

**ADDENDUM NO. 10/2023**

**NOTICE TO THE UNITHOLDERS OF ADITYA BIRLA SUN LIFE TAX PLAN & ADITYA BIRLA SUN LIFE TAX RELIEF '96**

**NOTICE IS HEREBY GIVEN THAT**, the Board of Directors of Aditya Birla Sun Life AMC Limited ("ABSLAMC"), Investment Manager for Aditya Birla Sun Life Mutual Fund and Aditya Birla Sun Life Trustee Private Limited ("ABSLTPL"), Trustees to Aditya Birla Sun Life Mutual Fund have approved the proposal for merger of Aditya Birla Sun Life Tax Plan, an Open ended Equity Linked Savings Scheme (ELSS) (All investments in the scheme are subject to a lock-in period of 3 years from the date of allotment), (hereinafter referred to as "Merging Scheme") into Aditya Birla Sun Life Tax Relief '96, an Open ended Equity Linked Saving Scheme with a statutory lock-in of 3 years and tax benefit (hereinafter referred to as "Surviving Scheme").

**A. Effective date for Merger:**

The merger shall be effective after the close of business hours on Thursday, April 13, 2023 ("Effective Date") or the immediately following Business Day, if such day is a Non-Business Day.

**B. Change to Surviving Scheme post-merger:**

**1. Change in name of the Scheme**

On the Effective date, the name of the Surviving Scheme will be changed to Aditya Birla Sun Life ELSS Tax Relief '96. Accordingly, all references to the existing name of the Surviving Scheme wherever appearing in the Scheme Information Document ("SID") and Key Information Memorandum ("KIM") shall be replaced with the revised name as mentioned above.

**2. Addition of Exposure limit for Securities Lending and Borrowing under asset allocation:**

Subject to SEBI (MF) Regulations and in accordance with Securities Lending Scheme, 1997, SEBI Circular No MFD/CIR/ 01/ 047/99 dated February 10, 1999, SEBI Circular no. SEBI /IMD / CIR No 14 / 187175/ 2009 dated December 15, 2009, as amended from time to time, the Scheme may engage in Stock Lending subject to the following limits:

- (i) Not more than 20% of the net assets of the Scheme can be deployed in Stock Lending; and
- (ii) Not more than 5% of the net assets of the Scheme can be deployed in Stock Lending to a single intermediary level

**Risks associated with Securities Lending and Borrowing:**

Securities Lending is lending of securities through an approved intermediary to a borrower under an agreement for a specified period with the condition that the borrower will return equivalent securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the securities borrowed. The risks in lending portfolio securities, as with other extensions of credit, consist of the failure of another party, in this case the approved intermediary, to comply with the terms of agreement entered into between the lenders of securities i.e. the Scheme and the approved intermediary. Such failure to comply can result in the possible loss of rights in the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The Scheme may not be able to sell lent out securities, which can lead to temporary illiquidity & loss of opportunity.

The investment objective, investment pattern, annual scheme recurring expenses and all other provisions as contained in the Scheme Information Document of the Surviving Scheme will remain unchanged post the merger. Accordingly, interest of unitholders of Surviving Scheme is not adversely affected and no new scheme will come into existence as a result of the aforesaid merger.

**C. Exit Option to the unitholders of Merging Scheme and Surviving Scheme:**

Pursuant to SEBI Circular No. SEBI/MFD/CIR No. 05/12031/03 dated June 23, 2003 read with SEBI Circular No. Cir/IMD/DF/15/2010 dated October 22, 2010 and SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 4, 2021 merger of Aditya Birla Sun Life Tax Plan into Aditya Birla Sun Life Tax Relief '96 is considered as change in the fundamental attribute of the concerned Schemes and consequently, as per Regulation 18 (15A) of the SEBI (Mutual Funds) Regulations, 1996 any change in fundamental attributes can be carried out after a written communication is sent to all the unitholders of concerned Schemes, giving them an option to redeem/switch their investments at the prevailing Net Asset Value ("NAV"), without payment of any exit load.

Accordingly, the existing unitholders of Merging Scheme and Surviving Scheme (i.e. whose names appear in the register of unitholders as on close of business hours on Friday, March 10, 2023) are hereby given an option to exit, i.e. either redeem their investments or switch their investments to any other schemes of the Fund, within the exit option period starting from Monday, March 13, 2023 till Thursday, April 13, 2023 (both days inclusive and upto 3.00 pm on April 13, 2023) at Applicable NAV, without payment of any exit load. The exit Option to the unitholders of the Surviving Scheme i.e. Aditya Birla Sun Life Tax Relief '96 shall be subject to completion of lock-in period of units.

The Exit Option can be exercised during the Exit Option Period by submitting a valid redemption / switch-out request at any Official Point of Acceptance of the Fund. For list of Official Points of Acceptance, please visit our website <https://mutualfund.adityabirlacapital.com>. Unit holders who hold the units in electronic (demat) mode need to submit the redemption request to their Depository Participant.

All the valid applications for redemptions/switch-out received under the Merging and Surviving Scheme shall be processed at Applicable NAV of the day of receipt of such redemption/switch-out request, without payment of any exit load, provided the same is received during the exit option period mentioned above.

Unitholders who have pledged or encumbered their units will not have the option to exit unless they procure a release of their pledges / encumbrances prior to the submission of redemption / switch requests.

