

STATEMENT OF ADDITIONAL INFORMATION

Name of the Sponsor	Anmol Como Broking Private Limited ("ACBPL")
Name of Mutual Fund	Navi Mutual Fund
Name of Asset Management Company	Navi AMC Limited
Name of Trustee Company	Navi Trustee Limited
Address	<i>Registered Office:</i> Vaishnavi Tech Square, 7th Floor, Iballur Village, Taluk, Bagalur, Begur, Hobli Bengaluru, Karnataka 560102
Website	www.navimutualfund.com

This Statement of Additional Information (SAI) contains details of Navi Mutual Fund (the Mutual Fund), its constitution, and certain tax, legal and general information. It is incorporated by reference (is legally a part of the Scheme Information Document (SID).

This SAI is dated **June 28, 2023**.

Interpretation:

For all purposes of the SAI, 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).
- References to a day are to a calendar day including non-business Day.

Please note that words and expressions used in the SAI will have the same meaning as have been assigned from time to time in the SID.

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I. INFORMATION ABOUT SPONSOR, TRUSTEE COMPANY AND ASSET MANAGEMENT COMPANY (AMC)

A. Constitution of the Mutual Fund

Navi Mutual Fund (“the Mutual Fund” or “the Fund”) has been constituted as a trust on 4th August, 2009 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with Anmol Como Broking Private Limited as the Sponsor, and Navi Trustee Limited as the Trustee. The Mutual Fund was originally registered with SEBI on March 23, 2011 under Registration Code MF/062/09/03.

The Mutual Fund was originally sponsored by The Peerless General Finance and Investment Company Limited. Essel Finance Wealth Zone Private Limited acquired the entire shareholding held by The Peerless General Finance and Investment Company Limited in Essel Finance AMC Limited (formerly Peerless Funds Management Co. Limited) and Essel MF Trustee Limited (formerly Peerless Trust Management Co. Limited). The Board of Directors of Essel Finance AMC Limited and Essel MF Trustee Limited approved the aforesaid transfer of shares on September 21, 2017. Consequently, Essel Finance Wealth Zone Private Limited has become the sole Sponsor of Essel Mutual Fund. Pursuant to the above change in shareholding, Peerless Mutual Fund was renamed as Essel Mutual Fund, and SEBI vide its letter dated October 31, 2017 issued fresh Registration Certificate No. MF/062/09/03 dated October 31, 2017 in the name of Essel Mutual Fund and cancelled the old Registration Certificate No. MF/062/09/03 dated December 04, 2009 in the name of Peerless Mutual Fund.

Anmol Como Broking Private Limited acquired the majority shareholding in Essel Finance AMC Limited and Essel MF Trustee Limited. The Board of Directors of Essel Finance AMC Limited and Essel MF Trustee Limited approved the transfer of shares on February 10, 2021. Consequently, Anmol Como Broking Private Limited has become the sole Sponsor of Essel Mutual Fund. Pursuant to the above change in shareholding, Essel Mutual Fund was renamed as Navi Mutual Fund, and SEBI vide its letter dated March 25, 2021 issued fresh Registration Certificate No. MF/062/09/03 dated March 25, 2021 in the name of Navi Mutual Fund and cancelled the old Registration Certificate No. MF/062/09/03 dated October 31, 2017 in the name of Essel Mutual Fund.

The Registered Office of the AMC is: Vaishnavi Tech Square, 7th Floor, Iballur Village, Taluk, Bagalur, Begur, Bengaluru, Karnataka 560102

B. Sponsor

Navi Mutual Fund is sponsored by Anmol Como Broking Private Limited. The Sponsor is the Settlor of the Mutual Fund Trust. The Mutual Fund was originally sponsored by The Peerless General Finance and Investment Company Limited and subsequently by Essel Finance Wealth Zone Private Limited.

Financial Performance of the Sponsor (Past 3 years) (Rs. in lakhs)

Particulars	2022-23	2021-22	2020-21
Net worth	15232.04	15,215.02	10,512.98
Total Income	25.15	63.41	512.83
Profit After Tax	17.05	-38.02	309.70
Assets under Management (if applicable)	N.A.	N.A.	N.A.

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ABOUT ANMOL COMO BROKING PRIVATE LIMITED AND NAVI GROUP

Anmol Como Broking Private Limited (ACBPL) is a company incorporated on December 15, 2009 having CIN U67120KA2009PTC051844 and having its registered office at 3rd Floor, Salarpuria Business Center, 93, 5th A Block, Koramangala Ind Layout, Bangalore – 560 095. It obtained a commodities broking membership with MCX (Membership No: 40995) and AMFI Registration (ARN 83671) for distribution of mutual funds in 2011.

ACBPL is a wholly-owned subsidiary of Navi Technologies Private Limited ("**NTPL**"). NTPL is an entity involved in the business of building technology and providing services through information technology-driven internet and/or mobile platforms in various sectors including banking, financial services and insurance.

C. The Trustee

Navi Trustee Limited (the "Trustee"), through its Board of Directors, shall discharge its obligations as Trustee of Navi Mutual Fund. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI (Mutual Funds) Regulations, 1996 and will also review the activities carried on by the AMC.

I. Details of Trustee Directors:

Name	Age/Qualification	Brief Experience
Dr. M. Yousuf Khan (Independent Director)	Age: 79 Years Qualification: Science Graduate from University of Kashmir Doctorate of Philosophy in Business Management (PHD) from Burkes University in U.K.	Dr. M. Yousuf Khan is a science graduate from University of Kashmir and has completed Doctorate of Philosophy in Business Management (PHD) from Burkes University in UK. Dr. Khan has earlier held various senior positions including Chairman of J&K Bank; Managing Director of J&K Agro Industries Development Corporation, Managing Director of J&K Tourism Development Corporation and Advisor for Berenson & Company, New York. Dr. Khan was nominated as Member of the Chhattisgarh Economic Advisory Committee, Government of India, Member of the Banking and Financial Institutions Committee of FICCI and Member of the Managing Committee of India Banking Association, Mumbai, during his tenure with J & K Tourism Development Corporation. Dr. Khan is the recipient of several prestigious awards like (a) Udyog Rattan award; (b) Pride of India & IMM award, for excellence as top professional manager; (c) Excellence Award by Institute of Economic Studies; and (d) Star Achievers Award. Dr. Khan is presently on the Boards of various companies.

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<p>Mr. Arun V. Goel (Independent Director)</p>	<p>Age: 67 Years</p> <p>Qualification: B. Tech (Civil Engineering), Indian Institute of Technology (I.I.T), Kanpur</p>	<p>Mr. Arun V. Goel is a senior private equity/financial services professional with over 35 years of experience in real estate investments/funding, and financial services, of which over 15 years have been CEO/MD in Board level positions. He is a B. Tech. from IIT Kanpur and is also the Fellow of The Indian Institute of Valuers.</p> <p>He was formerly the CEO of LICHFL Asset Management Co. a private equity asset management business promoted by the LIC Group. Mr. Goel has also worked with DHFL Venture Capital India Pvt. Ltd. as C.E.O. and Chairman of Investment Committee, Insignia Brooke as Managing Director & CEO, and before that with Lloyds Housing Finance Ltd. as President & CEO.</p> <p>Mr. Goel is active in consulting on private equity, & investment structuring for private equity investors and companies in real estate and infrastructure sectors as Principal and CEO of India Development & Real Estate Advisors. He is also mentoring SAAS startups focused at developing business solutions targeted at banking/financial services/real estate construction.</p> <p>Mr. Goel is presently an Independent Director on the Boards of various companies.</p>
<p>Dr. Nirakar Pradhan (Independent Director)</p>	<p>Age: 65 Years</p> <p>Qualification: CCRA, CFP, CFA, PHD (Business Administration), FRM, CAIIB, MA</p>	<p>Dr. Nirakar Pradhan is a Senior Finance Professional with nearly 35 years of experience in global banking, investment, portfolio management and enterprise risk management. Working in multicultural and multi-product matrix organisations, he led teams at senior level in India (State Bank of India) and Europe (Generali Investments Europe, Paris). His academic qualifications/ training include Training on Corporate Governance: " Making Corporate Boards more effective" Havard Business School, USA, Certified Credit Research Analyst (CCRA) from NISM & AIWMI, India, Certified Financial Planner (CFP) from FPSB, Chartered Financial Analyst (CFA) from CFA Institute, USA, Ph.D in Business Administration, Utkal University, India, Certification in Financial Risk Management (FRM) from GARP, USA, and Certified Associate of Indian Institute of Bankers (CAIIB) from IIB, India.</p> <p>Dr. Nirakar Pradhan is currently a visiting Professor of Finance, Director & APAC Representative in PRMIA (Professional Risk Managers' International Association)</p>

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		and Director in Finkasturi Nivesh Pvt Limited (Investment Adviser). During his stint in Generali Investment Europe (GIE), Paris, France, (2015-17), he was responsible for Risk management across a €500 billion portfolio of assets as Head of Investment Control for GIE. He led teams across 5 cities in France, Italy and Germany. As the first Chief Investment Officer in Future Generali India Life Insurance (2008-14), he set up Investment department and devised, developed and successfully executed Company's investments and portfolio management. In SBI Frankfurt, Germany, as Head of Investments, he contributed to transforming loss-making SBI Frankfurt into Profit of USD 8 million (2003-07). Prior to that, he worked extensively in the areas of Banking, Credit and Investments in various offices of State Bank of India in Odisha, Punjab and Mumbai from 1984-2003.
Mr. Abhishek (Associate Director)	Age: 40 years Qualification: 1.MBA – S P Jain Institute of Management and Research, Mumbai 2.Masters in IT – Virginia Tech University, USA 3.bachelor's in engineering – Punjab Technical University, Jalandhar	Mr. Abhishek is Head of Sales & Business Operations of Navi Finserv. Prior to this he held positions of Head of HR and Chief of Staff. He was also COO of Navi General Insurance. His skill set include strategic partnership, sales and business specialist for monetizing media and technology platforms. He created and led partnerships with Banks, NBFCs, Insurance Companies, Affiliates, Corporates, Builders, Malls, Hotels, & Big Box Retailer. He was the founding CEO of Treemendous.in. He built a profitable Company and Bengaluru's No.1 Brand focused on Urban Gardening products & services. Grew since inception with the biggest online financial marketplace in India for financial products while being part of the core management team - BankBazaar.com (funded by Amazon and Sequoia Capital). Responsible for managing 100+ national level partnerships across all top Financial Institutions of the country.

Out of 4 Directors on the Board of Navi Trustee Limited, 3 (i.e. 3/4th) Directors are independent directors.

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II. Rights, obligations, responsibilities and duties of the Trustee under the deed of Trust and the Regulations.

- (1) The trustees and the asset management company shall with the prior approval of the Board enter into an investment management agreement.
- (2) The investment management agreement shall contain such clauses as are mentioned in the Fourth Schedule and such other clauses as are necessary for the purpose of making investments.
- (3) The trustees shall have a right to obtain from the asset management company such information as is considered necessary by the trustees.
- (4) The trustees shall ensure before the launch of any scheme that the asset management company, has,—
 - (a) systems in place for its back office, dealing room and accounting;
 - (b) appointed all key personnel including fund manager(s) for the scheme(s) and submitted their bio-data which shall contain the educational qualifications, past experience in the securities market with the trustees, within 15 days of their appointment;
 - (c) appointed auditors to audit its accounts;
 - (d) appointed a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines, instructions, etc., issued by the Board or the Central Government and for redressal of investors grievances;
 - (e) appointed registrars and laid down parameters for their supervision;
 - (f) prepared a compliance manual and designed internal control mechanisms including internal audit systems;
 - (g) specified norms for empanelment of brokers and marketing agents;
 - (h) obtained, wherever required under these regulations, prior in principle approval from the recognised stock exchange(s) where units are proposed to be listed.
- (4A) The compliance officer appointed under clause (d) of sub-regulation (4) shall immediately and independently report to the Board any non-compliance observed by him.
- (5) The trustees shall ensure that an asset management company has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
- (6) The trustees shall ensure that the asset management company has not given any undue or unfair advantage to any associates or dealt with any of the associates of the asset management company in any manner detrimental to interest of the unitholders.
- (7) The trustees shall ensure that the transactions entered into by the asset management company are in accordance with these regulations and the scheme.
- (8) The trustees shall ensure that the asset management company has been managing the mutual fund schemes independently of other activities and have taken adequate steps to ensure that the interest of investors of one scheme are not being compromised with those of any other scheme or of other activities of the asset management company.
- (9) The trustees shall ensure that all the activities of the asset management company are in accordance with the provisions of these regulations.
- (10) Where the trustees have reason to believe that the conduct of business of the mutual fund is not in accordance with these regulations and the scheme they shall forthwith take such remedial steps as are necessary by them and shall immediately inform the Board of the violation and the action taken by them.
- (11) Each trustee shall file the details of his transactions of dealing in securities with the Mutual Fund, within the time and manner as may be specified by the Board from time to time.
- (12) The trustees shall be accountable for, and be the custodian of, the funds and property of the respective schemes and shall hold the same in trust for the benefit of the unitholders in accordance with these regulations and the provisions of trust deed.

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(13) The trustees shall take steps to ensure that the transactions of the mutual fund are in accordance with the provisions of the trust deed.

(14) The trustees 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 any scheme in accordance with these regulations and the trust deed.

(15) The trustees shall obtain the consent of the unitholders—

(a) whenever required to do so by the Board in the interest of the unitholders; or

(b) whenever required to do so on the requisition made by three-fourths of the unit- holders of any scheme; or

(c) when the majority of the trustees decide to wind up a scheme in terms of clause (a) of sub regulation (2) of regulation 39 or prematurely redeem the units of a close ended scheme.

(15A) The trustees 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 unitholders, shall be carried out unless,—

(i) a written communication about the proposed change is sent to each unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the mutual fund is situated; and

(ii) the unitholders are given an option to exit at the prevailing Net Asset Value without any exit load.

(16) The trustees shall call for the details of transactions in securities by the key personnel of the asset management company in his own name or on behalf of the asset management company and shall report to the Board, as and when required.

(17) The trustees shall quarterly review all transactions carried out between the mutual funds, asset management company and its associates.

(18) The trustees shall on a quarterly basis review the networth of the asset management company to ensure compliance with the threshold provided in clause (f) of sub-regulation (1) of regulation 21 on a continuous basis.

(19) The trustees shall periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy itself that such contracts are executed in the interest of the unitholders.

(20) The trustees shall ensure that there is no conflict of interest between the manner of deployment of its networth by the asset management company and the interest of the unit- holders.

(21) The trustees shall periodically review the investor complaints received and the redressal of the same by the asset management company.

(22) The trustees shall abide by the Code of Conduct as specified in Part - A of the Fifth Schedule.

(23) The trustees shall furnish to the Board on a half-yearly basis,—

(a) a report on the activities of the mutual fund;

(b) a certificate stating that the trustees have satisfied themselves that there have been no instances of self-dealing or front running by any of the trustees, directors and key personnel of the asset management company;

(c) a certificate to the effect that the asset management company has been managing the schemes independently of any other activities and in case any activities of the nature referred to in clause (b) of regulation 24 have been undertaken by the asset management company and has taken adequate steps to ensure that the interests of the unitholders are protected.

(24) The independent trustees referred to in sub-regulation (5) of regulation 16 shall give their comments on the report received from the asset management company regarding the investments by the mutual fund in the securities of group companies of the sponsor.

(25) Trustees shall exercise due diligence as under:

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A. General Due Diligence:

- (i) The Trustees shall be discerning in the appointment of the directors on the Board of the asset management company.
- (ii) Trustees shall review the desirability or continuance of the asset management company if substantial irregularities are observed in any of the schemes and shall not allow the asset management company 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 the Board or concerned regulatory authority.
- (v) The Trustees shall arrange for test checks of service contracts.
- (vi) Trustees shall immediately report to the Board of any special developments in the mutual fund.

B. Specific due diligence:

The Trustees shall:

- (i) obtain internal audit reports at regular intervals from independent auditors appointed by the Trustees,
 - (ii) obtain compliance certificates at regular intervals from the asset management company,
 - (iii) hold meeting of trustees more frequently,
 - (iv) consider the reports of the independent auditor and compliance reports of asset management company at the meetings of trustees for appropriate action,
 - (v) maintain records of the decisions of the Trustees at their meetings and of the minutes of the meetings,
 - (vi) prescribe and adhere to a code of ethics by the Trustees, asset management company and its personnel,
 - (vii) communicate in writing to the asset management company of the deficiencies and checking on the rectification of deficiencies.
- (26) Notwithstanding anything contained in sub-regulations (1) to (25), the trustees shall not be held liable for acts done in good faith if they have exercised adequate due diligence honestly.
- (27) The independent directors of the trustees or asset management company shall pay specific attention to the following, as may be applicable, namely:—
- (i) the Investment Management Agreement and the compensation paid under the agreement,
 - (ii) service contracts with associates—whether the asset management company has charged higher fees than outside contractors for the same services,
 - (iii) selections of the asset management company's independent directors,
 - (iv) securities transactions involving associates to the extent such transactions are permitted,
 - (v) selecting and nominating individuals to fill independent directors vacancies,
 - (vi) code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions,
 - (vii) the reasonableness of fees paid to sponsors, asset management company and any others for services provided,
 - (viii) principal underwriting contracts and their renewals,
 - (ix) any service contract with the associates of the asset management company.

19. Supervisory Role of the Trustee

The supervisory role of Trustee will be discharged inter alia by reviewing the information and operations of the Mutual Fund based on the internal audit reports/compliance reports received on a periodical basis. The Compliance Officer has direct reporting line to the Board of Directors 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

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every year or at such frequency as may be prescribed under the Regulations. Further, 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.

Further the Audit Committee chaired by an independent director of the Trustee is responsible for:

- Review of the periodic financial statements of the Trustee and Mutual Fund including audit observations
- To review the internal audit systems and internal and statutory audit reports
- Recommending appointment of auditors

Trustee – Fees and Expenses

In accordance with the Deed of Trust constituting the Mutual Fund, the Trustee shall be entitled to receive a fee not exceeding 0.0125% per annum of the daily net assets of the Fund. In addition to the aforesaid remuneration, the Trustee shall be entitled for reimbursement of all costs, charges and expenses incurred in or about the administration and execution of the Fund. Such reimbursement from and out of the Trust Funds would always be to the extent permitted under the Regulations.

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D. Asset Management Company

Navi AMC Limited (the AMC) is a public limited company incorporated under the Companies Act, 1956 on 9th April, 2009, having its Registered Office at Vaishnavi Tech Square, 7th Floor, Iballur Village, Taluk, Bagalur, Begur, Bengaluru, Karnataka 560102. Further, the AMC has the regulatory approval to act as asset manager for the Fund and has been appointed as the Asset Management Company of Navi Mutual Fund by Navi Trustee Limited (“the Trustee”), vide an Investment Management Agreement (IMA) dated 11th August 2009, executed between the Trustee and the AMC.

I. Details of AMC Directors:

Name	Age / Qualification	Brief Experience
Mr. Arindam Ghosh (Independent Director)	Age: 59 Years Qualification: Chartered Accountant and B. Com (University of Calcutta)	Arindam has over 2 decades of leadership experience in financial services in India and Asia-Pacific region across Asset Management, Wealth Management, NBFCs and Fintech. He has been associated with Alphaniti Fintech Pvt Ltd as Director & CEO, which is a Fintech company, engaged in building digital investment products and solutions across asset classes & geographies. Previously, Arindam was associated with Mirae Asset Global Investments as ‘Head of Asia Pacific Business’ based out of Hong Kong and subsequently as Director & CEO launched and established their Indian Mutual fund organization from inception. Prior to joining Mirae Asset, he was associated with Fidelity (AP). During his association with Fidelity he covered the key markets in Asia Pacific region comprising of Japan, Australia, Hong Kong, Korea, Taiwan and Singapore. He has also been associated with the financial services industry through his career stints across leading domestic organizations including Tata and AV Birla Group.
Mr. Ankit Agarwal (Associate Director)	Age: 40 Years Qualification: B.Tech- Computer Science- IIT Delhi	Ankit Agarwal is the Executive Director and Chief Financial Officer of Navi Technologies Limited. He holds a bachelor’s degree in computer science and engineering from Indian Institute of Technology, Delhi and master’s degree in Management from Indian Institute of Management, Ahmedabad. He was previously associated with Bank of America as a director in global and markets. He was also associated with Deutsche Bank as the vice president.
Dr. Nachiket Mor	Age: 59 Years Qualification:	Nachiket Mor is trained as an economist. His current work is principally focused on the design of national and regional health systems. He is a Visiting Scientist at The Banyan Academy of Leadership in Mental Health and a

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(Independent Director)	PHD in Economics, Finance from University of Pennsylvania, PGDM- IIM Ahmedabad	Senior Research Fellow at the Centre for Information Technology and Public Policy at IIIT Bangalore. He is also a Commissioner on the Lancet Commission on Reimagining India's Health System.
Ms. Swathi Hebbar (Associate Director Whole Time Director)	Age: 39 Years Qualification: - B. Com from Bangalore University - MBA from NMIMS, Mumbai -FRM Certification issued by the Global Association of Risk Professionals (GARP)	Ms. Swathi Hebbar has extensive experience of around 15 years majorly in corporate credit analysis and research across sectors such as Information Technology, Pharmaceuticals, Automobiles and Financial Services. She has been associated with Navi since February 2020 and previously has been associated with ICRA Limited as Assistant Vice President- Rating Services.

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II. Duties and Responsibilities of the AMC as specified in the Regulations

25. (1) The asset management company 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 these regulations and the trust deed.

(2) The asset management company shall exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.

(2A) The asset management company shall obtain, wherever required under these regulations, prior in-principle approval from the recognized stock exchange(s) where units are proposed to be listed.

(3) The asset management company shall be responsible for the acts of commission or omission by its employees or the persons whose services have been procured by the asset management company.

(4) The asset management company shall submit to the trustees quarterly reports of each year on its activities and the compliance with these regulations.

(5) The trustees at the request of the asset management company may terminate the assignment of the asset management company at any time:

Provided that such termination shall become effective only after the trustees have accepted the termination of assignment and communicated their decision in writing to the asset management company.

