

HDFC Equity Fund Open-ended Growth Scheme	<i>(Formerly Zurich India Equity Fund)</i>
HDFC Top 200 Fund Open-ended Growth Scheme	<i>(Formerly Zurich India Top 200 Fund)</i>
HDFC Capital Builder Fund Open-ended Growth Scheme	<i>(Formerly Zurich India Capital Builder Fund)</i>
HDFC TaxSaver Open-ended Equity Linked Savings Scheme	<i>(Formerly Zurich India TaxSaver Fund)</i>
HDFC Prudence Fund Open-ended Balanced Scheme	<i>(Formerly Zurich India Prudence Fund)</i>
HDFC High Interest Fund Open-ended Income Scheme	<i>(Formerly Zurich India High Interest Fund)</i>
HDFC Cash Management Fund Open-ended High Liquidity Income Scheme	<i>(Formerly Zurich India Liquidity Fund)</i>

Offer of Units at NAV based prices

Sponsors :

Housing Development Finance Corporation Limited

Registered Office :

Ramon House, H. T. Parekh Marg,
169, Backbay Reclamation,
Churchgate, Mumbai 400 020.

Standard Life Investments Limited

Registered Office :

1 George Street, Edinburgh, EH2 2LL
United Kingdom.

Asset Management Company :

HDFC Asset Management Company Limited

A Joint Venture with Standard Life Investments Limited

Registered Office :

Ramon House, 3rd Floor,
H. T. Parekh Marg,
169, Backbay Reclamation,
Churchgate, Mumbai 400 020.

Trustee :

HDFC Trustee Company Limited

Registered Office :

Ramon House, 3rd Floor,
H. T. Parekh Marg,
169, Backbay Reclamation,
Churchgate, Mumbai 400 020.

This Offer Document sets forth concisely the information about the Scheme(s) that a prospective investor ought to know before investing. This Offer Document should be retained for future reference. The particulars of the Scheme(s) have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended till date [in respect of HDFC TaxSaver, the particulars of the Scheme have also been prepared in accordance with the Equity Linked Savings Scheme, 1992 and Equity Linked Savings (Amendment) Scheme, 1998 notifications, as amended till date, issued by the Department of Economic Affairs, Ministry of Finance, Government of India], and filed with the Securities and Exchange Board of India and the Units being offered for the public subscription have not been approved or disapproved by the Securities and Exchange Board of India nor has the Securities and Exchange Board of India certified the accuracy or adequacy of this Offer Document. This Offer Document will remain effective till a revised version is printed and circulated. In accordance with SEBI directives, this Offer Document will be fully revised and updated at least once in two years from the date of issue. Till the time the Offer Document is reprinted, an addendum giving details of each of the changes will be attached to the Offer Document. The yearly condensed financial information of the Scheme(s) will also be included in the form of addendum to the Offer Document till the time the revised Offer Document is printed. Investors may also like to ascertain about any further changes after the date of this Offer Document from the Mutual Fund/its Investor Service Centres/distributors or brokers. This Offer Document supercedes all earlier Offer Documents of the aforesaid Scheme(s) of HDFC Mutual Fund. This Offer Document is dated October 15, 2007.

SPONSORS

HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED

Registered Office :

Ramon House, H. T. Parekh Marg,
169, Backbay Reclamation,
Churchgate, Mumbai 400 020.

STANDARD LIFE INVESTMENTS LIMITED

Registered Office :

1 George Street, Edinburgh, EH2 2LL
United Kingdom.

TRUSTEE

HDFC TRUSTEE COMPANY LIMITED

Registered Office :

Ramon House, 3rd Floor, H. T. Parekh Marg,
169, Backbay Reclamation,
Churchgate, Mumbai 400 020.

ASSET MANAGEMENT COMPANY

HDFC ASSET MANAGEMENT COMPANY LIMITED

A Joint Venture with Standard Life Investments Limited

Registered Office :

Ramon House, 3rd Floor, H. T. Parekh Marg,
169, Backbay Reclamation,
Churchgate, Mumbai 400 020.

REGISTRAR AND TRANSFER AGENT

COMPUTER AGE MANAGEMENT SERVICES PVT. LIMITED

A & B, Lakshmi Bhawan,
609, Anna Salai, Chennai 600 006.

CUSTODIAN

HDFC BANK LIMITED

Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel,
Mumbai 400 013.

CITIBANK N.A.

Ramnord House,
77, Dr. Annie Besant Road,
Worli, Mumbai 400 018.

STATUTORY AUDITORS TO THE SCHEMES

DELOITTE HASKINS & SELLS

Chartered Accountants
12, Dr. Annie Besant Road, Opp. Shiv Sagar Estate,
Worli, Mumbai 400 018.

LEGAL ADVISORS

DAVE & GIRISH & CO.

Sethna Building, 1st Floor, 55, Maharshi Karve Road,
Marine Lines, Mumbai 400 002.

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RISK FACTORS

GENERAL RISK FACTORS

- Mutual funds and securities investments are subject to market risks and there can be no assurance or guarantee that the Scheme(s) objectives will be achieved.
- As with any investment in securities, the Net Asset Value of Units issued under the Scheme(s) may go up or down depending on various factors and forces affecting the capital markets.
- Past performance of the Sponsors and their affiliates / AMC / Mutual Fund and its scheme do not indicate the future performance of the Scheme(s) of the Mutual Fund.
- The Sponsors are not responsible or liable for any loss or shortfall resulting from the operations of the Scheme(s) beyond the contribution of Rs.1 lakh each made by them towards the corpus of the Mutual Fund.
- **HDFC Equity Fund (HEF), HDFC Top 200 Fund (HT200), HDFC Capital Builder Fund (HCBF), HDFC TaxSaver (HTS), HDFC Prudence Fund (HPF), HDFC High Interest Fund (HHIF) and HDFC Cash Management Fund (HCMF)** are the names of the Schemes and do not in any manner indicate either the quality of the Scheme(s) or their future prospects and returns.
- Investors should study this Offer Document carefully in its entirety before investing.
- Investors in the Scheme(s) are not being offered any guaranteed / assured returns.
- In accordance with SEBI Regulations, each Scheme and individual plans(s) under the Scheme (at Portfolio level) must have a minimum of 20 investors and no single investor should account for more than 25% of the corpus of Scheme/Plan(s). In case of non-fulfillment with either of the above two conditions on an ongoing basis for each calendar quarter, the Scheme/Plan will be wound up by following the guidelines prescribed by SEBI and the investor's money would be redeemed at applicable NAV.

However, in order to harmonize the methodology for calculating the 25% limit in ongoing implementation of the SEBI circular dated December 12, 2003, SEBI has issued the following clarifications vide its circular SEBI/IMD/CIR No. 1/42529/05 dated June 14, 2005:

Determining the breach of the 25% limit by an Investor:

The average net assets of the Scheme/Plan would be calculated daily and any breach of the 25% holding limit by an investor would be determined. At the end of the quarter, the average of daily holding by each such investor is computed to determine whether that investor has breached the 25% limit over the quarter. If there is a breach of limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25% limit. Failure on the part of the said investor to redeem his exposure over the 25% limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period.

All other provisions of the SEBI circular dated December 12, 2003 remain unchanged. The Mutual Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

SCHEME SPECIFIC RISK FACTORS

- Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme(s) leading to delays in receipt of proceeds from sale of securities. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. The NAV of the Units of the Scheme can go up or down because of various factors that affect the capital markets in general.
- As the liquidity of the investments made by the Scheme(s) could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or a restructuring of the Scheme. In view of the above, the Trustee has the right, in its sole discretion, to limit redemptions (including suspending redemptions) under certain circumstances, as described on **Page 69** under the section titled "**Right to Limit Redemptions**".
- Equity securities and equity related securities are volatile and prone to price fluctuations on a daily basis. Investments in Equity and equity related securities involve a degree of risks and investors should not invest in the Scheme(s) unless they can afford to take the risks.
- The Net Asset Value (NAV) of the Scheme(s), to the extent invested in Debt and Money Market securities, will be affected by changes in the general level of interest rates. The NAV of the Scheme(s) is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.
- Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the Scheme and may lead to the Scheme incurring losses till the security is finally sold.
- Investment in Debt Securities are subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer.
- Government securities where a fixed return is offered run price-risk like any other fixed income security. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates. The new level of interest rate is determined by the rates at which government raises new money and/or the price levels at which the market is already dealing in existing securities. The price-risk is not unique to Government Securities. It exists for all fixed income securities. However, Government Securities are unique in the sense that their credit risk generally remains zero. Therefore, their prices are influenced only by movement in interest rates in the financial system.
- Different types of fixed income securities in which the Scheme(s) would invest as given in the Offer Document carry different levels and types of risk. Accordingly, the Scheme risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher level of risk than Government securities. Further even among corporate bonds, bonds which are AAA rated are comparatively less risky than bonds which are AA rated.

- The AMC may, considering the overall level of risk of the portfolio, invest in lower rated / unrated securities offering higher yields as well as zero coupon securities that offer attractive yields. This may increase the absolute level of risk of the portfolio.
- As zero coupon securities do not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates. Therefore, the interest rate risk of zero coupon securities is higher. The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio.
- Securities which are not quoted on the stock exchanges are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The AMC may choose to invest in unlisted securities that offer attractive yields. This may increase the risk of the portfolio.
- While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges and may lead to the Scheme(s) incurring losses till the security is finally sold.
- The Risks involved in Securitised Papers described below are the principal ones and does not represent that the statement of risks set out hereunder is exhaustive.
- **Limited Liquidity & Price Risk**
There is no assurance that a deep secondary market will develop for the Certificates. This could limit the ability of the investor to resell them.
- **Limited Recourse, Delinquency and Credit Risk**
The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and do not represent an obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts to the Certificate Holders may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of a Obligor to repay his obligation, the Servicer may repossess and sell the Asset. However many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realise the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor.
- **Risks due to possible prepayments and Charge Offs**
In the event of prepayments, investors may be exposed to changes in tenor and yield. Also, any Charge Offs would result in the reduction in the tenor of the Pass Through Certificates (PTCs).
- **Bankruptcy of the Swap Bank**
If the Swap Bank, becomes subject to bankruptcy proceedings then an Investor could experience losses or delays in the payments due under the Interest Rate Swap Agreement.

• Risk of Co-mingling

With respect to the Certificates, the Servicer will deposit all payments received from the Obligors into the Collection Account. However, there could be a time gap between collection by a Servicer and depositing the same into the Collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the Loan Agreements may not be segregated from other funds of originator. If originator in its capacity as Servicer fails to remit such funds due to Investors, the Investors may be exposed to a potential loss.

The AMC, on behalf of the Scheme(s) may also invest in overseas financial assets subject to obtaining approvals from the concerned regulatory authorities in India. To the extent that the assets of the Scheme(s) will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income thereon 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.

As with other modes of extensions of credit, there are risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to 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.

The AMC, on behalf of the Scheme(s) may use various derivative products, from time to time, in an attempt to protect the value of the portfolio and enhance Unit holders' interest. 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 of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. Other risks include, the risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Units of **HDFC TaxSaver** cannot be assigned/transferred/pledged/redeemed/switched out until completion of three years from the date of allotment of the respective Units.

SPECIAL CONSIDERATIONS

The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any of the tax consequences that may arise, in the event that the Scheme(s) is wound up for the reasons and in the manner provided for in **Page 95**.

Redemption by the Unit holder due to change in the fundamental attributes of the Scheme(s) or due to any other reasons may entail tax consequences. The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any such tax consequences that may arise.

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 Unit holders should be aware that the relevant fiscal rules or their interpretation may 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 Unit holder is advised to consult his / her own professional tax advisor.

The Mutual Fund is not guaranteeing or assuring any returns.

Investors should study this Offer Document carefully in its entirety and should not construe the contents hereof as advice relating to legal, taxation, investment or any other matters. Investors are advised to 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.

In the event of substantial investment by the Sponsors and their associates in the Scheme(s) of the Mutual Fund, Redemption of Units by these entities may have an adverse impact on the performance of the Scheme(s) and this may also affect the ability of other Unit holders to redeem their Units.

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 authorised 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 authorised by the Mutual Fund and any information or representations not contained herein must not be relied upon as having been authorised by the Mutual Fund.

HDFC Equity Fund, HDFC Capital Builder Fund and HDFC TaxSaver, benchmarked to S&P CNX 500 Index are not sponsored, endorsed, sold or promoted by India Index Services & Products Limited (IISL). IISL is not responsible for any errors or omissions or the results obtained from the use of such index and in no event shall IISL have any liability to any party for any damages of whatsoever nature (including lost profits) resulted to such party due to purchase or sale or otherwise of such product benchmarked to such index.

The Mutual Fund may disclose details of the investor's account and transactions there under to those intermediaries whose stamp appears on the application form. In addition, the Mutual Fund may disclose such details to the bankers, as may be necessary for the purpose of effecting payments to the investor.

HIGHLIGHTS

- **Sponsors** – The Sponsors of the Mutual Fund are Housing Development Finance Corporation Limited (HDFC) and Standard Life Investments Limited.

HDFC is a premier Housing Finance Company in India. The Company has a total asset size of **Rs. 72,665 crore as at September 30, 2007** and cumulative approvals and disbursements of housing loans of **Rs. 164,712 crore and Rs. 133,556 crore respectively as at September 30, 2007**.

Standard Life Investments Limited is the dedicated investment management company of the Standard Life group and is a wholly owned subsidiary of Standard Life Investments (Holdings) Limited, which in turn is a wholly owned subsidiary

of Standard Life plc. With global assets under management of approximately US\$ 290 billion as at September 30, 2007, Standard Life Investments Limited is one of the world's major investment companies and is responsible for investing money on behalf of five million retail and institutional clients worldwide.

- **Liquidity** – The Scheme(s) (**Except HHIF-Fixed Maturity Plans**) being offered are open-ended scheme(s) and offer Units for Sale / Switch-in and Redemption / Switch-out (**subject to completion of Lock-in Period, if any**), on every Business Day at NAV based prices.

As per SEBI Regulations, the Mutual Fund shall despatch Redemption proceeds within 10 Business Days of receiving the Redemption request. A penal interest of 15% or such other rate as may be prescribed by SEBI from time to time, will be paid in case the Redemption proceeds are not made within 10 Business Days of the date of Redemption request.

However, under normal circumstances, the Mutual Fund will endeavour to despatch the Redemption cheque (for Scheme(s) other than **HCMF - Savings Plan & Call Plan**) within 3-4 Business Days (as applicable) from the acceptance of the Redemption request. In case of **HCMF - Savings Plan & Call Plan**, the Mutual Fund will endeavour to despatch the Redemption cheque within 1 Business Day from the acceptance of the Redemption request. Please refer to paragraph on 'Payment of Redemption Proceeds' on **Page 68** for details.

- **Transparency** – The AMC will calculate and disclose the NAV of the Scheme(s) at the close of every Business Day. In case of **HCMF-Savings Plan & Call Plan**, the AMC will calculate the NAVs all year round. In addition, the AMC will disclose details of the Scheme(s) portfolio on a quarterly basis.
- **Switching** – Unit holders under the Scheme(s) will have the flexibility to alter the allocation of their investments (subject to completion of lock-in period, if any), in order to suit their changing investment needs, by easily switching to other open-ended scheme(s) / plans of the Mutual Fund.
- **Tax benefits**

- Under the Income-tax Act, 1961 ('the Act') income distributed by the Scheme will be exempt from Income-Tax in the hands of investors.
- On income distribution, if any, made by the Mutual Fund, additional income-tax is payable under section 115R of the Act, in the case of its Schemes (other than equity-oriented funds i.e. such fund where the investible funds are invested by way of equity shares in domestic companies to the extent of more than 65% of the total proceeds of such fund). The additional income-tax on distribution of income to an individual / Hindu Undivided Family (HUF) shall be payable by the mutual fund at the rate of 14.1625%* and at the rate of 22.66%* on distribution of income to any other investor. The additional income-tax on distribution of income by a money market mutual fund or a liquid fund shall be payable at the rate of 28.325%*.

* including applicable surcharge, education cess and secondary and higher education cess.

- As per Section 10(38) of the Act, any long-term capital gains arising from the sale of units of an equity-oriented fund where such transaction of sale is chargeable to STT, shall be exempt from tax.
- As per Section 111A of the Act, short-term capital gains on sale of units of an equity oriented fund where such transaction of sale is chargeable to STT shall be subject to tax at a rate of 10 per cent (plus applicable surcharge, education cess and secondary and higher education cess).
- Gifts of Units, purchased under the Scheme is exempt from Gift-Tax.
- Units of the Scheme are not subject to Wealth-tax and Gift-tax.
- There will be no tax deduction at source on redemption, irrespective of the redemption amount for resident investors.
- As per Section 80C, and subject to the provisions, an individual / HUF is entitled to a deduction from Gross Total Income upto Rs. 1.00 lac (along with other prescribed investments) for amounts invested in units of **HTS**.
- **Repatriation** – Repatriation benefits would be available to NRIs/PIOs/FIIs, subject to applicable conditions.

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"	HDFC Asset Management Company Limited, incorporated under the provisions of the 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 HDFC Mutual Fund.
"Applicable NAV"	The NAV applicable for purchase or redemption or switching of Units based on the time of the Business Day on which the application is accepted.
"Book Closure"	The time during which the Asset Management Company would temporarily suspend sale, redemption and switching of Units.
"BSE"	The Bombay Stock Exchange Limited.
"Business Day"	<p>A day other than:</p> <ul style="list-style-type: none"> (i) Saturday and Sunday; (ii) A day on which the banks in Mumbai and / RBI are closed for business / clearing; (iii) A day on which the National Stock Exchange of India Limited is closed; (iv) A day which is a public and /or bank holiday at a Investor Service Centre where the application is received; (v) A day on which Sale / Redemption / Switching of Units is suspended by the AMC; (vi) 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. <p>Further, in case of HCMF-Savings Plan & Call Plan, the day(s) on which the money markets are closed / not accessible, shall not be treated as Business Day(s).</p> <p>The AMC reserves the right to declare any day as a Business Day or otherwise at any or all Investor Service Centres.</p>
"Business Hours"	Presently 9.30 a.m. to 5.30 p.m. on any Business Day or such other time as may be decided by the Asset Management Company from time to time.
"Business Hours" (Demat Units)	Presently 9.30 a.m. to 3.00 p.m. on any Business Day or such other time as may be decided by the Asset Management Company from time to time.
"CBDT"	Central Board of Direct Taxes
"CDSC"	Contingent Deferred Sales Charge is the exit charge permitted under the Regulations for a no-load scheme.
"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, as amended from time to time which for the time being are HDFC Bank Limited and Citibank N.A.
"Depository"	Depository as defined in the Depositories Act, 1996 (22 of 1996).
"Derivative"	Derivative includes (i) a security derived from a debt instrument, share, loan whether secured or unsecured, risk instrument or contract for differences or any other form of security; (ii) a contract which derives its value from the prices or index of prices or underlying securities.
"Dividend"	Income distributed by the Mutual Fund on the Units.
"Dividend Plan"	Dividend Option(s) in Schemes of HDFC Mutual Fund.
"Entry Load" or "Sales Load"	Load on Sale / Switch-in of Units.
"Equity Related Instruments"	"Equity Related Instruments" includes convertible bonds and debentures, convertible preference shares, warrants carrying the right to obtain equity shares, equity derivatives and any other like instrument.
"Exit Load" or "Redemption Load"	Load on Redemption / Switch-out of Units.

"FII"	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.
"Floating Rate Debt Instruments"	<p>Floating rate debt instruments are debt securities issued by Central and / or State Government, corporates or PSUs with interest rates that are reset periodically. The periodicity of the interest reset could be daily, monthly, quarterly, half-yearly, annually or any other periodicity that may be mutually agreed with the issuer and the Fund.</p> <p>The interest on the instruments could also be in the nature of fixed basis points over the benchmark gilt yields.</p>
"Foreign Securities"	ADRs / GDRs/ equity securities of overseas companies listed on the recognized stock exchanges overseas/ or such other related securities as may be specified by SEBI and/or RBI from time to time.
"Gilts" or "Government Securities"	Securities created and issued by the Central Government and/or a State Government (including Treasury Bills) or Government Securities as defined in the Public Debt Act, 1944, as amended or re-enacted from time to time.
"GOI"	Government of India.
"Growth Plan"	Growth Options in schemes of HDFC Mutual Fund.
"HDFC Equity Fund" or "HEF"	An Open-ended Equity Growth Scheme.
"HDFC Top 200 Fund" or "HT200"	An Open-ended Equity Growth Scheme.
"HDFC Capital Builder Fund" or "HCBF"	An Open-ended Equity Growth Scheme.
"HDFC TaxSaver" or "HTS"	An Open-ended Equity Linked Savings Scheme.
"HDFC Prudence Fund" or "HPF"	An Open-ended Balanced Scheme.
"HDFC High Interest Fund" or "HHIF"	An Open-ended Income Scheme.
"HDFC Cash Management Fund" or "HCMF"	An Open-ended High Liquidity Income Scheme.
"Holiday"	Holiday means the day(s) on which the banks (including the Reserve Bank of India) are closed for business or clearing in Mumbai or their functioning is affected due to a strike / bandh call made at any part of the country or due to any other reason.
"Investment Management Agreement"	The agreement dated June 8, 2000 entered into between HDFC Trustee Company Limited and HDFC Asset Management Company Limited, as amended from time to time.
"Investor Service Centres" or "ISCs"	Designated HDFC Branches or Offices of HDFC Asset Management Company Limited or such other centres or offices as may be designated by the AMC from time to time.
"Load"	In the case of Redemption / Switch out of a Unit, the sum of money deducted from the Applicable NAV on the 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.
"Market Capitalisation"	Market value of the listed company, which is calculated by multiplying its current market price by number of its shares outstanding.
"Money Market Instruments"	Includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bills and any other like instruments as specified by the Reserve Bank of India from time to time.

“Mutual Fund” or “the Fund”	HDFC Mutual Fund, a trust set up under the provisions of the Indian Trusts Act, 1882.
“NAV”	Net Asset Value per Unit of each Scheme as calculated in the manner described in this Offer Document or as may be prescribed by the SEBI Regulations from time to time. The per Unit NAV is computed upto three decimal places in the case of HEF, HT200, HCBF, HTS and HPF and upto four decimal places in the case of HHIF and HCMF.
“NRI”	A Non-Resident Indian or a person of Indian origin residing outside India.
“Offer Document” or “Combined Offer Document”	This document issued by HDFC Mutual Fund, offering for subscription of Units of seven unlinked Schemes (including Plans and Options thereunder) viz, HEF, HT200, HCBF, HTS, HPF, HHIF and HCMF.
“Official Points of Acceptance”	Places, as specified by AMC from time to time where application for subscription / redemption / switch will be accepted on ongoing basis.
“Plan”	A Plan described hereinafter in the Scheme(s)
“Person of Indian Origin”	A citizen of any country other than Bangladesh or Pakistan, if (a) he at any time held an Indian passport; or (b) he or either of his parents or any of his grand parents was a citizen of India by virtue of Constitution of India or the Citizenship Act, 1955 (57 of 1955); or (c) the person is a spouse of an Indian citizen or person referred to in sub-clause (a) or (b)
“Rating”	Rating means an opinion regarding securities, expressed in the form of standard symbols or in any other standardised manner, assigned by a credit rating agency and used by the issuer of such securities, to comply with any requirement of the SEBI (Credit Rating Agencies) Regulations, 1999.
“RBI”	Reserve Bank of India, established under the Reserve Bank of India Act, 1934, (2 of 1934)
“Registrar and Transfer Agent”	Computer Age Management Services Pvt. Limited (CAMS), Chennai, currently acting as Registrar to the Scheme(s), or any other registrar appointed by the AMC from time to time.
“Repo”	Sale of Government Securities with simultaneous agreement to repurchase them at a later date.
“Repurchase / Redemption”	Redemption of Units of the Scheme(s) as permitted.
“Redemption / Switch Trigger”	<p>Under this facility, a Unit holder has the option to trigger a sale or switch of his unit holding in the Scheme either partly for a specified amount or specified units or fully under the following circumstances;</p> <p>(1) On his achieving a desired absolute rate of return on his entire investment in the schemes as specified by the Unit holder as communicated to the Fund</p> <p>(2) On specified dates as communicated to the Fund</p> <p>The aforesaid facility may be offered / withdrawn in such Option(s) / Plan(s) / Scheme(s) at the discretion of the AMC, as may be decided from time to time, with prospective effect. The circumstances / terms and conditions under which the trigger can be activated may also be varied by the AMC from time to time</p>
“Regulatory Agency”	GOI, SEBI, RBI or any other authority or agency entitled to issue or give any directions, instructions or guidelines to the Mutual Fund
“Sale” or “Subscription”	Sale or allotment of Units to the Unit holder upon subscription by the investor / applicant under the Scheme(s).

“Scheme(s)” or “Scheme”	HEF, HT200, HCBF, HTS, HPF, HHIF and HCMF (including Plans and Options thereunder), collectively referred to as ‘the Scheme(s)’ and individually, as the context permits, as ‘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.
“Sponsors” or “Settlers”	Housing Development Finance Corporation Limited and Standard Life Investments Limited.
“Stock Lending”	Lending of securities to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio.
“Switch”	Redemption of a unit in any scheme (including the plans therein) 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.
“Trust Deed”	The Trust Deed dated June 8, 2000 made by and between HDFC and HDFC Trustee Company Limited (“Trustee”), thereby establishing an irrevocable trust, called HDFC Mutual Fund and deed of variation dated June 11, 2003 and June 19, 2003.
“Unit”	The interest of the Unit holder in any of the Scheme(s), which consists of each Unit representing one undivided share in the assets of the Scheme.
“Unit holder” or “Investor”	A person holding Unit(s) under any Scheme offered under this Offer Document.

INTERPRETATION

For all purposes of this Offer Document, except as otherwise expressly provided or unless the context otherwise requires :

- all references to the masculine shall include the feminine and all references, to the singular shall include the plural and vice-versa.
- all references to “dollars” or “\$” refer to United States Dollars and “Rs” refer to Indian Rupees. A “crore” means “ten million” and a “lakh” means a “hundred thousand”.
- All references to timings relate to Indian Standard Time (IST).

DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

A Due Diligence Certificate, dated October 15, 2007, duly signed by the Chief Compliance Officer of HDFC Asset Management Company Limited has been submitted to SEBI which reads as follows:

DUE DILIGENCE CERTIFICATE

It is confirmed that:

- i) The Combined 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 and the Scheme particulars of HDFC TaxSaver are also in accordance with the Ministry of Finance (Department of Economic Affairs), Government of India Notifications dated December 28, 1992 and amended on December 22, 1998.
- ii) The disclosures made in the Combined Offer Document are true, fair and adequate to enable the investors to make a well-informed decision regarding investments in the Scheme(s).
- iii) According to the information given to us, Citibank N.A. and HDFC Bank Ltd. the Custodian to the Scheme(s), are registered with SEBI and till date, such registrations are valid.
- iv) According to the information given to us, Computer Age Management Services Pvt. Limited, the Registrar and Transfer Agent to the Scheme(s), is registered with SEBI and till date, such registration is valid.

Place : Mumbai
Date : October 15, 2007

Signed : Sd/-
Name : **Yezdi Khariwala**
Designation : *Chief Compliance Officer*

SUMMARY

EQUITY, BALANCED SCHEMES AND ELSS

Scheme	HDFC Equity Fund	HDFC Top 200 Fund	HDFC Capital Builder Fund	HDFC Prudence Fund	HDFC TaxSaver
Type	Open-ended growth scheme	Open-ended growth scheme	Open-ended growth scheme	Open-ended balanced scheme	Open-ended equity linked savings scheme with a lock-in period of 3 years**
Investment Objective	To achieve capital appreciation	To generate long term capital appreciation from a portfolio of equity and equity linked instruments primarily drawn from the companies in BSE 200 index	To achieve capital appreciation in the long term	To provide periodic returns and capital appreciation over a long period of time from a judicious mix of equity and debt investments with an aim to prevent/minimize any capital erosion	To achieve long term growth of capital
Plans / Options	Growth Plan & Dividend Plan The Dividend Plan offers Payout and Reinvestment facility.				
Benchmark Index	S&P CNX 500	BSE 200	S&P CNX 500	CRISIL Balanced Fund Index	S&P CNX 500
Minimum Application Amount (Under each Plan)#	New Investors : Rs. 5,000 and in multiples of Rs. 100 thereafter Existing Investors : Rs. 1,000 and in multiples of Rs. 100 thereafter				Rs 500 and in multiples of Rs. 500 thereafter
Fund Manager	Mr. Prashant Jain	Mr. Prashant Jain	Mr. Chirag Setalvad	Mr. Prashant Jain	Mr. Vinay Kulkarni

DEBT SCHEMES

Scheme	HDFC High Interest Fund	HDFC Cash Management Fund																					
Type	Open-ended Income Scheme	Open ended High Liquidity Income Scheme. In accordance with the parameters for liquid schemes specified by SEBI, HCMF-Savings Plan and Call Plan are categorised as 'Liquid Schemes' and HCMF- Savings Plus Plan is classified as 'Non-Liquid Scheme'.																					
Investment Objective	To generate income by investing in a range of debt and money market instruments of various maturity dates with a view to maximise income while maintaining the optimum balance of yield, safety and liquidity	Savings & Call Plan : To generate optimal returns while maintaining safety and high liquidity Savings Plus Plan : To generate regular income through investments in debt securities and money market instruments.																					
Plans / Options	Growth Plan and Dividend Plans (With Quarterly, Half Yearly and Yearly Options) and Short Term Plan [(With Growth and Dividend Option (Monthly)), Fixed Maturity Plans (With Quarterly, Half Yearly & Yearly (With Dividend & Growth Options in all Plans) Dividend Options offer payout and reinvestment facility	Savings Plan : Growth Option, Daily Dividend Option with Reinvestment facility only) and Weekly Dividend Option (with payout and Reinvestment facility). Call Plan : Growth Option & Daily Dividend Option The Dividend Option offers Reinvestment facility only. Savings Plus Plan (Retail and Wholesale Option) : Growth and Dividend Option. Dividend Option offers Daily Dividend Option with Reinvestment facility only and Weekly and Monthly Dividend Option with Payout and Reinvestment facility.																					
Benchmark Index	CRISIL Composite Bond Fund Index	CRISIL Liquid Fund Index																					
Minimum Application Amount (Under each Plan / Option)	New Investors : Rs. 5,000 and in multiples of Rs. 100 thereafter Existing Investors : Rs. 1,000 and in multiples of Rs. 100 thereafter	<table> <tr> <td>Savings Plan : Growth Option Dividend Option</td> <td>New / Existing Investors Purchase Rs. 10,000 Rs. 1,00,000</td> <td>Additional Purchase In multiples of Rs. 1,000 thereafter</td> </tr> <tr> <td>Call Plan : Growth & Dividend Option</td> <td>Rs. 1,00,000</td> <td>In multiples of Rs. 1,000 thereafter</td> </tr> <tr> <td>Savings Plus Plan : Retail Option Growth, Weekly and Monthly Dividend Option</td> <td>New Investors Purchase Rs. 5,000</td> <td>Additional Purchase In multiples of Rs. 100 thereafter</td> </tr> <tr> <td>Growth, Weekly and Monthly Dividend Option</td> <td>Existing Investors Rs. 1,000</td> <td>In multiples of Rs. 100 thereafter</td> </tr> <tr> <td>Daily Dividend Option</td> <td>New / Existing Investors Rs. 1,00,000</td> <td>In multiples of Re. 1 thereafter</td> </tr> <tr> <td>Wholesale Option</td> <td>New Investors Rs. 1 Crore</td> <td>In multiples of Re. 1 thereafter</td> </tr> <tr> <td>Wholesale Option</td> <td>Existing Investors Re. 1</td> <td>In multiples of Re. 1 thereafter</td> </tr> </table>	Savings Plan : Growth Option Dividend Option	New / Existing Investors Purchase Rs. 10,000 Rs. 1,00,000	Additional Purchase In multiples of Rs. 1,000 thereafter	Call Plan : Growth & Dividend Option	Rs. 1,00,000	In multiples of Rs. 1,000 thereafter	Savings Plus Plan : Retail Option Growth, Weekly and Monthly Dividend Option	New Investors Purchase Rs. 5,000	Additional Purchase In multiples of Rs. 100 thereafter	Growth, Weekly and Monthly Dividend Option	Existing Investors Rs. 1,000	In multiples of Rs. 100 thereafter	Daily Dividend Option	New / Existing Investors Rs. 1,00,000	In multiples of Re. 1 thereafter	Wholesale Option	New Investors Rs. 1 Crore	In multiples of Re. 1 thereafter	Wholesale Option	Existing Investors Re. 1	In multiples of Re. 1 thereafter
Savings Plan : Growth Option Dividend Option	New / Existing Investors Purchase Rs. 10,000 Rs. 1,00,000	Additional Purchase In multiples of Rs. 1,000 thereafter																					
Call Plan : Growth & Dividend Option	Rs. 1,00,000	In multiples of Rs. 1,000 thereafter																					
Savings Plus Plan : Retail Option Growth, Weekly and Monthly Dividend Option	New Investors Purchase Rs. 5,000	Additional Purchase In multiples of Rs. 100 thereafter																					
Growth, Weekly and Monthly Dividend Option	Existing Investors Rs. 1,000	In multiples of Rs. 100 thereafter																					
Daily Dividend Option	New / Existing Investors Rs. 1,00,000	In multiples of Re. 1 thereafter																					
Wholesale Option	New Investors Rs. 1 Crore	In multiples of Re. 1 thereafter																					
Wholesale Option	Existing Investors Re. 1	In multiples of Re. 1 thereafter																					
Fund Manager	Mr. Anil Bamboli (HHIF) Mr. Shobhit Mehrotra (HHIF-STP)	Mr. Anil Bamboli																					

In respect of demat units being subscribed through the Stock Exchange, the following shall presently apply : Minimum Application = 1 Unit

** Units purchased cannot be assigned / transferred / pledged / redeemed / switched out until completion of 3 years from the date of allotment of the respective Unit. The AMC reserves the right to change the Lock-in Period prospectively from time to time to the extent permitted under the Equity Linked Savings Scheme, 1992 as amended from time to time.

SUMMARY - COMMON TO ALL THE SCHEME(S)

Switching	Unit holders under the Scheme(s) will have the flexibility to alter the allocation of their investments (subject to completion of lock-in period, if any), in order to suit their changing investment needs, by easily switching to other open-ended scheme(s) / plans of the Mutual Fund.
Liquidity	<p>The Scheme(s) (Except HHIF-Fixed Maturity Plans) being offered through this Offer Document, are open ended Scheme(s) and offer for Sale/Switch-in and Redemption/Switch-out of units (subject to completion of lock-in period, if any) on every Business Day at NAV based prices.</p> <p>As per SEBI Regulations, the Mutual Fund shall dispatch redemption proceeds within 10 Business Days from the date of redemption. A penal interest of 15% p.a. or such other rate as may be prescribed by SEBI from time to time, will be paid in case the redemption proceeds are not dispatched within 10 Business Days of the date of redemption request.</p> <p>However, under normal circumstances, the Mutual Fund will endeavour to despatch the Redemption cheque (for Scheme(s) other than HCMF - Savings Plan & Call Plan) within 3-4 Business Days (as applicable) from the acceptance of the Redemption request. In case of HCMF - Savings Plan & Call Plan, the Mutual Fund will endeavour to despatch the Redemption cheque within 1 Business Day from the acceptance of the Redemption request. Please refer to paragraph on 'Payment of Redemption Proceeds' on Page 68 for details.</p>
Transparency	<p>The AMC will calculate and disclose the NAV at the close of every Business Day (in case of HDFC Cash Management Fund – Savings Plan & Call Plan, the AMC will calculate the NAV all year round) and release to the Press, News Agencies and the Association of Mutual Funds of India (AMFI) except in special circumstances described on Page 69. NAVs will also be displayed on the Website of the Mutual Fund. In addition, the ISCs would also display the NAVs.</p> <p>The AMC shall update the NAVs on the website of the Mutual Fund and on the website of Association of Mutual Funds in India - AMFI (www.amfiindia.com) by 9.00 p.m. 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 Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAVs.</p> <p>The AMC will disclose details of the portfolio of the Scheme on a quarterly basis on its website. 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 one 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 within one month from the close of each half year (i.e. March 31 & September 30) or mailed to the Unit holders.</p>

SECTION I

CONSTITUTION OF THE MUTUAL FUND

I. THE MUTUAL FUND

HDFC Mutual Fund has been constituted as a trust in accordance with the provisions of the Indian Trusts Act, 1882, by the Sponsors, as per the terms of the Trust Deed. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund has been registered with SEBI, vide registration number MF / 044 / 00 / 6 dated June 30, 2000.

II. SPONSORS - HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED (HDFC)

HDFC was incorporated in 1977 as the first specialized Mortgage Company in India. HDFC provides financial assistance to individuals, corporates and developers for the purchase or construction of residential housing. It also provides property related services (e.g. property identification, sales services and valuation), training and consultancy. Of these activities, housing finance remains the dominant activity. HDFC has a client base of around **1 million borrowers**, around **1 million depositors**, over **93,000 shareholders** and **50,000 deposit agents**, as at **September 30, 2007**.

HDFC had raised funds from international agencies such as the World Bank, IFC (Washington), USAID, DEG, ADB and KfW, international syndicated loans, domestic term loans from banks and insurance companies, bonds and deposits. HDFC has received the highest rating for its bonds and deposits program for the **thirteenth** year in succession.

HDFC Standard Life Insurance Company Limited, promoted by HDFC was the first life insurance company in the private sector to be granted a Certificate of Registration (on October 23, 2000) by the Insurance Regulatory and Development Authority to transact life insurance business in India.

Organization & Management

HDFC is a professionally managed organization with Board of Directors consisting of eminent persons representing various fields including finance, taxation, construction, urban policy and development.

The policy directions of the board of directors are implemented by a senior management team comprising the Chairman, Managing Director, Executive Directors and Senior General Managers.

Branch Network

As at September 30, 2007, HDFC has **243 outlets**, which includes **49** offices of the wholly owned distribution company. The branches also organize outreach programmes, which are spread over **90** locations throughout the country, which have enabled HDFC to approve loans for properties in over **2400** cities and towns. HDFC also has an international office in Dubai. To cater to Non-Resident Indians (NRIs), HDFC has an office in Dubai and service associates in Kuwait, Oman, Qatar, Sharjah, Abu Dhabi, Al Khobar, Jeddah and Riyadh in Saudi Arabia.

OPERATIONAL HIGHLIGHTS

Particulars	Half Year Ended September 30, 2007	Year Ended March 31, 2007	Year Ended March 31, 2006	Year Ended March 31, 2005
Loan Approvals (Rs. In Crore)	18,948	33,331.93	25,633.67	19,715.33
Loan Disbursements (Rs. In Crore)	14,275	26,177.99	20,679.20	16,206.75
Average Loan (Rs. in Lacs) (Individuals)	12	11.00	8.40	6.10

As at September 30, 2007, HDFC's cumulative loan disbursements were Rs 133,556 crore financing over 3 million housing units all over India.

FINANCIAL PERFORMANCE

Particulars	Half Year Ended September 30, 2007 (Audited)	Year Ended March 31, 2007 (Audited)	Year Ended March 31, 2006 (Audited)	Year Ended March 31, 2005 (Audited)
Total Income (Rs. in crore)	4,034.38	5,863.26	4,278.39	3,410.44
Profit After Tax (Rs. in crore)	1,019.20	1,570.38	1,257.30	1,036.59
Equity Capital (Rs. in crore)	271.55	253.01	249.56	249.12
Free Reserves (Rs. in crore)	9,441.13	5,298.39	4,218.78	3,633.10
Net worth (Rs. in crore)	9,712.68	5,510.40	4,468.33	3,833.10
Earnings per share * (Rs.)	77.98 ^	62.65	50.25	41.74
Book value per share (Rs.)	358	219	179	156
Dividend paid (%)	--	220	200	170

* On equity share of Rs. 10 each

^ Annualised

STANDARD LIFE INVESTMENTS LIMITED

The Standard Life Assurance Company was established in 1825 and has considerable experience in global financial markets. The company was present in the Indian life insurance market from 1847 to 1938 when agencies were set up in Kolkata and Mumbai. The company re-entered the Indian market in 1995, when an agreement was signed with HDFC to launch an insurance joint venture.

On April 2006, the Board of The Standard Life Assurance Company recommended that it should demutualise and Standard Life plc float on the London Stock Exchange. At a Special General Meeting held in May, voting members overwhelmingly voted in favour of this. The Court of Session in Scotland approved this in June and Standard Life plc floated on the London Stock Exchange on 10th July, 2006.

Standard Life Investments was launched as an investment management company in 1998. It is a wholly owned subsidiary of Standard Life Investments (Holdings) Limited, which in turn is a wholly owned subsidiary of Standard Life plc.

Standard Life Investments is a leading asset management company, with approximately US\$ 290 billion of assets under management as at September 30, 2007. The company operates in the UK, Canada, Hong Kong, China, Korea, Ireland and the USA to ensure it is able to form a truly global investment view.

In order to meet the different needs and risk profiles of its clients, Standard Life Investments Limited manages a diverse portfolio covering all of the major markets world-wide, which includes a range of private and public equities, government and company bonds, property investments and various derivative instruments. The company's current holdings in UK equities account for approximately 1.8% of the market capitalisation of the London Stock Exchange.

FINANCIAL PERFORMANCE OF STANDARD LIFE INVESTMENTS LIMITED

Particulars	January 01, 2006 to December 31, 2006 (Audited) (see Note 2)	January 1 2005 to December 31, 2005 (Audited)	2004 (Consolidated Audited)	2003 (Consolidated Audited)
(GBP '000s unless otherwise noted)				
Total Income	228,021	204,252	161,748	124,238
Profit After Tax	46,329	32,706	12,836	1,368
Equity Capital	32,440	32,440	32,440	32,440
Free Reserves	118,853	73,618	40,998	27,960
Net worth	151,293	106,058	72,938	60,400
Earning Per Share (GBP)	1.43	1.01	0.40	0.04
Book Value Per Share (GBP)	4.66	3.27	2.25	1.86
Dividend Paid (%)	Nil	Nil	Nil	Nil

GBP refers to Great Britain Pound Sterling

Note :

- From 2003 Standard Life Investments were required to produce audited consolidated accounts. The year end in 2003 was November 15. In 2004 Standard Life changed its' year end to December 31, therefore 2004 figures are for the 13.5 months ended December 31, 2004.
- The figures provided for 2006 are based on the audited accounts for the SLI Group and include the full year results of one subsidiary company, which was transferred to a new parent company during the year.

HDFC and Standard Life Investments Limited are neither responsible nor liable for any loss resulting from the operation of the Scheme(s) beyond their contribution of an amount of Rs. 1 lakh each made by them towards the corpus of the Mutual Fund.

THE TRUSTEE

HDFC Trustee Company Limited, a company incorporated under the Companies Act, 1956 is the Trustee to the Mutual Fund vide the Trust Deed. HDFC Trustee Company Limited is a wholly owned subsidiary of HDFC.

The Board of Directors of HDFC Trustee Company Limited consists of the following eminent persons:

Mr. Anil Kumar Hirjee

Battery House, Flat No. 9, 74-A,
Bhulabhai Desai Road, Mumbai 400 026.

Mr. Anil Kumar Hirjee, the Chairman of the Board, is an independent Director.

Mr. Hirjee has 42 years of experience in different areas of Business management and his expertise extends to finance, banking, legal, commercial, industrial and general administration. He is also actively associated with leading Charitable Institutions.

Mr. Hirjee has been associated with The Bombay Burmah Trading Corporation Limited since 1976 and is presently its Vice Chairman. Prior to this, he was the Chief Executive for Whitco Limited between 1974 to 1976. Mr. Hirjee was the Company Secretary, Works Manager of FGP Limited from 1963 to 1974.

Mr. Anil Kumar Hirjee is also a Director on the Board of the following companies:

Atlas Copco (India) Limited	Chairman
Bannatyne Enterprises Pte. Ltd., Singapore	Director
Britannia Industries Limited	Director
Chika Pvt. Ltd.	Director
Dowbiggin Enterprises Pte. Ltd., Singapore	Director
Gherzi Eastern Limited	Director
ILN Investments Pte. Limited, Singapore	Director
Island Horti Tech Holdings Pte. Limited, Singapore	Chairman
Leila Lands Sendirian Berhad, Malaysia	Director
Nacupa Enterprises Pte. Ltd., Singapore	Director
Naira Holdings Limited, BVI	Director
National Peroxide Limited	Director
Nowrosjee Wadia & Sons Limited	Director
Overseas Realty (Ceylon) Limited, Sri Lanka	Director
P. T. Indo-Java Rubber Planting Co., Indonesia	Director
Spargo Enterprises Pte. Ltd., Singapore	Director
The Bombay Dyeing & Manufacturing Company Limited	Director
Valletort Enterprises Pte. Ltd., Singapore	Director
Wadia BSN India Limited	Director

Mr. Hirjee is a B.A. (Hons.), LL.B. (Hons.), Barrister-at-Law, and SLOAN Fellow of the London Business School.

Mr. Shishir K. Diwanji

Wyoming, Little Gibbs Road, Malabar Hill,
Mumbai 400 006.

Mr. Shishir K. Diwanji is an independent Director on the Board. He is a Partner with Messrs. Desai & Diwanji, Advocates, Solicitors & Notaries and currently holds the following Directorships in other companies :

ABC Bearings Limited	Director
Amzel Automotive Limited	Director
Borax Morarji Limited	Director
Hawkins Cookers Limited	Director
Protos Engineering Company Pvt. Limited	Director
Rohit Pulp & Paper Mills Limited	Director
Wearology Limited	Director
Windmere Hospitality (India) Private Limited	Director

Mr. Diwanji holds a Bachelors degree in Law.

Mr. James Aird

8 Rattray Way,
Edinburgh, EH10 5TU

In his role as Investment Director, Head of Strategic Development, Mr. James Aird is focused on developing new international business for Standard Life Investments. Mr. Aird joined Standard Life in 1997 as an Investment Manager for the Corporate Pooled and Segregated Fund businesses. He was appointed Investment Director, Head of Segregated Funds in April 1998 and took up his current position in November 1999.

Previously Mr. Aird worked for Scottish Equitable, joining as an Investment Analyst in 1981 before moving on to Fund Manager in 1984. Mr. Aird also managed both UK and international equity portfolios, before taking on the responsibility for developing new investment business in the US institutional market.

Mr. Aird also holds the following Directorships :	
Standard Life Investments Global SICAV	Director
Standard Life Investments (Global Liquidity Funds) plc.	Director
Standard Life Investments - India Opportunities Fund	Director
Standard Life India Advantage Fund	Director
SLAC (Mauritius Holdings) Limited	Director
Standard Life (Mauritius Holdings) 2006 Limited	Director

Mr. Aird graduated in Economics from Edinburgh University in 1981 and is currently an Associate of the Society of Investment Professionals.

Mr. Keki M. Mistry

Hasmukh Mansion, Flat no. 702 / 703, 7th Floor, 39 Chitrakar Dhurandar Marg, 14th Road Junction, Khar (West), Mumbai - 400 052.

Mr. Keki M. Mistry has been employed with HDFC since 1981 and was the Executive Director of HDFC from 1993. He was the Deputy Managing Director of HDFC from 1999 and was appointed as the Managing Director of HDFC in 2000.

Mr. Keki M. Mistry is also a Director on the Board of the following companies:

GRUH Finance Limited	Chairman
GRIHA Investments	Director
HDFC Bank Limited	Director
HDFC General Insurance Company Limited	Director
HDFC Developers Limited	Director
HDFC Standard Life Insurance Company Limited	Director
India Value Fund Advisors Pvt. Ltd.	Director
Infrastructure Leasing & Financial Services Limited	Director
Next Gen Publishing Ltd.	Director
Sun Pharmaceutical Industries Limited	Director
The Great Eastern Shipping Company Limited	Director

Mr. Mistry is also a director on the Board of Association of Leasing & Financial Services Cos.

He is a fellow of the Institute of Chartered Accountants of India and is a member of the Michigan Association of Certified Public Accountants.

Mr. Ranjan Sanghi

Flat No. 801, Suraj Prakash, 82, Shankar Ghanekar Marg, Prabhadevi, Mumbai 400 025.

Mr. Ranjan Sanghi is an independent Director on the Board. He is Director / Partner with Sah & Sanghi Group of Companies and currently holds the following Directorships in other companies :

Akhil Sanghi Finance Pvt. Limited	Director
Amzel Automotive Limited	Director
Auto Ancillary Manufactures SDN BHD Kuala Lumpur	Director

Bajaj Auto Finance Limited	Director
Bombay Auto Ancillary & Investment Pvt. Limited	Director
Borax Morarjee Limited	Director
Ecoflex Surfaces Private Ltd.	Director
G.P. Electronics Limited	Director
J.D. Jones & Co. (Bombay) Pvt. Limited	Director
Kemp & Company Limited	Director
Krishna Sanghi Investments Pvt. Limited	Director
Mohan Three Wheelers Pvt. Limited	Director
Morarjee Textiles Ltd.	Director
Navtech E-Solutions Pvt. Limited	Director
Project Automobiles (Bombay) Pvt. Limited	Director
Rajesh Sanghi Auto Traders Pvt. Limited	Director
Rama Sanghi Auto Pvt. Limited	Director
Sah & Sanghi Auto Agencies Pvt. Limited	Director
Six Sigma Gases India Pvt. Ltd.	Director
Spirax Marshall Limited	Director
Suraj Sanghi Finance Limited	Director
Tyresoles Concessionaires Pvt. Limited	Director

Mr. Sanghi is a Graduate in Commerce and Law from Bombay University.

SUMMARY OF THE SUBSTANTIVE PROVISIONS OF THE TRUST DEED

The Trust Deed dated June 08, 2000, contains, among others, the following clauses that may be of material interest to the investor:

- Each Director shall file with the Mutual Fund details of his transactions or dealings in securities of such value on a periodical basis as may be specified under the SEBI Regulations from time to time.
- It shall be the responsibility of the Trustee in carrying out its responsibilities as Trustee of the Mutual Fund to maintain arms length relationship with other companies or institutions or financial intermediaries or any body corporate with which any Director may be associated.
- A Director shall not participate in the meetings of the Trustee or in any decision making process for any investments in which he may be interested.
- The minimum number of Directors in the Trustee Company shall be four or such number of Directors as may be prescribed under the SEBI Regulations from time to time.
- It shall be the duty of each Director to furnish to the Trustee, the particulars of any interest which he may have in any other company or institution or financial intermediaries or any corporate body by virtue of his position as director, partner or with which he may be associated in any other capacity.
- It shall be the responsibility of the Directors if they have reason to believe that the conduct of the business of the Mutual Fund is not in conformity with SEBI Regulations, to forthwith take such remedial steps as may be necessary to rectify the situation and keep SEBI informed of the same with full particulars.
- The Trustee shall be accountable for, and be the custodian of the funds and property of the Scheme and shall hold the same in trust for the benefit of the Unit holders in accordance with SEBI Regulations and the provisions of the Trust Deed.

- The Trustee shall supervise the collection by the AMC of income due to the various Scheme and claim for repayment of tax, and the holding of all income received in trust for the Unit holders in accordance with SEBI Regulations and the Trust Deed.
- The Trustee shall ensure that no offer document of a Scheme, key information memorandum, abridged half yearly results or annual results are issued or published without its prior approval in writing and that it does not contain any statements or matters extraneous to the Trust Deed or Offer Document, Scheme particulars approved by the Trustee and SEBI.
- It shall be the duty of the Trustee to take into its custody and control the capital property of the Scheme of the Mutual Fund and hold it in trust for the Unit holders.
- It shall be the duty of the Trustee to act in the interest of the Unit holders.
- It shall be the duty of the Trustee to provide or cause to provide information to the Unit holders and SEBI as may be required by SEBI from time to time.
- It shall be the duty of the Trustee to take reasonable care to ensure that the funds under the various scheme(s) floated, are managed by the AMC in accordance with SEBI Regulations and the Trust Deed.
- The Trustee shall not acquire any asset out of the Trust Fund which involves the assumption of any liability which is unlimited or which results in encumbrance of the Trust Fund in any manner whatsoever.

No amendments to the Trust Deed shall be carried out without the prior approval of SEBI and Unit holders' approval would be obtained where it affects the interest of the Unit holder. The consent of the Unit holders shall be obtained by the holding of a postal ballot, administered by the AMC, or in such other manner as may be prescribed by SEBI from time to time.

On a regular basis, activity report forwarded by the AMC will be discussed at the Board meeting of the Trustee. The Board meeting of the Trustee shall be held at least once in every two calendar months and at least six such meetings shall be held in every year or at such frequency as may be prescribed under the SEBI Regulations. The quorum for a Board meeting of the Trustee shall not be constituted unless such number of independent directors as may be prescribed by SEBI from time to time are present at the meeting. The supervisory role of the Trustee will also be discharged by the Board of Directors of the Trustee by reviewing the internal auditors / compliance reports on a regular basis.

During the financial year 2006-2007, the Board of Directors of the Trustee Company held 7 Board meetings. Further during the period April 1, 2007 to October 15, 2007 the Board of Directors of Trustee Company held 3 Board Meetings.

The Audit Committee, comprising three independent Directors and two Associate Directors of the Board of Directors of the Trustee, has been constituted pursuant to the circular MFD/CIR/010/024/2000 dated January 17, 2000, of SEBI. The Audit Committee held 4 meetings during the financial year 2006-2007. Further during the period April 1, 2007 to October 15, 2007 the Audit Committee held 2 meetings.

Trustee – Fees and Expenses

In accordance with the Trust Deed constituting the Mutual Fund,

the Trustee is entitled to receive, in addition to the reimbursement of all costs, charges and expenses, a quarterly fee computed at a rate not exceeding 0.10% per annum of the daily average net assets of the Scheme(s) or a sum of Rs.15,00,000 per annum whichever is higher. Such fee shall be paid to the Trustee within seven working days from the end of each quarter every year, namely, within 7 working days from June 30, September 30, December 31 and March 31 of each year. The Trustee may charge further fees as permitted from time to time under the Trust Deed and SEBI Regulations.

Rights, Obligations, Responsibilities and Duties of the Trustee under the Trust Deed and the SEBI Regulations

Pursuant to the Trust Deed dated June 08, 2000, constituting the Mutual Fund, and in terms of the SEBI Regulations, the rights, obligations, responsibilities and duties of the Trustee are as under:

- The Trustee and the AMC have with the prior approval of SEBI entered into an Investment Management Agreement.
- The Investment Management Agreement contains clauses as are mentioned in the Fourth Schedule of the SEBI Regulations and such other clauses as are necessary for the purpose of entrusting investment management of the Mutual Fund.
- The Trustee shall have a right to obtain from the AMC such information as is considered necessary by it.
- The Trustee shall ensure before the launch of any Scheme that the AMC has:-
 - systems in place for its back office, dealing room and accounting;
 - appointed all key personnel including fund manager(s) for the Scheme and submitted their bio-data which shall contain educational qualifications, past experience in the securities market, with the Trustee, within 15 days of their appointment;
 - appointed auditors to audit its accounts;
 - appointed a compliance officer to comply with regulatory requirements and to redress investors' grievances;
 - appointed registrars and laid down parameters for their supervisions;
 - prepared a compliance manual and designed internal control mechanisms including internal audit systems; and
 - specified norms for empanelment of brokers and marketing agents.
- The Trustee shall ensure that -
 - the AMC has been diligent in empanelling the brokers in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker;
 - the AMC has not given any undue or unfair advantage to any associates or dealt with any of the associates of the AMC in any manner detrimental to interest of the Unit holders;
 - transactions entered into by the AMC are in accordance with SEBI Regulations and the Scheme;
 - the AMC has been managing the Scheme independently of other activities and taken adequate

steps to ensure that the interest of the Unit holders of a Scheme is not being compromised with those of any other Scheme or of other activities of the AMC; and

- all the activities of the AMC are in accordance with the provisions of SEBI Regulations.
- Where the Directors of the Trustee have reason to believe that the conduct of business of the Mutual Fund is not in accordance with the SEBI Regulations and / or the Scheme, they shall forthwith take such remedial steps as are necessary and shall immediately inform SEBI of the violation and the action taken by them.
- Each Director of the Trustee shall file with the Mutual Fund details of his transactions of dealings in securities of such value on a periodical basis as may be specified under the SEBI Regulations from time to time.
- The Trustee shall be accountable for, and be the custodian of the funds and property of the Scheme and shall hold the same in trust for the benefit of the Unit holders in accordance with 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 the Scheme in accordance with the SEBI Regulations and the Trust Deed.
- The Trustee shall obtain the consent of the Unit holders:
 - whenever required to do so by SEBI in the interest of the Unit holders; or
 - whenever required to do so on the requisition made by three-fourths of the Unit holders of any Scheme or such number of Unit holders as may be prescribed by SEBI from time to time; or
 - when the majority of the Directors of the Trustee Company decide to wind up or prematurely redeem Units of any Scheme.
- 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 or affect the interest of the Unit holders shall be carried out unless:
 - 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
 - the Unit holders 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 AMC in their own personal names or on behalf of the AMC and shall report to SEBI, as and when required.
- The Trustee shall quarterly or at such frequency as may be prescribed by SEBI from time to time review all transactions carried out between the Mutual Fund, AMC and its associates.
- The Trustee shall quarterly, or at such frequency as may be prescribed by SEBI from time to time, review the network

of the AMC and in case of any shortfall, ensure that the AMC make up for the shortfall as per the SEBI Regulations.

- The Trustee shall periodically review all service contracts such as custody arrangement, 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 network by the AMC and the interest of the Unit holders.
- The Trustee shall periodically review the investor complaints received and the redressal of the same by the AMC.
- The Trustee shall abide by the Code of Conduct as specified in the Fifth Schedule to the SEBI Regulations.
- The Trustee shall furnish to SEBI on a half yearly basis or at such frequency as may be prescribed by SEBI from time to time;
 - a report on the activities of the Mutual Fund.
 - a certificate stating that the Directors have satisfied themselves that there have been no instances of self dealing or front running by any of the directors and key personnel of the AMC.
 - a certificate to the effect that the AMC has been managing the Scheme independently of the other activities and in case any activities of the nature referred to in sub-regulation (2) of Regulation 24 of SEBI Regulations have been undertaken by the AMC and has taken adequate steps to ensure that the interest of the Unit holders are protected.
- The independent Directors of the Trustee shall give their comments on the report received from the AMC regarding the investments by the Mutual Fund in the securities of group companies of the Settlor.
- The Trustee shall exercise due diligence as under:

A. General Due Diligence:

- (i) the Directors of the Trustee shall be discerning in the appointment of the directors on the Board of the AMC.
- (ii) the Board of Directors shall review the desirability of continuance of the AMC if substantial irregularities are observed in any of the schemes and shall not allow the AMC to float new schemes.
- (iii) 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.
- (iv) the Trustee shall ensure that all service providers are holding appropriate registrations from SEBI or concerned regulatory authority.
- (v) the Trustee shall arrange for test checks of service contracts.
- (vi) the Trustee shall immediately report to SEBI of any special developments in the Mutual Fund.

B. Specific Due Diligence:

The Trustee shall:

- (i) obtain internal audit reports at regular intervals from independent auditors appointed by the Trustee.

- (ii) obtain compliance certificates at regular intervals from the AMC.
- (iii) hold meetings of the Trustee more frequently.
- (iv) consider the reports of the independent auditor and compliance reports of the AMC at the meetings of Trustee for appropriate action.
- (v) maintain records of the decisions of the Trustee at their meetings and of the minutes of the meetings.
- (vi) prescribe and adhere to a code of ethics by the Trustee, AMC and its personnel.
- (vii) communicate in writing to the AMC of the deficiencies and checking on the rectification of deficiencies.

- Notwithstanding anything contained in any applicable SEBI Regulations, the Directors of the Trustee shall not be held liable for acts done in good faith, if they have exercised adequate due diligence honestly.
- The independent Directors shall pay specific attention to the following:
 - the Investment Management Agreement and the compensation paid under the agreement.
 - service contracts with affiliates – whether the AMC has charged higher fees than outside contractors for the same services.
 - selection of the AMC's independent directors.
 - securities transactions involving affiliates to the extent such transactions are permitted.
 - selection and nomination of individuals to fill independent Directors vacancies.
 - designing of code of ethics to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.
 - the reasonableness of fees paid to Settlor, AMC and any others for services provided.
 - principal underwriting contracts and their renewals.
 - any service contract with the associates of the AMC.

THE ASSET MANAGEMENT COMPANY

HDFC Asset Management Company Limited (AMC) was incorporated under the Companies Act, 1956, on December 10, 1999, and was approved to act as an Asset Management Company for the Mutual Fund by SEBI on July 3, 2000.

The registered office of the AMC is situated at Ramon House, 3rd Floor, H.T. Parekh Marg, 169, Backbay Reclamation, Churchgate, Mumbai - 400 020.

In terms of the Investment Management Agreement, the Trustee has appointed HDFC Asset Management Company Limited to manage the Mutual Fund. The paid up capital of the AMC is Rs. 45.161 crore.

The present equity shareholding pattern of the AMC is as follows :

Particulars	% of the paid up capital
HDFC	60.00
Standard Life Investments Limited	40.00

Zurich Insurance Company (ZIC), the Sponsor of Zurich India Mutual Fund, following a review of its overall strategy, had decided to divest its Asset Management business in India. The

AMC had entered into an agreement with ZIC to acquire the said business, subject to necessary regulatory approvals.

On obtaining the regulatory approvals, the following Schemes of Zurich India Mutual Fund have migrated to HDFC Mutual Fund on June 19, 2003. These Schemes have been renamed as follows :

Former Name	New Name
Zurich India Equity Fund	HDFC Equity Fund
Zurich India Prudence Fund	HDFC Prudence Fund
Zurich India Capital Builder Fund	HDFC Capital Builder Fund
Zurich India TaxSaver Fund	HDFC TaxSaver
Zurich India Top 200 Fund	HDFC Top 200 Fund
Zurich India High Interest Fund	HDFC High Interest Fund
Zurich India Liquidity Fund	HDFC Cash Management Fund
Zurich India Sovereign Gilt Fund	HDFC Sovereign Gilt Fund*

* HDFC Sovereign Gilt Fund has been wound up in March 2006.

The AMC is managing 23 open-ended schemes of the Mutual Fund viz. HDFC Growth Fund (HGF), HDFC Equity Fund (HEF), HDFC Top 200 Fund (HT200), HDFC Capital Builder Fund (HCBF), HDFC Core & Satellite Fund (HCSF), HDFC Premier Multi-Cap Fund (HPMCF), HDFC Long Term Advantage Fund (HLTAF), HDFC TaxSaver (HTS), HDFC Index Fund, HDFC Balanced Fund (HBF), HDFC Prudence Fund (HPF), HDFC Children's Gift Fund (HDFC CGF), HDFC MF Monthly Income Plan (HMIP), HDFC Multiple Yield Fund (HMYF), HDFC Multiple Yield Fund - Plan 2005 (HMYF-Plan 2005), HDFC Income Fund (HIF), HDFC High Interest Fund (HHIF), HDFC Short Term Plan (HSTP), HDFC Gilt Fund (HGILT), HDFC Floating Rate Income Fund (HFRIF), HDFC Liquid Fund (HLF), HDFC Cash Management Fund (HCMF) and HDFC Quarterly Interval Fund (HQIF).

The AMC is also managing 8 closed ended Schemes of the HDFC Mutual Fund viz. HDFC Long Term Equity Fund, HDFC Mid-Cap Opportunities Fund, HDFC Fixed Maturity Plans, HDFC Fixed Maturity Plans - Series II, HDFC Fixed Maturity Plans - Series III, HDFC Fixed Maturity Plans - Series IV, HDFC Fixed Maturity Plans - Series V and HDFC Fixed Maturity Plans - Series VI.

The AMC is also providing portfolio management / advisory services and such activities are not in conflict with the activities of the Mutual Fund. The AMC has renewed its registration from SEBI vide Registration No. - PM / INP000000506 dated December 8, 2006 to act as a Portfolio Manager under the SEBI (Portfolio Managers) Regulations, 1993. The Certificate of Registration is valid from January 1, 2007 to December 31, 2009.

ASSET MANAGEMENT FEES

As per the Investment Management Agreement and 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, 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.

DIRECTORS OF THE AMC

The Board of Directors of the HDFC Asset Management Company Limited consists of the following eminent persons:

Mr. Deepak S. Parekh

9, Darbhanga Mansion, 12, Carmichael Road,
Mumbai 400 026.

Mr. Deepak Parekh, the Chairman of the Board, is associated with HDFC in his capacity as its Executive Chairman.

Mr. Parekh joined HDFC in a senior management position in 1978. He was inducted as Wholtime Director of HDFC in 1985 and was appointed as the Chairman in 1993. He is the Chief Executive Officer of HDFC.

His other Directorships are as follows:

Bharat Bijlee Limited	Alternate Director
Borax Morarji Limited	Alternate Director
Castrol India Limited	Director
Exide Industries Limited	Alternate Director
GlaxoSmithKline Pharmaceuticals Limited	Chairman
HDFC General Insurance Company Limited	Chairman
HDFC Standard Life Insurance Company Limited	Chairman
Hindustan Unilever Limited	Director
Hindustan Oil Exploration Corporation Limited	Director
Infrastructure Development Finance Company Limited	Chairman
Lafarge India Pvt. Limited	Chairman
Mahindra & Mahindra Limited	Director
Siemens Limited	Chairman
The Indian Hotels Company Limited	Director
Zodiac Clothing Company Limited	Alternate Director

Mr. Parekh is a Fellow of the Institute of Chartered Accountants (England & Wales).

Mr. N. Keith Skeoch

19 Lennox Street, Edinburgh,
EH4 1PY, United Kingdom.

Mr. N. Keith Skeoch is associated with Standard Life Investments Limited as its Chief Executive and is responsible for all company business and investment operations within Standard Life Investments Limited.

Mr. Skeoch joined Standard Life Investments Limited as Chief Executive Officer from James Capel & Co (now HSBC Securities), where he was employed from 1980 to 1999. From his first role at James Capel as an International Economist, he went on to become the Senior UK Economist in 1982 and Chief Economist two years later. In 1993, he was appointed Director of Economics and Strategy and was given the responsibilities of Managing Director, International Equities in 1998.