Unitholders should ensure that their change in address or bank details are updated in records of Aditya Birla Sun Life Mutual Fund as required by them, prior to exercising the exit option for redemption of units. Unit holders holding units in dematerialized form may approach their Depository Participant for such changes. In case units have been frozen / locked pursuant to an order of a government authority or a court, such exit option can be executed only after the freeze / lock order is vacated / revoked within the period specified above. The redemption proceeds shall be dispatched within 3 (three) working days of receipt of valid redemption request to those unitholders who choose to exercise their exit option.

SIP/SWP/STP registered in the Merging Scheme will continue under the Surviving Scheme (unless the systematic transfer is registered as from and between the Merging Scheme and Surviving Scheme) subsequent to merger. Unit holders who do not wish to continue the SIP/SWP/STP under the Surviving Scheme, must apply for cancellation of their registrations before the Effective Date.

The units allotted to the unitholders in the Surviving Scheme shall be treated as fresh subscription in the Surviving Scheme. However, the date of allotment at the time of subscription in Merging Scheme shall be considered as the allotment date for the purpose of applicability of the exit load period at the time of redemption of such units in Surviving Scheme.

Unitholders should note that after the Merger, amounts relating to unclaimed redemption and IDCW will be transferred in the name of the Surviving Scheme.

**Kindly note that an offer to exit from the Merging and Surviving Scheme is merely optional and is not compulsory.**

No action is required in case of agreement with the aforesaid merger.

**D. Communication to Unitholders of Merging & Surviving Scheme:**

Written communication is being sent to all the existing unitholders of Merging & Surviving Scheme informing the existing Unit holders details about the merger including, basis of allocation of Units into Surviving Scheme, tax implication, financial information and features of the Schemes etc. In case any existing Unit holder has not received the Letter, they are advised to contact any of the Investor Service Centres of Aditya Birla Sun Life AMC Limited.

**E. Gist of Tax Implications:**

The Finance Act, 2015 provided tax neutrality on transfer of units of a scheme of a Mutual Fund under the process of consolidation of schemes of Mutual Funds as per SEBI (Mutual Funds) Regulations, 1996.

Section 47 was amended so as to include clause (xviii) which provides that any transfer of unit or units by a unit holder held in the Consolidating Scheme of a mutual fund, will not be treated as transfer, if the transfer is made in consideration of the allotment of unit or units in the Consolidated Scheme of the mutual fund under the process of consolidation of the schemes of mutual fund in accordance with the SEBI (Mutual Funds) Regulations, 1996 and accordingly capital gains will not apply.

The Finance Act, 2016 amended Section 47 so as to include clause (xix) which provides that any transfer of unit or units by a unit holder held in the Consolidating Plan of a mutual fund scheme, will not be treated as transfer, if the transfer is made in consideration of the allotment of unit or units in the Consolidated Plan of that mutual fund scheme under the process of consolidation of the schemes of mutual fund in accordance with the SEBI (Mutual Funds) Regulation, 1996 and accordingly capital gains will not apply. The amendment is effective from April 1, 2017.

As per the amendments, allotment of units in Surviving Scheme/plan, pursuant to merger, to Unit holders of Merging Scheme/plan who decide to continue will not be considered as redemption of Units in Merging Scheme/plan and will not result in short term / long term capital gain / loss in the hands of the unit holders. Further, the cost of acquisition of units allotted in Surviving Scheme/Plan (Consolidated Scheme/Plan) pursuant to merger or consolidation of scheme/plans of a mutual fund will be the cost of acquisition of units in Transferor Scheme/Plan (Consolidating Scheme/Plan).

However, in case where the unitholder of the merging scheme is not in agreement with the proposed merger, in such case the investment held under the Merging Scheme shall be redeemed at applicable NAV and the redemption proceeds shall be remitted/ dispatched to Unitholders of the Merging Scheme and will result in short-term / long-term capital gain / loss in the hands of the Unit holders depending on the period of holding of the investment.

In case of NRI investors, tax shall be deducted in accordance with the applicable Tax laws upon exercise of exit option and the same would be required to be borne by such investor only.

Securities Transaction Tax (STT) w.r.t. units of Merging Scheme, if any, on account of merger would be borne by Aditya Birla Sun Life AMC Limited. Further there would be no STT on allotment of units in Surviving Scheme pursuant to Merger to unit holder who decide to continue.

Aditya Birla Sun Life AMC Limited / Aditya Birla Sun Life Mutual Fund would like the unitholders to remain invested in the Scheme. Also, please note that in case unitholders of Surviving Scheme choose to continue with their investments, there shall be no tax implications arising out of the above proposal. However, in case of redemption/ switch during the exit option period will result in short term / long term capital gain / loss in the hands of the Unit Holders.

**In view of individual nature of tax consequences, Unit holders are advised to consult their professional tax advisor w.r.t. tax and other financial implications arising out of their participation in merger of the Schemes.**

The Securities and Exchange Board of India has vide its communication dated February 16, 2023 noted the proposed merger.

**To locate your nearest Investor Service Centre we request you to visit <https://mutualfund.adityabirlacapital.com>.**

The updated SID & KIM of the Surviving Scheme containing the revised provisions shall be made available with our ISCs and also displayed on the website <https://mutualfund.adityabirlacapital.com> immediately after completion of exit option period.

All other features and terms & conditions of the Surviving Scheme shall remain unchanged.

This Notice-cum-Addendum forms an integral part of the SID/KIM issued for the Schemes, read with the addenda issued thereunder.

For **Aditya Birla Sun Life AMC Limited**  
**(Investment Manager for Aditya Birla Sun Life Mutual Fund)**  
Sd/-  
**Authorised Signatory**

Date : March 10, 2023  
Place : Mumbai