers.

Stock Selection Strategy

The companies that are part of the eligible universe for investment by the fund should have the following characteristics:

- A substantial portion (at least 50 % of the sales / revenue) of the companies products and services should be going directly to the consumers. In other words, the investment universe would exclude companies that are primarily in commodities and intermediates (products and materials that go into making products for consumers).
- The eligible companies for the fund should preferably have products/services, with distinct brand identity that enables choice.

The Fund will select stocks from within the investment universe based on its internal analysis of the following criteria:

- **Visionary & Trustworthy management with Establish Track record:**
The scheme may invest in companies with a reasonably long and established track record of good corporate governance. The management's attitude towards minority stake owners and transparency in terms of information dissemination would be considered as an important criterion for stock selection. For instance companies that have a well-established track record of corporate governance and have set new standard in information dissemination to analyst and investor community.
- **Nature and Stability of businesses:**
The companies considered for investments are likely to have established business and significant presence in the areas and sectors of their operations. For example Tata Motors has a market share of over 70% in the Indian commercial vehicle industry. Similarly Maruti Udyog has over 50% market share in the Indian car industry with presence in all the segments of the car market. Both these companies have a track record of over 15 years in their respective business.
- **Prospects for future growth and scalability:**
Companies considered would be those whose business models are scalable along with the growth in Indian economy and sector growth prospects in which it operates. Companies like Bharti Tele Ventures have a business model which

enable them to scale-up their business to take advantage of the fast growing Indian mobile telephony market. Their business model is robust to enable them to grow at in line with the industry growth and maintain or increase their market share.

- **Valuations in relations to broad market and expected growth in earnings**
The fund would seek to invest in companies with valuations cheaper on a growth-adjusted basis in comparison to the broad market indices and the benchmark index. In other words, the future earnings growth expectations would be an important criterion for selection and those companies with cheaper valuations adjusted to earnings growth may be considered. For example banking stocks like SBI, PNB and Canara bank quote at a lower PE compared to the BSE Sensex PE with comparable or superior growth rate.

The analysis process would cover review of external and internal research, external database, management reviews, etc. The Investment emphasis of the scheme will be in identifying companies with a strong competitive position in good business and having quality managements.

While constructing the portfolio, the following norms will be kept in mind:

- **Liquidity:** Adequate care will be taken to ensure liquidity of the portfolio. Since the fund is a diversified equity fund, there would be enough liquid choices available in the identified universe.
- **Exposure norms:** The AMC may from time to time prescribe internal norms on maximum exposure to particular sectors and industries.
- **Concentration:** Within the identified universe, the fund manager will follow 'controlled diversification'. Care would be taken to avoid over-diversification.
- **Asset Allocation:** The scheme will follow a strategy of bottom up stock picking. However, this would be reviewed at periodic intervals from risk control point of view.

Risk Control

Investments made by the scheme would be in accordance with the investment objectives of the scheme and provisions of SEBI Regulations. The overall portfolio structuring would aim at controlling risks at a moderate level. Both very aggressive and very defensive postures would be avoided. Stock specific risk will be minimised by investing only in those companies that have been thoroughly evaluated by BSLAMC's investment team. Risk will also be managed through broad diversification of portfolio within the framework of the abovementioned investment objectives. Macroeconomic risk will be addressed through focus and ongoing review of relevant businesses and economic environment. Liquidity would be an important consideration of investment decisions, due to potential of large redemptions inherent in an open ended scheme. As a result, a reasonable portion of the portfolio will be invested in liquid counters.

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

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

Trading in Derivatives

The Fund may invest in derivatives instruments such as Futures, Options or such other instruments as may be permitted under the regulations. The use of derivatives will only be done for hedging and portfolio balancing in accordance with the SEBI (Mutual Funds) Regulations and within the parameters approved by the Trustee Company. The Scheme may use techniques and instruments such as trading in derivative instruments to hedge the risk of fluctuations in the value of the investment portfolio.

The Scheme may adopt appropriate derivative strategies including writing (selling) and purchasing call and put options in securities in which it invests and on securities indices based on securities in which the scheme invests. Through the purchase and sale of futures contracts and related options on those contracts the Fund would seek to hedge against a decline in securities owned by the Fund or an increase in the prices of securities, which the Fund plans to purchase. The Fund could sell futures contracts on securities indices in anticipation of a fall in stock prices, to offset a decline in the value of its equity portfolio. When this type of hedging is successful, the futures contract increase in value while the Fund's investment portfolio declines in value and thereby keep the Fund's net asset value from declining as much as it otherwise would. Similarly, when the Fund is not fully invested, and an increase in the price of equities is expected, the Fund would purchase futures contracts to gain rapid



market exposure that may partially or entirely offset increase in the cost of the equity securities it intends to purchase.

Some examples of derivative strategies are given below:

Example 1. Hedging against an anticipated rise in equity prices. The scheme has a corpus of Rs.100 crores and has invested Rs.85 crores in equity and still has a cash of Rs.15 crores available to invest. The Fund may buy index futures of a value of Rs.15 crores. The scheme may reduce the exposure to the future contract by taking an offsetting position as investments are made in the equities the scheme wants to invest in. Here, if the market rises, the scheme gains by having invested in the index futures.

Event	Gain/(Loss) form derivatives position	Gain/(Loss) form cash market position	Overall Gain / (Loss) to Scheme
5% rise in equity price	15 * 5% = Rs. 0.75 Crs.	85 * 5% = Rs. 4.25 Crs.	Rs. 5 Crores
5% fall in equity price	15 * 5% = Rs. (0.75) Crs.	85 * 5% = Rs. (4.25) Crs.	Rs. (5) Crores

Example 2:- Hedging against anticipated fall in equity prices:-If the Fund has a negative view on the market and would not like to sell stocks as the market might be weak, the scheme of the Fund can go short on index futures. Later, the scheme can sell the stocks and unwind the future positions. A short position in the future would offset the long position in the underlying stocks and this can curtail potential loss in the portfolio.

For eg. The scheme has a corpus of Rs.100 crores and is fully invested in equities. If fund manager wishes to reduce the equity exposure to Rs. 80 crores in a short time, he would sell index future contracts of Rs. 20 crores.

Event	Gain/(Loss) form derivatives position	Gain/(Loss) form cash market position	Overall Gain / (Loss) to Scheme
5% fall in equity price	20 * 5% = Rs. 1.00 crs.	80 * 5% = Rs. (4.00) Crs.	Rs. (3) Crores
5% rise in equity price	20 * 5% = Rs. (1.00) crs.	80 * 5% = Rs. 4.00 Crs.	Rs. 3 Crores

The fund may use any of the following strategies for hedging and portfolio balancing.

Sr.	Derivative	Action	Description	Limit
1	Index futures	Buy	Buy futures against cash to protect against rising market	To the extent of cash / equivalents in the portfolio. Max limit (50%) of portfolio
2	Index futures	Sell	Hedging of portfolio against expected market down turn	Up to (50%) of equity portion of the fund
3	Index futures-Call	Buy	Buy index calls against cash (existing / expected to protect against rising market	To the extent of cash/ equivalents in the portfolio. Max. limit (50%) of portfolio
4	Index Options-Call	Sell	Covered Call Sale-against existing portfolio	Up to (50%) of equity portion of the fund
5	Index Options-Put	Buy	Buy index puts to hedge existing portfolio	Up to (50%) of equity portion of the fund
6	Index Options-Put	Sell	Covered Put Sale-Possible top sell index puts against existing / expected cash	To the extent of cash/ equivalents in the portfolio. Max. limit (50%) of portfolio;
7	Stock futures	Buy	Buy against cash to protect against rising share prices	To the extent of cash/ equivalents in the portfolio. Max. limit (50%) of portfolio; per scrip limit (100%)
8	Stock futures	Sell	Sell against existing stock -Hedging against down-side on existing stock in the face of expected volatility in the price	To the extent of the particular scrip holding in the portfolio; per scrip limit (100%)
9	Stock options-Call	Buy	Buy against cash to protect against rising share prices	To the extent of cash/ equivalents in the portfolio. Max. limit (50%) of portfolio; per scrip limit (100%)

10	Stock options-Call	Sell	Sell against existing stock	To the extent of the particular scrip holding in the portfolio; per scrip limit (100%)
11	Stock option-Put	Buy	Purchase against existing stock. Hedging against downside on existing stock in the face of expected volatility in the stock price	To the extent of the particular scrip holding in the portfolio; per scrip limit (100%)
12	Stock options-Put	Sell	Covered Put Sale against cash	To the extent of cash/ equivalents in the portfolio. Max. limit (50%) of portfolio; per scrip limit (100%)

Note: The per scrip limit disclosed above is as a % of the holding in the scrip and not as a % of the portfolio of the Scheme.

Risks associated with Derivatives

Derivative products are specialised instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to access the risk that a derivative adds to the portfolio and the ability to forecast price of interest rate movements correctly. There is a possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mis-pricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Also, the market for derivative instruments is nascent in India.

Investment in Overseas Foreign Securities

In accordance with the RBI policy announced in October 1997 and the guidelines of the SEBI on overseas Investments, it is the Asset Management Company's belief that overseas markets offer new investment and portfolio diversification opportunities into multi-market and multi-currency products. The scheme may invest in GDRs/ ADRs of Indian companies, which in the judgment of the Asset Management Company is eligible for investment as part of the scheme's portfolio and is consistent with the investment strategy. The investment in such overseas Financial Assets shall not exceed the limit as may be imposed by SEBI/ RBI from time to time and shall be within the investment pattern as disclosed in the clause "Investment Strategy".

The Fund may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by the Regulations / Reserve Bank of India. Exposure to overseas assets will be restricted to 25% of the schemes assets.

Scenarios/ Conditions for Overseas Investment

The scheme may invest in overseas financial assets in the form of GDRs/ ADRs of Indian companies, in scenarios where an Indian Company is coming out with such an issue and does not have its securities listed on Indian markets or existing ADRs/ GDRs where the price is favourable.

Risk Factors

To the extent that the assets of the Scheme will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in the relative value of certain foreign currencies. The repatriation of capital may also be hampered by changes in applicable laws. Since the scheme may invest only partially in overseas securities, there may not be readily available and widely accepted benchmarks to measure performance of the scheme. To manage risks associated with foreign currency and interest rate exposure, the scheme may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by SEBI / RBI from time to time.

These investments shall be made subject to any / all approvals, conditions thereof as may be stipulated by SEBI / RBI. The AMC may, where necessary appoint other global intermediaries of repute such as advisors, sub-managers, sub-custodians, etc. for managing and administering such investments. The appointment of such intermediaries shall be in accordance with the applicable requirements of SEBI and within the permissible ceilings of expenses

The trustee reserves the right to modify the conditions governing the investment policy of the scheme in offshore securities provided such modifications are in line with the regulatory requirements.



Investment in other schemes

The Scheme may, in line with its investment objectives, invest in another Scheme under the management of BSLAMC or of any other Asset Management Company. The aggregate Interscheme investment by BMF under all its Schemes, other than fund of fund schemes, taken together, in another Scheme managed by BSLAMC or in any other Scheme of any other Mutual Fund, shall not be more than 5% of the net asset value of the Fund. No fee shall be charged by the AMC on any investment in another Scheme under the management of BSLAMC or of any other Asset Management Company

Investment by the AMC

BSLAMC may, during the Initial Offer Period and/or on an ongoing basis, invest in the scheme subject to the SEBI Regulations & circulars issued by SEBI and to the extent permitted by its Board of Directors from time to time. However, the AMC shall not charge any management fee on any of its investments in the scheme. The maximum extent of investment by the AMC shall not exceed its network.

INVESTMENT RESTRICTIONS

In pursuance of the Regulations, the following restrictions are currently applicable to the scheme:

1. Investment in securities from the scheme's corpus would be only in transferable securities in accordance with Regulation 43 of Chapter VI of SEBI [Mutual Funds] Regulations, 1996.
2. The Mutual Fund under all its Schemes should not own more than 10% of the Companies paid-up capital carrying voting rights.
3. Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if:-
 - a. such transfers are done at the prevailing market price for quoted instruments on spot basis.
Explanation- "spot basis" shall have same meaning as specified by stock exchange for spot transactions.
 - b. the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
4. The 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.
The scheme cannot invest in a Fund of Funds scheme.
5. The initial issue expenses in respect of any scheme may not exceed six per cent of the funds raised under that scheme.
6. The 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 or engage in badla finance.
Provided that mutual fund shall enter into derivatives transactions in a recognised stock exchange for the purpose of hedging and portfolio balancing, in acceptance with the guidelines issued by the Board
7. The mutual fund shall, get the securities purchased or transferred in the name of the mutual fund on account of the concerned scheme, wherever investments are intended to be of long-term nature.
8. Pending deployment of funds of a scheme in securities in terms of investment objectives of the scheme the scheme can invest the funds of the scheme in short term deposits of scheduled commercial banks.
9. The scheme shall not make any investment in;
 - i. any unlisted security of an associate or group company of the sponsor; or
 - ii. any security issued by way of private placement by an associate or group company of the sponsor; or
 - iii. the listed securities of group companies of the sponsor which is in excess of 25% of the net assets of the schemes.
10. The Scheme shall not invest more than 10% of its NAV in the equity shares or equity related instruments of any Company including units/securities of Venture Capital Funds.

11. The Scheme shall not invest more than 5% of its NAV in unlisted equity shares or equity related instruments including units/securities of Venture Capital Funds in case of open ended schemes.

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

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

Stock Lending By The Scheme

If permitted by SEBI under extant regulations/guidelines, the scheme may also engage in stock lending. The Fund can temporarily lend stocks held with the Custodian to reputed counterparties, for a fee, subject to prudent limits and controls for enhancing returns. The Fund is allowed to lend securities subject to a maximum of 20%, in aggregate, of the net assets of each scheme and in case of a single intermediary.

Scenarios/Conditions for stock lending

The scheme can earn additional return through lending securities subject to regulatory approval for stock lending and development of an efficient market. This will purely be a return enhancement strategy.

Additional Risk Factors:

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

Portfolio Turnover

As the scheme is an open ended scheme, it is expected that there would be a number of subscriptions and repurchase on a daily basis. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio.

The Scheme will endeavour to balance the increased cost on account of higher portfolio turnover with the benefits derived thereof. A high portfolio turnover rate is not necessarily a drag on portfolio performance and may be representative of arbitrage opportunities that exist for scrips / securities held in the portfolio rather than an indication of a change in Fund view on a scrip, etc.

Benchmark

The performance of the Scheme will be benchmarked to the performance of S&P CNX NIFTY Index. The fund reserves the right to change the said benchmark and/or adopt one/more other benchmarks to compare the performance of the Scheme.

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

Investment Process and Recording of Investment Decisions

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



Fundamental Attributes

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

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

- Type of scheme i.e. Open ended Growth scheme
- Investment Objectives & Policies:
 - Investment Objective as defined on Page 11 of the offer document
 - Asset Allocation Pattern as defined on Page 11 of the offer document
- Terms of Issue:

Sale and Redemption of units as defined in Section named "Units and Offer" of this Offer Document. Fees and expenses as specified in the Section named "Loads and Recurring Expenses" of this Offer Document/ as permitted by the Regulations.

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

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

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

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

Investment of Subscription Money

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

Borrowing by the Mutual Fund

Under the SEBI Regulations, the Mutual Fund is allowed to borrow to meet the temporary liquidity requirements of its Scheme for the purpose of Redemption of Units or the payment of interest or dividend to the Unit holders. Further, as per the SEBI Regulations, the Mutual Fund shall not borrow more than 20% of the Net Assets of the scheme and the duration of such borrowing shall not exceed a period of six months. The Mutual Fund may raise such borrowings after approval by the Trustee from Sponsor or any of its Associate / Group Companies or Banks in India or any other entity at market related rates prevailing at the time and applicable to similar borrowings. The security for such borrowings, if required, will be as determined by the Trustee.

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

The NAV of the Units of the Scheme(s) will be computed by dividing the net assets of the Scheme(s) by the number of Units outstanding on the valuation date. The Mutual Fund will value its investments according to the valuation norms, as specified in the Schedule VIII of the SEBI Regulations, or such norms as may be prescribed by SEBI

from time to time. The broad valuation norms pertaining to the Scheme(s) are detailed below:

1. Traded Securities:

- The securities shall be valued at the last quoted closing price on the Bombay Stock exchange.
- When the securities are traded on more than one recognised stock exchange, the securities shall be valued at the last quoting price on the stock exchange where the security is principally traded. The AMC will select the appropriate stock exchange, but the reasons for the selection would be recorded in writing. All scrips may be valued at the price quoted on the stock exchange where a majority in value of the investments is principally traded. Once a stock exchange has been selected for valuation of a particular security, reasons for change of the exchange shall be recorded in writing by the AMC.
- When on a particular valuation day, a security has not been traded on the selected stock exchange; the value at which it is traded on another stock exchange may be used.
- When a security (other than debt securities) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to valuation date.

2. Thinly Traded Securities :

(i) Thinly Traded Equity/Equity Related Securities:

When trading in an equity/equity related security (such as convertible debentures, equity warrants, etc.) in a month is less than Rs. 5 lacs and the total volume is less than 50,000 shares, it shall be considered as a thinly traded security and valued accordingly. Here a stock exchange identifies the "thinly traded" securities by applying the above parameters for the preceding calendar month and publishes/provides the required information along with the daily quotations, the same can be used by the mutual funds. If the share is not listed on the stock exchanges which provide such information, then it will be obligatory on the part of the mutual fund to make its own analysis in line with the above criteria to check whether such securities are thinly traded which would then be valued accordingly.

In case trading in an equity security is suspended upto 30 days, then the last traded price would be considered for valuation of that security. If an equity security is suspended for more than 30 days, then the Asset Management Company/Trustees will decide the valuation norms to be followed and such norms would be documented and recorded.

(ii) Thinly Traded Debt Securities:

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

3. Non Traded Securities:

When a security (other than Government Securities) is not traded on any stock exchange for a period of 30 days (15 days in case of debt security) prior to the valuation date the scrip must be treated as a 'non traded' security. Unlisted Equity Shares will be valued in accordance with the criteria laid down in SEBI circular no. MFD/CIR03/526/2002 dated May 9, 2002.

VALUATION OF NON-TRADED / THINLY TRADED SECURITIES

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

(i) Non-traded / thinly traded equity securities:

- (a) Based on the latest available Balance Sheet, net worth shall be calculated as follows :
- (b) Net Worth per share = [share capital + reserves (excluding revaluation reserves) - Misc. expenditure and Debit Balance in P&L A/c] Divided by No. of Paid up Shares.
- (c) Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as



capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.

- (d) The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for ill-liquidity so as to arrive at the fair value per share.
- (e) In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.
- (f) In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.
- (g) In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security.
- (ii) (a) **Non Traded /Thinly Traded Debt Securities of Upto 182 Days to Maturity:**
As the money market securities are valued on the basis of amortization (cost plus accrued interest till the beginning of the day plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instruments) the same process should be adopted for non-traded debt securities with residual maturity of upto 182 days, in the absence of any other standard benchmarks in the market. All other non traded Non Government debt instruments should be valued using the method suggested in (ii)(b) hereof.
- (ii) (b) **Non Traded/ Thinly Traded Debt Securities of Over 182 Days to Maturity.**
For the purpose of valuation, all Non Traded Debt Securities would be classified into "Investment grade" and "Non Investment grade" securities based on their credit ratings. The non-investment grade securities would further be classified as "Performing" and "Non Performing" assets

- All Non Government investment grade debt securities, classified as not traded, shall be valued on yield to maturity basis as described below.
- All Non Government non investment grade performing debt securities would be valued at a discount of 25% to the face value
- All Non Government non investment grade non performing debt securities would be valued based on the provisioning norms.

The approach in valuation of non traded debt securities is based on the concept of using spreads over the benchmark rate to arrive at the yields for pricing the non traded security.

Value of "Rights" entitlement

- a) Until they are traded, the value of the "rights" entitlement would be calculated as:
- $$V_r = n/m \times (P_{ex} - P_{of})$$
- where
 V_r = Value of rights
 n = no. of rights Offered
 m = no. of original shares held
 P_{ex} = Ex-Rights price
 P_{of} = Rights Offer price
- b) Where the rights are not traded pari-passu with the existing shares, suitable adjustments would be made to the value of rights. Where it is decided not to subscribe for the rights but to renounce them and renunciations are being traded, the rights would be valued at the renunciation value.

Valuation of Money Market Instruments:

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

1. Traded Securities

Traded securities (other than Government Securities) are valued at the last quoted closing price on the Bombay Stock Exchange (BSE).

When the Securities are traded on more than one recognised stock exchange, the security shall be valued at the last quoted closing price on the stock exchange where

the security is principally traded. The AMC will select the appropriate stock exchange but the reasons for the selection would be recorded in writing. All scrips may be valued at prices quoted on the stock exchange where a majority in value of the investments are principally traded.

Once a stock exchange has been selected for valuation of a particular security, reasons for change of the exchange shall be recorded in writing by the AMC.

Derivative Products

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

Valuation of Securities with Put / Call options

The option embedded securities would be valued as follows:

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

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

Valuation in respect of Non Performing Assets

Valuation in respect of Non Performing Assets (Debt Securities) will be done in accordance with "SEBI guidelines for identification and provisioning for NPAs" issued vide circular dated 18th September, 2000 bearing reference no. MFD/CIR/8/92/2000 as modified by SEBI circulars both dated 28th March, 2001 bearing reference no. MFD/CIR/13/087/2001 as well as MFD/CIR/14/088/2001 and will form a part of this valuation policy.

Accrual of Expenses & Income

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

Changes in securities and in number of Units

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

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



If the investors are allotted units at a price higher than NAV or are given a price lower than NAV at the time of sale of their Units, they shall be paid the difference in amount by the Scheme.

If the investors are charged lower NAV at the time of purchase of their Units or are given higher NAV at the time of sale of their Units, the AMC shall pay the difference in amount to the Scheme. The AMC may recover the difference from the investors.

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

Computation Of Net Asset Value

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

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

$$\begin{aligned} & \text{Market or Fair Value of the scheme's Investments} \\ & + \text{Current Assets (including accrued income)} \\ & - \text{Current Liabilities and Provisions} \\ & \quad \text{(Including accrued expenses)} \end{aligned}$$

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

The AMC will calculate and disclose the NAVs of the respective Options at the close of every Business Day. The NAVs of the Scheme will be calculated upto 2 and units will be allotted upto 3 decimals. NAVs of the growth option and dividend option will be different after the declaration of the first dividend.

Accounting Policies & Standards

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

1. All investments will be marked to market and will be carried in the balance sheet at market value. However, since the unrealised gain arising out of appreciation on investments cannot be distributed, provision will be made for exclusion of this item when arriving at distributable income.
2. In respect of all interest-bearing investments, income will be accrued on a day to day basis as it is earned. Therefore when such investments are purchased, interest paid for the period from the last interest due date upto the date of purchase shall not be treated as a cost of purchase but shall be debited to Interest Recoverable Account. Similarly, interest received at the time of sale for the period from the last interest due date upto the date of sale shall not be treated as an addition to sale value but shall be credited to Interest Recoverable Account.

3. In determining the holding cost of investments and the gains or loss on sale of investments, the "average cost" method shall be followed.
4. Transactions for purchase or sale of investments would be recognised as of the trade date and not as of the settlement date, so that the effect of all Investments traded during a financial year are recorded and reflected in the financial statements for that year. When investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction would be recorded, in the event of a purchase, as of the date on which the Scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the Scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.
5. When Units are sold, the difference between the Sale price and the face value of the Unit, if positive shall be credited to reserves and if negative will be debited to reserves, the face value being credited to Capital Account. Similarly, When Units are redeemed, the difference between the purchase price and face value of the unit, if positive, shall be debited to reserves, and, if negative, shall be credited to reserves, the face value being debited to the Capital account.
6. When Units are sold, an appropriate part of the Sale proceeds shall be credited to an Equalisation Account and when Units are redeemed, an appropriate amount would be debited to Equalisation Account. The net balance on this account shall be credited or debited to the Revenue Account. The balance on the Equalisation Account debited or credited to the Revenue Account shall not decrease or increase the net income of the Mutual Fund but is only an adjustment to the distributable surplus. It shall therefore, be reflected in the Revenue Account only after the net income of the Mutual Fund is determined.

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

Unclaimed Redemption / Dividend Amount

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



SECTION III

Units and Initial offer

Initial Offer

The offer is being made for the subscription of Units of Birla India GenNext Fund, which is an open ended Growth Scheme.

Initial Offer Period

The Scheme will open for subscription from June 14, 2005 to July 12, 2005 during the Initial Offer Period of the Scheme.

Initial Offer Price

The initial offer price of Units of the scheme will be Rs.10 per Unit subject to applicable load.

Early Closure/Extension of the Initial Offer Period

The subscription list may be closed earlier by giving at least one day's notice in one daily newspaper. The Trustee reserves the right to extend the closing date of the Initial Offer Period, subject to the condition that the subscription list of the Initial Offer Period shall not be kept open for more than 30 days.

Minimum Amount for Application

The minimum amount per application under the scheme will be Rs. 5000/- and in multiples of Re. 1/- thereafter.

Minimum Additional Purchase Amount (Rs.):

The minimum additional purchase amount per application under the scheme will be Rs. 1000/- and in multiples of Re. 1/- thereafter.

Minimum Subscription Amount

The minimum subscription (target) amount under the Scheme shall be Rs. 1,00,00,000 during the initial offer period. Therefore, subject to the applications being in accordance with the terms of this offer, full and firm allotment will be made to the Unit holders.

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

Minimum number of investors and minimum holding by single investor:

As per SEBI Circular SEBI/MD/CIR No. 10/22701/03 dated Dec12th 2003, each scheme and individual plans under the schemes should have a minimum of 20 investors and no single investor should account for more than 25% of the corpus of such scheme/plan(s).

In case of open ended schemes in case of non fulfillment of either of the conditions above a three month time period or the end of succeeding calendar quarter whichever is earlier from the close of the Initial Offer Period of open ended schemes will be available to balance and to ensure compliance with these two conditions failing which the provisions of Regulation 39 (2) (c) of SEBI (MF) Regulations 1996 would become applicable automatically without any reference from SEBI. Accordingly schemes / plans would be wound up by following the guidelines laid down by SEBI. After the Initial Offer Period and the three months balancing period in each subsequent calendar quarter thereafter on an average basis the schemes the schemes /plans should meet with both the conditions mentioned above. The average would be calculated on the basis of number of investors as at the end of the business hours of the scheme on a daily basis. The average would be calculated at the end of each calendar quarter.

Allotment And Refund

All Applicants whose cheques towards purchase of Units have been realised will receive a full and firm allotment of Units, provided that the applications are complete in all respects and are found to be in order. The Trustee retains the sole and absolute discretion to reject any application. The process of allotment of Units and mailing of account statements reflecting the allotments will be completed within 30 days from the date of closure of the Initial Offer Period.

No Interest will be payable on any subscription money refunded within 30 days from the closure of the Initial Offer Period. Interest on subscription amount will be payable for amounts refunded later than 30 days from the closure of the Initial Offer Period at the rate of 15% per annum for the period in excess of 30 days and will be charged to the AMC. Refund orders will be marked "A/c. Payee only" and will be in favour of and

be despatched to the first / sole Applicant, by registered post.

Investment Options

The Scheme offers Growth and Dividend options. The Dividend option would further have Payout and Reinvestment facility.

Investors should indicate the option for which the subscription is made by indicating the choice in the application form. In case of valid applications received, without indicating any choice of option, it will be considered as option for Dividend and processed accordingly. If no choice between payout and reinvestment has been indicated, the application would be processed as an option for dividend reinvestment.

Dividend Option

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

Growth Option

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

Dividend Reinvestment Facility

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

Who Can Invest?

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

1. Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis;
2. Karta of Hindu Undivided Family (HUF)
3. Minors through parent / legal guardian;
4. Partnership Firms;
5. Companies, Bodies Corporate, Public Sector Undertakings, Association of Persons or bodies of individuals and societies registered under the Societies Registration Act, 1860;
6. Banks & Financial Institutions;
7. Mutual Funds registered with SEBI;
8. Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private trusts authorised to invest in mutual fund schemes under their trust deeds;
9. Non-Resident Indians / Persons of Indian origin residing abroad (NRIs) on repatriation basis or on non-repatriation basis;
10. Foreign Institutional Investors (FIIs) registered with SEBI on repatriation basis;
11. Army, Air Force, Navy and other para-military units and bodies created by such institutions;



12. Scientific and Industrial Research Organisations;
13. Multilateral Funding Agencies / Bodies Corporate incorporated outside India with the permission of Government of India / Reserve Bank of India;
14. Other schemes of Mutual Funds subject to the conditions and limits prescribed by SEBI Regulations;
15. Trustee, AMC or Sponsor or their associates may subscribe to Units under the Scheme;
16. Such other individuals / institutions / body corporate etc., as may be decided by the Mutual Fund from time to time, so long as wherever applicable they are in conformity with SEBI Regulations.

Notes :

1. Non Resident Indians and Persons of Indian Origin residing abroad (NRIs) / Foreign Institutional Investors (FIIs) have been granted a general permission by Reserve Bank of India [Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 for investing in / redeeming units of the mutual funds subject to conditions set out in the aforesaid regulations.
2. In case of application under a Power of Attorney or by a limited company or a corporate body or an eligible institution or a registered society or a trust fund, the original Power of Attorney or a certified true copy duly notarised or the relevant resolution or authority to make the application as the case may be, or duly notarised copy thereof, alongwith a certified copy of the Memorandum and Articles of Association and/or bye-laws and / or trust deed and / or partnership deed and Certificate of Registration should be submitted. The officials should sign the application under their official designation. A list of specimen signatures of the authorised officials, duly certified / attested should also be attached to the Application Form. In case of a Trust / Fund it shall submit a resolution from the Trustee(s) authorising such purchases and redemptions.
3. Returned cheques are not liable to be presented again for collection, and the accompanying application forms are liable to be rejected. In case the returned cheques are presented again, the necessary charges, if any, are liable to be debited to the investor.
4. Any request for withdrawal of application made during the Initial Offer Period will be treated as redemption request and shall be processed at the redemption price on the first day after the scheme opens for sale and redemption on an ongoing basis.

How To Apply?

1. The application form for the Sale of Units of the Scheme will be available / accepted at the office of the Investor Service Centres (ISCs) during Business Hours on all Business Days.
2. Applications must be completed in Block Letters in English.
3. Signatures should be in English or in any Indian Language.
4. All cheques and bank drafts must be drawn in favour of "Birla India GenNext Fund " and crossed "Account Payee Only". A separate cheque or bank draft must accompany each application /each Scheme.
5. Investors must write the Folio Number / Application Form number on the reverse of the cheques and bank drafts accompanying the Application Form.
6. In order to protect the interest of investors from fraudulent encashments, SEBI has made it mandatory for investors to mention their bank name and account number in application/redemption requests.
7. **Bank Details** In order to protect the interest of investors from fraudulent encashment of cheques, the current SEBI Regulations have made it mandatory for investors to mention in their application / Redemption request, the bank name and account number. Applications without these details will be rejected.
8. **Permanent Account Number (PAN)** It is compulsory for investors to quote their Permanent Account Number (PAN) while making an application for Purchase of Units, amounting to Rs. 50,000/- or more along with documentary proof of PAN. Investors can submit Photocopy of the PAN card/ PAN Letter / refund order / assessment order / Demand Notice from Income Tax Department quoting the investor's PAN in support to the PAN. In case of joint applicants, PAN details of all holders should be submitted. In case the person making the application is a minor, PAN details of the Guardian must be submitted. In case a person does not have a PAN and makes an application for purchase of units in a mutual fund, the said investor should make a declaration in Form 60/Form 61 giving therein the particulars of the transaction. Applications where the PAN is not

quoted or the declaration is not provided in Form 60/ Form 61 would be rejected by the Mutual Fund without any reference to the investor.

9. **Unique Identification Number (UIN)** As per SEBI (Central Database of Market Participants) Regulations, 2003, no specified investor being a body corporate shall buy, sell or deal in units of a mutual fund unless such specified investor, its promoters and directors have been allotted UIN by December 31, 2004. For other categories of investors, the applications will be rejected if on the date of the application the investor is required by any law / regulation to provide UIN has not provided UIN in the Application Form /Transaction Slip. Application Forms received without this will be considered incomplete and liable to be rejected.
10. Applications not complete in any respect are liable to be rejected.
11. The AMC / Trustee retains the sole and absolute discretion to reject any application.

Mode Of Payment

Resident Investors

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

NRIs/FIIs

Repatriation Basis

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

Non Repatriation Basis

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

Single Folio Facility

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

Account Statement

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

Unit Certificates

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

Joint Holders

In the event the account has more than one registered holder the first-named Unit holder shall receive the account statements, all notices and correspondence with respect to the account, as well as the proceeds of any Redemption requests or dividends or other distributions. In addition, such holder shall have the voting rights, as permitted, associated with such Units as per the applicable guidelines.



The Unit holder must specify the 'mode of holding' in the application form as 'Jointly' or 'Anyone or Survivor'. In the case of holding specified as 'Jointly', Redemptions would have to be signed by all joint holders. However, in cases of holding specified as 'Anyone or Survivor', any one of the Unit holders will have the power / authority to make Redemption requests, without it being necessary for all the Unit holders to sign. However, in all cases, the proceeds of the Redemption will be paid to the first-named Unit holder. In the event the account has more than one registered unitholder and the mode of holding is not specified in the application form, the default option would be considered to be 'Anyone or Survivor'.

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

Nomination Facility

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

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

Transfer Facility

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

Listing

Being an open ended Scheme under which Sale and Repurchase of Units will be made on continuous basis by the Mutual Fund, the Units of the Scheme are not proposed to be listed on any stock exchange. However, the Mutual Fund may at its sole discretion list the Units of the Scheme on one or more stock exchanges at a later date.

Pledge Of Units

The Units under the Scheme may be offered as security by way of a pledge / charge in favour of scheduled banks, financial institutions, non-banking finance companies (NBFC's), or any other body. The AMC and / or the ISC will note and record such Pledged Units. A standard form for this purpose is available on request from any of the ISCs. The AMC shall mark a lien only upon receiving the duly completed form and documents as it may require. Disbursement of such loans will be at the entire discretion of the bank / financial institution / NBFC or any other body concerned and the Mutual Fund assumes no responsibility thereof.

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

Units With Depository

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

Sale Of Units On An Ongoing Basis

The Scheme offers for Sale and Redemption of units on every Business Day NAV based prices, subject to the applicable Sales Load.

Subscriptions on an ongoing basis will be made only by specifying the amount to be invested and not the number of Units to be subscribed. The total number of Units allotted will be determined with reference to the applicable Sale Price and fractional Units may be created. Fractional Units will be computed and accounted for upto three decimal places and they will in no way affect an investor's ability to redeem Units.

Ongoing Sales Price

A Sales Load upto a maximum of 7%, within what is presently stipulated by SEBI may be charged to all new investments in the Scheme. The Sales Load may be different for different Option. The Sale Price per Unit will be calculated using the following formula:

$$\text{Sale Price} = \text{Applicable NAV} * (1 + \text{Sales Load, if any})$$

Example for Calculation of Sales Price

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

$$\begin{aligned} &= \text{Rs. } 10.00 * (1 + 0.02) \\ &= \text{Rs. } 10.00 * (1.02) = \text{Rs. } 10.20 \end{aligned}$$

Applicable NAV For Subscriptions/Purchases Including Switch-In Of Units

In respect of valid applications received upto 3 p.m. by the Mutual Fund alongwith a local cheque or a demand draft payable at par at the place where the application is received, the closing NAV of the day on which application is received shall be applicable.

In respect of valid applications received after 3 p.m. by the Mutual Fund alongwith a local cheque or a demand draft payable at par at the place where the application is received, the closing NAV of the next business day shall be applicable.

Web Based Transactions

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



Redemption Of Units

The Units can be Redeemed (i.e. sold back to the Mutual Fund) or Switched-out on every Business Day at the Redemption Price. The Redemption / Switch-out request can be made by way of a written request on a pre-printed form or by using the relevant tear off section of the Transaction Slip enclosed with the Account Statement, which should be submitted at / may be sent by mail to any of the ISCs.

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

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

Redemption Price

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

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

Example Of Calculation Of Redemption Price

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

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

Applicable NAV For Redemptions Including Switch-Out Of Units

In respect of valid applications received upto 3 p.m. by the Mutual Fund, same day's closing NAV shall be applicable.

In respect of valid applications received after 3 p.m. by the Mutual Fund, the closing NAV of the next business day shall be applicable.

Payment Of Redemption Proceeds

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

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

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

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

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

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

As per SEBI Regulations, the Mutual Fund shall despatch Redemption proceeds within 10 Business Days of receiving the Redemption request. However, under normal circumstances, the Mutual Fund will endeavor to despatch the Redemption cheque within 4 Business Days of the acceptance of the Redemption request.

Redemptions By NRIS/FIIS

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

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

In the case of NRIs :

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

In the case of FIIs

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

Right To Limit Redemptions

The AMC may, in the general interest of the Unit holders of the Scheme, keeping in view the unforeseen circumstances/unsure conditions, limit the total number of Units which may be redeemed on any Business Day to 5% of the total number of Units then in issue under the Scheme (or such higher percentage as the AMC may decide in any particular case). In addition, the Trustee reserves the right, in its sole discretion, to limit Redemptions with respect to any single account to an amount of Rs. 2 crore on a single Business Day. Any Units which by virtue of these limitations are not

Redeemed on a particular Business Day will be carried forward for Redemption to the next Business Day, in order of receipt. Redemptions so carried forward will be priced on the basis of the Redemption Price of the Business Day on which Redemption is made. Under such circumstances, to the extent multiple Redemption requests are received at the same time on a single Business Day, Redemption will be made on pro-rata basis, based on the size of each Redemption request, the balance amount being carried forward for Redemption to the next Business Day(s).

Closure Of Unitholders Account

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

Suspension Of Sale/Redemption/Switching Option Of Units

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

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

1. When one or more stock exchanges or markets, which provide basis for valuation for a substantial portion of the assets of the Scheme are closed otherwise than for ordinary holidays.



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

The AMC reserves the right in its sole discretion to withdraw the facility of Sale and Switching option of Units into and out of the Scheme, temporarily or indefinitely, if AMC views that changing the size of the corpus further may prove detrimental to the existing Unit holders of the Scheme. Suspension or restriction of Redemption facility shall be made applicable only after the approval of the Board of Directors of the AMC and the Trustee. The approval from the AMC Board and the Trustee giving details of circumstances and justification for the proposed action shall also be informed to SEBI in advance.

Official points of Acceptance of Transactions

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

Systematic Investment Plan (SIP):

SIP allows investors to invest small amounts of money in schemes of Birla Mutual Fund on a regular basis. Applicants can avail of SIP facility by filling up the relevant application form available at branch offices. Given below are the salient features of SIP:

1. Investors have the option of:
 - i. Monthly Systematic Investment Plan
 - ii. Quarterly Systematic Investment Plan

2. Minimum Application Amount:
 - i. Monthly Systematic Investment Plan: Investors are required to submit minimum 12 postdated cheques of Rs. 500/- and above each or minimum 6 post dated cheques of Rs. 1000/- and above each.
 - ii. Quarterly Systematic Investment Plan: Investors are required to submit minimum 4 postdated cheques of Rs. 1500/- each and above.
3. Investment Dates:
 - i. Monthly Systematic Investment Plan: Cheques can be of the following dates:
 - a. 1st or 10th or 20th of each month
 - b. Investors can also opt for multiple dates within a month and in this case, the cheques can be dated 1st and / or 10th and / or 20th of each month. This is subject to the investor issuing the minimum number of cheques as specified in 2(i) above.
 - ii. Quarterly Systematic Investment Plan: Cheques can be of the following dates:

1st or 10th or 20th of the beginning month of each quarter (January, April, July, October).

Investors should note that SIP facility will not be available during the Initial Offer Period.
4. The first SIP cheque may be accepted on any working day of the month. The balance SIP cheques must be uniformly dated for every month/quarter.
5. All cheques should be for the same amount and same date(s) of each month/quarter over the SIP tenure.
6. Load Structure: Entry Load: In the schemes that have an entry load, the same will currently be waived for SIP investments less than or equal to Rs.10,00,000/- per cheque. However, such investments will be charged load equivalent to the waived entry load, if investments are redeemed/switched out within 365 days from the date of allotment. Exit Load: If applicable to the scheme shall be charged at the time of redemption / switch out.
7. The AMC reserves the right to discontinue the SIP in case of cheque return and debit the cheque return charges to the investor's account.



SECTION IV

LOAD STRUCTURE AND RECURRING EXPENSES

Expenses of the Scheme

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

1. Unitholder Transaction Expenses and Load

Load Structure: The maximum load chargeable under SEBI (MF) Regulations is as under:

Type of Transactions	As a Percentage of relevant NAV
Maximum sales load imposed on ongoing sales	Upto 7%
Maximum Contingent deferred sales load	Upto 7%
Maximum redemption / repurchase load	Upto 7%
Maximum switchover load	Upto 7%

The repurchase price shall not be lower than 93% of the NAV and the sale price shall not be higher than 107% of the NAV and the difference between the repurchase price and sale price shall not exceed 7% on the sale price.

Current Load Structure (as a % of relevant NAV)

Currently, the Fund intends to charge the following load:

Particulars	During the Initial Offer (% of NAV)	On an Ongoing Basis (% of NAV)
Sales Load on Sale of Units	<ul style="list-style-type: none"> • 2.25% for each Purchase/ switch-in of units less than Rs. 5 crores in value • Nil for each Purchase/ switch-in of units, equal to or greater than Rs. 5 crores in value. 	<ul style="list-style-type: none"> • 2.25% for each Purchase/ switch-in of units less than Rs. 5 crores in value • Nil for each Purchase/ switch-in of units, equal to or greater than Rs. 5 crores in value.
Sales Load on issue of Units in lieu of dividends	Nil	Nil
Contingent Deferred Sales Charge ("CDSC")	Nil	Nil
Maximum Redemption / Exit Load	1% for any redemption / switch-out of units within 6 months from the date of allotment.	1% for any redemption / switch-out of units within months from the date of allotment.

In case of SIP Investments, please refer page 22 for applicable load structure.

Entry load collected during the initial offer period shall be used to meet initial issue expenses. No entry load shall be charged on the units subscribed by any Fund of Funds Scheme.

During the Initial Offer Period, an Entry Load of 2.25% will be charged for each sale of Units for an amount less than Rs. 5 crores in value, as a consequence, the Sale Price per Unit will be Rs. 10.225 for such investments.

The Sale Price will be calculated using the following formula:

$$\begin{aligned} \text{Sale Price} &= \text{Initial Offer Price} * (1 + \text{Sales Load}) \\ &= \text{Rs. } 10.00 * (1 + 0.0225) \\ &= \text{Rs. } 10.00 * (1.0225) \\ &= \text{Rs. } 10.225 \end{aligned}$$

For the purpose of calculating the Entry Load each sale / transaction made into the Scheme will be tracked separately.

The AMC reserves the right to change/modify entry / exit / switchover load (including zero load), depending upon the circumstances prevailing at any given time. However any change in the load structure shall be applicable on prospective investment only. The AMC may charge an entry / exit load for switch of units from one option to

another option within the Scheme and/ or switch over load depending upon the circumstances prevailing at any given time. The switchover load may be different for different options and the switchover load may be different from the entry and /or exit load charged for sale and/or repurchase units. The load charged could also be different for different options of the Scheme at the same time and different as regards the amount/tenor of investment, etc.

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

Any imposition or enhancement of Load in future shall be applicable on prospective investments only. At the time of changing the Load Structure:

- I. The addendum detailing the changes will be attached to Offer Document and Abridged Offer Document. The addendum will 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 will be sent alongwith the newsletter sent to the Unit holders immediately after the changes.
- II. Arrangements will be made to display the changes / modifications in the Offer Document in the form of a notice in all the Investor Service Centres and distributors / brokers office.
- III. The introduction of the Exit Load alongwith the details will be disclosed in the Account Statement or in the covering letter issued to the Unit holders after the introduction of such Load.

2. Initial Issue Expenses

Under the SEBI Regulations, the Mutual Fund is entitled to charge initial issue expenses upto a maximum of 6% of the initial resources raised under the Scheme. Any amount in excess of the above limits will be borne by the AMC.

Initial Issue Expenses under the scheme are estimated as under:

Initial Issue Expense Head	As a % of Target Mobilisation
Advertising, Marketing, Printing and Distribution Expenses.	0.75
Collection and Registrars Expenses	0.25
Bank Charges and other Expenses	0.25
Selling expenses including Commission to Agents/ Brokers	3.00
Total	4.25

The above estimates are based on the minimum subscription (target) amount for the Scheme and are subject to change both inter-se and as an increase or decrease as per actual.

Above estimates are based on a corpus of Rs. 1 crore and would change to the extent assets are lower or higher. The above expenses are subject to inter-se change and may increase/ decrease as per actual and/ or any change in regulations.

The initial issue expenses (over and above the load charged) will be debited to the scheme (subject to a maximum of 2% of the initial resources raised under the Scheme) and would be amortised over a period of five years and would be included in the NAV. However the same would not be included in the NAV for determining the Investment Management and Trustee Fees. Any amount in excess of 4.25% of the initial resources raised under the scheme, will be borne by the AMC. The above is as per SEBI Regulations including Schedule VII and X thereof. The same can further be illustrated as follows:

Face Value of Units (Rs. Per Unit)	A	10
Entry Load (% of Face Value)	B	2.25
Entry Load (Rs. Per unit) (A * B)	C	0.2250
Issue Price (A + C)	D	10.2250
Max Initial Issue Exp (6%) (A * 6%)	E	0.60
Estimated Initial Issue Expenses	F	0.425
Estimated Initial Issue exp to borne out of entry load during the Initial Issue (= C)	G	0.2250
Balance Initial Issue Expenses to be charged to the scheme (F - G)	H	0.2000
Amount available for investment for every Rs. 10 plus entry load contributed by the investor (D - G - H)	I	9.8000
Amortisation of Initial Issue expenses per day (Rs. Per unit) (H/365*5)	J	0.0001
Balance Initial Issue Expenses to be carried forward (H-J) (Rs. Per Unit)	K	0.1999
NAV on day 1 (I + K) (Rs. Per unit)	L	9.9999

Note: Initial Issue Expenses charged to the scheme will be amortised over a period of five years or such shorter period as may be approved by the Trustees.



3. Annual Scheme Recurring Expenses

The fees and expenses of operating the scheme on an annual basis, expressed as a percentage of the scheme average net assets, are estimated as follows:

(% per annum of average weekly net assets)

Expense Head	% per annum of average net assets
Investment Management and Advisory Fee	1.25%
Marketing & Selling expenses including agents commission	0.40%
Registrar & Transfer Agent Fees	0.25%
Such other expenses, which are directly attributable to the Scheme	0.20%
Total estimated recurring expenses	2.10%
Amortized Portion of Initial Issue Expenses*	0.40%
TOTAL	2.50%

* The Initial Issue Expenses to the extent borne by the Scheme and amortised over a period of five years will be within the maximum limit of annual recurring expense that can be charged to the Scheme as per the SEBI Regulations. To the extent that the amortised portion of the initial issue expenses falls short of the above stated percentage (ie, 0.40%), such portion will be adjusted against the total Annual Recurring Expenses charged to the Scheme, subject overall to the maximum permissible limits as per the SEBI Regulations, at all points in time.

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

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

First Rs. 100 Crores	Next Rs. 300 Crores	Next Rs. 300 Crores	Over Rs. 700 Crores
2.50%	2.25%	2.00%	1.75%

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

Initial Issue Expenses for the Schemes launched in last one year

Birla MIP-II Birla Dynamic Bond Fund (BDBF) 6 Plans under Birla Fixed Maturity Plans (BFMP) and Birla Fixed Term Plan - Series A, B and C (BFTP-Series A,B & C) were launched during the last one-year. The initial issue expenses for BBIF, BFRF, Birla MIP-II, BDBF, BFMPs and BFTP-Series A, B and C were borne by the AMC.

Condensed Financial Information- In respect of the Schemes launched during the last three fiscal years for last 3 financial years, and NAV and Returns as on May 18, 2005.