(6) Notwithstanding anything contained in any contract or agreement or termination, the asset management company or its directors or other officers shall not be absolved of liability to the mutual fund for their acts of commission or omission, while holding such position or office.

The Chief Executive Officer (whatever be the designation) of the asset management company shall ensure that the mutual fund complies with all the provisions of these regulations and the guidelines or circulars issued in relation thereto from time to time and that the investments made by the fund managers are in the interest of the unit holders and shall also be responsible for the overall risk management function of the mutual fund.

(b) Chief Executive Officer (whatever be the designation) shall also ensure that the Asset Management Company has adequate systems in place to ensure that the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of these regulations are adhered to in letter and spirit. Any breach of the said Code of Conduct shall be brought to the attention of the Board of Directors of the Asset Management Company and Trustees.

(6B) The fund managers (whatever be the designation) shall ensure that the funds of the schemes are invested to achieve the objectives of the scheme and in the interest of the unit holders.

(b) The Fund Managers (whatever be the designation) shall abide by the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and submit a quarterly self-certification to the Trustees that they have complied with the said code of conduct or list exceptions, if any.

The Dealers (whatever be the designation) shall ensure that orders are executed on the best available terms, taking into account the relevant market at the time for transactions of the kind and size concerned to achieve the objectives of the scheme and in the best interest of all the unit holders.

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(b) The Dealers (whatever be the designation) shall abide by the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of the Securities and

Exchange Board of India (Mutual Funds) Regulations, 1996 and submit a quarterly self-certification to the Trustees that they have complied with the said code of conduct or list exceptions, if any.

(7)(a) An asset management company shall not through any broker associated with the sponsor, purchase or sell securities, which is average of 5 per cent or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes :

Provided that for the purpose of this sub-regulation, the 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 per cent shall apply for a block of any three months.

(b) An asset management company shall not purchase or sell securities through any broker [other than a broker referred to in clause (a) of sub-regulation (7) which is average of 5 per cent or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes, unless the asset management company has recorded in writing the justification for exceeding the limit of 5 per cent and reports of all such investments are sent to the trustees on a quarterly basis :

Provided that the aforesaid limit shall apply for a block of three months.

(8) An asset management company 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 an asset management company may utilise such services if disclosure to that effect is made to the unitholders and the brokerage or commission paid is also disclosed in the half-yearly annual accounts of the mutual fund :

Provided further that the mutual funds shall disclose at the time of declaring half-yearly and yearly results :

(i) any underwriting obligations undertaken by the schemes of the mutual funds with respect to issue of securities associate companies,

(ii) devolvement, if any,

(iii) subscription by the schemes in the issues lead managed by associate companies,

(iv) 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.

(9) The asset management company shall file with the trustees the details of transactions in securities by the key personnel of the asset management company in their own name or on behalf of the asset management company and shall also report to the Board, as and when required by the Board.

(10) In case the asset management company enters into any securities transactions with any of its associates a report to that effect shall be sent to the trustees at its next meeting.

(11) In case any company has invested more than 5 per cent of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the same mutual fund in that company or its subsidiaries shall be brought to the notice of

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the trustees by the asset management company and be disclosed in the half-yearly and annual accounts of the respective schemes with justification for such investment provided the latter investment has been made within one year of the date of the former investment calculated on either side.

(12) The asset management company shall file with the trustees and the Board—

(a) detailed bio-data of all its directors along with their interest in other companies within fifteen days of their appointment;

(b) any change in the interests of directors every six months; and

(c) a quarterly report to the trustees giving details and adequate justification about the purchase and sale of the securities of the group companies of the sponsor or the asset management company, as the case may be, by the mutual fund during the said quarter.

(13) Each director of the asset management company shall file the details of his transactions of dealing in securities with the trustees on a quarterly basis in accordance with guidelines issued by the Board.

(14) The asset management company shall not appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.

(15) The asset management company shall appoint registrars and share transfer agents who are registered with the Board:

Provided if the work relating to the transfer of units is processed in-house, the charges at competitive market rates may be debited to the scheme and for rates higher than the competitive market rates, prior approval of the trustees shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.

(16) The asset management company shall abide by the Code of Conduct as specified in PART-A of the Fifth Schedule.

(16A) The asset management company shall invest such amounts in such schemes of the mutual fund, based on the risks associated with the schemes, as may be specified by the Board from time to time.

(17) The asset management company shall not invest in any of its scheme, unless full disclosure of its intention to invest has been made in the offer documents, in case of schemes launched after the notification of Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2011:

Provided that an asset management company shall not be entitled to charge any fee on its investment in that scheme.

(18) The asset management company shall not carry out its operations including trading desk, unit holder servicing and investment operations outside the territory of India.

(19) The asset management company shall compute and carry out valuation of investments made by its scheme(s) in accordance with the investment valuation norms specified in Eighth Schedule, and shall publish the same.

(20) The asset management company and the sponsor of the mutual fund shall be liable to compensate the affected investors and/or the scheme for any unfair treatment to any investor as a result of inappropriate valuation.

(21) The asset management company shall report and disclose all the transactions in debt and money market securities, including inter scheme transfers, as may be specified by the Board.

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III. Information on Key Personnel of the Asset Management Company:

Name & Designation	Age / Qualification	Brief Experience
<p>Mr. Rajiv Naresh (Chief Executive Officer)</p>	<p>Age: 33 years</p> <p>Qualification: Bachelor of Laws (LL.B. (University College London) Bachelor of Arts (English Honours) (St. Stephen's College, Delhi University)</p>	<p>Mr. Rajiv Naresh has been part of the Navi Group since 2019 and occupied multiple roles across the group. He currently serves as the Group Vice-President for Navi's Non-Lending Business. He joined Navi in 2019 to establish its legal, compliance, and corporate secretarial functions. As the head of the department, he led the setup for the group and its subsidiaries and was involved in all acquisitions made by the Navi Group. He has served as a director for a number of Navi group companies including Navi Trustee Limited. Prior to his current role, Rajiv was the Chief-of-Staff to Navi's promoter and co-founder, Sachin Bansal, working on strategic initiatives across the Navi Group. As General Counsel, Rajiv was responsible for the acquisition / license application and transition of all licensed entities within the group including, without limitation, Navi Finserv Limited, Navi AMC Limited and Navi General Insurance Limited and the implementation of legal, compliance, and secretarial practices in the companies. Prior to joining Navi, Rajiv was a corporate lawyer at a fullservice law firm based in Bengaluru called MD&T Partners. In this capacity, Rajiv advised companies in India and abroad on transactions (e.g., Private Equity, Venture Capital, and M&A), technology, media, and telecommunications, and general corporate matters. He represented market-leading clients in multimillion-dollar transactions in the TMT, Renewable Energy, and Security Services sectors and worked closely with leading startups in the health tech, fintech, e-commerce, and ed-tech sectors.</p>

STATEMENT OF ADDITIONAL INFORMATION

<p>Mr. Tushar Chandel- Chief Financial Officer & Investor Relation Officer</p>	<p>Age: 29 Years</p> <p>Qualification:</p> <p>Chartered Accountant</p>	<p>Tushar is the Chief Financial Officer of Navi AMC Limited. He is a Chartered Accountant with over five years of post qualification experience in Financial Services . Prior to joining Navi, he has worked with Goldman Sachs and BSR & Associates LLP.</p>
<p>Mr. Aditya Mulki- Head – Investments”</p>	<p>Age: 33 Years</p> <p>Qualification:</p> <p>CFA, Charter Holder</p>	<p>Aditya is CFA Charterholder and Bachelor of Commerce having experience of around 7 years. He is currently working as Equity Fund Manager for Navi AMC Limited. Prior to joining Navi Aditya has worked for close to 6 years at Quantum Advisors Ltd as an Equity Research Analyst, covering the consumer staples, consumer discretionary, building materials and media sectors.</p>
<p>Ms. Surbhi Sharma- Debt Fund Manager</p>	<p>Age: 31 Years</p> <p>Qualification:</p> <p>PGDM Finance, Company Secretary</p>	<p>Surbhi is a Company Secretary and PGDM in Finance with an overall experience of over 7 years in the Fixed Income Markets. Previously, worked with DCB Bank Ltd. as a Money Market Dealer in the Bank's Treasury. Prior to that, have worked with Goldman Sachs Services India Pvt. Ltd. as an Analyst in the EMEA Fixed Income Sales Team.</p>
<p>Ms. Swetha Apuri, Head of Operations</p>	<p>Age –39 years Qualification Master’s in Business Administration.</p>	<p>Over 10 years of experience in Banking and Financial Services Industry. Worked across Lending, Core Banking, Sales and Investment Advisory verticals in companies like Citi Group Global Market and Kotak Mahindra Bank. Working with Navi AMC - Operations for the last 1yr.</p>
<p>Mr. Mayuresh Sonavane Chief Compliance Officer</p>	<p>Age: 39 years</p> <p>Qualification: B.Com</p>	<p>Mayuresh Sonavane has around 14 years of experience in Compliance and Secretarial Function, prior to joining Navi Mutual Fund, he was associated with Quantum Mutual Fund, PGIM India Mutual Fund, Aditya Birla Mutual Fund and IIFL Mutual Fund.</p>
<p>Mr. Rushabh Patel Equity Dealer</p>	<p>Age – 26 years</p> <p>Qualification</p> <ul style="list-style-type: none"> • B.Tech. - Mechanical Engineering, Pandit Deendayal Petroleum University, Gandhinagar (2014- 2018) • MBA in Finance , Great Lakes 	<p>Rushabh Patel has overall 2.5 years of experience in Equity Research. Prior to joining NAVI AMC Limited Rushabh has worked with Crisil Limited. - Supported an analyst in Consumer Staples sector in updating models and tracking sector - Research and analysis on Thematics and ESG products of the sell-side client - Worked on Family Business 1000 product,</p>

STATEMENT OF ADDITIONAL INFORMATION

	Institute of Management, Chennai (2018-2020)	comparing performance of Family Business (FB) universe with non-FB Universe - Worked on ESG Theme Dashboard, ranking of different ESG themes based on their quality & momentum score.
Mr. Pranav Magadi Chief Risk Officer	<p>Age – 25 years</p> <p>Qualification</p> <ul style="list-style-type: none"> · B.E. (Hons) Chemical Engineering, BITS Pil ani (2015-2019) · MBA, IIM Ahmedabad (2019-2021) 	Pranav Magadi has been part of the Navi Group since 2021 and has served in multiple roles across the group's entities. He joined Navi Finserv as a Management Trainee in Business Finance, where he was responsible for the Housing Loans and Common Costs charters, working on Financial Planning, Forecasting, Monthly Variance, and Financial Analysis. In Nov'21, he moved to Navi Technologies as an Associate Manager in the Business Finance function. He setup and maintained Liquidity Planning and Reporting processes, a key crossfunctional cash management activity for NBFCs. He also closely worked with the Treasury function for fundraising activities, being responsible for the business projections shared with lenders, rating agencies, and other third parties. As such, he also conducted capital planning, scenario analyses, profitability analyses and stress testing for the Lending arm of the group or the Group as a whole.

All the key personnel are based at the Registered office of the AMC in Bengaluru.

The AMC currently has a total of 5 personnel in the fund management team, including 2 equity research analysts.

IV. Shareholding of the AMC

Navi AMC Limited (the AMC) is a subsidiary of Anmol Como Broking Private Limited.

Shareholder	Type of holding	% Holding
Anmol Como Broking Private Limited	Equity	99.99
Individuals	Equity	0.001

STATEMENT OF ADDITIONAL INFORMATION

V. Procedure and Recording of Investment Decisions & Review of performance of Scheme(s) by Board of AMC and Trustees

All investment decisions, relating to the Schemes, will be undertaken by the AMC in accordance with the Regulations, the investment objectives specified in the SID and the Investment Manual of the AMC. All investment making decisions taken by the AMC in relation to the corpus of the Schemes will be recorded.

A detailed report will be made before taking any decision to invest in a company/issuer for the first time. Individual scrip wise reasons will be recorded by the fund manager at the time of placing individual orders. Performance of the Schemes will be periodically tabled before the boards of the AMC and the Trustee respectively. Performance of the Schemes vis-à-vis their respective benchmark indices will be periodically monitored by the boards of the Trustee and the AMC. Further, the boards of the Trustee and the AMC will also review the performance of the Schemes in the light of performance of the mutual fund industry.

The AMC has appointed an Investment Committee, which lays down the broad investment policy for the Schemes, reviews the policy and reviews the portfolio and performance of the Schemes periodically. However, the day to day investment management decision will solely be of the fund manager of the respective 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 Chief Executive Officer of the AMC shall inter-alia ensure that the investments made by the fund managers are in the interest of the Unit holders. The Fund Manager shall ensure that the funds of the Scheme(s) are invested in line with the investment objective of the Scheme(s) and in the interest of the Unit holders.

STATEMENT OF ADDITIONAL INFORMATION

E. Service providers

* The Trustee and the AMC have ensured that the Registrar has adequate capacity to discharge responsibilities with regard to processing of applications and dispatching unit certificates to Unit holders within the time limit prescribed in the Regulations and also has sufficient capacity to handle investor complaints.

Custodian

HDFC Bank Ltd

Empire Plaza 1,4th Floor, Chandan Nagar. L.B.S. Marg,
Vikhroli -West, Mumbai 400083, Maharashtra, India.
Ph : 6856 5217, Fax No. :6856 5222
SEBI REGISTRATION NO. IN /CUS/001

Registrar and Transfer agent

Computer Age Management Services Limited (CAMS),
Rayala Tower-1, 158 Anna Salai, Chennai - 600 002
Website: <https://www.camsonline.com/>
SEBI REGISTRATION

Statutory Auditor of the Mutual Fund

M. P. Chitale & Co. Chartered Accountants

1/11, 1st Floor, Prabhadevi Industrial Estate, Opp. Siddhivinayak Temple,
Veer Savarkar Marg, Prabhadevi, Mumbai 400 025.
Off. 43474301/02/03
Cell: 9820408414 / 9987563468

Fund Accountant

HDFC Bank Limited

HDFC Bank House Senapati Bapat Marg,
Lower Parel, Mumbai 400 013

Collecting Bankers

HDFC Bank Ltd, and or such other banks registered with SEBI may be appointed as the collecting banker(s)/paying banker(s) under the scheme on such terms and conditions as maybe decided by the AMC from time to time.

Principal business address of the Bank

HDFC Bank Ltd

(SEBI Registration No: INB 100000063)
Maneckji Wadia Bldg
Nanik Motwani Marg, Fort,
Mumbai – 400 001

Legal Counsel

Not Applicable

STATEMENT OF ADDITIONAL INFORMATION

F. CONDENSED FINANCIAL INFORMATION (CFI)

1. NAVI NIFTY 50 INDEX FUND

HISTORICAL PER UNIT STATISTICS	NAVI NIFTY 50 INDEX FUND^^	
Financial Year	2021-22	2022-23
NAV at the beginning of the year		
Direct Plan - Growth	-	11.0139
Regular Plan - Growth	-	10.9979
Dividend paid per unit during the year (net) (Rs.)		Nil
Regular Plan - Normal Dividend -Individual/HUF	-	-
Regular Plan - Normal Dividend -Others	-	-
Direct Plan - Normal Dividend – Individual / HUF	-	-
Direct Plan - Normal Dividend - Others	-	-
NAV at the end of the year (Rs. Per Unit)		
Direct Plan - Growth	11.0139	11.0535
Regular Plan - Growth	10.9979	11.0145
Date of Allotment	16 th July, 2021	16-Jul-21
Scheme Returns (%) (Absolute returns)**		
Regular Plan – Growth Option	9.98%	0.15%
Direct Plan – Growth Option	10.14%	0.36%
Benchmark	NIFTY 50 TRI	Nifty 50 TRI
Benchmark Returns in (%)	10.36%	0.59%
Additional Benchmark	NA	NA
Additional Benchmark Returns in (%)	NA	NA
Total Net Assets at the end of the year (Rs. Crs)	276.58	722.28
Ratio of Recurring Expenses to Net Assets		
Regular Plan	9.98%	0.28%
Direct Plan	10.14%	0.06%

Notes:

^^ The scheme was launched during the Financial year 2021-22.

** Absolute returns are provided for FY 2021-22 as the schemes had not completed one year during FY 2021-22

Different plans have different expense structure.

*Only for growth option. Past performance may or may not be sustained in future.

STATEMENT OF ADDITIONAL INFORMATION

2. NAVI NIFTY NEXT 50 INDEX FUND

HISTORICAL PER UNIT STATISTICS	NAVI NIFTY NEXT 50 INDEX FUND^^	
Financial Year	2021-22	2022-23
NAV at the beginning of the year		
Direct Plan - Growth	-	9.6104
Regular Plan - Growth	-	9.6025
Dividend paid per unit during the year (net) (Rs.)		
Regular Plan - Normal Dividend -Individual/HUF	-	-
Regular Plan - Normal Dividend -Others	-	-
Direct Plan - Normal Dividend – Individual / HUF	-	-
Direct Plan - Normal Dividend - Others	-	-
NAV at the end of the year (Rs. Per Unit)		
Direct Plan - Growth	9.6104	8.8916
Regular Plan - Growth	9.6025	8.8406
Date of Allotment	20 th Jan, 2022	19-Jan-22
Scheme Returns (%) (Absolute returns)**		
Regular Plan – Growth Option	-3.98%	-7.93%
Direct Plan – Growth Option	-3.90%	-7.48%
Benchmark	Nifty Next 50 Index TRI	Nifty Next 50 Index TRI
Benchmark Returns in (%)	-3.76%	-7.34%
Additional Benchmark	NA	NA
Additional Benchmark Returns in (%)	NA	NA
Total Net Assets at the end of the year (Rs. Crs)	40.16	95.41
Ratio of Recurring Expenses to Net Assets		
Regular Plan	-3.98%	0.62%
Direct Plan	-3.90%	0.12%

Notes:

^^ The scheme was launched during the Financial year 2021-22.

** Absolute returns are provided for FY 2021-22 as the schemes had not completed one year during FY 2021-22

Different plans have different expense structure

Past performance may or may not be sustained in future.

STATEMENT OF ADDITIONAL INFORMATION

3. NAVI NIFTY BANK INDEX FUND

HISTORICAL PER UNIT STATISTICS	NAVI NIFTY BANK INDEX FUND^^	
Financial Year	2021-22	2022-23
NAV at the beginning of the year		
Direct Plan - Growth	-	9.3601
Regular Plan – Growth	-	9.3500
Dividend paid per unit during the year (net) (Rs.)		Nil
Regular Plan - Normal Dividend -Individual/HUF	-	-
Regular Plan - Normal Dividend -Others	-	-
Direct Plan - Normal Dividend – Individual / HUF	-	-
Direct Plan - Normal Dividend - Others	-	-
NAV at the end of the year (Rs. Per Unit)		
Direct Plan - Growth	9.3601	10.4922
Regular Plan - Growth	9.3500	10.4080
Date of Allotment	4 th Feb, 2022	4-Feb-22
Scheme Returns (%) (Absolute returns)**		
Regular Plan – Growth Option	-6.50%	11.32%
Direct Plan – Growth Option	-6.40%	12.09%
Benchmark	Nifty Bank Index TRI	Nifty Bank Index TRI
Benchmark Returns in (%)	-6.23%	12.55%
Additional Benchmark	NA	NA
Additional Benchmark Returns in (%)	NA	NA
Total Net Assets at the end of the year (Rs. Crs)	17.88	94.13
Ratio of Recurring Expenses to Net Assets		
Regular Plan	-6.50%	0.82%
Direct Plan	-6.40%	0.10%

Notes:

^^ The scheme was launched during the Financial year 2021-22.

** Absolute returns are provided for FY 2021-22 as the schemes had not completed one year during FY 2021-22

Different plans have different expense structure

Past performance may or may not be sustained in future.

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4. NAVI US TOTAL STOCK MARKET FUND OF FUND

HISTORICAL PER UNIT STATISTICS	NAVI US TOTAL STOCK MARKET FUND OF FUND ^^	
Financial Year	2021-22	2022-23
NAV at the beginning of the year		
Direct Plan - Growth	-	10.6247
Regular Plan - Growth	-	10.6247
Dividend paid per unit during the year (net) (Rs.)		Nil
Regular Plan - Normal Dividend -Individual/HUF	-	-
Regular Plan - Normal Dividend -Others	-	-
Direct Plan - Normal Dividend – Individual / HUF	-	-
Direct Plan - Normal Dividend - Others	-	-
NAV at the end of the year (Rs. Per Unit)		
Direct Plan - Growth	10.6247	10.4169
Regular Plan - Growth	10.6247	10.4076
Date of Allotment	24 th Feb, 2022	24-Feb-22
Scheme Returns (%) (Absolute returns)**		
Regular Plan – Growth Option	6.25%	-2.04%
Direct Plan – Growth Option	6.25%	-1.96%
Benchmark	CRSP US Total Market Index	CRSP US Total Market Index
Benchmark Returns in (%)	5.32%	-10.22%
Additional Benchmark	NA	NA
Additional Benchmark Returns in (%)	NA	NA
Total Net Assets at the end of the year (Rs. Crs)	130.35	616.81
Ratio of Recurring Expenses to Net Assets		
Regular Plan	6.25%	0.06%
Direct Plan	6.25%	0.06%

Notes:

^^ The scheme was launched during the Financial year 2021-22.

** Absolute returns are provided for FY 2021-22 as the schemes had not completed one year during FY 2021-22

Different plans have different expense structure

Past performance may or may not be sustained in future.

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5. NAVI NIFTY MIDCAP 150 INDEX FUND

HISTORICAL PER UNIT STATISTICS	NAVI NIFTY MIDCAP 150 INDEX FUND^^	
Financial Year	2021-22	2022-23
NAV at the beginning of the year		
Direct Plan - Growth	-	10.4603
Regular Plan - Growth	-	10.4549
Dividend paid per unit during the year (net) (Rs.)		Nil
Regular Plan - Normal Dividend -Individual/HUF	-	-
Regular Plan - Normal Dividend -Others	-	-
Direct Plan - Normal Dividend – Individual / HUF	-	-
Direct Plan - Normal Dividend - Others	-	-
NAV at the end of the year (Rs. Per Unit)		
Direct Plan - Growth	10.4603	10.7055
Regular Plan - Growth	10.4549	10.6032
Date of Allotment	11 th Mar, 2022	11-Mar-22
Scheme Returns (%) (Absolute returns)**		
Regular Plan – Growth Option	4.55%	1.42%
Direct Plan – Growth Option	4.60%	2.34%
Benchmark²¹	Nifty Midcap 150 Index TRI	Nifty Midcap 150 Index TRI
Benchmark Returns in (%)	4.99%	2.77%
Additional Benchmark	NA	NA
Additional Benchmark Returns in (%)	NA	NA
Total Net Assets at the end of the year (Rs. Crs)	276.58	35.76
Ratio of Recurring Expenses to Net Assets		
Regular Plan	4.55%	1.03%
Direct Plan	4.60%	0.10%

Notes:

^^ The scheme was launched during the Financial year 2021-22.

