

FIMCIR/2008-09/01

April 1, 2008

To,

All FIMMDA Members,

Dear Sir / Madam,

**CIRCULAR FOR VALUATION OF INVESTMENTS AS ON 31ST MARCH 2008
Bonds/Debentures having special features -
Tax-Free Bonds**

Amendment to para 5

Please refer to our Annual Valuation Circular FIMCIR/2007-08/60 March 17, 2008. Please substitute the following paragraph 5 under “Bonds / debentures having special features” for the existing paragraph:

5. Tax- Free Bonds:

The coupon will be grossed up by a factor equal to the income tax rate applicable for the holder and the bond will be valued as per para 3.7.1 of RBI Master circular mentioned above. As per rules governing tax-free bonds, to get tax-free status, these bonds are to be registered in the name of the holder claiming the tax break. Merely holding the bond with the transfer from and /or post-dated cheque/warrant will not entitle the holder, tax-free status.

With regards,

Yours truly,

C.E.S.Azariah
Chief Executive Officer