Birla Index Fund

HISTORICAL PER UNIT STATISTICS	Dividend 2004-05		Dividend 2003-04		Dividend 2002-03	
	(Unaudited)					
NAV at the beginning of the year/period	10.2896	18.3905	10.0821	10.0821	NA	NA
Net Income per unit	-1.34		13.59	3.08	0.14	0.26
Dividends (Rs. Per unit)	-	-	7.25	-	-	-
Transfer to reserves (if any)	-	-	-	-	-	-
NAV at the end of the year/period	11.5018	20.7899	10.2896	18.3905	10.021	10.021
Annualised / absolute return since inception till end of the year/period	33.44%		48.64%		0.21%	
Returns on Benchmark index since inception till end of the year/period	32.60%		45.57%		-1.68%	
Net Assets at end of the year/period (Rs. Crs.)	5.35		37.49		2.35	
Ratio of Recurring Expenses to net assets	1.50%		1.01%		0.99%	
NAV as on May 18, 2005	11.2879		20.3997			
Annualised / absolute returns since inception upto May 18, 2005	30.63%					
Returns on Benchmark index	29.49%					
Date of Allotment	17/Sep/02					
Benchmark Index	S&P CNX Nifty					

Birla Midcap Fund

HISTORICAL PER UNIT STATISTICS	Dividend 2004-05		Dividend 2003-04		Dividend 2002-03	
	(Unaudited)					
NAV at the beginning of the year/period	11.43	21.23	9.33	9.86	NA	NA
Net Income per unit	1.48		0.99		1.16	
Dividends	2.25		8		0.5	
Transfer to reserves (if any)	-		-		-	
NAV at the end of the year/period	14.72	32.48	11.43	21.23	9.25	9.77
Annualised / absolute return since inception till end of the year/period	61.50%		65.16%		-2.50%	
Returns on Benchmark index since inception till end of the year/period	74.89%		78.10%		-5.64%	
Net Assets at end of the year/period (Rs. Crs.)	142.18		149.19		5.44	
Ratio of Recurring Expenses to net assets	2.46%		2.49%		2.29%	
NAV as on May 18, 2005	15.53		33.83			
Annualised / absolute returns since inception upto May 18, 2005	60.12%					
Returns on Benchmark index	74.24%					
Date of Allotment	16/Oct/02					
Benchmark Index	CNX Midcap Index					

Birla Dividend Yield Plus

HISTORICAL PER UNIT STATISTICS	Dividend 2004-05		Dividend 2003-04		Dividend 2002-03	
	(Unaudited)					
NAV at the beginning of the year/period	11.21	21.83	9.81	9.81	NA	NA
Net Income per unit	2.18		3.83		9.02	
Dividends	3.20		7.8		-0.02	
Transfer to reserves (if any)	-		-		-	
NAV at the end of the year/period	11.17	28.15	11.21	21.83	9.75	9.75
Annualised / absolute return since inception till end of the year/period	62.31%		97.73%		-2.50%	
Returns on Benchmark index since inception till end of the year/period	48.50%		76.76%		-7.61	
Net Assets at end of the year/period (Rs. Crs.)	611.91		459.53		46.87	
Ratio of Recurring Expenses to net assets	2.24%		2.33%		1.96%	
NAV as on May 18, 2005	11.47		28.91			
Annualised / absolute returns since inception upto May 18, 2005	59.68%					
Returns on Benchmark index	44.74%					
Date of Allotment	10/Feb/03					
Benchmark Index	CNX 500 Index					

Birla Asset Allocation Fund

HISTORICAL PER UNIT STATISTICS	Conservative Plan		Dynamic Debt Plan*		Dividend 2003-04	
	2004-05		2004-05		2003-04	
	(Unaudited)		(Unaudited)			
NAV at the beginning of the year/period	9.9611	9.9610	10	10	10.1234	10.1234
Net Income per unit	0.86		-0.04		0.04	
Dividends	-		-		-	
Transfer to reserves (if any)	-		-		-	
NAV at the end of the year/period	10.0457	10.0457	9.9611	9.961	10.1234	10.1234
Annualised / absolute return since inception till end of the year/period	8.75%		-0.39%		1.23%	
Returns on Benchmark index since inception till end of the year/period	2.67%		0.10%		0.76%	
Net Assets at end of the year/period (Rs. Crs.)	7.98		19.03		37.87	
Ratio of Recurring Expenses to net assets	0.22%		0.00%		0.00%	
NAV as on May 18, 2005	11.1330		11.1330			
Annualised / absolute returns since inception upto May 18, 2005	8.49%		-			
Returns on Benchmark index	2.37%		-			
Date of Allotment	23-Jan-04		23-Jan-04			
Benchmark Index	Crisil MIP Blended Index		Crisil Liquid Fund Index			

* This Plan has been wound up on December 31, 2004.



Birla Sun Life
Mutual Fund

Birla Asset Allocation Fund

HISTORICAL PER UNIT STATISTICS	Moderate Plan				Aggressive Plan			
	Dividend 2004-05 (Unaudited)	Growth 2004-05 (Unaudited)	Dividend 2003-04	Growth 2003-04	Dividend 2004-05 (Unaudited)	Growth 2004-05 (Unaudited)	Dividend 2003-04	Growth 2003-04
NAV at the beginning of the year/period	9.8273	9.8273	10	10	9.6857	9.6857	10	10
Net Income per unit	1.69	-0.08	-0.08	-0.08	2.65	-0.1467	-0.1431	-0.1431
Dividends	-	-	-	-	-	-	-	-
Transfer to reserves (if any)	-	-	-	-	-	-	-	-
NAV at the end of the year/period	11.6922	11.6922	9.8273	9.8273	12.0247	12.0247	9.6857	9.6857
Annualised / absolute return since inception till end of the year/period	14.09%	-1.73%	-	-	16.82%	-3.14%	-	-
Returns on Benchmark index since inception till end of the year/period	7.23%	2.15%	-	-	8.52%	-9.37%	-	-
Net Assets at end of the year/period (Rs. Crs.)	7.69	17.21	-	-	8.61	21.75	-	-
Ratio of Recurring Expenses to net assets	0.23%	-	-	-	0.24%	0.00%	-	-
NAV as on May 18, 2005	11.9839	11.9839	-	-	12.4072	12.4072	-	-
Annualised / absolute returns since inception upto May 18, 2005	14.72%	-	-	-	17.78%	-	-	-
Returns on Benchmark index	5.56%	-	-	-	5.51%	-	-	-
Date of Allotment	23-Jan-04	-	-	-	23-Jan-04	-	-	-
Benchmark Index	Crisil Balanced Fund Index				S&P CNX Nifty Index			

Birla Floating Rate Fund

HISTORICAL PER UNIT STATISTICS	Long Term Plan				Short Term Plan			
	Dividend 2004-05 (Unaudited)	Growth 2004-05 (Unaudited)	Dividend 2003-04	Growth 2003-04	Dividend 2004-05 (Unaudited)	Growth 2004-05 (Unaudited)	Dividend 2003-04	Growth 2003-04
NAV at the beginning of the year/period	10.3571	10.4297	10	10	10.3454	10.3994	10	10
Net Income per unit	0.40	0.1637	0.1124	0.1124	0.46	0.1012	0.0733	0.0733
Dividends	0.4821	-	0.0642	-	0.4646	-	0.0479	-
Transfer to reserves (if any)	-	-	-	-	-	-	-	-
NAV at the end of the year/period	10.3847	10.9545	10.3571	10.4297	10.3776	10.9100	10.3454	10.3994
Annualised / absolute return since inception till end of the year/period	5.12%	4.30%*	-	-	4.89%	3.99%*	-	-
Returns on Benchmark index since inception till end of the year/period	4.14%	3.37%*	-	-	4.14%	3.37%*	-	-
Net Assets at end of the year/period (Rs. Crs.)	426.24	66.71	773.89	773.89	147.54	147.54	-	-
Ratio of Recurring Expenses to net assets	0.86%	0.84%	-	-	0.75%	0.84%	-	-
NAV as on May 18, 2005	10.4070	11.0363	-	-	10.3768	10.9641	-	-
Annualised / absolute returns since inception upto May 18, 2005	5.17%	-	-	-	4.93%	-	-	-
Returns on Benchmark index	4.18%	-	-	-	4.18%	-	-	-
Date of Allotment	4-Jun-03	-	-	-	4-Jun-03	-	-	-
Benchmark Index	Crisil Liquid Fund Index				Crisil Liquid Fund Index			

Birla Bond Index Fund

HISTORICAL PER UNIT STATISTICS	Dividend 2004-05 (Unaudited)	Growth 2004-05 (Unaudited)	Dividend 2003-04	Growth 2003-04
NAV at the beginning of the year/period	10.3765	10.7525	10	10
Net Income per unit	-1.67	1.2562	1.1866	1.1866
Dividends	0.0903	-	0.3285	-
Transfer to reserves (if any)	-	-	-	-
NAV at the end of the year/period	10.2146	10.6845	10.3765	10.7525
Annualised / absolute return since inception till end of the year/period	3.48%	7.53%	-	-
Returns on Benchmark index since inception till end of the year/period	3.43%	6.42%	-	-
Net Assets at end of the year/period (Rs. Crs.)	6.01	68.34	-	-
Ratio of Recurring Expenses to net assets	0.89%	0.84%	-	-
NAV as on May 18, 2005	10.2066	10.6763	-	-
Annualised / absolute returns since inception upto May 18, 2005	3.21%	-	-	-
Returns on Benchmark index	3.37%	-	-	-
Date of Allotment	24-April-03			
Benchmark Index	Crisil Composite Bond Fund Index			

Birla MIP II

HISTORICAL PER UNIT STATISTICS	Savings 5 Plan		Wealth 25 Plan	
	Dividend 2004-05 (Unaudited)	Growth/ Payment 2004-05 (Unaudited)	Dividend 2004-05 (Unaudited)	Growth/ Payment 2004-05 (Unaudited)
NAV at the beginning of the year/period	NA	NA	NA	NA
Net Income per unit	0.84	-	0.71	-
Dividends	0.2451	-	0.4700	-
Transfer to reserves (if any)	-	-	-	-
NAV at the end of the year/period	10.1183	10.3659	10.3909	10.8666
Annualised / absolute return since inception till end of the year/period	3.66%	-	8.67%	-
Returns on Benchmark index since inception till end of the year/period	1.7%	-	1.7%	-
Net Assets at end of the year/period (Rs. Crs.)	16.90	-	121.55	-
Ratio of Recurring Expenses to net assets	1.61%	-	2.26%	-
NAV as on May 18, 2005	10.1393	10.4181	10.3703	10.9002
Annualised / absolute returns since inception upto May 18, 2005	3.99%	-	8.58%	-
Returns on Benchmark index	1.58%	-	1.58%	-
Date of Allotment	1-May-04			
Benchmark Index	Crisil MIP Blended Index			

Birla Fixed Maturity Plan

HISTORICAL PER UNIT STATISTICS	Quarterly Series 1		Quarterly Series 2		Quarterly Series 3	
	Dividend 2004-05 (Unaudited)	Growth 2004-05 (Unaudited)	Dividend 2004-05 (Unaudited)	Growth 2004-05 (Unaudited)	Dividend 2004-05 (Unaudited)	Growth 2004-05 (Unaudited)
NAV at the beginning of the year/period	NA	NA	NA	NA	NA	NA
Net Income per unit	1.43	-	0.41	-	0.25	-
Dividends	0.2471	-	0.2392	-	-	-
Transfer to reserves (if any)	-	-	-	-	-	-
NAV at the end of the year/period	10.0044	10.3319	10.0046	10.3014	10.0046	10.2501
Annualised / absolute return since inception till end of the year/period	3.32%	-	3.01%	-	2.50%	-
Returns on Benchmark index since inception till end of the year/period	2.91%	-	2.65%	-	2.28%	-
Net Assets at end of the year/period (Rs. Crs.)	43.32	-	132.64	-	97.78	-
Ratio of Recurring Expenses to net assets	0.17%	-	0.14%	-	0.07%	-
NAV as on May 18, 2005	10.0089	10.3946	10.0786	10.3776	10.0623	10.3150
Annualised / absolute returns since inception upto May 18, 2005	3.95%	-	1.20%	-	1.19%	-
Returns on Benchmark index	3.43%	-	3.13%	-	2.84%	-
Date of Allotment	3-Aug-04	-	31-Aug-04	-	30-Sep-04	-
Benchmark Index	Crisil Liquid Fund Index					

Birla Fixed Maturity Plan

HISTORICAL PER UNIT STATISTICS	Annual Series 1		Annual Series 2		Annual Series 3		1 Year Plan- Group 14*	
	Dividend 2004-05 (Unaudited)	Growth 2004-05 (Unaudited)	Dividend 2004-05 (Unaudited)	Growth 2004-05 (Unaudited)	Dividend 2004-05 (Unaudited)	Growth 2004-05 (Unaudited)	Dividend 2004-05 (Unaudited)	Growth 2004-05 (Unaudited)
NAV at the beginning of the year/period	NA	NA	NA	NA	NA	NA	10.0055	10.0550
Net Income per unit	0.31	-	0.28	-	0.23	-	0.79	-
Dividends	-	-	-	-	-	-	-	-
Transfer to reserves (if any)	-	-	-	-	-	-	-	-
NAV at the end of the year/period	10.2842	10.2842	10.2464	10.2464	12.2280	12.2280	10.5434	10.5434
Annualised / absolute return since inception till end of the year/period	2.84%	-	2.46%	-	2.28%	-	5.43%	-
Returns on Benchmark index since inception till end of the year/period	2.49%	-	2.18%	-	1.90%	-	4.17%	-
Net Assets at end of the year/period (Rs. Crs.)	80.88	-	20.44	-	58.51	-	95.29	-
Ratio of Recurring Expenses to net assets	0.27%	-	0.34%	-	0.14%	-	0.23%	-
NAV as on May 18, 2005	10.3586	10.3586	10.3227	10.3227	10.3074	10.3074	-	-
Annualised / absolute returns since inception upto May 18, 2005	3.59%	-	3.23%	-	3.07%	-	-	-
Returns on Benchmark index	2.92%	-	2.59%	-	2.46%	-	-	-
Date of Allotment	20-Sep-04	-	25-Oct-04	-	10-Nov-04	-	26-Mar-04	-
Benchmark Index	Crisil Liquid Fund Index							

* This Plan matured on April 11, 2005.



Birla Sun Life
Mutual Fund

Birla Cash Plus- Sweep Plan- Dividend Option

HISTORICAL PER UNIT STATISTICS	Dividend 2004-05 (Unaudited)	Dividend 2003-04
NAV at the beginning of the year/period	10.0418	10
Net Income per unit	0.32	0.2
Dividends	0.2961	0.065
Transfer to reserves (if any)	-	-
NAV at the end of the year/period	10.0502	10.0418
Annualised / absolute return since inception till end of the year/period	2.86%	2.51%
Returns on Benchmark index since inception till end of the year/period	4.13%	1.70%
Net Assets at end of the year/period (Rs. Crs.)	21.58	31.99
Ratio of Recurring Expenses to net assets	1.10%	0.29%
NAV as on May 18, 2005	10.0509	
Annualised / absolute returns since inception upto May 18, 2005	2.96%	
Returns on Benchmark index	4.13%	
Date of Allotment	20-Oct-03	
Benchmark Index	Crisil Liquid Fund Index	

Birla Dynamic Bond Fund

HISTORICAL PER UNIT STATISTICS	Institutional Premium Plan*		Institutional Plan*		Retail Plan	
	Dividend 2004-05 (Unaudited)	Growth 2004-05 (Unaudited)	Dividend 2004-05 (Unaudited)	Growth 2004-05 (Unaudited)	Dividend 2004-05 (Unaudited)	Growth 2004-05 (Unaudited)
NAV at the beginning of the year/period	NA	NA	NA	NA	NA	NA
Net Income per unit	-	-	-	-	1.08	-
Dividends	0.1405 (Mthly Div)	-	0.1317 (Mthly Div)	-	0.0800 (Qtly Div)	-
Transfer to reserves (if any)	-	-	-	-	-	-
NAV at the end of the year/period	-	-	-	-	10.2360	10.1617
Annualised / absolute return since inception till end of the year/period	-	-	-	-	2.36%	-
Returns on Benchmark index since inception till end of the year/period	-	-	-	-	1.71%	-
Net Assets at end of the year/period (Rs. Crs.)	-	-	18.22	-	-	-
Ratio of Recurring Expenses to net assets	-	-	0.19%	-	-	-
NAV as on May 18, 2005	10.3166	10.2417	-	-	-	-
Annualised / absolute returns since inception upto May 18, 2005	3.17%	-	-	-	-	-
Returns on Benchmark index	2.02%	-	-	-	-	-
Date of Allotment	24-Sep-04	-	24-Sep-04	-	24-Sep-04	-
Benchmark Index	Crisil Composite Bond Fund Index					

* This Plan has been wound up on December 31, 2004.

Birla Fixed Term Plan

HISTORICAL PER UNIT STATISTICS	Series A		Series B		Series C	
	Dividend	Growth	Dividend	Growth	Dividend	Growth
NAV at the beginning of the year/period	NA	NA	NA	NA	NA	NA
Net Income per unit	0.09	-	0.05	-	0.01	-
Dividends	-	-	-	-	-	-
Transfer to reserves (if any)	-	-	-	-	-	-
NAV at the end of the year/period	10.0967	10.0967	10.0559	10.0559	10.0134	10.0134
Annualised / absolute return since inception till end of the year/period	0.97%	-	0.56%	-	0.13%	-
Returns on Benchmark index since inception till end of the year/period	1.25%	-	1.18%	-	0.20%	-
Net Assets at end of the year/period (Rs. Crs.)	817.97	-	805.19	-	270.38	-
Ratio of Recurring Expenses to net assets	0.25%	-	0.16%	-	0.25%	-
NAV as on May 18, 2005	10.2005	10.2005	10.1319	10.1319	10.1209	10.1209
Annualised / absolute returns since inception upto May 18, 2005	2.00%	-	1.32%	-	1.21%	-
Returns on Benchmark index	1.08%	-	0.62%	-	0.46%	-
Date of Allotment	8-Feb-05	-	8-Mar-05	-	22-Mar-05	-
Benchmark Index	Crisil Composite Bond Fund Index					

NOTES:

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

Borrowing of the Mutual Fund

As on date, the Mutual Fund does not have any borrowing.



SECTION V

Unitholders' Rights and Services

Investor Services

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

Official Points of Acceptance of Transactions

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

Account Statement

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

Information Dissemination And Periodic Disclosure

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

AMC shall update the NAVs on the website of Association of Mutual Funds in India - AMFI (www.amfiindia.com) by 8.00p.m. every day. In case of any delay, the reasons for such delay would be explained to AMFI and SEBI by the next day. If the NAVs are not available before commencement of business hours on the following day due to any reason, Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs. The Sale and Redemption price of Units shall be published in a daily newspaper in accordance with SEBI Regulations.

