



## KEY INFORMATION MEMORANDUM

### **L&T Fixed Maturity Plan – Series 12 - Plan15M – March10 - II**

A Close Ended Income Scheme  
Offer of units at Rs.10/- per unit

New Fund Offer Opens on : March 05, 2010
New Fund Offer Closes on : March 18, 2010

#### **L&T MUTUAL FUND**

World Trade Centre, Centre 1, 27th Floor, Unit 1, Cuffe Parade, Mumbai 400 005

#### **SPONSOR**

**L&T Finance Limited**

**Registered Office: L&T House, Ballard Estate, P.O. Box 278, Mumbai – 400 001**

#### **INVESTMENT MANAGER**

**L&T Investment Management Limited**

**Registered Office\*: 'Dare House', No. 2, N S C Bose Road, Chennai – 600001**

**Head Office: World Trade Centre, Centre 1, 27th Floor, Unit 1,  
Cuffe Parade, Mumbai 400 005**

#### **TRUSTEE**

**L&T Mutual Fund Trustee Limited**

**Registered Office\*: 'Dare House', No. 2, N S C Bose Road, Chennai – 600001**

This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. **For further details of the Scheme/ Plan/ the Mutual Fund, due diligence certificate by the AMC, Key Personnel, investors' rights & services, risk factors, penalties & pending litigations etc. investors should, before investment, refer to the Scheme Information Document and Statement of Additional Information available free of cost at any of the investor service centers or distributors or from the website [www.lntmf.com](http://www.lntmf.com)**

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

**This Key Information Memorandum is dated February 25, 2010.**

\* Investors are requested to refer note on page number 6.

<b>Name of Scheme</b>	<b>L&amp;T Fixed Maturity Plan – Series 12 - Plan15M – March10 - II</b>									
<b>Nature of the Scheme</b>	A Close Ended Income Scheme.									
<b>Investment Objective</b>	The Investment objective of the scheme would be to achieve growth of capital through investments made in a basket of fixed income securities maturing on or before the maturity of the scheme.									
<b>Tenor of the Plan</b>	15 Months									
<b>Nomenclature of the Plan</b>	The nomenclature of the Plan comprises of: 1. Plan 2. Duration 3. Starting Month and year  Plan15M – March10 - II									
<b>Investment Plan and Options</b>	Plan:15 Months Plan (Plan15M – March10 - II)  There are two options available under the Plan:  1. Dividend (Payout) 2. Growth*  *If no option is specified at the time of application, the default option is Growth Option.									
<b>Asset Allocation Pattern of the Scheme</b>	Investments will be made in a basket of fixed income securities maturing on or before the maturity of the scheme.  Under normal circumstances, the asset allocation under the Scheme would be as follows:  <table border="1" data-bbox="561 1272 1424 1518"> <thead> <tr> <th>Types of Instruments</th> <th>Normal Allocation (% of Net Asset)</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Debt Instruments*</td> <td>0-100%</td> <td>Low-Medium</td> </tr> <tr> <td>Money Market Instruments</td> <td>0-100%</td> <td>Low-Medium</td> </tr> </tbody> </table> * Debt instruments may include securitized debt up to 100% of the net assets & exposure in interest rate derivatives, either exchange traded or OTC, upto 100% of Net Assets as permitted by SEBI regulations.	Types of Instruments	Normal Allocation (% of Net Asset)	Risk Profile	Debt Instruments*	0-100%	Low-Medium	Money Market Instruments	0-100%	Low-Medium
Types of Instruments	Normal Allocation (% of Net Asset)	Risk Profile								
Debt Instruments*	0-100%	Low-Medium								
Money Market Instruments	0-100%	Low-Medium								
<b>Risk profile of the Scheme/ Plan</b>	Mutual Fund Units involve investment risks including the possible loss of principal. Please read the Scheme Information Document carefully for details on risk factors before investment. Specific Risk Factors are as summarized below:  <ul style="list-style-type: none"> <li>▪ Returns Risk</li> <li>▪ Performance Risk</li> </ul>									

