

NOTICE NO. 68/2018**Merger of Baroda Income Fund with Baroda Dynamic Bond Fund**

NOTICE is hereby given that the Board of Directors of Baroda Asset Management India Limited ("**AMC**") (formerly known as Baroda Pioneer Asset Management Company Limited), investment manager to Baroda Mutual Fund ("**Mutual Fund**"), and Baroda Trustee India Private Limited (formerly known as Baroda Pioneer Trustee Company Private Limited), trustee to the Mutual Fund, have approved the merger of Baroda Income Fund ("**Income Fund**"), an open-ended medium-term debt scheme, with Baroda Dynamic Bond Fund ("**Dynamic Bond Fund**"), an open-ended dynamic debt scheme. The Securities and Exchange Board of India ("**SEBI**") has, vide its letter no. OW/P/2017/33370/1 dated December 05, 2018 accorded its "No Objection" for the said proposal.

In terms of Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996 as amended from time to time, the merger of Income Fund with Dynamic Bond Fund constitutes change of fundamental attributes of Income Fund and therefore, Unit Holders of Income Fund are being given an option to exit without load, for 30 days commencing from December 13, 2018 upto January 11, 2019 (both days inclusive).

Consequent to the merger effective January 14, 2019, all consenting Unit Holders of Income Fund would become part of Dynamic Bond Fund and Income Fund will cease to exist. The Unit Holders of Income Fund will be allotted units under the corresponding plan/option of Dynamic Bond Fund at the last available applicable Net Asset Value.

All features of Dynamic Bond Fund will remain unchanged post the merger and no new scheme/plan will emerge post the merger. This exit option is not available to the Unit Holders of Dynamic Bond Fund since there is no change in the fundamental attributes of Dynamic Bond Fund and the interests of the Unit Holders of Dynamic Bond Fund are not adversely affected.

The existing special products/facilities i.e. SIP/STP/SWP shall continue, and in case of Income Fund, the same shall be automatically re-registered into Dynamic Bond Fund for remaining instalments/tenure, as per the terms and conditions of the respective special product/facility as offered by the AMC. In case a Unit Holder does not wish to continue any or all of the special products/facilities, as the case maybe, availed under Income Fund, then the Unit Holder may communicate to the AMC/Karvy Fintech Private Limited ("**Karvy**"), the Registrar and Transfer Agent of Income Fund, in writing, his/her/its unwillingness to continue the said special product/facility under Dynamic Bond Fund during the said exit period till January 11, 2019.

Unit Holders of Income Fund and Dynamic Bond Fund may take note of the tax impact of the merger:

Scheme	Unit holder who wishes to continue in Consolidated Scheme	Unit holder who decides to exercise exit option
Income Fund (Consolidating Scheme)	Getting units of Consolidated Scheme not being treated as taxable transfer and hence no tax at the time of merger.	Tax impact depending upon period of holding prior to redemption.
Dynamic Bond Fund (Consolidated Scheme)	No impact as there is no change for existing investors in the scheme.	'Exit Option' in the circumstances as above is not applicable, as such a specific option to exit is not provided to investors of this scheme. However, investors are free to redeem generally and such redemptions will be subject to applicable load if any and capital gains tax as applicable, depending upon the period of holding prior to redemption.

Securities Transaction Tax: The AMC will bear the security transaction tax, on behalf of the Unit Holders, if any, arising out of the above merger.

Notwithstanding the above, Unit holders are advised to consult their tax advisors on tax consequences relating to the above merger.

Unit Holders of Income Fund who wish to exercise the exit option, may do so, by submitting a valid redemption/switch request at any of the Investor Service Centres of Karvy, or at the Registered Office of the AMC located at 501, Titanium, 5th Floor, Western Express Highway, Goregaon (E), Mumbai - 400 063 or at the branch offices of the AMC located at Flat No. 103 & 104, First Floor, Prakash Deep Building, 7 Tolstoy Marg, New Delhi - 110 001 or at HP Complex, Flat No. 12, 3rd Floor, Door No. 124/1, 2&3 New No. 14, G. N. Chetty Road, T.Nagar, Chennai - 600 017. If the redemption request is sent via courier or post by the investor, it should reach any of the above offices before the cut time viz. 3.00 P.M. on or before the last date viz. January 11, 2019. The applicable NAV for redemption will be based on the cut-off time of the Business Day when the redemption request is accepted. The redemption proceeds will be mailed/credited within 10 (ten) working days from the date of the receipt of valid redemption request.

It may, however, be noted that all requests for exit option received after January 11, 2019, shall be subject to the applicable exit load and other features of Income Fund as specified in the SID/KIM of Income Fund. Once merged in Dynamic Bond Fund, the exit load as applicable in the scheme, will become chargeable if exited within the defined period.

Unit Holders of Income Fund should ensure that any change in address or pay-out bank details required by them, are updated with KYC Registration Agency and the Mutual Fund respectively before exercising the exit option in line with the timelines as mentioned in the SID/KIM. Unit Holders of Income Fund who have pledged or encumbered their units will not have the option to exit unless they procure an effective release of their pledges / encumbrances prior to the submission of redemption / switch-out requests.

The Unit Holders of Income Fund are also being individually informed about the details of the merger with Dynamic Bond Fund through a separate written communication. In case of non-receipt of the written communication, Unit Holders of Income Fund may contact our toll free number 1800-2670-189 or visit our website www.barodamf.com or write to us at info@barodamf.com

It may be noted that the offer to exit is merely an option and is not compulsory. It may be further noted that in case Unit Holders of Income Fund do not have any objection to the said merger, no action is required to be taken. Unit Holders who do not exercise the exit option within the aforesaid period would be deemed to have consented to the said merger.

For Baroda Asset Management India Limited
(Formerly known as Baroda Pioneer Asset Management Company Ltd.)
(Investment Manager to Baroda Mutual Fund)

Place : Mumbai

Date : December 12, 2018

Sd/-
Authorised Signatory

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

For further details, kindly contact:

For Baroda Asset Management India Limited
(Formerly known as Baroda Pioneer Asset Management Company Ltd.)
CIN : U65991MH1992PLC069414

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