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

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

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

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

Rights of Unitholders of the Scheme

- Unit holders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme.
- When the Mutual Fund declares a dividend under the Scheme, the dividend warrants shall be despatched within 30 days of the declaration of the dividend.
- Account Statement reflecting the new or additional subscription as well as Redemption / Switch of Units shall be despatched to the Unit holder within 10 business days from the date of receipt of the request from the Unit holder.

Provided if a Unit holder so desires the Mutual Fund shall issue a Unit certificate (non-transferable) within 30 days of the receipt of request for the certificate.

- As per SEBI Regulations, the Mutual Fund shall dispatch Redemption proceeds within 10 Business Days of receiving the Redemption request. However, under normal circumstances, the Mutual Fund will endeavour to dispatch the Redemption cheque within 3 Business Days (4 Business Days in case of Birla Index Fund) from the acceptance of the Redemption request.
- The Trustee is bound to make such disclosures to the Unit holders as are essential in order to keep them informed about any information known to the Trustee which may have a material adverse bearing on their investments.
- The appointment of the AMC for the Mutual Fund can be terminated by majority of the Directors of the Trustee of by 75% of the Unit holders of the Scheme.
- The Trustee is obliged to convene a meeting on a requisition of 75% of the Unit holders of a Scheme.
- 75% of the Unit holders of a Scheme can pass a resolution to wind-up a Scheme.
- The Trustee shall obtain the consent of the Unit holders:
 - whenever required to do so by SEBI, in the interest of the Unit holders.
 - whenever required to do so on the requisition made by three-fourths of the Unit holders of the Scheme.
 - when the Trustee decides to wind up the Scheme or prematurely redeem the Units.
 - The Trustee shall ensure that no change in the fundamental attributes of any Scheme or the trust or fees and expenses payable or any other change which would modify the Scheme and affects the interest of Unit holders, shall be carried out unless :
 - (i) a written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
 - (ii) the Unit holders are given an option to exit at the prevailing Net Asset Value without any Exit Load.
- In specified circumstances where the approval of unitholders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.

Duration Of The Scheme/ Winding Up

Being open ended, the Scheme have a perpetual life. However, in terms of the SEBI Regulations, the Scheme may be wound up after repaying the amount due to the Unitholders:

- on the happening of any event which, in the opinion of the Trustee, requires the Scheme to be wound up; or
- if seventy five percent of the Unitholders of the Scheme pass a resolution that the Scheme be wound up; or
- if SEBI directs the Scheme to be wound up in the interest of the Unitholders.

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

- to SEBI; and
- in two daily newspapers having circulation all over India and also in a vernacular newspaper circulating at the place where the head office of the Mutual Fund is situated.

EFFECT OF WINDING UP

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

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

PROCEDURE AND MANNER OF WINDING UP

- The Trustee shall call a meeting of the Unitholders of the Scheme to consider and pass necessary resolutions by simple majority of Unitholders present and



voting at the meeting for authorising the Trustee or any other person / agency to take the steps for winding up of the Scheme.

- (a) The Trustee or the person authorised as above, shall dispose the assets of the Scheme concerned in the best interests of the Unitholders of the Scheme.
 - (b) The proceeds of the sale made in pursuance of the above, shall in the first instance be utilised towards discharge of such liabilities as are properly due under the Scheme and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the Unitholders in proportion to their respective interests in the assets of the Scheme as on the date when the decision for the winding up was taken.
2. On the completion of the winding up, the Trustee shall forward to SEBI and the Unitholders, a report on the winding up containing particulars such as circumstances leading to the winding up, the steps taken for disposal of assets of the Scheme before winding up, expenses of the Scheme for winding up, net assets available for distribution to the Unitholders and a certificate from the Auditors of the Mutual Fund.
 3. Notwithstanding anything contained herein, the application of the provisions of the SEBI Regulations in respect of disclosures of half-yearly reports and annual reports shall continue to be applicable until the winding up is completed or the Scheme ceases to exist.
 4. After the receipt of the report on the winding up referred to the above, if SEBI is satisfied that all measures for winding up of the Scheme have been complied with, the Scheme shall cease to exist.



SECTION VI

Other Matters

Unitholders Grievances Redressal Mechanism

Investors may contact the ISCs or the office of the AMC for any queries /clarifications. The Head Office of the AMC will follow up with the respective ISC to ensure timely redressal and prompt investor services. Mr. K. R. Viswanarayan, Chief Financial Officer and Head- Investor Services can be contacted at the office of the AMC at Ahura Centre, 2nd Floor, Tower A, 96/A-D, Mahakali Caves Road, Andheri - (East) Mumbai 400093. at Telephone nos. (022) 56928000 Fax no. (022) 56928111.

Investor Complaints

Given below is the status of Investor Complaints

Complaints Redressal Statistics April 1999 - May 16, 2005

Scheme	Complaints Received	Complaints Redressed	Complaints Pending
Birla Advantage Fund	8614	8606	8
Birla Asset Allocation Fund	326	325	1
Birla Balance	6694	6693	1
Birla Bond Plus	54	54	0
Birla Bond Index Fund	30	30	0
Birla Cash Plus	708	708	0
Birla Dividend Yield Plus	913	908	5
Birla Dynamic Bond	5	5	0
Birla Equity Plan	2411	2409	2
Birla Floating Rate Fund	17	17	0
Birla FMP	8	8	0
Birla Gilt Plus	430	430	0
Birla Income Plus	8656	8654	2
Birla Index Fund	6	6	0
Birla India Opportunities Fund	9887	9886	1
Birla MIP	1030	1027	3
Birla MNC Fund	9533	9533	0
Birla Midcap	177	177	0
Birla MIP II Saving 05	53	53	0
Birla MIP II Wealth 25	260	260	0
Birla Taxplan '98	55	55	0
General	232	227	5
TOTAL	50099	50071	28

Associate Transactions

Business given to associates of BSLAMC and Payments made to sponsor and its associates during the last 3 financial years are given below:

Name	Amount Paid (Rs.)		
	2002-03	2003-04	2004-05
Birla Sun Life Securities Ltd.*	7,305,337.00	873,873.47	168,887.30
Birla Sun Life Distribution Co. Ltd.	46,345,243.00	2,144,713.04	45,870,325.14
Birla Sun Life Trustee Co. Pvt. Ltd.	500,000.00	500,000.00	500,000.00
Birla Global Finance Ltd.	4,325,714.00	14,275,449.08	11,106,737.84

* Birla Sun Life Securities Ltd. has subsequently ceased to be an associate of BSLAMC.

Investments in Group companies of BSLAMC

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

As on March 31, 2005 investments made in the securities of Group Companies of the sponsor stood as follows:

Scheme	Name of the Security	Security Category	Amount (Rs. in Lacs)	% of Net Assets of the Scheme
Birla Advantage Fund	Grasim Industries Ltd.	Equity	906.20	1.96%
Birla Balance Fund	Grasim Industries Ltd.	Equity	212.38	1.53%
Birla Bond Index Fund	Hindalco Industries Ltd.	Debt	49.58	8.25%
India Excel (Offshore) Fund	Grasim Industries Ltd.	Equity	365.90	1.98%
Birla Fixed Term Plan -C	Hindalco Industries Ltd.	Debt	520.65	1.93%
Birla India Advantage (Offshore) Fund	Grasim Industries Ltd.	Equity	707.53	1.98%
Birla Monthly Income Plan	Grasim Industries Ltd.	Equity	180.98	0.37%
	Hindalco Industries Ltd.	Debt	502.62	1.03%
Birla MIP25	Grasim Industries Ltd.	Equity	76.46	0.63%
Birla MIP5	Grasim Industries Ltd.	Equity	5.16	0.31%
Birla Index Fund	Grasim Industries Ltd.	Equity	5.45	1.02%
	Hindalco Industries Ltd.	Equity	5.84	1.09%
Birla Income Plus	Hindalco Industries Ltd.	Debt	2,930.76	6.97%
Indian Aluminium Company Limited		Debt	1,001.17	2.38%
Indo Gulf Corporation Limited		Debt	107.15	0.25%

The above investments constitute 0.69% of the total net assets of the Fund as on March 31, 2005. The above investments were considered sound. Before making an investment, the AMC evaluated the same on merits and on arm's length basis and in accordance with the objective of the scheme.

Business dealings / transactions with associates of BSLAMC

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

Underwriting Obligations with respect to issues of Associate Companies -

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



Birla Sun Life
Mutual Fund

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

Details of subscription in issues where Birla Global Finance Limited, the Sponsor, was the arranger:

Scheme	Security Description	Amount [Rs in Crores]
Birla Cash Plus	5.65pcGarden Silk Mill 63Days NCD Red29 Jun04	15.00
Birla Bond Plus	NM Plus5Bp Indian Oiltanking 89Days NCD Red 26 Jul2004	5.00
Birla Cash Plus	NM Plus 5 BpsCentText ltd 89Days SecNCD Red 28Jul04	20.00
Birla Cash Plus	5.65pc Swaraj Engines 89Days UnsecNCD Red28Jul04	5.00
Birla Cash Plus	5.65pcGarden Silk Mill UnsecUnrtd48DaysNCD Red28Jun04	10.00
Birla Cash Plus	NM Plus 0 Bps Century Textiles Ltd ltd 88Days SecNcd Red 20Aug04	20.00
Birla Cash Plus	NM Plus0Bps IndianOiltanking 87DaysNCD Red 20Aug2004	5.00
Birla Cash Plus	5.65pc Swaraj Mazda Ltd 78 Days Unsec NCD Red 29Sep04	5.00
Birla Cash Plus	NSE MIBOR Cent Tex and Ind 87Days SecNCD Red11Oct04	10.00
Birla Cash Plus	5.65pc Swaraj Engines Urtld Unsec 89DaysNCD Red13Oct04	5.00
Birla Cash Plus	NM 0Bps IndianOiltanking 88DaysNCD Red 22Oct2004	5.00
Birla Cash Plus	NM plus 0bps Century Textiles 89Days Sec NCDRed25Oct04	20.00
Birla Cash Plus	5.65pc Swaraj Engines Urtld Unsec 60DaysNCD Red28Sep04	5.00
Birla Cash Plus	6pc Swaraj Mazda Ltd 85 Days Unsec NCD Red 10Nov04	5.00
Birla Fixed Maturity Plan - Quarterly Series 2	4.90pc Punjab Tractors 89Days UnsecNCD Red30Nov04	10.00
Birla Cash Plus	NMplus 0bps Century Text 89Days SecNCD Red 1Dec04	45.00
Birla Cash Plus	5.65pc Swaraj Engines Urtld Unsec NCD Red 3 Dec 04	5.00
Birla Cash Plus	5.75pc Swaraj Mazda Ltd 84 Days Unsec NCD Red 22Dec04	5.00
Birla Dynamic Bond Fund	NM Cent Tex and Ind 89Days SecNCD Red27Dec04	20.00
Birla Cash Plus	5.75pc Swaraj Eng 84Days UnrtdUnsecNCD Red24Dec04 DMTLOA	5.00
Birla Cash Plus	5.90pc Swaraj Eng 76Days UnrtdUnsecNCD Red 30Dec04 DMTLOA	5.00
Birla Floating Rate Fund - Short Term Plan	NM plus10bps Cent Tex and Ind 89Days SecNCDRed 2Feb05PHYLOA	20.00
Birla Floating Rate Fund - Short Term Plan	NM plus10bps Cent Tex and Ind 88Days SecNCDRed 4Feb05PhyLoa	20.00
Birla Cash Plus	6.40pc Swaraj Mazda Ltd 84 Days UnsecNCD Red 2Feb2005 PHYLOA	5.00
Birla Cash Plus	NM plus 0bps Century Text. 87Days Secu NCD Red11Mar05 PHYLOA	20.00
Birla Floating Rate Fund - Short Term Plan	NM plus 0bps Century Text. 87Days Secu NCD Red11Mar05 PHYLOA	20.00
Birla Floating Rate Fund - Long Term Plan	NSE Mibor Century Text. 86Days Secu NCD Red18Mar05 PHYLOA	10.00
Birla Floating Rate Fund - Short Term Plan	NSE Mibor Century Text. 86Days Secu NCD Red18Mar05 PHYLOA	10.00
Birla Cash Plus	6.50pc Swaraj Eng 82Days UnrtdUnsecNCD Red 15Mar05 PHYLOA	5.00
Birla Floating Rate Fund - Short Term Plan	NM plus15bps Century Text. 89Days Secu NCD Red29Mar05 PHYLOA	20.00

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

As on March 31, 2005:

Company Name	Schemes invested by the Company	Investment made by schemes of Birla Mutual Fund	Aggregated for the period under Regulation 25(11) As cost (Rs. in Lacs)	Outstanding as at March 31, 2005 At Market/ Fair Market/ Fair (Rs. in Lacs)
ABB Ltd.	LONG	EXCEL	279.71	261.74
		IAF	167.03	NIL
		ITF	126.72	190.11
		MIP25	18.60	NIL
		MNC	658.24	722.38
		NIFTY	85.64	2.44

Ashok Leyland Limited.	FMQSQ2	ADVG	1,580.52	NIL
		BBAL	468.49	NIL
		BBIF	148.09	NIL
		BDYP	631.49	598.29
		EXCEL	103.59	NIL
		IAF	308.04	NIL
		MIDCAP	1,195.13	NIL
		MIP	265.41	NIL
		MIP25	106.04	NIL
		TAX98	12.41	NIL
		TAX99	124.23	NIL
		Ashok Leyland Finance Ltd. (Subsidiary of Ashok Leyland Ltd. & Subsequently merged with Indusind Bank)	\$\$	BBP	6,847.27	NIL
BDYP	548.60			743.69
BFL	800.19			NIL
BFS	800.27			NIL
CASH	13,514.67			2,468.37
MIP	500.00			NIL
		FMQSQ2	3,944.22	3,957.38
Bank Of Baroda	BBP BFS	ADVG	4,189.40	NIL
		BBAL	2,527.77	NIL
		BBIF	230.72	NIL
		BBP	1,301.73	NIL
		BDYP	3,810.80	NIL
		EXCEL	576.56	NIL
		IAF	2,035.35	NIL
		MIP	1,698.97	NIL
Bank Of Maharashtra	MIP25	BDYP	88.85	NIL
		MIP	214.25	NIL
Bharti Tele-Ventures Limited.	BBP	ADVG	6,682.29	3,482.71
		BBAL	1,679.46	655.92
		EXCEL	1,715.47	1,392.07
		IAF	3,699.62	2,690.20
		MIDCAP	1,630.60	286.28
		MIP	967.46	473.47
		MIP25	266.72	180.17
		MIP5	8.88	5.83
		MNC	50.50	NIL
		NIFTY	217.89	18.77
		TAX98	35.30	34.75
		TAX99	329.04	274.08
Cipla Limited.	BBIF	BBAL	237.16	NIL
		EXCEL	190.36	NIL
		IAF	780.63	NIL
		ITF	851.35	254.80
		NIFTY	244.20	3.74
		TAX99	147.57	NIL
Cummins India Limited.	BBIF	BDYP	3,707.01	973.52
		MIP	269.41	NIL
		MNC	180.54	NIL
Dabur India Limited.	BFL	NIFTY	70.72	1.55
Datamatics Technologies Ltd.	BDB	BBAL	132.00	NIL
		EXCEL	92.00	NIL
		IAF	48.27	NIL
		ITF	113.43	71.35
		MIDCAP	36.67	NIL
		MIP	303.85	NIL
		TAX98	0.12	NIL
		TAX99	8.82	NIL
Dr. Reddys Laboratories Ltd.	FMPY14	ADVG	870.65	NIL
		BBAL	50.15	NIL
		ITF	128.99	NIL
		NIFTY	330.70	2.74
Electro Steel Casting Limited.	BBP	BBP	1,000.00	NIL
		BFS	1,999.90	NIL
		CASH	7,473.68	1,500.00
		MIP	1,137.36	NIL
		PLUS	1,062.91	1,062.29
Finolex Industries Limited.	FMPQ1 FMPQSQ2	BFS	1,000.00	NIL
		MIP	2,000.00	NIL
Global Trade Finance Pvt Ltd.	BBP BDB	BBAL	100.00	NIL
		BBP	3,500.02	NIL
		BDB	2,000.00	NIL
		BFS	3,200.00	NIL
		CASH	36,600.01	7,500.00
		PLUS	2,000.00	NIL