	<ul style="list-style-type: none"> <li>▪ Liquidity &amp; Settlement Risk</li> <li>▪ Tenor Risk</li> <li>▪ Credit Risk</li> <li>▪ Commingling Risk</li> <li>▪ Prepayment Risk</li> <li>▪ Legal Risk</li> <li>▪ Interest Rate Risk</li> <li>▪ Reinvestment Risk</li> <li>▪ Political Risk</li> <li>▪ Risk Associated with Derivatives Transaction</li> <li>▪ Risk Associated with Investing in Securities Debt</li> <li>▪ Short Selling Risk</li> <li>▪ Risk of Rating Migration</li> </ul>
<b>Applicable NAV (after the scheme opens for repurchase and sale)</b>	<p><b>Purchase and Switch-in:</b> Allowed only during the NFO period.</p> <p><b>Redemption and Switch-out:</b> The applicable NAV for redemptions and switch out on maturity date will be the NAV calculated on the date of Maturity. In case the Maturity date or payout date happens to be a non-business day then the applicable NAV for redemptions and switch out shall be calculated immediately on the next business day.</p>
<b>Minimum Application Amount/ Number of Units</b>	Dividend Payout & Growth Option: Rs. 5000/- and in multiples of Re.1/- thereafter.
<b>Listing</b>	The Regulations require that every close-end scheme be mandatorily listed on a recognised stock exchange. The Fund intends to list on National Stock Exchange of India Limited. Investors will not be able to redeem their units during the tenor of the Scheme and there will be redemption by the fund on the maturity of the Scheme. However the units held in dematerialized form can be traded on the Stock Exchange.
<b>Dematerialisation</b>	<p>The Unit holders are given an Option to hold the units by way of an Account Statement or in dematerialized ('Demat') form.</p> <p>The Unit holder intending to hold the units in Demat form are required to have a beneficiary account with the Depository Participant (DP) and will be required to indicate in the application the DP's name, DP ID Number and the beneficiary account number of the applicant with the DP. The AMC intends to register with both NSDL &amp; CDSL.</p> <p>In case Unit holders do not provide their Demat Account details, an Account Statement shall be sent to them. Such investors will not be able to trade on the stock exchange till the holdings are converted in to demat form.</p> <p>No redemption/repurchase of units shall be allowed prior to the maturity of the Scheme. Unit holders wishing to exit may do so through the Stock Exchange mode.</p>

<b>Transfer of Units</b>	<p>Units held by way of an Account Statement cannot be transferred.</p> <p>Units held in Demat form are transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time. Transfer can be made only in favour of transferees who are capable of holding units and having a Demat Account. The delivery instructions for transfer of units will have to be lodged with the DP in requisite form as may be required from time to time and transfer will be effected in accordance with such rules / regulations as may be in force governing transfer of securities in dematerialized mode.</p>
<b>Redemption of Units</b>	<p>No redemption/repurchase of units shall be allowed prior to the maturity of the close ended schemes. Investors willing to exit may do so, only in demat mode, by selling through National Stock Exchange (NSE), where the scheme will be listed.</p> <p>Units can be bought/ sold like any other stock on NSE, where it is listed.</p> <p>Unitholders in a plan can redeem their investments on the date of maturity of that plan at the applicable NAV. Please note that if any maturity day falls on a non-business day, the redemption requests will be accepted or the plan will mature, as the case may be, on the next business day.</p> <p>On maturity of a Plan, the maturity pay-out will normally be effected on the day immediately following the maturity day. However, if the maturity pay-out day falls on a non-business day, then the maturity day will be extended appropriately to ensure that both the maturity day and the pay-out day are continuous business days. The Fund will, under normal circumstances, endeavor to dispatch the redemption cheques within 10 Business Days from the date on which the redemption transaction is effected.</p> <p>On the date of maturity of a plan, the account balances will be compulsorily redeemed and proceeds will be remitted to the respective Unitholders.</p>
<b>Despatch of repurchase (Redemption) request</b>	Within 10 working days from the date of Maturity of the Plan
<b>Benchmark Index</b>	CRISIL Short Term Bond Fund Index
<b>Dividend Policy</b>	Dividend declaration and distribution shall be in accordance with SEBI Regulations as applicable from time to time. The Trustees/ AMC reserves the right to declared dividend from time to time, depending on availability of distributable surplus.
<b>Name of the Fund Manager</b>	Ms. Bekxy Kuriakose
<b>Name of the Trustee Company</b>	L&T Mutual Fund Trustee Limited
<b>Performance of the Scheme/ Plan</b>	Being a new Scheme, it does not have any performance track record.