His other Directorships are as follows:

HDFC Standard Life Insurance Company Limited	Director
Standard Life Wealth	Director
Standard Life Investments Limited	Director
SLTM Limited	Director
SLIPE (US) Limited	Director
Standard Life Investments (Private Equity) Limited	Director
Standard Life Investments (General Partner EPGF) Limited	Director
Standard Life Investments (General Partner) Limited	Director
Standard Life Investments (Asia) Limited	Director
Standard Life Investments (Corporate Funds) Limited	Director
Standard Life Investments (General Partner USA) Limited	Director

Standard Life Investments (General Partner ESP 2004) Limited	Director
Standard Life Investments (General Partner ESP 2006) Limited	Director
Standard Life Investments (USA) Limited	Director
Standard Life Investments (Mutual Funds) Limited	Director
Standard Life Investments Inc.	Director
Standard Life Investments (Hong Kong) Limited	Director
Standard Life Investments (General Partner Edcastle) Limited	Director
Standard Life Investments (General Partner Tidal Reach) Limited	Director
Standard Life Investments (General Partner CPP) Limited	Director
Standard Life Investments (General Partner ESP CAL) Limited	Director
Standard Life (General Partner NASP 2006) Limited	Director
Standard Life plc	Director
4217993 Canada Inc	Director
Standard Life Investments (Holdings) Limited	Director
Standard Life Investments (General Partner II) Limited	Director
Standard Life Investments (Trustee No. 1 UK. PDF) Limited	Director
Standard Life Investments (Trustee No. 2 UK. PDF) Limited	Director
Standard Life Investments (Trustee No. 3 UK. PDF) Limited	Director
Standard Life Investments (Trustee No. 4 UK. PDF) Limited	Director
Standard Life Investments (Trustee No. 5 UK. PDF) Limited	Director
Standard Life Investments (Trustee No. 6 UK. PDF) Limited	Director
Standard Life Investments (Trustee No. 9) Limited	Director
Standard Life Investments (Trustee No. 10) Limited	Director
Standard Life Investments (General Partner UK Shopping Centre Feeder Fund LP) Limited	Director

Mr. Skeoch graduated in Economics (BA Hons) from University of Sussex in 1978 and completed MA (Economics) at University of Warwick in 1979.

Mr. Mark Connolly

13 Gloucester Place, Edinburgh,
Midlothian, EH3 6EE.

Mr. Mark Connolly is associated with Standard Life Investments Limited as its Executive Director, Distribution and Client Service.

Mr. Mark Connolly joined Standard Life Investments Limited in May 2005 as Executive Director, Distribution and Client Service with overall responsibility for coordinating all of Standard Life Investments' sales, marketing and business development activity.

Mr Connolly joined Chemical Bank International Investment Services in 1980 and became head of the Fixed Income and Currency Team in 1985. In 1986 he joined Rothschild Asset Management as Director, Global Fixed Income and Currency Group. He was given the responsibility of Head of Business Management in 1994, and then in 1999 was appointed Managing Director, Global Head of Institutional Business. Mr Connolly moved to Insight Investment Management in 2003 with the sale of Rothschild to Insight where he was appointed as Managing Director, Global Head of Institutional Business

before joining Deutsche Asset Management in 2004, taking on the responsibilities of Managing Director, Head of European & Middle East Institutional Business.

His other Directorships are as follows:

Standard Life Wealth	Director
Standard Life Investments Limited	Director
SLTM Limited	Director
Standard Life Investments (Corporate Funds) Limited	Director
Standard Life Investments (Mutual Funds) Limited	Director
Standard Life Investments (General Partner) Limited	Alternate Director
Standard Life Investments (General Partner II) Limited	Alternate Director
Standard Life (General Partner NASP 2006) Limited	Alternate Director
Standard Life Investments (General Partner CPP) Limited	Alternate Director
Standard Life Investments (General Partner Edcastle) Limited	Alternate Director
Standard Life Investments (General Partner ESP 2004) Limited	Alternate Director
Standard Life Investments (General Partner ESP 2006) Limited	Alternate Director
Standard Life Investments (General Partner NASP 2008) Limited	Alternate Director
Standard Life Investments (General Partner Tidal Reach) Limited	Alternate Director
Standard Life Investments (General Partner USA) Limited	Alternate Director
Standard Life Investments (Holdings) Limited	Director
Standard Life Investments (Asia) Limited	Director

Mr. Connolly has done MBA from City University Business School, London.

Mr. P. M. Thampi

2B, Martha's Place, 5th Cross, 58, Lavelle Road, Bangalore 560 001.

Mr. Thampi is an independent Director on the Board.

Mr. Thampi was the Chairman and Managing Director of BASF India Limited from January 1986 to March 2000. Prior to this, he was with ICI India Limited from 1957 to 1985. His last position held at ICI India Limited was as Chief Executive, Fertilizer Division.

His other Directorships are as follows:

Brigade Enterprises Private Limited	Director
Nitrex Chemicals India Limited	Director
Pioneer Balloon India Private Limited	Chairman
Strides Acrolab Ltd.	Director

Mr. Thampi is a Graduate in Science, Post Graduate Diploma in Chem. Engineering, F.I. Chem. E. (UK) and C. Eng. (UK).

Mr. Humayun Dhanrajgir

F 37/38, Dhanraj Mahal, C. S. M. Road, Apollo Bunder, Mumbai 400 039.

Mr. Humayun Dhanrajgir is an independent Director on the Board.

Mr. Dhanrajgir was associated with Kodak India Limited as its Managing Director from October 1995 to October 2000. Prior to this he was the Managing Director of Lupin Laboratories

Limited from December 1994. Mr. Dhanrajgir has held various senior management positions in Glaxo India from 1969 to 1994 from where he retired as Executive Vice-Chairman. From 1964 to 1969 Mr. Dhanrajgir was associated with Burmah Shell India in Senior positions. Earlier, Mr. Dhanrajgir was a Process Design Engineer with British Oxygen Company, London from 1960-1963.

His other Directorships are as follows :

Cadila Healthcare Limited	Director
Emcure Pharmaceuticals Limited	Chairman
H. Dhanrajgir Estates Private Limited	Chairman
Kemwell Private Limited	Director
Lintas India Private Limited	Alternate Director
Next Gen Publishing Limited	Director
Neuland Laboratories Limited	Director
Sami Labs Limited	Director
Themis Medicare Limited	Director

Mr. Dhanrajgir was the President of the Organisation of Pharmaceutical Producers of India (OPPI) for 2 years till September 1994. Prior to that, he was the Vice President of OPPI for 2 years. He was also a Member of the General Committee of the Bombay Chamber of Commerce & Industry (BCCI) and was Vice-Chairman of Indo-British Business Committee, BCCI.

Mr. Dhanrajgir is a B.Tech in Chemical Engineering, Loughborough University, U.K. and M.I.Chem.E (London), C.Eng.(London), A.M.P. (Harvard).

Dr. Deepak B. Phatak

A-15, Hill Side, IIT Bombay, Powai, Mumbai 400 076.

Dr. Deepak B. Phatak is an independent Director on the Board.

Dr. Phatak is associated with Indian Institute of Technology (IIT) Bombay from December 1971 till date. He is presently the Chair Professor and Head, School of IT of IIT, Bombay.

He is also a Director on the Board of Bank of Baroda.

Dr. Phatak is a B.E, M.Tech and has done his Ph.D.

Mr. Hoshang S. Billimoria

4A, Jeevan Jyot, Setalvad Lane, Off. Nepeansea Road, Mumbai 400 006.

Mr. Hoshang S. Billimoria is an independent Director on the Board. Mr. Billimoria is presently the Chief Executive Officer of Next Gen Publishing Limited.

Prior to this, Mr. Billimoria was associated with Infomedia India Limited since 1990 to 2004. At the time of his resignation, he was its Vice Chairman and Managing Director.

He was the Deputy CEO with Tata Sons Limited from 1988 –1990. He was a Partner with S.B. Billimoria and Co. from 1979 –1988.

His other Directorships are as follows :

Fenner Conveyor Belting Private Limited	Vice Chairman
Thomas Cook (India) Limited	Director
Gokak Textiles Limited	Director
Travel Corporation (I) Pvt. Ltd.	Chairman

Mr. Billimoria is a Graduate in Commerce, Fellow of the Institute of Chartered Accountants (England & Wales) and Fellow of the Institute of Chartered Accountants of India.

Mr. Rajeshwar Raj Bajaj

Ajanta Apartment, 11th Floor, Flat No. 2, 75, Colaba Road, Colaba, Mumbai 400 005.

Mr. Rajeshwar Raj Bajaj is as an independent director on the Board.

Mr. Bajaj was appointed as the Chairman of the Board of Directors and Managing Director of Otis India. He was also promoted to the position of the Vice President, South and Southeast Asia based in Singapore wherein the Otis country heads from India, Singapore, Thailand, Malaysia, Indonesia, Philippines and Vietnam reported to him.

In May 2002, Mr. Bajaj joined the Special Olympics Inc. as Managing Director, Asia Pacific, which is a non-profit making organization created by the Joseph P Kennedy Jr. Foundation, Washington for the benefit of people with mental retardation.

His other Directorships are as follows:

APW President Systems Limited	Director
GlaxoSmithKline Pharmaceuticals Limited	Director
LBA Consultants Private Limited	Chairman

Mr. Bajaj is a Graduate in Science and Law.

Ms. Renu S. Karnad

BB-14 Greater Kailash Enclave II, New Delhi 110 048.

Ms. Renu S. Karnad, is associated with HDFC in her capacity as its Executive Director. She has been employed with HDFC since 1978. Ms. Karnad has been appointed as the Executive Director of the HDFC in 2000. She is responsible for overseeing all aspects of lending operations of HDFC on an all India basis.

Her other Directorships are as follows :

Ascendas Pte. Limited, Singapore	Director
Credit Information Bureau (India) Limited	Director
Egyptian Housing Finance Company, S.A.E.	Director
Feedback Ventures Private Limited	Director
GRUH Finance Limited	Director
HDFC Bank Limited	Director
HDFC General Insurance Company Limited	Director
HDFC Property Ventures Limited	Director
HDFC Realty Limited	Director
HDFC Standard Life Insurance Company Ltd.	Director
HDFC Venture Capital Limited	Chairperson
Home Loan Services India Private Limited	Chairperson
Indraprastha Medical Corporation Ltd.	Director
ICI India Limited	Director
Mother Dairy Fruits & Vegetables Private Limited	Director
Motor Industries Company Limited	Director
Sparsh BPO Services Limited	Director

Ms. Karnad is a Graduate in Law and holds a Masters degree in Economics from the Delhi University.

Mr. Milind Barve

8th Floor, Godrej Bayview Apartments, 1, A. G. Khan Road, Worli Sea Face, Mumbai 400 025.

Mr. Milind Barve, Managing Director of the AMC, has been associated with HDFC Ltd. in his capacity as General Manager – Treasury. Mr. Barve headed the treasury operations at HDFC Ltd. for 14 years.

Mr. Barve was responsible for the management of HDFC's Treasury portfolio and for raising funds from Financial Institutions and Capital Markets. He was also head of marketing for retail deposit products and responsible for investment advisory relationships for Commonwealth Equity Fund Mutual Fund and Invesco India Growth Fund.

He is also a Director on the Board of Association of Mutual Funds in India (AMFI).

Mr. Barve is a Graduate in Commerce and an Associate Member of the Institute of Chartered Accountants of India.

DUTIES AND RESPONSIBILITIES OF THE ASSET MANAGEMENT COMPANY

Under the SEBI Regulations and the Investment Management Agreement, the AMC has, inter-alia, the following duties and responsibilities:

- The AMC 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 SEBI Regulations and the Trust Deed.
- The AMC shall exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
- The AMC shall be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the AMC.
- The AMC shall submit quarterly reports on the functioning of the Scheme and the compliance with SEBI Regulations to the Trustee or at such intervals as may be required by the Trustee or SEBI.
- The Trustee at the request of the AMC may terminate the assignment of the AMC at any time. Provided that such termination shall become effective only after the Trustee has accepted the termination of assignment and communicated its decision in writing to the AMC.
- Notwithstanding anything contained in any contract or agreement or termination, the AMC or its directors or other officers shall not be absolved of any liability to the Mutual Fund for its / their acts of commission or omissions, while holding such position or office.
- The AMC 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 Scheme or as may be prescribed under SEBI Regulations. Provided that for the

purpose of this clause, 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 or as may be prescribed under SEBI Regulations.

- The AMC shall not purchase or sell securities through any broker (other than a broker referred to in clause above) which is average of 5% or more of the aggregate purchases and sale of securities made by the Mutual Fund in all its Scheme or as may be prescribed under SEBI Regulations unless the AMC has recorded in writing the justification for exceeding the limit of 5% or as may be prescribed under SEBI Regulations and reports of all such investments are sent to the Trustee on a quarterly basis. Provided that the aforesaid limit shall apply for a block of any three months or as may be prescribed under SEBI Regulations.
- The AMC 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 the AMC 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 and annual accounts of the Mutual Fund.

Provided further that the Mutual Fund shall disclose at the time of declaring half yearly and yearly results:

- any underwriting obligations undertaken by the Scheme for the Mutual Fund with respect to issue of securities of associate companies;
- devolvement, if any;
- subscription by the Scheme in the issues lead managed by associate companies;
- subscription to any issue of equity or debt on private placement basis where the Sponsor or its associate companies have acted as arranger or manager.
- The AMC shall file with the Trustee the details of transactions in securities by the key personnel of the AMC in their own names or on behalf of the AMC, and shall report to SEBI, as and when required by SEBI.
- In case the AMC enters into any securities transactions with any of its associates a report to that effect shall be sent to the Trustee at its next meeting.
- In case any company has invested more than 5 per cent of the Net Asset Value of a Scheme or as may be prescribed under SEBI Regulations, the investment made by that Scheme or by any other Scheme in that company or its subsidiaries shall be brought to the notice of the Trustee by the AMC and be disclosed in the half yearly and annual accounts of the respective Scheme with justification for such investment. The said disclosure will be made provided the latter investment has been made within one year of the date of the former investment, calculated on either side.

- The AMC shall file with the Trustee and SEBI:-
 - detailed bio-data of all its directors alongwith their interest in other companies within fifteen days of their appointment;
 - any change in the interest of directors every six months; and
 - a quarterly report to the Trustee giving details and adequate justification about the purchase and sale of the securities of the group companies of the Sponsor or the AMC as the case may be by the Mutual Fund during the said quarter.
- Each director of the AMC shall file with the Trustee details of his transactions of dealings in securities of such value on a periodical basis as may be specified under the SEBI Regulations from time to time.
- The AMC shall not appoint any person as key personnel who has been found guilty of moral turpitude or convicted of any economic offence or involved in violation of securities laws.
- The AMC shall appoint registrars and share transfer agents who are registered with SEBI. Provided if the work relating to the transfer of Units is processed in-house, the charge at competitive market rates may be debited to the Scheme and for rates higher than the competitive market rates, prior approval of the Trustee shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.
- The AMC shall abide by the Code of Conduct as specified in the SEBI Regulations.
- The AMC shall –
 - not act as a Trustee of any mutual fund;
 - not undertake any other business activities except activities in the nature of portfolio management services, investment management and advisory services to domestic and offshore funds, pension funds, provident funds, venture capital funds, management of insurance funds, financial consultancy and exchange of research on commercial basis if any of such activities are not in conflict with the activities of the Mutual Fund without the prior approval of the Trustee and SEBI. Provided that the AMC may itself or through its subsidiaries undertake such activities if it satisfies SEBI that the key personnel of the AMC, the systems, back office, bank and securities accounts are segregated activity wise and there exist systems to prohibit access to inside information of various activities. Provided further that AMC shall meet capital adequacy requirements, if any, separately for each such activity and obtain separate approval, if necessary under the relevant regulations;
 - not invest in any of its Scheme unless full disclosure of its intention to invest has been made in the offer documents;
Provided that the AMC shall not be entitled to charge any fees on its investment in that Scheme;
 - not acquire any assets out of the Trust Fund which involves the assumption of any liability which is unlimited or which may result in encumbrance of the Scheme property in any way.

KEY EMPLOYEES OF THE AMC AND RELEVANT EXPERIENCE

Name	Age (yrs.)	Designation	Educational Qualifications	Total No. of Years of Experience/ Type & Nature of Experience	Assignments Held
Mr. Milind Barve	49	Managing Director	B. Com., ACA	Collectively over 23 years of experience (including 14 years as Head of Treasury with Housing Development Finance Corporation Ltd.) in treasury management, raising of funds, marketing of retail fixed deposits and investment advisory.	July 2000 till Date HDFC Asset Management Company Limited Apr 1984 to June 2000 Housing Development Finance Corporation Limited Last Position Held - General Manager - Treasury.
Mr. Prashant Jain	39	Chief Investment Officer	CFA - AIMR, USA, PGDM-IIM Bangalore, B.Tech. - IIT, Kanpur	Collectively over 16 years of experience in fund management and research in Mutual Fund Industry.	June 20, 2003 till Date HDFC Asset Management Company Limited. July 1993 to June 19, 2003 Zurich Asset Management Company (India) Private Limited Last Position Held - Chief Investment Officer 1991 to June 1993 SBI Mutual Fund Last Position held - Fund In charge
Mr. V. Suresh Babu	40	Head - Operations	B. Com, Grad. CWA	Collectively over 19 years of experience in banking, fund administration, operations of mutual fund, post trade settlement, fund accounting, audit function, cash management, risk management, managing intermediaries, managing systems and controls	May 2000 till Date HDFC Asset Management Company Limited Sept 1996 to Apr 2000 Sundaram Newton Asset Management Company Limited Last Position Held - Senior Manager - Finance & Operations. Sept 1991 to Aug 1996 Canbank Investment Management Services Limited Last Position Held - Manager
Mr. Kiran M. Kaushik	51	Head – Sales & Distribution	B. Com.	Collectively over 32 years of experience in commercial banking (viz. International Banking, Corporate lending, loan recovery, mobilizing resources, NRI services), marketing and distribution of Mutual Funds products.	March 1, 2001 till Date HDFC Asset Management Company Ltd. July 1975 till January 2001 Union Bank of India Last position held – Assistant General Manager

Name	Age (yrs.)	Designation	Educational Qualifications	Total No. of Years of Experience/ Type & Nature of Experience	Assignments Held
Mr. Rahul Bhandari	35	Chief Financial Officer	B. Com., ACA, ACS	Collectively over 11 years of experience in Financial Control, accounting, audit, regulatory, secretarial and tax compliance.	July 2000 till Date HDFC Asset Management Company Limited Dec 1997 to June 2000 Citicorp Finance (India) Limited Last Position Held - Finance Manager Nov 1996 to June 2000 Citicorp Brokerage (India) Limited Last Position Held - Finance Manager & Company Secretary June 1996 to Oct 1996 Citicorp Securities & Investments Limited Last Position Held - Manager - Accounts & Taxation
Mr. John Mathews	42	Head - Client Services	B. Com., PGDSM	Collectively over 21 years of experience primarily in retail customer servicing, Investor Relations & Retail Deposit Operations.	July 2000 till Date HDFC Asset Management Company Limited Appointed as Principal Officer under the Prevention of Money Laundering Act, 2002 Dec 1997 to June 2000 Housing Development Finance Corporation Limited Last Position Held - Assistant Manager - Management Services. July 1997 to Dec 1997 Weizmann Limited Last Position Held - Senior Assistant Vice President. Nov 1996 to June 1997 Wall Street Finance Limited Last Position Held - Marketing Manager - Deposits. Jan 1986 to Nov 1996 Housing Development Finance Corporation Limited Last Position Held - Senior Officer - Deposits.
Mr. Yezdi Khariwala	46	Chief Compliance Officer	B. Com., PGDSL - Government Law College, Mumbai.	Collectively over 25 years of experience in Operations, Client Services and Statutory Compliances.	Mid - May 2004 till Date HDFC Asset Management Company Limited Mid-Jan. 1995 - Mid-May 2004 SUN F&C Asset Management (I) Pvt. Limited Last Position held - Chief Compliance Officer March 1982 - Mid-Jan 1995 Tata Share Registry Limited Last Position held - General Manager - Operations.

Name	Age (yrs.)	Designation	Educational Qualifications	Total No. of Years of Experience/ Type & Nature of Experience	Assignments Held
Ms. Sylvia Furtado	38	Company Secretary	B. Com., ACS. LL.B.	Collectively over 13 years of experience in Secretarial and Legal.	Sept 2005 till Date HDFC Asset Management Company Limited May 2004 - August 2005 In practice (Company Secretary). August 2003 - Nov 2003 Juris Corp. - Law Firm Last Position held - Associate Feb 1998 - May 2003 HDFC Bank Limited Last Position held - Asst. Manager - Legal & Secretarial, March 1996 - July 1997 Indus Venture Management Limited. Last Position Held- Dy. General Manager-Legal & Secretarial June 1994 - Feb 1996 Management Trainee with CEAT Ltd.
Mr. Alok Sheopurkar	39	Head - Human Resources	B. Com, M.P.M. & IR LLB.	Collectively over 16 years of experience in HR viz. Employee Development, Recruitment, Employee Relations, Compensation and Benefit, Performance Management, HR Compliance, OD Interventions	May 5, 2006 till Date HDFC Asset Management Company Limited Sept 21, 2004 to May 4, 2006 TATA -AIG Group of companies viz. Tata - AIG General Insurance Co. Ltd. Tata - AIG Life Insurance Company. Last Position Held - Sr. Manager - HR Sept 1996 to Sept 20, 2004 Cadbury India Ltd Last Position Held - HR Manager Sept 1991 to Sept 1996 Crompton Greaves Ltd. Last Position Held - Personnel Executive.
Mr. Naveen Gogia	34	Head – Marketing, Mumbai Institutional & Middle East Sales	B. Com. MBA - Marketing - Nottingham Trent University	Collectively over 10 years of experience in Marketing, Sales & Distribution and Client servicing	March 1, 2002 till Date HDFC Asset Management Company Ltd. March 2001 to Feb 2002 Birla Sunlife Distributions Company Ltd. Last Position held: Manager: Private Client Group June 1997 to April 2000 Ammirati Puris Lintas Last Position held: Sr. Accounts Manager

FUND MANAGEMENT TEAM

In addition to Mr. Prashant Jain - Chief Investment Officer, the Fund Management team comprises :

Name	Age (yrs.)	Designation	Educational Qualifications	Total No. of Years of Experience/ Type & Nature of Experience	Assignments Held
Mr. Shobhit Mehrotra	41	Senior Fund Manager and Head of Credit	B. Text., M.S. MBA (Clemson University, SC, USA)	Collectively over 15 years of experience in Fixed Income markets, credit rating etc.	Feb 16, 2004 till Date HDFC Asset Management Company Limited Feb 1997 to Feb 2004 Templeton Asset Management (India) Pvt. Ltd. Last Position held - AVP & Portfolio Manager (Fixed Income) July 1992 to Jan 1997 ICRA Ltd. Last Position held - Business / Investment Analyst, Member Executive Rating Committee.
Mr. Anil Bamboli	36	Senior Fund Manager	B. Com, Grad CWA, MMS (Finance), CFA - CFA Institute USA	Collectively over 13 years of experience in Fund Management and Research.	July 25, 2003 till Date HDFC Asset Management Company Limited May 1994 - July 2003 SBI Funds Management Pvt. Ltd. Last Position held - Asst. Vice President
Mr. Vinay R. Kulkarni	41	Senior Fund Manager	B.Tech (IIT, Mumbai), PGDM (IIM, Bangalore)	Collectively over 16 years of experience, of which 14 years in Fund Management and Equity Research and 2 years in the IT industry.	November 3, 2006 to date HDFC Asset Management Company Limited August 2, 2006 to October 20, 2006 Tata Asset Management Limited Last Position Held - Senior Fund Manager July 26, 2005 to July 28, 2006 Deutsche Asset Management (India) Pvt. Ltd. Last Position Held - Senior Fund Manager June 8, 1992 to July 25, 2005 UTI Asset Management Company (Pvt.) Ltd. Last Position Held - Fund Manager June 1, 1988 to June 1, 1990 Patni Computer Systems Limited Last Position Held - Software Engineer

Name	Age (yrs.)	Designation	Educational Qualifications	Total No. of Years of Experience/ Type & Nature of Experience	Assignments Held
Mr. Chirag Setalvad	33	Senior Fund Manager	B.Sc. in Business Administration - University of North Carolina, Chapel Hill.	Collectively over 11 years of experience, of which 7 years in Fund Management and Equity Research and 3 years in investment banking.	March 19, 2007 to date HDFC Asset Management Company Limited October 2004 - February 28, 2007 New Vernon Advisory Services Pvt. Ltd. Last Position Held: Vice President July 2000 - August 31, 2004 HDFC Asset Management Company Limited Last Position Held: Fund Manager September 1996 to June 2000 ING Barings N.V., Mumbai Last Position Held: Assistant Manager
Mr. Srinivas Rao Ravuri	35	Senior Fund Manager	B. Com, MBA- Finance	Collectively over 12 years of experience in Indian financial markets, primarily in equity research & Fund Management	October 2004 till Date HDFC Asset Management Company Limited. July 2003 to September 2004 Motilal Oswal Securities Ltd. Last Position Held - Senior Analyst December 1996 to July 2003 Edelweiss Capital Ltd. Last Position Held - AVP - Equity Research November 1994 to November 1996 Securities Capital Investments (I) Ltd. Last Position Held - Investment Analyst
Mr. Ajay Mehta	34	Head - Risk Management	B. Com., MBA (Finance), P.G. Diploma in Equity Research	Collectively over 11 years of experience in investment advisory, research, dealing and Risk Management	Aug 2001 till Date HDFC Asset Management Company Limited. Sept 2000 to Aug 2001 Times Online Money Limited Last Position Held - Portfolio Manager Oct 1996 to Sept 2000 TATA Asset Management Limited. Last Position Held - Dy. Manager (Investment)
Mr. Nilesh Kapadia	42	Senior Manager - Equities	B. Com.	Collectively over 18 years of experience in sales and dealings.	June 2000 till Date HDFC Asset Management Company Limited Oct 1989 to June 2000 VAR Shares and Stocks Private Limited Last Position Held - Head - Sales Trading
Mr. Bharat Pareek	29	Dealer - Debt Markets	B. Com.; A.C.A., Completed CFA-USA awaiting membership	Collectively over 6 years of experience in treasury operations and dealing in debt market	February 2001 till Date HDFC Asset Management Company Limited

Name	Age (yrs.)	Designation	Educational Qualifications	Total No. of Years of Experience/ Type & Nature of Experience	Assignments Held
Mr. Anand Laddha	28	Manager - Equities	B. Com., A.C.A.	Collectively over 4 years of experience in Equity & Derivative Research and Sales.	Feb 2006 till Date HDFC Asset Management Company Limited Sept 2004 to Feb 2006 Refco-Sify Securities India Pvt. Ltd. Last Position held - AVP - FII Equity & Derivative Sales. Aug 2003 to Sept 2004 Alchemy Share & Stock Brokers Pvt. Ltd. Last Position held - Equity & Derivative Sales.
Mr. Vikash Agarwal	26	Assistant Manager - Dealing & Investments	C.A. - ICAI MS (Finance) - ICFAI B.Com (Hons.)	Collectively over 1½ years experience in Forex dealing and economic research.	Sept 21, 2007 till date HDFC Asset Management Company Limited Apr 3, 2006 to Sept 14, 2007 Larsen & Toubro Limited Last Position Held - Executive
Mr. Praveen Jain	25	Assistant Manager - Fixed Income	C.A. - ICAI CFA - USA B.Com (Hons.) Mumbai University	Collectively around 3 years experience in Treasury and Financial Analysis.	Sept 26, 2007 till date HDFC Asset Management Company Limited Aug 16, 2005 to Sept 20, 2007 Larsen & Toubro Limited Last Position Held - Assistant Manager Nov 3, 2004 to Aug 12, 2005 Tata Motors Limited Last Position Held - Senior Officer

RESEARCH TEAM

The Research Team comprises of the following key personnel :

Name	Age (yrs.)	Designation	Educational Qualifications	Total No. of Years of Experience/ Type & Nature of Experience	Assignments Held
Mr. Pankaj Choksy	35	Senior Equity Analyst	B.Com., M.M.S. (Mumbai University)	Collectively over 13 years experience in equity research	June 1, 2007 to date HDFC Asset Management Company Limited August 2006 to May 2007 Deutsche Equities India Pvt. Ltd. Last Position Held - Vice President December 1999 to July 2006 Enam Securities Pvt. Ltd. Last Position Held - Lead Analyst May 1994 to November 1999 Zurich Asset Management Company (India) Pvt. Ltd. Last Position Held - Senior Analyst

Name	Age (yrs.)	Designation	Educational Qualifications	Total No. of Years of Experience/ Type & Nature of Experience	Assignments Held
Mr. Miten Lathia	29	Senior Equity Analyst	CFA (AIMR); CA (ICAI); B. Com. (Mumbai University).	Collectively over 7 years of experience in equity research.	December 26, 2006 to date HDFC Asset Management Company Limited June 1, 2004 to December 12, 2006 BRICS Securities Limited Last Position Held: Vice President - Research January 1, 2004 to May 31, 2004 Enam Securities Pvt. Ltd. Last Position Held: Analyst January 1, 2001 to December 26, 2003 SSKI Securities Pvt. Ltd. Last Position Held: AVP Research October 1, 1999 to December 31, 2000 Anand Rathi Securities Pvt. Ltd. Last Position Held: Manager Research
Mr. Bhagyesh Kagalkar	39	Senior Equity Analyst	B.E.(Production) MMS (Finance) - Mumbai University	Collectively over 13 experience in Equity Research, investments and Finance	January 3, 2007 to date HDFC Asset Management Company Limited June 1999 to December 2006 Dolat Capital Markets Ltd. Last Position Held - Head of Research January 2, 1999 to May 31, 1999 India Infoline Ltd. Last Position Held - Research Analyst August 1, 1997 to December 31, 1998 Sun Engineering Ltd. Last Position Held - Manager - Finance June 1996 to July 1997 Al Ahila Portfolio Securities Co. Muscut Last Position Held - Investment Analyst June 1994 to May 1996 IIT Investrust Last Position Held - Equity Analyst
Mr. Rajesh Pherwani	36	Manager - Equity Research	B.E. (Electronics), M.M.S. (Finance), CFA - CFA Institute USA.	Collectively over 11 years of experience in equity research and investments.	December 1, 2004 till Date HDFC Asset Management Company Limited. July 1996 to November 2004 Housing Development Finance Corporation Limited Last Position Held - Manager - Treasury.

CLIENT FUNDS TEAM

The Portfolio Management Services Team comprises of the following key personnel

Name	Age (yrs.)	Designation	Educational Qualifications	Total No. of Years of Experience/ Type & Nature of Experience	Assignments Held
Mr. Pankaj Chopra	41	Head - Client Funds	B.Sc. (Hons) - Agri., MBA - Finance, CFA - India, CFA - USA	Collectively over 18 years of experience in investment management, advisory, financial statement analysis etc.	July 2000 till Date HDFC Asset Management Company Limited Oct 1993 to June 2000 Housing Development Finance Corporation Limited Last Position held - Senior Manager - Treasury Jan 1991 to Sept 1993 Batterymarch Financial Management Inc.- Boston Last Position held - Associate. May 1989 to Jan 1991 Centre for International Financial Analysis & Research (Cifar - Ahmedabad) Last Position held - Senior Research Analyst.
Mr. E. A. Sundaram	44	Senior Fund Manager - Client Funds	B. Com., PGDM - IIM Ahmedabad	Collectively over 18 years of experience in Fund Management and Research.	June 20, 2003 till Date HDFC Asset Management Company Limited April 1993 to June 2003 Zurich Asset Management Company (India) Private Limited Last Position Held - Senior Manager - Research June 1989 to April 1993 SBI Fund Management Company Last Position Held - Manager Research
Mr. Simal Kanuga	33	Head Sales - Client Funds	A.C.A, Grad. CWA	Collectively over 9 years of experience in Corporate Sales and Investment Counseling.	October 2004 till Date HDFC Asset Management Company Limited June 2003 to September 2004 Citibank N.A. Last Position Held - Head Wealth Management - Suvidha November 1997 to May 2003 Zurich Asset Management (India) Private Limited Last Position Held - Regional Manager - Corporate Sales
Mr. Vipul Roongta	31	Senior Portfolio Manager- Real Estate	MBA B.A. (Hons.) - Economics	Collectively over 8 years experience in the field of real estate including marketing, investments, fund structuring and debt financing.	September 19, 2007 till date HDFC Asset Management Company Limited January 2007 to September 2007 HDFC Property Ventures Limited Last Position Held - Chief Marketing Officer October 2005 to December 2006 HDFC Venture Capital Limited

Name	Age (yrs.)	Designation	Educational Qualifications	Total No. of Years of Experience/ Type & Nature of Experience	Assignments Held
					Last Position Held - Chief Marketing Officer September 2004 to September 2005 Housing Development Finance Corporation Limited Last Position Held - Principal Consultant July 2000 to September 2004 Hongkong & Shanghai Banking Corporation Ltd. Last Position Held - Associate Vice President July 1999 to June 2000 Housing Development Finance Corporation Limited Last Position Held - Management Trainee

FUND MANAGERS

Scheme	Name of the Fund Manager
HDFC Equity Fund	Mr. Prashant Jain
HDFC Top 200 Fund	Mr. Prashant Jain
HDFC Capital Builder Fund	Mr. Chirag Setalvad
HDFC TaxSaver	Mr. Vinay Kulkarni
HDFC Prudence Fund	Mr. Prashant Jain
HDFC High Interest Fund	Mr. Anil Bamboli
HDFC High Interest Fund – Short Term Plan	Mr. Shobhit Mehrotra
HDFC High Interest Fund – Fixed Maturity Plans	Mr. Anil Bamboli
HDFC Cash Management Fund – Savings Plan, Savings Plus Plan & Call Plan	Mr. Anil Bamboli

Dedicated Fund Manager for Overseas Investments

Mr. Anand Laddha

B.Com., A.C.A.

Collectively over 4 years of experience in Equity & Derivative Research and Sales.

STATUTORY AUDITORS

Deloitte Haskins & Sells, Chartered Accountants, 12, Dr. Annie Besant Road, Opp. Shiv Sagar Estate, Worli, Mumbai 400 018 have been appointed as Statutory Auditors to the Scheme(s) by the Trustee.

CUSTODIAN

HDFC Bank Limited, located at Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 has been appointed as Custodian of the following Schemes, with effect from September 1, 2003 :

- HDFC High Interest Fund
- HDFC Cash Management Fund

As at March 31, 2007 the co-sponsor (HDFC) together with its subsidiaries hold approx. 21.85% of the equity share capital of HDFC Bank Limited. The Custodian has been registered with SEBI under registration no. IN / CUS / 001 dated February 2, 1998.

Citibank N.A., Ramnord House, 77, Dr. Annie Besant Road, Worli, Mumbai 400 018, registered with SEBI having registration

number IN/CUS/004 dated April 7, 1998 has been appointed Custodian for the following schemes of HDFC Mutual Fund :

- HDFC Equity Fund
- HDFC Top 200 Fund
- HDFC Capital Builder Fund
- HDFC TaxSaver
- HDFC Prudence Fund

The Trustee and the AMC have entered into a Custodian Agreement(s) with the Custodian(s) and the salient features of the said Agreement(s) are:

- Provide post-trading and custodial services to the Mutual Fund.
- Collect and receive any income and other payments and distribution made by the issuer of securities.
- Provide detailed management information and other reports as required by the AMC.
- Maintain confidentiality of the transactions.
- Be responsible for the loss or damage to the assets belonging to the Scheme due to negligence on its part or on the part of its approved agents.
- Segregate assets of each Scheme.
- The Custodian shall not assign, transfer or lend the property held by it on behalf of the Mutual Fund except with the prior written permission of the AMC.

The Custodian(s) will be entitled to remuneration for its services in accordance with the terms of the Custodian Agreement. The Trustee has the right to change the Custodian.

REGISTRAR AND TRANSFER AGENT

Computer Age Management Services Private Limited, A&B, Lakshmi Bhawan, 609, Anna Salai, Chennai – 600 006 (CAMS) has been appointed as Registrar and Transfer Agent for the Scheme(s). The Registrar and Transfer Agent is registered with SEBI under registration number INR000002813. As Registrar and Transfer Agent to the Scheme(s), CAMS will handle all back office transaction processing activities. The AMC and the Trustee have satisfied themselves that the Registrar and Transfer Agent can provide the services required and has adequate facilities and system capabilities.

HDFC, HDFC Bank Limited and HDFC Bank Employees Welfare Trust together hold 49% of the paid-up capital of CAMS as on the date of this Offer Document.

PREVIOUS SCHEMES LAUNCHED BY HDFC MUTUAL FUND

Particulars	HDFC Growth Fund	HDFC Balanced Fund	HDFC Income Fund	HDFC Liquid Fund	HDFC Long Term Advantage Fund#	HDFC Children's Gift Fund		HDFC Premier Multi-Cap Fund	HDFC Long Term Equity Fund	HDFC Mid-Cap Opportunities Fund
						Investment Plan	Savings Plan			
a) Date of Launch	July 20, 2000	July 20, 2000	July 20, 2000	October 17, 2000	December 26, 2000	January 25, 2001	January 25, 2001	February 28, 2005	December 30, 2005	May 7, 2007
b) Date of Commencement of Scheme (date of allotment)	September 11, 2000	September 11, 2000	September 11, 2000	October 17, 2000	January 2, 2001	March 2, 2001	March 2, 2001	April 6, 2005	February 10, 2006	June 25, 2007
c) Open / Close Ended	Open-ended	Open-ended	Open-ended	Open-ended	Open-ended	Open-ended	Open-ended	Open-ended	Close-ended	Close-ended
d) Type of Scheme	Growth	Balanced	Income	Liquid Income	ELSS	Balanced (Equity Oriented)	Balanced (Debt Oriented)	Growth	Growth	Growth
e) Face Value of units (Rs.)	10	10	10	10	10	10	10	10	10	10
f) Total Resources mobilised (Rs. in crore) – NFO	135.07	122.02	397.24	49.72	0.17	8.84	8.48	1,281.38	1,444.57	1,326.07
g) Redemption	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices
h) Net Assets as at September 30, 2007 (Rs. in crore)*	659.41	128.44	231.95	3,635.33	840.88	146.65	54.10	704.69	1,563.21	1,435.64

* Unaudited ELSS : Equity Linked Savings Scheme # Lock-in-period of 3 years

Particulars	HDFC Gift Fund		HDFC Short Term Plan	HDFC Index Fund			HDFC Floating Rate Income Fund		HDFC MF Monthly Income Plan		HDFC Core & Satellite Fund	HDFC Multiple Yield Fund	HDFC Multiple Yield Fund - Plan 2005
	Short Term Plan	Long Term Plan		SENSEX Plan	Nifty Plan	SENSEX Plus Plan	Short Term Plan	Long Term Plan	Short Term Plan	Long Term Plan			
a) Date of Launch	July 16, 2001	July 16, 2001	Feb. 18, 2002	July 3, 2002	July 3, 2002	July 3, 2002	Dec. 27, 2002	Dec. 27, 2002	Nov. 17, 2003	Nov. 17, 2003	Aug. 20, 2004	Aug. 20, 2004	July 11, 2005
b) Date of Commencement of Scheme (date of allotment)	July 25, 2001	July 25, 2001	Feb. 28, 2002	July 17, 2002	July 17, 2002	July 17, 2002	Jan. 16, 2003	Jan. 16, 2003	Dec. 26, 2003	Dec. 26, 2003	Sep. 17, 2004	Sep. 17, 2004	Aug. 17, 2005
c) Open / Close Ended	Open-ended	Open-ended	Open-ended	Open-ended	Open-ended	Open-ended	Open-ended	Open-ended	Open-ended	Open-ended	Open-ended	Open-ended	Open-ended
d) Type of Scheme	Income	Income	Income	Index	Index	Index	Income	Income	Income	Income	Growth	Income	Income
e) Face Value of units (Rs.)	10	10	10	32.161	10.326	32.161	10	10	10	10	10	10	10
f) Total Resources Mobilised (Rs. in crore) – NFO	8.42	30.90	312.38	15.19	6.68	2.76	15.95	2.99	363.75	562.16	391.25	605.38	723.19
g) Redemption	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices
h) Net Assets as at September 30, 2007 (Rs. in crore)*	15.20	24.92	289.23	30.73	20.67	20.96	2,082.76	121.28	162.79	1,222.54	586.58	125.37	61.15

* Unaudited

Particulars	HDFC Quarterly Interval Fund		
	Plan A	Plan B	Plan C
a) Date of Launch	March 29, 2007	April 2, 2007	May 7, 2007
b) Date of Commencement of the Scheme (date of allotment)	March 30, 2007	April 18, 2007	May 15, 2007
c) Open/ Close Ended	Open-Ended	Open-Ended	Open-Ended
d) Type of the Scheme	Interval Scheme	Interval Scheme	Interval Scheme
e) Face value of Units (Rs.)	10	10	10
f) Total Resources mobilized (Rs. In Crores) - NFO	328.83	502.80	209.90
g) Redemption	At NAV based prices	At NAV based prices	At NAV based prices
h) Net assets as at September 30, 2007*	337.79	66.27	146.51

* Unaudited

Particulars	HDFC Fixed Maturity Plans											HDFC Fixed Maturity Plans - Series II	
	3M March 2006 (1)	3M May 2006 (1)	3M June 2006 (1)	6M June 2006 (1)	3M July 2006 (1)	6M July 2006 (1)	3M August 2006 (1)	3M Sept. 2006 (1)	13M March 2006 (1)	13M June 2006 (1)	13M July 2006 (1)	90D November 2006	90D December 2006
a) Date of Launch	March 21, 2006	May 2, 2006	June 5, 2006	June 5, 2006	July 3, 2006	July 3, 2006	August 7, 2006	Sept. 4, 2006	March 21, 2006	June 5, 2006	July 3, 2006	Nov. 6, 2006	Dec. 4, 2006
b) Date of Commencement of the Scheme (date of allotment)	March 28, 2006	May 10, 2006	June 28, 2006	June 13, 2006	August 1, 2006	August 1, 2006	August 10, 2006	September 28, 2006	March 28, 2006	June 13, 2006	July 12, 2006	November 10, 2006	Dec. 28, 2006
c) Date of Maturity/ Final Redemption	June 27, 2006	Aug. 9, 2006	September 27, 2006	December 12, 2006	October 31, 2006	January 31, 2007	November 9, 2006	December 27, 2006	April 27, 2007	July 12, 2007	August 13, 2007	February 7, 2007	March 28, 2007
d) Open/ Close Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended
e) Type of the Scheme	Income	Income	Income	Income	Income	Income	Income	Income	Income	Income	Income	Income	Income
f) Face value of Units (Rs.)	10	10	10	10	10	10	10	10	10	10	10	10	10
g) Total Resources mobilized (Rs. in Crores) - NFO	611.45	453.40	628.33	126.96	41.98	16.57	280.12	472.77	761.81	248.17	135.87	366.09	523.05
h) Redemption	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices
i) Net Assets as at Date of Maturity/ Final Redemption Date*	615.75	456.46	632.74	126.13	42.12	16.18	282.04	476.58	819.04	267.40	144.51	366.43	523.54

* Unaudited

Particulars	HDFC Fixed Maturity Plans - Series III	HDFC Fixed Maturity Plans - Series IV		HDFC Fixed Maturity Plans - Series V		
	90D January 2007	90D February 2007	90D March 2007	90D April 2007	90D May 2007	90D June 2007
a) Date of Launch	January 12, 2007	February 10, 2007	March 5, 2007	April 2, 2007	May 7, 2007	June 4, 2007
b) Date of Commencement of the Scheme (date of allotment)	January 18, 2007	February 14, 2007	March 23, 2007	April 28, 2007	May 29, 2007	June 21, 2007
c) Date of Maturity / Final Redemption	April 17, 2007	May 14, 2007	June 20, 2007	July 26, 2007	August 27, 2007	September 18, 2007
d) Open/ Close Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended
e) Type of the Scheme	Income	Income	Income	Income	Income	Income
f) Face value of Units (Rs.)	10	10	10	10	10	10
g) Total Resources mobilized (Rs. in Crores) - NFO	521.55	318.58	525.24	426.09	85.44	294.03
h) Redemption	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices
i) Net Assets as at Date of Maturity/ Final Redemption Date (Rs. In Crore)*	521.65	315.77	518.16	425.38	84.28	292.48

*Unaudited

Particulars	HDFC Fixed Maturity Plans		
	13M August 2006 (1)	26M August 2006 (1)	13M Sept. 2006 (1)
a) Date of Launch	August 7, 2006	August 7, 2006	Sept 4, 2006
b) Date of Commencement of the Scheme (date of allotment)	September 1, 2006	September 7, 2006	September 28, 2006
c) Open/ Close Ended	Close-Ended	Close-Ended	Close-Ended
d) Type of the Scheme	Income	Income	Income
e) Face value of Units (Rs.)	10	10	10
f) Total Resources mobilized (Rs. in Crores) - NFO	80.84	376.54	158.60
g) Redemption	At NAV based prices	At NAV based prices	At NAV based prices
h) Net assets as at September 30, 2007*	66.22	329.03	171.20

* Unaudited

Particulars	HDFC Fixed Maturity Plans - Series II			HDFC Fixed Maturity Plans - Series III		
	18M October 2006	17M November 2006	16M December 2006	16M January 2007	15M February 2007	14M March 2007
a) Date of Launch	Oct. 12, 2006	Nov. 6, 2006	Dec. 4, 2006	January 12, 2007	February 5, 2007	March 5, 2007
b) Date of Commencement of the Scheme (date of allotment)	Oct. 27, 2006	Nov. 22, 2006	Dec. 19, 2006	January 23, 2007	February 14, 2007	March 15, 2007
c) Open/ Close Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended
d) Type of the Scheme	Income	Income	Income	Income	Income	Income
e) Face value of Units (Rs.)	10	10	10	10	10	10
f) Total Resources mobilized (Rs. in Crores) - NFO	343.08	188.62	201.05	311.73	110.71	639.48
g) Redemption	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices
h) Net assets as at September 30, 2007*	359.51	193.38	213.55	330.61	117.23	680.95

* Unaudited

Particulars	HDFC Fixed Maturity Plans - Series V								
	15M March 2007	181D April 2007	367D April 2007	181D May 2007	367D May 2007	24M May 2007	181D June 2007	367D June 2007	36M June 2007
a) Date of Launch	March 22, 2007	April 2, 2007	April 2, 2007	May 7, 2007	May 7, 2007	May 7, 2007	June 4, 2007	June 4, 2007	June 4, 2007
b) Date of Commencement of the Scheme (date of allotment)	March 23, 2007	April 20, 2007	April 28, 2007	May 22, 2007	May 29, 2007	May 22, 2007	June 21, 2007	June 26, 2007	July 5, 2007
c) Open/ Close Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended
d) Type of the Scheme	Income	Income	Income	Income	Income	Income	Income	Income	Income
e) Face value of Units (Rs.)	10	10	10	10	10	10	10	10	10
f) Total Resources mobilized (Rs. in Crores) - NFO	321.25	172.42	348.81	42.15	165.70	28.95	20.78	66.49	93.05
g) Redemption	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices
h) Net Assets as at September 30, 2007*	338.15	173.72	361.69	43.38	164.18	26.68	21.16	66.91	95.63

*Unaudited

Particulars	HDFC Fixed Maturity Plans - Series VI			
	367D August 2007	90D August 2007	90D September 2007	367D September 2007
a) Date of Launch	August 13, 2007	August 24, 2007	September 13, 2007	September 13, 2007
b) Date of Commencement of the Scheme (date of allotment)	August 14, 2007	August 28, 2007	September 19, 2007	September 19, 2007
c) Open / Close Ended	Close-Ended	Close-Ended	Close-Ended	Close-Ended
d) Type of the Scheme	Income	Income	Income	Income
e) Face value of Units (Rs.)	10	10	10	10
f) Total Resources mobilized (Rs. in Crores) - NFO	172.45	256.78	391.11	35.66
g) Redemption	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices
h) Net Assets as at September 30, 2007*	174.05	259.13	392.17	35.76

*Unaudited

Particulars	HDFC Fixed Investment Plan											
	February 2002 (1)	March 2002 (1)	June 2002 (1)	July 2002 (1)	March 2003 (1)	May 2003 (2)	May 2003 (1)	June 2003 (1)	October 2003 (1)	March 2004 (1)	June 2004 (2)	July 2004 (2)
a) Date of Launch	Feb. 25, 2002	March 18, 2002	June 10, 2002	July 1, 2002	March 24, 2003	May 19, 2003	May 12, 2003	June 16, 2003	October 13, 2003	March 27, 2004	June 28, 2004	July 26, 2004
b) Date of Commencement of Scheme (date of allotment)	Feb. 26, 2002	March 27, 2002	June 14, 2002	July 5, 2002	March 28, 2003	May 23, 2003	May 16, 2003	June 20, 2003	October 22, 2003	March 31, 2004	July 1, 2004	July 29, 2004
c) Date of Maturity / Final Redemption	April 7, 2003 [#]	April 10, 2002	June 30, 2003	July 21, 2003	April 12, 2004	Aug. 19, 2003	Sept. 11, 2003	Sept. 16, 2003	November 5, 2004	April 6, 2005	June 12, 2005	August 8, 2005
d) Open / Close Ended	Close-ended	Close-ended	Close-ended	Close-ended	Close-ended	Close-ended	Close-ended	Close-ended	Close-ended	Close-ended	Close-ended	Close-ended
e) Type of Scheme	Income	Income	Income	Income	Income	Income	Income	Income	Income	Income	Income	Income
f) Face Value of units (Rs.)	10	10	10	10	10	10	10	10	10	10	10	10
g) Total Resources mobilised (Rs. in crore) - IPO	35.00	15.97	64.10	11.34	50.27	70.00	30.03	50.00	16.62	102.62	230.67	268.78
h) Redemption	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices	At NAV based prices
i) Net Assets as at date of Maturity / Final Redemption (Rs. in crore)	38.41	17.29	69.16	12.22	53.56	70.01	0.03	50.01	44.19	97.54	243.06	288.12

[#] Initially February 26, 2003, but rolled over / extended to April 7, 2003. However, the entire Units were redeemed by the investors on March 26, 2003.

Note : The above figures are audited and are as at the respective dates of Maturity / Final Redemption.

SECTION II

INVESTMENT OBJECTIVE & POLICIES

A. HDFC EQUITY FUND

FUNDAMENTAL ATTRIBUTES OF THE SCHEME

TYPE OF SCHEME

The Scheme is an open ended equity growth Scheme.

The Scheme offers investors two Plans :

- **Growth Plan**
- **Dividend Plan**

Dividend Plan offers Dividend Payout and Re-investment facility.

INVESTMENT OBJECTIVE

The investment objective of the Scheme is to achieve capital appreciation.

INVESTMENT COMPOSITION

Asset Type	% of Net Assets	Risk Profile
Equities and equity related instruments	80 - 100	Medium to High
Debt and money market instruments*	0 - 20	Low to Medium

*Investment in Securitised debt, if undertaken, would not exceed 20% of the net assets of the Scheme.

INVESTMENT STRATEGY

In order to provide long term capital appreciation, the Scheme will invest predominantly in growth companies. Companies selected under this portfolio would as far as practicable consist of medium to large sized companies which:

- are likely to achieve above average growth than the industry;
- enjoy distinct competitive advantages, and
- have superior financial strengths.

The aim will be to build a portfolio, which represents a cross-section of the strong growth companies in the prevailing market. In order to reduce the risk of volatility, the Scheme will diversify across major industries and economic sectors.

A part of the funds may be invested in debt and money market instruments.

The Scheme may also invest upto 25% of net assets of the Scheme in derivatives such as Futures & Options and such other derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing and other uses as may be permitted under the Regulations.

The Scheme may also invest a part of its corpus, not exceeding 40% of its net assets, in overseas markets in Global Depository Receipts (GDRs), ADRs, overseas equity, bonds and mutual funds and such other instruments as may be allowed under the Regulations from time to time. Please refer to the Section on Policy on off-shore Investments by the Scheme(s).

Subject to the Regulations and the applicable guidelines, the Scheme may, engage in Stock Lending activities. Please refer to the Section on Stock Lending by the Fund.

If the investment in equities and related instruments falls below 70% of the portfolio of the Scheme at any point in time, it would be endeavoured to review and rebalance the composition.

Benchmark Index

The Benchmark for the Scheme is S&P CNX 500 Index. Performance comparisons will be made vis-à-vis the benchmark.

B. HDFC TOP 200 FUND

FUNDAMENTAL ATTRIBUTES OF THE SCHEME

TYPE OF SCHEME

The Scheme is an open-ended equity growth Scheme.

The Scheme offers investors two Plans :

- **Growth Plan**
- **Dividend Plan**

Dividend Plan offers Dividend Payout and Re-investment facility.

INVESTMENT OBJECTIVE

The investment objective of the Scheme is to generate long term capital appreciation from a portfolio of equity and equity linked instruments. The investment portfolio for equity and equity linked instruments will be primarily drawn from the companies in the BSE 200 Index. Further, the Scheme may also invest in listed companies that would qualify to be in the top 200 by market capitalisation on the BSE even though they may not be listed on the BSE. This includes participation in large IPOs where in the market capitalisation of the company based on issue price would make the company a part of the top 200 companies listed on the BSE based on market capitalisation.

INVESTMENT COMPOSITION

Investors may also note that securities which provide higher returns also typically portray higher volatility. As such, the investment portfolio of the Scheme would portray moderate to high volatility in its equity and equity linked investments, and low to moderate volatility in debt and money market investments.

Asset Type	% of Net Assets	Risk Profile
Equity & Equity linked	Upto 100% (including use of derivatives for hedging and other uses as permitted by prevailing SEBI Regulations)	Medium to High
Debt and money market instruments*	Balance in debt and money market instruments	Low to Medium

*Investment in Securitised debt, if undertaken, would not exceed 20% of the net assets of the Scheme.

INVESTMENT STRATEGY & RISK CONTROL

The investment strategy of primarily restricting the equity portfolio to the BSE 200 Index scrips is intended to reduce risks while maintaining steady growth. Stock specific risk will be minimised by investing only in those companies / industries that have been thoroughly researched by the investment manager's research team. Risk will also be reduced through a diversification of the portfolio.

The Scheme may also invest upto 25% of net assets of the Scheme in derivatives such as Futures & Options and such other derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing and other uses as may be permitted under the regulations and guidelines.

The Scheme may also invest a part of its net assets, not exceeding 40% of its net assets, in overseas markets in Global Depository Receipts (GDRs), ADRs, overseas equity, bonds and mutual funds and such other instruments as may be allowed under the Regulations from time to time. Please refer to the Section on Policy on off-shore Investments by the Scheme(s).

Subject to the Regulations and the applicable guidelines, the Scheme may, engage in Stock Lending activities. Please refer to the Section on Stock Lending by the Fund.

If the investment in equities and related instruments falls below 65% of the portfolio of the Scheme at any point in time, it would be endeavoured to review and rebalance the composition.

The Trustee may from time to time at their absolute discretion review and modify the strategy, provided such modification is in accordance with the Regulations or in the event of a discontinuation of or change in the compilation or the constituents of the BSE 200 Index.

Benchmark Index

The Benchmark for the Scheme is BSE 200 Index. Performance comparisons will be made vis-à-vis the benchmark.

C. HDFC CAPITAL BUILDER FUND

FUNDAMENTAL ATTRIBUTES OF THE SCHEME

TYPE OF SCHEME

The Scheme is an open ended equity growth Scheme.

The Scheme offers investors two Plans :

- **Growth Plan**
- **Dividend Plan**

Dividend Plan offers Dividend Payout and Re-investment facility.

INVESTMENT OBJECTIVE

The Investment Objective of the Scheme is to achieve capital appreciation in the long term.

INVESTMENT COMPOSITION

Asset Type	% of Net Assets	Risk Profile
Equities and equity related instruments	Upto 100	Medium to High
Debt and money market instruments*	Not more than 20	Low to Medium

*Investment in Securitised debt, if undertaken, would not exceed 20% of the net assets of the Scheme.

INVESTMENT STRATEGY

This Scheme aims to achieve its objectives by investing in strong companies at prices which are below fair value in the opinion of the Fund Manager.

The Scheme defines a "strong company" as one that has the following characteristics:

- strong management, characterized by competence and integrity
- strong position in its business (preferably market leadership)
- efficiency of operations, as evidenced by profit margins and asset turnover, compared to its peers in the industry
- working capital efficiency
- consistent surplus cash generation
- high profitability indicators (returns on funds employed)

In common parlance, such companies are also called 'Blue Chips'

The Scheme defines "reasonable prices" as:

- a market price quote that is around 30% lower than its value, as determined by the discounted value of its estimated future cash flows
- a P/E multiple that is lower than the company's sustainable return on funds employed

- a P/E to growth ratio that is lower than those of the company's competitors
- in case of companies in cyclical businesses, a market price quote that is around 50% lower than its estimated replacement cost

Note: The Scheme does not consider it essential for all companies in the portfolio to satisfy all these criteria. These are used as guidelines for assessing the valuation of companies.

The Scheme may also invest upto 25% of net assets of the Scheme in derivatives such as Futures & Options and such other derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing and other uses as may be permitted under the Regulations and guidelines.

The Scheme may also invest a part of its net assets, not exceeding 40% of its net assets, in overseas markets in Global Depository Receipts (GDRs), ADRs, overseas equity, bonds and mutual funds and such other instruments as may be allowed under the Regulations from time to time. Please refer to the Section on Policy on off-shore Investments by the Scheme(s).

Subject to the Regulations and the applicable guidelines, the Scheme may, engage in Stock Lending activities. Please refer to the Section on Stock Lending by the Fund.

If the investment in equities and related instruments falls below 70% of the portfolio of the Scheme at any point in time, it would be endeavoured to review and rebalance the composition.

Benchmark Index

The Benchmark for the Scheme is S&P CNX 500 Index. Performance comparisons will be made vis-à-vis the benchmark.

D. HDFC TAXSAVER

FUNDAMENTAL ATTRIBUTES OF THE SCHEME

TYPE OF SCHEME

The Scheme is launched as an open-ended Equity Linked Savings Scheme (with no assured returns) as per the Notifications dated December 28, 1992 and December 22, 1998 issued by the Department of Economic Affairs, Ministry of Finance, Government of India.

Ministry of Finance vide its Press Release dated November 11, 2005 has stated that the Central Board of Direct Taxes has clarified that investment made on or after April 1, 2005 in plans which are in accordance with ELSS 1992 or ELSS 1992 as amended in 1998 are also eligible for tax benefit u/s 80C of the Income-tax Act, 1961.

The Scheme offers investors two Plans :

- **Growth Plan**
- **Dividend Plan**

Dividend Plan offers Dividend Payout and Re-investment facility.

INVESTMENT OBJECTIVE

The investment objective of the Scheme is to achieve long term growth of capital.

INVESTMENT COMPOSITION

Asset Type	% of Net Assets	Risk Profile
Equities and related instruments	Minimum 80	Medium to High
Debt and money market instruments*	Maximum 20	Low to Medium

*Investment in Securitised debt, if undertaken, would not exceed 20% of the net assets of the Scheme.

INVESTMENT STRATEGY

The funds collected under the Scheme shall be invested in equities, cumulative convertible preference shares and fully convertible debentures and bonds of companies. Investment may be made in partly convertible debentures and bonds including those issued on a rights basis subject to the condition that, as far as possible, the non convertible portion of the debenture so acquired or subscribed shall be disinvested within a period of 12 months.

It shall be ensured that funds of the Scheme shall remain invested to the extent of at least 80% in securities specified above. In exceptional circumstances, this requirement may be dispensed with by the AMC, in order that the interest of the Unit holders are protected.

Pending investment of funds of the Scheme in the required manner, the AMC may invest the funds of the Scheme in short-term money market instruments or other liquid instruments or both. After 3 years from the date of allotment of the Units, the Mutual Fund may hold upto 20% of net assets of the Scheme in short-term money market instruments.

The Scheme may also invest upto 25% of net assets of the Scheme in derivatives such as Futures & Options and such other derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing and other uses as may be permitted under the Regulations and guidelines.

The Scheme may also invest a part of its net assets, not exceeding 40% of its net assets, in overseas markets in Global Depository Receipts (GDRs), ADRs, overseas equity, bonds and mutual funds and such other instruments as may be allowed under the Regulations from time to time. Please refer to the Section on Policy on off-shore Investments by the Scheme(s).

Subject to the Regulations and the applicable guidelines, the Scheme may, engage in Stock Lending activities. Please refer to the Section on Stock Lending by the Scheme.

The ELSS (Equity Linked Savings Scheme) guidelines, as applicable, would be adhered to in the management of this Scheme.

If the investment in equities and related instruments falls below 80% of the portfolio of the Scheme at any point in time, it would be endeavoured to review and rebalance the composition.

Benchmark Index

The Benchmark for the Scheme is S&P CNX 500 Index. Performance comparisons will be made vis-à-vis the benchmark.

SPECIAL PROVISIONS

The funds collected under the Scheme shall be invested in equities, cumulative convertible preference shares and fully convertible debentures and bonds of companies. Investment may be made in partly convertible debentures and bonds including those issued on a rights basis subject to the condition that, as far as possible, the non-convertible portion of the debenture so acquired or subscribed shall be disinvested within a period of 12 months.

It shall be ensured that funds of the Scheme shall remain invested to the extent of at least 80% in securities specified above.

Pending investment of funds of the Scheme in the required manner, the AMC may invest the funds of the Scheme in short-term money market instruments or other liquid instruments or both. After 3 years from the date of allotment of the Units, the Mutual Fund may hold upto 20% of net assets of the Scheme in short-term money market instruments.

The Scheme may also invest upto 25% of net assets of the Scheme in derivatives such as Futures & Options and such other derivative instruments as may be introduced from time to time

for the purpose of hedging and portfolio balancing and other uses as may be permitted under the Regulations and guidelines.

The Scheme may also invest a part of its net assets, not exceeding 40% of its net assets, in overseas markets in Global Depository Receipts (GDRs), ADRs, overseas equity, bonds and mutual funds and such other instruments as may be allowed under the Regulations from time to time.

E. HDFC PRUDENCE FUND

FUNDAMENTAL ATTRIBUTES OF THE SCHEME

TYPE OF SCHEME

The Scheme is an open-ended Balanced Scheme.

The Scheme offers investors two Plans :

- **Growth Plan**
- **Dividend Plan**

Dividend Plan offers Dividend Payout and Re-investment facility.

INVESTMENT OBJECTIVE

The investment objective of the Scheme is to provide periodic returns and capital appreciation over a long period of time, from a judicious mix of equity and debt investments, with the aim to prevent / minimise any capital erosion. Under normal circumstances, it is envisaged that the debt : equity mix would vary between 25:60 and 40:75 respectively. This mix may achieve the investment objective, may result in regular income, capital appreciation and may also prevent capital erosion.

INVESTMENT PATTERN

Type of the Instruments	Minimum Allocation (% of Net Assets)	Maximum Allocation (% of Net Assets)	Risk Profile of the Instrument
Equity & Equity related instruments	40	75	High
Debt and money market instruments*	25	60	Low to Medium

* Investment in Securitised debt, if undertaken, would not exceed 10% of the net assets of the Scheme.

INVESTMENT STRATEGY

As outlined above, the investments in the Scheme will comprise both debt and equities. The Fund would invest in Debt instruments such as Government securities, money market instruments, securitised debts, corporate debentures and bonds, preference shares, quasi Government bonds, and in equity shares. In the long term, the mix between debt instruments and equity instruments is targeted between 25:60 and 40:75 respectively. The exact mix will be a function of interest rates, equity valuations, reserves position and risk taking capacity of the portfolio.

In such times when the interest rates are high, investment in debt would be generally more attractive versus equities and accordingly the Fund is likely to increase the debt component in the Scheme's portfolio. Similarly in times when the interest rates are low and the equity valuations are cheap, the Scheme is likely to reduce exposure to debt and increase exposure to equities. In addition to debt and equities, the Scheme will also invest in money market instruments. The exact proportion in money market instruments will be a function of the liquidity needs and the attractiveness of the debt/ equity markets. At times when neither the debt market nor equities are attractive for investment, more resources may be temporarily invested in money market investments to be invested in debt/ equities at a more appropriate time.

The Scheme may also invest upto 25% of net assets of the Scheme in derivatives such as Futures & Options and such other derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing and other uses as may be permitted under the Regulations and Guidelines.

The Scheme may also invest a part of its net assets, not exceeding 40% of its net assets, in overseas markets in Global Depository Receipts (GDRs), ADRs, overseas equity, bonds and mutual funds and such other instruments as may be allowed under the Regulations from time to time. Please refer to the Section on Policy on off-shore Investments by the Scheme(s).

Subject to the Regulations and the applicable guidelines, the Scheme may, engage in Stock Lending activities. Please refer to the Section on Stock Lending by the Fund.

If the investment in equities and related instruments falls below 40% of the portfolio or rises above 60% of the portfolio of the Scheme at any point in time, it would be endeavoured to review and rebalance the composition.

Benchmark Index

The Benchmark for the Scheme is CRISIL Balanced Fund Index. Performance comparisons will be made vis-à-vis the benchmark.

F. HDFC HIGH INTEREST FUND

FUNDAMENTAL ATTRIBUTES OF THE SCHEME

TYPE OF SCHEME

The Scheme is an open-ended Income Scheme.

The Scheme offers investors two Plans :

- **Growth Plan**
- **Dividend Plan**

Dividend Plan offers Quarterly, Half yearly and Yearly Dividend Option with Payout and Re-investment facility.

In addition to these, Short Term Plan and Fixed Maturity Plans (with Quarterly / Half Yearly / Yearly Options) having separate portfolios and specified objectives are also available. For further details refer to Section on Short Term Plan / Fixed Maturity Plans.

INVESTMENT OBJECTIVE

The investment objective of HDFC High Interest Fund is to generate income by investing in a range of debt and money market instruments of various maturity dates with a view to maximising income while maintaining the optimum balance of yield, safety and liquidity.

INVESTMENT COMPOSITION

Asset Type	% of Net Assets	Risk Profile
Debt and Money market instruments*	100%	Low to Medium

*Investment in Securitised debt, if undertaken, would not exceed 30% of the net assets of the Scheme.

INVESTMENT STRATEGY

The Investment strategy of restricting the portfolio largely to debt, money market and related instruments is intended to reduce risk while maintaining steady income. Credit risk will be minimised by investing only in those companies/industries that have been researched by the Investment Manager's research team supported by information from credit rating agencies authorised to carry out such activity under the SEBI Act. Risk will also be reduced through diversification of the portfolio. Monies collected shall be invested in transferable securities in the money market or in the capital market or in privately placed debentures as per the SEBI Regulations.