** Absolute returns are provided for FY 2021-22 as the schemes had not completed one year during FY 2021-22

Different plans have different expense structure

Past performance may or may not be sustained in future.

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6. NAVI NASDAQ 100 FUND OF FUND

HISTORICAL PER UNIT STATISTICS	NAVI NASDAQ 100 FUND OF FUND^^	
Financial Year	2021-22	2022-23
NAV at the beginning of the year		
Direct Plan - Growth	-	10.0067
Regular Plan - Growth	-	10.0064
Dividend paid per unit during the year (net) (Rs.)		Nil
Regular Plan - Normal Dividend - Individual/HUF	-	-
Regular Plan - Normal Dividend -Others	-	-
Direct Plan - Normal Dividend – Individual / HUF	-	-
Direct Plan - Normal Dividend - Others	-	-
NAV at the end of the year (Rs. Per Unit)		
Direct Plan - Growth	10.0067	9.6038
Regular Plan - Growth	10.0064	9.5787
Date of Allotment	25 th Mar, 2022	25-Mar-22
Scheme Returns (%) (Absolute returns)**		
Regular Plan – Growth Option	0.06%	-4.27%
Direct Plan – Growth Option	0.07%	-4.03%
Benchmark	NASDAQ 100 Index	NASDAQ 100 Index
Benchmark Returns in (%)	0.57%	-11.17%
Additional Benchmark	NA	NA
Additional Benchmark Returns in (%)	NA	NA
Total Net Assets at the end of the year (Rs. Crs)	27.41	517.24
Ratio of Recurring Expenses to Net Assets		
Regular Plan	0.06%	0.30%
Direct Plan	0.07%	0.12%

Notes:

^^ The scheme was launched during the Financial year 2021-22.

** Absolute returns are provided for FY 2021-22 as the schemes had not completed one year during FY 2021-22

Different plans have different expense structure.

Past performance may or may not be sustained in future.

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7. NAVI NIFTY INDIA MANUFACTURING INDEX FUND

HISTORICAL PER UNIT STATISTICS	NAVI NIFTY INDIA MANUFACTURING INDEX FUND
Financial Year	2022-23
NAV at the beginning of the year	
Direct Plan - Growth	NA
Regular Plan - Growth	NA
Dividend paid per unit during the year (net) (Rs.)	Nil
Regular Plan - Normal Dividend -Individual/HUF	-
Regular Plan - Normal Dividend -Others	-
Direct Plan - Normal Dividend – Individual / HUF	-
Direct Plan - Normal Dividend - Others	-
NAV at the end of the year (Rs. Per Unit)	
Direct Plan - Growth	9.5735
Regular Plan - Growth	9.5238
Date of Allotment	29-Aug-22
Scheme Returns (%) (Absolute returns)**	
Regular Plan – Growth Option	-4.76%
Direct Plan – Growth Option	-4.27%
Benchmark	Nifty India Manufacturing TRI
Benchmark Returns in (%)	NA
Additional Benchmark	NA
Additional Benchmark Returns in (%)	NA
Total Net Assets at the end of the year (Rs. Crs)	12.34
Ratio of Recurring Expenses to Net Assets	
Regular Plan	1.00%
Direct Plan	0.12%

Notes:

^^ The scheme was launched during the Financial year 2022-23.

** Absolute returns are provided for FY 2022-23 as the schemes had not completed one year during FY 2022-23

Different plans have different expense structure.

Past performance may or may not be sustained in future.

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8. NAVI ELSS TAX SAVER NIFTY 50 INDEX FUND

HISTORICAL PER UNIT STATISTICS	NAVI ELSS TAX SAVER NIFTY 50 INDEX FUND
Financial Year	2022-23
NAV at the beginning of the year	
Direct Plan - Growth	NA
Regular Plan - Growth	NA
Dividend paid per unit during the year (net) (Rs.)	Nil
Regular Plan - Normal Dividend -Individual/HUF	-
Regular Plan - Normal Dividend -Others	-
Direct Plan - Normal Dividend – Individual / HUF	-
Direct Plan - Normal Dividend - Others	-
NAV at the end of the year (Rs. Per Unit)	
Direct Plan - Growth	10.2273
Regular Plan - Growth	10.2272
Date of Allotment	21-Mar-23
Scheme Returns (%) (Absolute returns)**	
Regular Plan – Growth Option	2.27%
Direct Plan – Growth Option	2.27%
Benchmark	NIFTY 50 TRI
Benchmark Returns in (%)	NA
Additional Benchmark	NA
Additional Benchmark Returns in (%)	NA
Total Net Assets at the end of the year (Rs. Crs)	5.78
Ratio of Recurring Expenses to Net Assets	
Regular Plan	0.99%
Direct Plan	0.10%

Notes:

^^ The scheme was launched during the Financial year 2022-23.

** Absolute returns are provided for FY 2022-23 as the schemes had not completed one year during FY 2022-23

Different plans have different expense structure.

Past performance may or may not be sustained in future.

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II. HOW TO APPLY?

This section must be read in conjunction with the Section “Units and Offer” of the SID of the respective Scheme(s) of the Fund

1. The application form/Transaction Slip for the Sale of Units of the respective Schemes/ Plans will be available and accepted at the office of the ISCs / Official Points of acceptance during their business hours on their respective business days.
2. Applications must be completed in Block Letters in English.
3. Applications filled up and duly signed by all joint investors should be submitted along with the cheque/draft/other payment instrument or instruction to a designated ISC/Official Point of acceptance of AMC or the Registrar as specified. Signatures should be in English or in any Indian Language.
4. All cheques and bank drafts must be drawn in favour of "a Specific Scheme" and the name of the respective Plan should also be mentioned and crossed "A/c Payee only". A separate cheque or bank draft must accompany each application/each scheme. Investors must use separate application forms for investing simultaneously in more than one Plan of the Scheme subject to the minimum subscription requirements under each Plan. If the amount mentioned on the application is different from the amount mentioned on the accompanying cheque or bank / demand draft or the amount is not mentioned in the application form, then the amount on the cheque will be treated as the application amount and the application will be processed accordingly. In case the name of the Scheme/Plan mentioned on the application form differs from the name mentioned on the accompanying payment instrument, then the application will be treated as an application for the Scheme/Plan mentioned on the application form.
5. All cheques and bank drafts accompanying the application form should contain the application form number / folio number, scheme name and name of first investor on its reverse.
6. In order to protect the interest of Investors from fraudulent encashment of cheques, the current SEBI Regulations, have made it mandatory for Investors to mention in their Application / Redemption request, their bank name, branch, address, account type and account number. The Registrar/AMC may ask the investor to provide a blank cancelled cheque or its photocopy for the purpose of verifying the bank account number.
7. In terms of SEBI circular number MRD/DoP/Cir- 05/2007 dated April 27, 2007, Permanent Account Number (PAN) shall be the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction with effect from July 2, 2007. Accordingly, it is mandatory for investors to provide their PAN along with a self-attested copy of PAN Card. If the investment is being made on behalf of a minor, the PAN of the minor or father or mother or the guardian, who represents the minor, should be provided. Applications received without PAN/PAN card copy will be rejected.

Pursuant to SEBI letter dated June 19, 2009 addressed to AMFI, and in compliance with AMFI Guidelines dated July 14, 2009, investment in Micro Schemes such as SIP where aggregate of installments in a rolling 12 months period or in a financial year i.e. April to March does not exceed Rs 50,000 per year per investor (hereinafter referred as “Micro SIP”), will be exempted from the requirement of PAN with effect from August 01, 2009. This exemption will be applicable only to investments by individuals (including Joint Holders who are individuals,

STATEMENT OF ADDITIONAL INFORMATION

Non Resident Indian (NRI) but not Person of Indian Origin (PIOs), Minors and Sole proprietary firms. Hindu Undivided Family and other categories will not be eligible for Micro SIPs.

Investors may please note that Micro SIP will be applicable for all the Schemes of EMF where SIP facility is available subject to submission of necessary Photo Identification Document along with Micro SIP application as a proof of identification in lieu of PAN. The list of acceptable Photo Identification Documents is given in the aforesaid AMFI Guidelines, which is available on our website (www.navimutualfund.com).

Further in terms of SEBI Circular MRD/DoP/Cir-20/2008 dated June 30, 2008, it is clarified that PAN may not be insisted in the case of Central Government, State Government, and the officials appointed by the courts example Official liquidator, Court receiver etc. (under the category of Government) for transacting in the securities market. However, the aforementioned clarification will be subject to the mutual fund verifying the veracity of the claim of the specified organizations, by collecting sufficient documentary evidence in support of their claim for such an exemption.

Further, in terms of SEBI Circular MRD/DoP/MF/Cir-08/2008 dated April 03, 2008, it has been, clarified to exempt investors residing in the state of Sikkim from the mandatory requirement of PAN for their investments in mutual funds. However, this would be subject to the Mutual Fund verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence including strict compliance with the applicable 'KYC' norms. The requirements pertaining to PAN & KYC shall be as prescribed by applicable Regulations read with various amendments, circulars, notifications issued from time to time.

8. Pursuant to implementation of Know Your Customer (KYC) norms under Prevention of Money Laundering Act, 2002 (PMLA) and in accordance with Association of Mutual Funds in India (AMFI) circular 35/MEM-COR/62/10-11 dated October 07, 2010 and communication under reference 35/MEM-COR/81/10-11 dated December 23, 2010 it may be noted that KYC Compliance is mandatory for all Individual Investors with effective January 01, 2011 irrespective of the amount of investment.

In order to reduce hardship and help investors dealing with SEBI intermediaries, SEBI issued following circulars - MIRSD/SE/Cir-21/2011 dated October 05, 2011, MIRSD/Cir-23/2011 dated December 02, 2011, MIRSD/Cir-26/2011 dated December 23, 2011 and MIRSD/Cir-5/2012 dated April 13, 2012 informing SEBI registered intermediaries as mentioned therein to follow, with effect from January 01, 2012, a uniform KYC compliance procedure for all the investors dealing with them on or after that date. SEBI also issued KYC Registration Agency ("KRA") Regulations, 2011 and the guidelines in pursuance of the said Regulations and for In-Person Verification ("IPV").

- Pursuant to SEBI Circular No. CIR/MIRSD/09/2013 dated October 8, 2013, e-KYC service launched by Unique Identification Authority of India (UIDAI) is a valid process for KYC verification, which requires authorization to access investors' data through UIDAI system.

The PMLA Requirements and related guidelines/circulars issued by the SEBI and AMFI states that Know Your Client (KYC) formalities are required to be completed for all Unit Holders, including Guardians and Power of Attorney holders, for any investment (whether new or additional purchase) made in mutual funds. All Mutual Funds are required to verify the identity and maintain records of all their investors through the mandate KYC process. The Investor needs to submit the necessary documents to the POS Location of KRA.

STATEMENT OF ADDITIONAL INFORMATION

Any subsequent changes in address or other details could be intimated to any of the POS (with relevant documentary evidence) and the same will get updated in all the mutual funds where the investor has invested.

Investors have to provide the relevant documents and information ONLY ONCE for complying with KYC. After that Investors could use same with all SEBI registered intermediaries merely attaching a copy of the KYC acknowledgement slip with the application form / transaction slip when investing for the first time in every folio (Post KYC) in each Mutual Fund house, without the necessity to submit the KYC documents again.

The Application Forms/Change Request Forms for KYC are available at the ISC of AMC and CAMS and at the website of Mutual Fund (www.navimutualfund.com).

SEBI had vide circular no. CIR/MIRSD/ 66 /2016 dated July 21, 2016 read along with SEBI Circular no. CIR/MIRSD/120 /2016 dated November 10, 2016, has intimated about operationalization of Central KYC Records Registry (CKYCR). Further, AMFI vide circular dated December 22, 2016 has prescribed new CKYC forms which shall be applicable for prospective customers.

Accordingly with effect from February 1, 2017, any new customer who has not done KYC earlier shall fill the new CKYC KRA-KYC form. If such new customer wishing to invest and get KYC done has filled up old KRA KYC form, such customer would also have to fill a Supplementary CKYC Form or fill the new CKYC-KRA KYC form. The forms are available on the website of the fund, viz. (www.navimutualfund.com) and at the official points of acceptance of transactions of the AMC. The KYC requirements shall be governed by SEBI Circulars/ notifications and AMFI Guidelines which may change from time to time.

8. Applicants must satisfy the minimum Application Amount requirements mentioned in the SID of the respective schemes of the Mutual Fund.
9. **Quoting of Employee Unique Identification Number (“EUIN”) in the Application Form:** Pursuant to SEBI Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 and various AMFI Guidelines issued in this regard, investors are requested to disclose the details of EUIN along with the AMFI Registration Number (“ARN”) of the distributor and the sub-distributor while submitting the applicable transaction request (excluding redemption).

In this regard the investors are requested to note the following:

- i) Kindly use the new application forms/transaction forms which have spaces for ARN Code, Sub broker code and the EUIN.
 - ii) EUIN will not be applicable to overseas distributors who comply with the requirements of AMFI guidelines
 - iii) Where the EUIN is left blank, the declaration by the investor should state that EUIN space has been left blank as the transaction is an “execution only” transaction.
10. Applications not complete in any respect are liable to be rejected.
 11. The AMC / Trustee retains the sole and absolute discretion to reject any application.

Compliance with Foreign Accounts Tax Compliance Act (FATCA) / Common Reporting Standards (CRS) Under the FATCA provisions of the US Hiring Incentives to Restore Employment “HIRE” Act, a withholding tax will be

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levied on certain US sourced income / receipt of the scheme unless it complies with various reporting requirements under FATCA. These provisions would be applicable in a phased manner as per the dates proposed by the US authorities. For complying with FATCA, the AMC/ the Fund will be required to undertake due diligence process and identify US reportable accounts and collect such information / documentary evidences of the US and / or non-US status of its investors / Unit holders and disclose such information as far as may be legally permitted about the holdings / investment. An investor / Unit holder will therefore be required to furnish such information to the AMC/ Fund to comply with the reporting requirements stated in the FATCA provisions and circulars issued by SEBI / AMFI / Income tax Authorities / such other Regulator in this regard. India has joined the Multilateral Competent Authority Agreement on Automatic Exchange of Information (AEOI) for CRS. The CRS on AEOI requires the financial institution of the “source” jurisdiction to collect and report information to their tax authorities about account holders “resident” in other countries, such information having to be transmitted “automatically” annually.

Ultimate Beneficial Owner(s) (UBO(s)):

Pursuant to SEBI Master Circular no. CIR/ISD/AML/3/2010 dated December 31, 2010 on anti-money laundering standards and SEBI Circular no. CIR/MIRSD/2/2013 dated January 24, 2013 on identification of Beneficial Ownership, investors (other than Individuals) are required to provide details of Ultimate Beneficial Owner(s) (“UBO(s)”) and submit proof of identity (viz. PAN with photograph or any other acceptable proof of identity prescribed in common KYC form) of UBO(s).

As per these guidelines, UBO means ‘Natural Person’, or persons who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted, and includes a person who exercises ultimate effective control over a legal person or arrangement. Investors are requested to refer to the ‘UBO Declaration’ for details of UBO.

In accordance with AMFI Best practices guidelines Circular no. 62/2015-16 dated September 18, 2015, it is mandatory for investors to provide beneficial ownership details failing which the transaction for additional subscription (including switches) will be liable to be rejected.

However, the investor or the owner of the controlling interest is a company listed on a stock exchange, or is a majority-owned subsidiary of such a company, is exempted from the provisions of UBO.

Application incomplete in any respect (other than mentioned above) will be liable to be rejected

In order to protect investors from frauds, it is advised that the Application Form number / folio number, scheme name and name of the first investor should be written overleaf the cheque / draft, before they are handed over to any courier / messenger / distributor / ISC.

In order to protect investors from fraudulent encashment of cheques, Regulations require that cheques for Redemption of Units specify the name of the Unit Holder and the bank name and account number where payments are to be credited. Hence, all applicants for Purchase of Units must provide a bank name, bank account number, branch address, and account type in the Application Form.

Application through MF utility platform:

Navi AMC has entered into an agreement with MF Utilities India Private Limited (“MFUI”), a “Category II – Registrar to an Issue” under SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, for usage

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of MF Utility (“MFU”) - a shared services initiative of various Asset Management Companies, which acts as a transaction aggregation portal for transacting in multiple Schemes of various Mutual Funds with a single form and a single payment instrument.

Accordingly, all financial and non-financial transactions pertaining to the schemes of Navi Mutual Fund except Exchange Traded Funds (ETFs) can be done through MFU either electronically on www.mfuonline.com as and when such a facility is made available by MFUI or physically through the authorized Points of Service (“POS”) of MFUI with effect from the respective dates as published on MFUI website against the POS locations.

The list of POS of MFUI is published on the website of MFUI at www.mfuindia.com as may be updated from time to time. The Online Transaction Portal of MFU i.e. www.mfuonline.com and the POS locations of MFUI will be in addition to the existing Official Points of Acceptance (“OPA”) of MOMF.

The uniform cut-off time as prescribed under SEBI (Mutual Funds) Regulations, 1996 and as mentioned in the Scheme Information Document (SID) / Key Information Memorandum (KIM) of respective schemes of Navi Mutual Fund shall be applicable for applications received on the portal of MFUI i.e. www.mfuonline.com. However, investors should note that transactions on the MFUI portal shall be subject to the eligibility of the investors, any terms & conditions as stipulated by MFUI / Navi Mutual Fund / Navi AMC Limited from time to time and any law for the time being in force. Investors are requested to note that, MFUI will allot a Common Account Number (“CAN”), a single reference number for all investments in the Mutual Fund industry, for transacting in eligible schemes of various Mutual Funds through MFU and to map existing folios, if any. Investors can create a CAN by submitting the CAN Registration Form (CRF) and necessary documents at the MFUI POS.

Navi AMC Limited and / or its Registrar and Transfer Agent (RTA) shall provide necessary details to MFUI as may be needed for providing the required services to investors / distributors through MFU. Investors are requested to visit the websites of MFUI i.e. www.mfuindia.com to download the relevant forms.

For any queries or clarifications related to MFU, please contact the Customer Care of MFUI on 1800-266- 1415 (during the business hours on all days except Sunday and Public Holidays) or send an email to clientservices@mfuindia.com.

StAR MF facility

Investors can also subscribe to the Units of the Scheme through MFSS and/or NMF II facility of NSE, BSE StAR MF facility of BSE and ICEX. Stock Exchanges are required to allow investors to directly access infrastructure of recognized stock exchange to purchase and redeem Mutual Fund units from Mutual Fund/AMC. Investors can avail this facility as and when the same is made available by Stock Exchanges.

KYC compliant investors can registered themselves on Stock Exchanges by providing their PAN and creating their profile on the said platform. Stock Exchanges will allot the identification number upon receipt of signed and scanned registration form. Further upon receipt of authorisation by the Stock Exchanges platform the investor can commence the transaction.

Payment Mode

Payment can be made by either

- cheque;

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- draft (i.e. demand draft or bank draft); or
- a payment instrument (such as pay order, banker's cheque, etc.)
- a payment mode as may be approved by the AMC from time to time.

Resident Investors

Applications accompanied with cash, money orders, postdated cheques [except for Systematic Investment Plan (SIP)], third party cheques, outstation cheques and postal orders are liable to be rejected. Cheques drawn on the bank not participating in the clearing house will not be accepted.

The AMC will reimburse demand draft charges subject to maximum of Rs. 1,000/- per transaction for purchase of units by investors residing at location where the ISC's/Official Points of Acceptance are not located as per the table below:

Amount of Investments	Rate of Charge of Demand Drafts
Upto Rs 10,000	At actuals subject to a maximum of Rs 50
Above Rs 10,000	Rs. 0.50 per Rs 1000
Maximum Charges	Rs. 1,000

The AMC reserves the right to refuse bearing of demand draft charges, in case of investments made by the same applicant(s) through multiple applications at its own discretion which will be final and binding on the investor. Investors residing at places other than where the ISC's/Official Point of Acceptance are located, are requested to make the payment by way of demand draft(s) after deducting charges as per the rates indicated in the above table. The AMC reserves the right to insist for the proof of demand draft charges. It may be noted that additional charges, if any, incurred by the investor over and above the levels indicated above will not be borne by the AMC. No demand draft charges will be borne by the AMC for purchase of Units by investors residing at such locations where the ISC's/Official Points of Acceptance are located. Reimbursement of demand draft charges will be applicable for all equity schemes and hybrid schemes.

Investors may kindly note that DD charges will not be reimbursed for debt and liquid schemes of the Mutual Fund. Applications accompanied by cheques/drafts not fulfilling the above criteria are liable to be rejected.

Through NACH Facility:

The investors can now make payment of Lumpsum investment or SIP installments through NACH facility. NACH is a centralized system, launched by National Payments Corporation of India (NPCI) with an aim to consolidate multiple Electronic Clearing System (ECS) mandates.

Investors can avail of NACH facility by duly filling up and submitting the SIP Enrolment cum NACH /Auto Debit Mandate Form. A Unique number will be allotted to every mandate registered under NACH called as Unique Mandate Reference Number ("UMRN") which can be used for SIP transactions. The NACH facility shall be available subject to the terms and conditions contained in the Mandate Form and other guidelines as prescribed by NPCI from time to time.

Additional mode of payment through Applications Supported by Blocked Amount ("ASBA") in Mutual Funds for investing in New Fund offer (NFO)

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In terms of SEBI circular No. SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15,2010, an investor can subscribe to the New Fund Offer (NFO) of Mutual Fund launched on or after July 1, 2010, through the ASBA facility by applying for the units offered by the Schemes in the ASBA application form and following the procedure as prescribed therein.