<p><b>Expenses of the Scheme:</b></p> <p><b>(i) Load Structure</b></p> <p><b>(ii) Recurring Expenses (% of weekly Average Net Assets)</b></p>	<p>New Fund Offer Period and Continuous Offer</p> <p><b>Entry Load : Nil</b> As per SEBI circular no. SEBI/IMD/CIR No.4/170230/09 dated June 30, 2009, no entry load will be charged for purchase / additional purchase / switch-in accepted by the Fund with effect from August 01, 2009.</p> <p><b>Exit Load:</b> Since the Plan will be listed on the Stock Exchange, no exit load will be charged</p> <p>Expected to be incurred on an on-going basis</p> <p>(i) On the first Rs.100 crore of the average daily net assets of the scheme- 2.25% (ii) On the next Rs.300 crore of the average daily net assets of the scheme- 2.00% (iii) On the next Rs.300 crore of the average daily net assets of the scheme- 1.75% (iv) On the balance of the assets of the scheme - 1.50%.</p> <p>For detail break-up, please refer to page number 6.</p>	
<p><b>Tax treatment for the Investors (Unitholders)</b></p>	<p>Investors are advised to refer to the details in the Statement of Additional Information. In view of the individual nature of tax consequences, each Investor / Unit holder is advised to consult his / her own professional tax advisor.</p>	
<p><b>Daily Net Asset Value (NAV) Publication</b></p>	<p>The AMC will calculate and disclose the NAVs of the Scheme at the close of every Business Day. NAV of the Scheme shall be made available at all Investor Service Centers of the AMC. The AMC shall have the NAV published in two daily newspapers. The AMC shall update the NAVs on the website of the Fund <a href="http://www.lntmf.com">www.lntmf.com</a> and of the Association of Mutual Funds in India - AMFI (<a href="http://www.amfiindia.com">www.amfiindia.com</a>) by 9.00 p.m. on every Business Day. In case of any delay, the reasons for such delay would be explained to AMFI in writing. If the NAVs are not available before commencement of Business Hours on the following day due to any reason, the Fund shall issue a press release giving reasons and explaining when the Fund would be able to publish the NAVs.</p> <p>Since the Scheme is proposed to be listed on a recognized Stock Exchange, the listed price would also be available on that Stock Exchange.</p>	
<p><b>For Investor Grievances please contact</b></p>	<p>Name and Address of the Registrar <b>COMPUTER AGE MANAGEMENT SERVICES PVT. LTD.</b> Unit : L&amp;T Mutual Fund 1st Floor, 178/10, Kodambakkam High Road, Opposite Hotel Palmgrove, Chennai – 600 034 Tel : 044-28285501/502/663 Fax : 044-28283614</p>	<p><b>L&amp;T MUTUAL FUND</b> John Vijayan Investor Grievance Officer 27<sup>th</sup> Floor , Unit 1, World Trade Centre, Centre 1, Cuffe Parade, Mumbai-40005 Phone: 022 6136 6600 Fax : 022 6136 6603/04 Website: <a href="http://www.lntmf.com">www.lntmf.com</a> OR Any of the Investor Service Centers of L&amp;T Mutual Fund.</p>

<b>Unit holder's Information</b>	Accounts statement (on each transaction), Annual financial results and Half yearly portfolio disclosure shall be provided to the unitholders by post / e-mail / by way of an advertisement at least, in one National English daily and one regional newspaper in the language of the region where the head office of the mutual fund is located, within one month from the close of each half year (i.e. 31st March and 30th September).
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**Recurring Expenses:** The total annual recurring expenses are estimated at 2.25% of the weekly average net assets of the Scheme, as given below. These expenses are subject to inter-se change and may increase/decrease as per actual and/or any change in the SEBI regulations.

(% per annum of average weekly net assets)

(Rs. in Crore)

<b>Description</b>	<b>First 100</b>	<b>Next 300</b>	<b>Next 300</b>	<b>On the Balance</b>
Investment Management & Advisory Fees	1.25%	1.00%	0.90%	0.80%
Registrar & Transfer Agent Fees	0.25%	0.25%	0.30%	0.30%
Custodian Fees	0.40%	0.40%	0.35%	0.30%
Trustee Fees	0.05%	0.05%	-	-
Audit Fee	0.10%	0.10%	0.05%	-
Rating Fee	0.10%	0.10%	0.10%	0.10%
Other expenses as permitted by SEBI regulations	0.10%	0.10%	0.05%	-
<b>Total Annual Recurring Expenses</b>	<b>2.25%</b>	<b>2.00%</b>	<b>1.75%</b>	<b>1.50%</b>

However Initial Issue expenses to be borne by AMC.

**\* CHANGE IN CONTROL OF THE AMC AND TRUSTEE COMPANY**

Investors are requested to note that during the year 2009, Cholamandalam DBS Finance Limited (CDFL), the erstwhile Sponsor of the Mutual Fund, entered into a Memorandum of Understanding with L&T Finance Limited (LTF) comprising the following:

- (i) Sale of 100% equity shares of the AMC held by CDFL to LTF;
- (ii) Sale of 100% equity shares of the Trustee Company held by CDFL to LTF and
- (iii) Transfer of the Mutual Fund (the Fund) and all the Schemes floated by the Fund.

An application seeking the approval of SEBI was made by LTF and the AMC on October 23, 2009 and November 3, 2009 respectively; and SEBI vide its letter dated December 23, 2009, granted no objection to LTF to act as Sponsor of DBS Chola Mutual Fund and advised DCAM to comply with the requirements of Regulation 22(e)(ii) (iii) of the SEBI (MF) Regulations, 1996.

Post the change in control and transfer of 100% shareholding in DCAM and DCTL held by CDFL to LTF, the Sponsor, "Cholamandalam DBS Finance Limited (CDFL)" has been changed to "L&T Finance Limited" and "DBS Chola Mutual Fund" has been renamed as "L&T Mutual Fund". Also "DBS Cholamandalam Asset Management Limited" is renamed as "L&T Investment Management Limited" and "DBS Cholamandalam Trustees Limited" is renamed as "L&T Mutual Fund Trustee Limited".

Consequent to above change in control, the registered office of the AMC and Trustee Company shall be shifted from the State of Tamil Nadu to the State of Maharashtra, upon receipt of requisite approvals. The registered office shall be shifted to L&T House, Ballard Estate, P.O. Box 278, Mumbai – 400 001.