The Portfolio would be reviewed and rebalanced on a continual basis.

The Scheme may also invest upto 25% of net assets of the Scheme in such derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing and other uses as may be permitted under the Regulations.

The Scheme may also invest a part of its net assets, not exceeding 20% of its net assets, in overseas markets in bonds and mutual funds and such other debt instruments as may be allowed under the Regulations from time to time. Please refer to the Section on Policy on off-shore Investments by the Scheme(s).

Benchmark Index

The Benchmark for the Scheme is CRISIL Composite Bond Fund Index. Performance comparisons will be made vis-à-vis the benchmark.

G. HDFC HIGH INTEREST FUND - SHORT TERM PLAN (HHIF-STP)

FUNDAMENTAL ATTRIBUTES OF THE SCHEME

TYPE OF PLAN

The Scheme is an open-ended Plan

The Scheme offers investors two Options :

- **Growth Option**
- **Dividend Option (Monthly)**

Dividend Option (Monthly) offers Dividend Payout and Re-investment facility.

INVESTMENT OBJECTIVE

The investment objective of HHIF-STP is to generate income by investing in a range of debt and money market instruments of various maturity dates with a view to maximising income while maintaining the optimum balance of yield, safety and liquidity.

The objective is to cater to the needs of investors with shorter-term investment horizons and to provide stable returns over shorter periods. Hence, the portfolio of the HHIF-STP would be different from that of the other Plans of HDFC High Interest Fund.

INVESTMENT COMPOSITION

Instruments	% of Net Assets	Risk Profile
Debt, money market and related instruments with a maturity more than two years (including securitised debt upto a maximum limit of 25%)	Upto 50	Low to medium
Debt, money market and related instruments with a maturity less than two years (including securitised debt upto a maximum limit of 25 %)	Upto 100	Low

INVESTMENT STRATEGY

HHIF-STP has been designed to provide more stable returns to shorter-term investors with lower interest rate risk than the Dividend and Growth Plans of HDFC High Interest Fund (the main scheme). Except for this, the investment strategy for HHIF-STP would be in line with that of the main Scheme. Hence, over the long term, returns in the main Scheme may be higher than that of HHIF-STP but over the short term, HHIF-STP will have a relatively lower exposure to interest rate movements as its portfolio maturity may be shorter than that of the main Scheme.

Benchmark Index

The Benchmark for the Scheme is CRISIL Composite Bond Fund Index. Performance comparisons will be made vis-à-vis the benchmark.

FIXED MATURITY PLANS IN HIGH INTEREST FUND

Introduction

Investors requiring a fixed maturity of their investments may opt to invest in the various Options of the Fixed Maturity Plan of HDFC High Interest Fund thereby reducing the interest risk by remaining invested till maturity. The Plan will be in the form of an interval scheme - open ended with an entry / redemption on the specified dates as tabulated in the Plan.

The Plan will presently have three Options – Quarterly Option, Half Yearly Option and Yearly Option. There may be several options of similar periods, but each of them shall remain at the end of the respective period. Unitholders have a choice to exit from the Option on the specified dates of the respective Option.

This Plan is targeted at individuals / corporate investors who have a specific time horizon for investments and who would like to benefit from low credit and interest rate risk over the investment horizon.

Investment Objective

The investment objective of the Plan is to seek to generate predictable returns over predetermined periods, by investing in a portfolio of debt and money market instruments with residual maturity close to the period of the respective Option. Presently, there will be Quarterly, Half-yearly and Yearly Options in this Plan. As each Option will invest in a distinct portfolio of securities with known maturity, such portfolios would generate predictable returns, subject to the risk factors disclosed in the Combined Offer Document.

Dividend and Growth alternative

Each of the Options in the Plan will have a Dividend and Growth alternative. Unitholder may also opt to reinvest the dividend in the Dividend alternative. The portfolio of the Dividend and Growth alternatives may be different. The dividend, if any, shall be declared on or before the specified repurchase date of each Option in the Dividend alternative.

Sale / Redemption of units

During the New Fund Offer Period of the Plan, the units will be available for subscription at Rs. 10 per unit and subsequently at Applicable NAV based prices. The period during which the various Options under the Plan shall be made available for subscription and redemption have been detailed in the table given in the Plan.

The AMC reserves the right to offer earlier Redemption on any of the Option or even suspend the sale of any Option. Necessary information on these will be available at the office of the AMC / ISC.

Presently, the units for all the Options under the Fixed Maturity Plan are not available in dematerialised mode and hence cannot be subscribed / repurchased through the stock exchanges. The AMC may at a future date, make the units available for subscription through any other mode as decided from time to time.

Minimum Amount of Investment :

Quarterly Options I to VI

The minimum amount to open an account is Rs. 100,000 and in multiples of Rs. 1,000 thereafter. The minimum amount of investment can be changed by the AMC from time to time.

Yearly Option I

The minimum amount to open an account is Rs. 50,000 and in multiples of Rs. 1,000 thereafter. The minimum amount of

investment can be changed by the AMC from time to time.

Yearly Option II and III

The minimum amount to open an account is Rs. 100,000 and in multiples of Rs. 1,000 thereafter. The minimum amount of investment can be changed by the AMC from time to time.

Yearly Option IV, V and VI

The minimum amount to open an account is Rs. 10,000. The minimum amount of investment can be changed by the AMC from time to time.

Sale Price/Redemption Price

The Sale Price of units shall be the Applicable NAV plus a Sales Load, if any, as determined by the AMC from time to time. This Sales Load of a particular Option could be different for Dividend and Growth alternatives and also from the Sales load charged for units sold for other Options / Plans of the same Scheme. However, the Sales Load applied shall not exceed the 7% limit as prescribed in the Regulations. Similarly the Redemption Price of Units shall be the NAV, less Exit Load, if any, as determined by the AMC from time to time. The Redemption Price however, will not be lower than 93% of the NAV. The difference between the Sales and Redemption Price at any point in time will not exceed the permitted limit as prescribed by SEBI from time to time which is presently 7%. The Loads charged could be different during different periods of time when the Plan is open for subscription / redemption.

Entry Load / Exit Load Quarterly Option, I, II, III, IV, V, VI and Yearly Options II, IV, V and VI

There will not be any Entry Load during the New Fund Offer Period. An Exit Load of 3% will be charged if the Units are redeemed before the initial specified redemption date.

Entry Load / Exit Load Yearly Option I

There will not be any Entry Load during the New Fund Offer Period. An Exit Load of 5% will be charged if the Units are redeemed before the initial specified redemption date.

Entry Load / Exit Load Yearly Option III

There will not be any Entry Load during the New Fund Offer Period. No Exit Load will be charged if the Units are redeemed before the initial specified redemption date.

Switch between Options of the Plan / between Plans of the Scheme / between Schemes

Unitholders may switch their existing investment between the alternatives in the same Option or between Options. However, this facility is not available presently and may be made available at a future date, which shall be notified by suitable display at the office of the AMC / Investor Service Centre and on the AMC's website www.hdfcfund.com.

Unitholders may switch from any other Plan of the Scheme / any other Scheme, into any Option of the Fixed Maturity Plan on the respective subsequent specified subscription days of the respective Option. Similarly Units may be switched out from any Option of the Fixed Maturity Plan to any other Plan of the Scheme / another Scheme on subsequent specified redemption dates or on Quarterly exit option date (for Half-Yearly and Yearly Option).

Systematic Investment Plan (SIP) / Systematic Withdrawal Plan (SWP)

Presently, SIP and SWP is not available in the Fixed Maturity Plan. The AMC at a later date may decide introduce this facility.

Initial Issue Expenses :

The initial issue expenses of the Quarterly Option I to VI and Yearly Options I to VI have been borne by the AMC.

Annual Scheme Recurring Expenses

The recurring expenses chargeable to each Option under the Plan may be different from those charged to the other Options in the Plan and may also be different from the expenses charged to the Plans of the Scheme. The recurring expenses chargeable

to the Dividend and Growth alternative of each Option may also be different. However, the total recurring expenses that can be charged to each Plan will be subject to the limits prescribed by SEBI from time to time. Expenses over and above the permissible limits will be borne by the AMC / Trustee / Sponsor.

Estimated Annual Scheme Recurring Expenses (% per annum of average weekly net assets)

Particulars	Q - 1	Q - 2	Q - 3	Q - 4	Q - 5	Q - 6	Y - 1	Y - 2	Y 3	Y -4	Y -5	Y-6
Investment Management and Advisory Fees	0.10	0.40	0.40	0.15	0.40	0.40	0.45	0.40	0.05	0.40	0.40	0.40
Trustee Fees	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Custodian Fees / Depository Charges	0.06	0.06	0.06	0.03	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Registrar and Transfer Agent Fees	0.06	0.06	0.06	0.03	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Audit Fees	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Other Expenses (including service tax)	0.03	0.03	0.03	0.04	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Total	0.30	0.60	0.60	0.30	0.60	0.60	0.65	0.60	0.25	0.60	0.60	0.60

These estimates have been made in good faith by the Asset Management Company and are subject to change inter se. The expenses may under any head 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. Expenses over and above the permissible limits will be borne by the Asset Management Company/Sponsor/Trustee.

Table giving details of Options to be launched, their specified subscription periods and specified redemption dates.

Options	Alternatives	Initial Specified redemption date	Subsequent Specified Subscription Periods	Subsequent Specified redemption dates
Quarterly Option	Growth & Dividend	91st day after the closure of initial issue period	3 Business Days prior to the previous Specified redemption date	91st day after the previous Specified redemption date
Half yearly Option*	Growth & Dividend	183rd day after the closure of initial issue period	7 Business Days prior to the previous Specified redemption date	183rd day after the previous Specified redemption date
Yearly Option	Growth & Dividend	380th day after the closure of initial issue period	7 Business Days prior to the previous Specified redemption date	380th day after the previous Specified redemption date

* yet to be launched

Being an interval scheme, the Unitholder may, at the time of application, indicate his / her / its choice to continue in the Option or exit on the specified date. Alternatively, at any time, prior to five Business Days, preceding the specified date available for exit under each Option the Unitholder may submit the request for redemption to ISCs before the cut-off time applicable for that Option. In the Half Yearly and Yearly Options, Unitholders can also exit from the respective Options during the Quarterly exit option date, which is the last two Business Days at the end of three months from the first specified subscription date for that Option. Unitholders intending to exit during the Quarterly Exit Option Dates need to submit their request for redemption at least 5 Business Days prior to such dates.

Redemption may be made through the Transaction Slip at the office of the AMC / ISC / Registrar. On redemption the Units shall be redeemed at the Redemption Price of that day, i.e. the NAV less Exit Load, if any.

Unitholders may redeem partially or fully their investments on the specified redemption dates. Units not redeemed on the specified redemption dates will continue under the respective Option and can be redeemed during the subsequent specified redemption dates.

It should be noted that the above table is indicative and the AMC may decide not to launch an Option or alter, either partly or fully, the proposed table of launch. Similarly, the AMC reserves the right to increase/decrease the number of Business Days under specified subscription period and alter / modify /change the specified redemption dates. Such revisions shall be notified by suitable display in the office of the AMC / Investor Service Centres and on the website at www.hdfcfund.com.

All provisions other than those expressly provided for the Fixed Maturity Plans hereinabove that are applicable to the Other Plans of HDFC High Interest Fund would also apply to the Fixed Maturity Plans.

H. HDFC CASH MANAGEMENT FUND

FUNDAMENTAL ATTRIBUTES OF THE SCHEME

TYPE OF SCHEME

The Scheme is an open ended High Liquidity Income Scheme.

The Scheme Offer investors three plans:

- **Savings Plan**
- **Savings Plus Plan**
- **Call Plan**

Savings Plan offers Growth Option and Dividend Option. Dividend Option offers Daily Dividend Option with Re-investment facility only and Weekly Dividend Option with Payout and Re-investment facility.

Call Plan offers Growth Option and Daily Dividend Option with reinvestment facility only.

Savings Plus Plan* offers Retail Option and Wholesale Option with Growth Option and Dividend sub-options under each option

Dividend Option offers Daily Dividend Option with Re-investment facility only and Weekly and Monthly Dividend Option with Payout and Re-investment facility.

* HDFC Cash Management Fund - Investment Plan - Growth Option was renamed and restructured as HDFC Cash Management Fund - Saving Plus Plan effective June 23, 2004 and Dividend Option was introduced effective June 23, 2004.

Further, HDFC Cash Management Fund - Saving Plus Plan (Growth Option and Weekly Dividend Option) renamed to HDFC Cash Management Fund - Saving Plus Plan - Retail Option (Growth sub-option and Weekly Dividend sub-option) and HDFC Cash Management Fund - Saving Plus Plan - Wholesale Option was introduced effective April 23, 2007.

In accordance with the parameters for liquid schemes specified by SEBI, HCMF-Savings Plan and Call Plan are categorised as 'Liquid Schemes' and HCMF-Savings Plus Plan is classified as 'Non-Liquid Scheme'.

INVESTMENT OBJECTIVE

Savings & Call Plan : To generate optimal returns while maintaining safety and high liquidity.

Savings Plus Plan : To generate regular income through investment in debt securities and money market instruments.

The specific objective of the Call Plan is to generate returns that would endeavour to be in line with the overnight call rates. The interest rate risk in this Plan will be almost nil.

INVESTMENT COMPOSITION AND RISK PROFILE – SAVINGS PLAN

Keeping in view the objective of safety and high liquidity, the asset allocation pattern will be:

Instruments	% of Net Assets	Risk Profile
Debt instruments (Including Securitised Debt**)	Upto 100	Low to medium
Money Market Instruments	Upto 100	Very low*

**Investment in Securitised debt, if undertaken, can be undertaken upto 100% of the net assets of the Scheme.

* The 'risk' as mentioned above pertains to the risk of erosion

in the value of principal amount only. Although the risk of capital erosion is not normally envisaged in money market instruments, such investments would be subjected to the risk associated with the volatility in interest rates.

INVESTMENT COMPOSITION – CALL PLAN

The asset allocation pattern will be:

Instruments	% of Net Assets	Risk Profile
Debt and Money Market instruments (including MIBOR linked instruments with daily put and call option)	Upto 100	Low to medium

HDFC Cash Management Fund - Savings Plan and Call Plan are Liquid Schemes.

The portfolio of HDFC Cash Management Fund – Savings Plan and Call Plan will comply with the following additional investment restrictions in accordance with the SEBI/IMD/CIR No. 11/78450/2006 dated October 11, 2006.

- Mark-to-Market component of the fund (excluding money market component) on a weekly average basis will be less than 10%.
- Mark-to-Market shall mean the valuation of an asset (e.g. marketable securities, derivatives and other financial contracts) using a traded price or a derived price from the corresponding yield curve.
- For a fixed rate asset, the remaining tenor will be 1 year or less.
- For a floating rate asset, the interest reset frequency will be 1 year or less.
- For a fixed rate / floating rate asset where the principal is paid in a staggered and/or on amortizing basis (e.g. securitised papers), the average maturity to such an asset will be 1 year or less.
- For a portfolio using Interest Rate Swaps :
 1. the composite floating rate asset will have an interest reset frequency upto 1 year.
 2. for Interest Rate Swaps used to convert a floating rate asset into a fixed rate asset, the fixed leg of the Interest Rate Swap will have remaining tenor upto 1 year.
- For Forward Rate Agreements, the summation of the beginning and end dates of the period covered will be 1 year or less.
- For Interest Rate Futures and Bond Futures, the repricing risk will be 1 year or less.

ASSET ALLOCATION – SAVINGS PLUS PLAN

Type of Instruments	Normal Allocation (% of Net Assets)	Normal deviation (% of Normal Allocation)	Risk Profile
Fixed Rate Debt Securities & Money Market Instruments	50%	Upto 100%	Low to Medium
Floating Rate Debt & Money Market Instruments	50%	Upto 100%	Low to Medium

It is the intention of the Scheme that the investments in securitised debts will not normally exceed 50% of the net assets of the Scheme.

The Scheme may also invest upto 50% of net assets of the Scheme in such derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing and other uses as may be permitted under the SEBI (Mutual Funds) Regulations, 1996.

The Scheme may also invest a part of its net assets not exceeding 25% of its net assets, in overseas markets in bonds and mutual funds and such other debt instruments as may be allowed under the SEBI (Mutual Funds) Regulations, 1996 from time to time.

INVESTMENT STRATEGY – SAVINGS PLAN

The Savings Plan is suitable for investors especially institutional investors who have short-term savings/investment horizon and seek liquidity of their investment at short notice.

Under the Savings Plan, investments will be made in Money Market and Debt instruments maturing in less than one year. The Scheme will purchase securities in primary as well as secondary markets. The Scheme may also invest in securities offered by the issuer through private placements.

The Portfolio would be reviewed and rebalanced on a continual basis.

Further it must be understood that the referred percentages are not absolute and that they can vary substantially, depending upon the AMC's perception of the debt and money market and the trend in interest rates; with the intent to protect the NAV of the Scheme. Also, the AMC may from time to time, for a short term, alter the asset allocation on defensive consideration.

The Scheme may also invest upto 25% of net assets of the Scheme in such derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing and other uses as may be permitted under the Regulations.

The Scheme may also invest a part of its net assets, not exceeding 20% of its net assets, in overseas markets in bonds and mutual funds and such other debt instruments as may be allowed under the Regulations from time to time. Please refer to the Section on Policy on off-shore Investments by the Scheme(s).

INVESTMENT STRATEGY – CALL PLAN

Investments under the Call Plan would be made predominantly in call money market, overnight reverse repos in Government securities and fixed income securities with overnight maturity/liquidity. The portfolio would be different from that of the other Plans of HDFC Cash Management Fund.

INVESTMENT STRATEGY – SAVINGS PLUS PLAN

The net assets of the Scheme will be invested in debt securities and money market instruments. This Scheme is suitable for investors having a short-term investment horizon and seek high levels of liquidity for their investments. This Scheme would endeavour to generate regular returns commensurate with low levels of interest rate risk.

Benchmark Index

The Benchmark for the Scheme is CRISIL Liquid Fund Index. Performance comparisons will be made vis-à-vis the benchmark.

COMMON FUNDAMENTAL ATTRIBUTES OF HEF, HT200, HCBF, HTS, HPF, HHIF (EXCEPT FIXED MATURITY PLANS) AND HCMF

TERMS OF THE SCHEME(S)

a) Liquidity

The Scheme(s) offer for Sale / Switch-in and Redemption /

Switch-out of Units on every Business Day on an ongoing basis at NAV based prices.

i. Redemption of Units

Subject to completion of Lock-in period, the Units can be Redeemed (i.e. sold back to the Mutual Fund) or Switched-out (i.e. to another scheme of the Mutual Fund) on every Business Day at the Redemption Price (hereinafter defined).

(Investment in HTS will have to be kept for a minimum period of three years from the date of allotment of Units. After the said period of three years, the Unit holders shall have the option to tender the Units to the Mutual Fund for Redemption / Switch-out). It may, however, be noted that in the event of death of the Unit holder, the nominee or legal heir, (subject to production of requisite documentary evidence to the satisfaction of the AMC) as the case may be, shall be able to redeem the investment only after the completion of one year or any time thereafter, from the date of allotment of the Units to the deceased Unit Holder.

ii. Redemption Price

Redemption / Switch-out will be at NAV based prices subject to an Exit Load, if any. Please refer to "**Redemption Price**" on **Page 68** and "**Load structure**" on **Page 73**.

iii. Payment of Redemption Proceeds (HEF, HT200, HCBF, HTS, HPF, HHIF and HCMF)

All Redemption / Switch-out requests received before the cut-off timings (please refer to "**Applicable NAV for Redemption / Switch-out of Units**" on **Page 68**) on any Business Day at the official point/s of acceptance will be considered accepted on that Business Day, subject to the Redemption / Switch-out requests being complete in all respects, and will be priced on the basis of Redemption Price for that day. In respect of any application received after the cut-off timings, the application will be deemed to be accepted as of the next Business Day and the NAV as at the close of that Business Day shall be applicable. Please refer to "**Rights to Limit Redemptions**" (**Page 69**) and "**Suspension of Sale / Redemptions / Switching Option of the Units**" (**Page 69**).

As per SEBI Regulations, the Mutual Fund shall despatch Redemption proceeds within 10 Business days of receiving the Redemption request. A penal interest of 15% or such other rate as may be prescribed by SEBI from time to time, will be paid in case the redemption proceeds are not made within 10 Business Days of the date of Redemption request.

However, under normal circumstances, the Mutual Fund will endeavor to despatch the Redemption cheque within 3-4 Business Days (as applicable) (within 1 Business Day in case of HCMF - Savings Plan & Call Plan) from the acceptance of the Redemption request. Please refer to paragraph on "**Payment of Redemption Proceeds**" on **Page 68** for details.

Please refer to "**Right to Limit Redemptions**" (**Page 69**) and "**Suspension of Sale / Redemption / Switching Options of the Units**" (**Page 69**)

b) Listing

Being open-ended Schemes under which Sale and Redemption of Units will be made on continuous basis by

the Mutual Fund, the Units of the Schemes are not proposed to be listed on any stock exchange. However, the Mutual Fund may at its sole discretion list the Units under the Scheme on one or more stock exchanges at a later date.

c) Fees and Expenses

i. Recurring Expenses

The details of recurring expenses of the Schemes, on an annual basis, have been stated on **Page 75**. The total recurring expenses (as a percentage of the average weekly net assets) that will be charged to the respective Schemes / Plans shall be subject to the maximum limits as prescribed under the SEBI Regulations as amended from time to time. Subject to SEBI Regulations and this Offer Document, expenses over and above the prescribed ceiling shall be borne by the AMC or by the Trustee or by the Sponsor.

ii. Load

Please refer to the section titled **"Load Structure & Recurring Expenses"** on **Page 73** for details. The AMC has a right to prescribe or modify the Load structure with prospective effect and to introduce an Entry and / or Exit Load or a combination thereof, subject to the maximum limits as prescribed under the SEBI Regulations.

POLICIES AND REGULATIONS APPLICABLE TO ALL SCHEMES

Pursuant to the SEBI Regulations, each of the Scheme(s) shall not make any investment in:

- any unlisted security of an associate or group company of the Sponsor; or
- any security issued by way of private placement by an associate or group company of the Sponsor; or
- the listed securities of group companies of the Sponsor which is in excess of 25% of the net assets

Investment in debt securities by the Scheme(s) will usually be in instruments which have been assessed as "high investment grade" by at least one credit rating agency authorised to carry out such activity under the applicable regulations. Pursuant to SEBI Circular No. MFD/CIR/9/120/ 2000 dated November 24, 2000; the AMC may constitute committee(s) to approve proposals for investments in unrated debt instruments. The AMC Board and the Trustee shall approve the detailed parameters for such investments. The details of such investments would be communicated by the AMC to the Trustee in their periodical reports. It would also be clearly mentioned in the reports, how the parameters have been complied with. However, in case any unrated debt security does not fall under the parameters, the prior approval of Board of AMC and Trustee shall be sought.

The Scheme(s) may invest in other Schemes managed by the AMC or in the schemes of any other mutual funds, provided it is in conformity with the investment objectives of the Scheme(s) and in terms of the prevailing SEBI Regulations. As per the SEBI Regulations, no investment management fees will be charged for such investments and the aggregate inter scheme investment made by all the schemes of HDFC Mutual Fund or in the schemes of other mutual funds shall not exceed 5% of the net asset value of the HDFC Mutual Fund.

The Scheme(s) may also invest in suitable investment avenues in overseas financial markets for the purpose of diversification, commensurate with the Scheme objectives and subject to necessary stipulations by SEBI / RBI. Towards this end, the Mutual Fund may also appoint overseas investment advisors and other service providers, as and when permissible under the regulations.

CHANGES IN FUNDAMENTAL ATTRIBUTES

Subject to Regulation 18 (15A), the Trustee shall ensure that no 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 and affects the interest of Unit holders, shall be carried out unless:

- 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
- the Unit holders are given an option to exit at the prevailing Net Asset Value without any Exit Load.

The open-ended character of the Scheme(s), the investment objective, the investment pattern including indicative asset allocation, together with the terms of the Scheme(s) dealing with Redemption, fees and expenses as detailed in this Combined Offer Document constitute the fundamental attributes of the Scheme(s).

CHANGE IN INVESTMENT PATTERN

Subject to SEBI Regulations and in case of HTS, the guidelines governing the Equity Linked Savings Scheme), the asset allocation pattern indicated above 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 substantially depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be for short term and for defensive consideration only.

BENCHMARK INDEX

Performance comparisons of the Scheme(s) will be made vis-à-vis the respective Benchmark Indices. The Trustee reserves the right to change the benchmark for evaluation of performance of the Scheme from time to time in conformity with the investment objectives and appropriateness of the benchmark subject to SEBI Regulations, and other prevailing guidelines, if any.

INVESTMENT IN EQUITY DERIVATIVES

As mentioned earlier, the Scheme(s) may also invest upto 25% of net assets of the Scheme(s) in derivatives such as Futures & Options and such other derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing and other uses as may be permitted under the regulations and guidelines.

TRADING IN DERIVATIVES

The Scheme(s) intend to use derivatives mainly for the purpose of hedging and portfolio balancing. Hedging does not mean maximization of returns but only reduction of systematic or market risk inherent in the investment. Mutual funds can enter into derivative transactions in accordance with guidelines issued by SEBI. The Fund has to comply with the prescribed disclosure requirements.

The Fund may use various derivatives and hedging products / techniques, for the purpose of hedging and balancing the portfolios, as permitted under the SEBI Regulations and applicable guidelines. Derivatives instruments may take the form of Index Futures, Index Options, Options on individual equities / securities, Interest Rate Swaps, Forward Rate Agreements or such other derivative instruments as may be appropriate, from time to time.

Derivatives can be traded over the exchange or can be structured between two counter-parties. Those transacted over the exchange are called Exchange Traded derivatives whereas the other category is referred to as OTC (Over the Counter) derivatives. Some of the differences of these two derivative categories are as under :

Exchange traded derivatives : These are quoted on the exchanges like any other traded asset class. The most common amongst these are the Index Futures, Index Options, Stock Futures and Options on individual equities / securities. The basic form of the futures contract is similar to that of the forward contract, a futures contract obligates its owner to purchase a specified asset at a specified exercise price on the contract maturity date. Futures are cash-settled and are traded only in organised exchanges. Exchange traded derivatives are standardised in terms of amount and delivery date. Standardisation and transparency generally ensures a liquid market together with narrower spreads. On the other hand, for delivery dates far in the future, there may be insufficient liquidity in the futures market whereas an OTC price may be available.

OTC derivatives : OTC derivatives require the two parties engaging in a derivatives transaction to come together through a process of negotiation. It is a derivative that is customised in

terms of structure, amount, tenor, underlying assets, collateral etc. Some of the common examples are interest rate and currency swaps, Forward Rate Agreements (FRAs) etc.

Some of the strategies involving derivatives that may be used by the Investment Manager, with a aim to protect capital and enhance returns include :

Strategy Number 1

■ Using Index Futures to increase percentage investment in equities

This strategy will be used for the purpose of generating returns on idle cash, pending its investment in equities. The Scheme(s) are open-ended in nature and subject to daily inflows. There may be a time lag between the inflow of funds and their deployment in equities. If so desired, the AMC would be able to take immediate exposure to equities via index futures. The position in index futures may be reversed in a phased manner, as the funds are deployed in the equity markets.

Example:

The scheme has a corpus of Rs. 50 crore and there is an inflow of Rs. 5 crore in a day. The AMC may buy index futures contracts of a value of Rs. 5 crore. Later as the money is deployed in the underlying equities, the value of the index futures contracts can be suitably reduced.

Portfolio	Event	Equity Portfolio Gain / (Loss) (Rs. in crore)	Derivative Gain / (Loss) (Rs. in crore)	Total Portfolio Gain / (Loss) (Rs. in crore)
Rs. 50 Crore Equity exposure	10% rise in equity prices	5	Nil	5
Rs. 50 Crore Equity exposure + Rs. 5 Crore long position index futures	10% rise in equity prices	5	0.5	5.5
Rs. 50 Crore Equity exposure	10% fall in equity prices	(5)	Nil	(5)
Rs. 50 Crore Equity exposure + Rs. 5 Crore long position index futures	10% fall in equity prices	(5)	(0.5)	(5.5)

RISKS

- The strategy of taking a long position in index futures increases the exposure to the market. The long position is positively correlated with the market. However, there is no assurance that the stocks in the portfolio and the index behave in the same manner and thus this strategy may not provide gains perfectly aligned to the movement in the index.
- The long position will have as much loss as a gain in the underlying index. e.g. if the index appreciates by 10%, the future value rises by 10%. However, this is true only for futures contracts held till maturity. In the event that a futures contract is closed out before its expiry, the quoted price of the futures contract may be different from the gain / loss due to the movement of the underlying index. This is called the basis risk.
- While futures markets are typically more liquid than the underlying cash market, there can be no assurance that ready liquidity would exist at all points in time, for the Scheme to purchase or close out a specific futures contract.

Strategy Number 2

■ Using Index Futures to decrease percentage investment in equities

Similarly, in the case of a pending outflow of funds the AMC, in order to reduce exposure in equities may enter into futures contracts to sell the Index at a future date. This position can be unwound over a period in time by simultaneously selling the equity shares from the investment portfolio of the Scheme. Since the price of the futures contracts is expected to be positively correlated with the index, the value of a short position will move in the direction opposite to the movement in the index. The strategy of taking a short position in the index future would reduce the market exposure, in line with the reduced net assets, in case of a significant redemption.

Example:

Assume a scheme has an equity exposure of Rs. 50 crore. If the Fund Manager wishes to reduce the equity exposure to Rs. 40 crore in a short time, he would sell index futures contracts of a value of Rs. 10 crore.

Portfolio	Event	Equity Portfolio Gain / (Loss) (Rs. in crore)	Derivative Gain / (Loss) (Rs. in crore)	Total Portfolio Gain / (Loss) (Rs. in crore)
Rs. 50 Crore Equity exposure	10% fall in equity prices	(5)	Nil	(5)
Rs. 50 Crore Equity exposure + Rs.10 Crore short position index futures	10% fall in equity prices	(5)	1	(4)

Portfolio	Event	Equity Portfolio Gain / (Loss) (Rs. in crore)	Derivative Gain / (Loss) (Rs. in crore)	Total Portfolio Gain / (Loss) (Rs. in crore)
Rs. 50 Crore Equity exposure	10% rise in equity prices	5	Nil	5
Rs. 50 Crore Equity exposure + Rs. 10 Crore short position index futures	10% rise in equity prices	5	(1)	4

RISKS

- The strategy of taking a short position in index futures reduces the market exposure. The short position is negatively correlated with the market. However, there is no assurance that the stocks in the portfolio and the index behave in the same manner and thus this strategy may not be a perfect hedge.
- The short position will have as much loss as a gain in the underlying index. e.g. if the index appreciates by 10%, the future value falls by 10%. However, this is true only for futures contracts held till maturity. In the event that a futures contract is closed out before its expiry, the quoted price of the futures contract may be different from the gain / loss due to the movement of the underlying index. This is called the basis risk.
- While futures markets are typically more liquid than the underlying cash market, there can be no assurance that ready liquidity would exist at all points in time, for the Scheme to purchase or close out a specific futures contract.

The following table illustrates the portfolio returns:

% change in index	Index Value	Equity Portfolio Value Rs. in crore A	Option Value Rs. in crore B	Cost of the Put Option Rs. in crore C	Portfolio Value Rs. in crore (A+B+C)	% Returns from portfolio
10	1100	55.00	0	(0.5)	54.50	9
5	1050	52.50	0	(0.5)	52.00	4
(5)	950	47.50	0	(0.5)	47.00	(6)
(10)	900	45.00	2.5	(0.5)	47.00	(6)
(15)	850	42.50	5	(0.5)	47.00	(6)

A similar put option can be purchased on any individual stock and the downside may be capped.

RISKS

- The table shows that the portfolio value will not fall below Rs. 47 crore, while the scheme benefits from any increase in stock prices. The table assumes perfect correlation between the equity portfolio and the index. However, this may not be the case. Therefore, the minimum portfolio value cannot be assured, but the loss is expected to be lower in a portfolio with a put option on the index, as compared to a normal portfolio.
- The put option would lead to a gain based on the difference between the strike price and the index level at expiration date, if positive. However, in case the option is reversed before the expiration date, the market price received on the sale of the option may be different from the price calculated.

Strategy Number 3

Portfolio Protection Using Index Put

The purchase of an index put option gives the scheme the option of selling the index to the writer of the put at a predetermined level of the index, called the strike price. If the index falls below this level, the scheme benefits from the rise in the value of the put option.

Similarly, as a stock hedging strategy, the purchase of a put option on the underlying stock would give the scheme the option to sell the stock to the writer of the option at the predetermined strike price. This would lead to a capping of the loss in value of a stock.

Example:

Let us assume a scheme with a corpus of Rs. 50 crore. Let us also assume an index level of 1000. The scheme is fully invested (Rs. 50 crore in equities). The scheme purchases a put option on the index with a strike price of Rs. 950 for an assumed cost of Rs. 50 lakhs.

- While options markets can be more liquid than the underlying cash market, there can be no assurance that ready liquidity would exist at all points in time, for the scheme to purchase or close out a specific options contract.
- In the case of purchase of a stock put, the strategy is a perfect hedge on the expiration date of the put option. On other days, there may be (temporary) imperfect correlation between the share price and the put option, which can potentially take the stock value below the minimum under the hedge.

Exposure to Derivatives

In order to protect the interests of the Unit holders, Scheme(s) will have a maximum derivatives net position of 25% of the portfolio (i.e. net assets including cash). The limits on derivatives exposure per scrip/instrument and derivatives positions and limits are as per the table below.

Table I. Common Derivative Positions and Limits

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 10% of portfolio
2	Index futures	Sell	Hedging of portfolio against expected market downturn	Nil
3	Index Options - 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 10% of portfolio

Sr.	Derivative	Action	Description	Limit
4	Index Options - Call	Sell	Covered Call Sale- against existing portfolio	Nil
5	Index Options - Put	Buy	Buy index puts to hedge existing portfolio	Up to 10% of portfolio of equity portion 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 10% 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 10% of portfolio; per scrip limit 4%.
8	Stock futures	Sell	Sell 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 10%.
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 10% of portfolio; per scrip limit 4%
10	Stock options - Call	Sell	Sell against existing stock	To the extent of the particular scrip holding in the portfolio; per scrip limit 10%
11	Stock options - 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 10%
12	Stock options - Put	Sell	Covered Put Sale against cash	To the extent of cash / equivalents in the portfolio. Max. limit 10% of portfolio; per scrip limit 4%

Note : 1. Per Scrip Limit disclosed above is as a % of the equity portfolio of the Scheme. 2. In case of HDFC Prudence Fund, the above limits are applicable with respect to equity portfolio of the Scheme

Reporting requirements pertaining to Derivatives :

The AMC shall cover the following aspects in their reports to Trustees periodically, as provided for in the Regulations :

- Transactions in derivatives, both in volume and value terms.
- Market value of cash or cash equivalents / securities held to cover the exposure.
- Any breach of the exposure limit laid down in the scheme offer document.
- Short-fall, if any, in the assets covering investment in derivative products and the manner of bridging it.

The Trustees shall offer their comments on the above aspects in the report filed with SEBI under sub-regulation (23)(a) of Regulation 18 of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

Derivative instruments in the debt market (with illustrations):

RBI has issued guidelines on Interest Rate Swaps (IRS) and Forward Rate Agreements (FRA) on July 7, 1999. These products were introduced for deepening the country's money market.

SEBI has also permitted trading of interest rate derivatives through Stock Exchanges. The Scheme(s) may trade in these instruments.

IRS

All swaps are financial contracts, which involve exchange (swap) of a set of payments owned by one party for another set of payments owned by another party, usually through an intermediary (market maker). An IRS can be defined as a contract between two parties (Counter Parties) to exchange, on particular dates in the future, one series of cash flows, (fixed interest) for another series of cashflows (variable or floating interest) in the same currency and on the same principal for an agreed period of time. The exchange of cashflows need not occur on the same date.

FRA

A FRA is an agreement between two counter parties to pay or to receive the difference between an agreed fixed rate (the FRA

rate) and the interest rate prevailing on a stipulated future date, based on a notional amount, for an agreed period. In short, in a FRA, interest rate is fixed now for a future period. The special feature of FRAs is that the only payment is the difference between the FRA rate and the Reference rate and hence are single settlement contracts. As in the case of IRS, notional amounts are not exchanged.

BASIC STRUCTURE OF SWAP

Assume that the scheme has a Rs. 20 crore floating rate investment linked to MIBOR (Mumbai Inter Bank Offered Rate). Hence, the scheme is currently running an interest rate risk and stands to lose if the interest rate moves down. To hedge this interest rate risk, the scheme can enter into a 6 month MIBOR swap. Through this swap, the scheme will receive a fixed predetermined rate (assume 12%) and pays the "benchmark rate" (MIBOR), which is fixed by the National Stock Exchange of India Limited (NSE) or any other agency such as Reuters. This swap would effectively lock-in the rate of 12% for the next 6 months, eliminating the daily interest rate risk. This is usually routed through an intermediary who runs a book and matches deals between various counterparties.

The steps will be as follows -

- Assuming the swap is for Rs. 20 crore June 1, 2006 to December 1, 2006. The Scheme is a fixed rate receiver at 12% and the counterparty is a floating rate receiver at the overnight rate on a compounded basis (say NSE MIBOR).
- On June 1, 2006 the Scheme and the counterparty will exchange only a contract of having entered this swap. This documentation would be as per International Swap Dealers Association (ISDA).
- On a daily basis, the benchmark rate fixed by NSE will be tracked by them.
- On December 1, 2006 they will calculate the following -
 - The Scheme is entitled to receive interest on Rs. 20 crore at 12% for 184 days i.e. Rs.1.21 crore, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.
 - The counterparty is entitled to receive daily compounded call rate for 184 days & pay 12% fixed.

- On December 1, 2006, if the total interest on the daily overnight compounded benchmark rate is higher than Rs.1.21 crore, the Scheme will pay the difference to the counterparty. If the daily compounded benchmark rate is lower, then the counterparty will pay the Scheme the difference.
- Effectively the Scheme earns interest at the rate of 12% p.a. for six months without lending money for 6 months fixed, while the counterparty pays interest @ 12% p.a. for 6 months on Rs. 20 crore, without borrowing for 6 months fixed.

The above example illustrates the benefits and risks of using derivatives for hedging and optimizing the investment portfolio. Swaps have their own drawbacks like credit risk, settlement risk. However, these risks are substantially reduced as the amount involved is interest streams and not principal.

Risk factors

- **Credit Risk:** This is the risk of default by the counterparty. This is usually negligible, as there is no exchange of principal amounts in a derivative transaction.
- **Market Risk:** Market movements may adversely affect the pricing and settlement derivatives.
- **Illiquidity Risk:** The risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.

POLICY ON OFFSHORE INVESTMENTS BY THE SCHEME(S)

The Scheme(s) may, with the approval of SEBI/RBI, invest in:

- ADR/ GDRs issued by Indian or foreign companies.
- Equity of overseas companies listed on recognized stock exchanges overseas.
- Initial and follow on public offerings for listing at recognized stock exchanges overseas.
- Foreign debt securities in the countries with fully convertible currencies, short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies.
- Money market instruments rated not below investment grade.
- Repos in the form of investment, where the counter party is rated not below investment grade; repos should not however, involve any borrowing of funds by mutual funds.
- Government securities where the countries are rated not below investment grade.
- Derivatives traded on recognized stock exchanges overseas only for hedging and portfolio balancing with underlying as securities.
- Short term deposits with banks overseas where the issuer is rated not below investment grade.
- Units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in (a) aforesaid securities, (b) Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or (c) unlisted overseas securities (not exceeding 10% of their net assets).

As per SEBI Circular SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007, mutual funds can make overseas investments [as stated in point (i) to (x) above] subject to a maximum of US \$300 million.

Subject to the approval of the RBI / SEBI and conditions as may be prescribed by them, the Mutual Fund may open one or more foreign currency accounts abroad either directly, or through the custodian/sub-custodian, to facilitate investments and to enter into/deal in forward currency contracts, currency futures, index options, index futures, interest rate futures/swaps, currency options for the purpose of hedging the risks of assets of a portfolio or for its efficient management.

Like Domestic Securities, investment in overseas financial assets is subject to Market Risks, Credit Risk, Interest Rate Risk and Liquidity Risk which exist in the domestic securities.

Apart from the applicability of SEBI (Mutual Funds) Regulations, 1996 and guidelines issued from time to time, the Mutual Fund shall adhere to the following specific guidelines for making investments in foreign securities:

a. Due Diligence

Boards of Asset Management Companies (AMCs) and Trustees shall exercise due diligence in making investment decisions as required under Regulation 25(2) of the SEBI (Mutual Funds), Regulation, 1996. They shall make a detailed analysis of risks and returns of overseas investment and how these investments would be in the interest of investors. Investment must be made in liquid actively traded securities/instruments.

Boards of AMCs and Trustees may prescribe detailed parameters for making such investments which may include identification of countries, country rating, country limits, etc. They shall satisfy themselves that the AMC has experienced key personnel, research facilities and infrastructure for making such investments. Other specialised agencies and service providers associated with such investments e.g. custodian, bank, advisors, etc should also have adequate expertise and infrastructure facilities. Their past track record of performance and regulatory compliance record, if they are registered with foreign regulators, may also be considered. Necessary agreements may be entered into with them as considered necessary.

All investment decisions shall be recorded in accordance with SEBI circular dated July 27, 2000.

b. Disclosure Requirements

The following disclosure requirements shall be mandatory for mutual fund schemes proposing overseas investments.

- Intention to invest in foreign securities/ ETFs shall be disclosed in the offer documents of the schemes. The attendant risk factors and returns ensuing from such investments shall be explained clearly in offer documents. The mutual funds shall also disclose as to how such investments will help in the furtherance of the investment objectives of the schemes. Such disclosures shall be in a language comprehensible to an average investor in mutual funds.
- The mutual funds shall disclose the name of the Dedicated Fund Manager for making overseas investments.
- The mutual funds shall disclose exposure limits i.e. the percentage of assets of the scheme they would invest in foreign securities/ ETFs.
- Such investments shall be disclosed while disclosing half-yearly portfolios in the prescribed format by making a

separate heading "Foreign Securities/overseas ETFs." Scheme-wise percentage of investments made in such securities shall be disclosed while publishing half-yearly results in the prescribed format, as a footnote.

c. Reporting to Trustees:

The AMC's shall send detailed periodical reports to the Trustees which shall include the following aspects:

- Performance of overseas investments.
- Amount invested in various schemes and any breach of the exposure limit laid down in the scheme offer documents.

d. Review of Performance:

Boards of AMC's and Trustees shall review the performance of schemes making overseas investments with appropriate benchmark(s) as disclosed in the offer documents.

e. Reporting to SEBI

The Trustees shall offer their comments on the compliance of these guidelines in the half-yearly reports filed with SEBI.

f. Dedicated Fund Manager

Mr. Anand Laddha has been appointed as Dedicated Fund Manager - Foreign Securities pursuant to the provisions of SEBI Circular No. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007.

Overseas Debt Market

The nature and number of debt instruments available in international debt markets is very wide. In terms of diverse instruments as well as liquidity, overseas debt markets offer great depth and are extremely well-developed.

Investment in international debt greatly expands the universe of top quality debt, which is no longer restricted to the limited papers available in the domestic debt market. The higher rated overseas sovereign, quasi-government and corporate debt offer lower default risk in addition to offering a high degree of liquidity since these are traded across major international markets. Investments in rated international debt offer multiple benefits of risk reduction, a much wider universe of top quality debt and also potential gains from currency movements.

Investments in international markets are most often in U.S. dollars, though the Euro, Pound Sterling and the Yen are also major currencies. Though this market is geographically well-spread across global financial centres, the markets in the U.S., European Union and London offer the most liquidity and depth of instruments.

Besides factors specific to the country / issuer, international bond prices are influenced to a large extent by a number of other factors; chief among these are the international economic outlook, changes in interest rates in major economies, trading volumes in overseas markets, cross currency movements among major currencies, rating changes of countries / corporations and major political changes globally.

The approximate yields to maturity in the US Bond Market as at September 28, 2007 are as follows:

Maturity	US Treasury yields (%)
3 months	3.78
6 months	4.08
2 years	3.99
3 years	4.07
5 years	4.26
10 years	4.61

Source : H.15, Federal Reserve Statistical Release

Maturity	US AAA Corporate Bond yields (%)
1 year	4.77
2 years	4.74
5 years	5.07
10 years	5.61

(Source - Bloomberg)

Benefits of International Investing:

● Diversification of risk

Investing in Foreign Securities allows the investor to move away from a single country, single currency and single market format.

● Better credit quality

Since the investment in Foreign Debt Securities will only be in debt instruments with rating not below investment grade by accredited/registered credit rating agency, the credit quality of such papers will be much superior.

● Wider choice of investment opportunities

The overseas markets allows investors access to a choice of investment avenues / instruments. These markets are also typically more liquid than domestic markets

Risk factors associated with Foreign Securities:

Currency Risk:

Moving from Indian Rupee (INR) to any other currency entails currency risk. 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 value of certain foreign currencies relative to the Indian Rupee.

Interest Rate Risk:

The pace and movement of interest rate cycles of various countries, though loosely co-related, can differ significantly. Hence by investing in securities of countries other than India, we stand exposed to their interest rate cycles.

Credit Risks:

This is substantially reduced since the regulations stipulate investments only in debt instruments with rating not below investment grade by accredited/registered credit rating agency.

To manage risks associated with foreign currency and interest rate exposure, the Mutual Fund 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

Exposure Limit

The respective Scheme(s) will under normal circumstances limit its exposure to investment in Foreign Securities upto a maximum of:

Scheme	Percentage of net Assets
HEF/HT200//HCBF/HTS/HPF	40
HHIF/HCMF	20

Such investments would be subject to the overall limit specified by the RBI / SEBI from time to time. However, the AMC with a view to protecting the interest of the investors may increase or decrease this exposure as deemed fit from time to time subject to the regulatory limit.

The Mutual Fund may, where necessary appoint intermediaries as 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.

INVESTMENT DECISIONS

The Investment Committee, comprising of the Managing Director, the Chief Investment Officer, Vice President - Fixed Income (for authorising fixed income transactions only) and the Company Secretary / Chief Compliance Officer will decide on the investment proposals. Detailed investment proposals precede each investment decision and are reviewed by the Investment Committee. The investment proposals for Equity Funds will contain details such as the nature of the fund (focused on large cap versus mid cap, level of diversification focused on growth/value etc.); the short, medium and long term track record versus the benchmark and the peer group; size of the fund; track record of the portfolio manager and present sectoral allocation of the Fund. The investment proposals for Debt Funds will contain details such as the nature of the fund (income, short term or liquid fund); the short, medium and long term track record versus the benchmark and the peer group; size of the fund; track record of the portfolio manager; the percentage exposure to the company, maturity/average maturity, rating, yield. Subsequent proposals will contain reasons for recommendation. Periodic presentations will be made to the Board of Directors of the AMC and Trustee Company to review the performance of the Scheme.

All investment decisions shall be recorded in terms of SEBI Circular No. MFD/CIR/6/73/2000, dated July 27, 2000 as amended from time to time.

The Fund Manager(s) shall ensure that the funds of the Scheme(s) are invested to achieve the investment objectives of the Scheme(s) and in the interest of the Unit holders.

PORTFOLIO TURNOVER

The Scheme(s) are open-ended Schemes. It is expected that there would be a number of subscriptions and Redemptions on a daily basis. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio.

DEBT MARKET IN INDIA

The instruments available in Indian Debt Market are classified into two categories, namely Government and Non - Government debt. The following instruments are available in these categories:

A] Government Debt -

- Central Government Debt
- Treasury Bills
- Dated Government Securities
 - Coupon Bearing Bonds
 - Floating Rate Bonds
 - Zero Coupon Bonds
- State Government Debt
 - State Government Loans
 - Coupon Bearing Bonds

B] Non-Government Debt

- Instruments issued by Government Agencies and other Statutory Bodies
 - Government Guaranteed Bonds
 - PSU Bonds
- Instruments issued by Public Sector Undertakings
 - Commercial Paper
 - PSU Bonds
 - Fixed Coupon Bonds
 - Floating Rate Bonds
 - Zero Coupon Bonds
- Instruments issued by Banks and Development Financial Institutions
 - Certificates of Deposit

- Promissory Notes
- Bonds
- Fixed Coupon Bonds
- Floating Rate Bonds
- Zero Coupon Bonds
- Instruments issued by Corporate Bodies
 - Commercial Paper
 - Non-Convertible Debentures
 - Fixed Coupon Debentures
 - Floating Rate Debentures
 - Zero Coupon Debentures

Activity in the Primary and Secondary Market is dominated by Central Government Securities including Treasury Bills. These instruments comprise close to 50% of all outstanding debt and close to 75% of the daily trading volume on the Wholesale Debt Market Segment of the National Stock Exchange of India Limited.

In the money market, activity levels of the Government and Non-Government Debt vary from time to time. Instruments that comprise a major portion of money market activity include,

- Overnight Call
- Collateralised Borrowing & Lending Obligations (CBLO)
- Treasury Bills
- Government Securities with a residual maturity of < 1 year
- Commercial Paper
- Certificates of Deposit

Apart from these, there are some other options available for short tenure investments that include MIBOR linked debentures with periodic exit options and other such instruments. Though not strictly classified as Money Market Instruments, PSU / DFI / Corporate paper with a residual maturity of < 1 year, are actively traded and offer a viable investment option.

The following table gives approximate yields prevailing during the month of September 2007 on some of the instruments. These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing consequent to changes in macro economic conditions and RBI policy.

Instrument Yield Range	(% per annum)
Inter bank Call Money	3.00 - 7.50
91 Day Treasury Bill	6.72 - 7.18
364 Day Treasury Bill	7.22 - 7.47
P1 + Commercial Paper 90 Days	7.95 - 8.40
5 Year Government of India Security	7.66 - 7.79
10 Year Government of India Security	7.87 - 7.99
15 Year Government of India Security	8.09 - 8.20
1 Year Corporate Bond - AAA Rated	8.70 - 9.38
3 Year Corporate Bond - AAA Rated	9.20 - 9.65
5 Year Corporate Bond - AAA Rated	9.50 - 9.76

Source : Bloomberg

Generally, for instruments issued by a non-Government entity (corporate / PSU bonds), the yield is higher than the yield on a Government Security with corresponding maturity. The difference, known as credit spread, depends on the credit rating of the entity.

INVESTMENT RESTRICTIONS

Pursuant to SEBI Regulations, the following investment restrictions are applicable to the Scheme(s):

- The Mutual Fund will buy and sell securities on the basis of deliveries and will in all cases of purchase, take delivery of relative securities and in all cases of sale, deliver the securities and will in no case put itself in a position whereby it has to make short sales or carry forward transactions or engage in badla finance (carry forward).

Provided that the Mutual Fund may enter into derivatives

transactions in a recognised stock exchange, subject to such guidelines as may be specified by SEBI.

- The Mutual Fund shall enter into transactions relating to Government Securities only in dematerialised form.
- The Mutual Fund will, for securities purchased in the non-depository mode get the securities transferred in the name of the Mutual Fund on account of the Scheme, wherever the investments are intended to be of a long term nature.
- Each of the respective Scheme(s) shall not invest more than 15% of its NAV in debt instruments [irrespective of residual maturity period (above or below one year)], issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the SEBI Act. Such investment limit may be extended to 20% of the NAV of the Scheme with the prior approval of the Trustee and the Board of the AMC.

Provided that such limit shall not be applicable for investments in government securities and money market instruments.

Provided further that investment within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with SEBI.

The ELSS notifications requires that the funds of the HDFC TaxSaver to be invested in equities, cumulative convertible preference shares and fully convertible debentures and bonds of companies. Investment may also be made in partly convertible debentures and bonds including those issued on a rights basis subject to the condition that, as far as possible, the non convertible portion of the debenture so acquired or subscribed shall be disinvested within a period of 12 months. Further, the funds of the HDFC TaxSaver is to remain invested to the extent of atleast 80% in the securities specified herein.

- Each of the respective Scheme(s) shall not invest more than 10% of its NAV in unrated debt instruments [irrespective of residual maturity period (above or below one year)], issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of the Scheme. All such investments shall be made with the prior approval of the Trustee and the Board of the AMC.
- The Mutual Fund under all its Scheme(s) will not own more than 10% of any Company's paid up capital carrying voting rights.
- Transfer of investments from one Scheme to another Scheme in the same Mutual Fund, shall be allowed only if:-
 - (a) such transfers are made at the prevailing market price for quoted Securities on spot basis

Explanation : spot basis shall have the 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.
- Each of the respective Scheme(s) may invest in another scheme under the same AMC or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the same AMC or in schemes under the management of any other asset management shall not exceed 5% of the net asset value of the Mutual Fund.
 - Pending deployment as per investment objective, the moneys under the Scheme(s) may be parked in short-term deposits of scheduled commercial banks.

The Scheme(s) shall abide by the following guidelines for parking of funds in short term deposits:

1. "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
2. Such short-term deposits shall be held in the name of the respective Plans under the Scheme.
3. Respective Plans under the Scheme shall not park more than 15% of the net assets in Short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustee.
4. Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
5. Respective Plans under the Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
6. Respective Plans under the Scheme shall not park funds in short-term deposit of a bank which has invested in the said Plan.
7. The AMC will not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks in case of liquid and debt oriented schemes.

Pending investment of the funds of the HDFC TaxSaver in the required manner, the AMC may invest the funds of the HDFC TaxSaver in short-term money market instruments or other liquid instruments or both. After 3 years from the date of allotment of the Units, the Mutual Fund may hold upto 20% of net assets of the HDFC TaxSaver in short-term money market instruments and other liquid instruments to enable the Mutual Fund to redeem investment of those Unit holders who would seek to tender the Units for Redemption.

- Each of the respective Scheme(s) of the Mutual Fund shall not make any investments in:
 - (a) any unlisted security of an associate or group company of the Sponsor; or
 - (b) any security issued by way of private placement by an associate or group company of the Sponsor; or
 - (c) the listed securities of group companies of the Sponsor which is in excess of 25% of the net assets.
 - (d) Fund of Funds Scheme.
- Each of the respective Scheme(s) of the Mutual Fund shall not invest more than 10 per cent of its NAV in the equity shares or equity related instruments of any company and in listed securities / units of Venture Capital Funds.
- Each of the respective Scheme(s) shall not invest more than 5% of its NAV in the unlisted equity shares or equity related instruments of any Company and in unlisted securities / units of Venture Capital Funds.

The portfolio of HDFC Cash Management Fund – Savings Plan and Call Plan will comply with the following additional investment restrictions in accordance with the SEBI circulars No. SEBI/IMD/CIR No. 11/78450/06 dated October 11, 2006.

- Mark-to-market component of the fund (excluding money market component) on a weekly average basis will be less than 10%.

- Mark-to-market shall mean the valuation of an asset (e.g. marketable securities, derivatives and other financial contracts) using a traded price or a derived price from the corresponding yield curve.
- For a fixed rate asset, the remaining tenor will be 1 year or less.
- For a floating rate asset, the interest reset frequency will be 1 year or less.
- For a fixed rate / floating rate asset where the principal is paid in a staggered and/or on amortizing basis (e.g. securitised papers), the average maturity to such an asset will be 1 year or less.
- For a portfolio using Interest Rate Swaps :
 1. the composite floating rate asset will have an interest reset frequency upto 1 year.
 2. for Interest Rate Swaps used to convert a floating rate asset into a fixed rate asset, the fixed leg of the Interest Rate Swap will have remaining tenor upto 1 year.
- For Forward Rate Agreements, the summation of the beginning and end dates of the period covered will be 1 year or less.
- For Interest Rate Futures and Bond Futures, the repricing risk will be 1 year or less.

The AMC may alter these above stated restrictions from time to time to the extent the SEBI Regulations change, so as to permit the Scheme(s) to make its investments in the full spectrum of permitted investments for mutual funds to achieve its respective investment objective. The Trustee may from time to time alter these restrictions in conformity with the SEBI Regulations.

All investment restrictions shall be applicable at the time of making investment.

COMPUTATION OF NET ASSET VALUE

The Net Asset Value per Unit of the Scheme(s) will be computed by dividing the net assets of the Scheme(s) by the number of Units outstanding under the Scheme(s) 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 each Scheme / Plan shall be calculated as shown below:

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

The NAV of the respective Scheme(s) will be calculated and disclosed at the close of every Business Day. In case of **HCMF-Savings Plan and Call Plan**, the AMC will calculate the NAVs all year round.

Separate NAVs will be calculated and announced for each of the two Plans / Options viz. Growth and Dividend Plans / Options. The NAVs will be calculated upto three decimals in the case of **HEF, HT200, HCBF, HTS** and **HPF** and upto four decimal places in the case of **HHIF** and **HCMF**. Units will be allotted upto three decimals.

VALUATION OF THE SCHEME'S ASSETS AND DETERMINATION OF NET ASSET VALUE (NAV)

1. Traded Securities

- Traded securities are valued at the last quoted closing price on the National Stock Exchange of India Limited (NSEIL).
- When the Securities are traded on more than one recognised stock exchange, the Securities 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 the 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.
- 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 is used provided such date is not more than 30 days prior to valuation date.

2. Thinly Traded Securities

- Thinly Traded Equity / Equity related securities are those securities whose trade in a month, are both less than Rs 5 lakhs and the total volume is less than 50,000 shares. Non-Traded / Thinly Traded Equity Securities will be fair valued as per procedures determined by the AMC and approved by Trustee of HDFC Mutual Fund, in accordance with the SEBI Regulations and related circulars.
- A debt security (other than Government Securities) is considered as a thinly traded security if on the valuation date, there are no individual trades in that security in marketable lots (presently Rs 5 crore) on the principal stock exchange or any other stock exchange.

3. Non- Traded Securities

- Non-traded Equity / Equity related securities are those securities when it is not traded on any stock exchange for a period of thirty days prior to the valuation date. Non-traded Equity Securities will be fair valued as per procedures determined by the AMC and approved by Trustee of HDFC Mutual Fund in accordance with the SEBI Regulations and related circulars.
- When a debt security (other than Government Securities) is not traded on any stock exchange on a particular valuation day, the security is considered as 'Non Traded Security'. The value at which it was traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day is used provided such date is not more than 15 days prior to valuation date. When a debt security (other than Government Securities) is purchased by way of private placement, the value at which it was bought is used for a period of 15 days from the date of purchase.

- Non Traded / Thinly Traded Debt securities/ asset backed securities purchased with residual maturity of upto 182 days are valued at cost (including accrued interest till the beginning of the day) plus the difference between the redemption value (inclusive of interest) and cost spread uniformly over the remaining maturity period of the instrument. Non Traded / Thinly Traded Debt securities/ asset backed securities purchased with maturity greater than 182 days at the time of purchase, the last valuation price plus accrued interest is used instead of purchase cost.
- Non-Traded/Thinly Traded Securities/Asset Backed Securities of over 182 days to maturity are valued in good faith by the Investment Manager on the basis of valuation principles laid down by SEBI. The approach in valuation of Non-Traded Debt Securities is based on the concept of using spreads over the Government Securities to arrive at the yields for the pricing the Non-Traded Debt Security.
- Investments in Money market instruments 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).

4. Derivative Products

- The traded derivative shall be valued at market price in conformity with the stipulations of sub clauses (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.

Government Securities are valued at the prices released by CRISIL, which is currently the only approved agency suggested by Association of Mutual Funds in India (AMFI).

Unlisted equity shares of a company shall be valued "in good faith" on the basis of the valuation principles laid down in the SEBI circular no. MFD/CIR/03/526/2002 dated May 9, 2002 as amended from time to time.

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.

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

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 the Net Asset Value disclosure, the recording may be delayed upto a period of seven days following the date of the transaction, provided that as a result of the non-recording,

the Net Asset Value calculations shall not be affected by more than 1%.

In case the Net Asset Value of a Scheme differs by more than 1%, due to non - recording of the transactions, the investors or Scheme(s) as the case may be, shall be paid the difference in amount as follows:-

- (i) If the investors are allotted Units at a price higher than Net Asset Value or are given a price lower than Net Asset Value at the time of sale of their Units, they shall be paid the difference in amount by the Scheme.
- (ii) If the investors are charged lower Net Asset Value at the time of purchase of their Units or are given higher Net Asset Value at the time of sale of their Units, the AMC shall pay the difference in amount to the Scheme(s). The AMC may recover the difference from the investors.

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

SEBI has issued vide circular no. MFD / CIR / 8 / 92 / 2000 dated September 18, 2000 as amended by SEBI circular no. MFD / CIR / 14 / 088 / 2001 dated March 28, 2001 (i) Guidelines for Valuation of Securities; and (ii) Guidelines for Identification and Provisioning for Non-Performing Assets (NPAs). These Guidelines are supplementary to the provisions specified in SEBI Regulations.

Guidelines for Identification and Provisioning for Non Performing Asset (NPA) are as follows :

(A) Definition of a NPA

An 'asset' shall be classified as non performing, if the interest and/or principal amount have not been received or remained outstanding for one quarter from the day such income / installment has fallen due.

(B) Effective date for classification and provisioning of NPAs:

The definition of NPA may be applied after a quarter past due date of the interest. e.g. if the due date for interest is 30.06.2000, it will be classified as NPA from 01.10.2000.

(C) Treatment of income accrued on the NPA and further accruals

- After the expiry of the 1st quarter from the date the income has fallen due, there will be no further interest accrual on the asset i.e. if the due date for interest falls on 30.06.2000 and if the interest is not received, accrual will continue till 30.09.2000 after which there will be no further accrual of income. In short, taking the above example, from the beginning of the 2nd quarter there will be no further accrual on income.
- On classification of the asset as NPA from a quarter past due date of interest, all interest accrued and recognized in the books of accounts of the Fund till the date, should be provided for. For e.g if interest income falls due on 30.06.2000, accrual will continue till 30.09.2000 even if the income as on 30.06.2000 has not been received. Further, no accrual will be done from 01.10.2000 onwards. Full provision will also be made for interest accrued and outstanding as on 30.06.2000.

(D) Provision for NPAs - Debt Securities.

Both secured and unsecured investments once they are recognized as NPAs call for provisioning in the same manner and where these are related to close ended scheme the phasing

would be such that to ensure full provisioning prior to the closure of the scheme or the scheduled phasing which ever is earlier.

The value of the asset must be provided in the following manner or earlier at the discretion of the fund. Fund will not have discretion to extend the period of provisioning. The provisioning against the principal amount or installments should be made at the following rates irrespective of whether the principal is due for repayment or not.

- 10% of the book value of the asset should be provided for after 6 months past due date of interest i.e. 3 months from the date of classification of the asset as NPA.
- 20% of the book value of the asset should be provided for after 9 months past due date of interest i.e. 6 months from the date of classification of the asset as NPA.
- Another 20% of the book value of the assets should be provided for after 12 months past due date of interest i.e. 9 months from the date of classification of the asset as NPA.
- Another 25% of the book value of the assets should be provided for after 15 months past due date of interest i.e. 12 months from the date of classification of the asset as NPA.
- The balance 25% of the book value of the asset should be provided for after 18 months past due date of the interest i.e. 15 months from the date of classification of the assets as NPA.

Book value for the purpose of provisioning for NPAs shall be taken as a value determined as per the prescribed valuation method.

This can be explained by an illustration:

Let us consider that interest income is due on a half yearly basis and the due date falls on 30.06.2000 and the interest is not received till 1st quarter after due date i.e. 30.09.2000. This provisioning will be done in following phased manner:

10% provision	01.01.2001	6 months past due date of interest i.e 3 months from the date of classification of asset as NPA (01.10.2000)
20% provision	01.04.2001	
20% provision	01.07.2001	
25% provision	01.10.2001	
25% provision	01.01.2002	

Thus, 1 1/2; years past the due date of income or 1 1/4; year from the date of classification of the 'asset' as an NPA, the 'asset' will be fully provided for. If any installment is fallen due, during the period of interest default, the amount of provision should be installment amount or above provision amount, whichever is higher.

(E) Reclassification of assets:

Upon reclassification of assets as 'performing assets':

1. In case a company has fully cleared all the arrears of interest, the interest provisions can be written back in full.
2. The asset will be reclassified as performing on clearance of all interest arrears and if the debt is regularly serviced over the next two quarters.

3. In case the company has fully cleared all the arrears of interest, the interest not credited on accrual basis would be credited at the time of receipt.
4. The provision made for the principal amount can be written back in the following manner: -
 - 100% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter where the provision of principal was made due to the interest defaults only.
 - 50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25% after every subsequent quarter where both installments and interest were in default earlier.
5. An asset is reclassified as 'standard asset' only when both overdue interest and overdue installments are paid in full and there is satisfactory performance for a subsequent period of 6 months.

(F) Receipt of past dues:

When the fund has received income/principal amount after their classifications as NPAs;

- For the next 2 quarters, income should be recognized on cash basis and thereafter on accrual basis. The asset will be continued to be classified as NPA for these two quarters.
- During this period of two quarters although the asset is classified as NPA no provision needs to be made for the principal if the same is not due and outstanding
- If part payment is received towards principal, the asset continues to be classified as NPA and provisions are continued as per the norms set at (D) above. Any excess provision will be written back.

(G) Classification of Deep Discount Bonds as NPAs:

Investments in Deep Discount Bonds can be classified as NPAs, if any two of the following conditions are satisfied:

- If the rating of the Bond comes down to grade 'BB' or below.
- If the company is defaulting in their commitments in respect of other assets, if available.
- Full Net worth erosion.

Provision should be made as per the norms set at (D) above as soon as the asset is classified as NPA.

Full provision can be made if the rating comes down to grade 'D'

(H) Rescheduling of an asset:

In case any company defaults either interest or principal amount and the fund has accepted a rescheduling of the schedule of payments, then the following practice may be adhered to :

- (i) In case it is a first rescheduling and only interest is in default, the status of the asset namely, 'NPA' may be continued and existing provisions should not be written back. This practice should be continued for two quarters of regular servicing of the debt. Thereafter, this be classified as 'performing asset' and the interest provided may be written back.
- (ii) If the rescheduling is done due to default in interest and principal amount, the asset should be continued as non-performing for a period of 4 quarters, even though the asset is continued to be serviced during these 4 quarters regularly. Thereafter, this can be classified as 'performing asset' and all the interest provided till such date should be written back.

