

NOTICE

DSP BLACKROCK

MUTUAL FUND

Pursuant to the approval of DSP BlackRock Trustee Company Private Limited, notice is hereby given that effective September 8, 2017; the following “Discontinued Plans/Options” will merge with the “Continuing Plans/Options” of the Schemes as under:

Discontinued Plan/Option (Transferor Plan/Option)	Continuing Plan/Option (Transferee Plan/Option)
DSP BlackRock Liquidity Fund - Regular Plan - Growth	DSP BlackRock Liquidity Fund - Institutional Plan - Growth
DSP BlackRock Liquidity Fund - Regular Plan - Weekly Dividend	DSP BlackRock Liquidity Fund - Institutional Plan - Weekly Dividend
DSP BlackRock Liquidity Fund - Regular Plan - Daily Dividend	DSP BlackRock Liquidity Fund - Institutional Plan - Daily Dividend
DSP BlackRock Income Opportunities Fund - Institutional Plan - Growth	DSP BlackRock Income Opportunities Fund - Regular Plan - Growth
DSP BlackRock Income Opportunities Fund - Institutional Plan - Daily Dividend	DSP BlackRock Income Opportunities Fund - Regular Plan - Daily Dividend
DSP BlackRock Money Manager Fund - Institutional Plan - Growth	DSP BlackRock Money Manager Fund - Regular Plan - Growth
DSP BlackRock Money Manager Fund - Institutional Plan - Daily Dividend	DSP BlackRock Money Manager Fund - Regular Plan - Daily Dividend
DSP BlackRock Strategic Bond Fund - Regular Plan - Growth	DSP BlackRock Strategic Bond Fund - Institutional Plan - Growth
DSP BlackRock Strategic Bond Fund - Regular Plan - Monthly Dividend	DSP BlackRock Strategic Bond Fund - Institutional Plan - Monthly Dividend
DSP BlackRock Strategic Bond Fund - Regular Plan - Dividend	DSP BlackRock Strategic Bond Fund - Institutional Plan - Dividend
DSP BlackRock Strategic Bond Fund - Regular Plan - Weekly Dividend	DSP BlackRock Strategic Bond Fund - Institutional Plan - Weekly Dividend
DSP BlackRock Strategic Bond Fund - Regular Plan - Daily Dividend	DSP BlackRock Strategic Bond Fund - Institutional Plan - Daily Dividend
DSP BlackRock Strategic Bond Fund - Regular Plan - Monthly Dividend Reinvest	DSP BlackRock Strategic Bond Fund - Institutional Plan - Monthly Dividend Reinvest
DSP BlackRock Balanced Fund - Regular Plan - Quarterly Dividend	DSP BlackRock Balanced Fund - Regular Plan - Dividend
DSP BlackRock Balanced Fund - Regular Plan - Quarterly Dividend Reinvestment	DSP BlackRock Balanced Fund - Regular Plan - Dividend Reinvestment
DSP BlackRock Balanced Fund - Direct Plan - Quarterly Dividend	DSP BlackRock Balanced Fund - Direct Plan - Dividend

Investors may note that post the merger, the Institutional Plan (Continuing Plan) in DSP BlackRock Strategic Bond Fund and DSP BlackRock Liquidity Fund shall be renamed as “Regular Plan”. The Transferor Plan shall be reflected as “Regular Plan – Discontinued” in the Statement of accounts which shall be sent to the investor post the merger.

It may be noted that the investors who have invested through distributors in the Discontinued Plan would be allotted units in the Continuing Regular Plan and the investors who have invested directly would be allotted units in the Direct Plan. Further, the Option (Growth or Dividend) chosen by the investor in the Discontinued Plan would remain the same in the Continuing Plan as well. Investment through distributor mode with wrong/invalid/incomplete ARN codes will be merged under the Direct Plan of the Continuing Plan of the same scheme. Only investments with valid ARN codes will be merged in the Regular Plan of the same scheme.

