



TEMPLETON INDIA PENSION PLAN

India's first and only private sector pension scheme

- ▶ With declining interest rates on traditional tax savings investments, the question today on every investor's mind is whether the returns will be adequate to meet future goals!

	Jan 1999	Jan 2000	Mar 2001	Mar 2002
Public Provident Fund	12%	11%	9.5%	9%
National Savings Certificate	12%	11.8%	9.7%	9.2%
National Savings Scheme 1992	11%	10.5%	9%	8.5%

Source: RBI

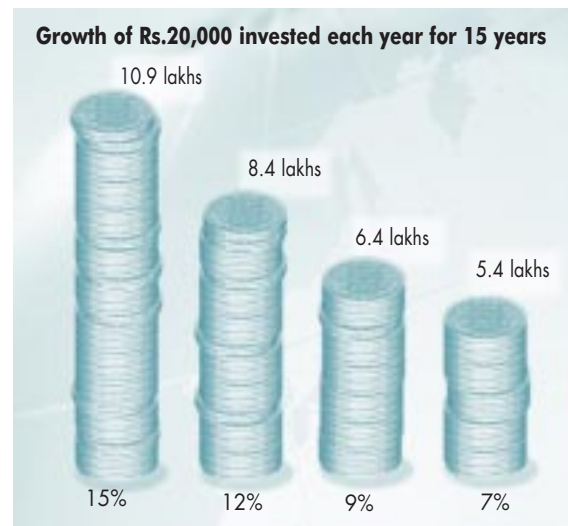
You can increase the return potential of your tax saving investment with Templeton India Pension Plan.

▶ Why Pension Plan?

- Pension Plan is India's only central government approved private sector pension scheme in which you can invest upto Rs.70,000 each year
- Pension Plan has delivered a return of 13.0% over the last year and a year on year return of 12.5% since its inception in March 1997
- With a short lock-in period of 3 financial years, Pension Plan gives you the convenience of accessing your investment, should you need it for any emergencies

Data as on December 31, 2002

Impact of falling interest rates on your long term savings



▶ Pension Plan - A superior alternative

The following comparison table shows how Pension Plan fares vis-a-vis other tax saving investment avenues:

	Pension Plan	PPF	NSC	Infrastructure Bonds
Potential for Capital Appreciation*	Yes	No	No	No
Premature Withdrawal	After 3 financial years at 3% charge to NAV** No charge for redemption after the age of 58	After 6 financial years. Upto 50% of the lower of balance outstanding 4 or 1 financial year(s) back	Under exceptional circumstances only with reduced interest	3 years
Tax Implications	Dividends tax-free upto Rs.12,000 under Section 80 L# and long term capital gains taxed at concessional rate of 10.5% ^a	Returns tax-free	Tax-free upto Rs.12,000 p.a. under Sec 80 L#. Interest accrued eligible for Sec.88 rebate	Tax-free upto Rs.12,000 p.a. under Sec 80 L# for approved bonds

* Please see risk factors # Section 80 L includes income from investments such as NSC, Bank deposits, Government Securities and mutual funds ^a Current tax rates ** Subject to a total investment of Rs.10,000 in the Account

▶ Why Invest Now?

With the tax saving season round the corner, by investing now in Pension Plan, you can avoid the year-end cash crunch.

Templeton India Pension Plan

► Keep more of what you earn

Section 88 of the Income Tax Act, 1961 offers you a tax rebate on investments made in certain specified avenues during a financial year. We recommend that you take full advantage of this provision as it not only helps you save on taxes, but also gets you into the discipline of saving each year to build a substantial nest egg for your future financial requirements.

Pension Plan is an approved pension scheme under Sec. 88 (2) xiii c of the Income Tax Act and investments upto Rs. 70,000 in a financial year qualify for the tax rebate.

► Performance track record

Pension Plan has a good track record of performance since its inception as can be seen from the table below.

	1 year	3 years	5 years	Inception
Pension Plan	13.0%	9.6%	11.7%	12.5%

Compounded and annualized based on 31.12.2002 Growth Plan NAV of Rs. 19.70
Past performance may or may not be sustained in future

► The best of both worlds

Pension Plan can invest upto 100% of its assets in fixed income instruments such as government securities, bonds and debentures and has a provision to invest upto 40% in equities.