- (iii) If the reschedulement is done for a second/third time or thereafter, the characteristic of NPA should be continued for eight quarters of regular servicing of the debt. The provision should be written back only after it is reclassified as 'performing asset'.

(I) Disclosure in the Half Yearly Portfolio Reports:

The mutual funds shall make scrip wise disclosures of NPAs on half yearly basis along with the half yearly portfolio disclosure.

The total amount of provisions made against the NPAs shall be disclosed in addition to the total quantum of NPAs and their proportion of the assets of the mutual fund scheme. In the list of investments an asterisk mark shall be given against such investments which are recognized as NPAs. Where the date of redemption of an investment has lapsed, the amount not redeemed shall be shown as 'Sundry Debtors' and not investment provided that where an investment is redeemable by installments, that will be shown as an investment until all installments have become overdue.

These Guidelines have become effective as follows (SEBI circular no. MFD / CIR / 8(a) / 104 / 2000 dated October 03, 2000) :

- (i) Guidelines for identification and provisioning of NPAs and Valuation of non-traded and thinly traded equity shares from October 16, 2000.
- (ii) Guidelines for Valuation of non-traded and thinly traded debt securities from December 1, 2000.

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:

- 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.
- Dividend income earned by the Scheme(s) shall be recognised, not on the date the dividend is declared, but on the date the share is quoted on an ex-dividend basis. For investments which are not quoted on the stock exchange, dividend income shall be recognised on the date of declaration.
- 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.
- In determining the holding cost of investments and the gains or loss on sale of investments, the "average cost" method shall be followed.
- 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.

- Bonus shares to which the Scheme(s) becomes entitled shall be recognised only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, rights entitlements shall be recognised only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.
- An 'asset' shall be classified as non performing, if the interest and / or principal amount have not been received or remained outstanding for one quarter from the day such income / installment has fallen due. After the expiry of the 1st quarter from the date the income has fallen due, there will be no further interest accrual on the asset. In short, from the beginning of the 2nd calendar quarter there will be no further accrual on income.
- Where income receivable on investments has accrued but has not been received for the period specified in the guidelines issued by SEBI, provision shall be made by debiting to the revenue account, the income so accrued in the manner specified by the guidelines issued by SEBI.
- 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.
- 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 cost of investments acquired or purchased would include, brokerage, stamp charges and any charge customarily included in the broker's bought note. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment.
- Underwriting commission shall be recognised as revenue only when there is no devolvement on the Scheme. Where there is devolvement on the Scheme, the full underwriting commission received and not merely the portion applicable to the devolvement shall be reduced from the cost of the investment.

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.

Following the issue of the Guidance Note on Accounting for Investments in the Financial Statements of Mutual Funds by the Institute of Chartered Accountants of India (pursuant to the Eleventh Schedule of the SEBI Regulations), net unrealised gain or loss in the value of investments is determined separately for each category of investments. Further, the change in net unrealised gain / (loss), if any, between two balance sheet dates is recognised in the revenue account. However, unrealised appreciation is reduced from the distributable income at the time of income distribution.

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.

INVESTMENT BY THE AMC IN THE SCHEME(S)

The AMC may invest in the Scheme(s) anytime during the continuous offer period subject to the SEBI Regulations. As per the existing SEBI Regulations, the AMC will not charge Investment Management and Advisory fee on the investment made by it in the Scheme(s).

SECTION 54EA / 54EB FACILITY

As per the Income-tax Act, 1961, effective April 1, 2000, benefits under Section 54EA and 54EB are no longer available to investors. All investments under Section 54EA/EB of the Income-tax Act, 1961 will not be eligible for redemption / switch - out during the stipulated lock-in period of 3 years / 7 years respectively. However, premature encashment of investments under Section 54EA/EB of the Income-tax Act, 1961 may be considered subject to necessary instructions / guidelines / procedures as may be laid down from time to time by regulatory / tax authorities, as may be appropriate.

SECTION III

UNITS AND OFFER

INVESTMENT PLANS OFFERED

Name of the Scheme	Plan	Option
HDFC Equity Fund	Growth & Dividend	Dividend Plan offers Payout and Re-investment facility.
HDFC Top 200 Fund	Growth & Dividend	Dividend Plan offers Payout and Re-investment facility.
HDFC Capital Builder Fund	Growth & Dividend	Dividend Plan offers Payout and Re-investment facility.
HDFC TaxSaver	Growth & Dividend	Dividend Plan offers Payout and Re-investment facility.
HDFC Prudence Fund	Growth & Dividend	Dividend Plan offers Payout and Re-investment facility.
HDFC High Interest Fund	Growth & Dividend	Dividend Plan Offers Quarterly, Half-Yearly and Yearly Dividend Option with Payout and Re-investment facility.
	Short Term Plan	Growth & Dividend (Monthly) Dividend Option (Monthly) offers Payout and Re-investment facility. The record date will be the first Business Day of every month.
	Fixed Maturity Plans	Growth & Dividend Dividend Option offers Quarterly, Half-yearly and Yearly alternative.
HDFC Cash Management Fund	Savings Plan	Growth Option and Dividend Option. Dividend Option offers Daily Dividend Option (record date every day) with Re-investment facility only and Weekly Dividend Option (record date every Friday) with Payout and Re-investment facility. The dividends declared under the Daily dividend option shall be compulsorily reinvested in the Option (on the next Business Day after the record date) at a price based on the prevailing ex-dividend Net Asset Value per Unit on the record date. The amount of dividend reinvested shall be net of tax deducted at source, wherever applicable. Any such reinvestment shall be made without payment of a Sales Load and will result in the Unit holder being credited with additional Units representing the value of dividend reinvested at the ex-dividend NAV. The dividend so reinvested shall be constructive payment of dividend to the Unit holders and constructive receipt of the same amount from each Unit holder for reinvestment in Units.
	Call Plan	Growth Option and Daily Dividend Option (Record date every day) with reinvestment facility only. The dividends declared under the Daily dividend option shall be compulsorily reinvested in the Option (on the next Business Day after the record date) at a price based on the prevailing ex-dividend Net Asset Value per Unit on the record date. The amount of dividend reinvested shall be net of tax deducted at source, wherever applicable. Any such reinvestment shall be made without payment of a Sales Load and will result in the Unit holder being credited with additional Units representing the value of dividend reinvested at the ex-dividend NAV. The dividend so reinvested shall be constructive payment of dividend to the Unit holders and constructive receipt of the same amount from each Unit holder for reinvestment in Units.
	Savings Plus Plan	Retail Option and Wholesale Option with Growth Option and Dividend sub-options under each option Dividend Option offers Daily Dividend Option (record date is every day) with Re-investment facility only, Weekly (record date is every Monday) and Monthly Dividend Option (record date is last Monday of month) with Payout and Re-investment facility. The dividends declared under the Daily dividend option shall be compulsorily reinvested in the Option (on the next Business Day after the record date) at a price based on the prevailing ex-dividend Net Asset Value per Unit on the record date. The amount of dividend reinvested shall be net of tax deducted at source, wherever applicable. Any such reinvestment shall be made without payment of a Sales Load and will result in the Unit holder being credited with additional Units representing the value of dividend reinvested at the ex-dividend NAV. The dividend so reinvested shall be constructive payment of dividend to the Unit holders and constructive receipt of the same amount from each Unit holder for reinvestment in Units.

In case, the specified Record Date is not a Business Day, then immediately next Business Day will be the Record Date.

GROWTH PLAN/OPTIONS

The Scheme(s) will not declare any dividends under this Plan /Option. The income attributable to Units under this Plan / Option will continue to remain invested in the Scheme(s) and will be reflected in the Net Asset Value of Units under this Plan / Option. Hence, Unit holders who opt for this Plan / Option will not receive any dividend.

DIVIDEND PLAN / OPTION

Dividend distributions in Scheme(s) under Dividend Plan/Option

The Scheme (s) propose to declare dividends (subject to deduction of tax at source, if any) at periodic intervals as may be decided by the Trustee, subject to availability of distributable surplus as computed in accordance with SEBI Regulations. The proposed frequencies of Dividend Distribution and Record Dates are as follows :

Name of the Scheme	Frequency	Record Date
HHIF – Regular Plan	Quarterly, Yearly and Half-Yearly	As may be decided by the Trustee from time to time
HHIF – Short Term Plan	Monthly	First Business Day of every month
HEF / HTS / HT200 / HCBF / HPF	As may be decided by the Trustee from time to time	As may be decided by the Trustee from time to time
HDFC Cash Management Fund – Savings Plan	Daily and Weekly	Every Day - for the Daily Dividend Every Friday for the weekly Dividend

Name of the Scheme	Frequency	Record Date
HDFC Cash Management Fund – Call Plan	Daily	Every Day
HDFC Cash Management Fund - Savings Plus Plan	Daily, Weekly and Monthly	Every Day for the Daily Dividend, every Monday for Weekly Dividend and Last Monday for Monthly Dividend
HHIF - Fixed Maturity Plans	Quarterly, Half-Yearly and Yearly	As may be decided by the Trustee from time to time

Further the Trustee at its sole discretion may also declare interim dividend. Dividends, if declared, will be paid (subject to deduction of tax at source, if any) to those Unit holders whose names appear in the Register of Unit holders on the notified record date. The AMC reserves the right to change the respective record date from time to time and also the frequency of dividend declaration. However, it must be distinctly understood that the actual declaration of dividend and the frequency thereof will inter-alia, depend on the availability of distributable profits as computed in accordance with SEBI Regulations. The decision of the Trustee in this regard shall be final. There is no assurance or guarantee to Unit holders as to the rate of dividend distribution nor that dividends will be paid regularly. In order to be a Unit holder, an investor has to be allotted Unit against receipt of clear funds by the Scheme. On payment of dividends, the NAV will stand reduced by the amount of dividend and dividend tax (if applicable) paid.

The AMC shall despatch to the Unit holders the dividend warrants within 30 days of the declaration of the dividend. There is no assurance or guarantee to Unit holders as to the rate of dividend distribution nor that dividends will be paid regularly.

The AMC has made arrangements with selected banks to enable direct credit of Redemption / Dividend proceeds into the bank accounts of the Investors who have an account at the designated banks. However, the list of banks is subject to change from time to time and the AMC reserves the right to issue a demand draft / payable at par cheque in spite of an Investor opting for Direct Credit Option. Unit holders who do not avail of the above Direct Credit Facility will receive cheques payable at par / demand drafts.

Dividend Distribution Procedure

In accordance with SEBI Circular no. SEBI/ IMD/ Cir No. 1/ 64057/06 dated April 4, 2006, the procedure for Dividend Distribution would be as under:

1. Quantum of dividend and the record date will be fixed by the Trustee in their meeting. Dividend so decided shall be paid, subject to availability of distributable surplus.
2. Within one calendar day of decision by the Trustee, the AMC shall issue notice to the public communicating the decision about the dividend including the record date, 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.
3. Record date shall be the date which will be considered for the purpose of determining the eligibility of investors whose names appear on the register of unit holders for receiving dividends. The Record Date will be 5 calendar days from the issue of notice.
4. The notice will, in font size 10, bold, categorically state that pursuant to payment of dividend, the NAV of the Scheme would fall to the extent of payout and statutory levy (if applicable).
5. The NAV will be adjusted to the extent of dividend distribution and statutory levy, if any, at the close of business hours on record date.
6. Before the issue of such notice, no communication indicating the probable date of dividend declaration in any manner whatsoever, will be issued by Mutual Fund.

The requirement of giving notice shall not be applicable for Dividend Options having frequency upto one month.

Dividend Reinvestment facility – HEF / HT200 / HTS / HPF / HHIF / HHIF-Short Term Plan / HCMF - Savings Plan (Weekly Dividend Option) / HCMF - Savings Plus Plan – Wholesale Option & Retail Option (Weekly and Monthly Dividend Option)

Unit holders opting for Dividend Plan / Option may choose to reinvest the dividend to be received by them in additional Units of the Plan / Option of the respective Scheme(s). Under this facility, the dividend due and payable to the Unit holders will be without any further act by the Unit holders, reinvested in the Dividend Plan / Option of the respective Scheme at a price based on the prevailing ex-dividend Net Asset Value per Unit on the record date without payment of any sale load. The amount of dividend re-invested will be net of tax deducted at source, wherever applicable. **These units shall also not be subject to only exit load.** The dividends so reinvested shall constitute a constructive payment of dividends to the Unit holders and a constructive receipt of the same amount from each Unit holder for reinvestment in Units.

On reinvestment of dividends, the number of Units to the credit of Unit holder 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 dividend so reinvested.**

Dividend reinvested under HTS would be subject to a Lock-in Period of 3 years from the date of allotment of the respective Units.

Dividend Reinvestment Option – (Mandatory) HCMF - Savings Plan, Call Plan and Savings Plus Plan - Daily Dividend Option

Under this Plan / Option, dividend, if any, declared by the Trustee of HDFC Mutual Fund shall be compulsorily reinvested under the respective Dividend Reinvestment Plan / Option of the Scheme(s) (on the next Business Day after the Record Date) at a price based on the prevailing ex-dividend NAV per Unit on the record date. **Any such reinvestment will be made without the payment of a Sales Load**, if any and will result in the Unit holder being credited with additional Units representing the value of dividend reinvested at the ex-dividend NAV. The amount of dividend reinvested will be net of tax deducted at source, wherever applicable. **These Units shall also not be subject to any Exit Load.** The dividend so reinvested shall be constructive payment of dividend to the Unit holders and constructive receipt of the same amount from each Unit holder for reinvestment in Units.

On reinvestment of dividends, the number of Units to the credit of Unit holder 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 dividend so reinvested.

DEFAULT OPTIONS

HEF / HT200 / HCBF / HTS / HPF / HHIF / HCMF

Investors should indicate the Plan / Option for which the subscription is made by indicating the choice in the appropriate box provided for this purpose in the Application Form. In case of valid applications received without indicating any choice of Plan / Option, the following default Plan / Option will be considered :

HDFC Equity Fund HDFC Top 200 Fund HDFC Capital Builder Fund HDFC TaxSaver HDFC Prudence Fund	<ul style="list-style-type: none"> Dividend Plan in case Growth Plan or Dividend Plan is not indicated. Dividend Payout in case Dividend Payout or Dividend Re-investment is not indicated under the Dividend Plan.
HDFC High Interest Fund HDFC High Interest Fund - Short Term Plan	<ul style="list-style-type: none"> Quarterly Dividend Payout in case Growth Plan or Dividend Plan is not indicated under the Dividend Plan. Dividend Option in case Dividend Option or Growth Option is not indicated. Dividend Payout in case Dividend Payout or Dividend Reinvestment is not indicated under the Dividend Option.
HDFC Cash Management Fund Savings Plan, Savings Plus Plan – Retail Option & Wholesale Option and Call Plan	<ul style="list-style-type: none"> Savings Plus Plan – Retail Option with Weekly Dividend Reinvestment Option in case Savings Plan. Savings Plus Plan or Call Plan is not indicated. Dividend Option in case Dividend Option or Growth Option is not indicated.

HDFC Cash Management Fund – Savings Plus Plan – Retail Option & Wholesale Option	<ul style="list-style-type: none"> Retail Option in case Retail Option or Wholesale Option is not indicated. Dividend Option in case Dividend Option or Growth Option is not indicated. Daily Dividend Reinvestment in case Daily, Weekly or Monthly Dividend Option is not indicated. Dividend reinvestment in case Payout or reinvestment is not indicated.
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Investors must use separate Application Forms for investing simultaneously in both the Plans / Option of the Schemes, subject to the minimum subscription requirements under each Plan / Option.

MINIMUM AMOUNT FOR APPLICATION UNDER EACH SCHEME

Particulars	HEF / HT200 / HCBF / HPF / HHIF (Except Fixed Maturity Plans) / HHIF-STP (under each Plan / Option)	HTS (under each Plan / Option)	HDFC Cash Management Fund					
			Savings Plan		Call Plan	Savings Plus Plan		
			Growth	Dividend		Retail Option		Wholesale Option
						Growth, Weekly and Monthly Dividend Option	Daily Dividend Option	
New Investors	Rs. 5,000 and in multiples of Rs. 100 thereafter	Rs. 500 and in multiples of Rs. 500 thereafter	Rs. 10,000 and in multiples of Rs. 1000 thereafter	Rs. 1,00,000 and in multiples of Rs. 1000 thereafter	Rs. 1,00,000 and in multiples of Rs. 1000 thereafter	Rs. 5,000 and in multiples of Rs. 1000 thereafter	Rs. 1,00,000 and in multiples of Re. 1 thereafter	Rs. 1 Crore and in multiples of Re. 1 thereafter
Existing Investors	Rs. 1,000 and in multiples of		Rs. 10,000 and in multiples of Rs. 1000 thereafter	Rs. 1,00,000 and in multiples Rs. 1000 thereafter	Rs. 10,000 and in Rs. 1000 thereafter	Rs. 1,000 and in multiples of Rs. 100 thereafter	Rs. 1,00,000 and in multiples of Re. 1 thereafter	Re. 1 and in multiples of Re. 1 thereafter

BOOK CLOSURE PERIOD

The AMC reserves the right to announce a book closure to facilitate distribution of dividend, bonus or for any other purpose as it may deem necessary. Purchase / Redemption/ Switches may be suspended by the AMC during the book closure period. Applications made during book closure period will be processed at the Applicable NAV on the immediately succeeding Business Day after the Book closure period.

SYSTEMATIC INVESTMENT PLAN (SIP)

The Unit holders under the Scheme(s) (**except HHIF - Fixed Maturity Plans and HCMF - Savings Plan and Call Plan**) can benefit by investing specified Rupee amounts at regular intervals for a continuous period. Under the SIP, investors can invest a fixed amount of Rupees at regular intervals for purchasing additional Units of the Scheme(s) at NAV based prices. This concept is called **Rupee Cost Averaging**.

Unit holder can enroll for the SIP facility by submitting duly completed Enrolment Form at the Official Point(s) of Acceptance. It may be noted that Investors need not have an existing Folio to start a SIP; they can start a folio with a SIP.

Presently, SIP offers investors two plans viz. 'Monthly Systematic Investment Plan (MSIP)' and 'Quarterly Systematic Investment Plan (QSIP)'. Minimum amount (for Schemes other than HTS)

per SIP installment is Rs. 1,000 and in multiples of Rs.100 thereafter under MSIP and Rs.3,000 and in multiples of Rs.500 thereafter under QSIP. Minimum amount for HTS per SIP installment is Rs. 500 and in multiples of Rs.500 thereafter under MSIP and Rs.1,500 and in multiples of Rs.500 thereafter under QSIP. Minimum number of installments under MSIP is 6 and under QSIP is 2.

There is no maximum duration for SIP enrolment for HDFC Equity Fund, HDFC Top 200 Fund, HDFC Capital Builder Fund and HDFC Prudence Fund. In case of all other Schemes eligible for SIP facility, if the SIP enrolment period specified by the unit holder is more than 5 years, then the SIP enrolment will be deemed to be for a period of 5 years and processed accordingly.

Investors can invest under this facility at periodic intervals by providing post-dated cheques to Official Point(s) of Acceptance. An investor is eligible to issue only one cheque for each month/ quarter in the same SIP enrolment form. All SIP cheques under MSIP and QSIP should be of the same amount and same date. However, first cheques could be of any date but all subsequent cheques should be dated 1st, 10th, 15th or 25th. The first cheque and subsequent cheque should not fall in the same month in case of MSIP and in the same quarter in case of QSIP. The cheques should be drawn in favour of the respective Scheme(s) e.g. **"HDFC Equity Fund"** (in case of **HHIF and**

HCMF - Savings Plus, the name of respective plan should also be mentioned and crossed "A/c Payee only".

On receipt of the post dated cheques, the Fund will send a letter to the Unit holder confirming that the Unit holder's name has been noted for the SIP facility. The cheques will be presented on the dates mentioned on the cheque and subject to realization of the cheque, Units will be allotted at the Applicable NAV, subject to payment of applicable Entry Load, if any. Please refer to '**Load Structure & Recurring Expenses**' on **Page 73** for load structure for investment through SIP. In case the date falls on a holiday or falls during a Book Closure period, the immediate next Business Day will be considered for this purpose.

An Account Statement will be issued by mail or by e-mail (if opted by the unit holder) to the unit holder within 10 working days for the first investment through SIP. The subsequent account statement will be despatched once every quarter ending March, June, September and December within 10 working days of the end of respective quarter. In case of specific request received from investors, Mutual Fund will provide the account statement to the investors within 5 working days from the receipt of such request without any charges. Further, soft copy of the account statement shall be mailed to the investors under SIP to their e-mail address on a monthly basis, if so mandated

Investors / Unit holders may also enroll for SIP Auto Debit facility through Electronic Clearing Service (Debit Clearing) of the Reserve Bank of India or for SIP Direct Debit Facility available with specified Banks / Branches. In order to enroll for SIP Auto Debit facility or Direct Debit Facility, an investor must fill-up the Application Form for SIP Auto Debit facility.

Investors will have the right to discontinue the SIP facility at any time by sending a written request to any of the Official Point(s) of Acceptance. Notice of such discontinuance should be received at least 15 days prior to the due date of the next Cheque. On receipt of such request, the SIP facility will be terminated and the balance post-dated cheque/s, if any, will be returned to the Investor.

The AMC reserves the right to change / modify load structure and other terms and conditions under the SIP prospectively at a future date.

Please refer to the SIP Enrolment Form for terms & conditions before enrolment.

SIP for Corporate Employees

The Systematic Investment Plan for Corporate Employees seeks to provide a measure of added convenience to salaried individuals. The application amount in this case would be forwarded by the employer under a request from a desirous employee to deduct an authorised amount from their salaries. The Employer would thus deduct the requested amount each month and forward the same to the Investor Service Centre. In case more than one employee is desirous of availing this facility, the employer would give the ISC one consolidated monthly cheque representing the individual employees investments along with the name and amountwise details that the cheque represents. The ISC will then send an updated Account Statement to the employees individually.

Corporates willing to participate may contact the AMC. Employees in that company willing to participate in a SIP will have to fill out a special enrolment form informing the AMC and their employer of their wish to participate in the SIP.

SYSTEMATIC WITHDRAWAL ADVANTAGE PLAN (SWAP)

This facility available to the Unit holders of the Scheme enables them to withdraw (subject to deduction of tax at source, if any) fixed sum or a variable amount from their Unit accounts at

periodic intervals (**subject to completion of Lock-in Period, if any**). Any Unit holder can avail of this facility subject to the terms and conditions contained in the SWAP Enrolment Form. The amount withdrawn (subject to deduction of tax at source, if any) under SWAP by Redemption shall be converted into the specific Scheme/Plan Units at the Applicable NAV as on the 1st or 25th of a month/quarter/half-year and such Units will be subtracted from the Unit Balance of the Unit holders. In case these dates fall on a holiday or fall during a Book Closure period the next Business Day will be considered for this purpose. If the net asset value of the Units outstanding on the withdrawal date is insufficient to process the withdrawal request, then the Mutual Fund will redeem the Units outstanding in its entirety. Investors may note that if you decide to take up this facility, you should be aware of the possibility that you could erode your capital.

Investors can enrol themselves for the facility by submitting the duly completed SWAP Enrolment Form at any of the ISCs.

SWAP facility is not available in Fixed Maturity Plans in HDFC High Interest Fund

SWAP facility is available subject to terms & conditions. Please refer to the SWAP Enrolment Form for terms & conditions before enrolment.

SYSTEMATIC TRANSFER PLAN (STP)

A Unit holder may enroll for the Systematic Transfer Plan and choose to switch on a weekly, monthly or quarterly basis from one HDFC Mutual Fund scheme to another scheme, which is available for investment at that time.

The amount thus switched shall be converted into Units on the scheduled date and such number of Units will be subtracted from the Unit balance of that Unit holder. In case these dates fall on a Holiday or fall during a Book Closure period, the next Business Day will be considered for this purpose. The amount so switched shall be reinvested in the other scheme /plan and accordingly, to be effective, the Systematic Transfer must comply with the Redemption rules of the Transferor Scheme and the issue rules of the Transferee scheme (e.g. as to the minimum number of Units that may be redeemed or issued, Exit/ Entry Load etc).

Presently STP offers investor two plans viz. Fixed Systematic Transfer Plan (FSTP) with weekly, monthly and quarterly frequency and Capital Appreciation Systematic Transfer Plan (CASTP) with monthly and quarterly frequency. There should be at least six installments under Weekly FSTP, Monthly FSTP and CASTP and minimum two installments under Quarterly FSTP and CASTP. Further, the minimum balance in the Unit holders account or the minimum amount of application at the time of enrolment for STP should be Rs.12,000.

There is no maximum duration for STP enrolment for HDFC Equity Fund, HDFC Top 200 Fund, HDFC Capital Builder Fund and HDFC Prudence Fund ("**The Transferee Schemes**"). In case of all other eligible Transferee Schemes eligible for STP facility, if the STP enrolment period specified by the unit holder is more than 5 years, then the STP enrolment will be deemed to be for a period of 5 years and processed accordingly.

The amount transferred under the STP from the Transferor Scheme to the Transferee Scheme shall be effected by redeeming units of Transferor Scheme at applicable NAV, without payment of any Exit Load, if any, and subscribing to the units of the Transferee Scheme at applicable NAV, subject to payment of an Entry Load, as applicable, in respect of each STP investment. Please refer to '**Load Structure & Recurring Expenses**' on **Page 73** for load structure for investment through STP. In case the date falls on a Non-Business Day or falls during a book

closure period, the immediate next Business Day will be considered for the purpose of determining the applicability of NAV.

An Account Statement will be issued by mail or by e-mail (if opted by the unit holder) to the unit holder within 10 working days for the first investment through STP. The subsequent account statement will be despatched once every quarter ending March, June, September and December within 10 working days of the end of respective quarter. In case of specific request received from investors, Mutual Fund will provide the account statement to the investors within 5 working days from the receipt of such request without any charges. Further, soft copy of the account statement shall be mailed to the investors under STP to their e-mail address on a monthly basis, if so mandated.

Unit holders may change the amount (but not below the specified minimum) by giving written notice to any of the Official Point(s) of Acceptance. Unit holder can discontinue STP facility at any time by sending a written notice to the Official Point(s) of Acceptance, at least 7 days prior to the due date of the next transfer date. STP will be terminate automatically if all the Units are liquidated or withdrawn from the Transfer Scheme or pledged or upon the Fund's receipt of notification of death or incapacity of the Unit holder.

The AMC reserves the right to change / modify load structure and other terms and conditions under the STP prospectively at a future date.

Please refer to the STP Enrolment Form for terms and conditions before enrolment.

SWITCHING OPTIONS

Unit holders under the Scheme(s) have the option to Switch part or all of their Unit holdings in the Scheme(s) to other schemes established by the Mutual Fund, or within the Scheme(s) from one Plan to another, **(subject to completion of Lock-in Period, if any)** which is available for investment at that time. This option will be useful to Unit holders who wish to alter the allocation of their investment among the Scheme(s) / Plan(s) of the Mutual Fund in order to meet their changed investment needs.

The Switch will be effected by way of a Redemption of Units from the Scheme / Plan and a reinvestment of the Redemption proceeds in the other scheme(s) / plan and accordingly, to be effective, the Switch must comply with the Redemption rules of the Scheme and the issue rules of the other scheme (e.g. as to the minimum number of Units that may be redeemed or issued, Exit/Entry Load etc.). The price at which the Units will be switched out of the Scheme will be based on the Redemption Price, and the proceeds (subject to deduction of tax at source, if any) will be invested in the other scheme / plan at the prevailing Sale Price for Units in that scheme / plan. **No Loads shall be imposed for Switching between plans within the same Scheme.**

The Switch request can be made 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. An Account Statement reflecting the new holding will be despatched to the Unit holders within three Business Day of completion of Switch transaction.

The AMC retains the right to charge different Loads on Switching of Units as compared to Sale / Redemption of Units as the case may be.

The AMC reserves the right to impose Loads for Switching between plans within the Scheme or Options within the respective Plans at a future date.

AUTOMATIC TRIGGER FACILITY

Under this facility, a Unit holder may opt for withdrawal and / or switch based on the Unit balance attaining a minimum capital appreciation / gains, events, dates etc (subject to deduction of tax at source, if any). The Units will be redeemed as and when the balance reaches a desired value or after certain period of time etc. In case of triggers linked with events / dates, on realisation of gains, a specified amount / full amount / gains / appreciation etc. would be redeemed and paid either on the investment attaining a particular value or after a particular period of time. Unit holders can enrol themselves for the facility by filling in the appropriate box in the Application Form or by subsequently making a written request to the ISC. Please read the instructions on the Application Form for further details.

WHO CAN INVEST?

The following persons are eligible and may apply for subscription to the Units of the Scheme(s) (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);

The following persons / entities may also apply for subscription to the Units of HDFC TaxSaver, subject to, where relevant, purchase of Units being permitted by the respective constitutions, relevant laws and regulations. These entities, will not, however, qualify for Tax benefits under Section 80C of the Income Tax Act, 1961;

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. Provident Funds, Pension Funds, Superannuation Funds and Gratuity Funds;
11. Foreign Institutional Investors (FIIs) registered with SEBI on repatriation basis;
12. Army, Air Force, Navy and other para-military units and bodies created by such institutions;
13. Scientific and Industrial Research Organisations;
14. Multilateral Funding Agencies / Bodies Corporate incorporated outside India with the permission of Government of India / Reserve Bank of India;
15. Other schemes of HDFC Mutual Fund subject to the conditions and limits prescribed by SEBI Regulations;
16. Trustee, AMC or Sponsors or their associates may subscribe to Units under the Scheme(s);
17. 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, along with 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.

Applications not complying with the above are liable to be rejected.

3. Returned cheques are liable not 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 are liable to be debited to the investor.

HOW TO APPLY?

1. The application form for the Sale of Units of the Scheme(s) will be available / accepted at the office of the Investor Service Centres (ISCs) / Official Points of Acceptance(s) 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 **"the Specific Scheme"** (e.g. In case of **HEF** the cheque should be drawn in favour of **"HDFC Equity Fund"**; in case of **HCMF** the name of the respective Plan should also be mentioned) and crossed **"Account Payee only"**. A separate cheque or bank draft must accompany each application /each Scheme. Investors must use separate Application Forms for investing simultaneously in both the Plans of a Scheme, subject to the minimum subscription requirements under each Plan.
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 encashment of cheques, the current SEBI Regulations has made it mandatory for investors to mention in their Application / Redemption request, the bank name and account number.**
7. Applications not complete in any respect are liable to be rejected.
8. The AMC / Trustee retains the sole and absolute discretion to reject any application.

MODE OF PAYMENT

■ Resident Investors

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

Payment may be made for subscription to the Units of the Scheme either by issuing a cheque drawn on such banks or by giving a debit mandate to their account with any branch of such banks with whom the AMC would have an arrangement from time to time.

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

Payment may be made by cheque (MICR cheques only for HCMF - Savings Plan, HCMF - Call Plan) 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 (except through Systematic Investment Plan), Non-MICR cheques (in case of HCMF-Savings Plan and Call Plan) and postal orders will be accepted.** Bank charges for outstation demand drafts will be borne by the AMC and will be limited to the bank charges stipulated by the State Bank of India. Outstation Demand Draft has been defined as a demand draft issued by a bank in place where there is no ISC available for investors. The AMC will not accept any request for refund of demand draft charges.

■ 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 his / its Non - Resident (External) Rupee Account (NRE) / Foreign Currency (Non-Resident) Account (FCNR). In case Indian rupee drafts are purchased abroad or from Foreign Currency Accounts or Non-resident Rupee Accounts an account debit certificate from the Bank issuing the draft confirming the debit shall also be enclosed.
- 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.

Provided that -

- (i) The FII shall restrict allocation of its total investment between equity and debt instruments (including dated Government Securities and Treasury Bills in the Indian capital market) in the ratio of 70:30 and
- (ii) If the FII desires to invest upto 100% in dated Government Securities including Treasury Bills, non-convertible debentures / bonds issued by an Indian company, it shall form a 100% debt fund and get such fund registered with SEBI.

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 his / its NRE / FCNR / Non-Resident Ordinary Rupee Account (NRO). In case Indian rupee drafts are purchased abroad or from Foreign Currency Accounts or Non-resident Rupee Accounts an account debit certificate from the Bank issuing the draft confirming the debit shall also be enclosed.

MASTER ACCOUNT / FOLIO

As an investor friendly measure, unless otherwise requested by the Unit holder, one Master Account / 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 to a Unit holder or 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 Master Account / Folio Number against multiple applications and / or subsequent purchases under a new application form by an existing Unit holder, with identical mode of holding and address.

ACCOUNT STATEMENT

An Account Statement reflecting the number of Units allotted will be despatched normally within 3 Business Days to the Unit holder after every financial transaction is effected. Account Statement to the Unit holder under Daily & Weekly Dividend Reinvestment facility will be dispatched to the Unit holders once every 3 weeks giving details of all transactions during the period. However, the Mutual Fund shall, based on receipt of specific written request from the Unit holders dispatch the account statement after every transaction of Dividend Reinvestment.

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 along with the request for Redemption / Switch or any other transaction of Units covered therein.

HOUSEHOLDINGS

In case newsletters are sent to each Unit holder by post / courier which may result in certain households with one or more members as the Unit holders of the Scheme getting multiple copies. In such cases the AMC will cull the database and send each such "household" a single newsletter. The AMC feels that this will not inconvenience the Unit holders. In case it does, please write to the AMC, for additional copies.

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 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.

PERMANENT ACCOUNT NUMBER

SEBI has made it mandatory for all applicants (in the case of application in joint names, each of the applicants) to mention his/her permanent account number (PAN) irrespective of the amount of purchase*. Where the applicant is a minor, and does not possess his / her own PAN, he / she shall quote the PAN of his/ her father or mother or the guardian, as the case may be.

In order to verify that the PAN of the applicants (**in case of application in joint names, each of the applicants**) has been duly and correctly quoted therein, the applicants shall attach along with the purchase* application, a photocopy of the PAN card duly self-certified along with the original PAN Card. The original PAN Card will be returned immediately across the counter after verification.

*** includes fresh/additional purchase, Systematic Investment.**

Any person (existing and potential investors) who does not have a PAN must apply for PAN immediately and attach the evidence of having applied for PAN with the application for investment till **December 31, 2007**. Such documentary evidence should be self-certified by the applicants.

Further, as per the Notification No. 288 dated December 1, 2004, every person who makes payment of an amount of Rs. 50,000 or more to a Mutual Fund for purchase* of its units and does not have a PAN, shall, in addition to attaching the evidence of having applied for PAN, make a declaration in Form No. 60 or Form No. 61 (in the case of persons who have agricultural income and are not in receipt of any other income chargeable to tax), duly completed along with proof of address giving the particulars of such transaction. Such declaration in Form No. 60 or Form No. 61, as applicable (in duplicate) should be attached along with each purchase* request.

***includes fresh/ additional purchase, switch, Systematic Investment / Transfer and Dividend Reinvestment.**

Since dividend reinvestment of Rs. 50,000 or more qualifies as purchase of units for aforesaid Notification, (a) PAN **OR** (b) Evidence of having applied for PAN and Form No. 60 or Form No. 61 (as applicable) along with supporting documents, is required in respect of each such reinvestment, failing which dividend reinvestment shall be automatically converted into payout option.

Applications not complying with the above requirement may not be accepted/ processed.

Additionally, in the event of any application form being subsequently rejected for mismatch of applicants' PAN details with details on the website of the Income Tax Department, the investment transaction will be cancelled and the amount may be redeemed at the applicable NAV, subject to payment of exit load, wherever applicable. In case of Equity Linked Savings Scheme (ELSS) or a New Fund Offer (NFO), allotment will be subject to compliance with the above-mentioned PAN requirements. In case of non-compliance, the original amount invested will be refunded.

The above provisions will be applicable **upto December 31, 2007**. However, the Investors should note that effective January 1, 2008, no applications for investments shall be accepted without valid PAN.

Please contact any of the Investor Service Centres/ CAMS/ Distributors or visit our website www.hdfcfund.com for further details.

PREVENTION OF MONEY LAUNDERING

Prevention of Money Laundering Act, 2002 (hereinafter referred to as "Act") came into effect from July 1, 2005 vide Notification No. GSR 436(E) dated July 1, 2005 issued by Department of Revenue, Ministry of Finance, Government of India. Further, SEBI vide its circular reference number ISD/CIR/RR/AML/1/06 dated January 18, 2006 mandated that all intermediaries including Mutual Funds should formulate and implement a proper policy framework as per the guidelines on anti money laundering measures and also to adopt a Know Your Customer (KYC) policy. The intermediaries may, according to their requirements specify additional disclosures to be made by clients for the purpose of identifying, monitoring and reporting incidents of money laundering and suspicious transactions undertaken by clients. SEBI also issued another circular reference no. ISD/CIR/RR/AML/2/06 dated March 20, 2006 advising all intermediaries to take necessary steps to ensure compliance with the requirement of section 12 of the Act inter-alia maintenance and preservation of records and reporting of information relating to cash and suspicious transactions to Financial Intelligence Unit-India (FIU-IND), New Delhi.

The investor(s) should ensure that the amount invested in the scheme is through legitimate sources only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, Prevention of Money Laundering Act, Prevention of Corruption Act and / or any other applicable law in force and also any laws enacted by the Government of India from time to time or any rules, regulations, notifications or directions issued thereunder.

To ensure appropriate identification of the investor(s) under its KYC policy and with a view to monitor transactions for the prevention of money laundering, HDFC Asset Management Company Limited ("the AMC") / HDFC Mutual Fund ("the Mutual Fund") reserves the right to seek information, record investor's telephonic calls and / or obtain and retain documentation for establishing the identity of the investor, proof of residence, source of funds, etc. It may re-verify identity and obtain any incomplete or additional information for this purpose.

The investor(s) and their attorney, if any, shall produce reliable, independent source documents such as photographs, certified copies of ration card/ passport/ driving license/PAN card, etc. and/or such documents or produce such information as may be required from time to time for verification of the identity, residential address and financial information of the investor(s) by the AMC/Mutual Fund. If the investor(s) or the person making payment on behalf of the investor(s), refuses / fails to provide the required documents/ information within the period specified in the communication(s) sent by the AMC to the investor(s) then the AMC, after applying appropriate due diligence measures, believes that the transaction is suspicious in nature within the purview of the Act and SEBI circulars issued from time to time and/or on account of deficiencies in the documentation, shall have absolute discretion to report suspicious transactions to FIU-IND and / or to freeze the folios of the investor(s), reject any application(s) / allotment of units and effect mandatory redemption of unit holdings of the investor(s) at the applicable NAV subject to payment of exit load, if any, in terms of the said communication sent by the AMC to the investor(s) in this regard.

The KYC documentation shall also be mandatorily complied with by the holders entering the Register of Members by virtue of operation of law e.g. transmission, etc.

The Mutual Fund, HDFC Asset Management Company Limited, HDFC Trustee Company Limited and their Directors, employees and agents shall not be liable in any manner for any claims arising whatsoever on account of freezing the folios / rejection of any application / allotment of units or mandatory redemption of units due to non-compliance with the provisions of the Act, SEBI circular(s) and KYC policy and / or where the AMC believes that transaction is suspicious in nature within the purview of the Act and SEBI circular(s) and reporting the same to FIU-IND.

KNOW YOUR CUSTOMER (KYC) COMPLIANCE

In terms of the Prevention of Money Laundering Act, 2002, the Rules issued there under and the guidelines/circulars issued by SEBI regarding the Anti Money Laundering (AML Laws), all intermediaries, including Mutual Funds, have to formulate and implement a client identification programme, verify and maintain the record of identity and address(es) of investors.

In order to make the data capture and document submission easy and convenient for the investors, Mutual Fund Industry has collectively entrusted the responsibility of collection of documents relating to identity and address of the investor(s) to an independent agency (presently CDSL Ventures Limited) which will act as central record keeping agency ('Central Agency'). As a token of having verified the identity and address of the investor(s) and for efficient retrieval of records, the Central Agency will issue a KYC Acknowledgement Letter (previously known as Mutual Fund Identification Number -MIN Letter) to each investor who submits an application and the prescribed documents to the Central Agency.

Investors are required to attach the copy of KYC Acknowledgement Letter (or the erstwhile MIN Allotment Letter) along with the application form at the time of making investment for the first time in every Mutual Fund. In respect of any subsequent investments in the same Mutual Fund, it is not necessary to attach a copy of the KYC Acknowledgement Letter (or the erstwhile Mutual Fund Identification Number (MIN) Allotment Letter).

Investors who wish to obtain a KYC Acknowledgement Letter have to submit a completed Application Form for Know Your Customer ('KYC Form') along with all the prescribed documents listed in the KYC Form, at any of the Point of Service ('POS'). The KYC Form is available at our website - www.hdfcfund.com and AMFI website - www.amfiindia.com. POS are the designated centres appointed by the Central Agency for receiving application forms, processing the same and issuance of KYC Acknowledgement Letter. List of and location of POS is available at our website www.hdfcfund.com and www.amfiindia.com.

On submission of KYC Form, documents and information to the satisfaction of the POS, the investor will be issued a provisional KYC Acknowledgement Letter across the counter. Subsequently, the Central Agency will verify the information and documents submitted by the investor. The verification process will be completed within 10 working days from the date of provisional KYC Acknowledgment Letter. In case of any deficiency/insufficiency in documentation, intimation will be sent to the investors. However, the Central Agency may cancel the KYC Acknowledgement Letter within 10 working days from the date of issue of provisional KYC Acknowledgement Letter, in case of any deficiency in the document/information. Intimation of cancellation of KYC Acknowledgement Letter will be

despatched by the Central Agency to the investor immediately. No communication will be sent to the investor if the KYC documents are in order. The KYC Acknowledgement Letter is presently being issued free of cost.

Presently, it is mandatory for all applications for subscription of value of Rs.50,000/- and above to quote the KYC compliance status of all the applicants (guardian in case of minor) in the application for subscription and attach proof of KYC compliance viz. KYC Acknowledgement Letter (or the erstwhile MIN Allotment Letter). The KYC status will be validated with the records of the Central Agency before allotting units. Applications for subscriptions of value of Rs.50,000/- and above without a valid KYC compliance may be rejected. In the event of any KYC Form being subsequently rejected for lack of information / deficiency / insufficiency of mandatory documentation, the investment transaction will be cancelled and the amount may be redeemed at applicable NAV, subject to payment of exit load, wherever applicable. Such redemption proceeds will be despatched within a maximum period of 21 days from date of acceptance of application. (In case of an ELSS Scheme or a New Fund Offer, allotment will be done only on confirmation from the Central Agency that the KYC is final and if the Central Agency informs that the KYC Acknowledgement Letter (or the erstwhile MIN Allotment Letter) is cancelled, the original amount invested will be refunded). HDFC Mutual Fund will not be held responsible and /or liable for rejection of KYC Form by the Central Agency.

All investors (both individual and non-individual) can apply for KYC compliance. However, applicants should note that minors cannot apply for KYC compliance and any investment in the name of minors should be through a Guardian, who should be KYC compliant for the purpose of investing with a Mutual Fund. Also, applicants / unit holders intending to apply for units / currently holding units and operating their Mutual Fund folios through a Power of Attorney (PoA) must ensure that the issuer of the PoA and the holder of the PoA must mention their KYC compliance status at the time of investment, if such investment(s) are above the prescribed threshold limit. PoA holders are not permitted to apply for KYC compliance on behalf of the issuer of the PoA. Separate procedures are prescribed for change in name, address and other KYC related details, should the applicant desire to change such information. POS will extend the services of effecting such changes.

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 shall vest in the event of his 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, society, body corporate, partnership firm, Karta of Hindu

Undivided Family or a Power of Attorney holder. 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 **(subject to completion of Lock-in Period, if any)** and issuing 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, then the AMC shall, subject to production of such evidence and submission of such documents, which in their opinion is sufficient, proceed to effect the transfer, if the intended transferee is otherwise eligible to hold the Units.

A person becoming entitled to hold the Units in consequence of the death, insolvency, or winding up of the sole holder or the survivors of joint holders, upon producing evidence to the satisfaction of the Mutual Fund shall be registered as a Unit holder.

It may, however, be noted that in the event of death of the Unit holder of **HTS**, the nominee/legal heir, subject to production of requisite documentary evidence to the satisfaction of the AMC, will be able to redeem the investment in HTS only after the completion of one year or any time thereafter, from the date of allotment of Units to the deceased Unit holder.

Any addition / deletion of name from the folio of the Unit holder is deemed as transfer of Units. In view of the same, additions / deletions of names will not be allowed under any folio of the Scheme. The said provisions in respect of deletion of names will not be applicable in case of death of a Unit holder (in respect of joint holdings) as this is treated as transmission of Units and not transfer.

PLEDGE OF UNITS

The Units under the respective Scheme(s) **(subject to completion of Lock-in Period, if any)** may be offered as security by way of a pledge / charge in favour of scheduled banks, financial institutions, non-banking finance companies (NBFCs), 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. As long as Units are pledged, the Pledgee will have complete authority to redeem such Units.

WEB 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. 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.

SALE OF UNITS ON AN ONGOING BASIS

The Scheme(s) will offer for Sale (**subject to completion of Lock-in Period**) of Units on every Business Day. Units of the Scheme(s) would be available at NAV based prices, subject to the applicable Sales Load, on any Business Day from any of the ISCs.

Applications by Existing / New Investors under the Scheme(s) must be for the minimum amount(s) as mentioned on **Page 59**.

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.

Subscriptions made through Stock Exchanges / demat mode will be made by specifying the number of Units to be subscribed and not the amount to be invested. The AMC reserves the right to change the basis for subscription through demat mode from unit basis to any other basis.

ONGOING SALE PRICE

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

Sale Price = Applicable NAV * (1+Sales Load, if any)

Example for calculation of Sale Price:

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

= Rs. 10.00 * (1+0.02)

= Rs. 10.00 * (1.02)

= Rs. 10.20

APPLICABLE NAV FOR SALE / SWITCH-IN OF UNITS Purchases including Switch-ins

HDFC CASH MANAGEMENT FUND – Savings Plan & Call Plan

The AMC will calculate the NAV all year around.

In respect of valid application received upto 12.00 noon on a day at the Official Points of Acceptance and funds are available for utilization on the same day, the closing NAV of the day immediately preceding the day of receipt of application shall be applicable;

In respect of valid application received after 12.00 noon on a day at the Official Points of Acceptance and funds are available for utilization on the same day, the closing NAV of the day immediately preceding the next business day shall be applicable; and

Irrespective of the time of receipt of application at the Official Points of Acceptance, where the funds are not available for utilization on the day of the application, the closing NAV of the day immediately preceding the day on which the funds are available for utilization shall be applicable.

HEF / HT200 / HCBF / HPF / HHIF / HHIF-STP / HCMF-Savings Plus Plan

In respect of valid applications received upto 3.00 p.m. on a Business Day by the Fund along with a local cheque or a demand draft payable at par at the official Point(s) of acceptance 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 3.00 p.m. on a Business Day by the Fund along with a local cheque or a demand draft payable at par at the official Point(s) of acceptance where the application is received, the closing NAV of the next Business Day shall be applicable.

However, in respect of valid applications, with outstation cheques / demand drafts not payable at par at the official Point(s) of acceptance where the application is received, closing NAV of the day on which the cheque / demand draft is credited shall be applicable.

The AMC has the right to amend cut off times subject to SEBI Regulations for the smooth and efficient functioning of the Scheme(s).

SUBSCRIPTION OF UNITS THROUGH ELECTRONIC MODE

The Mutual Fund may allow subscriptions 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 credits to the designated bank collection account of the Scheme. The intermediary will aggregate the

data and forward the same to the AMC for processing. The Applicable NAV for subscriptions through Electronic Mode will be in accordance with the SEBI guidelines for Time Stamping and Cut Off Timings. The investor is required to send the signature card with the specimen signatures of all the applicants, to the AMC. In the case of signatures not being made available, any request received, whether financial / non-financial, including request for Redemption of Units, shall not be processed till such time that the specimen signature cards duly signed by the applicants are received by the AMC. As and when regulatory authorities permit the use of digital signatures, the Mutual Fund may implement the same in lieu of the physical signature cards. Unit holders may request for change of address/bank account etc. through this mode provided, such web-site(s) provide for such facility.

ISSUE OF BONUS UNITS

In the interest of the Unit holders and smooth functioning of the Fund, at an appropriate time, the Asset Management Company may decide to issue Bonus Units to all existing Unit holders. The Bonus Units may be declared to both the Plans or to any one Plan of the Scheme(s). For such declaration the Fund will announce a Record Date / Book Closure and all Unit holders whose names appear in the Register of Unit holders shall be eligible to be issued such Bonus Units. These Units will be pari-passu with the original Units. Bonus Units so issued will be credited to the Unit holders' account in the respective Plans. Pursuant to allotment of Bonus Units, the per Unit NAV of the respective Plans would fall in proportion to the Bonus Units allotted and as a result the total value of Units held by the Unit holder would remain the same. The issue of such Units will increase the number of Units held by the Unit holder in the Scheme(s) and so also the total number of Units outstanding

in the Scheme(s). This will result in proportionate fall in the NAV per Unit.

Fresh account statements will be sent to all Unit holders after the allotment of bonus Units.

UNITS WITH DEPOSITORY

Units of the respective Scheme(s) 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.

REDEMPTION OF UNITS

The Units can be Redeemed (i.e. sold back to the Mutual Fund) or Switched-out (**subject to completion of Lock-in Period**) 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.

(Investment in HTS will have to be kept for a minimum period of three years from the date of allotment of Units. After the said period of three years, the Unit holders shall have the option to tender the Units to the Mutual Fund for Redemption / Switch).

MINIMUM REDEMPTION AMOUNT

HEF / HT200 / HCBF / HPF / HHIF (under each Plan / Option)	HCMF (under each Plan / Option)					
	Savings Plan		Call Plan	Savings Plus Plan		
	Growth Option	Dividend Option	Growth & Dividend Option	Retail Option		Wholesale Option
				Growth, Weekly and Monthly Dividend Option	Daily Dividend Option	
Rs. 500 or 50 Units	Rs. 5,000 or 500 Units	Rs. 50,000 or 5,000 Units	Rs. 50,000 or 5,000 Units	Rs. 1,000 or 100 Units	Rs. 50,000 or 5,000 Units	Rs. 50,000 or 5,000 Units

HDFC Asset Management Company Limited (the AMC) reserves the right to change the minimum redemption amount, if it considers that such change is conducive to smooth and efficient functioning of the respective Scheme(s).

The Redemption would be permitted to the extent of 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. 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.

In case Units are held in Dematerialised (demat) mode, the Redemption request can be made by specifying the number of Units to be redeemed. The AMC reserves the right to change

the basis for Redemption through demat mode from unit basis to any other basis.

REDEMPTION PRICE

Redemption Price will be calculated on the basis of the Loads of different Plans / Options. The Redemption Price per Unit will be calculated using the following formula:

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

Example for 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 :

= Rs. 10.00 * (1-0.02)

= Rs. 10.00 * (0.98)

= Rs. 9.80

APPLICABLE NAV

FOR REDEMPTION / SWITCH-OUT

HCMF - SAVINGS PLAN & CALL PLAN

- i. In respect of valid applications received upto 3.00 p.m. at the Official Points of Acceptance, the closing NAV of the day immediately preceding the next business day shall be applicable; and
- ii. In respect of valid applications received after 3.00 p.m. at the Official Points of Acceptance, the closing NAV of the next business day shall be applicable.

HEF / HT200 / HCBF / HPF / HTS / HHIF / HCMF - Savings Plus Plan

In respect of valid applications received upto 3.00 p.m. on a Business Day by the Fund, same day's closing NAV shall be applicable.

In respect of valid applications received after 3.00 p.m. on a Business Day by the Fund, the closing NAV of the next Business Day shall be applicable.

The Mutual Fund shall ensure that there is an uniformity in time taken for issuing redemption proceeds to all investors.

For the purpose of a Systematic Withdrawal Advantage Plan (SWAP), the Applicable NAV in case of new enrolment will be determined as per the above procedure.

HDFC Asset Management Company Limited has the right to amend the cut - off times subject to SEBI Regulations, change the minimum application amount and the list of banks for the purposes of Transfer cheques as defined above, for the smooth and efficient functioning of the respective Scheme(s).

PAYMENT OF REDEMPTION PROCEEDS

- (a) For Unit holders having a bank account with HDFC Bank Limited or such other banks with whom the AMC would have an arrangement from time to time:

In case of Unit holders having a bank account with certain banks with whom the Mutual Fund would have an arrangement from time to time, the redemption / dividend proceeds shall be directly credited to their account. As per SEBI Regulations, the Mutual Fund shall despatch Redemption proceeds within 10 Business Days of receiving the Redemption request. A penal interest of 15% or such other rate as may be prescribed by SEBI from time to time, will be paid in case the redemption proceeds are not made within 10 Business Days of the date of Redemption request.

However, under normal circumstances, the Mutual Fund will endeavor to credit the first / sole Unit holder's account

with the Redemption proceeds within 3 Business Days (1 Business Day in case of HCMF - Savings Plan and Call Plan) from the acceptance of the Redemption request.

- (b) For other Unit holders not covered by (a) above and Unit holders covered by (a) but have given specific request for Cheque/Demand Draft :

Redemption proceeds will be paid by cheque and payments will be made in favour of the Unit holder (registered holder of the Units or, if there is more than one registered holder, only to the first registered holder) with bank account number furnished to the Mutual Fund (**please note that it is mandatory for the Unit holders to provide the Bank account details as per the directives of SEBI**). Redemption cheques will be sent to the Unit holders address (or, if there is more than one holder on record, the address of the first-named Unit 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, only 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. A penal interest of 15% or such other rate as may be prescribed by SEBI from time to time, will be paid in case the Redemption proceeds are not made within 10 Business Days of the date of Redemption request.

However, under normal circumstances, the Mutual Fund will endeavor to despatch the Redemption cheque within 4 Business Days (1 Business Day in case of HCMF - Savings Plan & Call Plan) from the acceptance of the Redemption request.

REDEMPTION 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 to the NRI investor's NRO account, where the payment for the purchase of the Units redeemed was made out of funds held in NRO account or
- (ii) Remitted abroad or at the NRI investor's option, credited to his / its NRE / FCNR / NRO 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.

BANK DETAILS

In order to protect the interest of investors from fraudulent encashment of cheques, the current SEBI Regulations, has made it mandatory for investors to mention in their application / Redemption request, the bank name and account number. The normal processing time may not be applicable in situations where such details are not provided by investors/unit holders. The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques and/or any delay/loss in transit.

Applications without complete bank details shall be rejected.

CLOSURE OF UNIT HOLDERS ACCOUNT

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

RIGHT TO LIMIT REDEMPTIONS

The Asset Management Company may, in the general interest of the Unit holders in each Plan(s) of the Scheme(s), keeping in view the unforeseen circumstances / unsure conditions, limit the total number of Units which may be Redeemed on any Business Day to 15% of the total number of Units then in issue under each Plan(s) of the Scheme(s) or such higher percentage as the Asset management Company may decide in any particular case. Any action taken by the Asset Management Company to redemption units will be informed to SEBI in advance. 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. Redemption so carried forward will be priced on the basis of 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-rate basis, based of the size of each redemption request, the balance amount being carried forward for Redemption to the next Business Day(s).

SUSPENSION OF SALE / REDEMPTION / SWITCHING OPTIONS OF THE 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(s) (including any one of the Plan of any of 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(s) 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(s), without which the value of the securities of the Scheme(s) 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(s) [including any one Plan of the Scheme(s)], 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(s).

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.

SALE AND REDEMPTION OF DEMAT UNITS THROUGH STOCK EXCHANGES

An investor may, if he / she / it so desires, use his / her / its existing demat account ("demat") in respect of the demat Units of such of the Scheme(s) (as may be decided by the AMC from time to time) and in that case may avail of the advantage of the automated trading, clearing and settlement system of stock exchange(s) / Clearing Corporations, for sale and redemption of the demat Units of the Scheme(s). Availability of wide reach of such a system, will make transacting in the demat Units operationally convenient. An investor may approach a broker, for this purpose, who is a registered member (Participant / Trading Member Broker) of a stock exchange / clearing house / clearing corporation, with which the Fund has entered into an agreement / understanding in this regard (hereinafter referred to as the "Designated Stock Exchanges / Designated Clearing Corporation") and place an order for the sale / redemption of demat Units to the Broker.

The Fund has entered into necessary agreement with National Stock Exchange of India Limited (NSEIL) and its wholly owned clearing corporation, National Securities Clearing Corporation Limited (NSCCL) for availing their automated trading, clearing and settlement system for Sale and Redemption of Demat Units of the Fund, namely the Mutual Fund Service System (MFSS)

Orders placed for the sale / redemption of demat Units by the Brokers of the Designated Stock Exchange / Designated Clearing Corporation will be transacted by the Fund at the same price at which sale and redemption is being done on that day for Units in the present (physical) mode. Both Sale as well as Redemption is being effected at NAV based prices.

Investors desiring of transaction in demat Units should note the following ;

Units for purchase as well as for redemption in demat mode through the Designated Stock Exchange is presently open only for Resident investors (excluding non-resident investors as well as investors who have custodians handling the settlement of their investments). Switching of demat Units (inter scheme as well as intra scheme) is presently not being made available.

Procedure for Purchase of demat Units over the stock exchange(s)

1.1 Purchase of demat Units by Investors :

Purchase of demat Units may be made through Brokers of Designated Stock Exchanges / Designated Clearing Corporation and for a specific number of demat Units. The AMC however, reserves the right to change the basis for purchase through demat mode from number of Units' basis to any other basis.

Under the instructions issued by the Designated Stock Exchanges / Designated Clearing Corporations, the Broker registered with such Designated Stock Exchanges / Designated Clearing Corporation is legally bound to supply to the investor the abridged offer document for the specific scheme (made available to the Broker by the Fund through such Designated Stock Exchange / Designated Clearing Corporation) and procure the completed application form from the investor for the Broker's record before accepting the first order from any investor. However, for subsequent investments, completed order confirmation / transaction slips containing the relevant details may be adequate. Under the procedure prescribed by the Designated Stock Exchange / Designated Clearing Corporation, the Broker is under an obligation to furnish to the investor an order confirmation / transaction slip for the purchase order.

1.2 Sale Price of demat Units by Investor

The sale will be effected at ongoing sale price. The applicable Sale Price as aforesaid for the sale of demat Units will be the same as applicable for Units subscribed in the normal (physical) mode. For further details please refer the paragraph on "Ongoing Sale Price" and **"Applicable NAV for Sale / Switch-in of units"** on **Page No. 66**. Investors may pay for the demat Units subscribed to the broker.

1.3 Allotment of demat Units ;

The Designated Stock Exchange / Designated Clearing Corporation and the Fund would agree upon a settlement cycle Schedule for the orders placed by the investors with the Brokers for purchase of demat Units from time to time. For the time being the settlement cycle is T + 2 (Such cycle may be changed by the Designated Stock Exchange / Designated Clearing Corporation and accordingly by the Fund), with T being the transaction day, i.e. the demat units of the Scheme would be delivered to the Designated Clearing Corporation on the 2nd Business Day from the transaction day. On a settlement day, subject to the Fund receiving confirmation from the Designated Stock

Exchange / Designated Clearing Corporation of the payment proceeds, the Fund will make delivery of the demat Units to the Designated Clearing Corporation of the Designated Stock Exchange. The Designated Clearing Corporation will then credit the demat Units on the respective Broker's pool account. Under the procedure prescribed by the Designated Stock Exchange / Designated Clearing Corporation, there upon the Broker is under an obligation to credit the respective demat account of the Unit holder. However, the credit of demat Units by the Fund to the Designated Clearing Corporation of the Designated Stock Exchange will constitute full discharge of the Fund of its obligation to allot demat Units to the investor and for this purpose, the Investor shall have constituted the Broker of the Designated Stock Exchange as his / her its authorised agent. Kindly see "Risk Factors specific to Sale and Redemption of demat Units through Stock Exchange" below.

2. Procedure for Redemption of Demat Units

2.1 Minimum amount / Units for redemption of demat Units;

The redemption is permitted to the extent of the credit balance in the Unit holder's demat account. The redemption request may be made by specifying the number of demat Units to be redeemed. However demat Units which have been locked in for a specific period of time may not be redeemed till the expiry of the lock in period. The AMC however, reserves the right to change the basis of redemption through demat mode from Units basis to any other basis.

2.2 How to redeem demat Units ?

Resident investors may redeem their dematerialised Units by placing an order with a Broker which is a member of the Designated Stock Exchange / Designated Clearing Corporation, for the demat Units to be redeemed by the Fund. As with any dematerialised securities, the demat Units will have to be transferred to the Broker's demat account from the Unit holder's demat account, and then offered for redemption to the Fund through the Designated Stock Exchange / Designated Clearing Corporation. Under the procedure prescribed by the Designated Stock Exchange / Designated Clearing Corporation, the Broker is under an obligation to furnish to the investor an order confirmation / transaction slip for the redemption order. The Transactions will be settled according to the redemption order. The transactions will be settled according to the prevailing settlement cycle of the Designated Stock Exchange / Designated Clearing Corporation.

2.3 Redemption Price of demat Units

The Redemption will be effected at Redemption Price. The applicable Redemption Price as aforesaid for the redemption of demat Units will be same as applicable for Units redeemed in the present (physical) mode. Units tendered for redemption through the demat mode will be priced at the Applicable NAV less Exit Load, if any. Please refer paragraph on "Redemption Price" and **"Applicable NAV for Redemption / Switch-out of Units"** on **Page No. 68**.

2.4 Payment of Redemption Proceeds

The Designated Stock Exchange / Designated Clearing Corporation and the Fund, would agree upon a settlement cycle / schedule for the orders placed by the investors with the Brokers for redemption of demat Units from time to time. For the time being the settlement cycle is T + 2 (Such cycle may be changed by the Designated Stock Exchange / Designated Clearing Corporation and accordingly by the

Fund), with T being the transaction day i.e. the redemption proceeds of the Scheme(s) would be paid to the Designated Clearing Corporation on 2nd Business Day from the transaction day. On settlement day, subject to the Fund receiving confirmation from the Designated Clearing Corporation of the availability of demat Units offered for redemption, the Fund will pay the redemption proceeds to the Designated Clearing Corporation of the Designated Stock Exchange. The Designated Clearing Corporation will then credit the redemption proceeds to the respective Broker's pool account. Under the procedure prescribed by the Designated Stock Exchange / Designated Clearing Corporation, the Broker is under an obligation thereupon to pay the respective redemption proceeds to the Unit holder. However, the payment of redemption proceeds by the Fund to the Designated Clearing Corporation of the Designated Stock Exchange will constitute full discharge of the Fund of its obligation to pay the redemption price of the demat Units to the investor and for this purpose, the Investor shall have constituted the Broker of the Designated Stock Exchange as his / her / its authorised agent.

Other Information

Expenses incurred for the above distribution channel will form a part of the overall expense limit stated under Regulation 52 of SEBI (Mutual Funds) Regulations, 1996. Any expenditure over and above the set limits shall be borne by the Asset Management Company and / or the Trustee and / or the Sponsor.

Risk Factors specific to Sale and Redemption of Demat Unit through Designated Stock Exchange / Designated Clearing Corporation.

The Demat Units being offered / sold / redeemed / are not approved or disapproved by NSEIL / NSCCL and / or the Designated Stock Exchange / Designated Clearing Corporation nor have NSEIL / NSCCL and / or the Designated Stock Exchange / Designated Clearing Corporation certified the accuracy or adequacy of this Offer Document. NSEIL / NSCCL and / or the Designated Stock Exchange / Designated Clearing Corporation does not provide any assurance that the demat Units will continue to be offered / sold / redeemed on MFSS of NSEIL / NSCCL and / or on the Designated Stock Exchange(s) in the future. The investment risk of the demat Units offered / sold / redeemed through MFSS of NSEIL / NSCCL or through the Designated Stock Exchange / Designated Clearing Corporation shall solely rest with the investor and the investor shall have no claim against NSEIL / NSCCL and / or the Designated Stock Exchange / Designated Clearing Corporation in respect thereof.

A prospective investor purchasing / repurchasing / redeeming demat Units, which are offered / sold / redeemed through MFSS of NSEIL / NSCCL or through the Designated Stock Exchange / Designated Clearing Corporation shall be dealing with the concerned participants (Trading / Clearing Member / Broker) and not with the representative of the Fund or NSEIL / NSCCL and / or the Designated Stock Exchange / Designated Clearing Corporation.

The Fund and its Trustee shall stand discharged of their sale / redemption obligations to the unit holders on credit of demat Units / payment of funds, as the case may be, to the NSCCL of NSEIL and / or the Designated Clearing Corporation of the Designated Stock Exchange, and for this purpose, the Investor shall have constituted the Participant / Trading Member Broker of NSEIL and / or the Designated Stock Exchange as his / her /

its authorised agent.

For the demat Units purchased through MFSS of NSEIL and / or through the Designated Stock Exchange, the investor pays the Participants / Trading Member Broker, and relies on the Participant / Trading Member / Broker for receiving the credit of demat Units into his / her / its demat account. For Redemption through MFSS of NSEIL and / or through the Designated Stock Exchange, the Investor transfers the demat Units from his / her / its demat account to the Participant Trading member Broker's demat account, and relies upon the Participants / Trading Member / Broker through NSEIL / NSCCL and / or the Designated Clearing Corporation of the Designated Stock Exchange.

Neither NSEIL / NSCCL and / or the Designated Stock Exchange or the Designated Clearing Corporation nor the Fund guarantees or assures performance of the aforesaid obligations of the Participant / Trading Member / Broker either for delivery of demat securities purchased by the Investor through MFSS of NSEIL and / or through the Designated Stock Exchange or of payment of redemption / redemption proceeds to the investor in respect of demat Units redeemed through NSEIL / NSCCL and / or the Designated Stock Exchange / Designated Clearing Corporation.

In the event of non-performance of the aforesaid obligations by a Trading Member registered with NSEIL / NSCCL, the investor is not entitled to claim any compensation either from the Investor Protection Fund or from any other fund of NSEIL / NSCCL.

Any dispute between the investor and such Trading Member in respect of orders for sale / redemption of demat Units shall be submitted to the Investor Grievance Mechanism prescribed by NSEIL / NSCCL from time to time. If the dispute between the investor and the Trading Member could not be resolved through such mechanism, of the aggrieved parties shall refer such dispute to the arbitration / dispute resolution mechanism prescribed by NSEIL / NSCCL from time to time.

The order confirmation slip generated by the system and issued by the Trading member to the investor shall be conclusive evidence of the order being put on the system on behalf of the Investor by the Trading Member in this regard.