The proposal to merge the Plans/Options has been approved by the Board of DSP BlackRock Trustee Company Pvt. Ltd. and DSP BlackRock Investment Managers Pvt. Ltd.

Securities and Exchange Board of India (SEBI) has vide its letter number IMD/DF3/OW/16337/2017 dated July 14, 2017, granted a ‘No Objection’ to the aforesaid merger.

As per the SEBI (Mutual Funds) Regulations, 1996 modification mentioned above will be treated as a change which would modify the Schemes and affects the interest of unitholders of the Discontinued Plan/Option and consequently, as per Regulation 18 (15A) of the SEBI (Mutual Funds) Regulations, 1996, any such change can be carried out after a written communication is sent to all the unitholders of Discontinued Plan/Option, giving them an option to redeem/switch their investments from Discontinued Plan/Option at the prevailing Net Asset Value, without payment of any exit load.

The above shall not result in change in fundamental attribute or any other change of the Continuing Plan/Option of the Schemes as the interest of unitholders of the Continuing Plan/Option is not affected.

Accordingly, all existing unitholders (i.e. whose names appear in the register of unitholders as on close of business hours on August 9, 2017 under the Discontinued Plan/Option are hereby given an option to exit, i.e. either redeem their investments or switch their investments to any other scheme(s) of DSP BlackRock Mutual Fund (‘Fund’) in accordance with the provisions of respective Scheme Information Document of the schemes, within the 30 days exit period beginning from August 10, 2017 till September 8, 2017(both days inclusive and upto 3.00 pm on September 8, 2017 at applicable NAV, without payment of any exit load.

Unitholders who hold the units of Discontinued Plan/Option in electronic (demat) mode need to submit the redemption request to their Depository Participant or through the Stock Exchange Platform. Thus, all the valid applications for redemptions/switch-outs received under Discontinued Plan/Option shall be processed at applicable NAV of the day of receipt of such redemption / switch-out request, without payment of any exit load, provided the same is received during the exit option period mentioned above.

The redemption proceeds shall be despatched within 10 business days of receipt of valid redemption request to those unitholders who choose to exercise their exit option.

The requirement of minimum application amount for fresh and additional purchase of units as applicable for the Continuing Plan/Option shall not be applicable in respect of units allotted to the unitholders of the Discontinued Plan/Option on account of merger.

The units allotted to the unitholders in the Discontinued Plan/Option shall be treated as fresh subscription in the Continuing Plan/Option. However, the date of allotment at the time of subscription in Discontinued Plan/Option shall be considered as the allotment date for the purpose of applicability of the exit load period at the time of redemption of such units in the Continuing Plan/Option.

Kindly note that an offer to exit from Discontinued Plan/Option is merely optional and is not compulsory.

You may also note that no action is required in case you are in agreement with the aforesaid merger, which shall be deemed as an acceptance to the merger and the units will be allotted under the Continuing Plan/Option at the NAV declared as on the close of business hours on Effective Date (i.e. September 8, 2017) and fresh account statement will be issued to that effect. The requirement of minimum application amount for fresh and additional purchase of units as applicable for the Continuing Plan/Option shall not be applicable in respect of units allotted to the unitholders of the Discontinued Plan/Option on account of merger.

The exit option will not be available to unitholders who have pledged or encumbered their units in the Discontinued Plan/Option and the Fund has marked pledge / lien on units in its record unless the release of pledge / lien is obtained and communicated to the Fund / Registrar, Computer Age Management Services Pvt. Ltd. before submitting redemption / switch-out requests.

In case the lien is marked on the units held in the Discontinued Plan/Option and such unitholder decides to continue to remain invested (i.e. does not submit redemption/ switch-out request during exit option period), then the units allotted in the Continuing Plan/Option pursuant to merger will also be automatically subject to lien in the Continuing Plan/Option.

A separate communication is being dispatched/emailed to the registered address/email address of the existing Unit Holder(s) of the Discontinued Plan/Option in this regard.