“Applications Supported by Blocked Amount” or “ASBA” is an application containing an authorization given by the Investor to block the application money in his specified bank account towards the subscription of Units offered during the NFO of the Schemes of Navi Mutual Fund If an investor is applying through ASBA facility, the application money towards the subscription of Units shall be debited from his specified bank account only if application of the investor is selected for allotment of Units.

Investors under ASBA can also subscribe to NFO of the Schemes by making physical or electronic application through Self Certified Syndicate Bank (“SCSB”).

Benefits of Applying through ASBA facility:

- a) The Investor need not issue a cheque of a demand draft, as the investor needs to submit the ASBA application form accompanying an authorization to block the account to the extent of application money towards subscription of units in the NFO. The investor can use the balance money, if any, for other purposes.
- b) Release/unblocking of blocked funds after allotment is done instantaneously.
- c) As the application amount remains in the investor’s bank account, the investor continues to earn interest till the allotment is made, when an application is made under ASBA facility.
- d) Refunds of money to the investors do not arise as the application money towards subscription of units is debited only on the allotment of units.

ASBA Procedure

- i) An investor intending to subscribe to the units during NFO through ASBA facility shall submit a duly completed ASBA application form to a SCSB with whom such investor’s bank account is maintained.
- ii) The ASBA Application Form towards the subscription of units can be submitted through one of the following modes:

- submit the form physically with the Designated Branches (DBs) of SCSB (“Physical ASBA”); or
- submit the form electronically through the internet banking facility offered by the SCSB (“Electronic ASBA”).

- iii) An acknowledgement will be given by the SCSB in the form of the counter foil or specifying the application number for reference. Such acknowledgement does not guarantee, in any manner, that the investors will be allotted the units he has applied for.

Note: The application would be rejected by the Bank, if the bank account specified in the ASBA application form does not have sufficient credit balance to meet the application money towards the subscription of units in the NFO.

- iv) On acceptance of physical or electronic ASBA, the SCSB shall block funds available in the specified bank account to the extent of application money specified in ASBA application Form.
- v) Application money towards the subscription of units shall be blocked in the account until (i) allotment of units is made or (ii) the application is rejected.
- vi) SCSBs shall unblock the bank accounts for (i) transfer of requisite money to the Mutual Fund / scheme bank account against each valid application on allotment or (ii) in case the application is rejected.

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vii) The list of SCSBs and their DBs where ASBA application form can be submitted is available on the websites of BSE (www.bseindia.com), NSE (www.nseindia.com) and SEBI (www.sebi.gov.in) and shall also be given in the ASBA application form.

Grounds for Technical Rejections of ASBA application forms

ASBA application forms can be rejected, at the discretion of Registrar and Transfer Agent of Navi Mutual Fund or AMC or SCSBs including but not limited on the following grounds:-

- i) Applications by persons not competent to contract under the Indian Contract Act, 1872, including but not limited to minors, insane persons etc.
- ii) Mode of ASBA i.e. either physical ASBA or electronic ASBA is not selected or ticked.
- iii) ASBA application form without the stamp of the SCSB.
- iv) Application by any person outside India if not in compliance with applicable foreign and Indian laws.
- v) Bank account details not given/incorrect details given.
- vi) Duly certified Power of Attorney, if applicable, not submitted along with the ASBA application form.
- vii) No corresponding records available with the Depositories matching the parameters namely (a)

Names of the ASBA applicants (including the order of names of joint holders) (b) DP ID (c) Beneficiary account number or any other relevant details pertaining to the Depository account.

Mechanism for Redressal of Investor Grievances:

All grievances relating to the ASBA facility may be addressed to the respective SCSBs, giving complete details such as name & address of the applicant, number of units applied for, counterfoil or the application reference given by the SCSBs, DBs or CBs, amount paid on application and the Designated Branch or the collection centre of the SCSB where the application form was submitted.

If the SCSB has not resolved the grievance, investors should write to Computer Age Management Services Limited (CAMS), Registrar and Transfer Agent of Navi Mutual Fund.

Non Resident Indians (NRI)/Persons of Indian Origin (PIO), Foreign Institutional Investors

Repatriation Basis

In the case of NRIs including PIOs, payment may be made either by inward remittance through normal banking channels or out of funds held in his 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.

FIs 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 in accordance with the relevant exchange management regulations.

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Non-repatriation Basis

In the case of NRIs/PIOs, payment may be made either by inward remittance through normal banking channels or out of funds held in his 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.

Returned cheque(s) are liable not to be presented again for collection, and the accompanying Application Form is liable to be rejected. In case the returned cheque(s) are presented again, the necessary charges may be debited to the Investor.

Application under Power of Attorney

An applicant wanting to transact through a power of attorney must lodge the photocopy of the Power of Attorney (POA) attested by a Notary Public or the original POA (which will be returned after verification) within 30 days of submitting the Application Form / Transaction Slip at a Designated ISC's/Official Point of acceptance or along with the application in case of application submitted duly signed by POA holder. Applications are liable to be rejected if the power of attorney is not submitted within the aforesaid period.

Application by a non – individual investor

In case of an application by a company, body corporate, society, mutual fund, trust or any other organisation not being an individual, a duly certified copy of the relevant resolution or document along with the updated Specimen Signature list of Authorised Signatories must be lodged along with the Application Form / Transaction Slip at a Designated ISC's/Official Point of acceptance. Further, the AMC may require that a copy of the incorporation deeds / constitutive documents (e.g. Memorandum and Articles of Association) be also submitted to the ISC's/Official Point of acceptance.

Requests for redemption may not be processed if the necessary documents are not submitted .

Mode of Holding

An application can be made by up to a maximum of three applicants. Applicants must specify the 'mode of holding' in the Application Form.

If an application is made by one Unit Holder only, then the mode of holding will be considered as 'Single'.

If an application is made by more than one Investors, they have an option to specify the mode of holding as either 'Jointly' or 'Anyone or Survivor'.

In either of the cases referred above i.e. application made by one investor/more than one investor, the Fund shall not entertain requests for including any other person as a joint holder once the application has been accepted.

If the mode of holding is specified as 'Jointly', all instructions to the Fund would have to be signed by all the Unit Holders, jointly. The Fund will not be empowered to act on the instruction of any one of the Unit Holders in such cases.

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If the mode of holding is specified as 'Anyone or Survivor', an instruction signed by any one of the Unit Holders will be acted upon by the Fund. It will not be necessary for all the Unit Holders to sign.

If an application is made by more than one investor and the mode of holding is not specified, the mode of holding would be treated as 'Anyone or Survivor'.

In all cases, all communication to Unit Holders (including account statements, statutory notices and communication, etc.) will be addressed to the first-named Unit Holder. All payments, whether for redemptions, dividends, etc will be made favouring the first-named Unit Holder.

The first named Unit Holder shall have the right to exercise the voting rights associated with such Units as per the applicable guidelines.

Investors should carefully study the paragraphs on “Transfer and Transmission” and “Nomination Facility” before ticking the relevant box pertaining to the mode of holding in the Application Form.

Transaction Charges

Pursuant to SEBI circular vide no. Cir / IMD / DF / 13 / 2011 dated 22 August 2011, a transaction charge per subscription of Rs.10,000/- and above will be charged from the investors and paid to distributors / agents (who have opted to receive the transaction charges) w.e.f. 1 November 2011, as follows:

1. Rs. 100/- per subscription of Rs.10,000/- and above for existing investors in Mutual Funds.
2. Rs.150/- per subscription of Rs.10,000/- and above for a first time investor in Mutual Funds.
3. The transaction charge, if any, shall be deducted by the AMC from the subscription amount and paid to the distributor and the balance shall be invested.
4. There shall be no transaction charge on subscription below Rs.10,000/-.
5. Transaction charges shall be applicable on purchases/ subscriptions relating to new inflows.
6. In case of SIPs, the transaction charge shall be applicable only if the total commitment through SIPs amounts to Rs.10,000/- and above and shall be recovered in a maximum of 4 installments.
7. There shall be no transaction charges on direct investments.
8. The Account Statement shall state that the net investment as gross subscription less transaction charges, if any and specify the no. of units allotted against the net investment.

The upfront commission on investment made by the investor, if any, shall be paid to the ARN Holder (AMFI registered Distributor) directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder. The distributors shall have also the option to either opt in or opt out of levying transaction charge based on type of the product.

Standard process for treatment of business received through suspended distributors:

Treatment of purchase/switch/SIP/STP transactions received through distributors who are suspended by AMFI shall be as follows:

1. During the period of suspension, no commission shall be accrued or payable to the distributor whose ARN is suspended. During the period of suspension, commission on the business canvassed prior to the date of

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suspension shall stand forfeited, irrespective of whether the suspended distributor is the main ARN holder or a sub-distributor.

2. All Purchase and Switch transactions, including SIP/STP registered prior to the date of suspension and fresh SIP / STP registrations received under the ARN code of a suspended distributor during the period of suspension, shall be processed under "Direct" Plan" and shall be continued under Direct Plan perpetually*. AMC shall suitably intimate to the unitholder(s).

*Note: If the AMC receives a written request / instruction from the first/sole unitholder to shift back existing assets, future SIP/STP installments or both to Regular Plan under the ARN of the distributor post the revocation of suspension of ARN, the same shall be honored. Investors may be liable to bear capital gains taxes per their individual tax position for such transactions.

3. All Purchase and Switch transactions including SIP/STP transactions received through the stock exchange platforms through a distributor whose ARN is suspended shall be rejected.

4. In cases where the ARN of the distributor is permanently terminated, the unitholders have the following options:

- a. Switch their existing investments under the Regular Plan to Direct Plan (Investors may be liable to bear capital gains taxes per their individual tax position for such transactions);
- b. or b. Continue their existing investments under the Regular Plan under ARN of another distributor of their choice

This is applicable for all schemes of Navi Mutual Fund with effect from October 31, 2019.

Additional facilities for subscription/redemption/switch of units:

Transactions through Electronic Mode

The Mutual Fund may allow subscriptions of Units by electronic mode including through the various web sites with which the AMC would have an arrangement from time to time.

Subject to the investor fulfilling certain terms and conditions as stipulated by AMC from time to time, the AMC, Mutual Fund, Registrar or any other agent or representative of the AMC, Mutual Fund, the Registrar may accept transactions through any electronic mode including through fax/web/ phone transactions as permitted by SEBI or other regulatory authorities.

For details investors are advised to refer to the SID of the respective Scheme(s) of the Mutual Fund.

Investors ("Sender") can send the signed valid application form / transaction slip for all the schemes of Navi Mutual Fund (**'the Fund'**) except Exchange Traded Funds for financial transactions viz. purchase, switch and redemption through their registered email id to contact.mf@navi.com. (**'Designated Email'**). In case the transaction request has been submitted through unregistered email id, then the AMC reserves the right to process such transactions after carrying out necessary validations provided application form / transaction slip has been signed by the unitholders as per mode of holding in the folio and transaction is otherwise valid and complete in all respect.

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The AMC will accept requests for financial transactions viz purchase, switch and redemption Electronic Mail Facility (“Email Facility”) subject to the Sender fulfilling the terms and conditions as prescribed by the AMC from time to time. The following are the terms and conditions of the Email Facility:

- A. For the purpose of determining the applicable NAV in accordance with SEBI (Mutual Funds) Regulations, 1996, the system generated date and time of the Email received by the Server of the AMC will be considered.
- B. The Sender agrees and acknowledges and is aware that there may be delay in delivery / difference in the date and time of the email received at the server of the AMC and the date and time of the server through which investor has sent the email and also the AMC server may not receive / reject the email sent by the Sender at all.
- C. To consider cut off timing and availability of funds for utilization for determining the applicable NAV the provisions of the respective Scheme Information Documents of the Scheme will be considered.

The uniform cut off timing for applicability of NAV prescribed under SEBI (Mutual Funds) Regulations, 1996 and as mentioned in Scheme Information Documents (**‘SIDs’**)/ Key Information Memorandums (**‘KIMs’**) of respective schemes of the Fund will be applicable for transactions received through email. The time of receipt of transaction recorded on the Designated Email and timing of receipt of funds shall be considered as final and binding for the purpose of determining applicability of NAV.

The Sender agrees and acknowledges that Electronic Facility is not a secure means of giving instructions / transaction’s and is fully aware of the risks involved including but not limited to such instructions / transaction’s requests being inaccurate, imperfect, ineffective, illegible, having a lack of quality, clarity, garbled, altered, distorted, not timely etc.

The sender is requested to note that the acceptance of transactions through email is a facility provided by the AMC for the convenience of the sender and will be provided on a best effort basis. The AMC shall not be held liable for any loss suffered by the sender for processing of email transaction and/or for the acts done in good faith.

Restriction on acceptance of third party payment for subscription of units under the schemes of Navi Mutual Fund:

Navi AMC Limited (AMC) / Navi Mutual Fund shall not accept applications for subscriptions of units accompanied with third party payment. “Third party payment” means payment made through an instrument issued from a bank account other than that of the first named applicant /investor mentioned in the application form.

As referred to in the paragraph above, following are exceptional cases where third party payments will be accepted subject to requisite documentation /declarations.

- 1. Payment by parents / legal guardian of the minor/ from joint account of the minor with parent or legal guardian on behalf of minor in consideration of natural love and affection or as gift for a value not exceeding Rs. 50,000. However, the donors will have to comply with the requirements stated herein below.
- 2. Payment by employer on behalf of employee under systematic investment plan (SIP) facility through pay roll deductions.

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3. Custodian on behalf of an FII or a client.

Investors submitting their applications through the above-mentioned exceptional cases are required to comply with the following, without which applications for subscriptions for units will be rejected /not processed /refunded.

- a. Mandatory KYC for all the investors (guardian in case of minor) and the person making the payment i.e. third party. In order for an application to be considered as valid, investors and the person making the payment should attach their valid KYC acknowledgment letter to the application form.
- b. Submission of a separate, complete and valid “third party declaration form” from the investors (guardian in case of minor) and the person making payment i.e. the third party. The said declaration form shall, inter-alia contain the details of the bank account from which the payment is made and the relationship with the investor(s).

The Forms shall be available and accepted at the office of Investor Service Center, Official Point of Acceptance of Transaction, Distributors, at the registered and corporate office of the AMC and the office of the Registrar during the business hours. The same can also be downloaded from the website of the Mutual Fund, www.navimutualfund.com and from website of Registrar www.camsonline.com .

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III. RIGHTS OF UNITHOLDERS OF THE SCHEME

1. Unit holders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme.
2. When the Mutual Fund declares a dividend under the Scheme, the dividend warrants shall be dispatched within 07 working days from Record Date. Account Statement reflecting the new or additional subscription as well as Redemption / Switch of Units shall be dispatched to the Unit holder within 03 working days of the Specified Redemption Date and 5 working days – for schemes investing at least 80% of total assets in permissible overseas investments. Such other timeline as may be prescribed by AMFI in case of exceptional circumstances notified by it 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.
3. The Mutual Fund shall dispatch Redemption proceeds within 03 working Days of receiving the Redemption request.
4. The Trustees are bound to make such disclosures to the Unit holders as are essential in order to keep the unitholders informed about any information known to the Trustee which may have a material adverse bearing on their investments.
5. The appointment of the AMC for the Mutual Fund can be terminated by majority of the Directors of the Trustee Board or by 75% of the Unit holders of the Scheme.
6. 75% of the Unit holders of a Scheme can pass a resolution to wind- up a Scheme.
7. 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 if a requisition is 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 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
 - (ii) the Unit holders are given an option of 30 days to exit at the prevailing Net Asset Value without any Exit Load.
8. In specific circumstances, where the approval of unit holders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.
9. The annual report containing accounts of the AMC would be displayed on the website of the AMC (i.e. www.navimutualfund.com and www.mostshares.com). Unitholders, if they so desire, may request for the annual report of the AMC

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IV. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

Schedule Eighth of SEBI MF Regulation and various circulars issued from time to time provided detailed guidelines on valuation of traded securities, non-traded securities, thinly traded securities, etc.

Securities and Exchange Board of India (SEBI) vide circular No. Cir/IMD/DF/6/2012 dated February 28, 2012 and Gazette Notification No. LAD-NRO/GN/2012-12/38/4290 dated Feb 21, 2012 amended SEBI (mutual Funds) Regulations, 1996.

The emphasis of this amendment was on Principles of Fair valuation and the onus was on respective AMCs to formulate their own valuation policies & procedures providing fair treatment to all investors – past, present and future. According to SEBI, Fair Valuation would imply the following

The valuation of investments shall be based on the principles of fair valuation i.e. valuation shall be reflective of the realizable value of the securities/assets. The valuation shall be done in good faith and in true and fair manner through appropriate valuation policies and procedures.

The amendment also states that in case of any conflict between the principles of fair valuation and guidelines as per Eighth Schedule and circulars issued by SEBI, the Principles of Fair Valuation shall prevail.

AMFI had issued best practice guidelines circular No. 29/2012-13 dated May 15, 2012 on Valuation Principles for valuing Debt and Money Market Instruments.

1. Valuation methodologies

The methodology that will be followed for valuing different types of securities held by the schemes of NAVI Mutual Fund is given in 'Annexure A'

In case of any new security not covered by the present universe in Annexure, A, the valuation methodology for the same will be laid down with the approval of the board of the AMC.

2. Inter-scheme transfers

All the Inter-scheme transfers shall be done in line with regulatory requirements and as per current internal policy viz. at prevailing market price.

Annexure A describes the methodology that is followed in arriving at the fair valuation of securities which are intended to be transferred from one scheme to another.

3. Valuation Committee

1. Valuation committee comprises of the following personnel:

- a. Chief Executive Officer (CEO)
- b. Chief Investment Officer (CIO)
- c. Head - Fixed Income and in his absence, Fund Manager- Fixed Income

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- d. Head- Equities and in his absence, Fund Manager-Equity
- e. Fund Manager - Commodity
- f. Head - Operations & Customer Service
- g. Head - Compliance
- h. Company Secretary

The CEO can reconstitute or nominate additional members of the valuation committee.

2. Scope of the Valuation Committee:

- a. Define valuation procedure and methodology for different types of securities
- b. Review, approve and recommend the valuation policy/ procedures to the AMC & Trustee Board for their approval and noting.
- c. Review the accuracy and appropriateness of methods used in arriving at the fair value of securities and recommend changes, if any.
- d. Review and approve valuation methodologies at least annually or more frequently based on market condition
 - e. Review the policy and procedures on a periodic basis, at least once annually.
- f. Review and approve the spread adjustment in the value of asset based on liquidity and issuer risk consideration.
- g. Act as escalation body for pricing/ valuation issues, addressing areas of potential conflicts of interest
- h. Lay down procedures to prevent incorrect valuation.
 - i. Recommend valuation method during exceptional events.
 - j. Recommend valuation methodology for a new type of security.
 - k. Report to the AMC / Trustee Board regarding any deviations or incorrect valuations and disclosures to the investors.

4. Handling conflict of Interest

The valuation committee shall be responsible for ongoing review of areas of conflict and should recommend to the AMC Board the procedures to mitigate it and therein recommend changes, if any, in policy/methodology. The same shall be ratified with the Board of the AMC and Trustee.

5. Exceptional Events

Following are the some of the events that can broadly be classified as exceptional events:

- a. Major policy announcements by the Reserve Bank of India, Central Bank, the Government or any Regulatory body (SEBI/IRDA/PFRDA).
- b. Natural disasters or public disturbances that force the markets to close unexpectedly.
- c. Absence of trading in a specific security or similar securities
- d. Significant volatility in the capital markets
- e. Severe liquidity issue in the market
- f. Any other events where realizable value may be substantially different from benchmark based prices obtained.

Any change/modification to the above list of exceptional events shall be updated from time to time. The

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Valuation Committee shall be responsible for monitoring exceptional events and recommending appropriate valuation methods under the circumstances.

Further, the Valuation Committee shall seek the guidance of the AMC board in deciding the appropriate methodology for valuation of affected securities.

6. Deviation:

Deviation in the valuation policy and procedures shall be allowed only with the prior approval of the Valuation Committee followed by reporting to the Board of the AMC and Trustee. Deviations from the valuation policy and principles, if any, will be communicated to the unit holders' through suitable disclosures on the fund website.

7. Record keeping

This policy document will be updated in SID / SAI, AMC website and other documents as prescribed by the SEBI regulations and guidelines.

All the documents which form the basis of valuation including inter-scheme transfers (the approval notes & supporting documents) shall be maintained in electronic form or physical papers.

Above valuation records shall be maintained and preserved for a period of 8 years and in accordance with the norms prescribed by the SEBI from time to time..

8. Review

The policy shall be reviewed by the Board of Directors of Navi AMC Limited and Navi Trustee Limited annually on or need basis whichever is earlier.

9. Disclosure

In order to ensure transparency of valuation norms adopted by the AMC, the valuation policy and procedures shall be disclosed in the Statement of Additional Information (SAI), on the website, viz. www.navimutualfund.com and at any other place as may be specified by SEBI.

Annexure A

Following are the broad valuation methodology for each type of securities.

1. EQUITY AND RELATED SECURITIES

Equity Shares, Preference Share, Equity Warrants, InvIT's / ReIT's	
Traded	At the last quoted closing price on the Bombay Stock Exchange (BSE)/ National Stock Exchange (NSE) or other stock exchange, where such security is listed. NSE will be the primary stock exchange. If not traded on the primary stock exchange, the closing price on the other stock exchange will be considered. For valuation of securities held by Exchange Traded Funds (ETFs) and Index funds which are benchmarked to indices relating to a particular stock exchange, the primary stock exchange will be that exchange, e.g. for a Nifty Index Fund, the primary stock exchange will be NSE, for a Sensex Index Fund, the primary stock exchange will be the BSE.