With the balanced asset allocation, Pension Plan gives your investments the stability of fixed income instruments and the growth potential of equities

► Portfolio - A focus on quality and diversification

Debt - Classification by Rating	% of Assets	Equity - Classification by Sector	% of Assets
AAA/SOV	33.50%	Pharmaceuticals	6.94%
AA/AA+/AA-	7.55%	IT Consulting & Services	5.67%
BBB/BBB+/BBB-	6.41%	Banks	6.17%
Not rated	2.12%	Oil & Gas Refining & Marketing	5.11%
Other current assets	11.12%	Fertilizers & Agricultural Chemicals	2.38%
		Other sectors	13.03%
Total holdings	60.70%	Total holdings	39.30%

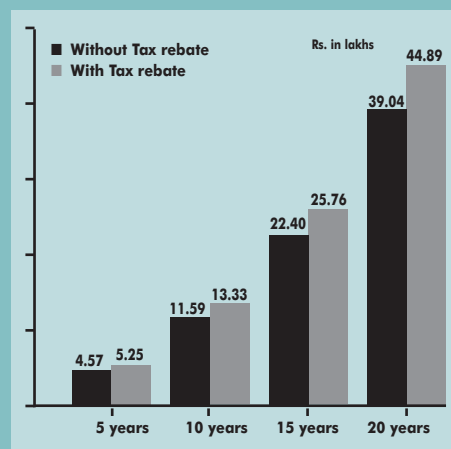
► Dividend History

- 12% - Dec 1997 (Rs.1.2 per unit, Record Date : 31.12.1997, NAV Rs.11.31)
- 12% - Dec 1998 (Rs.1.2 per unit, Record Date : 14.12.1998, NAV Rs.11.46)
- 12% - Mar 2000 (Rs.1.2 per unit, Record Date : 16.03.2000, NAV Rs.12.41)
- 12% - July 2001 (Rs.1.2 per unit, Record Date : 13.07.2001, NAV Rs.12.09)
- 10% - Mar 2002 (Rs.1.0 per unit, Record Date : 22.03.2002, NAV Rs.11.72)

Dividends upto the age of 58 years are reinvested. Please see the offer document for more details.

Investment Objective: Seeks to provide regular income under the Dividend Plan and capital appreciation under the Growth Plan. Risk Factors: Mutual Funds and Securities Investments are subject to market risks and the Net Asset Value of the scheme may fluctuate depending on factors affecting the capital/debt markets. Past performance is not an indicator of future performance and may not necessarily provide a basis for comparison with other instruments, and there can be no assurance that the scheme's objective can be achieved. The name of the scheme does not in any way indicate the quality of the scheme or its future performance or returns. Statutory Details : Templeton Mutual Fund in India has been set up as a trust by Templeton International Inc. (liability restricted to the seed corpus of Rs.1 lac) with Templeton Trust Services Pvt. Ltd. as the Trustee (Trustee under the Indian Trust Act 1882) and with Templeton Asset Management (India) Pvt. Ltd. as the Investment Manager.

Growth of an investment of Rs.70,000 each year in two avenues - one with a tax rebate and one without tax rebate, both generating returns of 9 %



Tax rebate of 15% assumed For illustration purposes only

As you can see from the graph, you can accumulate an excess amount of Rs. 5.85 lakhs over a 20 year period with an investment with tax rebate as compared to one without tax rebate.

Fund Facts

Inception Date: March 31, 1997

Minimum Investment: Rs.500

Minimum Target Amount: Rs.10,000

Entry Age: Upto 58 years

Lock-in Period: 3 financial years

Entry Load: 1.5%

Exit Load: 3% (for redemptions after 3 financial years, but before the age of 58 years);

Nil (for redemptions after the age of 58 years)

Plans: Growth and Dividend Plan

Withdrawals: Choice of 4 options after the age of 58 years



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For more information on how you can benefit from Pension Plan, please contact: