

**Merger of IIFL Dividend Opportunities Index Fund into IIFL India Growth Fund**

**NOTICE IS HEREBY GIVEN THAT** the Board of Directors of India Infoline Asset Management Company Limited (IIFL AMC), Investment Manager to IIFL Mutual Fund (IIFMF) and India Infoline Trustee Company Limited (IIFL Trustee) Trustee to IIFL MF have approved the merger of IIFL Dividend Opportunities Index Fund (IIFL DOIF) into IIFL India Growth Fund (IIFL IGF).

The Securities and Exchange Board of India vide its letter no. OW/4976/2015 dated February 16, 2015 has conveyed its no objection to the aforesaid merger.

IIFL DOIF is an index scheme which replicates the constituents of its benchmark index and hence is passively managed in nature. As per internal analysis, the mutual fund returns for the last decade demonstrates that in India active management has generated significant alpha for the investors and top actively performing mutual funds have considerably outperformed their benchmarks. In view of the same, it is proposed to offer actively managed schemes to our investors and merge passively managed scheme.

The unit holders of IIFL DOIF are requested to note that IIFL DOIF, would cease to exist with effect from the close of the business hours on March 30, 2015 ("the effective date")

In terms of prevailing regulatory requirements, investors in IIFL DOIF are given an option to redeem or switch (to any other open ended scheme of IIFL Mutual Fund) at the prevailing Net Asset Value without any exit load in case they do not wish to approve the merger. The period of this exit offer is valid from February 27, 2015 to March 30, 2015 up to 3.00 p.m. The normal redemption form may be used for this purpose and submitted at any of the Investor Service Centers. The unit holders who hold their units in dematerialised form, need to submit the redemption request with their Depository Participant during exit option period.

Unitholders who do not exercise the exit option on or before March 30, 2015 would be deemed to have consented to the proposed merger.

The redemption payment will be made within 10 Business Days of receipt of valid redemption request to those unit holders who choose to exercise their exit option. In case of any pledge / lien / other encumbrance marked on any units in IIFL DOIF, the unitholders will not have the option to exit unless they submit a release of their pledges/encumbrances prior to submitting their redemption/switch requests during the exit offer. On the effective date, the respective pledges/encumbrances shall be marked on the corresponding number of units allotted in IIFL IGF. Unit holders should ensure that any change in address or pay-out bank details required by them, are updated in the Fund's records before exercising the exit option.

In case of investors of IIFL DOIF who opt to continue in IIFL IGF post merger and have registered for Systematic Investment Plan or Systematic Transfer Plan from IIFL DOIF, the said registration will continue under IIFL IGF for its balance tenure subsequent to the merger.

Consequently, on the date of merger i.e., effective March 30, 2015, IIFL DOIF will cease to exist. The investors of IIFL DOIF will be allotted units under the corresponding plan/option of IIFL IGF at the last available applicable Net Asset Value.

All the features of the IIFL IGF and provisions as contained in Scheme Information Document shall remain unchanged post the merger and no new scheme/plan will emerge post the aforesaid merger.

The allotment of units in IIFL IGF consequent to the merger shall be considered as redemption in IIFL DOIF and will result in short term/ long term capital gain in the hands of the unitholder depending upon the period of holding of the investment.

The redemption/switch of units from IIFL DOIF would be liable for deduction of STT. However, such STT shall be borne by AMC and will not be borne by unitholders.

In case of NRI investors, TDS shall also be deducted in accordance with the applicable Tax laws for the redemption/switch of units from IIFL DOIF during the exit period and the same would be required to be borne by such investor only. The unitholders are advised to consult their tax advisors with respect to their tax liability. The units allotted to the unitholders in IIFL IGF shall be treated as fresh subscription

Further, the investment portfolio of IIFL DOIF as on the date of merger, which are valued as per SEBI Guidelines, will be merged with the portfolio of IIFL IGF. This exit offer is not available to the investors of IIFL IGF since there is no change in fundamental attribute and the interests of investors of IIFL IGF are not adversely affected.

The individual communication regarding the merger are also being dispatched to the unitholders of the IIFL DOIF. Unit holders may note that no action is required in case they are in agreement with the aforesaid changes. The offer to exit is optional at the discretion of the unit holders and not compulsory. We would like you to remain invested in the Scheme.

For India Infoline Asset Management Company Limited

Sd/-

**Prashasta Seth**

Chief Executive Officer

Place: Mumbai

Date: February 25, 2015

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