Gist of Tax Implications:

Investors in Transferor Plans/Options who choose to exit during the notice period

For tax implications in the hands of investors in Transferor Plans/Options of who choose to exercise exit option, the tax rates applicable to the investors shall be as follows:

Long Term Capital Gain	Individual/HUF	Domestic Company	NRI
Equity Oriented Schemes	Units held in the Transferor plan/option of the scheme for more than 12 months		
	NIL	NIL	NIL
Other than Equity Oriented Schemes	Units held in the Transferor plan/option of the scheme for more than 36 months		
	20% with indexation + Surcharge as applicable + 3% Education Cess	20% with indexation + Surcharge as applicable + 3% Education Cess	10% without indexation + Surcharge as applicable + 3% Education Cess
Short Term Capital Gain	Individual/HUF	Domestic Company	NRI
Equity Oriented Schemes	Units held in the Transferor plan/option of the scheme for not more than 12 months		
	15% + Surcharge as applicable + 3% Education Cess	15% + Surcharge as applicable + 3% Education Cess	15% + Surcharge as applicable + 3% Education Cess
Other than Equity Oriented Schemes	Units held in the Transferor plan/option of the scheme for not more than 36 months		
	30% + Surcharge as applicable + 3% Education Cess	30% + Surcharge as applicable + 3% Education Cess	30% + Surcharge as applicable + 3% Education Cess

The surcharge rates applicable for the investors shall be as per the below table:

Status of Investor	Income between 50 lakhs and 1 crores	Income exceeding 1 crores	Income between 1 crores and 10 crores	Income exceeding 10 crores
Individuals/HUFs/BOIs/AOPs and Artificial juridical persons	10%	15%	-	-
Firms, Co-operative societies, Local authorities	-	12%	-	-
Domestic Company	-	-	7%	12%
Foreign Company	-	-	2%	5%

Securities Transaction Tax (STT) on redemption/switch out of units from the Transferor Plan/Option, exercised during the exit option period shall be borne by the AMC.

In case of NRI investors, Tax Deducted at Source (TDS) shall be deducted in accordance with applicable tax laws for redemption / switch-out of units from the Transferor Plan/Option during the exit period and the same would be required to be borne by such investors only.

Investors in Transferor plans/options who opt for units in Transferee Plan/Option in lieu of units of Transferor Plans/Options

As per section 47(xix) (as inserted by Finance Act, 2017) of the Income-tax Act, 1961, consolidation/merger of two or more plans/options of mutual fund schemes has been made tax neutral. Furthermore, the cost and the period of holding of units of the Transferor Plans shall be reckon as the cost and the period of holding of the units in the Transferee Plans wide section 49(2AF) and explanation 1 (i)(hg) to section 2(42A) respectively.

Consequently, the allotment to investors of units in Transferee Plan/Option in exchange for cancellation of units held in Transferor Plan/Option of the Schemes will not be treated as a taxable transfer.

STT, if any, on transfer of units (Switch out/Switch in) pursuant to consolidation / merger of plans and options shall be borne by AMC.

Please note that the aforesaid tax neutrality on consolidation/merger of plans/options of mutual fund schemes is subject to compliance of SEBI (Mutual Funds) Regulations, 1996 and Units being held as ‘Capital assets’.

In view of the individual nature of tax benefits, each unit holder is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of his or her participation in the Scheme.

Any queries/clarifications in this regard may be addressed to:
DSP BlackRock Investment Managers Pvt. Ltd.
CIN: U74140MH1996PTC099483
Investment Manager for DSP BlackRock Mutual Fund
Mafatalal Centre, 10th Floor, Nariman Point, Mumbai - 400 021.
Tel. No.: 91-22 66578000, Fax No.: 91-22 66578181
Toll Free No: 1800 200 4499
www.dspblackrock.com

Place: Mumbai
Date: August 8, 2017

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.