Birla Sun Life

Mutual Fund

Grasim Industries Limited.~~	BBP	ADVG	4,033.97	906.20	ICICI Bank Limited.&&&	BCP	ADVG	1,471.97	NIL
	BCP	BBAL	1,022.28	212.38		BBAL	1,855.23	NIL	
	BFL	EXCEL	550.11	365.90		BBP	7,799.29	500.00	
	BFS	IAF	1,389.84	707.53		BDB	1,463.51	981.61	
	FMPYS1	MIP	509.64	180.98		BDYP	3,005.65	NIL	
	FMPAS2	MIP25	234.79	76.46		BFL	7,607.23	3,049.60	
	FMPAS3	MIP5	82.84	5.16		BFS	6,141.59	82.97	
	FMPQ1	NIFTY	279.51	5.45		CASH	139,385.91	46,701.86	
	FMPQS2	PLUS	507.33	NIL		CASHDIV	571.68	82.01	
	FMPQS3	TAX98	25.61	NIL		EXCEL	36.68	NIL	
	FTPA	TAX99	106.35	NIL		FMPAS2	319.81	319.63	
						FMPAS3	212.83	122.53	
	Gujarat Gas Company Ltd.	FMPQ1	MNC	523.15		155.83	FMPQS2	883.00	885.37
Gujarat Gas Trading Co. Ltd. (Subsidiary of Gujarat Gas Ltd.)	BBP	% %	% %	% %	FMPY14	755.67	729.13		
	FMPQS2				FMPYS1	194.98	196.75		
HCL Corporation Ltd. ^^	FMPQS2	^^	^^	^^	IAF	146.72	NIL		
HCL Infosystems Ltd. (Subsidiary of HCL Corporation Ltd.)	^^	ITF	831.70	447.53	MIP	7,628.53	3,581.85		
HCL Technologies Ltd. (Subsidiary of HCL Corporation Ltd.)	BBP	ADVG	1,354.09	855.61	MIP25	674.10	636.39		
	FT3	BDYP	883.65	926.00	MIP5	1,164.00	599.22		
		ITF	652.19	NIL	NIFTY	586.51	14.09		
		NIFTY	245.32	5.40	PLUS	3,400.31	NIL		
		TAX99	123.03	NIL					
HDFC Bank Ltd.	BBP	BBAL	500.00	45.17	ICICI Securities Limited. &&& (Subsidiary of ICICI Bank)	BFS	BBP	10,500.00	NIL
	BFS	BBP	5,255.29	NIL		CASH	22,475.44	2,983.41	
	FMPQ1	BFL	2,973.57	NIL		FMPQS3	902.59	901.26	
	FMPQS2	BFS	1,982.38	NIL		FMPY14	1,521.16	NIL	
		CASH	35,021.47	NIL		FMPYS1	100.29	100.14	
		CASHDIV	199.67	NIL		MIP	2,519.99	NIL	
		MIP	4,987.49	NIL		PLUS	15,999.87	NIL	
		NIFTY	355.29	7.62	Infrastructure Leasing & Fin.Ser. Ltd.	BFL	BBP	2,445.55	NIL
		PLUS	1,297.87	NIL		BFS	3,471.40	NIL	
Hero Honda Motors Limited. (((	BAC	ADVG	5,075.39	1,203.74		CASH	41,156.03	NIL	
	BDB	BBAL	1,173.09	266.40		CASHSP	491.93	NIL	
	BFS	BDYP	16,291.53	3,391.45		FMPQS3	6,419.59	4,996.28	
	FMPQS2	EXCEL	1,287.74	449.21		MIP	500.00	NIL	
	BFL	IAF	3,032.19	885.77	Indo Gulf Corporation Ltd. (Previously known as Indo Gulf Fertilisers Ltd.)	BDB	ADVG	581.54	NIL
	FMPQ1	MIDCAP	1,486.73	NIL		BCP	BDYP	347.08	NIL
	FMPQS3	MIP	672.69	176.50		BDB	MIP	87.14	NIL
	FTPA	MIP25	242.31	69.62		BFS	TAX98	22.81	NIL
	MIP5	MIP5	46.18	NIL		LONG	TAX99	179.43	NIL
	MIP25	MNC	1,660.41	362.89		FMPY14			
		NIFTY	261.32	5.36		FMPYS1			
		TAX99	122.28	NIL		FMPAS3			
						FMPQ1			
						BBP			
Hero Honda Finlease Ltd. (Subsidiary of Hero Honda Motors Ltd.)	(((	CASH	5,000.00	(((	Industrial Development Bank of India Limited.	BBP	BBAL	1,786.18	1,786.82
Hindalco Industries Limited.****	BAD	ADVG	2,413.28	NIL		BCP	BBIF	1,396.56	NIL
	BBP	BBAL	1,538.46	NIL		BDB	BBP	22,269.40	606.98
	BBIF	BBIF	812.23	49.58		BFL	BDB	529.75	NIL
	BCP	BBP	1,554.14	NIL		BFS	BFL	4,417.66	3,096.47
	BFL	FTPC	521.36	520.65		MIP25	BFS	8,751.68	5,069.26
	BFS	IAF	36.39	NIL			CASH	80,833.66	3,531.51
	INV	MIP	3,411.11	502.62			FMPY14	1,519.13	NIL
	LONG	MIP25	2,325.94	NIL			FTPC	3,657.08	3,654.66
	PLUS	MIP5	542.22	NIL			MIP	13,526.83	2,599.91
	FMPY14	NIFTY	369.72	5.84			MIP25	1,138.65	NIL
	FMPYS1	PLUS	1,897.60	3,037.92			MIP5	553.18	NIL
	FMPAS3	TAX99	17.67	NIL			PLUS	15,137.69	NIL
	FMPQS2				IDBI Bank Limited. (Now Amalgamated with Industrial Bank Of India Limited)	NIFTY	CASH	2,500.00	NIL
	FMPQS3								
	FTPA				Infrastructure Development Finance Company Limited.	BDB	BBIF	147.39	NIL
	BDB					LONG	BBP	483.38	NIL
Hindustan Lever Limited.	BBP	ADVG	3,391.92	NIL		FMPYS1	BFL	1,398.50	NIL
	FTPA	BBAL	953.14	NIL			BFS	4,494.55	NIL
		BDYP	3,482.24	607.41			CASH	18,823.36	NIL
		CASH	1,426.15	NIL			MIP	4,350.38	NIL
		IAF	84.89	NIL			PLUS	6,520.00	NIL
		MIP	2,785.21	NIL					
		MIP25	71.28	NIL	ITC Ltd.	BBP	ADVG	3,161.86	NIL
		MNC	825.28	321.60		BCP	BBAL	916.01	NIL
		NIFTY	1,418.17	14.18		BFS	EXCEL	29.54	NIL
ICI India Limited.^	BSP	BDYP	2,650.12	1,110.23			IAF	118.15	NIL
	FMPY14	BFS	2,000.00	NIL			MIP	385.87	NIL
		CASH	1,100.00	1,100.00			MIP25	59.37	NIL
		MIP	47.77	NIL					
		MNC	210.00	NIL					



Birla Sun Life
Mutual Fund

		MNC	2,288.16	581.84
		NIFTY	804.72	16.28
		TAX98	14.41	NIL
Jet Airways (India) Ltd.	FMPQ1	BBAL	117.04	NIL
		MIP	388.08	NIL
		MIP25	98.56	NIL
		MIP5	12.32	NIL
Merck Limited.	FMPQ1	EXCEL	337.49	NIL
		IAF	442.88	NIL
		MIDCAP	524.25	395.25
Marico Industries Limited.	BSP	MIDCAP	766.96	169.41
		TAX98	25.09	NIL
		TAX99	159.48	NIL
Maruti Udyog Limited.	BBP	ADVG	3,856.38	NIL
	BCP	BBAL	1,358.52	NIL
	BFS	EXCEL	778.46	NIL
	FT3	IAF	1,780.71	NIL
		MIDCAP	1,439.21	NIL
		MIP	954.33	NIL
		MIP25	140.57	NIL
		MIP5	43.47	NIL
		MNC	2,149.93	152.33
		NIFTY	107.40	5.94
		TAX98	16.74	NIL
		TAX99	133.89	NIL
Motor Industries Co Limited.	FMPAS3	MIDCAP	1,043.84	231.04
		MIP25	124.60	NIL
		MNC	416.34	272.78
Punjab National Bank	NIFTY	ADVG	4,720.68	619.36
		BBAL	3,305.81	164.09
		BFL	3,747.15	NIL
		EXCEL	1,508.99	208.56
		IAF	3,507.48	427.05
		MIP	2,102.36	159.68
		MIP25	838.52	35.87
		MIP5	529.11	4.26
		NIFTY	59.47	5.41
		TAX98	26.72	6.27
		TAX99	415.41	54.45
Raymond Limited.	BDB	ADVG	440.39	NIL
	FMPY14	BBAL	127.49	NIL
	FMPQ1	BBP	1,989.80	NIL
	FMPOS2	BDYP	671.79	NIL
		BFS	5,500.00	NIL
		CASH	25,600.00	NIL
		MIDCAP	1,517.34	NIL
		MIP	199.09	NIL
		MIP25	77.84	NIL
		MIP5	500.00	NIL
		TAX98	10.02	NIL
		TAX99	35.81	NIL
Sintex Industries Limited.	FMPQ1	EXCEL	34.33	34.49
State Bank of Hyderabad (Subsidiary of State Bank of India)#	BBP	ADVG#	5,810.63	4,030.39
State Bank of Patiala (Subsidiary of State Bank of India)#	BBP	BBAL#	2,310.62	706.88
		BBIF#	578.23	NIL
		BBP#	1,647.50	NIL
		BDB#	204.15	202.46
		BFS#	1,029.67	NIL
		CASH#	1,029.67	NIL
		EXCEL#	1,676.51	1,486.02
		IAF#	4,156.25	3,115.95
		MIP#	9,527.04	2,209.45
		MIP25#	2,478.07	1,817.85
		MIP5#	1,003.21	6.69
		NIFTY#	969.78	16.83
		PLUS#	6,826.49	3,114.82
		TAX98#	76.95	44.02
		TAX99#	666.43	357.38
		FMPAS3 -#-	1,412.25	1,444.42
Sterlite Industries(India) Ltd.##	BFL	BBP	500.00	NIL
	BFS	BFL	2,500.00	NIL
	FMPQ1	BFS	8,000.00	NIL
		CASH	15,000.00	NIL

Vedanta Alumina Ltd.## (Subsidiary of Sterlite Industries (India) Limited.)	BBP	##	##	##
	BCP			
	BFS			
	FS2			
	FT3			
	FTPA			
Sundaram Home Finance Ltd.^^^ (Subsidiary of Sundaram Finance Ltd.)	BDB	BBP	8,130.78	NIL
		BFL	5,034.80	1,009.59
		BFS	16,735.48	5,000.00
		CASH	22,063.50	4,500.00
		FMPOS1	100.24	NIL
		FMPY14	1,045.64	NIL
		MIP	1,007.38	NIL
		PLUS	1,000.00	NIL
Tata Chemicals Limited.	FMPOS3	ADVG	1,192.27	NIL
		BBAL	241.86	NIL
		BBP	2,218.90	NIL
		BDYP	8,223.75	2,026.90
		CASH	2,021.38	NIL
		MIP	846.95	NIL
		NIFTY	75.56	1.59
		PLUS	512.50	NIL
Tata Motors Limited.###	BBP	ADVG	1,237.27	NIL
	BFS	BBAL	1,501.20	NIL
	FMPY14	CASH	1,908.28	NIL
	FMPQ1	EXCEL	339.49	NIL
	FMPOS2	IAF	1,182.32	NIL
	FMPOS3	MIP	3,319.77	NIL
	FMPY14	MIP25	241.05	NIL
		MIP5	72.18	NIL
		NIFTY	489.24	7.24
		TAX99	60.10	NIL
		EXCEL	214.37	NIL
		IAF	745.15	NIL
Tata Sons Limited.	FMPYS1	CASH	1,484.77	502.14
		PLUS	6,069.79	1,518.47
Tata Consultancy Services Ltd. (Subsidiary of Tata Sons Limited)	BBP	ADVG	3,077.22	2,179.80
	FT3	BBAL	497.44	441.29
		EXCEL	759.95	777.37
		IAF	1,327.67	1,408.55
		ITF	730.35	457.89
		MIDCAP	175.30	NIL
		MIP	1,027.68	379.72
		MIP25	367.85	207.19
		MIP5	101.25	6.05
		NIFTY	40.63	33.47
		TAX98	6.38	NIL
		TAX99	103.51	NIL
Tata Infotech Ltd. (subsidiary of Tata Sons Ltd.)		MIDCAP	243.59	NIL
		TAX98	16.04	NIL
		TAX99	63.84	NIL
Panantone Finvest Ltd. (Subsidiary of Tata Sons Ltd.)		BBAL	1,505.28	NIL
		BBP	1,014.73	NIL
		CASH	13,431.09	8,489.32
		FMPOS1	7,415.89	NIL
		PLUS	1,519.70	NIL
CMC Ltd. (subsidiary of Tata Sons Ltd.)		ADVG	1,866.73	1,731.15
		BBAL	370.64	331.24
		CASH	3,960.31	NIL
		EXCEL	662.26	734.07
		IAF	1,610.05	1,572.41
		ITF	774.76	540.08
		MIDCAP	563.10	382.80
		MIP	298.09	262.09
		TAX98	18.87	14.58
		TAX99	113.37	130.47
Tata Tea Limited.	MIP5	ADVG	426.12	NIL
		BBAL	421.45	NIL
		MIP	156.95	NIL
		NIFTY	58.45	1.43
Tata Iron & Steel Co. Ltd	BBP	ADVG	6,186.50	NIL
	BCP	BBAL	2,113.10	198.45
		BBIF	208.63	NIL
		BBP	208.18	NIL



		BDYP	2,020.73	NIL
		CASH	508.13	NIL
		EXCEL	878.66	353.19
		IAF	2,052.96	456.63
		MIP	1,596.43	162.36
		MIP25	272.76	56.53
		NIFTY	469.48	10.84
		TAX99	112.92	NIL
Thermax Limited.	FMPQ1	ADVG	133.93	679.42
	FMPQS2	BBAL	379.76	265.42
	FMPQS3	BDYP	1,962.50	1,686.66
		ITF	451.65	495.41
		MIDCAP	1,035.29	393.94
		MIP	215.01	176.04
		TAX98	2.72	18.63
		TAX99	39.83	NIL
Trent Limited.	MIP25	IAF	591.13	541.21
		MIDCAP	368.44	343.04
Union Bank Of India	BAD	ADVG	2,440.19	1,074.77
	BFS	BBAL	1,046.54	176.47
	MIP5	BBP	555.06	NIL
		BDYP	6,988.33	1,942.08
		CASH	5,030.00	NIL
		EXCEL	806.03	349.37
		IAF	1,281.68	622.68
		MIDCAP	405.53	208.46
		MIP	1,591.75	119.51
		MIP25	99.43	44.88
		MIP5	3.66	NIL
		PLUS	525.06	NIL
		TAX98	40.94	17.86
		TAX99	256.12	163.92
Videsh Sanchar Nigam Ltd.	FMPQ1	NIFTY	140.14	2.56
	FMPQS2			
	FMPQS3			
Vijaya Bank	ITF	ADVG	2,772.40	NIL
		BBAL	15.89	NIL
		BDYP	6,209.80	3,231.16
		EXCEL	227.36	202.36
		IAF	424.59	382.07
		MIDCAP	580.89	201.26
		MIP	128.40	NIL
		MIP25	194.79	NIL
		TAX98	29.36	NIL
		TAX99	167.90	NIL
Wipro Limited.	BBP	ADVG	4,899.50	NIL
	FTPA	BBAL	1,375.10	NIL
		NIFTY	1,166.85	22.93
		TAX98	9.89	NIL
		TAX99	126.40	NIL

Notes:

^ ^ HCL Corporation Ltd. is a holding company of HCL Infosystem Ltd. & HCL Technologies Ltd. It has invested in FMPQS2 & none of the schemes of Birla Mutual Fund have invested in any security issued by HCL Corporation Ltd. but various schemes have invested in securities issued by HCL Infosystem Ltd. & HCL Technologies Ltd. as disclosed above.

Birla Mutual Fund schemes have invested in securities issued by State Bank of India while two subsidiaries of State Bank of India namely State Bank of Hyderabad & State Bank of Patiala have invested in BBP.

~ ~ FMPAS3 has invested in SBI Cards which is the subsidiary of State Bank of India.

Vedanta Aluminium Co. Ltd. is the subsidiary of Sterlite Industries Ltd.; which has invested in BBP,BCP,BFS,FMPAS2,FTPC,FTPA & none of the schemes of Birla Mutual Fund have invested in Vedanta Aluminium Co. Ltd.

~ ~ Indian Aluminum Co. Ltd. is subsidiary of Grasim Industries Ltd. & have invested BBIF,BFS & Gilt- Long. None of the schemes of Birla Mutual Fund have invested in this security.

HV Axles Ltd. Is a subsidiary of Tata Motors Ltd.; which has invested in FMPQS2 & none of the schemes of Birla Mutual Fund have invested in HV Axles Ltd. (IT includes warrants issued by TATA motors)

^ Quest International India Ltd. is a subsidiary of ICI India Ltd.; which has invested in FMPY14 & none of the schemes of Birla Mutual Fund have invested in Quest International India Ltd.

^ ^ ^ Sundaram Finance Ltd. is a holding company of Sundaram Home Finance Ltd. Sundaram Home Finance Ltd. has invested in BDB & none of the schemes of Birla Mutual Fund have invested in any security issued by Sundaram Home Finance Ltd. but various schemes have invested in securities issued by Sundaram Finance Ltd. as disclosed above.

**** Birla Copper Unit is subsidiary of Hindalco Industries & invested in FMPY14 & none of the schemes of Birla Mutual Fund have invested in the security.

\$\$ Ashok Leyland Finance Ltd. Is subsidiary of Ashok Leyland Ltd.(subsequently it has been merged with Indusind Bank.) but has not invested in any of the schemes of Birla Mutual Fund but Birla Mutual Fund has invested in the same security as shown above.

%% Gujarat Gas Trading Co. Ltd. is subsidiary of Gujarat Gas Ltd. & has invested in BBP & FMPQS2. But none of the schemes of Birla Mutual Fund have invested in this security.

((((Hero Honda Finlease Ltd. is subsidiary of Hero honda Motors Ltd. & has not invested in any of schemes of Birla Mutual Fund. But BCP has invested in the scheme as shown above.

&& ICICI Security is a subsidiary of ICICI Bank.

Code	Scheme Name	Code	Scheme Name
ADVG	Birla Advantage Fund	BAA	Birla Asset Allocation Fund-Aggressive Plan
BBAL	Birla Balance Fund	BAC	Birla Asset Allocation Fund Conservative Plan
BBIF	Birla Bond Index Fund	BAD	Birla Asset Allocation Fund Dynamic Plan
BBP	Birla Bond Plus	BAM	Birla Asset Allocation Fund - Moderate Plan
BDB	Birla Dynamic Bond Fund	CASH	Birla Cash Plus
BDYP	Birla Dividend Yield Plus	CASHDIV	Birla Cash Plus - Sweep Plan Dividend Option
BFL	Birla Floating Rate Fund Long Term	CASHSP	Birla Cash Plus - Sweep Plan Growth Option
BFS	Birla Floating Rate Fund Short Term	FMPAS2	Birla Fixed Maturity Plan Yearly Series 2
EXCEL	India Excel (Offshore) Fund	FMPAS3	Birla Fixed Maturity Plan Yearly Series 3
IAF	India Advantage (Offshore) Fund	FMPQS1	Birla Fixed Maturity Plan Quarterly Series 1
INV	Birla Gilt Plus-PF	FMPQS2	Birla Fixed Maturity Plan Quarterly Series 2
ITF	Birla India Opportunities Fund	FMPQS3	Birla Fixed Maturity Plan Quarterly Series 3
LIQ	Birla Gilt Plus-Liquid	FMPY14	Birla Fixed Maturity Plan 1- Year Plan Group 14
LONG	Birla Gilt Plus-Regular	FMPYS1	Birla Fixed Maturity Plan Yearly Series 1
MIDCAP	Birla Midcap Fund	FTPA	Fixed Term Plan A
MIP	Birla MIP	FTPB	Fixed Term Plan B
MIP25	Birla MIP Wealth 25 Plan	FTPC	Fixed Term Plan C
MIP5	Birla MIP Saving 5 Plan	PLUS	Birla Income Plus
MNC	Birla MNC Fund	TAX98	Birla Tax Plan 98
NIFTY	Birla Index Fund	TAX99	Birla Equity Plan

Powers To Remove Difficulties

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

Powers To Make Rules

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

TAX BENEFITS

(As per laws currently in force)

TAX IMPLICATIONS TO UNITHOLDERS

The following summary outlines the key tax implications applicable to unit holders based on the relevant provisions under the Income-tax Act, 1961 ('Act') and Wealth-tax Act, 1957 (collectively called 'the relevant provisions') and subsequent to the amendments made by the Finance Act, 2005.

THE FOLLOWING INFORMATION IS PROVIDED FOR GENERAL INFORMATION ONLY. HOWEVER, IN VIEW OF THE INDIVIDUAL NATURE OF THE IMPLICATIONS, EACH INVESTOR IS ADVISED TO CONSULT WITH HIS OR HER OWN TAX ADVISORS/ AUTHORISED DEALERS WITH RESPECT TO THE SPECIFIC TAX AND OTHER IMPLICATIONS ARISING OUT OF HIS OR HER PARTICIPATION IN THE SCHEME.

Tax on income in respect of units

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



Sub-section 7 of section 94 of the Act provides that losses arising from the sale/transfer of units (including redemption) purchased up to 3 months prior to the record date (for entitlement of dividends) and sold within 9 months after such date, will be disallowed to the extent of income distribution (excluding redemptions) on such units claimed as tax exempt by the unitholder.

Additionally, sub-section 8 of section 94 of the Act provides that in case of units purchased within a period of 3 months prior to the record date (for entitlement of bonus) and sold/transferred (including redeemed) within 9 months after such date, the loss arising on transfer of original units shall be ignored for the purpose of computing the income chargeable to tax. The loss so ignored shall be treated as cost of acquisition of such bonus units.

Tax on capital gains

As per section 2(42A) of the Act, units of the scheme held as a capital asset, for a period of more than 12 months immediately preceding the date of transfer, will be treated as long-term capital assets for the computation of capital gains; in all other cases, they would be treated as short-term capital assets. Long-term and short-term capital gains arising to unit holders from the transfer of units of the Scheme, will be taxable at the following rates:

Nature of income	Tax rate
Short-term capital gains on sale of units in an equity oriented mutual fund, either to the Mutual Fund or on a recognized stock exchange	Capital gains tax payable at 10 percent*. Additionally, securities transaction tax payable at 0.2% percent of the redemption price.
Long-term capital gains on sale of units in an equity oriented mutual fund, either to the Mutual Fund or on a recognized stock exchange	No capital gains tax payable. However, securities transaction tax payable at 0.2% percent of the redemption price.

* plus surcharge and education cess as may be applicable. Additionally, in the case of non-resident investors, the above rates would be subject to applicable treaty relief.

Note: "Equity oriented fund" is defined as -

a fund where the investible funds are invested by way of equity shares in domestic companies to the extent of more than fifty percent of the total proceeds of such fund; and which has been set up under a scheme of a Mutual Fund specified in section 10 (23D) of the Act

Tax deducted at source

Income in respect of units: As per the provisions of the Act, no tax shall be deducted at source from any income credited or paid to unitholders in respect of units of a mutual fund specified under Section 10(23D) of the Act.

Capital gains: No tax is required to be deducted at source from capital gains arising to resident investors at the time of repurchase or redemption of the units.

However, as per the provisions of Section 195 of the Act, tax is required to be deducted at source from the redemption proceeds paid to non-resident investors this withholding is in addition to the securities transaction tax payable, if any, by the investor.

No tax would be deductible at source from the capital gains (whether long-term or short-term) arising to an FII on repurchase/redemption of units in view of the provisions of Section 196D(2) of the Act.

The above rates would be subject to applicable tax treaty relief in case of non-resident unit holders.

Wealth tax benefits

Units are not to be treated as assets as defined under Section 2(ea) of the Wealth-Tax Act, 1957 and hence will not be liable to wealth-tax.

TAX IMPLICATIONS ON MUTUAL FUND

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

Distribution tax

Open ended equity oriented funds (where more than 50 percent of total proceeds of the mutual fund are invested in equity shares of domestic companies as defined in Section 115T of the Act) are not liable to pay dividend distribution tax.

Securities transaction tax

The Mutual Fund, is liable to pay a securities transaction tax as follows :

Taxable securities transaction	Rate (%)
Purchase of an equity share in a company or a unit of an equity oriented fund, where	0.1%
(a) the transaction of such purchase is entered into in a recognized stock exchange; and	
(b) the contract for the purchase of such share or unit is settled by the actual delivery or transfer of such share or unit	
Sale of an equity share in a company or a unit of an equity oriented fund, where -	0.1%
(a) the transaction of such sale is entered into in a recognized stock exchange; and	
(b) the contract for the sale of such share or unit is settled by the actual delivery or transfer of such share or unit	
Sale of a derivative, where the transaction of such sale is entered into in a recognized stock exchange	0.0133%
Sale of unit of an equity oriented fund to the Mutual Fund	0.2%

The value of a taxable securities transaction will be as follows:

in the case of a taxable securities transaction relating to "option in securities", the aggregate of the strike price and the option premium of such "option in securities";

in the case of taxable securities transaction relating to "futures", the price at which such "futures" are traded; and

in the case of any other taxable securities transaction, the price at which such securities are purchased or sold.

"Taxable securities transaction" has been defined as a purchase or sale of an equity share in a company or a derivative or a unit of an equity oriented fund, entered into in a recognized stock exchange; or sale of a unit of an equity oriented fund to the Mutual Fund.

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

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

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

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

- A fine of Rs. 25000/- was charged against Birla Sun Life Securities Ltd. by National Stock Exchange of India Limited for following:
 - Non Execution of Member Constituent Agreement and Know Your Client Forms- A fine of Rs. 10,000/- (Rupees Ten Thousand) was levied.
 - Incomplete Know Your Client Forms- A fine of Rs. 5,000/- (Rupees Five Thousand) was levied.
 - Margin Money not collected- A fine of Rs. 10,000/-(Rupees Ten Thousand) was levied.
- As regards Sun Life Assurance Company of Canada (Sun Life Financial), on February 5, 2004, one of its mutual fund subsidiaries, Massachusetts Financial Services Company (MFS) reached settlements with federal and state regulators related to administrative proceedings against it alleging false and misleading information in certain MFS fund prospectuses



regarding market timing and related issues. Under the terms of the settlements, MFS neither admitted nor denied wrongdoing. As part of the settlement with the United States Securities and Exchange Commission (SEC), MFS agreed to pay US\$225 million to compensate certain fund shareholders, of which US\$50 million is a penalty, and agreed with the New Hampshire Bureau of Securities Regulation to pay an administrative fine in the amount of US\$1 million. MFS further agreed with the Attorney General of the State of New York (NYAG) to reduce fees on the funds it advises by approximately US\$25 million annually over the next five years. In addition to steps MFS had previously adopted to reinforce its frequent trading policies and procedures, MFS agreed to undertake a number of other governance reforms, including retaining an independent compliance consultant, creating an internal compliance controls committee, establishing a code of ethics oversight committee, and hiring a corporate ombudsman.

- c) In November 2003, the SEC and Morgan Stanley DW, Inc. (Morgan Stanley) settled an enforcement action against Morgan Stanley relating to the receipt of fees from certain mutual fund companies in return for preferred marketing of their funds. MFS was one of the 14 fund companies reported to be on Morgan Stanley's preferred list. As a result, MFS has been under investigation by the SEC relating to its directed brokerage and revenue-sharing arrangements with various distributors of its products, including Morgan Stanley. MFS is cooperating with the SEC's investigation, which is ongoing, and is pursuing a possible settlement of these allegations. MFS believes that any settlement could include MFS being sanctioned and MFS' payment of compensation or other financial penalties.
- (d) In September 2003, the SEC issued an order instituting and settling an administrative proceeding against MFS, alleging that MFS did not have adequate internal policies relating to the prevention of misuse of non-public information.
- (e) The SEC and other regulators have conducted or are conducting investigations and examinations of certain of Sun Life Financial's affiliates relating to various issues including market timing and late trading of mutual fund and variable insurance products, directed brokerage, revenue-sharing and other arrangements with distributors.
- (f) Sun Life Financial's United Kingdom operations continue to be subject to regulatory overview in the United Kingdom, including reviews of past business sold, and the Company has regularly engaged in discussions with United Kingdom regulators with respect to these and other matters. Sun Life Financial's United Kingdom operations may be subject to censure if it fails to satisfy the Financial Services Authority as to the scope and conduct of these reviews. Sun Life Financial's past business sold includes a variety of endowment products in the United Kingdom. Endowment policies are sometimes sold to provide customers with a method of repaying mortgage debt at the end of a mortgage term. There can be no assurance that United Kingdom regulators will not, in the future, require providers of endowment products to bear some or all of the additional costs required to ensure that such policies meet their target mortgage debts.

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

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

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

- (a) Certain of the arrangements in Sun Life Financial's run-off reinsurance operations are subject to litigation or arbitration. In particular, Sun Life Financial has been engaged in arbitration proceedings in the United States and in England with certain of the companies that have contracts to provide reinsurance to Sun Life Financial. In late 2003, Sun Life Financial initiated arbitration proceedings against its largest retrocessionaire. Those companies are disputing their obligation to provide retrocession cover to Sun Life Financial under their respective contracts of reinsurance. Other reinsurers of Sun Life Financial may institute similar proceedings. The liabilities of Sun Life Financial under these arrangements are subject to measurement uncertainty, and therefore uncertainty about the ultimate level of liability, but they are not expected to have a material adverse effect on Sun Life Financial's consolidated financial position.
- (b) Since December 2003, Sun Life Financial and MFS, along with certain MFS funds and trustees who serve on the Board of Trustees of these MFS

funds, have been named as defendants in purported class action lawsuits filed in the United States seeking damages of unspecified amounts. The lawsuits were purportedly filed on behalf of people who purchased, owned and/or redeemed shares of MFS funds during specified periods. The suits allege that certain defendants permitted market timing and late trading in the MFS funds which allegedly caused financial injury to the funds' shareholders. All of these lawsuits seek an unspecified amount of damages. The defendants are reviewing the allegations and will respond appropriately. Additional lawsuits based upon similar allegations may be filed in the future.

- (c) Sun Life and its subsidiaries are engaged in litigation arising in the ordinary course of business worldwide, none of which is expected to have a material adverse effect on the consolidated financial position of Sun Life other than those mentioned elsewhere in this section.

As regards Criminal Cases, there is a Criminal case pending against Mr. N.N. Jambusaria, director of the AMC, in his capacity as a non-executive director of some companies, from which he has since resigned. The cases include criminal complaints filed by Dept. of Company Affairs against DCM Ltd. and Premier Automobiles Ltd. for non payment of dividend under section 207 of the Companies Act and cases filed under section 138 of the Negotiable Instruments Act against DCM Ltd. and Aldrich Pharmaceuticals Ltd. Also, there are 2 cases relating to disputed share issue/transfer against Mr. K.M. Birla in his capacity as Chairman of Grasim Industries Ltd. and as ex-director of MRPL Ltd., and other executives, and the respective companies are contesting the same. There is also a case filed by CBI against some ex-employees of PNB Capital Services Ltd. including Mr. Lalit Vermani, an employee of the AMC. The case pertains to a short term deposit placed by the company in 1994. The outcome of these cases is not expected to have any bearing on the operations of Birla Sun Life Asset Management Company.

- 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, shall be disclosed.

No such cases.

- 4) Any enquiry/adjudication proceedings under the SEBI Act and the Regulations made thereunder, that are in progress against the Sponsor of the Mutual Fund or any company associated with the Sponsor in any capacity including the AMC, Board of Trustees/Trustee Company or any of the Directors or key personnel of the Asset Management Company shall be disclosed.

No such cases.

Documents Available For Inspection

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

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

Notes:

1. Further, any amendments / replacement / re-enactment of SEBI Regulations subsequent to the date of the Offer Document shall prevail over those specified in this Offer Document.
2. The Scheme under this Offer Document was approved by the Trustee on March 9, 2005.
3. Notwithstanding anything contained in the Offer Document, the provisions of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.

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

PLACE: MUMBAI
DATE: June 1, 2005

Rajesh Ajaonkar
Compliance Officer

COLLECTION OF APPLICATION FORMS ONLY DURING THE INITIAL OFFER PERIOD

AMC Offices: ● **AHMEDABAD** : 505, Abhijeet 5th Floor, Mithakali Six Road, Navrang pura, Ahmedabad-380009. • Tel.: (079)-6403553/48 ● **BANGALORE** : G-011, HM Geneva House, 14,Cunningham House Road, Bangalore -560052. • Tel.: (080)-22389991/2/3 ● **BARODA** : 3/A Sun, Third Floor, Commercial Complex, Opp Race Course Tower, Next to Citibank, Gotri Road, Baroda - 390007 • Tel.: (D) (0265)- 5582984 / 2986 ● **BHUBANESWAR** : 77, Janpath, Kharvel Nagar, Bhubaneswar - 751001 • Tel.: (D) 2533016 / 2533826 • Tel.: (674)-531521/264 • Fax : 2531521 ● **CHANDIGARH** : SCO : 149-150, Sector : 9-C, Chandigarh - 160 017 • Tel.: (D) (0172)-749172 - 73 • Fax : (0172)-749173 ● **CHENNAI** : Kubers Towers Old No-42, 1st Floor Pantheon Road, Egmore, Chennai -600008. • Tel.: (044)-52045003/28191681 ● **COCHIN** : Casa Blanca, 2nd Floor, M G Road, Opp ICICI Bank, Cochin - 682035 • Tel.: (D) 366817 / 383969 • Tel.: (484)-366817 / 383969 • Fax : 2383969 ● **COIMBATORE** : 2nd Floor, Thirumalai Towers, 723 A & B Avinashi Road, Coimbatore - 641018 • Tel.: (422)-5350262 / 64 ● **GOA** : G 3, Sesa Ghor, Patod Plaza, Panjim, Goa - 403001 • Tel.: (D) (0832)-2437628 / 29 • Fax : 2437629 ● **GUWAHATI** : Orion Towers, 7, 8 1st Floor, G S Road Guwahati, Assam - 781 005 • Tel.: (D) 2595020 • Tel.: (361)-2598273 • Fax : (0361)-2599273 ● **INDORE** : 211/A, City Center, 580, M G Road, Indore - 452 001 • Tel.: (D) 5046304 • Tel.: (731)-5046789 / 0496 • Fax: 246123 ● **JAIPUR** : 205 2nd Floor, Ganapati Plaza, M I Road, Jaipur - 302 001 • Tel.: (D) 367882 / 372935 • Tel.: (141)-2372935 / 2367882 • Fax : 2372935 ● **KANPUR** : 302 & 303 Krishna Tower, 15/63 Civil Lines, Kanpur - 208 001 • Tel.: (512)-2331116 / 1121 • Fax : 2331116 ● **KOLKATA** : J.K.Millennium Centre, 2nd Floor, 46 D, J.L. Nehru Road, Kolkata - 700071. • Tel.: (033)-2288 2592 / 2594 / 2595 ● **LUCKNOW** : 103-B 1st Floor, Shalimar Square, 126/31, B N Road, Lalbagh, Lucknow - 226 001 • Tel.: (D) (0522)-2294110 • Tel.: (0522)-2294111 • Fax : (0522)-2294111 ● **LUDHIANA** : SCO : 124 , 3rd Floor, Feroze Gandhi Market, Adjacent to Hotel Grewal, Ferozepur Road, Ludhiana - 141001 • Tel.: (D) 2771217 • Tel.: (161)-5088847 • Fax : 5088848 ● **MUMBAI (SALES OFFICE)** : Turner Morrison Building, 1st Floor, 16, Bank Street, Fort, Mumbai 400 023. • Tel.: (022)-56379999 ● **MUMBAI (HEAD OFFICE)** : Ahura Centre, 2nd Floor Tower 'A' 96/A-D, Mahakali Caves Road, Andheri (E), Mumbai-400 093. • Tel.: (022)-56928000 ● **NEW-DELHI** : 801 & 802 Ashoka Estate, 24, Barakhamba Road, Connaught Place, New-Delhi - 110001. • Tel.: (011)-23358636/23320831 ● **PATNA** : 425/426 Ashiana Harniwas Complex, Dak Bunglow Road, Patna - 800 001 • Tel.: (612)-2207022/23 ● **PUNE** : Kapil Towers 'A' 2nd Floor, Dr. Ambedkar Road, Nr. Sangam Bridge, R.T.O., Pune-411001. • Tel.: (9520)-56011865/1866/1867 ● **SECUNDRABAD** : Mayfair Complex, 1st Floor, S P Road, Secundrabad-500 003. • Tel.: (040)-55311052/3580 ● **SURAT** : M-8 & M-9, Mezzanie Floor, Jolly Plaza, Athwa Gate, Surat - 395001 • Tel.: (D) (0261)- 5581707/1708 • Fax : 2462753.

COLLECTION OF APPLICATION FORMS FOR ONGOING TRANSACTIONS (AMC OFFICES)

● **AHMEDABAD** : 505, Abhijeet 5th Floor, Mithakali Six Road, Navrang pura, Ahmedabad-380009. • Tel.: (079)-6403553/48 ● **BANGALORE** : G-011, HM Geneva House, 14,Cunningham House Road, Bangalore -560052. • Tel.: (080)-22389991/2/3 ● **KOLKATA** : J.K.Millennium Centre, 2nd Floor, 46 D, J.L. Nehru Road, Kolkata - 700071. • Tel.: (033)-2288 2592 / 2594 / 2595 ● **CHENNAI** : Kubers Towers Old No-42, 1st Floor Pantheon Road, Egmore, Chennai -600008. • Tel.: (044)-52045003/28191681 ● **NEW-DELHI** : 801 & 802 Ashoka Estate, 24, Barakhamba Road, Connaught Place, New-Delhi - 110001. • Tel.: (011)-23358636/23320831 ● **SECUNDRABAD** : Mayfair Complex, 1st Floor, S P Road, Secundrabad-500 003. • Tel.: (040)-55311052/3580 ● **PUNE** : Kapil Towers 'A' 2nd Floor, Dr. Ambedkar Road, Nr. Sangam Bridge, R.T.O., Pune-411001. • Tel.: (9520)-56011865/1866/1867 ● **MUMBAI (SALES OFFICE)** : Turner Morrison Building, 1st Floor, 16, Bank Street, Fort, Mumbai 400 023. • Tel.: (022)-56379999 ● **MUMBAI (HEAD OFFICE)** : Ahura Centre, 2nd Floor Tower 'A' 96/A-D, Mahakali Caves Road, Andheri (E), Mumbai-400 093. • Tel.: (022)-56928000

COLLECTION OF APPLICATION FORMS FOR ONGOING TRANSACTIONS (CAMS TRANSACTION POINTS / INVESTOR SERVICE CENTERS)

● **AHMEDABAD** : 402-406, 4th Floor, Devpath Building, Off C G Road, Behind Lal Bungalow, Ellis Bridge, Ahmedabad - 380006 • Tel.: (079) 2642 4940, 2646 4929 ● **AGRA** : F-39/203, Sky Tower, Sanjay Place, Agra - 282002 • Tel.: (0562)-252 1812 ● **ALLAHABAD** : 1st Floor, Chandra Shekhar Azad Complex, (Near Indira Bhawan), 5, S. P Marg, Civil Lines, Allahabad - 211001 • Tel.: (0532)- 260 1602 ● **AMRITSAR** : 378-Majithia Complex, 1st Floor, M M Malviya Road, Amritsar - 143001 • Tel.: (0183)- 221 1194 ● **AURANGABAD** : Office No. 1, 1st Floor, Amodi Complex, Juna Bazar, Aurangabad - 431001 • Tel.: (0240)-2363 664 ● **BANGALORE** : No 8 Kempe Gowda Road, Second Floor, Mahaveer Shopping Complex, Bangalore - 560009 • Tel.: (080)-2225 9491, 2220 3157 ● **BELGAUM** : No. 21, Ground Floor, Arvind Complex, 1552, Maruti Galli, Belgaum - 590002 • Tel.: (0831)- 2425 305 ● **BHILAI** : 209, Khichariya Complex, Opp IDBI Bank, Nehru Nagar Square, Bhilai - 490020 • Tel.: (0788)-505 0568 ● **BHOPAL** : C-12, 1st Floor, Above Life Line Hospital, Zone-I, M P Nagar, Bhopal - 462011 (M P) • Tel.: (0755)- 528 5266 ● **BHUBANESWAR** : 101/7, Janpath, Unit - III, Bhubaneswar - 751001 • Tel.: (0674)- 253 4909, 253 5395 ● **CALICUT** : 17/28, H 1st Floor, Manama Towers, Marvoor Road, Calicut - 673001 • Tel.: (0495)- 2723173 ● **CHANDIGARH** : SCO 154-155, 1st Floor, Sector 17-C, Chandigarh - 160017 • Tel.: (0172)-2706 651, 2711 325 ● **CHENNAI** : Ground Floor, A & B Lakshmi Bhawan, 609, Anna Salai, Chennai - 600006 • Tel.: (044)-2829 5163, 2829 1549 ● **COIMBATORE** : 66, Lokamanya Street (West), R. S. Puram, Coimbatore - 641002 • Tel.: (0422)-25369575/76 ● **DEHRADUN** : 81, Chakrata Road, Dehradun - 248001 • Tel.: (0135)-271 3233 ● **DHANBAD** : Urmila Towers, Room No: 111 (1st Floor), Bank More, Dhanbad - 826001 ● **DURGAPUR** : SN - 10, Ambedkar Sarani, City Centre, Durgapur - 713216 • Tel.: (0343)-254 8190 ● **GOA** : No.108, 1st Floor, Gurudutta Building, Above Weekender, M. G. Road, Panaji - 403001 • Tel.: (0832)-5645787 / 2424527 ● **GUNTUR** : Shyamsunder Golden Towers, Ground Floor, 3rd Lane, Brodipet, Adjacent to Over-bridge, Guntur - 522002 • Tel.: (0863)-5580 838 ● **GUWAHATI** : A.K. Azad Road, Rehbari, Guwahati - 781008 • Tel.: (0361)-2607771 ● **HUBLI** : No. 208, 'A' Block, 1st Floor, Kundagol Complex, Opp Court, Club Road, Hubli - 580029 • Tel.: (0836)-2251213 ● **INDORE** : Dalal Chambers, 101, Sagarmatha Apartments, 1st Floor, 18 / 7 M G Road, Indore - 452003 • Tel.: (0731)-252 8609, 252 9261 ● **JAIPUR** : G-III, Park Saroj, Behind Ashok Nagar Police Station, R-7, Yudhisthir Marg, C-Scheme, Jaipur - 302001 • Tel.: (0141) 2220948 / 951 ● **JALANDHAR** : 367/ 8, Central Town, Opp Gurudwara Diwan Asthan, Jalandhar - 144001 • Tel.: (0181)-2456336 ● **JAMNAGAR** : 207/209, K.P. Shah House I, K V Road, Jamnagar - 361001 • Tel.: (0288)-255 8467 / 3111909. ● **JAMSHEDPUR** : Panch Bhawan, 'R' Road, Bistupur, G R Road, (Near Rajasthan Bhawan) Jamshedpur - 831001 • Tel.: (0657)-310 5930 ● **JODHPUR** : 1/5, Nirmal Tower, 1st Chopasani Road, Jodhpur - 342003 • Tel.: (0291)-309 2892 / 262 8039 ● **KANPUR** : G-27/28, Ground Floor, City Centre , 6/2, The Mall, Kanpur - 208001 • Tel.: (0512)-230 6668, 230 6685 ● **KOCHI** : 41/1617, Rock Hill, First Floor, Banerji Road (North) Kochi - 682018 • Tel.: (0484)-238 0443 ● **KOLKATA** : Lords Building, 7/1, Lord Sinha Road, Ground Floor, Kolkatta - 700071 • Tel.: (033)-230582297 / 85 / 2303 ● **KOTA** : B-33 'Kalyan Bhawan', Triangle Part, Vallabh Nagar, Kota - 324007 • Tel.: (0744)-2505 452 ● **LUCKNOW** : No.3, First Floor, Saran Chambers 1, 5, Park Road, Lucknow - 226001 • Tel.: (0522)-237309 ● **LUDHIANA** : Shop No. 20-21 (Ground Floor), Prince Market, Near Traffic Lights, Sarabha Nagar Pulli, Pakhowal Road, P. O. Model Town, Ludhiana - 141002 • Tel.: (0161)-501 7502, 241 0279 ● **MADURAI** : 86/71/A, Tamil Sangam Road, (Opp. Bell Hotel) 1st Floor, Madurai - 625001 • Tel.: (0452) 2622682 ● **MANGALORE** : 6, First Floor, West Gate Terminus, Falnir Road, Opp. Unity Health Complex, Highlands, Mangalore - 575002 • Tel.: (0824)-2436567 / 5252525 ● **MANIPAL** : Academy Annex, First Floor, Opposite Corporation Bank, Uppendra Nagar, Manipal - 576104 • Tel.: (0820)- 257 3333 / 5292033 ● **MEERUT** : 108 1st Floor Shivam Plaza, Opposite Eves Cinema, Hapur Road, Meerut - 250002 • Tel.: (0121)-2400 700 ● **MORADABAD** : B-612 'Sudhakar', Lajpat Nagar, Moradabad - 244001 • Tel.: (0591)-3092844 ● **MUMBAI** : Rajabahdur Compound, Ground Floor, Opp Allahabad Bank, Behind ICICI Bank, 30, Mumbai Samachar Marg, Fort, Mumbai - 400023 • Tel.: (022)-22702414, 22702415, 22702416, 22622903, 22622904 ● **MYSORE** : No.3, 1st Floor, CH 26, 7th Main, 5th Cross (above Trishakthi Medicals) Saraswati Puram, Mysore - 570009 • Tel.: (0821)-309 1244 / 234 2182 ● **NAGPUR** : 145 Lendra Park, Behind Shabari, Near Ramdaspath, Nagpur - 440010 • Tel.: (0712)-253 2447, 253 7321 ● **NASIK** : Rahakar Chambers, 2nd Floor, 431 Vakil Wadi, Ashok Stambh, Nasik - 422001 • Tel.: (0253)-257 7449 ● **NELLORE** : Shop No.13, First Floor, KAC Plaza, R R Street, Nellore - 524001 • Tel.: (0861)-5512 582 ● **NEW DELHI** : Kanchanjanga, 304-305 III Floor, 18, Barakhamba Road, New Delhi - 110001 • Tel.: (011)-2335 3831, 2335 3832, 2335 3833 ● **PATIALA** : 35, New Lal Bagh Colony, Patiala - 147001 • Tel.: (0175)- 2229633 / 3093724 ● **PATNA** : Kamalalaye Shobha Plaza (1st Floor), Behind RBI Near Ashiana Tower, Exhibition Road, Patna - 800001 • Tel.: (0612)-2322 206 ● **PONDICHERRY** : No 25, First Floor, Jawaharlal Nehru Street, Pondicherry - 605001 • Tel.: (0413)-2220575, 2335722 ● **PUNE** : Nirmiti Eminence, Off No. 6, I Floor, Opp Abhishek Hotel Mehandale Garage Road, Erandawane, Pune - 411004 • Tel.: (020)- 2545 9439 / 2545 9440 ● **RAIPUR** : C-23, Sector 1, Devendra Nagar, Raipur - 492004 • Tel.: (0771)-3090 830 ● **RAJAHMUNDRY** : D.No 7-27-4, Krishna Complex, Baruvari Street, T Nagar, Rajahmundry - 533101 • Tel.: (0883)-5565531 ● **RAJKOT** : 111, Pooja Complex, Harihar Chowk, Near GPO, Rajkot -360001 • Tel.: (0281)-2241 399 ● **RANCHI** : 223, Tirath Mansion (Nr. Over Bridge), 1st Floor, Main Road, Ranchi - 834001 • Tel.: (0651)-3095122 ● **SALEM** : 28, I Floor, Advytha Ashram Road, Salem - 636004 • Tel.: (0427)-244 6338 ● **SECUNDRABAD** : 102, 1st Floor, Jade Arcade, Paradise Circle, Secundrabad - 500003 • Tel.: (040)-5532 1531 / 32 ● **SILIGURI** : No 8, Swamiji Sarani, Ground Floor, Hakimpura, Siliguri - 734401 • Tel.: (0353)-2216065 ● **SURAT** : Niva Apartments, Above Sagrapura - Rudarpura Co-Op Bank, Bhatia Street, Nanpura, Surat - 395001 • Tel.: (0261)-246 4887 / 246 4679 / 246 2531 ● **TRICHUR** : VIII/350/15, O K John Memorial Building, Ekkanda Warriar Road, Trichur - 686001 • Tel.: (0487)-2420646 ● **TRICHY** : No 8, I Floor, 8th Cross West Extn., Thillainagar, Trichy - 620018 • Tel.: (0431)-274 1717 ● **TRIVANDRUM** : 15/181 Chennakara Bldgs., Althara Junction, Vellayambalam, Trivandrum - 695015 • Tel.: (0471)-2724687 / 3950414 ● **UDAIPUR** : 32, Ahinsapuri, Fatehpura Circle, Udaipur - 313004 • Tel.: (0294)-3091722 ● **VADODARA** : 109, Silver Line, Beside World Trade Centre, Sayajinagar, Vadodara - 390005 • Tel.: (0265)-2225146, 2362412 ● **VALSAD** : C/o CAD House, 1st Floor Opp LIC Office, Halar Road, Valsad - 396001 • Tel.: (02632)-249 957 ● **VARANASI** : C 27/249 - 22A, Vivekanand Nagar Colony, Maldhaiya, Varanasi - 221002 • Tel.: (0542)-220 8546 / 311 3810 ● **VIJAYAWADA** : 40-1-48/2 Bandar Road, Adj to HDFC Bank, Vijaywada - 520010 • Tel.: (0866)-559 5657 ● **VISAKHAPATNAM** : 47/ 9 / 17, 1st Floor, 3rd Lane, Dwaraka Nagar, Visakhapatnam - 530016 • Tel.: (0891)-2598 875, 2540 175.

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