Prospective investor should consider utilising the facility for sale and redemption of Demat Units through Designated Stock Exchanges only after fully understanding and comprehending the aforesaid risks of dealing through Brokers.

Rematerialisation of demat Units

Investors have the option to rematerialise their existing demat Units. The request for rematerialising the demat Units may be given to the respective Depository Participant (DP) of the investor. On receiving the confirmation of demat Units balance, account statement for the physical Units shall be issued. The same number of Units held in the demat mode shall be continued in the physical mode. Rematerialisation of demat Units shall be processed within the stipulated thirty days from the date of receipt of such a request, provided it is complete and valid in all respects.

Dematerialisation of existing physical Units

Existing Unit holders having an account statement may dematerialise their Units. Necessary request for this may be submitted to the investors DP along with the account statement issued by the Fund. The same number of Units held in the physical mode shall be continued in the demat mode. Requests for dematerialisation shall be processed within the stipulated fifteen days, from the date of receipt of such a request, provided it is complete and valid in all respects.

Suspension of sale / redemption of demat Units

The AMC may at its sole discretion suspend the sale / redemption of demat Units of any Scheme(s) or any plan(s) of Scheme(s) either temporarily or permanently on one or more Designated Stock Exchange(s). During the period when there is a temporary suspension Units will not be sold / redeemed by the Fund. On permanently suspending the sale / redemption of Units, existing Units held in the dematerialised mode shall be rematerialised and account statements despatched to them. Subsequently, requests for any transaction will be effected in the physical mode only.

SALE AND REDEMPTION OF DEMAT UNITS THROUGH DEPOSITORY PARTICIPANTS

Dematerialised Units of the Fund may also be purchased / sold through the Depository Participants registered with Securities and Exchange Board of India and with whom the Fund has entered into an agreement with (hereinafter referred to as Designated DP). The investor may use the existing demat account to also hold the units of the Fund. These trades will be dealt as off-market transactions.

The automated settlement system of demat units and the local presence of Depository Participants shall enable wide reach of distribution of demat unit.

Orders placed for the sale / redemption of demat Units by the Unit holders will be transacted by the Fund at the same price at which sale and redemption is being done on that day for Units in the present (physical) mode.

Investors desiring of transacting in demat Units should note the following :

Units for purchase as well as for redemption in demat mode through the Designated Stock Exchange is presently open only for Resident investors (excluding non-resident investors as well as investors who have custodians handling the settlement of their investments). Switching of demat Units (inter scheme as well as intra scheme) is presently not being made available.

Procedure for Purchase of demat Units through Depository Participants

1.1 Purchase of demat Units by Investors

Purchase of demat Units may be made through Depository Participants for a specific amount. Application Form duly filled in along with the cheque favouring the Designated DP should be submitted at the office of the Designated DP or their respective branches appointed to do this activity. The AMC however, reserves the right to change the basis for purchase through demat mode amount basis to any other basis.

1.2 Sale Price of demat Units

The sale will be effected at ongoing sale price. The applicable Sale Price as aforesaid for the sale of demat

Units will be the same as applicable for Units subscribed in the normal (physical) mode. For further details please refer the paragraph on "Ongoing Sale Price" and **"Applicable NAV for Sale / Switch-in of units"** on **Page No. 66**. Investors may pay for the demat Units subscribed to the broker.

1.3 Allotment of demat Units

The Designated DP and the Fund would agree upon a settlement cycle / schedule for the orders placed by the investors from time to time. For the time being the settlement cycle is T + 3, with T being the transaction day, i.e. the demat units of the Scheme(s) would be delivered to the Designated DP on the 3rd Business Day from the transaction day. On the settlement day, subject to the Fund receiving confirmation from the Designated DP on the payment proceeds, the Fund will arrange to credit the demat Units to the respective investor's demat account.

2. Procedure for Redemption of Demat Units

2.1 Minimum amount / Units for redemption of demat Units

The redemption is permitted to the credit balance in the Unit holder's demat account. The redemption request may be made by specifying the number of demat Units to be redeemed. However, demat Units which have been locked in for a specific period of time may not be redeemed till the expiry of the lock in period. The AMC however, reserves the right to change the basis for redemption through demat mode from Unit basis to any other basis.

2.2 How to redeem demat Units ?

Investors may redeem their demat Units by issuing a transfer slip, requesting transfer of the demat units to the Redemption Account of the fund maintained with the Designated DP.

2.3 Redemption Price of Demat Units

The Redemption will be effected at Redemption Price. The applicable Redemption Price as aforesaid for the redemption of demat Units will be same as applicable for Units redeemed in the present (physical) mode. Units tendered for redemption through the demat mode will be priced at the Applicable NAV less Exit Load, if any. Please refer paragraph on **"Redemption Price"** and **"Applicable NAV for Redemption / Switch-out of Units"** on **Page No. 68**.

2.4 Payment of Redemption Proceeds

The Designated DP and the Fund, would agree upon a settlement cycle / schedule for the orders placed by the investors from time to time. For the time being the settlement cycle is T + 3, with T being the transaction day, i.e. the redemption proceeds of the Scheme(s) would be paid to the Designated DP on the 3rd Business Day from the transaction day. On settlement day the Fund will pay the redemption proceeds to the respective investors.

SECTION IV

LOAD STRUCTURE & RECURRING EXPENSES

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 / Load (as a % of Applicable NAV)

Particulars	HDFC Equity Fund / HDFC Top 200 Fund / HDFC Capital Builder Fund / HDFC TaxSaver / HDFC Prudence Fund	HDFC High Interest Fund	
		Regular Plan	Short Term Plan
Maximum Sales Load imposed on Purchases / Switch-in	<ul style="list-style-type: none"> In respect of each purchase / Switch - in of Units, less than Rs. 5 crore in value, an Entry Load of 2.25% is payable. In respect of each purchase / Switch - in of Units, equal to or greater than Rs. 5 crore in value, no Entry Load is payable. 	Nil	Nil
Sales Load on issue of Units in lieu of dividends	Nil	Nil	Nil
Contingent Deferred Sales Charge ('CDSC') (based on the period of holding)	Nil	Nil	Nil
Redemption / Exit Load	HDFC Equity Fund / HDFC Capital Builder Fund / HDFC TaxSaver : Nil HDFC Prudence Fund / HDFC Top 200 Fund <ul style="list-style-type: none"> In respect of each purchase / switch-in of Units less than Rs. 5 crore in value, on Exit Load of 1.00% is payable if Units are redeemed / switched-out within 1 year from the date of allotment. In respect of each purchase / switch-in of Units equal to or greater than Rs. 5 crore in value, no Exit Load is payable. 	<ul style="list-style-type: none"> In respect of each purchase / switch-in of Units upto and including Rs. 10 lakhs in value, an Exit Load of 0.50% is payable, if the Units are redeemed / switched-out within 6 months from the date of allotment. In respect of each purchase / switch-in of Units greater than Rs. 10 lakhs in value, no Exit Load is payable. 	Nil

Particulars	HCMF (as a % of Applicable NAV)		
	Savings Plus Plan	Call Plan	Savings Plan
Maximum Sales Load imposed on Purchases	Nil	Nil	Nil
Sales Load on issue of Units in lieu of dividends	Nil	Nil	Nil
Contingent Deferred Sales Charge (CDSC) (based on the period of holding)	Nil	Nil	Nil
Redemption Load / Exit Load	Nil	Nil	Nil

Note :

- No Loads shall be imposed for switching between Plans within the Scheme. No Loads shall be imposed for switching between options within the respective Plans in case of **HCMF**.
- No Entry / Exit Load will be levied on the dividend reinvested.
- Inter Scheme Switches : (Except HDFC Index Fund) No Entry Load is applicable for switches within Equity Schemes, Balanced Schemes, Equity to Balanced Schemes and vice - versa.
- No Entry / Exit Load will be levied for investments by Fund of Fund scheme(s) launched under SEBI (Mutual Funds)

Regulations, 1996 in the Scheme. However, the waiver of Entry / Exit Load will be at the sole discretion of the Trustee and the Trustee reserves the right to impose Entry / Exit Load (as applicable) on investments made by any Fund of Fund scheme.

- SIP :

a) HEF, HT200, HCBF, HTS and HPF

Entry Load	<ul style="list-style-type: none"> In respect of each SIP Installment less than Rs. 5 crore in value, an Entry Load of 2.25% is payable. In respect of each SIP Installment equal to or greater than Rs. 5 crore in value, no Entry Load is payable.
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Exit Load	HT200/HPF: <ul style="list-style-type: none"> In respect of each SIP installment less than Rs. 5 crore in value, an Exit Load of 1.00% is payable if Units are redeemed/switched-out within 1 year from the date of allotment. In respect of each SIP Installment equal to or greater than Rs. 5 crore in value, no Exit Load is payable. HEF/HCBF: Nil The Exit Load provisions will not be applicable for HTS as the units are locked-in for a period of 3 years.
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b) **HHIF and HCMF - Savings Plus Plan and HSGF**

Entry Load	No Entry Load for each SIP investment irrespective of the amount (per folio, per due date, per Scheme / Plan / Option).
Exit Load	Applicable Entry Load (% wise) originally waived will be levied if units are redeemed on or before 2 years from the date of allotment of units. Further, applicable Exit Load, if any, in the Scheme / Plan / Option as on the date of allotment of units will also be levied

(vi) STP :

- (a) Load Structure for investments through STP to the following Transferee Schemes viz. HDFC Equity Fund, HDFC Top 200 Fund, HDFC Capital Builder Fund, HDFC Prudence Fund and HDFC TaxSaver are as follows :

Entry Load:

HEF/HT200/HCBF/HTS and HPF

The amount transferred under the STP from the Transferor Scheme to the Transferee Scheme shall be effected by redeeming units of Transferor Scheme at applicable NAV, **without payment of any Exit Load**, if any, and subscribing to the units of the Transferee Scheme at applicable NAV, **subject to payment of Entry Load as under:**

- 2.25%** in respect of each investment through STP less than Rs. 5 crore; and
- Nil** in respect of each investment through STP equal to or greater than Rs. 5 crore.

In case the date falls on a Non-Business Day or falls during a book closure period the immediate next Business Day will be considered for the purpose of determining the applicability of NAV.

Exit Load

HT200/HPF

- In respect of each investment through STP less than Rs. 5 crore in value, an Exit Load of 1% is payable if units are redeemed / switched-out on or before 1 year from the date of allotment of units.
- In respect of each investment through STP equal to or greater than Rs. 5 crore in value, no Exit Load is payable.

HEF/HCBF: Nil

The Exit Load provisions will not be applicable for HTS as the units are locked-in for a period of 3 years.

- (b) Load Structure for investments through STP to HDFC High Interest Fund and HDFC Cash Management Fund :

The amount transferred under STP from the Transferor Scheme to the Transferee Scheme shall be effected by redeeming units of Transferor Scheme at applicable NAV, **without payment of any Exit Load**, if any, and subscribing to the units of the Transferee Scheme at applicable NAV, **without payment of any Entry Load**, if any, as on the specified date of a month or a quarter. In case the date falls on a Non-Business Day or falls during a book closure period, the immediate next Business Day will be considered for the purpose of determining the applicability of NAV.

The applicable Entry Load (% wise) originally waived will be levied in the Transferee Scheme if units are redeemed on or before expiration of two years from the date of transfer.

Further, applicable Exit Load, if any, in the Transferee Scheme / Plan / Option as on the date of allotment of units will also be levied.

The AMC reserves the right to modify / change the Load structure if it so deems fit in the interest of smooth and efficient functioning of the Mutual Fund. The AMC reserves the right to introduce an Entry Load and / or Exit Load / CDSC with prospective effect depending upon the circumstances prevailing at that time. The Load / CDSC may also be changed from time to time and in the case of an Exit / Redemption Load / CDSC this may be linked to the period of holding. The AMC may charge a Load for Switch of Units between the various Plans of the Scheme(s) and this Load may be different from the Sales Load charged for Sale of new Units. The Load / CDSC charged could also be different for different Plans of the Scheme(s) at the same time. All Loads / 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(s), whenever felt appropriate by the AMC.

The Redemption Price however, will not be lower than 93% of the NAV, and the Sale Price will not be higher than 107% of the NAV, provided that the difference between the Redemption price and Sale price at any point in time shall not exceed the permitted limit as prescribed by SEBI from time to time which is presently 7% calculated on the Sale Price.

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

- 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.
- 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.
- The introduction of the Exit Load alongwith the details will be stamped in the acknowledgement slip issued to the investors on submission of the application form and will also be disclosed in the Account Statement or in the covering letter issued to the Unit holders after the introduction of such Load.

2. ANNUAL RECURRING EXPENSES FOR THE SCHEME(S)

The fees and expenses of operating the respective Scheme(s) on an annual basis, expressed as a percentage of the respective Scheme(s) average weekly net assets, are estimated as follows:

(% per annum of average weekly net assets)

	HEF	HT200	HCBF	HTS	HPF	HHIF		HCMF		
						Regular Plan	Short Term Plan	Savings Plan	Savings Plus Plan	Call Plan
Investment Management and Advisory	1.25	1.25	1.25	1.25	1.25	1.25	1.25	0.60	0.70	0.60
Trustee Fee	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Custodian Fees / Depository Charges	0.25	0.30	0.25	0.25	0.25	0.30	0.30	0.10	0.15	0.10
Marketing and Selling Expenses	0.50	0.35	0.75	0.50	0.50	0.00	0.00	0.10	0.20	0.10
Registrar and Transfer Agent Fees	0.35	0.35	0.15	0.35	0.30	0.35	0.35	0.10	0.10	0.10
Audit Fees	0.05	0.20	0.05	0.10	0.05	0.30	0.30	0.03	0.03	0.03
Other Expenses (including service tax)	0.09	0.04	0.04	0.04	0.14	0.04	0.04	0.06	0.06	0.06
Total	2.50	2.50	2.50	2.50	2.50	2.25	2.25	1.00	1.25	1.00

These estimates have been made in good faith by the AMC and are subject to change inter se. The expenses may under any head be more or less than as specified in the table above, but the total recurring expenses that can be charged to the Scheme(s) will be subject to limits prescribed from time to time under the SEBI Regulations.

The AMC may charge the Mutual Fund with investment management and advisory fee as prescribed in the SEBI Regulations from time to time. Presently, the SEBI Regulations permit fees as follows:

- 1.25% of the weekly average net assets outstanding in each accounting year for the Scheme concerned as long as the net assets do not exceed Rs.100 crore, and
- 1% of the excess amount over Rs.100 crore, where net assets so calculated exceed Rs.100 crore.

The figures in the table alongside are estimates and are subject to change as per actual expenses incurred. However, the total expenses, which will be charged to the Scheme(s), as prescribed by SEBI, will be subject to limits of:

(% per annum of average weekly net assets)

Scheme	First Rs.100 crore	Next Rs.300 crore	Next Rs.300 crore	Balance Assets
HEF	2.50	2.25	2.00	1.75
HT200	2.50	2.25	2.00	1.75
HCBF	2.50	2.25	2.00	1.75
HTS	2.50	2.25	2.00	1.75
HPF	2.50	2.25	2.00	1.75
HHIF				
– Regular Plan	2.25	2.00	1.75	1.50
– Short Term Plan	2.25	2.00	1.75	1.50
HCMF				
– Savings Plan	2.25	2.00	1.75	1.50
– Savings Plus Plan	2.25	2.00	1.75	1.50
– Call Plan	2.25	2.00	1.75	1.50

Any expenditure in excess of the limits specified above, shall be borne by the AMC or by the Trustee or the Sponsor. Further, as and when permitted by SEBI, the AMC may charge a higher fee for that part of the unit capital that is invested overseas. However, revision in fee charged shall be within the SEBI Regulations at all times.

The recurring expenses of the Scheme(s) shall be as per the limits prescribed under the SEBI Regulations.

The total expenses of the Scheme(s) including the investment management and advisory fee shall not exceed the limit stated in Regulation 52(6).

However, the following expenses cannot be charged to the Scheme(s) :

- Penalties and fines for infraction of laws.
- Interest on delayed payment to the Unit holders.
- Legal, marketing, publication and other general expenses not attributable to the Scheme.
- Expenses on investment / general management.
- Expenses on general administration, corporate advertising and infrastructure costs.
- Depreciation on fixed assets and software development expenses.
- Such other costs as may be prohibited by SEBI.

Each item of expenditure accounting for more than 10% of total expenditure shall be disclosed in the accounts or the notes thereto of the Scheme(s).

3. Fees and Expenses and Condensed Financial Information

i) The initial issue expenses of the schemes launched during the last fiscal year and during the period April 1, 2007 to September 30, 2007 are as follows :

HDFC Fixed Maturity Plans

Initial Issue Expense Head	Estimated as per Offer Document	Actuals (unaudited)				
		3M May 2006 (1)	3M June 2006 (1)	6M June 2006 (1)	13M June 2006 (1)	3M July 2006 (1)
		(as a % of Target Mobilisation)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)
Advertising Expenses	0.85	Nil	Nil	Nil	Nil	Nil
Commission to Agents / Brokers	0.50	Nil	Nil	Nil	0.0500	Nil
Registrars Expenses	0.05	0.0001	0.0002	0.0001	0.0002	0.0010
Printing and Marketing Expenses	0.25	#	#	Nil	Nil	Nil
Postage and Miscellaneous Expenses	0.20	0.0006	0.0004	0.0020	0.0010	Nil
Bankers Fees	0.05	#	#	#	#	0.0051
Legal Fees	0.10	Nil	Nil	Nil	Nil	0.0060
Total	2.00	0.0007	0.0006	0.0021	0.0512	0.0121
Expenses charged to the Scheme	-	Nil	Nil	Nil	Nil	Nil
Expenses borne by the AMC	-	0.0007	0.0006	0.0021	0.0512	0.0121

Initial Issue Expense Head	Estimated as per Offer Document	Actuals (unaudited)						
		6M July 2006 (1)	13M July 2006 (1)	3M August 2006 (1)	13M August 2006 (1)	26M August 2006 (1)	3M Sept 2006 (1)	13M Sept 2006 (1)
		(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)
Advertising Expenses	0.85	Nil	Nil	Nil	Nil	0.0029	0.0002	0.0005
Commission to Agents / Brokers	0.50	Nil	0.2229	Nil	0.1448	0.6862	Nil	0.0490
Registrars Expenses	0.05	0.0021	0.0011	0.0009	0.0038	0.0019	0.0004	0.0013
Printing and Marketing Expenses	0.25	Nil	0.0002	#	0.0024	0.0051	#	0.0002
Postage and Miscellaneous Expenses	0.20	0.0005	0.0003	Nil	0.0021	0.0020	0.0003	0.0001
Bankers Fees	0.05	0.0130	0.0002	0.0005	0.0020	0.0006	0.0012	0.0036
Legal Fees	0.10	0.0151	0.0018	0.0009	0.0031	0.0007	0.0005	0.0015
Total	2.00	0.0307	0.2265	0.0023	0.1582	0.6993	0.0027	0.0562
Expenses charged to the Scheme	-	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses borne by the AMC	-	0.0307	0.2265	0.0023	0.1582	0.6993	0.0027	0.0562

HDFC Fixed Maturity Plans - Series II

Initial Issue Expense Head	Estimated as per Offer Document	Actuals (unaudited)				
		18M October 2006	17M November 2006	90D November 2006	16M December 2006	90D December 2006
		(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)
Advertising Expenses	0.85	#	Nil	Nil	Nil	0.0004
Commission to Agents / Brokers	0.50	0.1807	0.2285	Nil	0.0773	Nil
Registrars Expenses	0.05	0.0007	0.0016	#	0.0009	0.0004
Printing and Marketing Expenses	0.25	0.0035	0.0003	#	Nil	0.0001
Postage and Miscellaneous Expenses	0.20	Nil	Nil	Nil	Nil	#
Bankers Fees	0.05	0.0010	0.0016	0.001	0.0017	0.0006
Legal Fees	0.05	Nil	Nil	Nil	Nil	Nil
Bank Charges	0.05	#	0.0015	#	0.0002	Nil
Total	2.00	0.1860	0.2333	0.0016	0.0801	0.0015
Expenses charged to the Scheme	-	Nil	Nil	Nil	Nil	Nil
Expenses borne by the AMC	-	0.1860	0.2333	0.0016	0.0801	0.0015

less 0.0001%.

HDFC Fixed Maturity Plans - Series III and HDFC Fixed Maturity Plans - Series IV

Initial Issue Expense Head	Estimated as per Offer Document	Actuals (unaudited)					
		HDFC FMP SERIES III				HDFC FMP SERIES IV	
	(as a % of Target Mobilisation)	FMP 16M Jan 07	FMP 90D Jan 07	FMP 15M Feb 07	FMP 14M Mar 07	FMP 90D Feb 07	FMP 90D Mar 07
		(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)
Advertising Expenses	0.85	0.0005	0.0005	0.0012	0.0002	0.0004	0.0002
Commission to Agents/Brokers	0.50	0.0957	Nil	0.2441	0.1109	Nil	Nil
Registrars' Expenses	0.05	0.0007	0.0004	0.0023	0.0006	0.0006	0.0008
Printing & Marketing Expenses	0.25	0.0010	0.0004	0.0005	0.0048	0.0002	0.0007
Postage & Miscellaneous Expenses	0.20	Nil	Nil	Nil	Nil	Nil	Nil
Banker's Fees	0.05	0.0007	0.0004	0.0021	0.0005	0.0007	0.0006
Legal Fees	0.05	Nil	Nil	Nil	Nil	Nil	Nil
Bank Charges	0.05	#	0.0004	0.0001	#	0.0003	Nil
Total	2.00	0.0987	0.0021	0.2504	0.1170	0.0022	0.0023
Expenses charged to the Scheme	-	Nil	Nil	Nil	Nil	Nil	Nil
Expenses borne by the AMC	-	0.0987	0.0021	0.2504	0.1170	0.0022	0.0023

HDFC Fixed Maturity Plans - Series V

Initial Issue Expense Head	Estimated as per Offer Document	Actuals (unaudited)											
		HDFC FMP SERIES V											
	(as a % of Target Mobilisation)	FMP 15M Mar 07	FMP 90D April 07	FMP 181D April 07	FMP 367D April 07	FMP 90D May 07	FMP 181D May 07	FMP 367D May 07	FMP 24M May 07	FMP90D June 07	FMP181D June 07	FMP367D June 07	FMP36M June 07
		(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)
Advertising Expenses	0.85	Nil	0.0001	0.0014	0.0002	Nil	Nil	Nil	Nil	0.0002	0.0028	0.0017	Nil
Commission to Agents/Brokers	0.50	0.1526	Nil	Nil	0.1850	Nil	Nil	0.1913	0.2723	Nil	Nil	0.2181	0.8156
Registrars' Expenses	0.05	0.0010	0.0008	0.0016	0.0016	0.0033	0.0046	0.0026	0.0062	0.0017	0.0139	0.0077	0.0056
Printing & Marketing Expenses	0.25	0.0021	#	0.0032	0.0012	0.0002	0.0005	0.0001	0.0008	0.0001	0.0010	0.0006	Nil
Postage & Miscellaneous Expenses	0.20	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Banker's Fees	0.05	0.0009	0.0007	0.0017	0.0009	0.0035	0.0071	0.0018	0.0103	0.0018	0.0254	0.0082	0.0059
Legal Fees	0.05	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bank Charges	0.05	#	0.0001	Nil	0.0001	0.0001	0.0005	#	Nil	#	#	#	0.0014
Total	2.00	0.1566	0.0018	0.0080	0.1890	0.0071	0.0127	0.1958	0.2896	0.0038	0.0431	0.2363	0.8285
Expenses charged to the Scheme	-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses borne by the AMC	-	0.1566	0.0018	0.0080	0.1890	0.0071	0.0127	0.1958	0.2896	0.0038	0.0431	0.2363	0.8285

HDFC Fixed Maturity Plans - Series VI

Initial Issue Expense Head	Estimated as per Offer Document	Actuals (unaudited)			
		HDFC FMP SERIES VI			
	(asa % of Target Mobilisation)	FMP 90D August 07	FMP 367D August 07	FMP 90D September 07	FMP 367D September 07
		% of Amount Mobilised	% of Amount Mobilised	% of Amount Mobilised	% of Amount Mobilised
Advertising Expenses	0.85	0.0004	Nil	0.0001	0.0015
Commission to Agents/Brokers	0.50	Nil	0.0850	Nil	0.1057
Registrars' Expenses	0.05	0.0007	0.0009	0.0005	0.0043
Printing & Marketing Expenses	0.25	0.0001	0.0019	0.0001	0.0007
Postage & Miscellaneous Expenses	0.20	Nil	Nil	Nil	Nil
Banker's Fees	0.05	Nil	Nil	Nil	Nil
Legal Fees	0.05	Nil	Nil	Nil	Nil
Bank Charges	0.05	Nil	Nil	Nil	0.0012
Total	2.00	0.0012	0.0877	0.0007	0.1134
Expenses charged to the Scheme	-	Nil	Nil	Nil	Nil
Expenses borne by the AMC	-	0.0012	0.0877	0.0007	0.1134

Less than 0.0001%

HDFC Quarterly Interval Fund

Initial Issue Expense Head	Estimated as per Offer Document	Actuals (unaudited)		
		HDFC Quarterly Interval Fund – Plan A	HDFC Quarterly Interval Fund – Plan B	HDFC Quarterly Interval Fund – Plan C
	(as a % of Target Mobilisation)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)	(as a % of Amount Mobilised)
Advertising Expenses	0.85	Nil	0.0003	Nil
Commission to Agents/Brokers	0.50	Nil	Nil	Nil
Registrars' Expenses	0.05	0.0008	0.0005	0.0011
Printing & Marketing Expenses	0.25	0.0015	0.0005	0.0004
Postage & Miscellaneous Expenses	0.20	Nil	Nil	Nil
Banker's Fees	0.05	0.0006	0.0006	0.0014
Legal Fees	0.05	Nil	Nil	Nil
Bank Charges	0.05	Nil	#	0.0002
Total	2.00	0.0028	0.0019	0.0031
Expenses charged to the Scheme	–	Nil	Nil	Nil
Expenses borne by the AMC	–	0.0028	0.0019	0.0031

Less than 0.0001%.

HDFC Mid-Cap Opportunities Fund

Initial Issue Expense Head	Estimated as per Offer Document	Actuals (unaudited)
		HDFC Mid-Cap Opportunities Fund
	(as a % of Target Mobilisation)	(as a % of Amount Mobilised)
Advertising Expenses	1.50	0.5140%
Commission to Agents/Brokers	4.00	4.8625%
Registrars' Expenses	0.05	0.0469%
Printing & Marketing Expenses	0.20	0.4059%
Postage & Miscellaneous Expenses	0.10	0.0658%
Banker's Fees	0.05	0.0115%
Legal Fees	0.05	0.0007%
Bank Charges	0.05	0.0124%
Total	6.00%	5.9197%
Expenses charged to the Scheme	–	5.9197
Expenses borne by the AMC	–	Nil

Excluding SEBI Filing Fees in case of HDFC Fixed Maturity Plans - Series II, III, IV, V, VI, HDFC Quarterly Interval Fund – Plan A, Plan B, Plan C and HDFC Mid-Cap Opportunities Fund.

ii) Historical Per Unit Statistics

(A) Historical Per Unit Statistics of the Scheme covered by this Offer Document for the last three fiscal years and for the period April 1, 2007 to September 30, 2007

Particulars	HDFC Equity Fund			
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
Date of Allotment	January 1, 1995			
NAV at beginning of the year/period (Rs.)	51.599 (G) *	66.838 (G) *	127.169 (G) *	142.583 (G) *
	20.059 (D) ^	22.659 (D) ^	37.968 (D) ^	37.422 (D) ^
Net Income per unit (Rs.)	5.524	10.013	8.218	5.207
Dividends (Rs.)	3.00 ^	5.00 ^	5.00 ^	-
Transfer to Reserves (Rs.)	-	-	-	-
NAV at the end of the year/period (Rs.)	66.838 (G) *	127.169 (G) *	142.583 (G) *	182.838 (G) *
	22.659 (D) ^	37.968 (D) ^	37.422 (D) ^	47.982 (D) ^
Returns from the date of allotment till the end of the period (%)	20.36	25.36	24.23	25.60
Benchmark Returns from the date of allotment till the end of the period (%)	6.02	10.22	10.04	12.12
	S&P CNX 500			
Ratio of recurring expenses to net assets (%)	2.02	1.93	1.84	1.82
Net Assets at the end of the year/period (Rs. in Crores)	1,074.59	2,907.76	3,892.78	4,927.99

* Growth Plan, ^ Dividend Plan

Particulars	HDFC Top 200 Fund			
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
Date of Allotment	October 11, 1996			
NAV at beginning of the year/period (Rs.)	40.116 (G) *	52.307 (G) *	96.255 (G) *	104.502 (G) *
	19.563 (D) ^	22.334 (D) ^	35.998 (D) ^	34.565 (D) ^
Net Income per unit (Rs.)	6.054	9.700	7.196	6.439
Dividends (Rs.)	3.00 ^	4.50 ^	5.00 ^	-
Transfer to Reserves (Rs.)	-	-	-	-
NAV at the end of the year/period (Rs.)	52.307 (G) *	96.255 (G) *	104.502 (G) *	140.491 (G) *
	22.334 (D) ^	35.998 (D) ^	34.565 (D) ^	46.467 (D) ^
Returns from the date of allotment till the end of the period (%)	24.44	29.69	27.51	29.56
Benchmark Returns from the date of allotment till the end of the period (%)	12.76	17.22	16.54	19.03
	BSE 200			
Ratio of recurring expenses to net assets (%)	2.20	2.13	1.96	1.90
Net Assets at the end of the year/period (Rs. in Crores)	569.57	1,143.77	1,702.77	2,218.05

* Growth Plan, ^ Dividend Plan

Particulars	HDFC Capital Builder Fund			
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
Date of Allotment	February 1, 1994			
NAV at beginning of the year/period (Rs.)	22.863 (G) *	35.744 (G) *	60.170 (G) *	60.297 (G) *
	14.546 (D) ^	17.702 (D) ^	24.203 (D) ^	21.497 (D) ^
Net Income per unit (Rs.)	0.239	4.393	12.980	4.109
Dividends (Rs.)	5.00 ^	5.00 ^	3.00 ^	-
Transfer to Reserves (Rs.)	-	-	-	-
NAV at the end of the year/period (Rs.)	35.744 (G) *	60.170 (G) *	60.297 (G) *	83.094 (G) *
	17.702 (D) ^	24.203 (D) ^	21.497 (D) ^	29.630 (D) ^
Returns from the date of allotment till the end of the period (%)	12.08	15.89	14.62	16.76
Benchmark Returns from the date of allotment till the end of the period (%)	4.69	8.63	8.59	10.56
	S&P CNX 500			
Ratio of recurring expenses to net assets (%)	2.26	2.06	2.12	2.18
Net Assets at the end of the year/period (Rs. in Crores)	761.34	1,006.48	640.37	721.31

* Growth Plan, ^ Dividend Plan

Particulars	HDFC Prudence Fund			
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
Date of Allotment	February 1, 1994			
NAV at beginning of the year/period (Rs.)	45.449 (G) *	59.263 (G) *	95.350 (G) *	110.137 (G) *
Net Income per unit (Rs.)	19.055 (D) ^	19.932 (D) ^	26.821 (D) ^	26.189 (D) ^
Dividends (Rs.)	5.598	6.432	4.728	2.468
Transfer to Reserves (Rs.)	5.00 ^	5.00 ^	5.00 ^	-
NAV at the end of the year/period (Rs.)	-	-	-	-
NAV at the end of the year/period (Rs.)	59.263 (G) *	95.350 (G) *	110.137 (G) *	136.239 (G) *
NAV at the end of the year/period (Rs.)	19.932 (D) ^	26.821 (D) ^	26.189 (D) ^	32.391 (D) ^
Returns from the date of allotment till the end of the period (%)	20.00	22.93	22.35	23.36
Benchmark Returns from the date of allotment till the end of the period (%)	N.A.	N.A.	N.A.	N.A.
Ratio of recurring expenses to net assets (%)	2.18	Crisil Balanced Fund Index		1.87
Net Assets at the end of the year/period (Rs. in Crores)	693.40	2.01	1.91	2,971.75
		1,645.72	2,150.75	

* Growth Plan, ^ Dividend Plan, N.A. - Not Available

Particulars	HDFC TaxSaver			
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
Date of Allotment	March 31, 1996			
NAV at beginning of the year/period (Rs.)	40.120 (G) *	67.556 (G) *	131.223 (G) *	133.879 (G) *
Net Income per unit (Rs.)	24.641 (D) ^	36.392 (D) ^	62.783 (D) ^	56.311 (D) ^
Dividends (Rs.)	3.795	3.042	3.523	5.029
Transfer to Reserves (Rs.)	5.00 ^	7.50 ^	7.50 ^	-
NAV at the end of the year/period (Rs.)	-	-	-	-
NAV at the end of the year/period (Rs.)	67.556 (G) *	131.223 (G) *	133.879 (G) *	175.268 (G) *
NAV at the end of the year/period (Rs.)	36.392 (D) ^	62.783 (D) ^	56.311 (D) ^	73.718 (D) ^
Returns from the date of allotment till the end of the period (%)	37.01	41.87	37.70	39.02
Benchmark Returns from the date of allotment till the end of the period (%)	10.87	15.30	14.63	16.83
Ratio of recurring expenses to net assets (%)	2.45	S&P CNX 500		2.02
Net Assets at the end of the year/period (Rs. in Crores)	2.39	2.18	2.02	
	43.86	462.58	897.28	1,325.49

* Growth Plan, ^ Dividend Plan

Particulars	HDFC High Interest Fund			
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
Date of Allotment	April 28, 1997			
NAV at beginning of the year/period (Rs.)	23.1593 (G)	23.1435 (G)	23.6725 (G)	24.3241 (G)
NAV at beginning of the year/period (Rs.)	11.0118 (QD)	10.5007 (QD)	10.3750 (QD)	10.3775 (QD)
NAV at beginning of the year/period (Rs.)	10.8452 (HD)	10.3130 (HD)	10.2768 (HD)	10.1602 (HD)
NAV at beginning of the year/period (Rs.)	10.9469 (YD)	10.3737 (YD)	10.6108 (YD)	10.6172 (YD)
Net Income per unit (Rs.)	0.3403	1.1715	0.6225	0.3652
Dividends (Rs.)	0.4400 (QD)#	0.3200 (QD)#	0.2500 (QD)#	0.2500 (QD)#
Dividends (Rs.)	0.4192 (QD) &	0.2980 (QD) &	0.2328 (QD) &	0.2327 (QD) &
Dividends (Rs.)	0.4600 (HD)#	0.2400 (HD)#	0.3500 (HD)#	0.3000 (HD)#
Dividends (Rs.)	0.4301 (HD)&	0.2235 (HD)&	0.3260 (HD)&	0.2792 (HD)&
Dividends (Rs.)	0.5000 (YD)#		0.2500 (YD)#	0.2500 (YD)#
Dividends (Rs.)	0.4676 (YD)&		0.2328 (YD) &	0.2327 (YD) &
Transfer to Reserves (Rs.)	-	-	-	-
NAV at the end of the year/period (Rs.)	23.1435 (G)	23.6725 (G)	24.3241 (G)	25.3589 (G)
NAV at the end of the year/period (Rs.)	10.5007 (QD)	10.3750 (QD)	10.3775 (QD)	10.5298 (QD)
NAV at the end of the year/period (Rs.)	10.3130 (HD)	10.2768 (HD)	10.2768 (HD)	10.2491 (HD)
NAV at the end of the year/period (Rs.)	10.3737 (YD)	10.6108 (YD)	10.6172 (YD)	11.0687 (YD)
Returns from the date of allotment till the end of the period (%)	11.16	10.13	9.37	9.34
Benchmark Returns from the date of allotment till the end of the period (%)	N.A.	N.A.	N.A.	N.A.
Ratio of recurring expenses to net assets (%)	1.70	Crisil Composite Bond Fund Index		2.07
Net Assets at the end of the year/period (Rs. in Crores)	2.21	2.25	2.07	
	125.58	60.54	39.54	32.61

G- Growth Plan, QD - Quarterly Dividend Plan, HD - Half Yearly Dividend Plan, YD - Yearly Dividend Plan

for Individuals and HUF, & For Others, N.A. - Not Available

Particulars	HDFC High Interest Fund - Short Term Plan			
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
Date of Allotment	February 6, 2002			
NAV at beginning of the year/period (Rs.)	11.6858 (G) *	12.1296 (G) *	12.6615 (G) *	13.6148 (G) *
	10.5665 (D) ^	10.5876 (D) ^	10.5175 (D) ^	10.6228 (D) ^
Net Income per unit (Rs.)	1.0970	0.8325	1.7369	0.3191
Dividends (Rs.)	0.3290 ^ #	0.4610 ^ #	0.5786 ^ #	0.4594 ^ #
	0.3154 ^ &	0.4295 ^ &	0.5391 ^ &	0.4278 ^ &
Transfer to Reserves (Rs.)	-	-	-	-
NAV at the end of the year/period (Rs.)	12.1296 (G) *	12.6615 (G) *	13.6148 (G) *	14.3384 (G) *
	10.5876 (D) ^	10.5175 (D) ^	10.6228 (D) ^	10.6479 (D) ^
Returns from the date of allotment till the end of the period (%)	6.32	5.85	6.17	6.59
Benchmark Returns from the date of allotment till the end of the period (%)	N.A.	N.A.	N.A.	N.A.
	Crisil Composite Bond Fund Index			
Ratio of recurring expenses to net assets (%)	1.20	0.95	0.64	0.40
Net Assets at the end of the year/period (Rs. in Crores)	57.77	57.09	31.43	92.79

* Growth Option, ^ Dividend Option, N.A. - Not Available. # for Individuals and HUF, & For Others.

Particulars	HDFC Cash Management Fund - Savings Plan			
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
Date of Allotment	November 18, 1999			
NAV at beginning of the year/period (Rs.)	13.1564 (G)	13.7880 (G)	14.5630 (G)	15.6336 (G)
	10.6364 (DD)	10.6364 (DD)	10.6364 (DD)	10.6357 (DD)
	10.6315 (WD)	10.6338(WD)	10.6373 (WD)	10.6273 (WD)
Net Income per unit (Rs.)	0.5815	0.7654	1.0712	0.4719
Dividends (Rs.)	0.4429 (DD) #	0.5131 (DD) #	0.6624 (DD) #	0.3077 (DD)
	0.4184 (DD) &	0.4766 (DD) &	0.6178 (DD) &	0.3170 (WD)
	0.4390 (WD) #	0.5173 (WD) #	0.6587 (WD) #	
	0.4177 (WD) &	0.4819 (WD) &	0.6132 (WD) &	
Transfer to Reserves (Rs.)	-	-	-	-
NAV at the end of the year/period (Rs.)	13.7880 (G)	14.5630 (G)	15.6336 (G)	16.2353 (G)
	10.6364 (DD)	10.6364 (DD)	10.6357 (DD)	10.6364 (DD)
	10.6338(WD)	10.6373 (WD)	10.6273 (WD)	10.6403 (WD)
Returns from the date of allotment till the end of the period (%)	6.15	6.14	6.30	6.40
Benchmark Returns from the date of allotment till the end of the period (%)	N.A.	N.A.	N.A.	N.A.
	Crisil Liquid Fund Index			
Ratio of recurring expenses to net assets (%)	0.43	0.39	0.35	0.58
Net Assets at the end of the year/period (Rs. in Crores)	1,954.92	1,826.03	3,343.17	4,626.32

G- Growth Option, DD – Daily Dividend Option, WD – Weekly Dividend Option, N.A. – Not Available
for Individuals and HUF, & For Others.

Particulars	HDFC Cash Management Fund - Savings Plus Plan ##				
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	23-4-2007 to 30-9-2007 Wholesale \$	1-4-2007 to 30-9-2007 Retail \$
Date of Allotment	November 18, 1999				
NAV at beginning of the year/period (Rs.)	13.7033 (G)	14.3520 (G)	15.1474 (G) *	16.3449 (G) *	16.2523 (G) *
	-	10.0172 (D) ^	10.0185 (D) ^	10.0315 (D) ^	10.0274 (D) ^
Net Income per unit (Rs.)	0.3974	1.4374	0.7762	0.3205 ^ ^	
Dividends (Rs.)	0.3166 (DD)	0.4731 ^ #	0.6106 ^ #	0.2934 (DD) #	0.2847 (DD) #
	0.2966 (WD)	0.4401 ^ &	0.5688 ^ &	0.2717 (DD) &	0.2647 (DD) &
				0.3094 (MD) #	0.3443 (WD) #
				0.2880 (MD) &	0.3207 (WD) &
				0.3035 (WD) #	0.3011 (MD) #
				0.2827 (WD) &	0.2805 (MD) &
Transfer to Reserves (Rs.)	-	-	-	-	-
NAV at the end of the year/period (Rs.)	14.3520 (G)	15.1474 (G) *	16.2523 (G) *	16.9078 (G) *	16.8958 (G) *
	10.0172 (D) ^	10.0185 (D) ^	10.0274 (D) ^	10.0315 (DD) ^	10.0315 (DD) ^
				10.0233 (WD) ^	10.0230 (WD) ^
				10.0183 (MD) ^	10.0181 (MD) ^
Returns from the date of allotment till the end of the period (%)	6.87	6.74	6.81	3.44	6.90
Benchmark Returns from the date of allotment till the end of the period (%)	N.A.	N.A.	N.A.	3.07	N.A.
	Crisil Liquid Fund Index				
Ratio of recurring expenses to net assets (%)	0.42	0.44	0.33	0.68 ^ ^	
Net Assets at the end of the year/period (Rs. in Crores)	446.81	374.60	634.74	5,062.66 ^ ^	

\$ HDFC Cash Management Fund – Savings Plus Plan – Growth Option and Weekly Dividend Option renamed as HDFC Cash Management Fund – Savings Plus Plan – Retail Option – Growth and Weekly Dividend sub-options effective April 23, 2007. Wholesale Option under HDFC Cash Management Fund – Savings Plus Plan introduced effective April 23, 2007.

* Growth Option, ^ Dividend Option, Wholesale: Wholesale Option, Retail: Retail Option, DD- Daily Dividend Option, WD – Weekly Dividend Option, MD – Monthly Dividend Option, N.A. - Not Available. # for Individuals and HUF, & For Others, ^ ^ At Scheme Level

HDFC Cash Management Fund - Investment Plan - Growth renamed and restructured as HDFC Cash Management Fund – Savings Plus Plan effective June 23, 2004. Dividend Option under Savings Plus Plan introduced effective June 23, 2004.

Particulars	HDFC Cash Management Fund - Call Plan			
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
Date of Allotment	February 6, 2002			
NAV at beginning of the year/period (Rs.)	11.0395 (G)	11.4981 (G)	12.0725 (G)*	12.9505 (G)*
	10.4266 (DD)	10.4275 (DD)	10.4267 (DD) ^	10.4268 (DD) ^
Net Income per unit (Rs.)	0.1961	0.0510	0.2442	2.9128
Dividends (Rs.)	0.3762 (DD) #	0.4504 (DD) #	0.6476 (DD) #	0.2416 (DD)
	0.3524 (DD) &	0.4164 (DD) &	0.6043 (DD) &	
Transfer to Reserves (Rs.)	-	-	-	-
NAV at the end of the year/period (Rs.)	11.4981 (G)	12.0725 (G)*	12.9505 (G)*	13.3579 (G)*
	10.4275 (DD)	10.4267 (DD) ^	10.4268 (DD) ^	10.4266 (DD) ^
Returns from the date of allotment till the end of the period (%)	4.42	4.65	5.14	5.26
Benchmark Returns from the date of allotment till the end of the period (%)	N.A.	N.A.	N.A.	N.A.
	Crisil Liquid Fund Index			
Ratio of recurring expenses to net assets (%)	0.64	0.26	0.38	0.34
Net Assets at the end of the year/period (Rs. in Crores)	20.44	457.28	1,076.02	25.08

G - Growth Option, DD - Daily Dividend Option, N.A. - Not Available. # for Individuals and HUF, & For Others.

(B) Historical Per Unit Statistics is presented scheme wise for all the schemes launched by HDFC Mutual Fund during the last three fiscal years (excluding redeemed schemes) for each of the last three fiscal years and for the period April 1, 2007 to September 30, 2007.

Particulars	HDFC Core & Satellite Fund			
	17-9-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-03-2007	1-4-2007 to 30-09-2007
Date of Allotment	September 17, 2004			
NAV at beginning of the year/period (Rs.)	10.000 (G)* 10.000 (D) ^	12.246 (G)* 12.246 (D) ^	23.820 (G)* 21.045 (D) ^	23.934 (G)* 18.438 (D) ^
Net Income per unit (Rs.)	1.017	2.551	4.427	3.828
Dividends (Rs.)	-	2.25 ^	3.00 ^	-
Transfer to Reserves (Rs.)	-	-	-	-
NAV at the end of the year/period (Rs.)	12.246 (G)* 12.246 (D) ^	23.820 (G)* 21.045 (D) ^	23.934 (G)* 18.438 (D) ^	30.621 (G)* 23.589 (D) ^
Returns from the date of allotment till the end of the period (%)	22.46	76.07	41.16	44.68
Benchmark Returns from the date of allotment till the end of the period (%)	19.70	54.49	35.25	42.48
		BSE 200		
Ratio of recurring expenses to net assets (%)	2.04	2.28	2.16	2.21
Net Assets at the end of the year/period (Rs. in Crores)	348.08	641.12	637.43	586.58

*Growth Option, ^ Dividend Option

Particulars	HDFC Premier Multi-Cap Fund		
	6-4-2005 to 31-3-2006	1-4-2006 to 31-03-2007	1-4-2007 to 30-09-2007
Date of Allotment	April 6, 2005		
NAV at beginning of the year/period (Rs.)	10.000 (G)* 10.000 (D) ^	16.751 (G)* 14.891 (D) ^	17.634 (G)* 13.769 (D) ^
Net Income per unit (Rs.)	3.366	5.216	2.255
Dividends (Rs.)	1.75 ^	2.00 ^	-
Transfer to Reserves (Rs.)	-	-	-
NAV at the end of the year/period (Rs.)	16.751 (G)* 14.891 (D) ^	17.634 (G)* 13.769 (D) ^	22.731 (G)* 17.748 (D) ^
Returns from the date of allotment till the end of the period (%)	67.51	33.15	39.26
Benchmark Returns from the date of allotment till the end of the period (%)	61.06	32.29	40.36
		S&P CNX 500	
Ratio of recurring expenses to net assets (%)	2.00	2.37	2.16
Net Assets at the end of the year/period (Rs. in Crores)	1,225.71	670.86	704.69

* Growth Option, ^ Dividend Option

Particulars	HDFC Long Term Equity Fund			HDFC Mid-Cap Opportunities Fund
	10-2-2006 to 31-3-2006	1-4-2006 to 31-03-2007	1-4-2007 to 30-09-2007	25-6-2007 to 30-09-2007
Date of Allotment	February 10, 2006			June 25, 2007
NAV at beginning of the year/period (Rs.)	10.000 (G)* 10.000 (D) ^	10.562 (G)* 10.562 (D) ^	10.749 (G)* 10.749 (D) ^	10.0000 (G)* 10.0000 (D) ^
Net Income per unit (Rs.)	0.033	0.398	0.826	0.137
Dividends (Rs.)	-	-	1.00	-
Transfer to Reserves (Rs.)	-	-	-	-
NAV at the end of the year/period (Rs.)	10.562 (G)* 10.562 (D) ^	10.749 (G)* 10.749 (D) ^	12.9010 (G)* 11.8060 (D) ^	10.8290 (G)* 10.8290 (D) ^
Returns from the date of allotment till the end of the period (%)	5.62	6.59	16.91	8.29
Benchmark Returns from the date of allotment till the end of the period (%)	12.39	22.85	36.39	17.85
		S&P CNX Nifty		CNX Midcap
Ratio of recurring expenses to net assets (%)	1.46	1.89	1.90	1.88
Net Assets at the end of the year/period (Rs. In Crores)	1,525.70	1,466.13	1,563.21	1,435.64

*Growth Option, ^ Dividend Option

Particulars	HDFC Multiple Yield Fund			
	17-9-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-03-2007	1-4-2007 to 30-09-2007
Date of Allotment	September 17, 2004			
NAV at beginning of the year/period (Rs.)	10.0000 (G)* 10.0000 (D) ^	10.5609 (G)* 10.5609 (D) ^	11.5899 (G)* 10.5132 (D) ^	12.1682 (G)* 10.2568 (D) ^
Net Income per unit (Rs.)	0.5408	1.3863	1.2618	0.5359
Dividends (Rs.)	-	0.9000 ^ # 0.8381 ^ &	0.6700 ^ # 0.6240 ^ &	-
Transfer to Reserves (Rs.)	-	-	-	-
NAV at the end of the year/period (Rs.)	10.5609 (G)* 10.5609 (D) ^	11.5899 (G)* 10.5132 (D) ^	12.1682 (G)* 10.2568 (D) ^	13.0142 (G)* 10.9700 (D) ^
Returns from the date of allotment till the end of the period (%)	5.61	10.09	8.05	9.08
Benchmark Returns from the date of allotment till the end of the period (%)	4.10	10.03	8.22	9.65
		Crisil MIP Blended Index		
Ratio of recurring expenses to net assets (%)	1.54	1.75	1.75	1.75
Net Assets at the end of the year/period (Rs. in Crores)	478.46	504.51	175.03	125.37

*Growth Option, ^ Dividend Option. # - For Individuals and HUF, & - For Others.

Particulars	HDFC Multiple Yield Fund - Plan 2005		
	17-8-2005 to 31-3-2006	1-4-2006 to 31-03-2007	1-4-2007 to 30-09-2007
Date of Allotment	August 17, 2005		
NAV at beginning of the year/period (Rs.)	10.0000 (G)* 10.0000 (D) ^	10.5471 (G)* 10.5471 (D) ^	10.9883 (G)* 10.1273 (D) ^
Net Income per unit (Rs.)	0.6440	2.8833	0.3494
Dividends (Rs.)	-	0.7500 ^ # 0.6985 ^ &	-
Transfer to Reserves (Rs.)	-	-	-
NAV at the end of the year/period (Rs.)	10.5471 (G)* 10.5471 (D) ^	10.9883 (G)* 10.1273 (D) ^	11.8089 (G)* 10.8826 (D) ^
Returns from the date of allotment till the end of the period (%)	5.47	5.99	8.18
Benchmark Returns from the date of allotment till the end of the period (%)	5.27	7.49	9.71
		Crisil MIP Blended Index	
Ratio of recurring expenses to net assets (%)	1.51	1.75	1.75
Net Assets at the end of the year/period (Rs. in Crores)	522.38	101.88	61.15

*Growth Option, ^ Dividend Option. # - For Individuals and HUF, & - For Others.

Particulars	HDFC Fixed Maturity Plans			
	13M August 2006 (I) - Instn	13M August 2006 (I) - Retail	13M August 2006 (I) - Instn	13M August 2006 (I) - Retail
	1-9-2006 to 31-03-2007		1-4-2007 to 30-09-2007	
Date of Allotment	September 1, 2006			
NAV at beginning of the year/period (Rs.)	10.0000 (G)* 10.0000 (D) ^	10.0000 (G)* 10.0000 (D) ^	10.2933 (G)* 10.2933 (D) ^	10.2693 (G)* 10.2693 (D) ^
Net Income per unit (Rs.)	0.3975		0.3131	
Dividends (Rs.)	-	-	-	-
Transfer to Reserves (Rs.)	-	-	-	-
NAV at the end of the year/period (Rs.)	10.2933 (G)* 10.2933 (D) ^	10.2693 (G)* 10.2693 (D) ^	10.8360 (G)* 10.8360 (D) ^	10.7870 (G)* 10.7870 (D) ^
Returns from the date of allotment till the end of the period (%)	2.90	2.70	7.76	7.31
Benchmark Returns from the date of allotment till the end of the period (%)	2.51	2.51	7.02	7.02
		Crisil Short Term Bond Fund Index		
Ratio of recurring expenses to net assets (%)	0.22	0.60	0.88	
Net Assets at the end of the year/period (Rs. in Crores)	69.55		66.22	

*Growth Option, ^ Dividend Option. Instn: Institutional Plan, Retail: Retail Plan

Particulars	HDFC Fixed Maturity Plans			
	26M August 2006 (1) - Instn	26M August 2006 (1) - Retail	26M August 2006 (1) - Instn	26M August 2006 (1) - Retail
	7-9-2006 to 31-03-2007		1-4-2007 to 30-09-2007	
Date of Allotment	September 7, 2006			
NAV at beginning of the year/period (Rs.)	10.0000 (G)* 10.0000 (D)^	10.0000 (G)* 10.0000 (D)^	10.1777 (G)* 10.1777 (D)^	10.1564 (G)* 10.1564 (D)^
Net Income per unit (Rs.)	0.3615		0.3283	
Dividends (Rs.)	-	-	-	-
Transfer to Reserves (Rs.)	-	-	-	-
NAV at the end of the year/period (Rs.)	10.1777 (G)* 10.1777 (D)^	10.1564 (G)* 10.1564 (D)^	10.8488 (G)* 10.8488 (D)^	10.8050 (G)* 10.8050 (D)^
Returns from the date of allotment till the end of the period (%)	1.76	1.53	8.01	7.60
Benchmark Returns from the date of allotment till the end of the period (%)	2.39	2.39	7.01	7.01
	Crisil Short Term Bond Fund Index			
Ratio of recurring expenses to net assets (%)	0.16	0.57	0.72	
Net Assets at the end of the year/period (Rs. in Crores)	330.93		329.03	

*Growth Option, ^ Dividend Option. Instn: Institutional Plan, Retail: Retail Plan

Particulars	HDFC Fixed Maturity Plans	
	13M September 2006 (1) - Inst & Retail	
	28-9-2006 to 31-03-2007	1-4-2007 to 30-09-2007
Date of Allotment	September 28, 2006	
NAV at beginning of the year/period (Rs.)	10.0000 (G)* 10.0000 (D)^	10.2984 (G)* 10.2984 (D)^
Net Income per unit (Rs.)	0.1104	0.2531
Dividends (Rs.)	-	-
Transfer to Reserves (Rs.)	-	-
NAV at the end of the year/period (Rs.)	10.2984 (G)* 10.2984 (D)^	10.8363 (G)* 10.8363 (D)^
Returns from the date of allotment till the end of the period (%)	2.96	8.36
Benchmark Returns from the date of allotment till the end of the period (%)	2.04	7.07
	Crisil Short Term Bond Fund Index	
Ratio of recurring expenses to net assets (%)	0.10	0.10
Net Assets at the end of the year/period (Rs. in Crores)	162.83	171.20

*Growth Option, ^ Dividend Option. Instn: Institutional Plan, Retail: Retail Plan

Particulars	HDFC Fixed Maturity Plans - Series II			
	18M October 2006 - Wholesale	18M October 2006 - Retail	18M October 2006 - Wholesale	18M October 2006 - Retail
	27-10-2006 to 31-03-2007		1-4-2007 to 30-09-2007	
Date of Allotment	October 27, 2006			
NAV at beginning of the year/period (Rs.)	10.0000 (G)* 10.0000 (D)^ 10.0000 (QD)\$	10.0000 (G)* 10.0000 (D)^ 10.0000 (QD)\$	10.1523 (G)* 10.1523 (D)^ 10.0280 (QD)\$	10.1381 (G)* 10.1381 (D)^ 10.0252 (QD)\$
Net Income per unit (Rs.)	0.2280		0.2724	
Dividends (Rs.)	0.1100 # (QD)\$ 0.1024 & (QD)\$	0.1000 # (QD)\$ 0.0931 & (QD)\$	0.3233 # (QD)\$ 0.3099 &(QD)\$	0.3090 # (QD)\$ 0.2875 & (QD)\$
Transfer to Reserves (Rs.)	-			
NAV at the end of the year/period (Rs.)	10.1523 (G)* 10.1523 (D)^ 10.0280 (QD)\$	10.1381 (G)* 10.1381 (D)^ 10.0252 (QD)\$	10.7482 (G)* 10.7482 (D)^ 10.2412 (QD)\$	10.7167 (G)* 10.7167 (D)^ 10.2386 (QD)\$
Returns from the date of allotment till the end of the period (%)	1.50	1.36	7.48	7.17
Benchmark Returns from the date of allotment till the end of the period (%)	1.57	1.57	6.57	6.57
	Crisil Short Term Bond Fund Index			
Ratio of recurring expenses to net assets (%)	0.48	0.96	0.49	
Net Assets at the end of the year/period (Rs. in Crores)	347.62		359.51	

*Growth Option, ^ Normal Dividend Option. \$ Quarterly Dividend Option.

Wholesale: Wholesale Plan, Retail: Retail Plan. # - For Individuals and HUF, & - For Others.

Particulars	HDFC Fixed Maturity Plans - Series II			
	17M November 2006 - Wholesale	17M November 2006 - Retail	17M November 2006 - Wholesale	17M November 2006 - Retail
	22-11-2006 to 31-03-2007		1-4-2007 to 30-09-2007	
Date of Allotment	November 22, 2006			
NAV at beginning of the year/period (Rs.)	10.0000 (G)* 10.0000 (D) ^ 10.0000 (QD)\$	10.0000 (G)* 10.0000 (D) ^ 10.0000 (QD)\$	10.0798 (G)* 10.0798 (D) ^	10.0684 (G)* 10.0684 (D) ^ 10.0288 (QD)\$
Net Income per unit (Rs.)	0.2009		0.3486	
Dividends (Rs.)	-	0.0350 # (QD)\$ 0.0326 & (QD)\$	-	0.4162 # (QD)\$ 0.3874 & (QD)\$
Transfer to Reserves (Rs.)	-	-	-	-
NAV at the end of the year/period (Rs.)	10.0798 (G)* 10.0798 (D) ^	10.0684 (G)* 10.0684 (D) ^ 10.0288 (QD)\$	10.6813 (G)* 10.6813 (D) ^	10.6553 (G)* 10.6553 (D) ^ 10.1299 (QD)\$
Returns from the date of allotment till the end of the period (%)	0.77	0.66	6.81	6.55
Benchmark Returns from the date of allotment till the end of the period (%)	1.21	1.21	6.20	6.20
	Crisil Short Term Bond Fund Index			
Ratio of recurring expenses to net assets (%)	0.46	0.86	0.54	
Net Assets at the end of the year/period (Rs. in Crores)	185.69		193.38	

*Growth Option, ^ Normal Dividend Option. \$ Quarterly Dividend Option.

Wholesale: Wholesale Plan, Retail: Retail Plan. # - For Individuals and HUF, & - For Others.

Particulars	HDFC Fixed Maturity Plans - Series II			
	16M December 2006 - Wholesale	16M December 2006 - Retail	16M December 2006 - Wholesale	16M December 2006 - Retail
	19-12-2006 to 31-03-2007		1-4-2007 to 30-09-2007	
Date of Allotment	December 19, 2006			
NAV at beginning of the year/period (Rs.)	10.0000 (G)* 10.0000 (QD)\$	10.0000 (G)* 10.0000 (D) ^ 10.0000 (QD)\$	10.0770 (G)* 10.0310 (QD)\$	10.0655 (G)* 10.0655 (D) ^ 10.0270 (QD)\$
Net Income per unit (Rs.)	0.1827		0.3441	
Dividends (Rs.)	0.04 # (QD)\$ 0.0373 & (QD)\$	0.0350 # (QD)\$ 0.0326 & (QD)\$	0.4110 # (QD)\$ 0.3825 &(QD)\$	0.3880 # (QD)\$ 0.3611 &(QD)\$
Transfer to Reserves (Rs.)	-		-	
NAV at the end of the year/period (Rs.)	10.0770 (G)* 10.0310 (QD)\$	10.0655 (G)* 10.0655 (D) ^ 10.0270 (QD)\$	10.6488 (G)* 10.1235 (QD)\$	10.6151 (G)* 10.6151 (D) ^ 10.1230 (QD)\$
Returns from the date of allotment till the end of the period (%)	0.75	0.63	6.49	6.15
Benchmark Returns from the date of allotment till the end of the period (%)	0.89	0.89	5.86	5.86
	Crisil Short Term Bond Fund Index			
Ratio of recurring expenses to net assets (%)	0.35	0.80	0.40	
Net Assets at the end of the year/period (Rs. in Crores)	202.51		213.55	

*Growth Option, ^ Normal Dividend Option. \$ Quarterly Dividend Option.

Wholesale: Wholesale Plan, Retail: Retail Plan. # - For Individuals and HUF, & - For Others.

Particulars	HDFC Fixed Maturity Plans - Series III			
	16M January 2007 - Wholesale	16M January 2007- Retail	16M January 2007 - Wholesale	16M January 2007- Retail
	23-01-2007 to 31-03-2007		1-4-2007 to 30-09-2007	
Date of Allotment	January 23, 2007			
NAV at beginning of the year/period (Rs.)	10.0000 (G)*	10.0000 (G)* 10.0000 (D) ^ 10.0000 (QD)\$	10.0450 (G)*	10.0445 (G)* 10.0445 (D) ^ 10.0445 (QD) \$
Net Income per unit (Rs.)	0.1305		0.3516	
Dividends (Rs.)	-	-	-	0.3942 # (QD)\$ 0.3669 &(QD)\$
Transfer to Reserves (Rs.)	-	-	-	-
NAV at the end of the year/period (Rs.)	10.0450 (G)*	10.0445 (G)* 10.0445 (D) ^ 10.0445 (QD) \$	10.6230 (G)*	10.6011 (G)* 10.6011 (D) ^ 10.1435 (QD)\$
Returns from the date of allotment till the end of the period (%)	0.43	0.42	6.23	6.01
Benchmark Returns from the date of allotment till the end of the period (%)	0.57	0.57	5.52	5.52
	Crisil Short Term Bond Fund Index			
Ratio of recurring expenses to net assets (%)	0.45	1.02	0.42	
Net Assets at the end of the year/period (Rs. in Crores)	313.01		330.61	

*Growth Option, ^ Normal Dividend Option, \$ Quarterly Dividend Option

Wholesale: Wholesale Plan, Retail: Retail Plan. . # - For Individuals and HUF, & - For Others.

Particulars	HDFC Fixed Maturity Plans - Series III			
	15M February 2007- Wholesale	15M February 2007 - Retail	15M February 2007- Wholesale	15M February 2007 - Retail
	14-02-2007 to 31-03-2007		1-4-2007 to 30-09-2007	
Date of Allotment	February 14, 2007			
NAV at beginning of the year/period (Rs.)	10.0000 (G)*	10.0000 (G)* 10.0000 (D) ^ 10.0000 (QD)\$	10.0765 (G)*	10.0736 (G)* 10.0736 (D) ^ 10.0735 (QD)\$
Net Income per unit (Rs.)	0.0769		0.3073	
Dividends (Rs.)	-	-	-	0.3169 # (QD)\$ 0.2950 &(QD)\$
Transfer to Reserves (Rs.)	-	-	-	-
NAV at the end of the year/period (Rs.)	10.0765 (G)*	10.0736 (G)* 10.0736 (D) ^ 10.0735 (QD)\$	10.6056 (G)*	10.5796 (G)* 10.5796 (D) ^ 10.2125 (QD)\$
Returns from the date of allotment till the end of the period (%)	0.75	0.70	6.06	5.80
Benchmark Returns from the date of allotment till the end of the period (%)	0.37	0.37	5.31	5.31
	Crisil Short Term Bond Fund Index			
Ratio of recurring expenses to net assets (%)	0.37	0.84	0.56	
Net Assets at the end of the year/period (Rs. in Crores)	111.55		117.23	

*Growth Option, ^ Normal Dividend Option, \$ Quarterly Dividend Option

Wholesale: Wholesale Plan, Retail: Retail Plan, # - For Individuals and HUF, & - For Others.

Particulars	HDFC Fixed Maturity Plans - Series III			
	14M March 2007 - Wholesale	14M March 2007- Retail	14M March 2007 - Wholesale	14M March 2007- Retail
	15-03-2007 to 31-03-2007		1-4-2007 to 30-09-2007	
Date of Allotment	March 15, 2007			
NAV at beginning of the year/period (Rs.)	10.0000 (G)*	10.0000 (G)* 10.0000 (D)^ 10.0000 (QD)\$	10.0383 (G)*	10.0365 (G)* 10.0365 (D)^ 10.0365 (QD)\$
Net Income per unit (Rs.)	0.0366		0.2313	
Dividends (Rs.)	-	-	-	0.2152 # (QD)\$ 0.2003 &(QD)\$
Transfer to Reserves (Rs.)	-	-	-	-
NAV at the end of the year/period (Rs.)	10.0383 (G)*	10.0365 (G)* 10.0365 (D)^ 10.0365 (QD)\$	10.6514 (G)*	10.6304 (G)* 10.6304 (D)^ 10.3811 (QD)\$
Returns from the date of allotment till the end of the period (%)	0.36	0.34	6.51	6.30
Benchmark Returns from the date of allotment till the end of the period (%)	0.27	0.27	5.21	5.21
	Crisil Short Term Bond Fund Index			
Ratio of recurring expenses to net assets (%)	0.23	0.63	0.30	
Net Assets at the end of the year/period (Rs. in Crores)	641.91		680.95	

*Growth Option, ^ Normal Dividend Option, \$ Quarterly Dividend Option

Wholesale: Wholesale Plan, Retail: Retail Plan, # - For Individuals and HUF, & - For Others.

Particulars	HDFC Fixed Maturity Plans - Series V			
	15M March 2007- Wholesale	15M March 2007 - Retail	15M March 2007- Wholesale	15M March 2007 - Retail
	23-03-2007 to 31-03-2007		1-4-2007 to 30-09-2007	
Date of Allotment	March 23, 2007			
NAV at beginning of the year/period (Rs.)	10.0000 (G)* 10.0000 (D)^ 10.0000 (QD)\$	10.0000 (G)* 10.0000 (D)^ 10.0000 (QD)\$	10.0213 (G)* 10.0213 (D)^ 10.0214 (QD)\$	10.0200 (G)* 10.0200 (D)^ 10.0200 (QD)\$
Net Income per unit (Rs.)	0.0107		0.1834	
Dividends (Rs.)	-	-	0.1678 # (QD)\$ 0.1562 &(QD)\$	0.1508 # (QD)\$ 0.1404 &(QD)\$
Transfer to Reserves (Rs.)	-	-	-	-
NAV at the end of the year/period (Rs.)	10.0213 (G)* 10.0213 (D)^ 10.0214 (QD)\$	10.0200 (G)* 10.0200 (D)^ 10.0200 (QD)\$	10.6348 (G)* 10.6348 (D)^ 10.4402 (QD)\$	10.6145 (G)* 10.6145 (D)^ 10.4397 (QD)\$
Returns from the date of allotment till the end of the period (%)	0.18	0.17	6.35	6.15
Benchmark Returns from the date of allotment till the end of the period (%)	0.13	0.13	5.06	5.06
	Crisil Short Term Bond Fund Index			
Ratio of recurring expenses to net assets (%)	0.23	0.63	0.36	
Net Assets at the end of the year/period (Rs. in Crores)	321.93		338.15	

*Growth Option, ^ Normal Dividend Option, \$ Quarterly Dividend Option

Wholesale: Wholesale Plan, Retail: Retail Plan, # - For Individuals and HUF, & - For Others.

Particulars	HDFC Fixed Maturity Plans - Series V	
	181D April 2007 - Wholesale	181D April 2007 - Retail
	20-4-2007 to 30-09-2007	
Date of Allotment	April 20, 2007	
NAV at beginning of the year/period (Rs.)	10.0000 (G)* 10.0000 (D)^	10.0000 (G)* 10.0000 (D)^
Net Income per unit (Rs.)	0.3915	
Dividends (Rs.)	0.3328 # (D) 0.3097 &(D)	0.3303 # (D) 0.3074 &(D)
Transfer to Reserves (Rs.)	-	-
NAV at the end of the year/period (Rs.)	10.4332 (G)* 10.0494 (D)^	10.4302 (G)* 10.0493 (D)^
Returns from the date of allotment till the end of the period (%)	4.33	4.30
Benchmark Returns from the date of allotment till the end of the period (%)	3.10	3.10
	Crisil Liquid Fund Index	
Ratio of recurring expenses to net assets (%)	0.28	
Net Assets at the end of the year/period (Rs. in Crores)	173.72	

*Growth Option, ^ Dividend Option, Wholesale: Wholesale Plan, Retail: Retail Plan,

- For Individuals and HUF, & - For Others.

Particulars	HDFC Fixed Maturity Plans - Series V			
	367D April 2007- Wholesale	367D April 2007- Retail	181D May 2007- Wholesale	181D May 2007- Retail
	28-4-2007 to 30-09-2007		22-5-2007 to 30-09-2007	
Date of Allotment	April 28, 2007		May 22, 2007	
NAV at beginning of the year/period (Rs.)	10.0000 (G)* 10.0000 (D)^	10.0000 (G)* 10.0000 (D)^ 10.0000 (QD)\$	10.0000 (G)* 10.0000 (D)^	10.0000 (G)* 10.0000 (D)^
Net Income per unit (Rs.)	0.3184		0.3421	
Dividends (Rs.)	-	0.2584 # (QD)\$ 0.2405 &(QD)\$	-	-
Transfer to Reserves (Rs.)	-		-	
NAV at the end of the year/period (Rs.)	10.4760 (G)* 10.4760 (D)^	10.4611 (G)* 10.4611 (D)^ 10.1627 (QD)\$	10.3335 (G)* 10.3335 (D)^	10.3306 (G)* 10.3306 (D)^
Returns from the date of allotment till the end of the period (%)	4.76	4.61	3.34	3.31
Benchmark Returns from the date of allotment till the end of the period (%)	4.17	4.17	2.24	2.24
	Crisil Short Term Bond Fund Index		Crisil Liquid Fund Index	
Ratio of recurring expenses to net assets (%)	0.49		0.32	
Net Assets at the end of the year/period (Rs. in Crores)	361.69		43.38	

*Growth Option, ^ Normal Dividend Option, \$ Quarterly Dividend Option

Wholesale: Wholesale Plan, Retail: Retail Plan, # - For Individuals and HUF, & - For Others.

Particulars	HDFC Fixed Maturity Plans - Series V	
	24M May 2007- Wholesale	24M May 2007- Retail
	22-5-2007 to 30-09-2007	
Date of Allotment	May 22, 2007	
NAV at beginning of the year/period (Rs.)	10.0000 (G)* 10.0000 (QD)\$	10.0000 (G)* 10.0000 (D)^ 10.0000 (QD)\$
Net Income per unit (Rs.)	0.3973	
Dividends (Rs.)	0.2947 # (QD)\$ 0.2743 &(QD)\$	0.2854 # (QD)\$ 0.2656 &(QD)\$
Transfer to Reserves (Rs.)	-	
NAV at the end of the year/period (Rs.)	10.5140 (G)* 10.1772 (QD)\$	10.5030 (G)* 10.5030 (D)^ 10.1768 (QD)\$
Returns from the date of allotment till the end of the period (%)	5.14	5.03
Benchmark Returns from the date of allotment till the end of the period (%)	3.38	3.38
	Crisil Short Term Bond Fund Index	
Ratio of recurring expenses to net assets (%)	1.02	
Net Assets at the end of the year/period (Rs. in Crores)	26.68	

*Growth Option, ^ Normal Dividend Option, \$ Quarterly Dividend Option

Wholesale: Wholesale Plan, Retail: Retail Plan, # - For Individuals and HUF, & - For Others.

Particulars	HDFC Fixed Maturity Plans - Series V	
	367D May 2007- Wholesale	367D May 2007- Retail
	29-5-2007 to 30-09-2007	
Date of Allotment	May 29, 2007	
NAV at beginning of the year/period (Rs.)	10.0000 (G)* 10.0000 (D)^	10.0000 (G)* 10.0000 (D)^
Net Income per unit (Rs.)	0.2379	
Dividends (Rs.)	-	0.1887 # (QD)\$ 0.1756 &(QD)\$
Transfer to Reserves (Rs.)	-	
NAV at the end of the year/period (Rs.)	10.3077 (G)* 10.3077 (D)^	10.2983 (G)* 10.2983 (D)^ 10.0827 (QD)\$
Returns from the date of allotment till the end of the period (%)	3.08	2.98
Benchmark Returns from the date of allotment till the end of the period (%)	3.11	3.11
	Crisil Short Term Bond Fund Index	
Ratio of recurring expenses to net assets (%)	0.65	
Net Assets at the end of the year/period (Rs. in Crores)	164.18	

*Growth Option, ^ Normal Dividend Option, \$ Quarterly Dividend Option

Wholesale: Wholesale Plan, Retail: Retail Plan, # - For Individuals and HUF, & - For Others.

Particulars	HDFC Fixed Maturity Plans - Series V	
	181D June 2007- Wholesale & Retail	
	21-6-2007 to 30-09-2007	
Date of Allotment	June 21, 2007	
NAV at beginning of the year/period (Rs.)	10.0000 (G)* 10.0000 (D)^ 10.0000 (WD)^	
Net Income per unit (Rs.)	0.2286	
Dividends (Rs.)	-	
Transfer to Reserves (Rs.)	-	
NAV at the end of the year/period (Rs.)	10.1778 (G)* 10.1778 (D)^ 10.1801 (WD)^	
Returns from the date of allotment till the end of the period (%)	1.78	
Benchmark Returns from the date of allotment till the end of the period (%)	1.53	
	Crisil Liquid Fund Index	
Ratio of recurring expenses to net assets (%)	0.31	
Net Assets at the end of the year/period (Rs. in Crores)	21.16	

*Growth Option, ^ Dividend Option, Wholesale: Wholesale Plan, Retail: Retail Plan, WD: Wholesale Dividend

Particulars	HDFC Fixed Maturity Plans - Series V	
	367D June 2007- Wholesale	367D June 2007- Retail
	26-06-2007 to 30-09-2007	
Date of Allotment	June 26, 2007	
NAV at beginning of the year/period (Rs.)	10.0000 (G)* 10.0000 (QD)\$	10.0000 (G)* 10.0000 (D)^
Net Income per unit (Rs.)	0.1056	
Dividends (Rs.)	-	0.0823 # (QD)\$ 0.0766 &(QD)\$
Transfer to Reserves (Rs.)	-	-
NAV at the end of the year/period (Rs.)	10.2319 (G)* 10.1292 (QD)\$	10.2229 (G)* 10.2229 (D)^ 10.1289 (QD)\$
Returns from the date of allotment till the end of the period (%)	2.32	2.23
Benchmark Returns from the date of allotment till the end of the period (%)	2.32	2.32
	Crisil Short Term Bond Fund Index	
Ratio of recurring expenses to net assets (%)	0.58	
Net Assets at the end of the year/period (Rs. in Crores)	66.91	

*Growth Option, \$ Quarterly Dividend Option, ^ Dividend Option

Wholesale: Wholesale Plan, Retail: Retail Plan, # - For Individuals and HUF, & - For Others.

Particulars	HDFC Fixed Maturity Plans - Series V	
	36M June 2007- Wholesale	36M June 2007 - Retail
	6-07-2007 to 30-09-2007	
Date of Allotment	July 5, 2007	
NAV at beginning of the year/period (Rs.)	10.0000 (G)* 10.0000 (D)^	10.0000 (G)* 10.0000 (D)^
Net Income per unit (Rs.)	0.1780	
Dividends (Rs.)	0.1489 # (QD)\$ 0.1386 &(QD)\$	0.1409 # (QD)\$ 0.1312 &(QD)\$
Transfer to Reserves (Rs.)	-	-
NAV at the end of the year/period (Rs.)	10.2946 (G)* 10.1247 (QD) \$	10.2852 (G)* 10.2852 (D)^ 10.1244 (QD)\$
Returns from the date of allotment till the end of the period (%)	2.95	2.85
Benchmark Returns from the date of allotment till the end of the period (%)	1.79	1.79
	Crisil Short Term Bond Fund Index	
Ratio of recurring expenses to net assets (%)	0.58	
Net Assets at the end of the year/period (Rs. in Crores)	95.63	

*Growth Option, \$ Quarterly Dividend Option, Wholesale: Wholesale Plan, Retail: Retail Plan, # - For Individuals and HUF, & - For Others.

Particulars	HDFC Fixed Maturity Plans - Series VI			
	367D August 2007- Wholesale	367D August 2007- Retail	90D August 2007- Wholesale & Retail	90D September 2007 Wholesale & Retail
	14-8-2007 to 30-09-2007	14-8-2007 to 30-09-2007	28-8-2007 to 30-09-2007	19-9-2007 to 30-9-2007
Date of Allotment	August 14, 2007	August 14, 2007	August 28, 2007	September 19, 2007
NAV at beginning of the year/period (Rs.)	10.0000 (G)* 10.0000 (D) ^	10.0000 (G)* 10.0000 (D) ^ 10.0000 (QD)\$	10.0000 (G)* 10.0000 (D) ^	10.0000 (G)* 10.0000 (D) ^
Net Income per unit (Rs.)	0.0704		0.0751	0.0187
Dividends (Rs.)	-	-	-	-
Transfer to Reserves (Rs.)	-	-	-	-
NAV at the end of the year/period (Rs.)	10.0881 (G)* 10.0881 (D) ^	10.0837 (G)* 10.0837 (D) ^ 10.0837(QD)\$	10.0859 (G)* 10.0859 (D) ^	10.0225 (G)* 10.0225 (D) ^
Returns from the date of allotment till the end of the period (%)	0.88	0.84	0.86	0.25
Benchmark Returns from the date of allotment till the end of the period (%)	1.09	1.09	0.64	0.15
	Crisil Short Term Bond Fund Index		Crisil Liquid Fund Index	
Ratio of recurring expenses to net assets (%)	0.40		0.29	
Net Assets at the end of the year/period (Rs. in Crores)	174.05		259.13	
			392.17	

*Growth Option, ^ Normal Dividend Option, \$ Quarterly Dividend Option, Wholesale: Wholesale Plan, Retail: Retail Plan.

Particulars	HDFC Fixed Maturity Plans - Series VI	
	367D September 2007 Wholesale	367D September 2007 Retail
	19-9-2007 to 30-9-2007	
Date of Allotment	September 19, 2007	
NAV at beginning of the year/period (Rs.)	10.0000 (G)* 10.0000 (D) ^	10.0000 (G)* 10.0000 (D) ^ 10.0000 (QD)\$
Net Income per unit (Rs.)	0.0163	
Dividends (Rs.)	-	-
Transfer to Reserves (Rs.)	-	-
NAV at the end of the year/period (Rs.)	10.0253 (G)* 10.0253 (D) ^	10.0244 (G)* 10.0244 (D) ^ 10.0244(QD)\$
Returns from the date of allotment till the end of the period (%)	0.25	0.24
Benchmark Returns from the date of allotment till the end of the period (%)	0.18	0.18
	Crisil Short Term Bond Fund Index	
Ratio of recurring expenses to net assets (%)	0.42	
Net Assets at the end of the year/period (Rs. in Crores)	35.76	

*Growth Option, ^ Normal Dividend Option, \$ Quarterly Dividend Option, Wholesale: Wholesale Plan, Retail: Retail Plan.

Particulars	HDFC Quarterly Interval Fund			
	Plan A - Wholesale & Retail		Plan B - Wholesale & Retail	Plan C - Wholesale & Retail
	30-03-2007 to 31-03-2007	1-4-2007 to 30-09-2007	18-4-2007 to 30-09-2007	15-5-2007 to 30-09-2007
Date of Allotment	March 30, 2007		April 18, 2007	May 15, 2007
NAV at beginning of the year/period (Rs.)	10.0000 (G)* 10.0000 (D)^	10.0060 (G)* 10.0060 (D)^	10.0000 (G)* 10.0000 (D)^	10.0000 (G)* 10.0000 (D)^
Net Income per unit (Rs.)	0.0049	0.4221	1.9598	0.4641
Dividends (Rs.)	-	0.4097 # (D) 0.3813 &(D)	0.2116 # (D) 0.1970 &(D)	0.2077 # (D) 0.1933 &(D)
Transfer to Reserves (Rs.)	-	-	-	-
NAV at the end of the year/period (Rs.)	10.0060 (G)* 10.0060 (D)^	10.5009 (G)* 10.0269 (D)^	10.4131 (G)* 10.1683 (WD)^ 10.1668 (RD)^	10.3707 (G)* 10.1303 (D)^
Returns from the date of allotment till the end of the period (%)	0.02	5.01	4.13	3.71
Benchmark Returns from the date of allotment till the end of the period (%)	-	3.96	3.14	2.45
		Crisil Liquid Fund Index		
Ratio of recurring expenses to net assets (%)	0.19	0.28	0.37	0.39
Net Assets at the end of the year/period (Rs. in Crores)	327.72	337.79	66.27	146.51

*Growth Option, ^ Dividend Option, Wholesale: Wholesale Plan, Retail: Retail Plan
WG – Wholesale Plan – Growth Option. RG – Retail Plan – Growth Option

Note:

- Returns for less than one year are computed as absolute returns from the date of allotment of respective Schemes and returns for more than 1 year are computed as compounded annualized returns from the date of allotment of the respective Schemes.
- Per unit NAV on the date of allotment is taken as Rs.10 for computation of returns.
- Figures for the period April 1, 2007 to September 30, 2007 are un-audited.
- The ratio of recurring expenses to net assets is annualised.
- March 31, 2007 was a non Business Day, hence Returns and NAVs are as of March 30, 2007.
- September 30, 2007 was a non Business Day, hence Returns and NAVs are as of September 28, 2007.

iii) Borrowing of the Mutual Fund

The details of borrowing by the Schemes of the Mutual Fund as at March 31, 2007 are as follows :

Scheme Name	Year	Amount of Borrowing (Rs. crs.)	Purpose of Borrowing	Time Period (No. of days)	Amount as % of NAV at the time of borrowing
HDFC Liquid Fund	2007	50	To meet redemptions/ switches	4	3.25%

SECTION V

UNIT HOLDERS' RIGHTS & SERVICES

INVESTOR SERVICES

HDFC Mutual Fund will endeavour to provide Unit holder with the highest standards of service. The Mutual Fund hopes to capitalise on the investor servicing capabilities of the HDFC Group that have been built while servicing a large number of depositors, borrowers and shareholders over the last thirty years. 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.

EXISTING BRANCH NETWORK

HDFC Mutual Fund will provide service to the Unit holder through ISCs and ISCs / Transaction Points of CAMS as mentioned in this Offer Document. A complete listing of these ISCs and ISCs / Transaction Points of CAMS is available in this Offer Document. This existing network of designated HDFC Offices / HDFC AMC Offices / Transaction Points and ISCs of CAMS and additional HDFC Offices / HDFC AMC Offices / Transaction Points and ISCs of CAMS made functional in the future, will cater to the investor requirements, including collection of applications, issuing account statements, and request for Redemption / Switching of Units. All standard and non-standard enquiries will be attended to promptly at these offices.

CONVENIENCE IN TRANSACTIONS

Each ISC will provide investors with the requisite information and help in processing transactions in the Scheme of HDFC Mutual Fund. Adequate training will be imparted to personnel managing the Investor Service Centre, with a view to early resolution of queries.

ACCOUNT STATEMENT

Account Statement reflecting the new or additional subscription as well as Redemption / Switch of Units shall be despatched to the Unit holder within 30 days from the date of receipt of the request from the Unit holder. However, under normal circumstances, the Mutual Fund shall endeavour to despatch the Account Statement within 3 Business Days from the date of receipt of the request. Account Statement to the Unit holder under Daily & Weekly Dividend Reinvestment facility will be dispatched to the Unit holders once every 3 weeks giving details of all transactions during the period. However, the Mutual Fund shall, based on receipt of specific written request from the Unit holders dispatch the account statement after every transaction of Dividend Reinvestment.

E-MAIL COMMUNICATION

Account Statements / Annual Reports can be sent to each Unit holder by courier / post / e-mail.

Unit holders who have opted to receive these documents by e-mail will be required to download and print the documents after receiving e-mail from the Mutual Fund. Should the Unit holder experience any difficulty in accessing the electronically delivered documents, the Unit holder shall promptly advise the Mutual Fund to enable the Mutual Fund to make the delivery through alternate means. It is deemed that the Unit holder is aware of all security risks including possible third party interception of the documents and contents of the documents becoming known to third parties.

The Quarterly Newsletter, shall be displayed at the website of the Mutual Fund. The Unit holders can request for a copy of the Newsletter by post / e-mail. The AMC would arrange to dispatch these documents to the concerned Unit holder.

INFORMATION DISSEMINATION

The NAV of the Scheme(s) will be calculated and disclosed at the close of every Business Day. In case of HCMF - Savings Plan and Call Plan, the AMC will calculate the NAVs all year around. Information regarding NAV can be obtained by the Unit holders / Investors by calling or visiting the nearest ISC.

The NAVs of the respective Plans/Options under the Scheme 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 9.00 p.m. 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, 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 two daily newspapers on a daily basis in accordance with SEBI Regulations.

The AMC shall display the Newsletters on the website of the Mutual Fund. Investors / Unit holders, on written request can obtain (post/e-mail) a copy of the Newsletter or contact any of the Investor Service Centres.

The Schemewise annual report or an abridged summary thereof shall be mailed (e-mailed if opted / requested) 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. These results shall also be displayed on the website of the Mutual Fund and AMFI.

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 new 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 AMFI.

The Mutual Fund shall make arrangement to display the half-yearly unaudited results in the old format on its Website before the expiry of two months from the close of each half-year. These results are not required to be published in the newspapers.

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 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. 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 statement of portfolio shall also be displayed on the website of the Mutual Fund.

The Mutual Fund shall disclose large unitholdings in the Scheme which are over 25% of the NAV. The information on the number of such investors and total holdings by them in percentage terms, shall be disclosed in the allotment letters after the Initial Public Offer and also in the annual and the half-yearly results.

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.

HPIN FACILITY

Investors can avail of the facility - **HDFCMFOnline**, which enables them to transact online on **www.hdfcfund.com** 24 hours a day, 7 days a week, 365 days a year. On **HDFCMFOnline** investors can **PURCHASE***, **REDEEM** or **SWITCH** units of HDFC Mutual Fund at the click of a few buttons. Investors can also view account details online, download account statements and also check their account profile.

To request for this facility, please tick in the box - HPIN (**HDFCMFOnline**, Personal Identification Number). We will send a HPIN form, which needs to be filled and completed. Such HPIN form should be submitted at any of our Investor Service Centres. HPIN will normally be mailed to your address registered with us within 4 days from the date of receipt of HPIN request.

** facility available with select banks and subject to submission of PAN and KYC compliance proof for transaction value of Rs. 50,000 or more.*

GIFT FACILITY

The Unit holder can, at any time after the allotment of Units, write to the ISC, requesting for a Gift Form to gift his/her Units by way of a transfer of Units to the donee to the extent provided under the SEBI Regulations / applicable law(s). The Mutual Fund may stipulate, arrange to transfer the Units on account of the gift made by the Unit holder out of his / her Unit balance as per the provisions of applicable law(s) and subject to compliance with such requirement as it deems necessary. Gift in favour of NRI will also be subject to permission, general or specific under the Foreign Exchange Management Act, 1999. All payments and settlement made to such donee and a receipt thereof shall be valid discharge by the Mutual Fund. Unit holder would be liable for the loss resulting from a fraudulent transfer by way of a gift to a donee, based on the Unit holder's instructions that the Mutual Fund reasonably believed as genuine. However, it should be noted that such a transfer by way of gift may attract stamp duty.

PAYMENT TO ALTERNATE PAYEE

The Mutual Fund may subject to compliance with such requirement as it deems fit and necessary may stipulate, arrange to issue redemption and / or any distribution cheques in favour of an alternate payee on Unit holder(s) specific request either at the time of investment and /or at the time of redemption or any distribution. Reasonable procedures will need to be followed to assure that instructions from Unit holders regarding payment to Alternate Payee are genuine. The Unit holder(s) would be liable for the loss resulting from a fraudulent encashment / payment to Alternate Payee, based on the Unit holders instructions, that the Mutual Fund reasonably believed as

genuine. The Mutual Fund, reserves the right to require an indemnity or verification countersigned by a Bank Manager, Notary Public, Magistrate or any other party acceptable to it before accepting such instructions. All payments and settlements made to such Alternate Payee(s) and a receipt thereof shall be a valid discharge by the Mutual Fund and the Mutual Fund shall not in any manner liable to the Unit holder. It may be noted that there is no commitment from the Mutual Fund that this facility will be available to the Unit holders.

RIGHTS OF UNIT HOLDERS OF THE SCHEME(S)

- Unit holders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme.
- 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.
- When the Mutual Fund declares a dividend under the Plan, the dividend warrants shall be despatched within 30 days of the declaration of the dividend.
- The Account Statement reflecting the new or additional subscription as well as Redemption / Switch of Units shall be despatched to the Unit holder within 30 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. However, under normal circumstances, the Mutual Fund shall endeavour to despatch the Account Statement within 3 Business Days from the date of receipt of the request.

Account Statement to the Unit holder under Daily & Weekly Dividend Reinvestment facility will be dispatched to the Unit holders once every 3 weeks giving details of all transactions during the period. However, the Mutual Fund shall, based on receipt of specific written request from the Unit holders dispatch the account statement after every transaction of Dividend Reinvestment.

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 Mutual Fund shall despatch Redemption proceeds within 10 Business Days of receiving the Redemption request. A penal interest of 15% or such other rate as may be prescribed by SEBI from time to time, will be paid in case the Redemption proceeds are not made within 10 Business Days of the date of Redemption request.
- Under normal circumstances, the Mutual Fund will endeavor to despatch the Redemption cheque within 3-4 Business Days (1 Business Day in case of **HCMF-Savings Plan and Call Plan**) of the acceptance of the Redemption request.
- The appointment of the AMC for the Mutual Fund can be terminated by majority of the directors of the Trustee or 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 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.

DURATION OF THE SCHEME / WINDING UP

Being open ended, the Scheme(s) have a perpetual life. The AMC, the Mutual Fund and Trustee reserve the right to make changes / alterations to the Scheme (including the charging of fees and expenses) offered under this Offer Document to the extent permitted by the SEBI Regulations. However, in terms of the SEBI Regulations, the Scheme may be wound up after repaying the amount due to the Unit holders:

- (a) on the happening of any event which, in the opinion of the Trustee, requires the Scheme to be wound up; or
- (b) Seventy five percent of the Unit holders of the Scheme pass a resolution that the Scheme be wound up; or
- (c) SEBI directs the Scheme to be wound up in the interest of the Unit holders.

As per SEBI Circular SEBI/IMD/CIR No. 10/22701/03 dated December 12, 2003 open ended schemes / plans would be required to comply with the following conditions :

- i) Each scheme and individual plan(s) under the schemes should have a minimum of 20 investors and no single investor should account for most than 25% of the corpus of the scheme / plan(s).
- ii) In each subsequent calendar quarter thereafter on an average basis; the scheme /plan(s) should meet with both the conditions i.e. a minimum of 20 investors and no single investor should account for more than 25% of the corpus of the scheme / plan(s).

In case of non fulfillment of :

- the above clause (i) by the Scheme within three months time period or the end of succeeding calendar quarter, whichever is earlier, from the close of the Initial Public Offering (IPO).
- the above clause (ii) by the Scheme by the end of each subsequent quarter.

The provisions of Regulation 39(2) (c) of SEBI (Mutual Funds) Regulations, 1996 would become applicable automatically without any reference form SEBI.

Accordingly, the scheme(s) shall be wound up by following the guidelines laid down by SEBI.

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:

- 1. to SEBI; and
- 2. 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.

However, in order to harmonize the methodology for calculating the 25% limit in ongoing implementation of the SEBI circular dated December 12, 2003, SEBI has issued the following clarifications vide its circular SEBI/IMD/CIR No. 1/42529/05 dated June 14, 2005 :

- a) SEBI circular dated December 12, 2003 would be applicable at the Portfolio level.
- b) Determining the breach of the 25% limit by an Investor - The average net assets of the Scheme would be calculated daily and any breach of the 25% holding limit by an investor would be determined. At the end of the quarter, the average of daily holding by each such investor is computed to determine whether that investor has breached the 25% limit over the quarter. If there is a breach of limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25% limit. Failure on the part of the said investor to redeem his exposure over the 25% limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period.

All other provisions of the aforesaid circular dated December 12, 2003 remain unchanged. The Mutual Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

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

In the event of the Scheme(s) being wound up, the AMC shall proceed as follows:

1. The Trustee shall call a meeting of the Unit holders of the Scheme(s) to consider and pass necessary resolutions by simple majority of Unit holders present and voting at the meeting for authorising the AMC or any other person / agency to take the steps for winding up of the Scheme(s).
 - (a) The Trustee or the person authorised as above, shall dispose the assets of the Scheme(s) concerned in the best interests of the Unit holders of the Scheme(s).
 - (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(s) and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the Unit holders in proportion to their respective interests in the assets of the Scheme(s) 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 Unit holders, 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(s) before winding up, expenses of the Scheme(s) for winding up, net assets available for distribution

to the Unit holders and a certificate from the Auditors of the Mutual Fund.

3. Notwithstanding anything contained herein, the application of the provisions of 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(s) ceases to exist.
4. After the receipt of report referred to the above under **"Procedure and Manner of Winding up"** if SEBI is satisfied that all measures for winding up of the Scheme(s) have been complied with, the Scheme(s) shall cease to exist.

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS / CONSEQUENCES AVAILABLE / APPLICABLE TO HDFC MUTUAL FUND

The information given is included only for general purpose and is based on advise received by the AMC regarding the law and practise currently in force in India and the Investors/Unit holders should be aware that the relevant fiscal rules or their interpretation may 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 / Unit holder is advised to consult his / her own professional tax advisor.

As per the taxation laws in force, Chapter VII of the Finance (No. 2) Act, 2004 pertaining to Securities Transaction Tax (STT) and the proposals of the Finance Bill, 2007 (Finance Bill), the tax benefits / consequences as applicable, to HDFC Mutual Fund in respect of its Mutual Fund schemes (being an equity oriented fund / other than equity oriented fund / money market mutual fund / liquid fund) and investors investing in the Units of its Mutual Fund Schemes [on the assumption that the units are not held as stock-in-trade] are stated as follows:

1. Tax Benefits / Consequences to the Mutual Fund

HDFC Mutual Fund is a Mutual Fund registered with the Securities & Exchange Board of India and hence the entire income of the Mutual Fund will be exempt from income-tax in accordance with the provisions of Section 10(23D) of the Income-tax Act, 1961 (the Act).

The Mutual Fund will receive all income without any deduction of tax at source under the provisions of Section 196(iv) of the Act.

On income distribution, if any, made by the Mutual Fund, additional income-tax is payable under section 115R of the Act, in the case of its Schemes (other than equity-oriented funds i.e. such fund where the investible funds are invested by way of equity shares in domestic companies to the extent of more than 65% of the total proceeds of such fund). The additional income-tax on distribution of income to an individual / Hindu Undivided Family (HUF) shall be payable by the mutual fund at the rate of 14.1625%* (including applicable surcharge and education cess) and at the rate of 22.66%* (including applicable surcharge and education cess) on distribution of income to any other investor. The Finance Bill proposes to levy additional income-tax on distribution of income by a money market mutual fund

or a liquid fund at the rate of 28.325% (including applicable surcharge, education cess and secondary and higher education cess).

As per the Finance Bill, a money market mutual fund means a money market mutual fund as defined in the SEBI (Mutual Funds) Regulations, 1996 and a liquid fund means a scheme or plan of a mutual fund which is classified by the SEBI as a liquid fund in accordance with the guidelines issued by it in this behalf under the SEBI Act, 1992 or regulations made thereunder.

Securities Transaction Tax

As per Chapter VII of the Finance (No. 2) Act, 2004 pertaining to STT, the STT shall be payable, wherever applicable, as follows:

Sr. No.	Taxable Securities Transaction	Rate	Payable by
1.	Purchase of an equity share in a company or a unit of an equity oriented fund, where (a) the transaction of such purchase is entered into in a recognized stock exchange; and (b) the contract for purchase of such share or unit is settled by the actual delivery or transfer of such share or unit.	0.125 per cent	Purchaser
2.	Sale of an equity share in a company or a unit of an equity oriented fund, where (a) the transaction of such sale is entered into in a recognized stock exchange; and (b) the contract for sale of such share or unit is settled by the actual delivery or transfer of such share or unit.	0.125 per cent	Seller
3.	Sale of an equity share in a company or a unit of an equity oriented fund, where (a) the transaction of such sale is entered into in a recognized stock exchange; and (b) the contract for sale of such share or unit is settled otherwise than by the actual delivery or transfer of such share or unit.	0.025 per cent	Seller
4.	Sale of a derivative, where the transaction of such sale is entered into in a recognized stock exchange.	0.017 per cent	Seller
5.	Sale of a unit of an equity oriented fund to the Mutual Fund.	0.25 per cent	Seller

2. Tax Benefits / Consequences to Unit holders

i. Income-tax

All Unit holders

Income received, otherwise than on transfer (subject to the exemption of long-term capital gains provided for in section 10(38) of the Act, discussed elsewhere in this Statement), in respect of units of a mutual fund would be exempt from tax under Section 10(35) of the Act.

- **Tax Deduction at Source**

All Unit holders

No income-tax is deductible at source, on any income distribution by the Mutual Fund under the provisions of Section 194K and 196A of the Act.

- **Capital Gains Tax**

Foreign Institutional Investors

Long-term capital gains on sale of Units, held for a period of more than twelve months, would be taxed at the rate of 10% (plus applicable surcharge and education cess**) under Section 115AD of the Act (subject to the exemption of long-term capital gains provided for in section 10(38) of the Act, discussed elsewhere in this Statement). Such gains would be calculated without indexation of cost of acquisition. Short-term capital gains would be taxed at 30% (plus applicable surcharge and education cess**) (subject to the concessional rate of tax provided for in Section 111A of the Act, discussed elsewhere in this Statement)

As per Section 111A of the Act, short-term capital gains on sale of units of an equity-oriented fund, where such transaction of sale is chargeable to STT, shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and education cess**).

Exemption of capital gain from income tax

- As per Section 10(38) of the Act, any long-term capital gains arising from the sale of units of an equity-oriented fund where such transaction of sale is chargeable to STT, shall be exempt from tax.

Income by way of long term capital gain of a company shall be taken into account in computing the Book profit and income-tax payable under Section 115JB (Minimum Alternate Tax)[MAT]. The matter is however not free from doubt in case of Corporate Foreign Institutional Investors.

Other Unit holders

- Long-term capital gains in respect of Units, held for a period of more than twelve months, will be chargeable under Section 112 of the Act, at concessional rate of tax, at 20% (plus applicable surcharge and education cess**) (subject to the exemption of long-term capital gains provided for in Section 10(38) of the Act, discussed elsewhere in this Statement).
- The following amounts would be deductible from the full value of consideration, to arrive at the amount of capital gains:
 - Cost of acquisition of Units (as adjusted by Cost Inflation Index notified by the Central Government in case of long term capital gain) and
 - Expenditure incurred wholly and exclusively in connection with such transfer (excluding any sum paid on account of STT)
- However, where the tax payable on such long-term capital gains, computed before indexation, exceeds 10% (plus applicable surcharge and education cess**) of the amount of capital gains, such excess tax shall not be payable by the Unit holder.
- In case of resident individuals and Hindu Undivided Families,

where taxable income as reduced by long-term capital gains, is below the basic exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be subjected to the flat rate of income-tax (plus applicable surcharge and education cess**).

As per Section 111A of the Act, short-term capital gains on sale of units of an equity oriented fund where such transaction of sale is chargeable to STT shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and education cess**). Further in case of resident individuals and HUFs where taxable income as reduced by short-term capital gains, is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to the flat rate of income-tax (plus applicable surcharge and education cess**).

Exemption of capital gain from income tax

- As per Section 10(38) of the Act, any long-term capital gains arising from the sale of units of an equity-oriented fund where such transaction of sale is chargeable to STT, shall be exempt from tax.
- Income by way of long term capital gain of a company shall be taken into account in computing the Book profit and income-tax payable under Section 115JB [MAT].
- As per the provisions of section 54EC of the Act and the proposals of the Finance Bill and subject to the conditions and investment limits specified therein, capital gains (subject to the exemption of long-term capital gains provided for in section 10(38) of the Act, discussed elsewhere in this Statement), arising on transfer of a long-term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer.
- As per the provisions of Section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a HUF, capital gains (subject to the exemption of long-term capital gains provided for in section 10(38) of the Act, discussed elsewhere in this Statement) arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If part of such net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

All Unit holders

Under the provisions of Section 94(7) of the Act, loss arising on sale of Units, which are bought within 3 months prior to the record date (i.e. the date fixed by the Mutual Fund for the purposes of entitlement of the Unit holders to receive income or additional units without any consideration, as the case may be) and sold within 9 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such Units.

Under the provisions of Section 94(8) of the Act, where any person purchases units ('original units') within a period of 3 months prior to the record date, who is allotted additional

units without any payment and sells all or any of the original units within a period of 9 months after the record date, while continuing to hold all or any of the additional units, then any loss arising on sale of the original units shall be ignored for the purpose of computing income chargeable to tax. The amount of loss so ignored shall be deemed to be the cost of purchase of the additional units as are held on the date of such sale.

● **Tax Deduction at Source**

All Unit holders

No income-tax is deductible at source from income by way of capital gains under the present provisions of the Act in case of residents. However, the provisions of section 195 of the Act may apply to non-residents (other than Foreign Institutional Investors and long-term capital gains exempt under section 10(38) of the Act).

Accordingly income tax may have to be deducted at source in the case of a non-resident (other than foreign companies) at the rate of 10% (plus applicable surcharge and education cess**) on short-term capital gains referred to in section 111A and at the rate of 30% (plus applicable surcharge and education cess**) in case of short-term capital gains (other than under section 111A), unless a lower withholding tax certificate is obtained from the tax authorities, and at the rate of 20% (plus applicable surcharge and education cess**) in case of long-term capital gains, unless a lower withholding tax certificate is obtained from the tax authorities.

In the case of foreign companies the rate of tax to be deducted at source on short-term capital gains referred to in section 111A would be 10% (plus applicable surcharge and education cess**) and at the rate of 40% (plus applicable surcharge and education cess**) in case of short-term capital gains (other than under section 111A), unless a lower withholding tax certificate is obtained from the tax authorities, and at the rate of 20% (plus applicable surcharge and education cess**) in case of long term capital gains, unless a lower withholding tax certificate is obtained from the tax authorities.

● **Clubbing of income**

Subject to the provisions of section 64(1A) of the Act, taxable income accruing or arising in the case of a minor child shall be included in the income of the parent whose total income is greater or where the marriage of the parents does not subsist, in the income of that parent who maintains the minor child. An exemption under section 10(32) of the Act, is granted to the parent in whose hand the income is included upto Rs. 1,500/- per minor child. When the child attains majority, the tax liability will be on the child.

● **Deduction under section 80C**

As per section 80C, and subject to the provisions, an individual / HUF is entitled to a deduction from Gross Total

Income upto Rs. 1.00 lac (along with other prescribed investments) for amounts invested in any units of a mutual fund referred to in section 10(23D) of the Act, under any plan formulated in accordance with such scheme as the Central Government may notify.

● **Securities Transaction Tax**

All Unit holders

As per Chapter VII of the Finance (No. 2) Act, 2004 pertaining to STT, the STT shall be payable by the seller at the rate 0.25 per cent on the sale of a unit of an equity-oriented fund to the mutual fund.

OTHER BENEFITS

Investments in Units of the Mutual Fund will rank as an eligible form of investment under Section 11(5) of the Act read with Rule 17C of the Income-tax Rules, 1962, for Religious and Charitable Trusts.

TAX TREATY BENEFITS

An investor has an option to be governed by the provisions of the Act or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

ii. Wealth-tax

Units of the Mutual Fund are not treated as assets as defined under Section 2(ea) of the Wealth-tax Act, 1957 and therefore would not be liable to wealth-tax.

iii. Gift-tax

The Gift-tax Act, 1958 has ceased to apply to gifts made on or after October 1, 1998. Gifts of Units of the Mutual Fund would therefore, be exempt from gift-tax.

* Including the secondary and higher education cess proposed by the Finance Bill.

** The Finance Bill proposes to further levy a secondary and higher education cess.

The above Statement of Possible Direct Tax Benefits / Consequences sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of mutual fund units. The statements made above are based on the tax laws in force, Chapter VII of the Finance (No. 2) Act, 2004 pertaining to Securities Transaction Tax and the proposals of the Finance Bill, 2007, and as interpreted by the relevant taxation authorities as of date. Investors/Unit Holders are advised to consult their tax advisors with respect to the tax consequences of the purchase, ownership and disposal of mutual fund units.

SECTION VI – OTHER MATTERS

UNIT HOLDER 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. John Mathews**, Head – Client Services can be contacted at Mistry Bhavan, 1st Floor, 122, Dinsha Vachha Road, Churchgate, Mumbai 400 020 at **Telephone nos.** (022) 66316300. **Fax no.** (022) 22821144. **e-mail:** cliser@hdfcfund.com.

INVESTOR COMPLAINTS

Given below is the status of complaints received during the period April 1, 2004 to September 30, 2007.

Name of Scheme	Complaints Received				Complaints Redressed				Complaints Pending			
	April 1, 2004 to March 31, 2005	April 1, 2005 to March 31, 2006	April 1, 2006 to March 31, 2007	April 1, 2007 to September 30, 2007	April 1, 2004 to March 31, 2005	April 1, 2005 to March 31, 2006	April 1, 2006 to March 31, 2007	April 1, 2007 to September 30, 2007	As at March 31, 2005	As at March 31, 2006	As at March 31, 2007	As at September 30, 2007
HDFC Growth Fund	337	193	146	66	399	181	157	65	1	13	2	3
HDFC Equity Fund	543	438	741	365	569	441	742	362	16	13	12	15
HDFC Top 200 Fund	346	324	469	210	392	312	473	216	4	16	12	6
HDFC Capital Builder Fund	301	503	274	68	356	493	289	69	8	18	3	2
HDFC Core & Satellite Fund	87	173	315	90	89	165	323	90	1	9	1	1
HDFC Premier Multi-Cap Fund	-	412	341	72	-	404	342	74	-	8	7	5
HDFC Long Term Advantage Fund	172	509	460	159	192	495	468	162	3	17	9	6
HDFC TaxSaver	147	509	710	396	163	500	717	387	2	11	4	13
HDFC Index Fund	19	8	12	3	22	8	12	3	-	-	-	-
HDFC Balanced Fund	79	103	45	10	96	103	44	10	-	-	1	1
HDFC Prudence Fund	276	282	322	200	322	279	322	204	8	11	11	7
HDFC Long Term Equity Fund	-	40	39	52	-	38	41	50	-	2	-	2
HDFC MF Monthly Income Plan	926	400	320	70	977	401	321	73	5	4	3	-
HDFC Children's Gift Fund	85	74	46	28	88	72	47	28	-	2	1	1
HDFC Multiple Yield Fund	24	24	5	-	23	24	6	-	1	1	-	-
HDFC Multiple Yield Fund - Plan 2005	-	1	8	1	-	1	8	1	-	-	-	-
HDFC Income Fund	1,132	151	117	10	1,300	153	121	9	6	4	-	1
HDFC High Interest Fund	165	32	20	2	193	32	20	2	-	-	-	-
HDFC Short Term Plan	19	9	13	2	20	9	13	2	-	-	-	-
HDFC Floating Rate Income Fund	27	61	48	17	27	60	49	16	-	1	-	1
HDFC Gilt Fund	43	4	2	-	51	5	2	-	1	-	-	-
HDFC Sovereign Gilt Fund	4	-	2	-	5	-	2	-	-	-	-	-
HDFC Liquid Fund	31	33	26	7	34	33	26	7	-	-	-	-
HDFC Cash Management Fund	21	35	42	71	22	34	43	71	-	1	-	-
HDFC Fixed Maturity Plans	-	-	5	12	-	-	5	12	-	-	-	-
HDFC Mid-Cap Opportunities Fund	-	-	-	170	-	-	-	170	-	-	-	-
HDFC Quarterly Interval Fund	-	-	-	5	-	-	-	4	-	-	-	1
Total	4,784	4,318	4,528	2,086	5,340	4,243	4,593	2,087	56	131	66	65

ASSOCIATE TRANSACTIONS

INVESTMENT IN GROUP COMPANIES

During the period April 1, 2004 to March 31, 2005, the following investments were made in securities of the Sponsors and its Group Companies.

(Rs. in crore)

Name of the Company	Particulars	Quantity (Nos.)	HDFC Index Fund - SENSEX Plan	HDFC Index Fund - Nifty Plan	HDFC Index Fund - SENSEX Plus Plan	HDFC Income Fund	HDFC High Interest Fund - Short Term Plan	HDFC Liquid Fund	HDFC Floating Rate Income Fund - Short Term Plan	HDFC Floating Rate Income Fund - Long Term Plan	HDFC Monthly Income Plan - Short Term Plan	HDFC Cash Management Fund - Savings Plan	HDFC Cash Management Fund - Savings Plus Plan
Housing Development Finance Corporation Limited \$	Equity Shares Purchase	11,548	0.69	-	-	-	-	-	-	-	-	-	-
		5,562	-	0.33	-	-	-	-	-	-	-	-	-
		4,584	-	-	0.28	-	-	-	-	-	-	-	-
	Sale	13,579	0.83	-	-	-	-	-	-	-	-	-	-
		7,492	-	0.46	-	-	-	-	-	-	-	-	-
		5,584	-	-	0.35	-	-	-	-	-	-	-	-

(Rs. in crore)

Name of the Company	Particulars	Quantity (Nos.)	HDFC Index Fund - SENSEX Plan	HDFC Index Fund - Nifty Plan	HDFC Index Fund - SENSEX Plus Plan	HDFC Income Fund	HDFC High Interest Fund - Short Term Plan	HDFC Liquid Fund	HDFC Floating Rate Income Fund - Short Term Plan	HDFC Floating Rate Income Fund - Long Term Plan	HDFC Monthly Income Plan - Short Term Plan	HDFC Cash Management Fund - Savings Plan	HDFC Cash Management Fund - Savings Plus Plan
HDFC Bank Limited ^	NCDs / Floating Rate Bonds Purchase	2,100	-	-	-	-	-	-	-	-	29.96	-	-
		200	-	-	-	-	-	-	-	-	-	20.02	-
		900	-	-	-	-	-	64.38	-	-	-	-	-
		1,000	-	-	-	-	-	-	100.05	-	-	-	-
		400	-	-	-	-	-	-	-	40.10	-	-	-
		2,100	-	-	-	-	-	-	-	-	-	-	29.97
	Sale	3,00,000	-	-	-	32.03	-	-	-	-	-	-	-
		150	-	-	-	-	-	-	-	10.01	-	-	-
		2,100	-	-	-	-	-	-	-	-	29.99	-	-
		250	-	-	-	-	-	25.00	-	-	-	-	-
		300	-	-	-	-	-	-	30.00	-	-	-	-
	Redemption	1,50,000	-	-	-	-	15.00	-	-	-	-	-	-
	Equity Shares Purchase	12,962	0.48	-	-	-	-	-	-	-	-	-	-
		6,460	-	0.24	-	-	-	-	-	-	-	-	-
		4,902	-	-	0.19	-	-	-	-	-	-	-	-
	Sale	15,961	0.63	-	-	-	-	-	-	-	-	-	-
		8,735	-	0.34	-	-	-	-	-	-	-	-	-
		6,682	-	-	0.27	-	-	-	-	-	-	-	-

\$ Sponsor ^ Group Company of Sponsor

During the period April 1, 2005 to March 31, 2006, the following investments were made in securities of the Sponsors and its Group Companies.

(Rs. in crore)

Name of the Company	Particulars	Quantity (Nos.)	HDFC Index Fund - SENSEX Plan	HDFC Index Fund - Nifty Plan	HDFC Index Fund - SENSEX Plus Plan	HDFC High Interest Fund - Short Term Plan	HDFC Liquid Fund	HDFC Floating Rate Income Fund - Short Term Plan	HDFC MF Monthly Income Plan - Short Term Plan	HDFC Floating Rate Income Fund - Long Term Plan	HDFC Cash Management Fund - Savings Plan	HDFC Cash Management Fund - Savings Plus Plan	HDFC MF Monthly Income Plan - Long Term Plan	HDFC Prudence Fund	HDFC Income Fund	HDFC Premier Multi-Cap Fund	HDFC Balanced Fund	HDFC Multiple Yield Fund - Plan 2005
Housing Development Finance Corporation Limited \$	Equity Shares Purchase	498	-	0.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		1,755	-	-	0.19	-	-	-	-	-	-	-	-	-	-	-	-	-
		1,795	0.19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sale	1,116	-	0.10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		2,374	-	-	0.24	-	-	-	-	-	-	-	-	-	-	-	-	-
		2,574	0.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Floating Rate Bonds Purchase	400	-	-	-	-	-	-	-	-	39.99	-	-	-	-	-	-	-
		750	-	-	-	-	-	-	-	75.02	-	-	-	-	-	-	-	-
		700	-	-	-	-	-	70.20	-	-	-	-	-	-	-	-	-	-
		600	-	-	-	-	-	-	-	60.16	-	-	-	-	-	-	-	-
		200	-	-	-	-	-	-	-	-	-	20.00	-	-	-	-	-	-
	Sale	100	-	-	-	-	-	-	10.08	-	-	-	-	-	-	-	-	-
		100	-	-	-	-	10.07	-	-	-	-	-	-	-	-	-	-	-
		750	-	-	-	-	-	-	-	75.00	-	-	-	-	-	-	-	-
		550	-	-	-	-	-	55.18	-	-	-	-	-	-	-	-	-	-
		400	-	-	-	-	-	-	-	40.02	-	-	-	-	-	-	-	-
		50	-	-	-	-	-	-	5.03	-	-	-	-	-	-	-	-	-
	Deep Discount Bonds Purchase	250	-	-	-	-	-	24.21	-	-	-	-	-	-	-	-	-	-
	Sale	150	-	-	-	-	14.43	-	-	-	-	-	-	-	-	-	-	-
		250	-	-	-	-	-	24.26	-	-	-	-	-	-	-	-	-	-
	NCD/ Khokha Purchase	50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.00	-
		750	-	-	-	-	-	-	-	-	75.03	-	-	-	-	-	-	-
		220	-	-	-	-	-	-	-	-	-	-	-	-	21.95	-	-	-
		2,650	-	-	-	-	85.03	-	-	-	-	-	-	-	-	-	-	-
		6,250	-	-	-	-	-	-	-	84.97	-	-	-	-	-	-	-	-
		50	-	-	-	-	-	-	-	-	-	-	-	-	-	5.00	-	-
		200	-	-	-	-	-	-	-	-	-	-	20.00	-	-	-	-	-
		1,100	-	-	-	-	-	110.36	-	-	-	-	-	-	-	-	-	-
		500	-	-	-	-	-	-	-	50.40	-	-	-	-	-	-	-	-
		30	-	-	-	2.99	-	-	-	-	-	-	-	-	-	-	-	-
		250	-	-	-	-	-	-	-	-	-	-	25.00	-	-	-	-	-
		50	-	-	-	-	-	-	5.00	-	-	-	-	-	-	-	-	-
	Sale	250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25.05
		2,500	-	-	-	-	-	-	-	-	69.91	-	-	-	-	-	-	-
		1,800	-	-	-	-	45.40	-	-	-	-	-	-	-	-	30.00	-	-
		300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		400	-	-	-	-	-	40.06	-	-	-	-	-	-	-	-	-	-
		450	-	-	-	-	-	-	-	45.30	-	-	-	-	-	-	-	-
		50	-	-	-	-	-	-	-	-	-	-	-	-	4.99	-	-	-
		100	-	-	-	-	-	-	9.98	-	-	-	-	-	-	-	-	-
Gruh Finance Ltd. ^	NCD Purchase	250	-	-	-	-	25.000	-	-	-	-	-	-	-	-	-	-	-

\$ Sponsor ^ Group Company

During the period April 1, 2006 to March 31, 2007, the following Investment were made in the Securities of Sponsors and its Group Companies :

(Rs. in Crores)

Name of the Company	Particulars	Quantity (Nos.)	SX	NY	SX+	LTEF	MIP - LTP	HMYF	MY05	HIF	HHIF	HSTP	HLF	CMS	CMS+	CMC	FRIP-STP	13M Jun 06 (1)	13M Jul 06 (1)	13M Aug 06 (1)	14M Mar 07	90D Mar 07
Housing Development Finance Corporation Limited \$	Equity Shares Purchase	2,875	-	0.410	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		5,892	-	-	0.870	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		16,544	2.460	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sale	1,867	-	0.250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		3,953	-	-	0.580	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		10,672	1.610	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Floating Rate Bonds/ Notes Sale	200	-	-	-	-	20.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	NCD/ Khokha Purchase	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.000	-	
		157	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.720	-	-	
		25	-	-	-	-	-	-	-	-	7.500	2.500	-	-	-	-	-	-	-	-	-	
		75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		50	-	-	-	-	-	-	-	-	-	-	4.980	-	-	-	-	-	-	-	-	
		200	-	-	-	-	-	-	-	-	-	-	-	-	-	20.000	-	-	-	-	-	
		500,051	-	-	-	-	-	-	-	-	-	-	-	9.970	-	-	-	-	-	-	-	
		50	-	-	-	-	-	4.900	-	-	-	-	-	-	-	-	-	-	-	-	-	
		500,000	-	-	-	-	-	-	-	-	-	-	5.020	-	-	-	-	-	-	-	-	
		100	-	-	-	-	10.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25.000	-	-	
		12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25.000	-	1.200	
	Sale	500,000	-	-	-	-	-	-	-	-	5.020	-	-	-	-	-	-	-	-	-	-	-
		40	-	-	-	-	-	-	-	-	-	-	-	-	4.000	-	-	-	-	-	-	
		550	-	-	-	-	-	-	-	-	-	-	-	55.010	-	4.000	-	-	-	-	-	
		200	-	-	-	-	-	-	-	-	-	-	-	-	-	20.000	-	-	-	-	-	
		450	-	-	-	-	-	-	-	-	-	-	-	-	45.010	-	20.000	-	-	-	-	
		50	-	-	-	-	-	4.870	-	-	-	-	-	-	-	-	-	-	-	-	-	
		500,000	-	-	-	-	-	-	-	-	-	-	5.000	-	-	-	-	-	-	-	-	
		200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20.010	-	-	-	
		350	-	-	-	35.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		110	-	-	-	-	11.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		170	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17.010	-	-	
		250	-	-	-	-	-	-	25.000	-	-	-	-	-	-	-	-	-	-	-	-	
	Deep Discount Bonds Purchase	1100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	95.530	-
GRUH Finance Ltd. ^	Floating Rate Bonds/ Notes Purchase	490	-	-	-	-	-	-	-	-	-	-	-	49.000	-	-	-	-	-	-	-	
		150	-	-	-	-	-	15.000	-	-	-	-	-	-	-	-	-	-	-	-	-	
		250	-	-	-	-	25.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		160	-	-	-	-	-	-	16.000	-	-	-	-	-	-	-	-	-	-	-	-	
	Sale	150	-	-	-	-	-	15.000	-	-	-	-	-	-	-	-	-	-	-	-	-	
	NCD/ Khokha Sale	250	-	-	-	-	-	-	-	-	-	-	25.000	-	-	-	-	-	-	-	-	

\$ Sponsor ^ Group Company

SX : HDFC Index Fund - SENSEX Plan, NY : HDFC Index Fund - Nifty Plan, SX+ : HDFC Index Fund - SENSEX Plus Plan, LTEF : HDFC Long Term Equity Fund, MIP - LTP : HDFC MF Monthly Income Plan - Long Term Plan, HMYF : HDFC Multiple Yield Fund, MY05 : HDFC Multiple Yield Fund - Plan 2005, HIF : HDFC Income Fund, HHIF : HDFC High Interest Fund, HSTP : HDFC Short Term Plan, HLF : HDFC Liquid Fund, CMS : HDFC Cash Management Fund - Savings Plan, CMS+ : HDFC Cash Management Fund - Savings Plus Plan, CMC : HDFC Cash Management Fund - Call Plan, FRIP-STP : HDFC Floating Rate Income Fund - Short Term Plan, 13M Jun 06 (1) : HDFC FMP 13M June 2006 (1), 13M Jul 06 (1) : HDFC FMP 13M July 2006 (1), 13M Aug 06(1) : HDFC FMP 13M August 2006 (1), 14M Mar 07 : HDFC FMP 14M March 2007, 90D Mar 07 : HDFC FMP 90D March 2007.

During the period April 1, 2007 to September 30, 2007, the following Investment were made in the Securities of Sponsors and its Group Companies:

(Rs. in Crores)

Name of the Company	Particulars	Quantity (Nos.)	HDFC Growth Fund	HDFC Cash Management - Savings Plus Plan	HDFC Income Fund	HDFC Liquid Fund	HDFC Cash Management - Savings Plan	HDFC Index Fund - Nifty Plan	HDFC Prudence Fund	HDFC Index Fund - Sensex Plus Plan	HDFC Short Term Plan	HDFC Index Fund - Sensex Plan	HDFC Top 200 Fund	HDFC Floating Rate Income Fund - Short Term Plan	HDFC Monthly Income Plan - Long Term Plan	HDFC FMP 13M July 2007	HDFC FMP 90D March 2007	HDFC Multiple Yield Fund - Plan 2005	HDFC FMP 367D May 2007	HDFC FMP 13M June 2007
Housing Development Finance Corporation Ltd.	Deep Discount Bonds Purchase	150	-	13.33	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		100	-	-	-	-	9.1	-	-	-	-	-	-	-	-	-	-	-	-	-
		100	-	-	-	-	-	-	-	-	8.89	-	-	-	-	-	-	-	-	-
		250	-	-	-	-	-	-	-	-	-	-	-	22.22	-	-	-	-	-	-
		150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13.65	-
	Equity Shares Purchase	90000	17.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		2198	-	-	-	-	-	0.44	-	-	-	-	-	-	-	-	-	-	-	-
		2560	-	-	-	-	-	-	-	0.51	-	-	-	-	-	-	-	-	-	-
		4779	-	-	-	-	-	-	-	-	-	0.91	-	-	-	-	-	-	-	-
		160000	-	-	-	-	-	-	-	-	-	-	33.96	-	-	-	-	-	-	-

(Rs. in Crores)

Name of the Company	Particulars	Quantity (Nos.)	HDFC Growth Fund	HDFC Cash Management - Savings Plus Plan	HDFC Income Fund	HDFC Liquid Fund	HDFC Cash Management - Savings Plan	HDFC Index Fund - Nifty Plan	HDFC Prudence Fund	HDFC Index Fund - Sensex Plus Plan	HDFC Short Term Plan	HDFC Index Fund - Sensex Plan	HDFC Top 200 Fund	HDFC Floating Rate Income Fund - Short Term Plan	HDFC Monthly Income Plan - Long Term Plan	HDFC FMP 13M July 2007	HDFC FMP 90D March 2007	HDFC Multiple Yield Fund - Plan 2005	HDFC FMP 367D May 2007	HDFC FMP 13M June 2007
Gruh Finance Ltd.	Sale	2036	-	-	-	-	-	0.39	-	-	-	-	-	-	-	-	-	-	-	-
		2009	-	-	-	-	-	-	-	0.38	-	-	-	-	-	-	-	-	-	-
		6001	-	-	-	-	-	-	-	-	-	1.11	-	-	-	-	-	-	-	-
		15000	-	-	-	-	-	-	-	-	-	-	3.72	-	-	-	-	-	-	-
	Floating Rate Bonds / Notes Purchase	250	-	25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		250	-	-	-	25	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		500	-	-	-	-	-	-	-	-	-	-	-	50	-	-	-	-	-	-
	NCD / Khokha Purchase	300	-	-	-	-	-	-	30.62	-	-	-	-	-	-	-	-	-	-	-
		12	-	-	-	-	-	-	-	-	-	-	-	1.2	-	-	-	-	-	-
		150	-	-	-	-	-	-	-	-	-	-	-	-	15	-	-	-	-	-
	Sale	157	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.7
		100	-	-	9.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		500001	-	-	-	-	5.1	-	-	-	-	-	-	-	-	-	-	-	-	-
		12	-	-	-	-	-	-	-	-	-	-	-	1.2	-	-	-	-	-	-
		80	-	-	-	-	-	-	-	-	-	-	-	-	-	8	-	-	-	-
		12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.2	-	-	-
	Floating Rate Bonds / Notes Purchase	90	-	-	-	-	9	-	-	-	-	-	-	-	-	-	-	9	-	-
	Sale	90	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

\$ - Sponsor

^ - Group Company

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. The investments under the respective Plans of HDFC Index Fund were made pursuant to their Investment Objectives.

INVESTMENT IN ASSOCIATE COMPANIES

During the period April 1, 2004 to March 31, 2005, the Scheme(s) of HDFC Mutual Fund had invested in the following securities of the Associate Companies of the Sponsor.

(Rs. in Crores)

Name of the Associate	Particulars	Quantity (Nos.)	HDFC Balanced Fund	HDFC Long Term Advantage Fund	HDFC Children's Gift Fund		HDFC Index Fund			HDFC MF Monthly Income Plan		HDFC Equity Fund	HDFC Prudence Fund	HDFC Top 200 Fund	HDFC Capital Builder Fund	HDFC TaxSaver	HDFC Core & Satellite Fund
					Investment Plan	Savings Plan	SENSEX Plan	Nifty Plan	SENSEX Plus Plan	Short Term Plan	Long Term Plan						
Glaconmilkline Pharma Limited	Equity Shares Purchase	1,792	-	-	-	-	-	0.11	-	-	-	-	-	-	-	-	-
	Sale	2,320	-	-	-	-	-	0.15	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	62,742	-	-	-	-	0.81	-	-	-	-	-	-	-	-	-	-
		49,710	-	-	-	-	-	0.62	-	-	-	-	-	-	-	-	-
		24,242	-	-	-	-	-	-	0.34	-	-	-	-	-	-	-	-
	Sale	76,635	-	-	-	-	1.00	-	-	-	-	-	-	-	-	-	-
		67,045	-	-	-	-	-	0.87	-	-	-	-	-	-	-	-	-
		32,287	-	-	-	-	-	-	0.42	-	-	-	-	-	-	-	-
		300,000	-	-	-	-	-	-	-	-	-	-	-	4.32	-	-	-
		35,000	-	-	0.53	-	-	-	-	-	-	-	-	-	-	-	-
	Bonus Debentures Purchase	583,028	-	-	-	0.35	-	-	-	-	-	-	-	-	-	-	-
	Sale	212,276	-	-	-	-	0.13	-	-	-	-	-	-	-	-	-	-
		56,618	-	-	-	-	-	0.03	-	-	-	-	-	-	-	-	-
		49,134	-	-	-	-	-	-	0.03	-	-	-	-	-	-	-	-
		230,000	0.14	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		35,000	-	-	0.02	-	-	-	-	-	-	-	-	-	-	-	-
	Redemption	100,000	-	-	-	-	-	-	-	-	-	-	-	0.06	-	-	-
		100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	0.06	-
		603,028	-	-	-	0.36	-	-	-	-	-	-	-	-	-	-	-
Mahindra & Mahindra Limited	Equity Shares Purchase	2,613	-	-	-	-	-	0.12	-	-	-	-	-	-	-	-	-
		45,000	-	-	-	-	-	-	-	1.91	-	-	-	-	-	-	-
		100,000	-	-	-	-	-	-	-	-	4.43	-	-	-	-	-	-
		300,000	-	-	-	-	-	-	-	-	-	13.74	-	-	-	-	-
		200,000	-	-	-	-	-	-	-	-	-	-	8.76	-	-	-	-
	Sale	3,530	-	-	-	-	-	0.16	-	-	-	-	-	-	-	-	-
		145,000	-	-	-	-	-	-	-	7.01	-	-	-	-	-	-	-
		215,000	-	-	-	-	-	-	-	-	10.26	-	-	-	-	-	-
		650,000	-	-	-	-	-	-	-	-	-	28.42	-	-	-	-	-
		220,000	-	-	-	-	-	-	-	-	-	-	23.04	-	-	-	-
Indian Hotels Company Limited	Equity Shares Purchase	1,014	-	-	-	-	-	0.03	-	-	-	-	-	-	-	-	-
	Sale	1,611	-	-	-	-	-	0.06	-	-	-	-	-	-	-	-	-
Siemens Limited	Equity Shares Purchase	5,000	-	0.66	-	-	-	-	-	-	-	-	-	-	-	-	-
		14,677	-	-	-	-	-	-	-	-	-	-	-	1.49	-	-	-
	Sale	49,165	-	-	-	-	-	-	-	-	-	-	-	5.77	-	-	-
Motor Industries Company Limited		40,000	-	-	-	-	-	-	-	-	-	-	-	-	4.02	-	-
	Equity Shares Purchase	1,519	-	-	-	-	-	-	-	-	1.97	-	-	-	-	-	-
		2,066	-	-	-	-	-	-	-	-	-	-	-	2.75	-	-	-
Exide Industries Ltd.		75,000	-	-	-	-	-	-	-	-	-	-	-	-	14.00	-	-
	Sale	43,060	-	-	-	-	-	-	-	-	7.97	-	-	-	-	-	-
		27,870	-	-	-	-	-	-	-	-	-	-	-	5.15	-	-	-
Cadila Healthcare Ltd.	Equity Shares Purchase	138,492	-	2.08	-	-	-	-	-	-	-	-	-	-	-	-	-
		175,847	-	-	-	-	-	-	-	2.37	-	-	-	-	-	-	-
		391,080	-	-	-	-	-	-	-	-	5.40	-	-	-	-	-	-
		419,716	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6.39
Sole	Equity Shares Purchase	27,608	-	-	-	-	-	-	-	-	-	-	-	1.49	-	-	-
		25,012	-	-	-	-	-	-	-	-	-	-	-	-	-	1.25	-
	Sale	20,000	-	-	1.07	-	-	-	-	-	-	-	-	-	-	-	-
		10,000	-	-	-	-	-	-	-	-	-	-	-	0.58	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

During the period April 1, 2005 to March 31, 2006 the Mutual Fund had invested in the following securities of the Associate Companies of the Sponsor

(Rs. in Crores)

[illegible]

(Rs. in Crores)

[illegible]

HGF - HDFC Growth Fund, HIF - HDFC Income Fund, HLF - HDFC Liquid Fund, HLTA - HDFC Long Term Advantage Fund, HDGC CGF IP - HDFC Children's Gift Fund - Investment Plan, HFRIF-STP - HDFC Floating Rate Income Fund - Short Term Plan, HFRIF-LTP - HDFC Floating Rate Income Fund - Long Term Plan, HMYF - HDFC Multiple Yield Fund, HCSF - HDFC Core & Satellite Fund, HEF - HDFC Equity Fund, HPF - HDFC Prudence Fund, HCBF - HDFC Capital Builder Fund, HTS - HDFC TaxSaver, HT200 - HDFC Top 200 Fund, HHIF - HDFC High Interest Fund, HCMFS - HDFC Cash Management Fund - Savings Plan, HCMFS+ - HDFC Cash Management Fund - Savings Plus Plan, HMIP-STP - HDFC Monthly Income Plan - Short Term Plan, HMIP-LTP - HDFC Monthly Income Plan - Long Term Plan, HPMCF - HDFC Premier Multi-Cap Fund, HLTEF - HDFC Long Term Equity Fund, HBF - HDFC Balanced Fund, HMYF - Plan 2005 HDFC Multiple Yield Fund - Plan 2005, HCMFC - HDFC Cash Management Fund - Call Plan and HFMP 3M - HDFC FMP 3M March 2006 (1).

During the period April 1, 2006 to March 31, 2007, the Mutual Fund has invested in the following Securities of the Associate Companies of the Sponsor:

(Rs. in Crores)

[illegible]

(Rs. in Crores)

[illegible]

[^] Shares in Sparsh BPO Services Ltd. were allotted pursuant to Scheme of arrangement between Spanco Telesystems & Solutions Ltd. and Sparsh BPO Services Ltd. Sparsh BPO Services Ltd. was formerly known as Internet BPO Services Ltd.

HEF - HDFC Equity Fund, HGF - HDFC Growth Fund, HT200 - HDFC Top 200 Fund, HCBF - HDFC Capital Builder Fund, HCSF - HDFC Core & Satellite Fund, HPMCF - HDFC Premier Multi-Cap Fund, SX : HDFC Index Fund - Sensex Plan, NY : HDFC Index Fund - Nifty Plan, SX+ : HDFC Index Fund - Sensex Plus Plan, HLTAF - HDFC Long Term Advantage Fund, HTS - HDFC TaxSaver, HLTEF - HDFC Long Term Equity Fund, HPF - HDFC Prudence Fund, HBF - HDFC Balanced Fund, HDFC CGF IP - HDFC Children's Gift Fund - Investment Plan, HDFC CGF SP - HDFC Children's Gift Fund - Savings Plan, HMYF - HDFC Multiple Yield Fund, HMY05 - HDFC Multiple Yield Fund - Plan 2005, HMIP-LTP - HDFC MF Monthly Income Plan - Long Term Plan, HMIP-STP - HDFC MF Monthly Income Plan - Short Term Plan, HSTP - HDFC Short Term Plan, HLF - HDFC Liquid Fund, HCMFS - HDFC Cash Management Fund - Savings Plan, HCMFS+ - HDFC Cash Management Fund - Savings Plus Plan, HCMFC - HDFC Cash Management Fund - Call Plan, HFRIF-STP - HDFC Floating Rate Income Fund - Short Term Plan, HFRIF-LTP - HDFC Floating Rate Income Fund - Long Term Plan.

During the period April 1, 2007 to September 30, 2007, the Mutual Fund has invested in the following Securities of the Associate Companies of the Sponsor:

(Rs. in Crores)

[illegible]

Name of the Company	Particulars	Quantity (Nos.)	HDFC Capital Builder Fund	HDFC Core & Satellite Fund	HDFC Equity Fund	HDFC Childrens Gift Fund - Investment Plan	HDFC Growth Fund	HDFC Childrens Gift Fund - Savings Plan	HDFC Cash Management Fund - Savings Plan	HDFC Index Fund - Nifty Plan	HDFC Premier Multi-Cap Fund	HDFC Prudence Fund	HDFC Index Fund - Sensex Plus Plan	HDFC Short Term Plan	HDFC Index Fund - Sensex Plan	HDFC Top 200 Fund	HDFC Long Term Advantage Plan	HDFC Taxsaver	HDFC Floating Rate Income Fund - Short Term Plan	HDFC Long Term Equity Fund	HDFC Monthly Income Plan - Long Term	HDFC Monthly Income Plan - Long Term	HDFC FMP 900 March 2007	HDFC Multiple Yield Fund - Plan 2005	HDFC Mid-Cap Opportunities Fund	HDFC 13M August 2006 (I)
Infrastructure Development Finance Corporation Ltd.	Sale	2545 2270 6760	-	-	-	-	-	-	-	0.29	-	-	0.26	-	-	-	-	-	-	-	-	-	-	-	-	-
	NCD/ Khokha Purchase	5 250 100 10 100 130	-	-	-	-	-	-	0.49	-	-	24.82	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sale	5 130 20 100 50 10 130	-	-	-	-	-	-	12.99	-	-	2	-	9.82	-	-	-	-	-	-	-	-	-	-	-	0.49
	Equity Shares Purchase	2018 3913 6828	-	-	-	-	-	-	-	0.14	-	-	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sale	2005 534 1693 65000	-	-	-	-	-	-	-	0.15	-	-	0.04	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Sale	73000 66220 45186	33.58	-	-	-	-	-	-	-	-	-	-	-	-	30.49	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	200000 1395 300000 115000 23124	-	22.8	-	-	-	-	-	0.18	-	-	-	-	-	-	-	32.78	-	12.67	-	-	-	-	-	-
	Sale	35000 54860 1379 25000 27000 65000 45000	-	4.57	-	7.38	-	-	-	0.18	3.17	3.63	-	-	-	8.4	-	-	-	-	-	5.38	-	-	-	-
	Equity Shares Sale	20000	-	-	-	-	-	0.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	18194 11116 21340 1513000	-	-	-	-	-	-	-	0.37	-	-	0.22	-	-	0.43	-	-	-	-	-	-	-	-	-	-
Sparsh BPO Services Ltd.	Sale	950000 350000 125000 93145 17994 840973 9746 29317 1150000 650000 2200000	18.8	6.82	-	2.49	1.81	-	-	0.37	15.83	-	0.2	-	0.59	22.97	12.57	-	-	43.43	-	-	-	-	-	-
	Equity Shares Purchase	288011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.78	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	6.51	-	-	-	-	-	-	-	-	-	-	-	1.3	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mahindra & Mahindra Ltd.	Equity Shares Purchase	2018 3913 6828	-	-	-	-	-	-	-	0.14	-	-	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sale	2005 534 1693 65000	-	-	-	-	-	-	-	0.15	-	-	0.04	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Sale	73000 66220 45186	33.58	-	-	-	-	-	-	-	-	-	-	-	-	30.49	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	200000 1395 300000 115000 23124	-	22.8	-	-	-	-	-	0.18	-	-	-	-	-	-	-	32.78	-	12.67	-	-	-	-	-	-
	Sale	35000 54860 1379 25000 27000 65000 45000	-	4.57	-	7.38	-	-	-	0.18	3.17	3.63	-	-	-	8.4	-	-	-	-	-	5.38	-	-	-	-
	Equity Shares Sale	20000	-	-	-	-	-	0.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	18194 11116 21340 1513000	-	-	-	-	-	-	-	0.37	-	-	0.22	-	-	0.43	-	-	-	-	-	-	-	-	-	-
	Sale	950000 350000 125000 93145 17994 840973 9746 29317 1150000 650000 2200000	18.8	6.82	-	2.49	1.81	-	-	0.37	15.83	-	0.2	-	0.59	22.97	12.57	-	-	43.43	-	-	-	-	-	-
	Equity Shares Purchase	288011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.78	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor Industries Co Ltd.	Equity Shares Sale	73000 66220 45186	33.58	-	-	-	-	-	-	-	-	-	-	-	-	30.49	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	200000 1395 300000 115000 23124	-	22.8	-	-	-	-	-	0.18	-	-	-	-	-	-	-	32.78	-	12.67	-	-	-	-	-	-
	Sale	35000 54860 1379 25000 27000 65000 45000	-	4.57	-	7.38	-	-	-	0.18	3.17	3.63	-	-	-	8.4	-	-	-	-	-	5.38	-	-	-	-
	Equity Shares Sale	20000	-	-	-	-	-	0.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	18194 11116 21340 1513000	-	-	-	-	-	-	-	0.37	-	-	0.22	-	-	0.43	-	-	-	-	-	-	-	-	-	-
	Sale	950000 350000 125000 93145 17994 840973 9746 29317 1150000 650000 2200000	18.8	6.82	-	2.49	1.81	-	-	0.37	15.83	-	0.2	-	0.59	22.97	12.57	-	-	43.43	-	-	-	-	-	-
	Equity Shares Purchase	288011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.78	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Siemens Ltd.	Equity Shares Purchase	200000 1395 300000 115000 23124	-	22.8	-	-	-	-	-	0.18	-	-	-	-	-	-	-	32.78	-	12.67	-	-	-	-	-	-
	Sale	35000 54860 1379 25000 27000 65000 45000	-	4.57	-	7.38	-	-	-	0.18	3.17	3.63	-	-	-	8.4	-	-	-	-	-	5.38	-	-	-	-
	Equity Shares Sale	20000	-	-	-	-	-	0.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	18194 11116 21340 1513000	-	-	-	-	-	-	-	0.37	-	-	0.22	-	-	0.43	-	-	-	-	-	-	-	-	-	-
	Sale	950000 350000 125000 93145 17994 840973 9746 29317 1150000 650000 2200000	18.8	6.82	-	2.49	1.81	-	-	0.37	15.83	-	0.2	-	0.59	22.97	12.57	-	-	43.43	-	-	-	-	-	-
	Equity Shares Purchase	288011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.78	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Castrol India Ltd.	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Equity Shares Purchase	250000 50000 625468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

This disclosure has been made as Director(s) of the AMC is / are also a Director on the Board of the above Companies.

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. The investments under the respective Plans of HDFC Index Fund were made pursuant to their Investment Objectives.

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.

Name of the Associate: **Infrastructure Development Finance Company Ltd.**

Name of the Security	Type of the Security	Name of the Scheme	Applied (Rs. in Crores)	Allotted (Rs. in Crores)
11.10% Cholmandalam DBS Maturity 180808	Debenture	HDFC FMP 367D April 2007	15.00	15.00
Nabard Bond Series IX Maturity 100910	Bond	HDFC Cash Management Fund - Saving Plus Plan	25.00	25.00
Nabard Bond Series IX Maturity 100910	Bond	HDFC MF Monthly Income Plan - Long Term Plan	25.00	25.00
Nabard Bond Series IX G Maturity 100910	Bond	HDFC Prudence Fund	50.00	50.00
Nabard Bond Series IX H Maturity 100912	Bond	HDFC Income Fund	10.00	10.00
10.40% Punjab National Bank Perpetual Bond	Bond	HDFC Prudence Fund	20.00	20.00
10.10% SBI Mat 170922	Debenture	HDFC Prudence Fund	135.00	65.90

AGGREGATE BUSINESS GIVEN TO ASSOCIATE BROKER -

Business given to associate broker is as under:

Name of the Broker: **HDFC Securities Ltd.**

Period	Aggregate Business (Rs. in crore)	% to total Business	Aggregate Brokerage (Rs. in crore)	% to total brokerage paid
April 1, 2004 to March 31, 2005	231.86	0.82%	0.51	2.50%
April 1, 2005 to September 30, 2005 *	94.14	0.87%	0.21	2.76%

* HDFC Securities Limited ceased to be an associate broker w.e.f. September 28, 2005.

The brokerage transactions were effected as per the provisions laid down in Regulation 25(7) of the Regulations. The percentage of brokerage paid to the associate broker was in line with what was

paid by the Mutual Fund to non associate brokers on secondary market transactions.

DEALING WITH ASSOCIATE COMPANIES -

The AMC has utilised the services of one of the associates namely, HDFC Bank Limited as one of the Collecting Banker and for procuring Unit subscriptions for HDFC Mutual Fund Schemes. The Collecting Banker's fees and commissions payable are at the competitive rates offered to other Collecting Bankers and distributors by the scheme(s).

HDFC Bank Limited is on the panel of Bankers with whom the Mutual Fund places money on call/ fixed deposits and enters into reverse repo transactions from time to time at competitive rates. HDFC Bank Limited is also the Custodian for various schemes of HDFC Mutual Fund. The Custodian fees payable are at competitive rates.

CAMS is the Registrar and Transfer Agent to the Mutual Fund. The fees payable to CAMS are at competitive rates.

The AMC has dealt with the following associates for the purpose of securities transaction (aggregate purchase and sale) :
(Rs. in crore)

Name of the Associate	Particulars (April 1, 2004 to March 31, 2005)	HDFC Gilt Fund – Long Term Plan	HDFC Floating Rate Income Fund - Short Term Plan	HDFC High Interest Fund	HDFC Income Fund	HDFC Fixed Investment Plan June 2004 (2)	HDFC Fixed Investment Plan March 2004 (1)
HDFC Bank Limited	Government Securities	140.14	–	–	55.60	–	–
HDFC Limited	Non-Convertible Debentures	–	–	11.13	–	–	–
Infrastructure Development Finance Company Ltd.	Non-Convertible Debentures	–	–	–	11.75	–	–
Hindustan Lever Limited	Government Securities	–	–	–	5.32	–	–
Mahindra & Mahindra Limited	Treasury Bill	–	10.22	–	–	3.17	1.70
Infrastructure Leasing & Financial Services Ltd.	Government Securities	–	–	5.81	27.24	–	–

Name of the Associate	Particulars (April 1, 2005 to March 31, 2006)	HDFC Monthly Income Plan - Short Term Plan	HDFC Monthly Income Plan- Long Term Plan	HDFC Liquid Fund	HDFC Income Fund	HDFC Floating Rate Income Fund - Short Term Plan	HDFC Floating Rate Income Fund - Long Term Plan	HDFC Cash Management Fund - Savings Plan	HDFC Cash Management Fund - Savings Plus Plan	HDFC High Interest Fund	HDFC Multiple Yield Fund - Plan 2005	HDFC FMP 3M March 2006 (1)
HDFC Bank Ltd.	Government Securities	15.85	–	–	5.21	–	–	–	–	–	–	–
	Commercial Paper	–	–	24.88	–	–	–	–	–	–	–	–
IDFC Ltd.	Government Securities	–	15.31	–	–	–	–	–	–	–	–	–
	Certificate of Deposit	–	–	145.54	–	–	–	–	19.29	–	–	–
	Commercial Paper	–	–	23.85	–	–	–	–	–	–	–	9.73
	NCD / Khokha	4.95	10.47	5.09	–	25.47	66.09	5.17	20.52	4.96	5.16	–
Hindustan Lever Ltd.	Certificate of Deposit	–	–	–	–	–	–	14.59	9.52	–	–	–

Name of the Associate	Particulars (April 1, 2006 to March 31, 2007)	HDFC Cash Management Fund - Savings Plus Plan	HDFC Cash Management Fund - Call Plan	HDFC Cash Management Fund - Savings Plan	HDFC Floating Rate Income Fund - Short Term Plan	HDFC FMP 13M March 2006 (1)	HDFC FMP 18M October 2006	HDFC Income Fund	HDFC Liquid Fund	HDFC MF Monthly Income Plan - Long Term Plan	HDFC MF Monthly Income Plan - Short Term Plan
Bank of Baroda	PSU/PFI Bonds	–	–	–	–	–	–	–	–	–	10.39
	Treasury Bills	23.53	–	–	–	–	–	–	–	–	–
HDFC Bank Limited	Money Market Instruments	18.98	19.94	44.04	9.42	186.11	–	–	14.13	9.97	–
Infrastructure Development Finance Company Ltd.	Floating Rate NCD	–	–	–	25.24	–	–	–	–	–	–
	Money Market Instruments	–	–	34.46	–	–	–	–	246.40	–	–
	Non-Convertible Debentures (NCD)	–	–	15.17	–	–	71.72	–	–	–	–
Infrastructure Leasing & Financial Services Ltd (IL&FS)	Gilts	–	–	–	–	–	–	5.61	–	–	–
Mahindra & Mahindra Ltd.	Money Market Instruments	–	–	–	–	–	–	–	34.74	–	–

Name of the Associate	Particulars (April 1, 2007 to September 30, 2007)	HDFC Income Fund	HDFC Cash Management Fund - Savings Plus Plan	HDFC Cash Management Fund - Savings Plan	HDFC Liquid Fund	HDFC Short Term Plan	HDFC Monthly Income Plan- Long Term Plan	HDFC Floating Rate Income Fund Short Term Plan	HDFC FMP 367D August 2007
IDFC Ltd.	Money Market Instruments (CP/CD)	–	46.28	–	–	–	–	–	–
	Non-convertable Debentures (NCD)	5.03	–	–	–	5	25.07	16.23	9.13
HDFC Bank Limited	Money Market Instruments (CP/CD)	–	69.93	45.42	–	–	–	–	–
	Treasury Bills	–	–	–	49.33	–	–	–	–

The AMC has availed the services of HDFC for Investor Servicing and use of designated branches as Collecting Centres / Investor Service Centres and Collecting / Distribution Agents.

Bank of Baroda, HDFC Bank Ltd., IDBI Bank Ltd., Infrastructure Leasing & Financial Services Ltd. are on the panel of Primary Dealers/Bankers with whom Mutual Fund placed Money on call, places Fixed Deposits and enters into reverse repo transactions from time to time at competitive rates.

AMOUNT PAID TO ASSOCIATE COMPANIES

(Rs. in lakhs)

	HDFC Growth Fund				HDFC Balanced Fund			
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
HDFC Bank Limited -								
Bank Charges	1.63	2.42	2.82	0.80	0.39	0.73	0.64	0.04
Custody Charges	8.95	6.15	6.63	2.70	4.16	2.48	2.16	0.65
Commission on Distribution of Units	14.67	62.84	60.64	46.53	25.06	9.00	10.38	4.83
HDFC Securities Limited -								
Commission on Distribution of Units	—	—	—	—	—	—	—	—
Brokerage	4.62	2.71	—	—	—	—	—	—
AMC-								
Investment Management & Advisory Fees	303.15	311.81	368.54	259.44	175.44	142.44	134.94	71.33
Service Tax on Investment Management Fees	27.82	31.81	45.11	32.07	16.58	14.53	16.52	8.82
Trustee-								
Trusteeship Fees	2.78	2.88	3.46	2.47	1.51	1.17	1.14	0.59
Service Tax on Trustee	0.07	0.29	0.42	0.31	0.06	0.12	0.14	0.07
CAMS-								
Registrar & Transfer Agent Fees	47.61	60.40	69.53	41.04	26.75	21.32	20.48	7.62
HDFC - @								
Commission on Distribution of units	0.00#	0.00#	0.00#	0.00#	0.00#	0.00#	0.00#	0.00#
GRUH Finance Limited								
Commission on Distribution of Units	—	0.01	0.00#	0.00#	—	0.04	0.11	—
HDFC Investments Limited								
Commission on Distribution of Units	—	—	—	—	—	—	—	—
Home Loan Services India Private Limited								
Commission on Distribution of Units	—	—	0.01	0.09	—	—	0.00#	0.01
Total	412.46	481.32	557.15	385.45	250.33	191.83	186.50	93.95

Less than Rs. 0.01 lakhs

@ Sponsor

(Rs. in lakhs)

	HDFC Income Fund				HDFC Liquid Fund			
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
HDFC Bank Limited -								
Bank Charges	12.14	3.64	1.11	1.19	3.80	5.32	3.58	0.14
Custody Charges	19.35	7.09	4.62	0.97	14.43	19.48	24.58	12.94
Commission on Distribution of Units	33.16	8.77	5.08	22.92	33.97	34.20	16.96	12.33
HDFC Securities Limited -								
Commission on Distribution of Units	0.03	0.00#	—	—	0.00#	—	—	—
Brokerage	—	—	—	—	—	—	—	—
AMC-								
Investment Management & Advisory Fees	1177.70	406.65	267.56	116.00	664.99	409.01	448.09	686.07
Service Tax on Investment Management Fees	103.02	41.48	32.75	14.34	57.64	41.72	54.85	84.80
Trustee-								
Trusteeship Fees	13.98	3.86	2.43	1.06	23.09	20.30	25.49	19.61
Service Tax on Trustee	0.15	0.39	0.30	0.13	0.48	2.07	3.12	2.42
CAMS-								
Registrar & Transfer Agent Fees	132.71	48.19	24.67	10.25	172.91	106.85	159.12	86.18
HDFC - @								
Commission on Distribution of units	0.47	0.24	0.12	0.00#	0.03	0.00#	0.00#	0.00#
GRUH Finance Limited								
Commission on Distribution of Units	—	—	—	—	—	0.00#	0.05	0.00#
HDFC Investments Limited								
Commission on Distribution of Units	—	—	0.00#	0.00#	—	0.00#	—	—
Home Loan Services India Private Limited								
Commission on Distribution of Units	—	—	—	—	—	—	—	—
Total	1497.34	520.31	338.64	166.86	971.88	638.95	735.85	904.50

Less than Rs. 0.01 lakhs

@ Sponsor

	HDFC Long Term Advantage Fund			
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
HDFC Bank Limited				
Bank Charges	1.18	3.79	5.20	1.17
Custody Charges	1.44	4.52	9.26	3.90
Commission on Distribution of units	13.74	77.75	66.18	19.08
HDFC Securities Limited				
Commission on Distribution of units	–	–	–	–
Brokerage	0.23	–	–	–
AMC				
Investment Management & Advisory Fees	53.17	198.54	445.56	354.10
Service Tax on Investment Management Fees	5.03	20.25	54.54	43.77
Trustee				
Trusteeship Fees	0.50	2.22	5.02	3.64
Service Tax on Trustee	0.02	0.23	0.61	0.45
CAMS				
Registrar & Transfer Agent Fees	10.12	104.93	137.40	41.89
HDFC @				
Commission on Distribution of units	0.00#	0.01	0.00#	0.00#
GRUH Finance Limited				
Commission on Distribution of Units	–	0.02	0.13	0.01
HDFC Investments Limited				
Commission on Distribution of Units	–	0.00#	0.00#	0.00#
Home Loan Services India Private Limited				
Commission on Distribution of Units	–	–	0.08	0.13
Total	85.99	412.26	723.97	468.14

Less than Rs. 0.01 lakhs @ Sponsor

	HDFC Children's Gift Fund							
	Investment Plan				Savings Plan			
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
HDFC Bank Limited								
Bank Charges	0.57	0.79	0.68	0.13	0.37	0.21	0.10	0.01
Custody Charges	1.13	1.75	2.08	0.72	0.83	1.07	1.02	0.24
Commission on Distribution of units	3.95	5.52	6.26	3.61	1.17	1.55	1.77	0.91
HDFC Securities Limited								
Commission on Distribution of units	0.00#	0.00#	–	–	0.00#	0.00#	–	–
Brokerage	–	0.81	–	–	–	–	–	–
AMC								
Investment Management & Advisory Fees	51.78	98.82	115.84	70.83	60.31	73.30	60.56	26.83
Service Tax on Investment Management Fees	4.82	10.08	14.18	8.76	5.54	7.48	7.41	3.32
Trustee								
Trusteeship Fees	0.47	0.83	1.12	0.67	0.53	0.59	0.58	0.27
Service Tax on Trustee	0.01	0.08	0.14	0.08	0.01	0.06	0.07	0.03
CAMS								
Registrar & Transfer Agent Fees	8.42	18.57	20.74	7.84	9.44	8.99	7.57	3.09
HDFC @								
Commission on Distribution of units	–	–	–	–	0.00#	0.00#	0.00#	0.00#
GRUH Finance Limited								
Commission on Distribution of Units	–	0.00#	0.00#	0.00#	–	–	–	–
HDFC Investments Limited								
Commission on Distribution of Units	–	0.02	0.02	0.01	–	0.00#	0.00#	0.00#
Total	71.55	137.27	161.05	92.65	78.92	93.25	79.08	34.70

Less than Rs. 0.01 lakhs @ Sponsor

	HDFC Gilt Fund							
	Short Term Plan				Long Term Plan			
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
HDFC Bank Limited								
Bank Charges	0.08	0.06	0.04	0.05	0.42	0.26	0.06	–
Custody Charges	–	–	–	–	–	–	–	–
Commission on Distribution of units	0.05	0.01	0.00#	0.01	5.80	0.89	0.21	0.07
AMC								
Investment Management & Advisory Fees	5.73	7.45	11.32	3.64	169.73	77.28	40.08	12.50
Service Tax on Investment Management Fees	0.53	0.76	1.39	0.45	15.34	7.88	4.91	1.55
Trustee								
Trusteeship Fees	0.08	0.11	0.15	0.06	1.65	0.77	0.40	0.14
Service Tax on Trustee	–	0.01	0.02	0.01	0.03	0.08	0.05	0.02
CAMS								
Registrar & Transfer Agent Fees	0.82	1.12	1.43	0.47	17.03	6.09	3.30	0.99
GRUH Finance Limited								
Commission on Distribution of Units	–	–	–	–	–	0.02	–	–
Total	7.31	9.52	14.35	4.68	210.59	93.27	49.00	15.27

Less than Rs. 0.01 lakhs

	HDFC Short Term Plan			
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
HDFC Bank Limited				
Bank Charges	0.99	0.68	0.61	0.21
Custody Charges	5.37	1.05	1.30	0.62
Commission on Distribution of units	4.30	1.17	0.87	0.70
AMC				
Investment Management & Advisory Fees	296.68	38.92	18.69	3.94
Service Tax on Investment Management Fees	25.88	3.97	2.29	0.49
Trustee				
Trusteeship Fees	4.27	0.77	0.80	0.62
Service Tax on Trustee	0.03	0.08	0.10	0.08
CAMS				
Registrar & Transfer Agent Fees	30.32	7.72	8.65	4.42
HDFC @				
Commission on Distribution of units	0.00#	0.00#	0.00#	0.00#
GRUH Finance Limited				
Commission on Distribution of Units	–	0.00#	0.00#	0.00#
Total	368.02	54.36	33.31	11.09

Less than Rs. 0.01 lakhs

@ Sponsor

	HDFC Index Fund											
	SENSEX Plan				Nifty Plan				SENSEX Plus Plan			
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
HDFC Bank Limited												
Bank Charges	0.01	0.02	0.08	0.03	0.03	0.02	0.05	0.02	0.01	0.02	0.06	0.10
Custody Charges	0.40	0.16	0.36	0.22	0.52	0.20	0.25	0.17	0.36	0.20	0.24	0.13
Commission on Distribution of units	0.23	0.24	1.90	1.13	0.62	0.14	0.32	0.27	0.19	0.39	0.67	0.33
AMC												
Investment Management & Advisory Fees	3.45	2.04	7.20	8.65	3.65	2.11	3.69	3.20	3.27	2.62	4.77	4.33
Service Tax on Investment Management Fees	0.31	0.21	0.88	1.07	0.33	0.22	0.45	0.40	0.30	0.27	0.58	0.53
Trustee												
Trusteeship Fees	0.07	0.04	0.14	0.13	0.07	0.04	0.07	0.06	0.07	0.05	0.10	0.09
Service Tax on Trustee	-	-	0.02	0.02	-	-	0.01	0.01	-	0.01	0.01	0.01
CAMS												
Registrar & Transfer Agent Fees	0.92	1.27	5.01	2.70	0.95	1.26	2.42	1.57	0.88	1.68	3.53	2.38
HDFC @												
Commission on Distribution of units	0.00#	0.00#	0.00#	-	-	-	-	-	0.00#	0.00#	0.00#	0.00#
Home Loan Services India Private Limited												
Commission on Distribution of Units	-	-	-	-	-	-	-	-	-	-	-	0.00#
Total	5.40	3.98	15.59	13.95	6.19	3.99	7.26	5.69	5.09	5.24	9.95	7.90

Less than Rs. 0.01 lakhs

@ Sponsor

(Rs. in lakhs)

Particulars	HDFC Floating Rate Income Fund								HDFC MF Monthly Income Plan							
	Short Term Plan				Long Term Plan				Short Term Plan				Long Term Plan			
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
HDFC Bank Limited																
Bank Charges	1.00	4.71	1.71	0.05	1.09	1.40	0.43	0.04	1.72	1.82	1.28	0.15	3.66	4.23	6.15	1.23
Custody Charges	10.11	18.79	11.99	3.08	2.28	4.25	2.29	0.57	12.52	8.10	6.76	1.09	21.41	14.33	22.00	8.18
Commission on Distribution of units	22.12	12.36	4.60	6.74	3.29	9.66	2.73	0.73	30.59	12.40	9.11	2.90	38.01	18.92	27.86	14.03
HDFC Securities Limited																
Commission on Distribution of units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Brokerage	-	-	-	-	-	-	-	-	2.06	-	-	-	2.52	0.32	-	-
AMC																
Investment Management & Advisory Fees	265.10	506.75	87.22	37.83	97.92	163.01	-	-	573.21	427.16	396.08	107.93	1048.63	725.28	792.16	411.86
Service Tax on Investment Management Fees	24.38	51.69	10.68	4.68	9.65	16.63	-	-	51.90	43.57	48.48	13.34	95.79	73.98	96.96	50.91
Trustee																
Trusteeship Fees	13.04	17.84	11.78	4.73	2.39	4.00	2.11	0.62	6.33	4.04	3.71	0.95	12.00	7.45	10.07	5.77
Service Tax on Trustee	0.50	1.82	1.44	0.58	0.09	0.41	0.26	0.08	0.11	0.41	0.45	0.12	0.22	0.76	1.23	0.71
CAMS																
Registrar & Transfer Agent Fees	125.83	92.97	87.88	25.33	24.31	31.46	17.08	6.21	71.23	50.42	39.92	9.25	137.69	104.47	129.39	49.33
HDFC @																
Commission on Distribution of units	0.00#	0.00#	0.00#	0.00#	0.08	0.08	0.04	-	-	-	-	-	-	0.01	0.01	0.01
GRUH Finance Limited																
Commission on Distribution of Units	-	0.00#	0.00#	0.00#	-	-	-	-	-	-	-	-	-	-	-	-
Home Loan Services India Private Limited																
Commission on Distribution of Units	-	-	-	-	-	-	-	-	-	-	0.00#	-	-	-	0.00#	0.00#
Total	462.38	706.93	217.30	83.02	141.18	230.90	24.94	8.24	751.38	547.92	505.79	135.73	1363.06	949.75	1085.83	542.03

Less than Rs. 0.01 lakhs

@ Sponsor

(Rs. in lakhs)

Particulars	HDFC Fixed Investment Plan			
	February 2002 (1)	March 2002 (1)	June 2002 (1)	July 2002 (1)
	25-2-2002 to 26-3-2003	18-3-2002 to 10-4-2003	10-6-2002 to 30-6-2003	1-7-2002 to 21-7-2003
HDFC Bank Limited				
Bank Charges	0.01	–	–	–
Custody Charges	0.30	–	0.22	0.05
Commission on Distribution of units	–	–	–	–
AMC				
Investment Management & Advisory Fees	8.92	0.20	10.29	2.21
Trustee				
Trusteeship Fees	0.40	0.01	0.17	0.03
CAMS				
Registrar & Transfer Agent Fees	0.71	0.01	0.23	0.06
Total	10.34	0.22	10.91	2.35

(Rs. in lakhs)

Particulars	HDFC Fixed Investment Plan							
	March 2003 (1)			May 2003 (1)	May 2003 (2)	June 2003 (1)	October 2003 (1)	
	24-3-2003 to 31-3-2003	1-4-2003 to 31-03-2004	1-4-2004 to 31-3-2005	12-5-2003 to 11-9-2003	19-5-2003 to 19-8-2003	16-6-2003 to 16-9-2003	13-10-2003 to 31-03-2004	1-4-2004 to 31-3-2005
HDFC Bank Limited								
Bank Charges	–	–	–	–	–	–	–	–
Custody Charges	–	0.73	–	0.08	0.20	0.12	0.10	0.08
Commission on Distribution of units	–	–	–	0.50	1.25	0.85	1.23	1.59
AMC								
Investment Management & Advisory Fees	0.10	9.57	0.30	1.04	2.44	1.49	1.14	1.46
Service Tax on Investment Management Fees	–	–	0.03	–	–	–	–	0.12
Trustee								
Trusteeship Fees	0.01	0.52	0.03	0.07	0.16	0.11	0.07	0.09
Service Tax on Trustee	–	–	–	–	–	–	–	–
CAMS								
Registrar & Transfer Agent Fees	0.01	1.60	0.06	0.12	0.31	0.28	0.11	0.41
Total	0.12	12.42	0.42	1.81	4.36	2.85	2.65	3.75

Less than Rs. 0.01 lakhs

(Rs. in lakhs)

Particulars	HDFC Fixed Investment Plan						
	March 2004 (1)			June 2004 (2)		July 2004 (2)	
	27-03-2004 to 31-03-2004	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006
HDFC Bank Limited							
Bank Charges	–	–	–	0.13	–	–	–
Custody Charges	0.00#	0.68	0.01	1.31	0.52	1.27	0.71
Commission on Distribution of units	0.00#	1.70	0.02	0.09	0.04	0.06	0.01
AMC							
Investment Management & Advisory Fees	0.06	19.22	0.32	23.44	6.59	23.94	10.88
Service Tax on Investment Management Fees	–	1.76	0.03	2.24	0.67	2.34	1.11
Trustee							
Trusteeship Fees	0.00#	1.03	0.02	1.77	0.68	1.83	1.00
Service Tax on Trustee	–	0.03	–	0.06	0.07	0.07	0.10
CAMS							
Registrar & Transfer Agent Fees	0.01	5.35	0.06	9.50	0.84	11.12	1.14
Total	0.07	29.77	0.46	38.54	9.41	40.63	14.95

Less than Rs. 0.01 lakhs

	HDFC Equity Fund				HDFC Top 200 Fund				HDFC Capital Builder Fund			
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
HDFC Bank Limited												
Bank Charges	2.55	8.04	14.95	3.39	2.04	5.27	13.35	2.67	2.36	5.36	3.08	0.38
Custody Charges	35.38	2.66	15.76	10.30	20.19	0.53	7.46	6.75	10.09	-	-	-
Commission on Distribution of Units	67.86	217.65	351.86	220.66	63.61	134.62	381.51	218.37	150.39	153.54	62.84	25.75
HDFC Securities Limited												
Commission on Distribution of Units	-	-	-	-	-	-	-	-	-	-	-	-
Brokerage	14.74	13.38	-	-	9.86	1.79	-	-	1.84	2.70	-	-
AMC												
Investment Management & Advisory Fees	1119.43	1636.20	2959.01	1945.01	650.98	779.79	1158.32	871.48	285.43	807.28	828.07	347.85
Service Tax on Investment Management Fees	103.59	166.89	362.18	240.40	59.80	79.54	141.78	107.72	27.65	82.34	101.36	42.99
Trustee -												
Trusteeship Fees	10.94	16.90	34.46	22.19	6.26	7.55	14.29	9.82	3.26	9.72	8.05	3.44
Service Tax on Trustee	0.28	1.72	4.22	2.74	0.15	0.77	1.75	1.21	0.18	0.99	0.99	0.43
CAMS												
Registrar & Transfer Agent Fees	191.36	320.86	581.53	273.13	108.09	159.44	319.76	148.54	59.89	203.83	144.72	45.82
HDFC @												
Commission on Distribution of Units	0.00#	0.00#	0.00#	0.00#	-	0.00#	0.00#	0.00#	0.00#	0.00#	0.00#	-
GRUH Finance Limited												
Commission on Distribution of Units	-	0.00#	0.02	0.02	-	0.00#	0.20	0.00#	-	0.00#	0.21	0.00#
Home Loan Services												
India Private Limited												
Commission on Distribution of Units	-	-	0.41	0.39	-	-	0.27	0.33	-	-	0.03	0.06
Total	1548.34	2384.30	4324.41	2718.23	922.40	1169.30	2038.68	1366.89	541.71	1265.76	1149.35	466.71

Less than Rs. 0.01 lakhs

@ Sponsor

	HDFC TaxSaver				HDFC Prudence Fund				HDFC High Interest Fund			
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
HDFC Bank Limited												
Bank Charges	0.38	5.02	7.56	1.96	1.90	7.38	9.21	4.45	1.68	0.52	0.08	0.02
Custody Charges	0.93	-	-	0.35	19.34	1.06	14.38	11.77	4.89	1.67	1.03	0.23
Commission on Distribution of Units	2.25	60.80	121.12	63.45	81.86	412.87	332.81	237.81	1.84	0.55	0.36	0.32
HDFC Securities Limited												
Commission on Distribution of Units	-	-	-	-	0.00#	0.00#	-	-	-	-	-	-
Brokerage	-	-	-	-	9.80	5.51	-	-	-	-	-	-
AMC												
Investment Management & Advisory Fees	32.71	78.32	291.32	318.11	710.11	1179.44	1823.42	1224.30	314.09	108.29	62.33	18.59
Service Tax on Investment Management Fees	3.04	7.99	35.66	39.32	65.81	120.30	223.19	151.32	27.98	11.05	7.63	2.30
Trustee												
Trusteeship Fees	0.30	1.57	6.30	5.50	6.85	11.55	19.08	12.64	3.27	0.89	0.50	0.17
Service Tax on Trustee	0.01	0.16	0.77	0.68	0.19	1.18	2.34	1.56	0.04	0.09	0.06	0.02
CAMS												
Registrar & Transfer Agent Fees	5.92	141.61	265.89	73.82	123.79	204.55	308.10	154.82	30.24	9.16	4.44	1.69
HDFC @												
Commission on Distribution of Units	-	0.00#	0.00#	0.01	0.00#	0.02	0.00#	0.00#	-	-	-	-
GRUH Finance Limited												
Commission on Distribution of Units	-	0.01	0.06	0.02	-	0.43	0.08	0.00#	-	-	-	-
Home Loan Services												
India Private Limited												
Commission on Distribution of Units	-	-	0.15	0.18	-	-	0.08	0.35	-	-	-	-
Total	45.59	295.48	728.81	503.40	1021.35	1944.29	2732.69	1799.03	384.22	132.22	76.43	23.34

Less than Rs. 0.01 lakhs

@ Sponsor

	HDFC High Interest Fund - Short Term Plan			
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
HDFC Bank Limited				
Bank Charges	0.35	0.23	0.07	–
Custody Charges	2.04	1.13	0.70	0.18
Commission on Distribution of Units	1.24	0.57	0.31	–
AMC				
Investment Management & Advisory Fees	124.96	47.94	11.19	1.18
Service Tax on Investment Management Fees	11.08	4.89	1.37	0.15
Trustee				
Trusteeship Fees	1.70	0.83	0.47	0.24
Service Tax on Trustee	0.02	0.08	0.06	0.03
CAMS				
Registrar & Transfer Agent Fees	12.18	4.01	3.89	1.53
Total	153.60	59.68	18.07	3.31

(Rs. in lakhs)

	HDFC Cash Management Fund													
	Savings Plan				Savings Plus Plan*				Investment Plan		Call Plan			
									Dividend Option**					
	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007	20-6-2003 to 31-3-2004	1-4-2004 to 31-12-2004	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
HDFC Bank Limited														
Bank Charges	2.89	5.75	6.03	2.18	0.41	1.77	1.50	0.76	0.05	–	0.05	0.06	0.43	0.03
Custody Charges	11.30	21.50	40.89	18.14	1.99	8.71	6.98	14.48	0.01	–	–	0.11	1.58	0.64
Commission on Distribution of Units	28.84	17.36	22.76	5.92	2.60	11.23	5.06	22.32	–	–	0.23	0.18	3.15	1.08
HDFC Securities Limited														
Commission on Distribution of Units	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Brokerage	–	–	–	–	–	–	–	–	–	–	–	–	–	–
AMC														
Investment Management & Advisory Fees	390.15	447.13	776.72	943.40	70.15	218.57	108.80	895.84	3.60	0.22	4.13	4.18	40.84	14.65
Service Tax on Investment Management Fees	33.82	45.61	95.07	116.60	6.03	22.29	13.32	110.73	–	0.02	0.39	0.43	5.00	1.81
Trustee														
Trusteeship Fees	20.53	22.27	44.06	24.93	3.26	8.31	6.84	21.10	0.08	0.01	0.08	0.35	2.90	0.91
Service Tax on Trustee	0.49	2.27	5.39	3.08	0.05	0.85	0.84	2.61	–	–	–	0.04	0.35	0.11
CAMS														
Registrar & Transfer Agent Fees	156.98	122.26	273.50	117.06	29.15	55.22	40.73	97.59	0.24	0.05	0.64	1.89	16.20	5.73
HDFC @														
Commission on Distribution of Units	(0.00)#	–	–	–	–	–	–	–	–	–	–	–	–	–
Home Loan Services India Private Limited														
Commission on Distribution of Units	–	–	0.00#	–	–	–	0.00#	0.02	–	–	–	–	–	–
Total	646.10	684.15	1264.42	1231.31	113.79	326.95	184.07	1165.45	3.98	0.30	5.52	7.24	70.45	24.96

Less than Rs. 0.01 lakhs

@ Sponsor

* HDFC Cash Management Fund - Investment Plan - Growth Option renamed and re-structured as HDFC Cash Management Fund - Savings Plus Plan effective June 23, 2004.

** HDFC Cash Management Fund - Investment Plan - Dividend Option - has been wound up effective December 31, 2004.

	HDFC Sovereign Gilt Fund									HHIF - Fixed Maturity Plan			HDFC Core & Satellite Fund			
	Savings Plan			Investment Plan			Provident Plan			Yearly Option IV	Yearly Option V	Yearly Option VI				
	20-6-2003 to 31-3-2004	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	20-6-2003 to 31-3-2004	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	20-6-2003 to 31-3-2004	1-4-2004 to 31-3-2005	1-4-2005 to 31-3-2006	20-6-2003 to 31-3-2004	20-6-2003 to 31-3-2004	20-6-2003 to 15-6-2004	17-9-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007
HDFC Bank Limited																
Bank Charges	0.03	-	0.01	0.01	-	-	0.01	0.01	0.01	-	-	-	0.59	3.12	7.68	0.38
Custody Charges	-	-	-	-	-	-	-	-	-	-	-	-	6.27	9.32	13.95	4.01
Commission on Distribution of Units	-	0.01	-	-	0.00#	-	0.05	0.12	0.01	-	-	-	208.44	82.31	117.31	43.18
HDFC Securities Limited																
Brokerage	-	-	-	-	-	-	-	-	-	-	-	-	4.28	3.75	-	-
AMC																
Investment Management & Advisory Fees	0.39	0.33	0.28	3.53	1.44	0.60	1.85	2.65	1.74	-	0.14	0.49	214.53	464.87	657.57	316.88
Service Tax on Investment Management Fees	-	0.03	0.03	-	0.13	0.06	-	0.24	0.18	-	-	-	21.88	47.42	80.49	39.17
Trustee																
Trusteeship Fees	0.01	-	-	0.04	0.02	0.01	0.03	0.05	0.03	-	-	0.01	2.01	4.39	7.22	3.04
Service Tax on Trustee	-	-	-	-	-	0.00#	-	-	-	-	-	-	0.09	0.45	0.88	0.38
CAMS																
Registrar & Transfer Agent Fees	0.05	0.05	0.17	0.40	0.19	0.23	0.31	0.51	0.43	-	-	0.01	36.15	102.31	171.27	51.71
Home Loan Services India Private Limited																
Commission on Distribution of Units	-	-	0.02	-	-	-	-	-	-	-	-	-	-	-	-	0.04
Total	0.48	0.42	0.49	3.98	1.78	0.90	2.26	3.59	2.40	-	0.14	0.51	494.56	717.94	1056.39	458.78

Less than Rs. 0.01 lakhs

HDFC Sovereign Gilt Fund wound up on March 27, 2006.

(Rs. in lakhs)

	HDFC Muttiple Yield Fund				HDFC Premier Multi-Cap Fund			HDFC Muttiple Yield Fund - Plan 2005			HDFC Long Term Equity Fund			HDFC Mid-Cap Opportunities Fund
	17-9-2004 to 31-3-2005	1-4-2005 to 31-3-2006	1-4-2006 to 30-9-2007	1-4-2007 to 30-9-2007	6-4-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007	17-8-2005 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007	10-2-2006 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007	7-5-2007 to 30-9-2007
HDFC Bank Limited														
Bank Charges	0.18	1.49	0.52	-	6.18	2.97	1.11	0.43	0.50	-	-	1.41	0.19	-
Custody Charges	4.33	9.50	6.94	0.85	24.41	16.93	4.04	-	-	-	-	0.50	0.05	5.16
Commission on Distribution of units	46.76	32.59	18.95	6.40	426.90	65.65	31.78	36.94	15.63	13.43	502.47	13.52	177.08	890.60
HDFC Securities Limited														
Commission on Distribution of units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Brokerage	0.47	0.87	-	-	11.43	-	-	-	-	-	1.16	-	-	-
AMC														
Investment Management & Advisory Fees	267.49	551.33	374.78	84.24	1195.88	886.23	328.83	368.97	391.49	48.11	196.42	1476.47	698.17	350.16
Service Tax on Investment Management Fees	27.28	56.24	45.87	10.41	121.98	108.47	40.64	37.63	47.92	5.95	20.03	180.75	86.29	43.28
Trustee														
Trusteeship Fees	2.97	5.45	3.76	0.72	11.21	8.61	3.36	3.56	3.67	0.40	1.93	145.17	74.07	34.35
Service Tax on Trustee	0.13	0.56	0.46	0.09	1.14	1.05	0.41	0.36	0.45	0.05	0.20	17.77	9.16	4.25
CAMS														
Registrar & Transfer Agent Fees	31.72	18.00	13.28	2.58	222.45	166.19	47.38	8.97	12.94	1.84	11.59	139.10	64.09	62.20
HDFC @														
Commission on Distribution of units	-	-	-	-	-	-	-	-	-	-	0.05	-	-	-
GRUH Finance Ltd.														
Commission on Distribution of units	-	-	-	-	-	-	-	-	-	-	-	0.00#	0.01	0.21
Home Loan Services India Private Limited														
Commission on Distribution of Units	-	-	-	-	-	-	0.01	-	-	-	-	-	-	1.02
Total	381.46	676.03	464.56	105.30	2,021.58	1256.10	457.55	456.86	472.60	69.78	733.85	1974.69	1109.11	1391.23

Less than Rs. 0.01 lakhs

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	HDFC Fixed Maturity Plans									
	3M March 2006 (I)		13M March 2006 (I)			3M May 2006 (I)	3M June 2006 (I)	6M June 2006 (I)	13M June 2006 (I)	
	28-3-2006 to 31-3-2006	1-4-2006 to 27-6-2006	28-3-2006 to 31-3-2006	1-4-2006 to 31-3-2007	1-4-2007 to 30-9-2007	10-5-2006 to 9-8-2006	28-6-2006 to 27-9-2006	13-6-2006 to 15-1-2007	13-6-2006 to 31-3-2007	1-4-2007 to 30-9-2007
HDFC Bank Limited										
Bank Charges	-	-	-	-	-	-	-	-	-	-
Custody Charges	0.03	1.50	0.04	9.09	0.64	-	-	-	-	-
Commission on Distribution of units	0.04	0.98	4.68	0.07	-	0.29	0.34	0.29	0.57	-
AMC										
Investment Management & Advisory Fees	0.34	8.62	0.42	79.71	8.83	13.80	14.08	9.45	48.96	18.80
Service Tax on Investment Management Fees	0.03	1.06	0.04	9.76	1.09	1.69	1.72	1.16	5.99	2.32
Trustee										
Trusteeship Fees	0.07	1.49	0.08	7.92	0.61	1.15	1.60	0.64	2.04	0.75
Service Tax on Trustee	0.01	0.18	0.01	0.97	0.07	0.14	0.20	0.08	0.25	0.09
CAMS										
Registrar & Transfer Agent Fees	-	2.63	-	9.87	0.74	1.45	1.29	0.84	2.71	1.05
Total	0.52	16.46	5.27	117.38	11.99	18.52	19.23	12.45	60.54	23.01

	HDFC Fixed Maturity Plans											
	3M July 2006 (1)	6M July 2006 (1)	13M July 2006 (1)	3M August 2006 (1)	13M August 2006 (1)	26M August 2006 (1)	3M September 2006 (1)	13M September 2006 (1)				
	1-8-2006 to 31-10-2006	1-8-2006 to 31-1-2007	12-7-2006 to 31-3-2007	1-4-2007 to 30-9-2007	10-8-2006 to 9-11-2006	1-9-2006 to 31-3-2007	1-4-2007 to 30-9-2007	7-9-2006 to 31-3-2007	1-4-2007 to 30-9-2007	28-9-2006 to 27-12-2006	28-9-2006 to 31-3-2007	1-4-2007 to 30-9-2007
HDFC Bank Limited												
Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-
Custody Charges	-	-	-	-	-	-	-	-	-	-	-	-
Commission on Distribution of units	0.10	0.02	0.91	-	0.26	0.33	-	16.77	-	0.29	1.09	-
AMC												
Investment Management & Advisory Fees	1.20	2.47	40.32	21.71	6.68	19.46	23.82	79.89	92.87	12.68	5.12	4.27
Service Tax on Investment Management Fees	0.15	0.30	4.93	2.68	0.82	2.38	2.94	9.78	11.48	1.55	0.63	0.53
Trustee												
Trusteeship Fees	0.11	0.08	1.00	0.53	0.71	0.46	0.34	2.08	1.65	1.18	0.83	0.84
Service Tax on Trustee	0.01	0.01	0.12	0.07	0.09	0.06	0.04	0.25	0.20	0.14	0.10	0.10
CAMS												
Registrar & Transfer Agent Fees	0.15	0.11	2.48	0.67	1.06	0.60	0.33	2.74	1.63	0.91	0.95	0.82
Home Loan Services India Private Limited												
Commission on Distribution of Units	-	-	-	-	-	-	-	0.00#	-	-	-	-
Total	1.71	3.00	49.77	25.66	9.62	23.29	27.47	111.50	107.83	16.75	8.71	6.56

Less than Rs. 0.01 lakhs

	HDFC Fixed Maturity Plans - Series II							
	18M October 2006		90D November 2006	17M November 2006		16M December 2006		90D December 2006
	27-10-2006 to 31-3-2007	1-4-2007 to 30-9-2007	10-11-2006 to 7-2-2007	22-11-2006 to 31-3-2007	1-4-2007 to 30-9-2007	19-12-2006 to 31-3-2007	1-4-2007 to 30-9-2007	28-12-2006 to 28-3-2007
HDFC Bank Limited								
Bank Charges	-	-	-	-	-	-	-	-
Custody Charges	-	-	-	-	-	-	-	-
Commission on Distribution of units	1.73	-	0.29	2.42	-	1.60	-	0.29
AMC								
Investment Management & Advisory Fees	80.95	66.85	19.30	36.51	40.36	29.41	32.15	16.07
Service Tax on Investment Management Fees	9.91	8.26	2.36	4.47	4.99	3.60	3.97	1.97
Trustee								
Trusteeship Fees	1.48	1.77	0.91	0.66	0.95	0.57	1.05	1.32
Service Tax on Trustee	0.18	0.22	0.11	0.08	0.12	0.07	0.13	0.16
CAMS								
Registrar & Transfer Agent Fees	1.66	1.74	1.18	0.90	0.94	0.78	1.02	2.04
Home Loan Services India Private Limited								
Commission on Distribution of Units	-	-	-	-	-	-	-	-
Total	95.91	78.85	24.16	45.05	47.36	36.03	38.33	21.85

	HDFC Fixed Maturity Plans - Series III								HDFC Fixed Maturity Plans - Series IV			
	90D January 2007		16M January 2007	15M February 2007		14M March 2007	90D February 2007		90D March 2007			
	12-1-2007 to 31-3-2007	1-4-2007 to 30-9-2007	11-1-2007 to 31-3-2007	1-4-2007 to 30-9-2007	5-2-2007 to 31-3-2007	1-4-2007 to 30-9-2007	5-3-2007 to 31-3-2007	1-4-2007 to 30-9-2007	10-2-2007 to 31-3-2007	1-4-2007 to 30-9-2007	5-3-2007 to 31-3-2007	1-4-2007 to 30-9-2007
HDFC Bank Limited												
Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-
Custody Charges	1.15	0.42	0.63	1.42	0.14	0.53	0.19	2.75	0.45	0.30	0.07	1.13
Commission on Distribution of units	0.09	0.02	1.70	-	0.60	-	2.68	-	0.12	0.11	0.02	0.20
AMC												
Investment Management & Advisory Fees	19.02	5.03	27.28	51.69	5.75	24.09	2.98	69.66	12.20	14.79	1.54	16.59
Service Tax on Investment Management Fees	2.33	0.62	3.34	6.39	0.70	2.98	0.37	8.61	1.49	1.83	0.19	2.05
Trustee												
Trusteeship Fees	1.05	0.28	0.58	1.61	0.14	0.57	0.30	3.32	0.40	0.39	0.13	1.17
Service Tax on Trustee	0.13	0.04	0.06	0.20	0.02	0.07	0.04	0.41	0.05	0.05	0.02	0.14
CAMS												
Registrar & Transfer Agent Fees	1.23	0.45	0.68	1.58	0.15	0.56	0.52	3.25	0.44	0.59	0.42	1.48
Total	25.00	6.86	34.28	62.89	7.51	28.79	7.08	88.00	15.15	18.05	2.39	22.77

Particulars	HDFC Fixed Maturity Plans - Series V												
	15M March 2007	181D April FMP	367D April FMP	90D April FMP	90D May FMP	181D May FMP	367D May FMP	24M May FMP	90D June FMP	181D June FMP	367D June FMP	36M June 2007	
	22-3-2007 to 31-3-2007	1-4-2007 to 30-9-2007	2-4-2007 to 30-9-2007	2-4-2007 to 30-9-2007	2-4-2007 to 30-9-2007	7-5-2007 to 30-9-2007	7-5-2007 to 30-9-2007	7-5-2007 to 30-9-2007	7-5-2007 to 30-9-2007	4-6-2007 to 30-9-2007	4-6-2007 to 30-9-2007	4-6-2007 to 30-9-2007	6-7-2007 to 30-9-2007
HDFC Bank Limited													
Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Custody Charges	0.03	1.56	0.79	1.45	1.06	0.15	0.13	0.48	0.08	0.65	0.04	0.13	0.15
Commission on distribution of Units	3.35	-	0.24	2.84	0.29	0.14	0.08	1.80	0.28	0.25	0.06	0.64	2.13
HDFC Securities Limited													
Brokerage													
Commission on distribution of Units	0.63	-	-	-	-	-	-	-	-	-	-	-	-
HDFC Asset Management Company Limited (the AMC)													
Investment Management and Advisory Fees	0.08	42.45	10.94	52.88	55.86	3.32	2.36	27.64	8.31	12.45	0.85	5.83	10.95
Service Tax on Invst Mgt Fees	0.08	5.25	1.35	6.54	6.90	0.41	0.29	3.42	1.03	1.54	0.11	0.72	1.35
HDFC Trustee Company Limited													
Trustee Fees	0.01	1.66	0.74	1.53	0.97	0.22	0.15	0.57	0.10	0.73	0.06	0.18	0.23
Service Tax on Trustee Fees	0.26	0.21	0.09	0.19	0.12	0.03	0.02	0.07	0.01	0.09	0.01	0.02	0.03
Computer Age Management Services (Pvt.) Limited													
Registrar and Transfer Agent Fees	-	1.62	0.86	1.75	1.70	0.33	0.17	0.67	0.11	0.89	0.06	0.20	0.19
Home Loan Services India Private Limited													
Commission on distribution of Units	-	-	-	0.01	-	-	-	-	-	-	-	-	-
Total	4.44	52.75	15.02	67.19	66.90	4.60	3.20	34.64	9.91	16.60	1.19	7.72	15.03

Particulars	HDFC Fixed Maturity Plans - Series VI			
	90D August 2007	367D August 2007	90D September 2007	367D September 2007
	28-8-2007 to 31-8-2007	14-8-2007 to 31-8-2007	13-8-2007 to 30-9-2007	13-8-2007 to 30-9-2007
HDFC Bank Limited				
Bank Charges	-	-	-	-
Custody Charges	0.02	0.06	-	-
Commission on distribution of Units	0.06	0.12	0.03	0.33
HDFC Securities Limited				
Brokerage				
Commission on distribution of Units	-	-	-	-
HDFC Asset Management Company Limited (the AMC)				
Investment Management and Advisory Fees	2.67	5.08	1.77	0.23
Service Tax on Invst Mgt Fees	0.33	0.63	0.22	0.03
HDFC Trustee Company Limited				
Trustee Fees	0.24	0.23	0.13	0.01
Service Tax on Trustee Fees	0.03	0.03	0.02	-
Computer Age Management Services (Pvt.) Limited				
Registrar and Transfer Agent Fees	0.25	0.17	-	-
Home Loan Services India Private Limited				
Commission on distribution of Units	-	-	-	0.05
Total	3.59	6.32	2.17	0.66

	HDFC Quarterly Interval Fund			
	HDFC Quarterly Interval Fund - Plan A		HDFC Quarterly Interval Fund - Plan B	HDFC Quarterly Interval Fund - Plan C
	29-3-2007 to 31-3-2007	1-4-2007 to 30-9-2007	2-4-2007 30-9-2007	7-5-2007 30-9-2007
HDFC Bank Limited				
Bank Charges	-	-	-	-
Custody Charges	-	1.35	1.36	0.57
Commission on Distribution of units	-	0.28	0.06	0.32
AMC				
Investment Management & Advisory Fees	-	20.01	25.95	14.82
Service Tax on Investment Management Fees	-	2.47	3.21	1.83
Trustee				
Trusteeship Fees	0.02	1.10	1.37	0.73
Service Tax on Trustee	-	0.14	0.17	0.09
CAMS				
Registrar & Transfer Agent Fees	0.24	7.65	9.38	4.91
Total	0.26	33.00	41.51	23.28

The percentage of brokerage paid to associate brokers was in line with the norms relating to brokerage payment for secondary market transactions of the Mutual Fund.

The AMC may, from time to time, for the purpose of conducting its normal business, use the services (including Brokerage services and securities transactions) of the Sponsors, subsidiaries, group companies, associates of its Sponsor and their employees or relatives. The subsidiaries of HDFC as on the date of this Document are –

1. HDFC Asset Management Company Limited
2. HDFC General Insurance Company Limited
3. HDFC Developers Limited
4. HDFC Holdings Limited
5. HDFC Investments Limited
6. HDFC Realty Limited
7. HDFC Standard Life Insurance Company Limited
8. HDFC Trustee Company Limited
9. GRUH Finance Limited
10. HDFC Venture Capital Limited
11. HDFC Ventures Trustee Company Limited
12. Home Loan Services India Private Limited
13. HDFC Property Ventures Limited

The AMC may utilise the services of Sponsors, group companies and any other subsidiary or associate company of the Sponsors established or to be established at a later date, in case such a company (including their employees or relatives) is 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 Sponsors, associate companies (including their employees or relatives) and the services to be provided by them.

Associate transactions, if carried out, will be as per the SEBI Regulations and the limits prescribed thereunder. The Scheme shall not make any investments in –

- any unlisted security of an associate or group company of the Sponsors; or
- any security issued by way of private placement by an associate or group company of the Sponsors; or
- the listed securities of group companies of the Sponsors which is in excess of 25% of the net assets.

DISCLOSURE UNDER REGULATION 25(11) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996

Investments made by the Scheme of HDFC Mutual Fund in Companies or their subsidiaries that have invested more than 5% of the net assets of any Scheme.

Company which has invested	Schemes in which companies have invested more than 5% of the net assets	Schemes which have invested	Aggregate Cost of acquisition during the period ended September 30, 2007 (Rs. in Lacs)	Outstanding as at September 30, 2007 at Fair / Market Value (Rs. in Lacs)
Allahabad Bank	HDFC Floating Rate Income Fund - Short Term Plan	HDFC Liquid Fund HDFC Cash Management Fund - Savings Plan HDFC Multiple Yield Fund HDFC Prudence Fund HDFC Short Term Plan HDFC Floating Rate Income Fund - Short Term Plan HDFC MF Monthly Income Plan - Long Term Plan HDFC Cash Management Fund - Savings Plus Plan HDFC FMP 13M September 2006 (1) HDFC FMP 14M March 2007 HDFC FMP 181D April 2007 HDFC FMP 181D May 2007 HDFC FMP 90D August 2007	14,073.91 22,860.77 1,850.01 2,275.79 1,156.23 5,341.00 2,286.62 9,975.01 1,617.08 2,494.00 462.45 283.18 2,594.62	- 10,096.52 1,387.98 - 451.56 2,449.32 925.50 - 1,617.08 - 46.42 283.90 2,594.62
Bank of India	HDFC Floating Rate Income Fund - Short Term Plan	HDFC TaxSaver	1,263.66	1,384.50
Bharat Forge Co. Ltd.	HDFC FMP 90D May 07	HDFC Top 200 Fund	1,016.40	-
Bharti Airtel Limited	HDFC Floating Rate Income Fund - Short Term Plan	HDFC Equity Fund HDFC Growth Fund HDFC Index Fund- Nifty Plan HDFC Index Fund- Sensex Plus Plan HDFC Index Fund - Sensex Plan HDFC Top 200 Fund HDFC TaxSaver HDFC Core & Satellite Fund HDFC Long Term Equity Fund HDFC Children's Gift Fund - Investment Plan HDFC Premier Multi-Cap Fund	27,572.53 1,162.75 232.51 149.11 371.13 10,976.82 3,171.06 2,565.94 3,520.38 - - -	11,748.75 3,524.63 124.20 107.89 163.95 10,329.50 5,884.99 3,759.60 3,994.58 939.90 5,169.45
Canara Bank	HDFC Liquid Fund	HDFC Liquid Fund HDFC Cash Management Fund - Savings Plan HDFC Short Term Plan HDFC Floating Rate Income Fund - Short Term Plan	10,575.25 16,286.00 451.85 1,402.00	9,143.02 11,717.04 - -

Company which has invested	Schemes in which companies have invested more than 5% of the net assets	Schemes which have invested	Aggregate Cost of acquisition during the period ended September 30, 2007 (Rs. in Lacs)	Outstanding as at September 30, 2007 at Fair / Market Value (Rs. in Lacs)
		HDFC High Interest Fund-Short Term Plan	917.02	-
		HDFC Cash Management Fund - Savings Plus Plan	10,062.29	6,426.78
Corporation Bank	HDFC FMP 36M June 07	HDFC Liquid Fund	7,318.83	2,261.57
		HDFC Cash Management Fund - Savings Plan	499.77	-
		HDFC Short Term Plan	465.40	-
		HDFC TaxSaver	1,554.07	2,043.40
		HDFC Floating Rate Income Fund - Short Term Plan	1,359.27	450.26
		HDFC Multiple Yield Fund - Plan 2005	482.60	-
DLF Limited	HDFC Cash Management Fund - Savings Plus Plan	HDFC Equity Fund	10,080.39	-
	HDFC Liquid Fund	HDFC Growth Fund	742.13	572.40
		HDFC Top 200 Fund	3,894.94	-
Gujarat Ambuja Cement Ltd.	HDFC FMP 90D April 2007	HDFC Index Fund- Nifty Plan	30.41	15.24
		HDFC Index Fund- Sensex Plus Plan	43.47	24.60
		HDFC Index Fund - Sensex Plan	120.23	37.39
		HDFC Top 200 Fund	582.73	-
HCL Technologies Ltd.	HDFC FMP 367D April 2007	HDFC Index Fund- Nifty Plan	37.65	13.89
		HDFC Top 200 Fund	132.13	-
		HDFC Core & Satellite Fund	642.81	-
HDFC Bank Ltd.	HDFC Liquid Fund	HDFC Liquid Fund	56,449.78	-
	HDFC Cash Management Fund - Savings Plan	HDFC Cash Management Fund - Savings Plan	111,872.73	-
		HDFC Index Fund- Nifty Plan	60.75	35.29
		HDFC Prudence Fund	12,178.23	-
		HDFC Index Fund- Sensex Plus Plan	91.67	70.08
		HDFC Short Term Plan	884.41	-
		HDFC Index Fund - Sensex Plan	230.19	106.50
		HDFC Floating Rate Income Fund - Short Term Plan	22,309.00	-
		HDFC MF Monthly Income Plan - Long Term Plan	19,602.80	-
		HDFC Cash Management Fund - Call Plan	5,692.85	-
		HDFC Cash Management Fund - Savings Plus Plan	33,937.90	-
		HDFC FMP 3M September 2006 (1)	9,231.17	-
		HDFC FMP 14M March 2007	2,500.00	-
Hindalco Industries Ltd.	HDFC Cash Management Fund - Savings Plus Plan	HDFC High Interest Fund	478.28	94.67
	HDFC FMP 181D April 2007	HDFC Cash Management Fund - Savings Plan	501.25	-
	HDFC FMP 90D April 2007	HDFC Index Fund- Nifty Plan	37.78	14.70
	HDFC FMP 90D June 2007	HDFC Index Fund- Sensex Plus Plan	51.58	28.09
	HDFC FMP 367D June 2007	HDFC Short Term Plan	142.64	-
	HDFC FMP 90D September 2007	HDFC Index Fund - Sensex Plan	132.18	38.62
	HDFC Short Term Plan	HDFC Top 200 Fund	2,236.75	-
		HDFC TaxSaver	350.29	-
		HDFC MF Monthly Income Plan - Long Term Plan	376.24	378.66
		HDFC Core & Satellite Fund	2,467.15	-
Hindustan Unilever Ltd.	HDFC Cash Management Fund - Savings Plus Plan	HDFC Growth Fund	651.51	897.52
	HDFC FMP 90D April 2007	HDFC Index Fund - Nifty Plan	89.27	33.92
	HDFC Quarterly Interval Fund - Plan A	HDFC Index Fund- Sensex Plus Plan	82.58	41.75
		HDFC Index Fund - Sensex Plan	223.04	63.45
		HDFC Top 200 Fund	8,760.16	3,337.68
		HDFC Long Term Advantage Fund	341.00	-
		HDFC TaxSaver	2,863.93	2,316.30
		HDFC MF Monthly Income Plan - Short Term Plan	363.66	297.81
		HDFC Premier Multi-Cap Fund	5,824.79	1,564.11
		HDFC Core & Satellite Fund	5,116.31	-
		HDFC Children's Gift Fund - Investment Plan	303.30	-
		HDFC Long Term Equity Fund	880.01	-

Company which has invested	Schemes in which companies have invested more than 5% of the net assets	Schemes which have invested	Aggregate Cost of acquisition during the period ended September 30, 2007 (Rs. in Lacs)	Outstanding as at September 30, 2007 at Fair / Market Value (Rs. In Lacs)
Hindustan Zinc Ltd.	HDFC FMP 13M September 06 HDFC Cash Management Fund - Call Plan HDFC High Interest Fund - Short Term Plan HDFC FMP 367D June 2007 HDFC FMP 367D September 2007 HDFC Quarterly Interval Fund - Plan A HDFC Short Term Plan HDFC High Interest Fund - Short Term Plan	HDFC Top 200 Fund HDFC MF Monthly Income Plan - Short Term Plan HDFC Children's Gift Fund - Investment Plan HDFC Capital Builder Fund	1,289.33 328.61 246.46 -	- - - 2,027.75
Housing Development Finance Corporation Ltd.	HDFC Liquid Fund HDFC Cash Management Fund - Savings Plan	HDFC Growth Fund HDFC High Interest Fund HDFC Income Fund HDFC Liquid Fund HDFC Cash Management Fund - Savings Plan HDFC Multiple Yield Fund HDFC Index Fund- Nifty Plan HDFC Prudence Fund HDFC Index Fund- Sensex Plus Plan HDFC Short Term Plan HDFC Index Fund - Sensex Plan HDFC Top 200 Fund HDFC Floating Rate Income Fund - Short Term Plan HDFC MF Monthly Income Plan - Long Term Plan HDFC Cash Management Fund - Savings Plus Plan HDFC FMP 13M July 2006 (1) HDFC Cash Management Fund - Call Plan HDFC FMP 13M August 2006 (1) HDFC FMP 13M June 2006 (1) HDFC FMP 14M March 2007 HDFC FMP 90D March 2007 HDFC FMP 367D May 2007 HDFC Floating Rate Income Fund - Long Term Plan HDFC MF Monthly Income Plan - Short Term Plan HDFC Balanced Fund HDFC Children's Gift Fund - Investment Plan HDFC Children's Gift Fund - Savings Plan	1,726.64 250.01 750.02 2,997.50 2,903.06 489.89 86.82 3,061.52 137.65 1,390.76 337.29 3,395.84 9,571.09 2,500.00 6,062.50 2,500.00 1,999.60 1,000.00 1,571.88 9,553.45 119.66 1,364.53 - - - - - -	2,275.11 237.26 902.18 2,500.00 1,414.03 - 47.75 5,071.14 105.31 889.32 160.03 3,665.46 9,726.86 3,018.68 5,334.00 - - 996.28 - 9,638.21 - 1,374.27 3,013.76 2,013.74 475.97 190.39 571.16
ICICI Bank Ltd.	HDFC Liquid Fund HDFC Floating Rate Income Fund - Short Term Plan	HDFC Capital Builder Fund HDFC Equity Fund HDFC Growth Fund HDFC Liquid Fund HDFC Cash Management Fund - Savings Plan HDFC Multiple Yield Fund HDFC Index Fund- Nifty Plan HDFC Prudence Fund HDFC Index Fund- Sensex Plus Plan HDFC Short Term Plan HDFC Index Fund - Sensex Plan HDFC Top 200 Fund HDFC TaxSaver HDFC Floating Rate Income Fund - Short Term Plan HDFC Floating Rate Income Fund - Long Term Plan	3,324.94 27,009.44 2,085.64 116,815.33 165,772.65 2,411.21 144.25 40,903.50 279.60 1,777.16 688.15 30,935.20 4,093.46 30,019.34 467.18	- 17,210.85 1,586.77 40,775.60 58,789.13 916.59 81.00 22,056.56 200.77 449.24 305.09 15,002.78 3,187.20 12,835.29 467.18

Company which has invested	Schemes in which companies have invested more than 5% of the net assets	Schemes which have invested	Aggregate Cost of acquisition during the period ended September 30, 2007 (Rs. in Lacs)	Outstanding as at September 30, 2007 at Fair / Market Value (Rs. in Lacs)
		HDFC High Interest Fund-Short Term Plan	458.92	458.92
		HDFC MF Monthly Income Plan		
		- Long Term Plan	26,205.73	12,258.38
		HDFC MF Monthly Income Plan		
		- Short Term Plan	4,063.79	898.47
		HDFC Premier Multi-Cap Fund	10,156.95	2,124.80
		HDFC Cash Management Fund		
		- Savings Plus Plan	47,160.42	14,683.23
		HDFC Multiple Yield Fund - Plan 2005	3,558.73	-
		HDFC Core & Satellite Fund	7,998.35	2,101.92
		HDFC Children's Gift Fund		
		- Investment Plan	1,482.92	-
		HDFC Long Term Equity Fund	4,219.82	3,238.71
		HDFC FMP 13M March 2006 (1)	11,981.66	-
		HDFC FMP 3M June 2006 (1)	16,218.82	-
		HDFC Cash Management Fund		
		- Call Plan	23,455.71	-
		HDFC FMP 6M July 2006 (1)	527.61	-
		HDFC FMP 3M July 2006 (1)	507.06	-
		HDFC FMP 3M August 2006 (1)	922.28	-
		HDFC FMP 13M August 2006 (1)	1,006.92	-
		HDFC FMP 26M August 2006 (1)	8,608.78	8,510.28
		HDFC FMP 90D December 2006	2,459.94	-
		HDFC FMP 90D January 2007	6,860.32	-
		HDFC FMP 90D February 2007	2,001.77	-
		HDFC FMP 18M October 2006	3,610.42	224.62
		HDFC FMP 14M March 2007	2,996.33	92.37
		HDFC FMP 90D March 2007	6,476.41	-
		HDFC Quarterly Interval Fund - Plan A	11,962.39	8,819.27
		HDFC FMP 14M March 2007	1,220.09	46.19
		HDFC Quarterly Interval Fund - Plan B	1,461.80	516.31
		HDFC FMP 181D April 2007	4,728.86	4,499.69
		HDFC FMP 367D April 2007	101.56	99.72
		HDFC FMP 90D April 2007	2,301.05	-
		HDFC Quarterly Interval Fund - Plan C	4,277.38	1,063.07
		HDFC FMP 181D May 2007	1,534.18	934.23
		HDFC FMP 90D May 2007	1,021.39	-
		HDFC FMP 16M December 2006	46.39	46.19
		HDFC FMP 15M February 2007	92.78	92.37
		HDFC FMP 16M January 2007	139.21	138.60
		HDFC FMP 24M May 2007	46.39	18.47
		HDFC FMP 367D May 2007	139.17	138.56
		HDFC FMP 17M November 2006	46.40	46.20
		HDFC FMP 181D June 2007	1,083.68	1,074.00
		HDFC FMP 90D June 2007	950.79	-
		HDFC FMP 90D August 2007	8,078.19	7,989.31
		HDFC FMP 90D September 2007	856.43	856.43
IDBI Bank	HDFC Liquid Fund	HDFC Capital Builder Fund	2,479.44	-
	HDFC Cash Management Fund	HDFC Liquid Fund	14,726.31	5,157.23
	- Savings Plan	HDFC Cash Management Fund		
		- Savings Plan	36,817.97	2,725.96
		HDFC Multiple Yield Fund	2,774.05	2,774.05
		HDFC Prudence Fund	1,551.34	1,527.39
		HDFC Short Term Plan	499.60	-
		HDFC Floating Rate Income Fund		
		- Short Term Plan	7,379.91	7,990.50
		HDFC High Interest Fund		
		- Short Term Plan	181.09	181.09
		HDFC MF Monthly Income Plan		
		- Long Term Plan	2,867.04	1,387.02
		HDFC MF Monthly Income Plan		
		- Short Term Plan	1,546.84	2,540.43
		HDFC Cash Management Fund		
		- Savings Plus Plan	25,571.13	5,394.98
		HDFC FMP 3M May 2006 (1)	7,321.93	-
		HDFC FMP 15M February 2007	1,027.00	1,018.26

Company which has invested	Schemes in which companies have invested more than 5% of the net assets	Schemes which have invested	Aggregate Cost of acquisition during the period ended September 30, 2007 (Rs. in Lacs)	Outstanding as at September 30, 2007 at Fair / Market Value (Rs. in Lacs)
		HDFC Cash Management Fund - Call Plan HDFC FMP 3M June 2006 (1) HDFC FMP 90D February 2007 HDFC FMP 14M March 2007 HDFC FMP 90D March 2007 HDFC FMP 367D April 2007 HDFC FMP 90D May 2007 HDFC Quarterly Interval Fund - Plan A HDFC High Interest Fund HDFC Floating Rate Income Fund - Long Term Plan	7,630.40 4,915.14 7,087.37 453.40 191.10 2,716.35 1,498.88 1,447.54 - - -	- - - - - - 1,447.54 509.13 - 1,018.26
Infotech Enterprises Ltd.	HDFC Quarterly Interval Fund - Plan C	HDFC Equity Fund HDFC Prudence Fund HDFC Long Term Advantage Fund HDFC TaxSaver HDFC Mid-Cap Opportunities Fund	3,182.04 2,171.08 1,594.97 382.88 1,438.70	- - - - -
ING Vysya Bank Limited	HDFC Cash Management Fund - Savings Plan	HDFC Liquid Fund HDFC Cash Management Fund - Savings Plan HDFC Prudence Fund HDFC Floating Rate Income Fund - Short Term Plan HDFC High Interest Fund - Short Term Plan HDFC MF Monthly Income Plan - Long Term Plan HDFC Cash Management Fund - Savings Plus Plan HDFC Long Term Equity Fund HDFC Cash Management Fund - Call Plan HDFC FMP 3M July 2006 (1) HDFC FMP 6M June 2006 HDFC FMP 3M September 2006 (1) HDFC FMP 90D November 2006	7,734.27 7,226.26 1,486.34 472.67 856.41 6,327.16 10,542.92 1,981.78 4,859.28 19.85 88.83 217.15 7,360.53	1,887.98 2,359.97 - 471.92 472.15 - 1,887.98 - - - - - - -
ITC Ltd.	HDFC Cash Management Fund - Savings Plus Plan HDFC Floating Rate Income Fund - Short Term Plan HDFC FMP 90D April 2007 HDFC Floating Rate Income Fund - Long Term Plan	HDFC Balanced Fund HDFC Equity Fund HDFC Growth Fund HDFC Index Fund- Nifty Plan HDFC Prudence Fund HDFC Index Fund- Sensex Plus Plan HDFC Index Fund - Sensex Plan HDFC Top 200 Fund HDFC Long Term Advantage Fund HDFC Tax Saver HDFC MF Monthly Income Plan - Long Term Plan HDFC MF Monthly Income Plan - Short Term Plan HDFC Premier Multi-Cap Fund HDFC Core & Satellite Fund HDFC Multiple Yield Fund - Plan 2005 HDFC Long Term Equity Fund HDFC Children's Gift Fund - Investment Plan	294.88 29,707.20 2,308.22 127.73 9,015.49 161.14 422.42 8,234.03 560.63 5,500.81 581.47 88.46 526.22 3,007.49 349.20 1,587.50 328.36	351.13 13,855.40 3,283.17 49.74 - 86.29 131.13 7,624.27 1,898.00 4,555.20 - 94.90 2,372.50 2,501.47 379.60 6,737.90 265.72
Kotak Mahindra Bank Limited	HDFC Floating Rate Income Fund - Short Term Plan	HDFC Liquid Fund HDFC Cash Management Fund - Savings Plan HDFC Multiple Yield Fund HDFC TaxSaver HDFC Floating Rate Income Fund - Short Term Plan HDFC High Interest Fund - Short Term Plan HDFC Cash Management Fund - Savings Plus Plan	17,570.75 9,053.66 2,770.16 689.05 4,339.53 500.00 9,205.50	2,000.00 - - - 4,339.53 500.00 8,736.32

Company which has invested	Schemes in which companies have invested more than 5% of the net assets	Schemes which have invested	Aggregate Cost of acquisition during the period ended September 30, 2007 (Rs. in Lacs)	Outstanding as at September 30, 2007 at Fair / Market Value (Rs. in Lacs)
		HDFC Core & Satellite Fund HDFC Multiple Yield Fund - Plan 2005 HDFC FMP 13M June 2006 (1) HDFC FMP 13M July 2006 (1) HDFC FMP 3M August 2006 (1) HDFC FMP 3M September 2006 (1) HDFC Cash Management Fund - Call Plan HDFC FMP 90D March 2007 HDFC Quarterly Interval Fund - Plan A HDFC FMP 181D April 2007 HDFC FMP 367D April 2007 HDFC FMP 181D May 2007	831.72 465.47 9,294.24 2,774.81 2,497.76 9,818.77 - 997.85 5,321.95 2,427.67 946.67 4,519.92 954.78	- - - - - - - - - - - 4,519.92 954.78
Larsen & Toubro Limited	HDFC Cash Management Fund - Call Plan HDFC Income Fund	HDFC Balanced Fund HDFC Equity Fund HDFC Index Fund- Nifty Plan HDFC Prudence Fund HDFC Index Fund- Sensex Plus Plan HDFC Index Fund - Sensex Plan HDFC Top 200 Fund HDFC Tax Saver HDFC Premier Multi-Cap Fund HDFC Cash Management Fund - Savings Plus Plan HDFC Core & Satellite Fund HDFC Long Term Equity Fund HDFC Mid-Cap Opportunities Fund	509.94 21,815.24 102.95 4,862.55 150.41 367.76 9,386.88 3,746.21 - - 499.03 3,842.29 5,432.84 1,399.12	982.78 16,847.70 56.05 - 125.05 190.02 8,845.04 6,739.08 4,211.93 - - 2,807.95 5,896.70 -
Maharashtra Seamless Ltd.	HDFC High Interest Fund - Short Term Plan	HDFC Long Term Advantage Fund HDFC Long Term Equity Fund HDFC Mid-Cap Opportunities Fund	347.38 921.85 3,123.53	3,075.25 761.62 3,155.82
Maruti Udyog Limited	HDFC Floating Rate Income Fund - Short Term Plan HDFC FMP 90D September 2007	HDFC Equity Fund HDFC Growth Fund HDFC Index Fund- Nifty Plan HDFC Prudence Fund HDFC Index Fund- Sensex Plus Plan HDFC Index Fund - Sensex Plan HDFC Top 200 Fund HDFC TaxSaver HDFC MF Monthly Income Plan - Long Term Plan HDFC Core & Satellite Fund HDFC Mid-Cap Opportunities Fund HDFC Children's Gift Fund - Investment Plan HDFC Premier Multi-Cap Fund	14,156.42 797.52 37.66 5,587.82 34.88 88.05 11,074.98 119.40 - 227.08 915.19 2,000.96 - - -	8,487.64 - 20.09 6,728.99 22.42 34.07 5,143.56 3,745.31 - - - 2,496.88 449.44 2,996.25
Page Industries Limited	HDFC FMP 367D June 2007	HDFC Prudence Fund HDFC MF Monthly Income Plan - Long Term Plan	2,443.22 709.78	3,290.71 725.61
Punjab National Bank	HDFC Liquid Fund	HDFC Growth Fund HDFC Income Fund HDFC Liquid Fund HDFC Cash Management Fund - Savings Plan HDFC Multiple Yield Fund HDFC Index Fund- Nifty Plan HDFC Prudence Fund HDFC Top 200 Fund HDFC Long Term Advantage Fund HDFC TaxSaver HDFC Floating Rate Income Fund - Short Term Plan HDFC High Interest Fund - Short Term Plan HDFC MF Monthly Income Plan - Long Term Plan	1,199.53 2,700.00 92,741.07 80,727.78 500.00 26.10 2,000.00 3,727.59 1,627.29 2,915.42 21,994.14 500.00 12,933.39	1,220.74 - 9,296.93 4,599.35 - 11.93 1,973.07 4,069.13 1,627.65 3,255.30 7,147.81 - -

Company which has invested	Schemes in which companies have invested more than 5% of the net assets	Schemes which have invested	Aggregate Cost of acquisition during the period ended September 30, 2007 (Rs. in Lacs)	Outstanding as at September 30, 2007 at Fair / Market Value (Rs. in Lacs)
		HDFC Cash Management Fund - Savings Plus Plan HDFC Core & Satellite Fund HDFC Cash Management Fund - Call Plan HDFC FMP 90D March 2007 HDFC Mid-Cap Opportunities Fund	57,519.37 989.15 1,997.23 2,451.51 10,000.00	7,135.37 1,085.10 - - -
Raymond Ltd.	HDFC Cash Management Fund - Call Plan	HDFC Liquid Fund HDFC MF Monthly Income Plan - Long Term Plan HDFC MF Monthly Income Plan - Short Term Plan HDFC Cash Management Fund - Call Plan HDFC FMP 3M June 2006 (1)	12,000.00 3,000.00 1,000.00 1,000.00 5,800.00	- - - - -
Reliance Petroleum Limited	HDFC Cash Management Fund - Savings Plan	HDFC Equity Fund HDFC Index Fund- Nifty Plan HDFC Top 200 Fund	6,545.41 66.88 5,863.91	- 48.07 1,840.80
Sesa Goa Ltd.	HDFC FMP 181D April 2007 HDFC FMP 90D September 2007 HDFC Quarterly Interval Fund - Plan C	HDFC Mutiple Yield Fund	336.59	-
Sintex Industries Ltd.	HDFC Short Term Plan	HDFC Capital Builder Fund HDFC Long Term Advantage Fund HDFC Children's Gift Fund - Savings Plan HDFC Mid-Cap Opportunities Fund	579.35 2,456.00 166.13 3,123.60	6,084.70 2,431.10 250.06 3,794.96
State Bank of Bikaner and Jaipur	HDFC Liquid Fund	HDFC Liquid Fund HDFC Cash Management Fund - Savings Plan HDFC Prudence Fund HDFC Top 200 Fund HDFC TaxSaver HDFC Floating Rate Income Fund - Short Term Plan HDFC MF Monthly Income Plan - Long Term Plan HDFC Cash Management Fund - Savings Plus Plan HDFC Cash Management Fund - Call Plan HDFC FMP 13M June 2006 (1) HDFC Multiple Yield Fund - Plan 2005 HDFC Long Term Equity Fund HDFC FMP 90D June 2007 HDFC FMP 90D August 2007	15,230.27 21,126.92 2,982.95 1,971.99 7,400.15 9,207.36 1,897.38 8,715.40 4,433.33 4,636.03 1,848.69 5,455.66 1,930.39 2,842.20	4,366.57 2,334.85 - - - 4,459.01 916.35 4,799.95 - - - - - 2,842.20
State Bank of India	HDFC Liquid Fund	HDFC Balanced Fund HDFC Capital Builder Fund HDFC Equity Fund HDFC Growth Fund HDFC High Interest Fund HDFC Income Fund HDFC Liquid Fund HDFC Cash Management Fund - Savings Plan HDFC Mutiple Yield Fund HDFC Index Fund- Nifty Plan HDFC Prudence Fund HDFC Index Fund- Sensex Plus Plan HDFC Short Term Plan HDFC Index Fund - Sensex Plan HDFC Top 200 Fund HDFC Long Term Advantage Fund HDFC TaxSaver HDFC Floating Rate Income Fund - Short Term Plan	251.23 515.98 30,700.59 1,161.27 251.23 2,769.16 9,013.88 12,499.37 1,053.20 117.90 16,448.80 91.25 2,453.73 237.42 4,078.74 1,118.58 6,169.99 1,498.25	254.27 3,697.12 26,268.98 3,502.53 - 2,542.71 - - 778.34 71.30 15,690.29 79.69 1,042.35 121.10 8,756.33 5,253.80 6,032.02 -

Company which has invested	Schemes in which companies have invested more than 5% of the net assets	Schemes which have invested	Aggregate Cost of acquisition during the period ended September 30, 2007 (Rs. in Lacs)	Outstanding as at September 30, 2007 at Fair / Market Value (Rs. in Lacs)
		HDFC High Interest Fund - Short Term Plan HDFC MF Monthly Income Plan - Long Term Plan HDFC Premier Multi-Cap Fund HDFC Cash Management Fund - Savings Plus Plan HDFC Core & Satellite Fund HDFC Children's Gift Fund - Savings Plan HDFC Cash Management Fund - Call Plan HDFC Long Term Equity Fund HDFC Mid-Cap Opportunities Fund HDFC MF Monthly Income Plan - Short Term Plan	20.10 4,827.34 3,807.85 3,025.45 5,392.77 251.23 2,478.08 4,903.69 4,701.51 -	20.34 4,996.40 4,864.63 - 3,405.24 355.33 - 8,123.92 5,837.55 505.29
Sterlite Industries (I) Ltd.	HDFC FMP 90D September 2007 HDFC Quarterly Interval Fund - Plan A	HDFC Liquid Fund HDFC Cash Management Fund - Savings Plan HDFC Index Fund- Nifty Plan HDFC Floating Rate Income Fund - Short Term Plan HDFC MF Monthly Income Plan - Long Term Plan HDFC Cash Management Fund - Savings Plus Plan HDFC Cash Management Fund - Call Plan HDFC FMP 14M March 2007	12,100.00 17,400.00 53.66 5,700.00 600.00 4,300.00 2,800.00 2,200.00	- - 36.95 - - - - -
Tata Steel Limited	HDFC Cash Management Fund - Savings Plan	HDFC Equity Fund HDFC Index Fund- Nifty Plan HDFC Index Fund- Sensex Plus Plan HDFC Index Fund - Sensex Plan HDFC Top 200 Fund HDFC TaxSaver HDFC Premier Multi-Cap Fund HDFC Core & Satellite Fund	9,873.03 64.80 75.99 190.83 2,424.08 429.61 925.50 1,530.63	- 36.08 62.57 95.08 - - 1,169.44 -
Technocraft Industries (India) Limited	HDFC FMP 90D April 2007	HDFC Capital Builder Fund HDFC Growth Fund HDFC Children's Gift Fund - Investment Plan HDFC Children's Gift Fund - Savings Plan	128.92 312.96 106.96 49.51	- 289.38 - -
The Great Eastern Shipping Co. Ltd.	HDFC Short Term Plan	HDFC Growth Fund HDFC Long Term Advantage Fund HDFC Capital Builder Fund HDFC MF Monthly Income Plan - Long Term Plan	376.22 - - - -	- 1,070.77 1,204.49 1,829.66
UltraTech Cement Limited	HDFC FMP 181D April 2007 HDFC Floating Rate Income Fund - Short Term Plan	HDFC Prudence Fund HDFC Top 200 Fund HDFC Cash Management Fund - Savings Plus Plan HDFC Cash Management Fund - Savings Plan	2,436.53 74.37 - -	- - 1,000.00 2,500.00
Union Bank of India	HDFC Floating Rate Income Fund - Short Term Plan	HDFC Equity Fund HDFC Growth Fund HDFC Liquid Fund HDFC Cash Management Fund - Savings Plan HDFC Prudence Fund HDFC Short Term Plan HDFC Top 200 Fund HDFC Long Term Advantage Fund HDFC TaxSaver HDFC Floating Rate Income Fund - Short Term Plan	1,995.10 997.21 50,458.28 60,184.66 4,907.02 733.93 2,490.43 3,988.85 5,984.84 13,287.55	- - 4,734.59 5,342.20 - 727.97 - - - 2,340.01

Company which has invested	Schemes in which companies have invested more than 5% of the net assets	Schemes which have invested	Aggregate Cost of acquisition during the period ended September 30, 2007 (Rs. in Lacs)	Outstanding as at September 30, 2007 at Fair / Market Value (Rs. in Lacs)
		HDFC High Interest Fund - Short Term Plan HDFC MF Monthly Income Plan - Long Term Plan HDFC MF Monthly Income Plan - Short Term Plan HDFC Premier Multi-Cap Fund HDFC Cash Management Fund - Savings Plus Plan HDFC Children's Gift Fund - Investment Plan HDFC Cash Management Fund - Call Plan HDFC Multiple Yield Fund - Plan 2005 HDFC FMP 90D December 2006 HDFC FMP 90D February 2007 HDFC FMP 14M March 2007 HDFC FMP 90D March 2007 HDFC Quarterly Interval Fund - Plan C HDFC FMP 90D May 2007 HDFC FMP 90D June 2007 HDFC FMP 367D June 2007 HDFC FMP 90D September 2007	468.52 5,301.81 2,479.08 996.17 29,283.95 997.21 16,712.17 997.67 4,402.31 4,881.44 3,491.08 8,851.64 4,855.56 2,759.27 1,851.17 2,304.70 479.15	- - - - 9,179.34 - - - - - - - - - - 1,272.19 479.15
Vijaya Bank	HDFC Floating Rate Income Fund - Short Term Plan	HDFC Cash Management Fund - Savings Plan HDFC Short Term Plan HDFC Cash Management Fund - Call Plan HDFC FMP 13M March 2006 (I)	14,482.31 482.67 4,991.75 1.09	- - - -
Wipro Ltd.	HDFC FMP 90D June 2007 HDFC Quarterly Interval Fund - Plan A HDFC Short Term Plan	HDFC Equity Fund HDFC Index Fund- Nifty Plan HDFC Index Fund- Sensex Plus Plan HDFC Index Fund - Sensex Plan HDFC Top 200 Fund HDFC Tax Saver HDFC Long Term Equity Fund	9,923.95 131.88 51.91 137.63 1,516.34 2,535.96 1,175.44	- 46.77 23.25 35.32 1,150.63 2,071.13 3,451.88
Yes Bank Limited	HDFC Floating Rate Income Fund - Short Term Plan	HDFC Liquid Fund HDFC Cash Management Fund - Savings Plan HDFC Multiple Yield Fund HDFC Short Term Plan HDFC Floating Rate Income Fund - Short Term Plan HDFC Floating Rate Income Fund - Long Term Plan HDFC MF Monthly Income Plan - Long Term Plan HDFC MF Monthly Income Plan - Short Term Plan HDFC Cash Management Fund - Savings Plus Plan HDFC FMP 6M June 2006 HDFC FMP 13M August 2006 (I) HDFC FMP 90D November 2006 HDFC FMP 90D December 2006 HDFC FMP 16M December 2006 HDFC FMP 90D January 2007 HDFC FMP 181D April 2007 HDFC FMP 90D April 2007 HDFC FMP 16M January 2007 HDFC Quarterly Interval Fund - Plan C HDFC FMP 90D September 2007	11,020.28 3,502.19 923.98 501.41 3,503.29 200.00 1,987.22 1,300.00 9,543.37 2,413.36 1,010.31 2,500.00 2,504.64 201.03 2,445.44 1,301.08 9,748.52 100.81 2,387.40 4,804.53	2,500.12 - 923.98 200.69 - - 1,003.45 - 2,684.34 - 1,001.94 - 100.35 - 1,304.49 - 100.35 2,387.40 4,804.53

These investments comprise Equity Shares, Debentures / Bonds, Commercial Paper and Certificate of Deposit. These investments have been made on account of their high credit quality and competitive yield for the investment in fixed income / money market instruments and in case of equity shares because of attractive valuations of these companies. The investments under Sensex, Nifty and Sensex Plus (limited to sensex scrips) Plans of HDFC Index Fund were made pursuant to their respective investment objectives.

HDFC OFFICES / SERVICE CENTRES / REPRESENTATIVE OFFICES TO ACT AS INVESTOR SERVICES/ DISTRIBUTION CENTRES

The AMC will avail the services of the Sponsors / and their associates for client servicing and for usage of designated branches as Investor Service Centres and also to act as collection and distribution agents. The Sponsors and their associates shall be paid a fee, which may be higher than the market rates due to the superior quality of services rendered and prime locations of the ISCs. These fees shall be debited to the Scheme, subject to SEBI Regulations.

UNDERWRITING BY THE MUTUAL FUND

Subject to SEBI Regulations the Scheme may enter into underwriting agreements after the Mutual Fund obtains a certificate of registration in terms of the Securities and Exchange Board of India (Underwriters) Rules and Securities and Exchange Board of India (Underwriters) Regulations, 1993 authorising it to carry on activities as underwriters. The capital adequacy norms for the purpose of underwriting shall be the net assets of the Scheme(s) and the underwriting obligation of the Scheme(s) shall not at any time exceed the total net asset value of the Scheme(s).

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 or 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 respective Plans 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. Such borrowings, if raised, may result in a cost, which would be dealt with in consultation with the Trustee.

STOCK LENDING BY THE FUND

Subject to the Regulations, the Scheme(s) may, engage in Stock Lending activities in accordance with the terms of securities lending scheme announced by SEBI. Stock Lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation. The securities lent will be returned by the borrower on expiry of stipulated period. The exposure of the Scheme(s) at the time of lending will presently be restricted to 40% of its Total Assets and the exposure to a single approved intermediary will presently not exceed 10% of the Total Assets of the Scheme(s) or Rs. 5 crore whichever is higher. However, the AMC reserves the right to change the exposure limits in the Scheme(s) as well as exposure to an

intermediary. Stock Lending transactions involves legal risk on enforceability of contracts in case of default by borrowers and credit risk in terms of counterparty and collaterals. Further, the Scheme(s) may not be able to sell such lent out securities and this can lead to temporary illiquidity.

Reporting Requirement under the Regulations related to Stock Lending :

As required under the Regulations from time to time, the Asset Management Company of the mutual fund shall report to the trustees on a quarterly basis about the level of lending, in terms of value, volume and intermediaries and also earnings / losses, value of collateral security etc.;

- a. The securities lending contract shall be periodically reviewed by the trustees and they shall take reasonable steps to ensure that the same is not, in any way, detrimental to the interests of the unit-holders of the scheme.
- b. The Trustees shall offer their comments on the above aspects in the report filed with SEBI under sub regulation (23) (a) of regulation 18 of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

INTER SCHEME TRANSFERS

Transfer of investments from one scheme to another scheme under the Mutual Fund, shall be allowed only if:

- (a) such transfers are made at the prevailing market price for quoted Securities on spot basis.

Explanation: Spot basis shall have the 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.

DISCLOSURE TO INTERMEDIARIES

The Fund may disclose details of the investor's account and transactions thereunder to those intermediaries whose stamp appears on the application form / transaction slips. The Fund may disclose such details to the bankers, as may be necessary for the purpose of effecting payments to the investor.

DECLARATION OF DIVIDENDS

Under the Dividend Plan / Option, it is proposed to declare dividends (Quarterly, Yearly and Half-yearly intervals in case of HHIF - Regular Plan and HHIF - Fixed Maturity Plans, monthly interval in case of HHIF - Short Term Plan, daily and weekly intervals in case of HDFC Cash Management Fund - Savings Plan, daily interval in case of HDFC Cash Management Fund - Call Plan and daily, weekly and monthly intervals in case of HDFC Cash Management Fund – Savings Plus Plan), subject to availability of distributable profits, as computed in accordance with SEBI Regulations. Further the Trustee at its sole discretion may also declare interim dividend.

Dividends, if declared, (subject to deduction of tax at source, if any) will be paid to those Unit holders whose names appear in the Register of Unit holders on the record date.

It must be distinctly understood that the actual declaration of dividend and the frequency thereof will inter-alia, depend on the availability of distributable profits as computed in accordance with SEBI Regulations. The decision of the Trustee in this regard shall be final. There is no assurance or guarantee to Unit holders as to the rate of dividend distribution nor that dividends will be paid regularly. In order to be a Unit holder, an investor has to be allotted Unit against receipt of clear funds by the Scheme. The dividend warrants shall be despatched within 30 days of the declaration of the dividend.

The AMC may announce a book closure period for the purpose of making the dividend payment. On payment of dividends, the NAV will stand reduced by the amount of dividend paid and statutory levy (if applicable).

The AMC has made arrangements with selected banks to enable direct credit of Redemption / Dividend proceeds into the bank accounts of the Investors who have an account at the designated banks. However, the list of banks is subject to change from time to time and the AMC reserves the right to issue a demand draft / payable at par cheque inspite of an Investor opting for Direct Credit Option. Unit holders who do not avail of the above Direct Credit Facility will receive cheques payable at par / demand drafts.

ELECTRONIC CLEARING SERVICE (ECS)

ECS is a facility offered by RBI, for facilitating better customer service by direct credit of dividend to an investor's bank account through electronic credit. This helps in avoiding loss of dividend warrant in transit or fraudulent encashment. The Mutual Fund

will endeavour to arrange such facility for payment of dividend proceeds to the Unit holders. However, this facility is optional for the investors.

In order to avail the above facility, the investor will have to give a written request to the ISC. If the Unit holder has opted for the ECS facility his / her bank branch will directly credit the amount due to them in their account whenever the payment is through ECS. The ISC will send a separate advice to the Unit holder informing them of the direct credit.

It may be noted that there is no commitment from the Mutual Fund that this facility will be made available to the Unit holders for payment of dividend proceeds. While the Mutual Fund will endeavour in arranging the facility it will be dependent on various factors including sufficient demand for the facility from Unit holders at any centre, as required by the authorities. In places where such a facility is not available or if the facility is discontinued by the Scheme(s) for any reason, the AMC shall despatch to the Unit holders the dividend warrants within 30 days of the declaration of the dividend.

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.

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

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 (specially the fund managers) of the Asset Management Company and Trustee Company. Cases of penalties awarded by any financial regulatory body, including stock exchanges, for defaults in respect of shareholders, debentureholders and depositors and penalties awarded for any economic offence and violation of any securities laws, against the Sponsor and its associates.

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 of the Mutual Fund in any capacity including the AMC, Board of Trustees / Trustee Company or any of the Directors or key personnel is a party.

The penalty levied by SEBI on HDFC for delay in intimating the acquisition of shares of Hindustan Oil Exploration Company Limited, in compliance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 had been set aside by the Securities Appellate Tribunal (SAT).

Aggrieved by the order passed by SAT, SEBI filed an appeal before the Hon'ble High Court at Mumbai, pursuant to which the Hon'ble High Court set aside the said order and remanded the matter to SAT for fresh hearing and review.

Aggrieved by the impugned order passed by the Hon'ble High Court, HDFC filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India, pursuant to which the Hon'ble Supreme Court of India was pleased to issue notice to SEBI in the matter. The matter is now pending before the Hon'ble Supreme Court of India. At a hearing held on April 21, 2005 the Hon'ble Supreme Court of India was pleased to admit the said SLP.

1. Mr. Shailesh Sanwaria (the plaintiff) has filed a case against Maruti Countrywide Auto Financial Services Private Limited (MCW) alleging that on 19.10.2000, he was harassed and beaten up by the agents of MCW who were instructed by MCW to repossess the vehicle. The plaintiff is claiming damages on account of adverse impact on his status and image. The amount involved in this case is Rs. 1 Crore. In this matter, MCW has filed an application under the Court Fee Act for directions to the plaintiff to pay deficient court fee of about Rs. 99,000/-. Reply to the application has also been filed. The next date of hearing is in November 15, 2007.
2. Mr. Sumit Jain (the complainant) got his car financed from Maruti Countrywide Auto Financial Services Private Limited (MCW). The financed amount was Rs. 2,50,000, which was to be repaid in 36 EMI's of Rs. 8,000/- each (one in advance). The complainant booked the said vehicle by giving Rs. 20,000/-. The complainant was asked to pay a sum of Rs. 36,300/- to take the delivery of the vehicle and he was assured that the excess amount paid by him will be adjusted in his EMIs. The plaintiff has alleged that despite of repeated reminders for statements and refund the same have not been sent to him. The amount claimed by the complainant in this case is Rs. 2,05,301. In this matter, the complainant has filed a complaint in under the District Consumer Disputes Redressal Forum, Shalimar Bagh. The next date of hearing is November 22, 2007. MCW will file its reply on the next date of hearing.
3. Mr. Rihan S. Munshi (the complainant) has filed a suit against Maruti Countrywide Auto Financial Services Private Limited (MCW) in District Consumer Disputes Redressal Forum, Ahmedabad for Non issuance of NOC as the complainant has not paid the outstanding amount. The amount claimed by the complainant in this case is Rs. 30,000. The matter is listed for filing of rejoinder by the complainant on October 12, 2007. The reply has been filed by MCW.
4. Mr. Sudarshan Tandon (complainant) has filed a complaint against Maruti Countrywide Auto Financial Services Private Limited (MCW) in District Consumer Disputes Redressal

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.

Forum, Shalimar Bagh, New Delhi for non-issuance of NOC despite payment of full amount. As per MCW's records the complainant has not cleared his outstanding amount. The amount claimed by the complainant is Rs. 1,45,000 with interest. The matter is listed for December 3, 2007. MCW will file its reply on the next date of hearing.

5. Harmeet Singh (the complainant) has filed a civil suit against Maruti Countrywide Auto Financial Services Private Limited (MCW) with the Civil Judge, New Delhi. The issue involved is that the complainant's car was sold after repossession without informing him. As per MCW's records, the complainant had not paid the EMI amount. The matter is listed on October 1, 2007 for arguments. The amount involved in this case is Rs. 1,65,000.
6. Ramesh Dangi (the complainant) has filed a case against Maruti Countrywide Auto Financial Services Private Limited (MCW) in Civil Court, Karnal. He had taken the loan of Rs. 67,500/-. The plaintiff failed to deposit installment after June 2006 as he met with an accident and after his recovery he again started depositing the installments regularly. In the month of November 2005, MCW sent him demand notice and demanded Rs. 35,900/-, which he is protesting in the case filed. The complainant is alleging that there is no outstanding amount against him. The complainant is asking for his full statement of accounts. The matter is listed for January 23, 2008. The reply has yet not been filed by MCW.
7. The State Guard Board has made HDFC Standard Life Insurance Company Limited as an respondent in the matter filed by them in the Court of the Additional Chief Metropolitan Magistrate for alleged violation of the guidelines prescribed by them. The matter is sub-judice before the Court.
1. The Udhna Citizen Co-operative Bank Limited (Udhna) has filed a case against HDFC Bank Ltd. which is pending in front of the First Class Judicial Magistrate Court at Surat. There was a deal of about Rs. 3 crore for purchase of Government security between Udhna and its broker. The Bank had received remittance and forwarded the same to the broker. The broker has alleged to have defaulted in delivering the securities to Udhna. The litigation is for the recovery of the amount remitted from the Bank. This case is also filed against Mr. Aditya Puri, Managing Director and some of the officials of the Bank.
2. Ms. Suchitra Iyer has filed a case against HDFC Bank Ltd. which is pending in the court of Judicial Magistrate III, Coimbatore. This case is for transfer of funds amongst the customer's own accounts interse which are alleged by the customer as unauthorised and illegal. The amount involved in this case is Rs. 2 crore.
3. Mr. Bhatia has filed a case with the Special Court, Judicial Magistrate, Economic Offences, Jaipur, against Mr. Aditya Puri, Managing Director, HDFC Bank Ltd. and some former directors of the Bank for alleged delay in forwarding the share certificate no. 723980 representing 100 shares sent by him for effecting transfer. The Civil Judge, Junior Division, Jaipur had issued an injunction and ordered maintenance of status quo against effecting transfer since one Mr. Govind Sharan Agrawal had filed a case in Special Court of Economic Offences, Jaipur claiming / alleging that he had lost / misplaced shares of which share certificate no. 723980 is a part. This case is also filed against HDFC Bank Ltd. The matter is pending with Special Court, Economic Offences.

4. A case has been filed in the court of Judicial Magistrate at Chennai against Mr. Aditya Puri, Managing Director, HDFC Bank Ltd. for alleged non compliance of Contract Labour Regulations. The Bank has filed a petition in the High Court at Chennai for quashing these proceedings. The High Court has granted an injunction (interim stay) and ordered maintaining of status quo. The High Court has issued notice to the respondents returnable in two weeks. The Petition is pending before the High Court at Chennai.
5. Mr. Sunil Kedia has filed a criminal complaint in the Court of the Sub-Divisional Judicial Magistrate, Alipore against Mr. Aditya Puri, Managing Director, HDFC Bank Ltd. and a few other Directors of the Bank for alleged encashment of his post dated cheque for Rs.27,800/- inspite of his specific instructions to treat his post dated cheques as stopped. Mr. Kedia has applied for an auto loan for Rs. 6.50 lacs for purchasing a Honda city car. This loan was to be disbursed to him on his making down payment / own contribution of Rs. 76,673/-. The Bank had disbursed the loan to the sourcing agreement on execution of the loan agreement by Mr. Sunil Kedia as per the terms of the agreement and accordingly, one of the post dated cheques for Rs.27,800/- got encashed. Subsequently, after Mr. Kedia had made the down payment, the car has been delivered to him. The Bank has filed an application in the Calcutta High Court for quashing the proceedings of the lower court.
6. Mr. Sanjay Hiralal Shah has filed a case amounting to Rs. 7.08 crores against HDFC Bank Ltd. which is pending before the Civil Court, Baroda. This case is for the dishonour of the payable at par cheques aggregating to Rs.6 crores issued by a customer, which is a co-operative bank. The plaintiff contends that these at par cheques are demand drafts.
7. Mr. Ramchandra Jayawant Prabhu has filed a case amounting to Rs. 1.02 crores against HDFC Bank Ltd. which is pending before the National Consumer Disputes Redressal Commission at New Delhi. HDFC Bank Ltd had remitted USD 160,000 to Mizako Bank, Tokyo on the written instructions of Mr. R.J.Prabhu. This has been disputed by him stating that the documents were forged. The Bank has averred that it has carried out the bonafide instructions of its client and has got the writings in the documents and the signature verified by handwriting experts. Based on the examinations, HDFC Bank Ltd. has arrived at the conclusion that the instructions based on which HDFC Bank Ltd. carried out the transactions were genuine.
8. The Inspector of Security Guards Board for Greater Bombay has filed a Criminal Case before the Honourable Additional Chief Metropolitan Magistrate, 38th Court at Ballard Estate, Mumbai against Intelenet Global Services Private Ltd (IGSPL) and its CEO, Mr. Susir Kumar M, Head of Administration and Senior Manager, Administration for alleged contravention of Section 25(2) of the Maharashtra Private Security Guards (Regulation of Employment and Welfare) Scheme, 2002. IGSPL has been advised that it has not violated the provisions of Section 25(2) of the aforesaid Act. IGSPL had received a letter dated 28th July, 2002 from the Security Guards Boards for Brihan Mumbai and Thane District duly signed by the Assistant Commissioner of Labour and Chairman of the Board which clearly states that IGSPL could employ the Security Services of M/s Trig Detective (P) Ltd., as the said agency has been exempted vide GR No. SGB 2388 / 1778 / Lab-5 dated 28th March, 1990. On the basis of the advise, IGSPL is contesting the case and has also filed a revision application with the Sessions Court for

<p>Any deficiency in the systems and operations of the Sponsor of the Mutual Fund or any company associated with the sponsor in any capacity such as 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.</p> <p>An 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.</p>	<p>Greater Mumbai at Mumbai. The revision petition has been rejected by the Sessions Court for Greater Mumbai at Mumbai, vide its order dated 07.02.2007. IGSPL is presently evaluating the legal options available with it in this matter. In IGSPL's opinion, the above litigation does not have a material impact on IGSPL's business and finances.</p> <ul style="list-style-type: none"> Based on a special scrutiny of certain customer accounts, the Reserve Bank of India (RBI) imposed penalties on HDFC Bank Ltd., during the fiscal year ended March 31, 2006, aggregating to Rs. 30 lac under the provisions of The Banking Regulation Act, 1949. The said penalties were imposed mainly for not displaying prudence in the opening and monitoring operations of certain deposit accounts, non-compliance of Know Your Customer norms in certain accounts and non-adherence to certain extant guidelines of the RBI. The Securities and Exchange Board of India (SEBI) vide its order under section 11, 11B and 11(4) of Securities and Exchange Board of India Act, 1992 and section 19 of Depositories Act 1996, in the matter of investigation into initial public offerings, has directed HDFC Bank Limited not to open fresh / new demat accounts till further directions. <p>Subsequently SEBI issued an interim order dated November 23, 2006 lifting the ban imposed on HDFC Bank Limited for opening of new demat accounts. The order also clarified that it is only a prima-facie finding for interim directions at that stage and all issues and contentions are open to be considered by the enquiry officer and to be decided in the subsequent proceedings.</p> <p>SEBI had also passed an interim order dated November 22, 2006 termed as disgorgement order, wherein it was ruled that a few of the key operators and master financiers who had benefited illegally in the process of IPO allotment earmarked under the Retail quota and market intermediaries like the depositories and the Depository participants who had by their negligence, facilitated this to happen, had to jointly and severally pay a total sum of Rs. 116.85 crore to SEBI. HDFC Bank Limited's contribution to this amounts to Rs. 1.64 crore. HDFC Bank Limited filed an appeal against the Disgorgement Order of SEBI with the Securities Appellate Tribunal ("SAT"). The appeal was heard by the SAT on January 11, 2007. SAT has admitted the appeal filed by HDFC Bank Limited and in the interim has stayed the operation of the Disgorgement Order.</p> <p style="text-align: right;">NIL</p>
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DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected during Business Hours on any Business Day at the registered office of the AMC.

1. Trust Deed and the Deeds of Variations;
2. Investment Management Agreement;
3. Custodian Agreement;
4. Registrars Agreement;
5. Memorandum and Articles of Association of the Trustee and AMC;
6. Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
7. Equity Linked Savings Scheme, 1992 and Equity Linked Savings (Amendment) Scheme, 1998 notifications.
8. Indian Trusts Act, 1882;
9. Consent of the Auditors and Legal Advisors to act in the said capacity;
10. Registration Certificate for the Mutual Fund granted by SEBI; and
11. Annual Report of the Asset Management Company.
12. Annual Report of the Schemes of Mutual Fund.

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 updation of the Combined Offer Document on the migration of scheme(s) of Zurich India Mutual Fund to HDFC Mutual Fund was approved by the Trustee at their meeting held on June 20, 2003.
3. The consolidated Offer Document is an updated version of the same in line with the current laws / regulations and other developments.
4. Notwithstanding anything contained in the Offer Document, the provisions of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and the guidelines thereunder shall be applicable.

For and on behalf of the Board of Directors of
HDFC Asset Management Company Limited

Place : Mumbai
Date : October 15, 2007

MILIND BARVE
Managing Director

OFFICIAL POINTS OF ACCEPTANCE OF TRANSACTIONS

(For ongoing Transactions)

- A. List of Investor Service Centres (ISCs) of Computer Age Management Services Pvt. Ltd. (CAMS), Registrar & Transfer Agents of HDFC Mutual Fund. These ISCs will be in addition to the existing points of acceptance at the offices of HDFC Limited / HDFC Asset Management Company Ltd. (Investor Service Centres for HDFC Mutual Fund)

ANDHRA PRADESH : 102, First Floor, Jade Arcade, Paradise Circle, **Secunderabad** – 500 003. 47/ 9 / 17, 1st Floor, 3rd Lane , Dwaraka Nagar, **Visakhapatnam** – 530 016. • **BIHAR**: Kamlalaye Shobha Plaza (1st Floor), Behind RBI, Near Ashiana Tower, Exhibition Road, **Patna** – 800 001. • **GOA**: No.108, 1st Floor, Gurudutta Bldg, Above Weekender, M.G. Road, **Panaji**, Goa - 403 001. • **GUJARAT**: 402-406, 4th Floor - Devpath Building, Off C G Road, Behind Lal Bungalow, Ellis Bridge, **Ahmedabad** – 380 006. 111, Pooja Complex, Harihar Chowk, Near GPO, **Rajkot** – 360 001. Office No. 2, Ahura - Mazda Complex, First Floor, Sadak Street, Timalyawad, Nanpura, **Surat** – 395 001. 109 - Silver Line, Besides World Trade Centre, Sayajigunj, **Vadodara** – 390 005. • **JHARKAND** : Millennium Tower, S-4 Ground Floor, R- Road, Bistupur, **Jamshedpur** – 831 001. • **KARNATAKA** : Trade Centre, 1st Floor, 45, Dikens Road (Next to Manipal Centre), **Bangalore** – 560 042. G 4 & 5, Inland Monarch, Opp. Karnataka Bank, Kadri Main Road, Kadri, **Mangalore** – 575 003. • **KERALA** : 40 / 9633 D, Veekshanam Road, Near International Hotel, **Kochi** – 682 035. • **MAHARASHTRA** : Ground Floor, Rajabhadur Compound, Opp. Allahabad Bank, Behind ICICI Bank, 30, Mumbai Samachar Marg, Fort, **Mumbai** – 400 023. 145 Lendra Park, Behind Shabari, New Ramdaspath, **Nagpur** – 440 010. Varsha Bungalow, 1st Floor, Near Rungtha High School, 493, Ashok Stambh, **Nasik** – 422 001. Nirmiti Eminence, Off No. 6, 1st Floor, Opp. Abhishek Hotel, Mehendale Garage Road, Erandawane, **Pune** – 411 004. • **MADHYA PRADESH**: C-12, 1st Floor, Above Life Line Hospital, Zone-I, M. P. Nagar, **Bhopal** – 462 011. 101, Shalimar Corporate Centre, 8-B, South Tukoganj, Opp. Green Park, **Indore** – 452 001 • **NEW DELHI** : 304-305, III Floor, Kanchenjunga Building, 18, Barakhamba Road, **New Delhi** – 110 001. • **ORISSA** : 101/5, Janpath (Near Swosti Hotel), Master Canteen Square, Unit-III, **Bhubaneswar** – 751 001. • **PUNJAB** : SCO 154-155, 1st Floor, Sector 17-C, **Chandigarh** – 160 017. Shop no. 20-21 (Ground Floor), Prince Market, Near Traffic Lights, Sarabha Nagar Pulli, Pakhowal Road, P.O: Model Town, **Ludhiana** – 141 002. • **RAJASTHAN**: G-III, Park Saroj, Behind Ashok Nagar Police Station, R-7, Yudhisthir Marg ,C-Scheme, **Jaipur** – 302 001. 1/5, Nirmal Tower, 1st Chopasani Road, **Jodhpur** – 342 003. • **TAMIL NADU** : 66, Lokmanya Street (West), Ground Floor, R. S. Puram, **Coimbatore** – 641 002. 178/10, Kodambakkam High Road, Opp. Hotel Palm Grove, Nungambakkam, **Chennai** – 600 034. • **UTTAR PRADESH**: 106 - 107 - 108, 1st Floor, IInd Phase, City Centre, 63/2, The Mall, **Kanpur** – 208 001. Off# 4, 1st Floor, Centre Court, 5, Park Road, Hazratganj, **Lucknow** – 226 001. • **WEST BENGAL** : Lords Building, 7/1, Lord Sinha Road, Ground Floor, **Kolkata** – 700 071.

- B. List of Transaction Points of Computer Age Management Services Pvt. Ltd. (CAMS), Registrar & Transfer Agents of HDFC Mutual Fund. These Transaction Points will be in addition to the existing points of acceptance at the offices of HDFC Limited / HDFC Asset Management Company Ltd. (Investor Service Centres for HDFC Mutual Fund)

ANDHRA PRADESH : D. No. 5-38-44, 5/1, Brodipet, Near Ravi Sankar Hotel, **Guntur** – 522 002. 9/756, 1st Floor, Immadisetty Towers, Ranganayakulapet Road, Santhapet, **Nellore** – 524 001. D. No. 7-27-4, Krishna Complex, Baruvuri Street, T. Nagar, **Rajahmundry** – 533 101. Shop No.14, Boligala Complex, 1st Floor, Door No. 18-8-41B, Near Leela Mahal Circle, Tirumala Bye Pass Road, **Tirupathi** – 517 501. 40-1-68, Rao & Ratnam Complex, Near Chennupati Petrol Pump, M. G. Road, Labbipet, **Vijayawada** – 520 010. F13, 1st Floor, BVSS Mayuri Complex, Opp. Public Garden, Lashkar Bazaar, Hanamkonda, **Warangal** – 506 001. • **ASSAM** : Old Post Office Lane, Bye Lane No 1, Rehabari, **Guwahati** – 781 008. • **BIHAR** : Dr. R.P. Road, Khalifabaug Chowk, **Bhagalpur** – 812 002. Tel No: (0641) 3209093/ 94. Fax No: (0641) 2409506. Brahman Toil, Durga Asthan, Gola Road, **Muzaffarpur** – 842 001. • **CHHATTISGARH** : 209, Khichariya Complex, Near Nehru Nagar SQ, **Bhilai-490 020**. C-23, Sector 1, Devendra Nagar, **Raipur** – 492 004. • **GUJARAT** : No. 101, A P Towers, B/H Sardar Gunj, Next to Nathwani Chambers, **Anand** – 388 001. 305-306, Sterling Point, Waghawadi, Opp. HDFC Bank, **Bhavnagar** – 364 002. G – 34, Ravi Complex, Valia Char Rasta, G.I.D.C, Ankleshwar, **Bharuch** – 393 002. Office No. 17, 1st Floor, Municipal Bldg, Opp. Hotel Prince Station Road, **Bhuj** – 370 001. 217/218, Manek Centre, P. N. Marg, **Jamnagar** – 361 001. Circle Chowk, Near Choksi Bazar Kaman, **Junagadh** – 362 001. Dinesh Vasani & Associates, 103-Harekrishna Complex, Above IDBI Bank, Near Vasant Talkies, Chinnabai Road, **Navasari** – 396 445. C/o. CAD House, Siddhivinayak Complex, F-1, First Floor, Avenue Building, Near R. J. J. School, **Valsad** – 396 001. • **HARYANA** : B-49, 1st Floor, Nehru Ground, Behind Anupam Sweet House, NIT, **Faridabad** – 121 001. 2319, 1st Floor, Block No.3, Opp. Air Force Golden Jubilee School, Delhi Road, Sector 14, **Gurgaon** – 122 001. 83, Devi Lal Shopping Complex, Opp ABN AMRO Bank, G. T. Road, **Panipat** – 132 103. 205, 2nd Floor, Bldg No. 2, Munjal Complex, Delhi Road, **Rohtak** – 124 001. 124-B/R, Model Town, **Yamuna Nagar** – 135 001. • **JAMMU & KASHMIR** : 660 - A, Near Digital Wares Lane, Opposite Dushara Ground, Front Gate Gandhi Nagar, **Jammu** – 180 004. • **JHARKHAND** : HC-3, 1st Floor, City Centre, Sector-4, Bokaro Steel City, **Bokaro** – 827004. S. S. M. Jalan Road, Ground Floor, Opp. Hotel Ashoke, Caster Town, **Deoghar** – 814 112. Urmila Towers, Room No. 111, 1st Floor, Bank More, **Dhanbad** – 826 001. 223, 1st Floor, Tirath Mansion, (Near Over Bridge), Main Road, **Ranchi** – 834 001. • **KARNATAKA** : Tanish Tower, CTS No. 192/A, Gururwar Peth, Tilakwadi, **Belgaum** – 590 006. # 13, 1st Floor, Akkamahadevi Samaj Complex, Church Road, P J Extension, **Davangere** – 577 002. No. 206 & 207, 'A' Block, 1st Floor, Kundagol Complex, Opp. Court, Club Road, **Hubli** – 580 029. Academy Annex, First Floor, Opposite Corporation Bank, Upendra Nagar, **Manipal** – 576104. No.3, 1st Floor, CH.26, 7th Main, 5th Cross (Above Trishakthi Medicals) Saraswati Puram, **Mysore** – 570 009. • **KERALA** : Kochupilamoodu Junction, Near VLC, Beach Road, **Kollam** – 691 001. Door No. IX/1276, Amboorans Building, Manorama Junction, **Kottayam** – 686 001. 17/28, H, 1st Floor, Manama Towers, Marvoor Road, **Kozhikode** – 673 001. Adam Bazar, Room No. 49, Ground Floor, Rice Bazar (East), **Thrissur** – 680 001. R. S. Complex, Opp. LIC Building, Pattom, P.O., **Trivandrum** – 695 004. • **MADHYA PRADESH** : 1st Floor, Singhal Bhavan, Behind Royal Plaza, Daji Vitthal Ka Bada, Old High Court Road, **Gwalior** – 474 001. 975, Chouksey Chambers, Near Gitanjali School, 4th Bridge, Napier Town, **Jabalpur** – 482 001. 81, Bajaj Khanna, **Ratlam** – 457 001. • **MAHARASHTRA** : 81, Gulsham Tower, Near Panchsheel, **Amaravati** – 444 601. Office No. 1, 1st Floor, Amodi Complex, Juna Bazar, **Aurangabad** – 431 001. 70, Navipeth, Opp. Old Bus Stand, **Jalgaon** – 425 001. AMD Sofex Office No.7, 3rd Floor, Ayodhya Towers, Station Road, **Kolhapur** – 416 001. Mahavir Centre, Office No. 17, Plot No. 77, Sector - 17, Vashi, **Navi Mumbai** – 400 703. 4, Lokhandwala Tower, 144, Sidheshwar Peth, Near Z.P. Opp. Pangal High School, **Solapur** – 413 001. • **ORISSA** : B. C. Sen Road, **Balasure** – 756 001. Cantonment Road, **Cuttack** – 753 001. 1st Floor, Mangal Bhawan, Phase II, Power House Road, **Rourkela** – 769 001. Opp. Town High School, Sansarak, **Sambalpur** – 768 001. • **PONDICHERRY** : S-8, 100, Jawaharlal Nehru Street, (New Complex, Opp. Indian Coffee House), **Pondicherry** – 605 001. • **PUNJAB** : 378-Majithia Complex, 1st Floor, M. M. Malviya Road, **Amritsar** – 143 001. 367/8, Central Town, Opp. Gurudwara Diwan Asthan, **Jalandhar** – 144 001. 35, New Lal Bagh Colony, **Patiala** – 147 001. • **RAJASTHAN** : Shop No. S-5, Second Floor, Swami Complex, **Ajmer** – 305 001. 256 - A, Scheme No. 1, Arya Nagar, **Alwar** – 301 001. C/o. Kodwani & Associates, F-20-21 Apsara Complex, Azad Market, **Bhilwara-311 001**. B-33 'Kalyan Bhawan', Triangle Part ,Vallabh Nagar, **Kota** – 324 007. 32, Ahinsapuri, Fatehpura Circle, **Udaipur** – 313 004. • **TAMILNADU** : 171-E, Sheshaiyer Complex, First Floor, Agharam Street, **Erode** – 638 001. Shop No. 8, J. D. Plaza, Opp. TNEB Office, Royakotta Road, **Hosur** – 635 109. 86/71-A, Tamil Sangam Road, **Madurai** – 625 001. No. 2, 1st Floor, Vivekanand Street, New Fairland, **Salem** – 636 016. No. 1 (1), Binny Compound, 2nd Street, Kumaran Road, **Tiruppur** – 641 601. No. 8, 1st Floor, 8th Cross West Extn., Thillainagar, **Trichy** – 620 018. No.54, 1st Floor, Pillaiyar Koil Street, Thottapalayam, **Vellore** – 632 004. • **UTTAR PRADESH** : F-39/203, Sky Tower, Sanjay Place, **Agra** – 282 002. City Enclave, Opp. Kumar Nursing Home, Ramghat Road, **Aligarh** – 202 001. 7, 1st Floor, Bihari Bhawan, 3, S. P. Marg, Civil Lines, **Allahabad** – 211 001. F-62, 63, IInd Floor, Butler Plaza Commercial Complex, Civil Lines, **Bareilly** – 243 001. 207/A - 14, 2nd Floor, Devika Chamber RDC Rajnagar, **Ghaziabad** – 201 002. Shop No. 3, 2nd Floor, Cross Road, A. D. Chowk Bank Road, **Gorakhpur** – 273001. Opp. SBI Credit Branch, Babu Lal Karkhana Compound, Gwalior Road, **Jhansi** – 284 001. 159 / 160, Vikas Bazar, **Mathura** – 281 001. B-612 'Sudhakar', Lajpat Nagar, **Moradabad** – 244 001. 108, 1st Floor, Shivam Plaza, Opposite Eves Cinema, Hapur Road, **Meerut** – 250 002. C 27/249 - 22A, Vivekanand Nagar Colony, Maldhaiya, **Varanasi** – 221 002. • **UTTARANCHAL** : 204/121, Nari Shilp Mandir Marg, Old Connaught Place, **Dehradun** – 248 001. • **WEST BENGAL** : Block - G, 1st Floor, P C Chatterjee Market Complex, Rambandhu Talab, P. O. Ushagram, **Asansol** – 713 303. 399, G T Road, Opposite of Talk of the Town, **Burdwan** – 713 101. SN-10, Ambedkar Sarani, City Centre, **Durgapur** – 713 216. A - 1/ 50, Block - A, **Kalyani** – 741 235. No. 8, Swamiji Sarani, Ground Floor, Hakimpara, **Siliguri** – 734 401.

CAMS AS THE OFFICIAL POINT OF ACCEPTANCE FOR ELECTRONIC TRANSACTIONS : CAMS, Registrar & Transfer Agents to HDFC Mutual Fund having its office at Rayala Towers, 158, Anna Salai, Chennai – 600 002, will be the official point of acceptance for electronic transactions received from specified banks, financial institutions, etc. (mobilized on behalf of their clients) with whom HDFC Asset Management Company Limited (AMC) has entered or may enter into specific arrangements for purchase / sale / switch of units. Additionally, secured internet sites operated by CAMS will also be official point of acceptance.

HDFC AMC – INVESTOR SERVICE CENTRES / OFFICIAL POINTS OF ACCEPTANCE FOR HDFC MUTUAL FUND

ANDHRA PRADESH	<p>HDFC AMC Limited, 6-3-883/7, IInd Floor, Saphire Square, Somajiguda, Hyderabad - 500 282. Tel. : 040 - 23417401 / 02 / 03 / 04 / 05, Fax : 040 -23417407.</p> <p>HDFC Limited, Ground Floor, Saigopal Arcade, Opp. Waltair Club, Waltair Main Road, Siripuram, Visakhapatnam – 530 003. Tel. : 0891 - 2769636, Fax : 0891 - 2550411.</p>
BIHAR	<p>HDFC AMC Limited, C/o Hera Enclave (Adjacent to Sahara Unique Showroom), Mezzanine Floor, New Dak Bungalow Road, Patna - 800 001. Tel: 0612 - 2230540/3201439, Telefax: 0612 - 2200747.</p>
GOA	<p>HDFC AMC Limited, A-3, First Floor, Krishna Building, Opp. Education Department, Behind Susheela Building, G. P. Road, Panaji - 403 001. Tel. : 0832 - 2425609, 2425610, Fax : 0832 - 2425614.</p>
GUJARAT	<p>HDFC AMC Limited, 2nd Floor, Megha House, Besides GRUH House, Mithakhali Six Roads, Ahmedabad - 380 009. Tel. : 079 – 40050055 / 66, Fax : 079 - 40050506.</p> <p>HDFC AMC Limited, 2nd Floor, Shiv Darshan, Dr. Radha Krishnan Road, 5, Jagnath, Plot Corner, Rajkot - 360 001. Tel. : 0281-5524881 / 2.</p> <p>HDFC AMC Limited, U1 - U3, Jolly Plaza, Opp. Athwa Gate Police Station, Athwa Gate, Surat - 395 001. Tel. : 0261 – 2460082 / 83, Fax : 0261 - 2460091.</p> <p>HDFC AMC Limited, Upper Ground Floor, Gokulesh, R. C. Dutt Road, Vadodara - 390 007. Tel. : 0265 - 6621110 / 20, Fax : 0265 - 6621150.</p>
JHARKHAND	<p>HDFC AMC Limited, Gayatri Enclave, 2nd Floor, "K Road", Bistupur, Jamshedpur - 831 001. Telefax.: 0657 - 2426730 / 2435791.</p>
KARNATAKA	<p>HDFC AMC Limited, No. 114, 1st Floor, Prestige Towers, 99 & 100, Residency Road, Bangalore - 560 025. Tel. : 080 - 66205300, Fax : 080 - 51125255.</p> <p>HDFC AMC Limited, UG-II, 6 & 7, Upper Ground Floor, Maximus Commercial Complex, Light House Hill Road, Opp. KMC, Mangalore - 575 001. Tel. 0824 – 4285337 / 33, Fax : 0824 – 4285336.</p>
KERALA	<p>HDFC AMC Limited, Ground Floor, Cinema cum Commercial Complex, Behind Ravipuram Bus Stop, M. G. Road, Kochi - 682 016. Tel. : 0484 - 2357707 / 8, 3243058 / 59, Fax : 0484 - 2358462.</p> <p>HDFC AMC Limited, First Floor, Chennankara Buildings, Althara Junction, Vellayambalam, Trivandrum - 695 010. Tel: (0471) - 231 2226, Fax: (0471) - 231 2227.</p>
MADHYA PRADESH	<p>HDFC Limited, Ranjit Towers, Zone-II, 8, M. P. Nagar, Bhopal - 462 011. Tel. : 0754 - 4285385, 4277772, 4273330, Fax : 0755 - 4273331.</p> <p>HDFC AMC Limited, M1, M2 & M3, Mezzanine Floor, Sterling Arcade, 15 / 3, Race Course Road, Indore - 452 001. Tel No.: 0731 - 4022241 / 42. Fax No.: 0731 - 4245436.</p>
MAHARASHTRA	<p>HDFC AMC Limited,* Ramon House, 3rd Floor, H. T. Parekh Marg, 169, Backbay Reclamation, Churchgate, Mumbai - 400 020. Tel. : 022 – 66316300, Fax : 022 – 66580200.</p> <p>HDFC AMC Limited, Mistry Bhavan, 1st Floor, 122, Backbay Reclamation, Dinsha Vachha Road, Churchgate, Mumbai - 400 020. Tel. : 022 - 66316300, Fax : 022 - 22821144.</p> <p>HDFC AMC Limited, 106-110, 2nd Floor, Shriram Shyam Towers, Near NIT Building, Kingsway, Sadar, Nagpur - 440 001. Tel: 0712 - 6630301/02/04, Fax : 0712 - 6630206.</p> <p>HDFC AMC Ltd. G- 1 & G-2, "Suryojit Heights", Opp. Rajiv Gandhi Bhavan, Sharanpur Road, Nashik - 422 002. Tel. No.: 0253 - 6611831 / 32. Fax No.: 0253 - 6611836.</p> <p>HDFC AMC Limited, HDFC House, 2nd Floor, Shivaji Nagar, University Road, Pune - 411 005. Tel. : 020 - 25521680 / 81, Fax : 020 - 25521683.</p>
NEW DELHI	<p>HDFC AMC Limited, 4th Floor, Mohan Dev Building, 13, Tolstoy Marg, Connaught Place, New Delhi - 110 001. Tel. : 011 – 66324000, Fax : 011 - 23351318.</p>
ORISSA	<p>HDFC AMC Limited, Vinayak, 2nd Floor, 96, Janpath, Bhubaneswar - 751 001. Tel. : 0674 - 6450502/1502, Fax : 0674 - 2531483.</p>
PUNJAB	<p>HDFC Limited, SCO 375-376, Ground Floor, Sector 35-B, Chandigarh - 160 022. Tel. : 0172 - 2623397, 2624497 Telfax: 0172 - 3013839.</p> <p>HDFC AMC Limited, SCO 122, Feroze Gandhi Market, Ludhiana - 141 001. Tel.: 0161 - 2774321 / 5014321. Fax : 0161 - 3013838.</p>
RAJASTHAN	<p>HDFC AMC Limited, "Moondhra Bhavan", 3-Ajmer Road, Jaipur - 302 001. Tel. : 0141 - 51111125, 2374968, Fax : 0141 - 5111126.</p> <p>Gulab Singh Bhavan, 11, Chopasni Road, Jodhpur - 342 003. Tel. : 0291 - 5101927, 5101937, Fax : 0291 - 5105919.</p>
TAMIL NADU	<p>HDFC AMC Limited, ITC Centre, First Floor, 760, Anna Salai, Chennai - 600 002. Tel. : 044 - 28415851, 28415852, Fax : 044 - 28415855.</p> <p>HDFC AMC Limited, 1371A, Ground Floor, Nadar Building, Trichy Road, Coimbatore - 641 018. Tel: 0422 - 4391861/62/63. Fax: 0422 - 4391714.</p>
UTTAR PRADESH	<p>HDFC AMC Limited, 1st Floor, 16/80 D, Behind SBI Main, Civil Lines, Kanpur - 208 001. Tel. : 0512 - 2331484-87, Fax : 0512 - 2331487.</p> <p>HDFC AMC Limited, 4 Shahnajaf Road, Lucknow - 226 001. Tel. : 0522 -2207591, 2200163, Fax : 0522 - 2230408.</p> <p>HDFC AMC Limited, D-64/127, 4th Floor, Arihant Complex, Sagra, Varanasi - 221 010. Tel. : 9935177068, 9935147068</p>
WEST BENGAL	<p>HDFC AMC Limited, Menaka Estate, 1st Floor, 3 Red Cross Place, Kolkata - 700 001. Tel. : 033 - 22427849 / 53 / 56 / 59, Fax : 033 - 22439582.</p>

*This is not an Investor Service Centre for HDFC Mutual Fund. However, this is an Official Point of acceptance for acceptance of all on-going transactions from Institutional Investors only i.e. broadly covering all entities other than resident/non-resident individuals. Institutional Investors are free to lodge their applications at any other official point of acceptance also.



HDFC ASSET MANAGEMENT COMPANY LIMITED

A Joint Venture with Standard Life Investments Limited

Registered Office :

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