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<p>Non Traded</p>	<p><u>APPLICATION MONEY FOR PRIMARY MARKET ISSUE</u></p> <p>Application money should be valued at cost up to 60 days from the closure of the issue. If the security is not allotted within 60 days from the closure of the issue, application money is to be valued as per the directives of valuation committee. Rationale of valuing such application money should also be recorded.</p> <p>Equity securities allotted and proposed to be listed, but not listed, are to be valued at cost till two months from the date of allotment and after two months, are to be valued as unlisted securities. Method of valuing unlisted equity is stated below.</p> <p><u>VALUATION OF NON TRADED / THINLY TRADED SECURITIES</u></p> <p>When a security is not traded on any stock exchange, on the date of valuation, then the previous closing price on NSE / any other Stock Exchange will be used, provided such closing price is not earlier than a period of 30 calendar days.</p> <p>If the equity securities are not traded on any stock exchange for a period of thirty days prior to the valuation date, the scrip must be treated as 'non-traded' scrip.</p> <p>Thinly traded equity/ equity related security is defined in SEBI (Mutual Fund) Regulations as follows:</p> <p><i>When trading in an equity/equity related security (such as convertible debentures, equity warrants, etc.) in a month is both less than Rs. 5 lacs and the total volume is less than 50,000 shares, it shall be considered as thinly traded security and valued accordingly.</i></p> <p>In line with these guidelines issued by SEBI, non-traded / thinly traded securities should be valued as follows:</p> <p>Net worth per share is computed as follows:</p>
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i. Net worth of the company = Paid up share capital + Reserves (other than Revaluation reserve) - Miscellaneous expenditure & debit balance in Profit and Loss account
 Net worth per share = (Net worth of the company / Number of paid up shares).

Computation of capitalized value of earning per share (EPS):

i) Determination of the Industry Price Earning Ratio (P/E) to which the company belongs.

- Classification of industries provided by AMFI should be adopted.
- Presently Industry P/E Ratio used is provided by NSE on a monthly basis. However, the P/E ratio data if not available from BSE/NSE, P/E provided by the Capital Market, Prowess (CMIE), Reuters etc. should be taken.

• Compute EPS from the latest audited annual accounts. In case the EPS is negative, EPS value shall be considered as zero

• Compute capitalized value of EPS at 75% discount $(P/E * 0.25) * EPS$

Computation of fair value per share to be considered for valuation at 10 % discount for illiquidity.
 $[(Net\ worth\ per\ share + Capitalized\ value\ of\ EPS) / 2] * 0.90$

In case the latest balance sheet i.e. balance sheet prepared within nine months from the close of the accounting year of the company, is not available (unless the accounting year is changed) the shares should be valued as zero.

In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalized earning.

(f) In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.

In case an individual non traded / thinly traded security as valued aforesaid, accounts for more than 5% of the total asset of the scheme, AMC should appoint an independent valuer. The security shall be valued on the basis of the valuation report of the valuer.

To determine if a security accounts for more than 5% of the total assets of the scheme, it should be valued by the procedure above and the proportion which it bears to the total net assets of the scheme to which it belongs would be compared on the date of valuation.

VALUATION OF UNLISTED SECURITIES

SEBI Circular No. MFD/CIR/03/526/2002 dated May 9, 2002 has prescribed the method of valuation for unlisted equity securities. These guidelines are similar to the guidelines issued by SEBI for non-traded / thinly traded securities mentioned above only except the following:

Computation of Net worth per share *as lower of (a) and (b)*:

a. i) Net worth of the company = Paid up share capital + Reserves other than Revaluation reserve - Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses.

ii) Net worth per share = (Net worth of the company / Number of paid up shares).

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b) i) Net worth of the company = Paid up capital + Consideration on exercise of Option/Warrants received/receivable by the company + free reserves other than Revaluation reserve – Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses.
Net worth per share = (Net worth of the company/{Number of paid-up shares + number of shares that would be obtained on conversion/exercise of outstanding warrants and options}).

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If the net worth of the company is negative, the share should be marked down to Zero.

Computation of fair value per share to be considered for valuation at 15 % discount for illiquidity. $[(\text{Net worth per share} + \text{Capitalised value of EPS}) / 2] * 0.85$

In case the latest balance sheet i.e. balance sheet prepared within nine months from the close of the accounting year of the company, is not available (unless the accounting year is changed) the shares should be valued as zero.

At the discretion of the AMC and with the approval of the trustees, unlisted equity scrip may be valued at a price lower than the value derived using the aforesaid methodology.

VALUATION OF NON-TRADED WARRANTS

In respect of warrants to subscribe for shares attached to instruments, the warrants can be valued similarly to the valuation of the convertible portion of debentures, as reduced by the amount which would be payable on exercise of the warrant. If the amount payable on exercise of the warrants is higher than the value of the share, the value of the warrants should be taken as zero.

Value of Warrant = [Value of share computed as stated in the paragraph above - exercise price]

VALUATION OF PREFERENCE SHARES

Non traded preference shares should be valued in good faith depending upon the type of the preference Share and after considering illiquidity discount if any.

VALUATION OF ILLIQUID SECURITY IN EXCESS OF 15% OF TOTAL ASSETS OF THE SCHEME

As per SEBI Circular No. MFD/CIR/ 8 / 92 / 2000 dated September 18, 2000

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Illiquid security means securities defined as non-traded, thinly traded and unlisted equity shares.

As per the SEBI Regulations aggregate value of Illiquid securities should not exceed 15% of the total assets of the scheme and any illiquid securities held above 15% of the total assets shall be assigned zero value

VALUATION OF CONVERTIBLE DEBENTURES

As per Eighth Schedule of SEBI (Mutual Fund) Regulations method of valuation of convertible debentures is prescribed.

Non-convertible and convertible components are valued separately.

A. The non-convertible component shall be valued on the same basis as would be applicable to a non-convertible debt instrument mentioned at clause 2 above.

B. The convertible component to be valued as follows:

1. Ascertain
 - The number of shares to be received after conversion.
 - Whether the shares would be pari passu for dividend on conversion.
 - The rate of last declared dividend.
 - Whether the shares are presently traded or non-traded/thinly traded.
 - Market rate of shares on the date of valuation

In case the shares to be received are, on the date of valuation, are thinly traded / non-traded, these shares to be received on conversion are to be valued as thinly traded / non-traded shares as stated at para 1.2 above.

In case the shares to be received on conversion are not non-traded or thinly traded on the date of valuation and would be traded pari passu for dividend on conversion:

a. Number of shares to be received on conversion, per convertible debenture, multiplied by the present market rate

- b. Determine the discount for non-tradability of the shares on the date of valuation.

(This discount should be determined in advance and to be used uniformly for all the convertible securities. Rate of discount should be documented and approved by the Board of AMC)

Value = (a)*market rate [1-(b)]

iv) In case the shares to be received on conversion are not non-traded or thinly traded on the date of valuation but would not be traded pari passu for dividend on conversion:

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| | <p>a. Number of shares to be received on conversion, per convertible debenture, multiplied by the present market rate</p> <p>b. Arrive at the market value of the shares on the date of valuation by reducing the amount of last paid dividend.</p> <p>c. Determine the discount for non-tradability of the shares on the date of valuation.</p> <p>(This discount should be determined in advance and to be used uniformly for all the convertible securities. Rate of discount should be documented and approved by the Board of AMC)</p> <p>Value = (a)*{b- [1- (c)]}</p> <p>. In case of optionally convertible debentures, two values must be determined assuming both, exercising the option and not exercising the option.</p> <ul style="list-style-type: none">o If the option rests with the issuer, the lower of the two values shall be taken as the valuation of the optionally convertible portion, and;o If the option rests with the investor, the higher of the two values shall be taken. |
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VALUATION OF RIGHTS ENTITLEMENTS - AS PER SCHEDULE VIII OF SEBI (MUTUAL FUND) REGULATIONS

When Company announces rights to the existing equity shareholders, under its Listing Agreement with Stock Exchange; it has to declare ex-right date for the purpose of trading on the Stock Exchange. Ex-right date is a date from which the underlying shares, which are traded on the Stock Exchange, will not be entitled to the rights. These rights entitlements can also be renounced in favour of a willing buyer. These renunciations are in some cases traded on the Stock Exchange. In such case these should be valued as traded equity related securities as detailed hereinabove.

Till the rights are subscribed, the entitlements as per Regulations have to be valued as under:

Valuation of non-traded rights entitlement is principally the difference between the right price and ex-right price. SEBI Regulations have explained this with the help of following formula:

$V_r = n / m \times (P_{ex} - P_{of})$ Where V_r = Value of Rights

n = Number of rights offered

m = Number of original shares held P_{ex} = Ex-right price

P_{of} = Rights offer price

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The following issues while valuing the rights entitlements have to be addressed:

In case original shares on which the right entitlement accrues are not traded on the Stock Exchange on an ex-right basis, right entitlement should be valued as zero.

When rights are not treated pari passu with the existing shares such as, restrictions with regard to dividend etc., suitable adjustment should be made by way of a discount to the value of rights at the last dividend announced rate.

Where right entitlements are not subscribed to but are to be renounced, and where renouncements are being traded, the right entitlements have to be valued at traded renunciation value.

Where right entitlements are not traded and it was decided not to subscribe the rights, the right entitlements have to be valued at zero.

In case the Rights Offer Price is greater than the ex-rights price, the value of the rights share is to be taken as zero.

VALUATION OF SHARES ON DE-MERGER

On de-merger following possibilities arise which influence valuation these are:

i. Both the shares are traded immediately on de-merger: In this case both the shares are valued at respective traded prices.

Shares of only one company continued to be traded on de-merger: Valuation price will be worked out by using cum-price, before demerger reduced for quoted price of the listed resultant company(s).

Both the shares are not traded on de-merger: Shares of de-merged companies are to be valued equal to the pre de merger value up to a period of 30 days from the date of de merger. The market price of the shares of the de-merged company one day prior to ex-date can be bifurcated over the de-merged shares. The market value of the shares can be bifurcated in the ratio of cost of shares.

VALUATION OF SUSPENDED SECURITY

In case trading in an equity security is suspended for trading on the stock exchange up to 30 days, then the last traded price would be considered for valuation of that security.

If an equity security is suspended for trading on the stock exchange for more than 30 days, then it would be considered as non-traded and valued accordingly

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	In case shares of both the companies are not traded for more than 30 days, these are to be valued as unlisted security.
Non Traded	<p><u>APPLICATION MONEY FOR PRIMARY MARKET ISSUE</u></p> <p>i. Application money should be valued at cost up to 60 days from the closure of the issue. If the security is not allotted within 60 days from the closure of the issue, application money is to be valued as per the directives of valuation committee. Rationale of valuing such application money should also be recorded.</p> <p>InvIT / ReIT securities allotted and proposed to be listed, but not listed, are to be valued at cost till two months from the date of allotment and after two months, are to be valued as unlisted securities. Method of valuing unlisted InvIT / ReIT is stated below.</p> <p><u>VALUATION OF NON TRADED/UNLISTED InvIT / ReIT</u></p> <p>When a security is not traded on any stock exchange, on the date of valuation, then the previous closing price on NSE / any other Stock Exchange will be used, provided such closing price is not earlier than a period of 30 calendar days.</p> <p>If the InvIT / ReIT security is not traded on any stock exchange for a period of thirty days prior to the valuation date, the scrip must be treated as 'non-traded' scrip.</p> <p>For Non-traded scrip, valuation would be as per NAV disclosed in the valuation report issued by valuer in the latest half yearly report or latest annual report</p> <p>For private / unlisted InvIT/ReIT, valuation would be as per NAV disclosed in the valuation report issued by valuer in the latest half yearly report or latest annual report.</p>
Thinly Traded	<p>Valuation will be computed in accordance with the method prescribed under SEBI (MF) Regulations. i.e. on the basis of average of book value and the price computed on the basis of the PE ratio (after appropriate discount to Industry PE), further discounted for illiquidity.)</p> <p>Definition of thinly traded equity/ equity related security: When trading in an equity/equity related security in a calendar month is both less than INR 5 lacs and the total volume is less than 50,000 shares, it shall be considered as a thinly traded security</p>
Futures and Options	
Traded	<p>On the valuation day, at the settlement price provided by the respective stock exchanges.</p>
Non Traded	<p>When a security is not traded on the respective stock exchange on the date of valuation, then the settlement price / any other derived price provided by the respective stock exchange.</p>

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2. FIXED INCOME, SOVEREIGN AND RELATED SECURITIES

Money market and debt securities including bill rediscounting:

- For Instruments maturing within or equal to 30 days
- Traded Instruments

In case of multiple platforms reporting trades on the same day, the order of preference will be CCIL F-Trac/NSEOTC, NSE WDM, BSE WDM,

The traded yield / price reported on the Public Platforms will be used only if the following criterion is met:

Residual Maturity	Criteria for Trades reported on Public Platform
For Instruments maturing in 30 days	CD/CPs- At least 8 trades, aggregating to Rs. 400 crores or more. NCDs/Bonds - Atleast 8 trades aggregating to 200 crores or more

For CPs/CDs/ZCBs the weighted average yield will be considered as the traded yield. In case of forward settlement dates traded yield shall be considered for valuation. For Bonds/NCDs the weighted average price will be considered as the traded price. In case of forward settlement dates traded price shall be considered for valuation.

- Non Traded Instruments

Money market and debt securities including bill rediscounting:

All Fixed Income and related securities which are not traded or traded but do not qualify as traded (not falling in the above criteria) will be valued as under:

Securities will be amortized from purchase price/ last traded price on straight line amortization as long as their valuation remains within $\pm 0.025\%$ band of the price derived from the reference price (computed based on CRISIL/ICRA matrices plus applicable spreads) for each bucket. The reference price shall be obtained from the Bond Valuer. The Valuation Committee would ensure that the difference between valuation price and reference price is within $\pm 0.025\%$.

The existing methodology of using amortization will be continued till the availability of reference price from the Bond Valuer.

Note: With effect from 1st April 2020, amortization based valuation shall be dispensed with and all money market and debt securities shall be valued at average of security level prices obtained from valuation agencies.

Principles of Fair Valuation will always prevail over the above methods used for valuation of security/s.

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- **For Instruments maturing above 30days**

Money market and debt securities including bill rediscounting:

All securities will be valued at the average of the scrip level prices provided by the Agency/s nominated by AMFI - currently CRISIL and ICRA.

In case of price being available from only one agency, the same will be considered for valuation.

In case of price not being available from either of the agency/s nominated by AMFI then trades available on multiple platforms on the same day will be used for valuation in the below mentioned order of preference

- FIMMDA F-Trac/NSEOTC
- NSE WDM
- BSE WDM

The traded yield / price reported on the Public Platforms will be used only if the following criterion is met:

Residual Maturity	Criteria for Trades reported on Public Platform
For Instruments with residual maturity of more than 30 days	<p>CD/CPs- At least 5 trades, aggregating to Rs. 250 crores or more.</p> <p>NCDs/Bonds - Atleast 5 trades aggregating to 100 crores or more</p>

For CPs/CDs/ZCBs the weighted average yield will be considered as the traded yield. In case of forward settlement dates traded yield shall be considered for valuation.

For Bonds/NCDs the weighted average price will be considered as the traded price. In case of forward settlement dates traded price shall be considered for valuation.

Where no price available for a particular security then the previous day EOD yield will be maintained for CPs/CDs/ZCBs and previous day EOD price for Bonds/NCDs.

The Valuation Committee will on a quarterly basis review the prices provided by the agency/s.

The Fund Manager can override the security prices provided by agency/s if the same is not representing the current market level for that security by valuing the security with a mark up/mark down \pm 25 bps from the day's closing SLV prices/yield irrespective of the tenor and rating.

For this purpose, a justification note will be prepared by the Fund Manager and approved by the MD & CEO or the Valuation Committee. The rationale for deviation along-with details such as information about the security (ISIN, issuer name, rating etc.), price at which the security was valued vis-a-vis the price as per the valuation agencies and the impact of such deviation on scheme NAV (in amount and percentage terms) shall be reported to the Board of AMC and Trustees.

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2.1 Sovereign Securities including Government Securities, State Government Securities, Treasury Bills and Cash Management Bills:

Irrespective of the residual maturity, sovereign securities would be valued at scrip-level price provided by the valuation agencies.

Principles of Fair Valuation will always prevail over the above methods used for valuation of security/s.

3. Other types of securities

Following methodology shall be adopted for valuation of other types of securities:

- a. Units of Mutual Funds will be valued at the last available NAV
- b. Exchange Traded Funds shall be valued at closing prices available on the stock exchanges (NSE / BSE)
- c. Investments in short-term deposits with banks (pending deployment) and repurchase (repo) transactions (including tri-party repo i.e. TREPS) with tenor of upto 30 days, shall be valued on cost plus accrual basis.
- d. Valuation of securities lent under Securities Lending Scheme: Securities shall be valued according to this policy, The lending fees received for the Securities lent out would be accrued in a proportionate manner till maturity of the contract.
- e. Any investment in "To be Listed" Companies, for Initial 30 days valuation would be done at a purchase price or book cost. After After 30 days, security would be valued on a book value provided by the research analyst or Portfolio manager.
- f. Valuation of physical gold: The gold acquired by the scheme is in the form of standard bars and its value as on a particular day is determined as under:
 - a) The London Bullion Market Association's (LBMA) AM fixing price per troy ounce is increased with the Cost, Insurance, Freight premium and the LBMA fixing charges.
 - b) This value arrived at in (a) above is then converted to the equivalent price for 1 kg gold of 0.995 fineness by applying the conversion factor.
 - c) The Financial Benchmark India Private Ltd (FBIL) reference rate is applied to convert the price from US dollars to Indian Rupees.
 - d) The Indian levies in the form of customs duty, stamp duty, octroi, as applicable are added to arrive at the final landed price of gold.If on any day the LBMA AM fixing or FBIL reference rate is not available due to holiday, then the immediately previous day's prices are applied for the purpose of calculating the value of gold. Premium or discount shall be applied to the valuation price arrived as per above methodology to ensure it reflects the fair value. The premium / discount shall be determined at monthly or such other shorter periodic interval as may be deemed necessary. The premium / discount shall be decided by comparing the domestic price i.e. MCX spot price with the valuation price. In case MCX spot price is not available, any other appropriate source may be used as agreed upon by valuation committee to determine the domestic price
- g. Valuation of Physical Silver :

The Silver held by a Scheme shall be valued at the AM fixing price of London Bullion Market Association (LBMA) in US dollars per troy ounce for Silver having a fineness of 999.0 parts per thousand, subject to the following:

 - (a) adjustment for conversion to metric measures as per standard conversion rates;
 - (b) adjustment for conversion of US dollars into Indian rupees as per the RBI reference rate declared by the Foreign Exchange Dealers Association of India (FEDAI); and

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(c) addition of – (i) transportation and other charges that may be normally incurred in bringing such Silver from London to the place where it is actually stored on behalf of the Scheme; and (ii) notional customs duty and other applicable taxes and levies that may be normally incurred to bring the Silver from London to the place where it is actually stored on behalf of the Scheme: Provided that the adjustment under clause (c) above may be made on the basis of a notional premium that is usually charged for delivery of Silver to the place where it is stored on behalf of the Scheme. Provided further that where the Silver held by the Scheme has a greater fineness, the relevant LBMA prices of AM fixing shall be taken as the reference price. Premium or discount shall be applied to the valuation price arrived as per above methodology to ensure it reflects the fair value. The premium / discount shall be determined at monthly or such other shorter periodic interval as may be deemed necessary. The premium / discount shall be decided by comparing the domestic price i.e. MCX spot price with the valuation price. In case MCX spot price is not available, any other appropriate source may be used as agreed upon by valuation committee to determine the domestic price

h. Valuation of Exchange Traded Commodity Derivatives

Commodities intended to be traded : Gold/Gold Mini (Exchange: MCX/NSE/BSE), Silver (Exchange: MCX/NSE/BSE)

Valuation will be done at end of day closing /settlement price published on the MCX/NCDEX/NSE/BSE and value the commodity on the exchange on which it got transacted.

There might be variants of commodities based on the lot size which may be launched going ahead by different exchanges such as Gold, Gold Mini etc., for such cases we will be taking the closing/settlement price on which it gets transacted.

In case the ETCDs gets converted into physical commodities then upon the receipt of physical commodity at the exchange accredited warehouse in the allocated location the commodity can be valued daily.

i. Valuation of Foreign Securities & ADR/GDR:

Exchange to be considered for valuation of foreign securities and ADRs/GDRs is to be approved by the AMC Board. SEBI has not prescribed the method of valuation of foreign securities and ADR/GDR. Process of valuation to be followed by NAVI Mutual Fund would be as follows:

a. **Receiving last quoted price:**

If the security is listed in a time zone ahead of ours than the same day closing price on appropriate stock exchange as provided by Reuters would be used for valuation. If the security is listed in a time zone behind ours then the previous day's closing price provided by Reuters would be considered for valuation.

In case the security is not traded on the above mentioned days, price of previous day should be used provided the price is not more than 30 days old.

b. **Converting the price in Indian Rupees (INR):**

Since these prices are in foreign currency these are to be converted in Indian Rupees by applying the exchange rate. Bloomberg also provide closing conversion rate, which can be used for converting the foreign currency prices in INR. This closing price in INR should also be used for valuation of foreign securities and ADR/GDR.

In case Bloomberg has not provided the conversion rate, the closing price of the security should be converted to INR at RBI reference rate.

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Valuation of securities with Put / Call options:

The valuation of securities with Put / Call options would be in accordance with SEBI Circular No. SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019 and SEBI/HO/IMD/DF4/P/CIR/2021/593 July 09, 2021 as amended from time to time.

Inter Scheme Policy (IST):-

1. Market Price of same or similar security available on F-Trac/CBRICS at the time of IST would be considered provided the security traded is
2. in a marketable lot (which is Rs. 25 crs).
3. If market price is not available, previous day valuation price will be considered.

Criterion for determining similar securities:

The determination of 'similar securities' should be arrived at by considering industry, parentage, tenor and rating of the issuer.

New IST guidelines applicable within 90 days from 24th September, 2019

1. The price at which IST of any money market or debt security (irrespective of maturity) is to be done will be taken from the valuation agencies
2. IST prices will be given by the agencies within a turn-around-time (TAT) decided
3. If prices from the valuation agencies are received within the pre-agreed TAT, an average of the prices so received will be used for IST pricing
4. If price from only one valuation agency is received within the agreed TAT, that price will be used for IST pricing
5. If prices are not received from any of the valuation agencies within the agreed TAT, the IST pricing will be based on market price of same or similar security available on F-Trac/CBRICS at the time of doing IST provided the security traded is in a marketable lot (which is Rs. 25cr)
6. If market price is not available, previous day valuation price will be considered.

Waterfall approach for valuation of money market and debt securities

SEBI vide circular no. SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019 has laid down broad principles for considering the traded yields for valuation of Debt, money market and government securities. The said circular prescribes AMFI shall ensure valuation agencies have a documented waterfall approach for valuation of Debt & money market securities. AMFI best practices circular (135/BP/83/2019-20) dated November 18, 2019 pertaining to the waterfall mechanism is as follows:

The valuation agencies (CRISIL & ICRA) will follow a waterfall approach for the valuation of money market and debt securities as follows:

- All traded securities will be valued on the basis of traded yields, subject to identification of outlier trades.
- Volume Weighted Average Yield (VWAY) for trades in the last one hour of trading will be used as the basis for valuation of Government Securities and Treasury Bills.
- Valuation of all other money market and debt securities including Government Securities not traded in the last one hour will be done on the basis of VWAY of all trades during the day.
- In case of any exceptional event on a day, only VWAY of trades post such an event will be considered for valuation.

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- All trades on stock exchanges and trades reported on trade reporting platforms till end of the trade reporting time (excluding inter-scheme transfers) will be considered for arriving at the valuation every day.
- CRISIL & ICRA will follow a polling process as part of the waterfall approach and will identify Mutual Funds who will participate in the polling process on a particular day.
- Polling process policy, approved by the Board of AMC and Trustees, will be documented detailing the governance of the polling process.

Valuation of money market and debt securities which are rated below investment grade & Default:

The valuation of money market and debt securities which are rated below investment grade would be in accordance with SEBI Circular No. SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019 as amended from time to time.

Changes in terms of investment:

Any changes to the term of investment would follow guidelines as mentioned in SEBI Circular No. SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019 as amended from time to time.

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V. TAX & LEGAL & GENERAL INFORMATION

A. Taxation on investing in mutual funds

Prospective Unit holders should inform themselves of and take their own advice on the taxes applicable to the subscription, holding and redemption of units, and any distribution (each, a "Relevant Event") under the laws of the place of their operations, domicile, residence, citizenship and/or incorporation. Neither the Fund nor any of the parties listed in the Sections I of this Statement of Additional Information gives or makes any warranty and/or representation as to the tax consequences in relation to any Relevant Event (or combination of Relevant Events), takes any responsibility for any tax consequences in relation to any Relevant Event (or combination of Relevant Events) and each of the Fund and such parties expressly disclaims any liability whatsoever for any tax consequences in relation to any Relevant Event (or combination of Relevant Events) and/or for any loss howsoever arising (whether directly or indirectly) from any Relevant Event (or combination of Relevant Events). Dividends, interest income, gains on the disposal of investments and other income received by the Fund on its investments in some jurisdictions may be liable to the imposition of income tax, irrecoverable withholding tax or other tax.

The following paragraphs are based on Law and practice currently in force as well as known future changes at the date of this Statement of Additional information and are subject to changes in content and interpretation. They are intended as a general guide only and not necessarily describe the tax consequences for all types of investors in the Fund and no reliance, therefore, should be placed up on them.

INCOME-TAX

The income-tax rates indicated below are as per the Finance Act, 2023 (FA 2023).

A. FOR UNIT HOLDERS

(i) Securities Transaction Tax ('STT')

At the time of sale of units of an equity oriented fund to the Mutual Fund (i.e. redemption/ repurchase of units by the Fund), the Unit holder is required to pay STT 0.001 percent on the value of the transfer, which will be collected by the Mutual Fund and deposited into Government treasury. Where such units are purchased or sold on a recognised stock exchange in India, Unit holders would be required to pay

STT at the rates mentioned in Table H below.

STT is not applicable to sale of units of funds which do not qualify as 'equity oriented funds'.

2 An equity oriented fund has been defined as: a) In case where the fund invests a minimum of 90 per cent of the total proceeds in units of another fund, which is traded on recognized stock exchange, and such other fund also invests a minimum of 90 per cent of its total proceeds in the equity shares of domestic companies listed on a recognized stock exchange; and b) In any other case, a minimum of 65 per cent of the total proceeds of such fund is invested in the equity shares of domestic companies listed on a recognized stock exchange.

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(ii) Tax on Capital Gains

1. On units of Equity Oriented Funds:

-Long-term Capital Gains

Under section 2(29A) read with section 2(42A) of the Income-tax Act, 1961 (Act), units of an equity oriented mutual fund held as capital assets are treated as long-term capital assets if they are held for a period of more than twelve months preceding the date of transfer. The additional (bonus) units issued under any option under the Scheme and held as capital assets would be treated as a long-term capital assets if held for a period of more than 12 months from the date when such additional units were allotted.

FA 2018 has, with effect from 1 April 2018, withdrawn the exemption under section 10(38) of the Act on long-term capital gains on sale of units of equity oriented fund on which STT is chargeable and has introduced section 112A of the Act.

Under the provisions of section 112A of the Act, in respect of transfer of a unit of an equity oriented fund on or after 1 April 2018, tax at the rate of 10 per cent (plus applicable surcharge and cess) shall be levied on long-term capital gains, exceeding Rs 1,00,000, where STT has been paid on transfer of such unit of an equity oriented fund.

The long term capital gains are required to be computed without giving effect to the first and second provisos to section 48 of the Act, i.e. benefit of computation of capital gains in foreign currency and indexation in respect of cost of acquisition and improvement.

Further, for the purpose of computing capital gains in relation to a long-term capital asset, being a unit of an equity oriented fund, acquired before 1 February 2018, the cost of acquisition is deemed to be the higher of:

- The cost of acquisition of such unit; and
- The lower of –

(a) the fair market value of the unit; and

(b) the full value of consideration received or accruing as a result of the transfer of the unit.

Fair market value has been defined to mean –

a) in a case where the unit is listed on any recognized stock exchange, the highest price of the unit quoted on such exchange on 31 January 2018. However, where there is no trading in such unit on such exchange on 31 January 2018, the highest price of such unit on such exchange on a date immediately preceding the 31 January 2018 when such unit was traded on such exchange shall be the fair market value.

b) in a case where the capital asset is a unit and is not listed on recognized stock exchange, the net asset value of such asset as on 31 January 2018.

Tax rate for long-term capital gains on units of an equity oriented fund

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Table A

Particulars	Rate of tax
Resident unit holders	10 per cent without indexation benefit
Non-resident unit holders	10 per cent without foreign currency and indexation benefit

In case of resident individuals and HUF, where the total income as reduced by the long-term capital gains, is below the basic exemption limit (Rs 500,000 in case of resident individuals of age 80 years or more, Rs 300,000 in case of resident individuals of age 60 years or more but less than 80 years, and Rs 250,000 in case of resident in India below 60 years of age), 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 20 per cent tax or the 10 per cent tax as applicable.

The aforementioned tax rates would be increased by applicable surcharge and cess (**Refer Note 1**).

For the purpose of computing the eligible deduction under section 80C of the Act, the total income of the assessee shall be reduced by the income earned in the nature of long-term capital gains.

Further, under section 87A of the Act, a tax rebate up to Rs 12,500 per annum would be available for resident individuals with total income of Rs 500,000 per annum. However, the rebate shall be allowed from the income tax on the total income as reduced by tax payable on such capital gains.

In case of non-resident Unit Holders eligible for availing tax treaty benefits, please refer to paragraph (viii) below.

-Short-term Capital Gains

Under section 2(42A) of the Act, units of a mutual fund held as capital assets for a period of 12 months or less preceding the date of their transfer are regarded as short-term capital assets.

As per section 111A of the Act, short-term capital gains arising from the transfer of a unit of an equity oriented fund, where such transaction is chargeable to STT, is taxable at the rate of 15 per cent plus applicable surcharge, health & education cess as applicable. (**Refer Note 1**)

Tax rate for short-term capital gains on units of an equity oriented fund

Table B

Particulars	Rate of tax
Resident unit holders	15 per cent
Non-resident unit holders - Foreign Portfolio Investors (FPI)	15 per cent (without foreign currency benefit)
Non-resident unit holders – other than FPIs	15 per cent (with foreign currency benefit)

The aforementioned tax rates would be increased by applicable surcharge and cess. (**Refer Note 1**)

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However, in case of resident individuals and HUFs, where the total income as reduced by the short term capital gains, is below the basic exemption limit (Rs 500,000 in case of resident individuals of age 80 years or more, Rs 300,000 in case of resident individuals of age 60 years or more but less than 80 years, and Rs 250,000 in case of resident in India below 60 years of age), 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 tax at the rate of 15 per cent (plus applicable surcharge and health and education cess).

For the purpose of computing the eligible deduction under section 80C of the Act, the total income of the assessee shall be reduced by the income earned in the nature of short-term capital gains.

Further, under section 87A of the Act, a tax rebate up to Rs 12,500 per annum would be available for resident individuals with total income of Rs 500,000 per annum.

In case of non-resident Unit holders eligible for availing tax treaty benefits, please refer to para (viii) below.

2. On units of funds other than Equity Oriented Funds:

-Long-term Capital Gains

As per section 2(42A) of the Act, units of a Mutual Fund (other than an equity oriented fund) shall be considered as a short-term capital asset where the same are held for a period of 36 months or less immediately preceding their date of transfer.

Tax rate for long-term capital gains on units of a mutual fund (other than an equity oriented fund)

Table C

Particulars	Rate of tax
Resident unit holders	
Listed or unlisted units	20 per cent with indexation benefit*
Non-resident unit holders	
FPI (for listed or unlisted units)	10 per cent without foreign currency and indexation benefit under section 115AD of the act.
Others – Listed units	20 per cent with indexation benefit
Others – Unlisted units	10 per cent without foreign currency and indexation benefit

*According to amendments to the Finance Bill, 2023, capital gain on units (acquired on or after 1st day of April 2023) of other than equity oriented fund with less than 35 percent of its total proceeds invested in equity shares of domestic companies will be deemed as short-term capital gains irrespective of period of holding and shall be taxed at the investors' income tax slab without indexation benefit.

In case of resident individuals and HUF, where the total income as reduced by the long-term capital gains, is below the basic exemption limit (Rs 500,000 in case of resident individuals of age 80 years or more, Rs 300,000 in case of resident individuals of age 60 years or more but less than 80 years, and Rs 250,000 in case of resident

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in India below 60 years of age), 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 20 per cent tax or the 10 per cent tax as applicable.

The aforementioned tax rates would be increased by applicable surcharge and cess. (Refer Note 1)

For the purpose of computing the eligible deduction under section 80C of the Act, the total income of the assessee shall be reduced by the income earned in the nature of long-term capital gains.

Further, under section 87A of the Act, a tax rebate up to Rs 12,500 per annum would be available for resident individuals with total income of Rs 500,000 per annum.

In case of non-resident Unit Holders eligible for availing tax treaty benefits, please refer to paragraph (viii) below.

-Short-term Capital Gains

Short-term capital gains earned on the transfer of units of funds other than equity oriented funds is added to the total income of the investor.

As per section 50AA of the Act introduced by the Finance Act 2023, capital gains on transfer / redemption /maturity of specified mutual funds acquired on or after 01 April 2023 shall be deemed to be short term capital gains (irrespective of the period of holding). As per explanation (ii) to section 50AA of the Act, "Specified Mutual Fund" means a mutual fund by whatever name called, where not more than 35% of its total proceeds is invested in the equity shares of domestic companies provided that the percentage of equity shareholding held in respect of the Specified Mutual Fund shall be computed with reference to the annual average of the daily closing figures

The tax rates shall be as below for short term capital gains:

Table D

Status of Assessee	Income slab	Tax Rates
Individual/ HUF/ AOP/ BOI*(Other than FPI)	Where total income for a tax year (April to March) is less than or equal to Rs 250,000* (the basic exemption limit)	Nil
	Where such total income is more than Rs 250,000* but is less than or equal to Rs 500,000	5 per cent of the amount by which the total income exceeds Rs 250,000*
	Where such total income is more than Rs 500,000* but is less than or equal to Rs 1,000,000	Rs 12,500 plus 20 per cent of the amount by which the total income exceeds Rs 500,000*

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	Where such total income is more than Rs 1,000,000	Rs 112,500 plus 30 per cent of the amount by which the total income exceeds Rs 1,000,000
Co-operative society	Where total income for a tax year (April to March) is less than or equal to Rs 10,000	10 per cent of the total income
	Where such total income is more than Rs 10,000 but is less than or equal to Rs 20,000	Rs 1,000 plus 20 per cent of the amount by which the total income exceeds Rs 10,000
	Where the total income exceeds Rs 20,000	Rs 3,000 plus 30 per cent of the amount by which the total income exceeds Rs 20,000
FPI UnitHolders	30 per cent	
Domestic Corporate (where the total turnover or gross receipts of such company for financial year 2018-19 exceeds Rs 400 crores)/ Partnership firm/ LLP/Local authority/ FPIs	30 per cent	
Domestic company, where the total turnover or gross receipts of such company for financial year 2018-19 does not exceed Rs 400 crores	25 percent	
Domestic Companies which opted to pay tax under section 115BAA of the act	22 %	
Domestic Companies which opted to pay tax under section 115BAB of the act.	22 %	
AOP/ BOI	30 per cent or such higher rate of tax applicable to the individual members of the AOP/ BOI	
Foreign Corporates	40 per cent	

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* In case of resident individuals of age 60 years or more, but less than 80 years, the basic exemption limit is Rs 300,000. Income between Rs 300,000 and Rs 500,000 will be taxable at the rate of 5 per cent.

In case of resident individuals of age 80 years or more, the basic exemption limit is Rs 500,000. Income exceeding Rs 500,000 but less than or equal to Rs 1,000,000 will be taxable at the rate of 20 per cent.

Further, a tax rebate up to Rs 12,500 per annum would be available for resident individuals with total income of Rs 5,00,000 per annum.

Section 115BAC in the Act provides individuals and HUFs for new tax regime in respect of their total income at the following rates w.e.f 1 April 2023:

Table E

Status of Assessee	Income slab	Tax Rates
Individual/ HUF	Where total income for a tax year (April to March) is less than or equal to Rs 300,000	Nil
	Where such total income is more than Rs 300,000 but is less than or equal to Rs 600,000	5 per cent of the amount by which the total income exceeds Rs 300,000
	Where such total income is more than Rs 600,000 but is less than or equal to Rs 9,00,000	Rs 15,000 plus 10 per cent of the amount by which the total income exceeds Rs 600,000
	Where such total income is more than Rs 900,000 but is less than or equal to Rs 12,00,000	Rs 45,000 plus 15% of the amount by which the total income exceeds Rs 9,00,000
	Where such total income is more than Rs 12,00,000 but is less than or equal to Rs 15,00,000	Rs 90,000 plus 20% of the amount by which the total income exceeds Rs 12,00,000
	Where such total income is more than Rs 15,00,000	Rs 150,000 plus 30 per cent of the amount by which the total income exceeds Rs 15,00,000

The above new tax regime shall be subject to conditions and other provisos laid down under the section 115BAC of the Act.

The aforementioned tax rates would be increased by applicable surcharge and cess (**Refer Note 1**)

In case of non-resident Unit holders eligible for availing tax treaty benefits, please refer to para (viii) below.

Note 1: Surcharge rate & Cess

Individual/ HUF/ AOP/ BOI

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Income	Individual*, HUF, AOP, BOI	Cess
Rs.50 lakh to 1 crore (including income under section 111A and 112A of the Act)	10%	4% on tax plus Surcharge, applicable in all cases
Above Rs 1 crores upto Rs 2 crores (including income under section 111A,112 and 112A of the Act or dividend income from domestic companies)	15%	
Above Rs 2 crores up to Rs 5 crores (excluding income earned under section 111A,112 and 112A of the Act or dividend income from domestic companies)	25% (Refer Note 1)	
Above Rs 5 crores (excluding income earned under section 111A,112 and 112A of the Act or dividend income from domestic companies)	37% (Refer Note 1& 2)	

Note 1: For income earned under provisions of section 111A,112 and section 112A of the Act or dividend income from domestic companies, surcharge rate shall be 15% where income exceeds Rs. 2 crores.

Note 2: Under the default tax regime i.e. as per Section 115BAC of the Act, maximum surcharge applicable to an individual, HUF, AOP, BOI shall be restricted to 25%. If the assessee opts not to be governed by the default tax regime, then the surcharge rate of 37% shall apply for income exceeding INR 5 crore.

Non-corporate/ Non-firm FPIs

Income	Surcharge rate for capital gains	Surcharge rate for other than capital gains	Cess
Rs.50 lakh to 1 crore	10%	10%	4% on tax plus Surcharge, applicable in all cases
Above Rs 1crores upto Rs 2 crores	15%	15%	
Above Rs 2 crores upto Rs 5 crores	15%	25%	

Companies

Income	Resident companies*	Foreign Company/ Corporate FPIs	Cess
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Above Rs 1 crores upto Rs 10 crores	7%	2%	4% on tax Plus
Above Rs 10 crores	12%	5%	Surcharge, applicable in all cases

*Surcharge rate shall be 10% in case resident companies opting taxation under section 115BAA and section 115BAB on any income earned.

In case of a firm with total income exceeding Rs.1 crore, surcharge rate shall be 12%.

Consolidation of mutual fund schemes

Section 47 of the Act deals with transactions not regarded as transfer for the purpose of computing capital gains chargeable to tax under the provisions of the Act.

Section 47(xviii) of the Act provides that transfer by a unit holder of units held by him on consolidation of schemes of a mutual fund shall not be treated as a transfer provided they are allotted units in the consolidated scheme of the mutual fund. The aforesaid exemption is provided only where the consolidation is of two or more schemes of an equity oriented fund or two or more schemes of a non-equity oriented fund.

Further, the period of holding of the units of the consolidated scheme shall include the period for which the units in the consolidating scheme were held by the assessee. Also, the cost of acquisition of the units of the consolidated scheme shall be deemed to be the cost of acquisition of the units in the consolidating scheme.

Additionally, transfer by a unit holder of units held on consolidation of plans of a mutual fund schemes shall not be treated as transfer provided they are allotted units in the consolidated plan of that scheme of the mutual fund. The cost of acquisition of the units in the consolidated plan of mutual fund scheme shall be the cost of units in the consolidating plan of a mutual fund scheme and period of holding of the units of the consolidated plan of a mutual fund scheme shall include the period for which the units in the consolidating plan of a mutual fund scheme were held by the assessee.

(i) Tax on business income

Under section 28 of the Act, profit arising on transfer of units of a mutual fund which are held as stock in trade or trading asset, is taxed under the head 'Profits and gains of business or profession'. Such profit is added to the total income of the assessee and taxed at applicable rates. In case of non-resident Unit holders eligible for availing tax treaty benefits, please refer to paragraph (viii) below.

(ii) Deduction from business income

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No deduction would be allowed for STT while calculating capital gains. However, where the units are treated as stock in trade and the profits arising from the sale of units are taxed under the head 'Profits and gains of business or profession', the STT paid by the Unit holder can be claimed as a deduction from such business profits.

(iii) Tax on income from other sources

Section 56(2)(x) in the Act (which replaces section 56(2)(viia) with effect from 1 April 2017) provides that any property (includes mutual fund units) received without consideration or for consideration less than the FMV is taxable in the hands of the recipient, being any person instead of limiting it to individuals and HUFs. Certain exceptions such as property received from prescribed persons like relatives, etc. or on prescribed occasions like marriage, etc.) have been excluded from the purview of section 56(2)(x) of the Act. The following amounts would be taxable under the head 'Income from other sources' at the rates mentioned in Table B above:

Table E

Sr. no.	Taxable situation	Taxable amount
a	Units received without any consideration where the aggregate fair market value of such units exceed Rs 50,000	The aggregate FMV of the units received
b	Units received for a consideration where the aggregate FMV of the units received exceeds the consideration by more than Rs 50,000	The difference between the aggregate FMV of the units and the consideration

For this purpose, the FMV means the value to be determined in accordance with the methods prescribed. For the purpose of computing capital gains on transfer of such units received without consideration or for consideration less than the FMV, the cost of acquisition is deemed to be the value determined under (a) or (b) above, as the case may be.

(iv) Deduction from total income

In terms of the provisions of section 80C of the Act, an individual or a HUF is entitled to claim a deduction in respect of the amount of subscription made to any units of any Mutual Fund referred to in section 10(23D), being a fund formulated in accordance with the Equity Linked Savings Scheme, 2005 notified by the Central Government in the Official Gazette vide notification no. SO 1563(E) dated 3 November 2005. The aggregate amount deductible under section 80C in respect of subscription to the units of the Mutual Fund (including the amount of dividend reinvested), being an equity linked savings scheme and other prescribed investments is restricted to Rs 150,000.

(v) Tax Deduction at Source

Table F

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Particulars		TDS Rates under the Act		
		Residents	FPIs	NRIs / Other foreign entities (excluding FPIs)
Short-term capital gains	Non-equity oriented fund	NIL	NIL	30 per cent for foreign non-corporates
	Equity oriented Fund	NIL	NIL	40 per cent for foreign corporate entities 15 per cent
Long-term capital gains	Non-equity oriented fund	NIL	NIL	10 per cent in case of unlisted units & 20 per cent for listed units
	Equity oriented Fund	NIL	NIL	10 per cent
Business income	Non-equity and equity oriented mutual fund	NIL	30/ 40 per cent for non-corporate FPIs 40 per cent for corporate FPIs	30/ 40 per cent for foreign non-corporates 40 per cent for foreign corporate entities

The aforementioned tax rates would be increased by a surcharge of:

a) 10 per cent - in case of Individuals/ HUFs/ AOP/ BOI, where the total income exceeds Rs 5,000,000 but does not exceed Rs 10,000,000.

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- b) 15 per cent - in case of Individuals/ HUFs/ AOP/ BOI, where the total income exceeds Rs 10,000,000.
- c) 12 per cent - in case of Firms/ local authority/ co-operative societies where the total income exceeds Rs 10,000,000.
- d) 7 per cent - in case of domestic corporate Unit holders, where the total income exceeds Rs 10,000,000 but does not exceed Rs 100,000,000.
- e) 12 per cent - in case of domestic corporate Unit holders, where the total income exceeds Rs 100,000,000.
- f) 2 per cent - in case of foreign corporate Unit holders, where the total income exceeds Rs 10,000,000 but does not exceed Rs 100,000,000.
- g) 5 per cent - in case of foreign corporate Unit holders, where the total income exceeds Rs 100,000,000.
- h) 12 per cent - in case of firms, where the total income exceeds Rs 10,000,000

A health and education cess of 4 per cent would be charged on amount of tax inclusive of the applicable surcharge for all Unit Holders.

In case of non-resident Unit holders eligible for availing tax treaty benefits, please refer to paragraph (vi) below.

(vi) Tax treaty

In the case of a non-resident Unit Holder who is resident of a country with which India has signed a Double Taxation Avoidance Agreement (DTAA), which is in force, income-tax is payable at the rate provided in the Act or at the rate provided in the such agreement, whichever is more beneficial to such non-resident Unit Holder.

Further, where the rate of tax prescribed under the relevant DTAA is lower than that prescribed under the Act, tax would be withheld at such lower rate.

Section 90(4) of the Act, provides that a taxpayer, not being a resident, to whom a DTAA applies, shall not be entitled to claim any relief under such DTAA unless a certificate of it being a resident in any country outside India is obtained by it from the Government of that country.

Further, section 90(5), provides that the assessee referred to in section 90(4) of the Act, shall also provide such other documents and information, as may be prescribed. The Central Board of Direct Taxes (CBDT) has issued a Notification substituting Rule 21AB of the Income-tax Rules, 1962 (Rules) and prescribing the format of information to be provided under section 90(5) of the Act, i.e. in Form No 10F. An assessee would be required to furnish Form No 10F, where the required information is not explicitly mentioned in the aforementioned certificate of residency; in which case, the Notification additionally requires the assessee to keep and maintain such documents as are necessary to substantiate the information provided.

If the non-resident unit holder produces a nil or lower withholding certificate from the income tax authorities, then tax shall be deducted at such rates mentioned in the certificate during the validity of the certificate. Section 195(7) of the Act provides that the CBDT may specify a class of persons or cases, where a person responsible for making any payment to a non-resident (other than a company) or a foreign company, shall make an application to the Assessing Officer to determine the appropriate proportion of sum chargeable to tax and upon such determination, tax shall be deducted under section 195(1) of the Act on such chargeable proportion. However, CBDT has not specified any class of persons or cases as on the date.

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(vii) Tax on Income distributed by the Mutual Fund

Particulars	Tax Implications in IDCW received by unit holders	Withholding of Taxes by Mutual Fund
Resident (Individuals / Non- corporates / Corporates)	Taxed in the hands of unitholders at applicable rate under the provisions of the Act.	10% under section 194K of the Act
Non-residents (Individuals / Non- corporates / Corporates) **	Taxed in the hands of unitholders at the rate of 20% u/s 115A/115AD of the Act. (plus applicable surcharge and cess)	20% (plus applicable surcharge and cess) u/s 196A/196D [^] of the Act

Currently, the IDCW (Income Distribution Cum Capital Withdrawal) is taxable in the hands of the unitholders at the applicable tax slab rates (Refer Note 2 for tax rates) and also, subject to withholding of taxes at source by Mutual Fund:

* As per provision of section 194K of the Act, where the amount of income credited or paid in a financial year, in aggregate, does not exceed INR 5,000, no withholding is required to be carried out.

** As per the provisions of section 196A of the Act which is specifically applicable in case of non-resident unitholders, the Mutual Fund shall have to deduct TDS at the rate of 20% (plus applicable surcharge and cess) on IDCW credited or paid, as section 196A of the Act does not make reference to "rates in force" but provides the withholding tax rate of 20% (plus applicable surcharge and cess). Rates as per tax treaty cannot be considered for withholding of taxes by the Mutual Fund.

Non-resident unitholders would in such a scenario, need to consider DTAA benefits at the time of filing their tax returns and claim a refund of excess taxes, if any unless adjustable against other tax liabilities arising in the course of the tax year (excess tax withheld may be adjusted against capital gains tax liability, if any, arising in the course of the tax year).

[^] Section 196D of the Act provides for deduction of tax on income of FPI from securities as referred to in section 115AD(1)(a) of the Act (other than interest referred in section 194LD of the Act) at the rate of 20 percent.

The FA 2021 amended section 196D of the Act to provide that tax shall be deducted on the above income, at the rate of 20 percent or the rates provided in the relevant DTAA, whichever is lower, provided the payee furnishes a tax residency certificate and such other information and documents as may be prescribed.

(viii) Dividend stripping

Under the provisions of section 94(7) of the Act, where a person buys any units within a period of three months before the record date, sells such units within nine months after such date and the income distributed on such

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units is exempt from tax, the loss on such sale to the extent of the income distributed on units shall be ignored while computing the income chargeable to tax.

With effect from 1 April 2020, any dividend or income distributed in respect of units are not subject to Dividend Distribution Tax and hence, such income is now taxable in the hands of shareholder/unit holder. Therefore, the provisions of dividend stripping shall not apply on such dividend or income from units.

(ix) Bonus stripping

Under the provisions of section 94(8) of the Act, where a person buys units (original units) within a period of three months before the record date, receives bonus units on such original units, and then sells (all or part of) the original units within a period of nine months from the record date and continues to hold the bonus units, then the loss incurred on the original units shall be ignored while computing the income chargeable to tax but shall be deemed to be the cost of acquisition of the bonus units.

(x) Switching between options

Switching from one option to another option of a Scheme will be effected by way of redemption of units of the relevant option and reinvestment of the redemption proceeds in the other option selected by the Unit holder. Hence switching will attract the same implications as applicable on transfer of such units.

(xi) Set-off and carry forward of losses

According to the provisions of the Act, the capital loss resulting from sale of units would be available for set off against other capital gains made by the investor and would reduce the tax liability of the investor to that extent. However, losses on transfer of units held as long-term capital assets would be allowed to be set-off only against gains from transfer of long-term capital assets. Further, losses on transfer of units held as Short-term capital assets would be allowed to be set-off against gains from transfer of Short term capital assets as well as long-term capital assets. Where such losses arising from sale of units held as capital asset cannot be wholly set-off, the amount of losses not set-off can be carried forward for a period of eight years.

Under the Act, a loss resulting from the transfer of units held as stock in trade or trading asset would be available for set off against income under any other head other than income under the head 'Salaries'. Where such loss cannot be wholly set-off in accordance with the provisions of the Act, the amount remaining to be set-off can be carried forward for a period of eight years and setoff against income under the head 'Profits and gains of business or profession'.

(xii) Minimum Alternate Tax (MAT)

Section 115JB(1) of the Act provides that, if the tax payable by a company on the total income computed as per the provisions of the Act is less than 15 % per cent of its 'book profit', then notwithstanding anything contained in any other provision of the Act, the 'book profit' shall be deemed to be the total income of the tax payer, and the amount of tax payable shall be the amount of income-tax at the rate of 15% per cent (plus applicable surcharge and health and education cess) on such total income. This tax prescribed on book profits under section 115JB is commonly referred to as MAT.

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Section 115JB(2) of the Act further provides that, every company shall, for the purposes of section 115JB of the Act, prepare its profit and loss account in accordance with Schedule III of the Indian Companies Act, 2013.

Further, Explanation 1 to section 115JB(2) of the Act prescribes certain additions to/ deductions from the net profit/ loss to determine the 'book profit' within the meaning of section 115JB of the Act.

The amount of income accruing or arising to a foreign company from capital gains arising on transactions in securities or interest, royalty, or fees for technical services chargeable to tax at the rates specified in Chapter XII of the Act, shall be excluded from the purview of MAT, if such income is credited to the Profit and Loss Account and the income-tax payable thereon in accordance with the provisions of the Act (other than the MAT provisions), is at a rate less than the MAT rate of 15 per cent. Also, corresponding expenses shall be excluded while computing MAT. Further, MAT shall not be applicable to resident companies opting taxation under section 115BAA and section 115BAB

Further, the MAT provisions are not applicable to a foreign company:

- i. If such company is a taxpayer of a country with which India has a DTAA and the taxpayer does not have a Permanent Establishment in India in accordance with the provisions of such DTAA.
- ii. If such company is a resident of a country with which India does not have a DTAA and the taxpayer is not required to seek registration under any law in force relating to companies. As per the provisions of section 115JAA of the Act, a company paying tax under section 115JB of the Act is eligible to claim tax credit. The tax credit is the difference between the tax payable under section 115JB of the Act and the tax payable under the normal provisions of the Act. Such tax credit shall be carried forward and set-off upto 15 succeeding AYs. Foreign Tax Credit (FTC) claimed against MAT liability which exceeds the FTC that would have been allowable while computing income under normal provisions, would be ignored while computing tax credit under MAT.

(xiii) General Anti Avoidance Rules (GAAR)

The General Anti Avoidance Rule (GAAR), effective from 1 April 2017, allows the Indian Revenue authorities to declare an arrangement entered into by an assessee as an impermissible avoidance arrangement, subject to specified terms and conditions therein and determine tax consequences as appropriate. Further, investments made up to 31 March 2017 would be protected from the applicability of GAAR.

B. Tax Implications for the Mutual Fund:

Navi Mutual Fund is a Mutual Fund registered with the Securities and Exchange Board of India and its entire income is exempt from tax under the provisions of section 10(23D) of the Act. The Mutual Fund will receive all Indian sourced income without any deduction of tax at source under the provisions of section 196(iv) of the Act.

Where the Fund receives any income from investments made in overseas jurisdictions, the same may be subject to withholding tax (or any other tax) in the relevant jurisdiction from which the income is received. As the Fund is exempted from its entire income (including foreign income) in India, credit/ refund in respect of such foreign taxes withheld/ paid by the fund will not be available.

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(ii) STT

Under the Act, as and when the Mutual Fund purchases and sells equity shares/ units/ derivatives, it would be required to pay the STT applicable on such purchases/ sales to the concerned Recognised Stock Exchange. The rates of STT have been listed below.

Table H

Nature of Transaction	Payable by	Value on which shall be levied	Rates applicable (per cent)
Delivery based purchase transaction in units of equity oriented fund entered into in a recognized stock exchange	Purchaser	Value at which units are bought	Nil
Delivery based purchase transaction in equity shares or units of a business trust entered in a recognized stock exchange	Purchaser	Value at which shares/ units are bought	0.1
Delivery based sale transaction in equity shares or units of a business trust entered in a recognized stock exchange	Seller	Value at which shares/ units are bought	0.1
Delivery based sale transaction in units of equity oriented fund entered into in a recognized stock exchange	Seller	Value at which units are sold	0.001
Non-delivery based sale transaction in equity shares or units of equity oriented fund or units of a business trust entered in a recognised stock exchange	Seller	Value at which shares/ units are sold	0.025
Transaction for sale of futures in securities	Seller	Value at which futures are traded	0.0125
Transaction for sale of an option in securities	Seller	The option premium	0.0625
Transaction for sale of an option in securities, where the option is exercised	Purchaser	The settlement price	0.125

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Sale of units of an equity oriented fund to the mutual fund	Seller	Value at which units are sold	0.001
Sale of unlisted equity shares by any holder of such shares under an offer for sale to the public included in an IPO and where such shares are subsequently listed on a recognised stock exchange	Seller	Value at which shares are sold	0.2
Sale of unlisted units of a business trust under an offer for sale	Seller	Value at which shares are sold	0.2

C. Other Considerations:

(i) Wealth-tax: FA 2015 has abolished the levy of wealth-tax under the Wealth-tax Act, 1957 with effect from the financial year 2015-16.

(ii) Gift-tax: The Gift-tax Act, 1958 has ceased to apply to gifts made on or after 1 October 1998. Gifts of units purchased in a scheme of the Mutual Fund would therefore, be exempt from gift-tax.

(iii) 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.

Please note: The Information provided here is general in nature. **EACH INVESTOR IS ADVISED TO CONSULT HIS OR HER OWN TAX CONSULTANT WITH RESPECT TO THE SPECIFIC TAX IMPLICATIONS ARISING OUT OF HIS OR HER PARTICIPATION IN THE SCHEME.**

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B. Legal Information

1. Nomination Facility

- I. Pursuant to Regulation 29A of the SEBI Regulations, the AMC provides an option to the Unit holder to nominate (in the manner prescribed under the SEBI Regulations), a person(s) 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(s) 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(s).
- II. A nomination in respect of the Units does not create an interest in the property after the death of the Unit holder. The nominee(s) 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(s) under the nomination facility provided herein shall not necessarily acquire any title or beneficial interest in the property by virtue of this nomination.
- III. Nomination can be made only by individuals on their own behalf, either singly or jointly. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate.
- IV. Only the following categories of Indian Residents can be nominated: (a) individuals (b) minors through parent/legal guardian (c) religious and charitable trusts and (d) Central Government, State Government, a local authority or any person designated by virtue of his office.
- V. The Nominee shall not be a trust other than a religious or charitable trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a Power of Attorney holder.
- VI. A non-resident Indian can be a Nominee subject to the exchange controls in force from time to time.
- VII. Minor(s) can be nominated and in that event, the name and address of the guardian of the minor nominee shall be provided by the Unit holder. Nomination can also be in favour of the Central Government, State Government, a local authority, any person designated by virtue of his office or a religious or charitable trust.
- VIII. Nomination can be made for maximum of 3 nominees. In case of multiple nominees, the percentage of allocation / share in favour of each of the nominees should be indicated against their name and such allocation / share should be in whole numbers without any decimals making a total of 100 percent. In the event of Unitholders not indicating the percentage of allocation / share for each of the nominees, the Mutual Fund /the AMC, by invoking default option shall settle the claim equally amongst all the nominees.
- IX. Nomination in respect of the Units stands rescinded upon the Redemption of Units.
- X. 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(s).
- XI. 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/transfer to the Nominee(s). Transfer of Units / payment to the nominee(s) 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.
- XII. The Fund, the AMC and the Trustee are entitled to be indemnified from the deceased Unit Holder's estate against any liabilities whatsoever that any of them may suffer or incur in connection with a nomination.
- XIII. Nomination will be mandatory for new folios/accounts opened by individuals especially with sole/single holding.
- XIV. Investors who do not wish to nominate must sign Declaration Form for opting out of nomination as per SEBI circular No.

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SEBI/HO/IMD/IMD-II DOF3/P/CIR/2022/82 dated June 15, 2022 separately confirming their non-intention to nominate. In case of physical option, the forms shall carry the wet signature of all unit holder (s) and in case of online option, the forms shall be using e-sign facility.

- XV. In case of joint holdings in a folio, all joint holders will be required to sign the request for Nomination/cancellation of nomination, even if the mode of holding is not joint. The facility to nominate will not be available in a folio held on behalf of a minor. Nomination form cannot be signed by Power of Attorney (PoA) holders.
- XVI. The facility to nominate will not be available in a folio held on behalf of a minor.
- XVII. Nomination shall be maintained at the folio or account level and shall be applicable for investments in all schemes in the folio or account.
- XVIII. Every new nomination in a folio will over write the existing nomination.

Investors may note that where the Units are transferred in favor of the nominee, the “Know Your Customer” norms, where applicable will have to be fulfilled by the nominee.

Process for Investments made in the name of a Minor through a Guardian: Pursuant to SEBI Circular No. SEBI/HO/IMD/DF3/CIR/P/2019/166 dated December 24, 2019 and **SEBI/HO/IMD/PODII/CIR/P/2023/0069 dated May 12, 2023** with respect to investment made in the name of minor through a guardian:

1. Payment for investment by means of Cheque, Demand Draft or any other mode shall be accepted from the bank account of the minor parent or legal guardian of the minor or from a joint account of the minor with parent or legal guardian . For existing folios, in case the pay-out bank mandate is not held solely by minor or jointly by minor and guardian, the investors are requested to provide a change of Pay-out Bank mandate request before providing redemption request. All redemption proceeds shall be credited only in verified bank account of the minor, i.e the account the minor may hold with the parent/legal guardian after completing KYC formalities.
2. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide KYC/FATCA details, updated bank account details including cancelled original cheque leaf of the new account and his/her specimen signature duly authenticated by banker/guardian. No further transactions shall be allowed till the status of the minor is changed to major.

2. Prevention of Money Laundering Act Requirements (PML Requirements)

In terms of the PML Requirements, all intermediaries, including Mutual Funds, have to formulate and implement a Client Identification Process, commonly referred to as KYC Process, verify and maintain the record of identity and address (es) of investors. The AMC recognizes the value and importance of creating a business environment that strongly discourages money launderers from using Navi Mutual Fund.

The investor(s) / unitholder(s) including guardian(s) where investor / unitholder is a minor, must ensure that the amount invested in the Scheme is derived only through legitimate sources and does not involve and is not designed for the purpose of any contravention or evasion of the provisions of all the applicable laws, rules and regulations, directions issued by the appropriate authority (the applicable laws) in force from time to time

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including the Prevention of Money Laundering Act, the Income Tax Act, 1961, or the Prevention of Corruption Act, 1988, etc.

Pursuant to the above and SEBI in terms of circulars - MIRSD/SE/Cir-21/2011 dated October 05, 2011, MIRSD/Cir-23/2011 dated December 02, 2011 and MIRSD/Cir-26/2011 dated December 23, 2011, the AMC has adopted certain policies to ensure KYC, PML and SEBI Requirements, considered appropriate for its line of business, being committed to prevent money launderers using EMF as a vehicle for any such illegal activity. Accordingly, the AMC may seek information or obtain and retain documentation used to establish Customers' identity. It may re-verify identity and obtain any missing or additional information for this purpose.

The AMC / The Trustees reserve the right to take all steps and actions, including recording investor(s) / unitholder(s) telephonic calls, and / or obtain and retain documentation for establishing the identity of the investor, proof of residence, source of funds etc. in accordance with the applicable laws, from the investor(s) / unitholder(s), as may be required, to ensure the appropriate identification / verification / re-verification of the investor(s) / unitholder(s), the source of funds etc. under its KYC Policy.

The AMC, under powers delegated by the Trustees, shall have absolute discretion to reject any application, prevent further transactions by a Unit Holder, delay processing redemption as per applicable laws or regulations if:

(i) after due diligence, the investor / Unit Holder / a person making the payment on behalf of the investor does not fulfill the requirements of the KYC as determined by the AMC or the AMC believes that the transaction is suspicious in nature as regards money laundering.

(ii) the AMC determines in its sole discretion that the application does not or will not comply with any applicable laws or regulations.

In this regard the AMC reserves the right to reject any application and affect a mandatory Redemption of Units allotted at any time prior to the expiry of 30 days from the date of the allotment.

If the payment for Purchase of Units are made by a third party (e.g. a power of attorney holder, a financing agency, a relative, etc.), the investor / applicant may be required to give such details of such transaction so as to satisfy the AMC of the source and / or consideration underlying the transaction.

3. KYC Compliance

In order to reduce hardship and help investors dealing with SEBI intermediaries, SEBI issued three circulars - MIRSD/SE/Cir-21/2011 dated October 05, 2011, MIRSD/Cir-23/2011 dated December 02, 2011 and MIRSD/Cir-26/2011 dated December 23, 2011 informing SEBI registered intermediaries as mentioned therein to follow, with effect from January 01, 2012, a uniform KYC compliance procedure for all the investors dealing with them on or after that date. SEBI also issued KYC Registration Agency ("KRA") Regulations 2011 and the guidelines in pursuance of the said Regulations and for In-Person Verification ("IPV").

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The IPV shall be a one-time process and IPV carried out by a client with any of the intermediaries shall be relied upon by the all the other intermediaries with respect to the dealing of such client with such other intermediaries. With respect to the Mutual fund investors, additionally, IPV carried out by the Know Your Distributor (KYD) compliant Distributors who hold valid certifications issued by the National Institute of Securities Market (NISM)/Association of Mutual funds in India (AMFI) and Scheduled Commercial Banks shall also hold good.

In terms of SEBI Circular No. Cir/IMD/DF/9/2010 dated 12th August, 2010 with regard to updation of investor related documents, unitholders of Schemes of Navi Mutual Fund are advised to get their PAN/KYC details updated at the earliest in respective folio(s) held by them with Navi Mutual Fund. Unitholders may note that in absence of PAN/KYC details, the financial transactions (if any) may be rejected by the AMC/Registrar of the Mutual Fund.

4. Transfer and Transmission Facility

- I. Units of the schemes shall be non-transferable. However, if a person becomes a holder of the units consequent to operation of law, or upon enforcement of a pledge, the Mutual Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the units.
- II. In case units are held in a single name by a unit holder, units shall be transmitted in favour of the nominee, where the unit holder has appointed a nominee, upon production of death certificate or any other document to the satisfaction of the Mutual Fund, AMC/Trustee or Registrar.
- III. If the unit holder has not appointed a nominee, the units shall be transmitted in favour of the unit holder's executor /administrator of estate / legal heir(s), as the case may be, on production of death certificate or any other document to the satisfaction of the Mutual Fund, AMC/Trustee or Registrar.
- IV. In case units are held by more than one registered unit holder, then upon death of first unitholder, units shall be transmitted in favour of the second named holder on production of a death certificate or any other document to the satisfaction of the Mutual Fund, AMC/Trustee or Registrar.
- V. The rights in the units will vest in the nominee upon the death of all joint unit holders upon the nominee producing a death certificate or any other document to the satisfaction of the Mutual Fund, AMC/Trustee or Registrar.

Transmission Facility

i. In case of transmission of Units, the transferee will have to comply with the applicable "Know Your Customer" Norms.

ii. In case of transmission of Units, the claimant(s) of Units will be required to submit the prescribed documents as may be applicable. Investors may refer to our website (www.navimutualfund.com) or contact any of our investor service centres for the various documents required under different transmission scenarios.

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5. Duration of the Scheme and Winding Up

A. Duration of the Scheme

(i). Close - ended Scheme(s)

- I. Each closed-ended Scheme/ Plan will have a Maturity Date / Final Redemption Date and will be compulsorily and without any act by the unit holder(s) redeemed on Maturity Date / Final Redemption Date. On Maturity /Final Redemption Date of the Scheme/ Plan, the units will be redeemed at the Applicable NAV.
- II. The Mutual Fund may convert the Scheme/ Plans under the Scheme after the Maturity Date / Final Redemption Date into an open-end Scheme/ Plan and this shall be in accordance with the SEBI Regulations.
- III. The Units of close-ended Scheme/ Plan may be converted into open-ended scheme,
 - (a) If the SID of such scheme discloses the option and the period of such conversion; or
 - (b) The Unit holders are provided with an option to redeem their units in full before such conversion.
- IV. A close-ended scheme shall be fully redeemed at the end of the maturity period. Provided that a close ended scheme may be allowed to be rolled over if the purpose, period and other terms of the roll over and all other material details of the scheme including the likely composition of assets immediately before the roll over, the net assets and net asset value of the scheme, are disclosed to the Unitholders and a copy of the same has been filed with SEBI. Provided further, that such roll over will be permitted only in case of those Unit holders who express their consent in writing and the Unit holders who do not opt for the roll over or have not given written consent shall be allowed to redeem their holdings in full at net asset value based price. A closed-ended Scheme/ Plan shall be wound up on the expiry of duration fixed in the Scheme/ Plan on the redemption of the Units unless it is rolled-over for a further period under sub-regulation (4) of regulation 33.

In terms of SeBI (MF) regulations, the Scheme may be wound up as provided in (B) below.

(ii). Open - ended / Interval Scheme(s) :- An Open-ended / Interval Scheme has a perpetual life. However in terms of SeBI (MF) regulations, the Scheme(s) may be wound up as provided in (B) below.

(iii) Close - ended Scheme(s) with automatic conversion into Open-ended Scheme upon Maturity - Such Scheme(s) will remain close-ended for the period mentioned in the SID and subsequently the Scheme will automatically be converted into an open ended scheme without any further reference from the Mutual Fund/ Trustee/ AMC/ Unitholders. Thereafter, the duration of the Scheme would be perpetual. However in terms of SeBI (MF) regulations, the Scheme may be wound up as provided in (B) below.

B. Winding Up

- (i) A scheme of the Mutual Fund may be wound up, after repaying the amount due to the Unitholders,
 - (a) on the happening of any event which, in the opinion of the Trustees, requires the scheme to be wound up; or
 - (b) if seventy five per cent of the Unitholders of a scheme pass a resolution that the scheme be wound up; or
 - (c) if SEBI so directs in the interest of the Unitholders.

Further in case of non-fulfillment of SeBI Circular SeBI/ IMD/Clr No. 10/22701/03 dated December 12, 2003 relating to Minimum Number of Investors in Scheme(s)/ Plans of Mutual Funds the provisions of regulation 39(2) (c) of SeBI (Mutual Funds) regulations, 1996 would become applicable automatically without any reference from SeBI. Accordingly, the scheme(s) shall be wound up by following the guidelines laid down by SeBI. Please refer to the Scheme Information Document of respective scheme(s) for more details.

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(ii) Where a Scheme is to be wound up pursuant to sub clause (i) above, the Trustees shall give notice of the circumstances leading to the winding up of the Scheme:

(a) to SEBI; and

(b) in two daily newspapers having circulation all over India and also in a vernacular newspaper circulating at the place where the Mutual Fund is established.

Effect of Winding Up

on and from the date of the publication of the notice as stated above, the Trustees or the AMC as the case maybe, shall (a) cease to carry on any business activities in respect of the Scheme(s) so wound up; (b) cease to create and/or cancel Units in the Scheme(s); (c) cease to issue and/or redeem Units in the Scheme(s).

6. Procedure and Manner of Winding Up

In the event of the Scheme being wound up as above-mentioned, the AMC shall proceed as follows:

- I. The Trustee shall call a meeting of the Unit holders of the Scheme 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.
- II. Provided that a meeting shall not be necessary if the Scheme is wound up at the end of the maturity period.
- III. The Trustee or the person authorised as above, shall dispose the assets of the Scheme concerned in the best interests of the Unit holders of the Scheme.
- IV. 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 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 as on the date when the decision for the winding up was taken.
- V. 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 before winding up, expenses of the Scheme for winding up, net assets available for distribution to the Unit holders and a certificate from the Auditors of the Mutual Fund.
- VI. 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 ceases to exist.
- VII. 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 have been complied with, the Scheme shall cease to exist.
- VIII. The aforesaid provisions pertaining to "Procedure and Manner of Winding Up" shall apply in respect of each individual scheme and to the extent possible shall apply mutatis mutandis to each Investment Plan.

SEBI Vide circular dated May 20, 2020 Listing of Mutual Fund schemes that are in the process of winding up has specified the following:

Presently, in terms Regulation 32 of SEBI (Mutual Funds) Regulations, 1996 ("MF Regulations") and SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018, every close-ended scheme and units of segregated portfolio shall be listed on recognized stock exchanges.

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As per MF Regulations, there are several steps envisaged with respect to winding up of Mutual Fund schemes before the scheme ceases to exist. During this process, such units can be listed and traded on a recognized stock exchange, which may provide an exit to investors.

In terms of Regulation 31B(1) of the MF Regulations, the units of Mutual Fund schemes can be listed in the recognized stock exchange. Accordingly, the units of Mutual Fund schemes which are in the process of winding-up in terms of Regulation 39(2)(a) of MF Regulations, shall be listed on recognized stock exchange, subject to compliance with listing formalities as stipulated by the stock exchange.

However, pursuant to listing, trading on stock exchange mechanism will not be mandatory for investors, rather, if they so desire, may avail an optional channel to exit provided to them.

Initially, trading in units of such a listed scheme that is under the process of winding up, shall be in dematerialised form.

AMCs shall enable transfer of such units which are held in the form of Statement of Account (SoA) / unit certificates.

Detailed operational modalities for trading and settlement of units of MF schemes that are under the process of winding up, shall be finalized by the stock exchanges where units of such schemes are being listed, in consultation with SEBI. The operational modalities shall include the following:

- a. Mechanism for order placement, execution, payment and settlement;
- b. Enabling bulk orders to be placed for trading in units;
- c. Issue related to suspension of trading, declaration of date for determining the eligibility of unitholders etc. in respect of payments to be made by the AMC as part of the winding up process;
- d. Disclosures to be made by AMCs including disclosure of NAV on daily basis and scheme portfolio periodically etc.

The stock exchange shall develop a mechanism along with RTA for trading and settlement of such units held in the form of SoA/ Unit Certificate

The AMC, its sponsor, employees of AMC and Trustee shall not be permitted to transact (buy or sell) in the units of such schemes that are under the process of being wound up. The compliance of the same shall be monitored both by the Board of AMC and Trustee.

7. Consolidation of Folios

In case an investor has multiple folios, the AMC reserves the right to consolidate all the folios into one folio, based on such criteria as may be determined by the AMC from time to time. In case of additional purchases in same scheme / fresh purchase in new scheme, if the investor fails to provide the folio number, the AMC reserves the right to allot the units in the existing folio, based on such integrity checks as may be determined by the AMC from time to time.

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8. Miscellaneous

Investors may note that in case of fresh/additional purchases, if the name of the Scheme on the application form/transaction slip differs with the name on the Cheque/Demand Draft/payment instrument/transfer letter, then the AMC will allot units under the Scheme mentioned on the application form. In case of fresh/additional purchases, if the Scheme name is not mentioned on the application form/transaction slip, then the units will be allotted under the Scheme mentioned on the Cheque/Demand Draft/payment instrument/transfer letter. The Plan/Option that will be considered in such cases if not specified by the customer will be the default option of the Scheme as per the SID. However, in case additional purchase is under the same scheme as fresh purchase, then the AMC reserves the right to allot units in the option under which units were allotted at the time of fresh purchase.

9. Bank Mandate Requirement

- a) For all fresh purchase transactions made by means of a cheque, where the account on which the cheque is drawn for purchase of units differs from the bank mandate account provided in the application, a copy of blank/cancelled cheque of bank mandate account is required to be provided. This condition is also applicable to all purchase transactions made by means of a Demand Draft.
- b) For Change of Bank mandate requests a copy of cheque of new bank mandate account is required to be provided. All Change of Bank Mandate requests submitted without copy of cheque are liable to be rejected.
- c) In case the application is not accompanied by the cheque copy, the AMC reserves the right to reject the application also the AMC will not be liable in case the redemption/dividend proceeds are credited to wrong account in absence of above cheque copy.
- d) In case of Change of Bank Mandate requests along with redemptions requests, where copy of cheque as mandated above is not submitted, redemption proceeds will be issued / credited to existing bank mandate account.

10. Application with/without broker

Investors may note and follow the below-mentioned directions while applying for the units of the schemes of the Mutual Fund:

- (1) In case where the Broker code is already printed in Application form / Transaction form / Purchase request form by the AMC / Registrar / Distributor :

Where the Investor wishes to apply directly (i.e. not through existing broker / distributor), then the investor should strike off the broker code (printed) and should write "Direct Applications" or "Not Applicable (N.A.)" and countersign the same

- (2) In case where the Broker code is not printed in Application form / Transaction form / Purchase request form :

In case of direct applications, the Investor should write in the space provided for the broker code "Direct Application" or "Not Applicable (N.A.)".

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- (3) In case of change in broker, the investor will be required to strike off the old broker code and countersign near the new broker code, before submitting the application form / transaction form / purchase form to the designated ISC's/ OPA (Official points of Acceptance).
- (4) The Registrar and the AMC shall affect the application for changes in the broker code within the reasonable period of time from the time of receipt of written request from the investor at the designated ISC's / OPA. Decision of the Registrar/AMC in this regard shall be final and acceptable to all.
- (5) All Unitholders who have invested/may invest through channel distributors and intend to make their future investments through the direct route, are advised to complete the procedural formalities prescribed by AMC from time to time.

11. Consolidated Account Statement (CAS):

Pursuant to Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 and amendments thereto, read with SEBI Circular No. Cir/ IMD/ DF/16/ 2011 dated September 8, 2011, the investor whose transaction** has been accepted by the AMC/Mutual Fund **on or after October 1, 2011** shall receive the following:

- (i) On acceptance of the application for subscription, an allotment confirmation specifying the number of units allotted by way of email and/or SMS within 5 Business Days from the date of receipt of transaction request will be sent to the Unit holders registered e-mail address and/or mobile number.
- (ii) Thereafter, a consolidated account statement (CAS)^ for each calendar month to the Unit holder(s) in whose folio(s) transaction**(s) has/have taken place during the month on or before 15th of the succeeding month shall be sent by mail/e-mail.

^Consolidated Account Statement (CAS) shall contain details relating to all the transactions** carried out by the investor across all schemes of all mutual funds during the month and holding at the end of the month including transaction charges paid to the distributor.

****The word 'transaction' shall include purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions.**

- (iii) For the purpose of sending CAS, common investors across mutual funds shall be identified by their Permanent Account Number (PAN).
- (iv) In case of a specific request received from the Unit holders, the AMC/Fund will provide the account statement to the investors within 5 Business Days from the receipt of such request.
- (v) In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/account statement.
- (vi) The CAS shall not be received by the Unit holders for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN.

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Further, the CAS detailing holding across all schemes of all mutual funds at the end of every six months (i.e. September/ March), shall be sent by mail/e-mail on or before 15th day of succeeding month, to all such Unit holders in whose folios no transaction has taken place during that period. The half yearly consolidated account statement will be sent by e-mail to the Unit holders whose e-mail address is available, unless a specific request is made to receive in physical.

The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective DPs periodically.

Half Yearly Consolidated Account Statement (CAS)

A consolidated account statement detailing holding across all schemes at the end of every six months (i.e. September/ March), on or before 21st day of succeeding month, to all such Unit holders holding Units in non-demat form in whose folios no transaction has taken place during that period shall be sent by mail/email.

The half yearly consolidated account statement will be sent by e-mail to the Unit holders whose e-mail address is registered with the Fund, unless a specific request is made to receive the same in physical mode.

The statement of holding of the beneficiary account holder for units held in demat form will be sent by the respective DPs periodically.

The Account Statement shall state that the net investment as gross subscription less transaction charges, if any and specify the no. of units allotted against the net investment.

CAS for investors having Demat account:

- Investors having MF investments and holding securities in Demat account shall receive a single Consolidated Account Statement (CAS) from the Depository.
- Consolidation of account statement shall be done on the basis of Permanent Account Number (PAN). In case of multiple holding, it shall be PAN of the first holder and pattern of holding. For PANs which are common between depository and the AMC, the depository shall send the CAS. In other cases (i.e. PANs with no demat account and only MF units holding), the AMC/RTA shall continue to send the CAS to its unit holders as is being done presently in compliance with the Regulation 36(4) of the SEBI (Mutual Funds) Regulations.
- The CAS shall be generated on a monthly basis.
- If there is any transaction in any of the Demat accounts of the Investor or in any of his mutual fund folios, depositories shall send the CAS within fifteen days from the month end. In case, there is no transaction in any of the mutual fund folios and demat accounts then CAS with holding details shall be sent to the investor on half yearly basis.
- In case an investor has multiple accounts across two depositories, the depository with whom the account has been opened earlier will be the default depository which will consolidate details across depositories and MF investments and dispatch the CAS to the investor. However, option shall be given to the demat account holder by the default depository to choose the depository through which the investor wishes to receive the CAS.
- Where statements are presently being dispatched by email either by the Mutual Funds or by the Depositories, CAS shall be sent through email. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered in the Depository system.
- If an investor does not wish to receive CAS, an option shall be given to the investor to indicate negative consent.

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The dispatch of CAS by the depository would constitute compliance by the AMC/ the Fund with the requirement under Regulation 36(4) of SEBI (Mutual Funds) Regulations.

The AMC reserves the right to furnish the account statement in addition to the CAS, if deemed fit in the interest of Investor(s).

12. Option to hold units in Dematerialized (Demat) Form

Pursuant to SEBI Circular no. CIR/IMD/DF/9/2011 dated May 19, 2011, Navi Mutual Fund provides an option to the investors of the Fund to mention demat account details in the subscription form, in case they desire to hold units in the dematerialized mode. The option to subscribe to the units in the dematerialized mode is available for all the schemes of the Fund, except for plans / options, where dividend distribution frequency is less than one month.

13. Option to hold units in Dematerialized Form for SIP Transactions

Pursuant to SEBI Circular no. CIR/IMD/DF/9/2011 dated May 19, 2011 and further to the Addendum dated 26 October 2011 offering the option to hold units in dematerialized form, Navi Mutual Fund has extended the facility to investors of the Fund for investment made **through Systematic Investment Plan (SIP)** for all the Schemes of the Navi Mutual Fund offering SIP, with effect from 1 January 2012.

The units will be allotted in dematerialized mode based on the applicable NAV, as per terms of the respective Schemes and credited to the investors' demat account every Monday for realization status received during the previous week (Monday to Friday). The allotment of units will be subject to the guidelines / procedures specified by the Depositories (NSDL / CDSL) from time to time.

14. Mailing of Annual Report or Abridged Summary:

Pursuant to Regulation 56 of SEBI (Mutual Funds) Regulations, 1996 and amendments thereto, read with SEBI circular No. Cir/ IMD/ DF/16/ 2011 dated September 8, 2011, the scheme wise annual report or an abridged summary thereof hereinafter shall be sent by AMC/Mutual Fund as under:

- (i) by e-mail to the Unit holders whose e-mail address is available with the Fund,
- (ii) in physical form to the Unit holders whose email address is not available with the Fund and/or to those Unit holders who have opted / requested for the same.

The physical copy of the scheme wise annual report or abridged summary shall be made available to the investors at the registered office of the AMC. A link of the scheme annual report or abridged summary shall be displayed prominently on the website of the Fund.

C. General Information

1. Inter-Scheme Transfer of Investments

Transfers of investments from one scheme to another scheme in the Mutual Fund shall be allowed only if

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- (a) Such transfers are done at the prevailing market price for quoted instruments on spot basis.
(spot basis shall have same meaning as specified by stock exchange for spot transactions).
- (b) Transfers of unquoted securities will be as per the policy laid down by the Trustee from time to time
- (c) The securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
- (d) Inter Scheme Transfers are effected in accordance with the guidelines specified by SEBI circular No. SEBI/ HO/ IMD/DF4/cir/P/2020/202 dated october 08, 2020 as amended from time to time.

2. Associate Transactions

The Mutual Fund is registered on September 04, 2009 with SEBI and has not had any transactions with the Sponsor or any of the Sponsor's associates from the date of registration until the date of this SAI.

The AMC may however, for the purposes of providing certain services utilize the services of the Sponsor, group companies and any other subsidiary or associate company of the Sponsor established or to be established at a later date, who is in a position to provide the requisite services to the AMC.

The scheme will invest in group companies of the sponsor or the sponsor in accordance with the provisions of the Regulations.

The AMC, on behalf of the Fund, shall 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 Regulations.

Details of brokerage / commission paid to associates / related parties / group companies of Sponsor for the past 3 financial years is given below:

Brokerage paid to associates / related parties / group companies of Sponsor / AMC:

Name of associates / related parties / group companies of Sponsor / AMC	Nature of association / nature of relation	Period covered	Value of transaction (in Rs.cr. & % of total value of transaction of fund)	Brokerage (in Rs.cr. & % of total brokerage paid by the fund)
			Rs. Cr.	%

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NIL	Apr'22- Mar'23	NIL
NIL	Apr'21- Mar'22	NIL
NIL	Apr'20- Mar'21	NIL

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Brokerage paid to associates / related parties / group companies of Sponsor / AMC:

Name of associates / related parties / group companies of Sponsor / AMC	Nature of association / nature of relation	Period covered	Value of transaction (in Rs.cr. & % of total value of transaction of fund)			Brokerage (in Rs.cr. & % of total brokerage paid by the fund)
			Rs. Cr.	%	Rs. Cr.	
Nil	Nil	Apr'22-Mar'23	Nil	Nil	Nil	Nil
Nil	Nil	Apr'21-Mar'22	Nil	Nil	Nil	Nil
Nil	Nil	Apr'20-Mar'21	Nil	Nil	Nil	Nil

Commission paid to associates / related parties / group companies of Sponsor / AMC:

Name of associates / related parties / group companies of Sponsor / AMC	Nature of association / nature of relation	Period covered	Business given (in Rs.cr. & % of total business received by the fund)			Commission paid (in Rs.cr. & % of total commission paid by the fund)
			Rs. Cr.	%	Rs. Cr.	
Nil	Nil	Apr'22-Mar'23	Nil	Nil	Nil	Nil
Nil	Nil	Apr'21-Mar'22	Nil	Nil	Nil	Nil
Nil	Nil	Apr'20-Mar'21	Nil	Nil	Nil	Nil

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3. Stock Lending by the Mutual Fund

Subject to the SEBI Regulations as applicable from time to time, the Mutual Fund may, engage in Stock Lending. 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 the expiry of the stipulated period.

For details, investors are requested to refer to the Scheme Information Document of the respective schemes.

4. Borrowing by the Mutual Fund

The Mutual Fund is allowed to borrow to meet the temporary liquidity needs of the schemes for the purpose of repurchase, redemption of units or payment of interest or dividend to the unit holders, provided that the Mutual Fund shall not borrow more than 20% of the net assets of each scheme and the duration of such borrowing shall not exceed a period of six months.

5. Unclaimed Redemption and Dividend Amount

As per Circular No. MFD/CIR/9/120/2000, dated November 24, 2000, issued by SEBI, unclaimed redemption and dividend amounts shall be deployed by the Mutual Fund in money market instruments and such other instruments/securities as maybe permitted from time to time. The investment management fee charged by the AMC for managing such unclaimed amounts shall not exceed 50 basis points. Investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing NAV. After a period of three years, this amount can be transferred to a pool account and the investors can claim the said amounts at the NAV prevailing at the end of the third year. The AMC shall make a continuous effort to remind investors through letters to take their unclaimed amounts.

6. Suspension of the Purchase and Redemption of Units

Subject to the approval of the Boards of the AMC and of the Trustee, and subject also to necessary communication of the same to SEBI, the determination of the NAV of the Units of a Scheme, and consequently of the Purchase, Redemption and switching of Units, may be temporarily suspended in any of the conditions described below.

- a) When one or more stock exchanges or markets which provide the basis of valuation for a substantial portion of the assets of the Scheme is closed otherwise than for ordinary holidays.
- b) When, as a result of political, economic or monetary events or any other circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the Scheme is not considered to be reasonably practicable or might otherwise be detrimental to the interests of the Unit Holders.
- c) In the event of breakdown in the means of communication used for the valuation of investments of the Scheme, so that the value of the securities of the Scheme cannot be accurately or reliably arrived at.
- d) If, in the opinion of the AMC, extreme volatility of markets causes or might cause, prejudice to the interests of the Unit Holders of the Scheme.
- e) In case of natural calamities, war, strikes, riots, and bandhs.
- f) In case of any other event of force majeure or disaster that in the opinion of the AMC affects the normal functioning of the AMC or the Registrar.
- g) During the period of Book Closure.

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h) If so directed by SEBI.

In any of the above eventualities, the time limits for processing requests for subscription and Redemption of Units will not be applicable. 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.

7. Documents Available for Inspection

The following documents will be available for inspection at the office of the Mutual Fund during business hours on any day (excluding Saturdays, Sundays and public holidays)

- Memorandum and Articles of Association of the AMC
- Investment Management Agreement
- Deed of Trust and amendments thereto, if any
- Mutual Fund Registration Certificate
- Agreement between the Mutual Fund and the Custodian
- Agreement with Registrar and Transfer Agents
- Consent of Auditors to act in the said capacity
- Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments from time to time thereto.
 - Indian Trusts Act, 1882.
 - Annual Report of the Mutual Fund

8. 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 respective Scheme/ Plans and the underwriting obligation of the respective Scheme/ Plans shall not at any time exceed the total net asset value of the respective Scheme/ Plans.

10. Soft Dollar Arrangement:

(Pursuant to SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2016/42 dated March 18, 2016 (the SEBI Circular)) In terms of Clause F of the SEBI Circular, Soft Dollar arrangements refers to an arrangement between Asset Management Companies (AMCs) and brokers in which the AMC executes trades through a particular broker and in turn the broker may provide benefits such as free research, hardware, software or even non-research-related services etc., to the AMC. Such arrangements between the AMCs and brokers should be limited to only benefits (like free research report, etc.) that are in the interest of investors and the same should be suitably disclosed. In this regard, it may be noted that Navi AMC Limited (the AMC) does not have any Soft-Dollar arrangements with any of its brokers. The empanelled brokers may provide research related services like research reports, invitation to attend meetings/calls/conferences with companies, subject experts/leaders, etc, which can facilitate in investment decision process. Such services, provided by the brokers, are free of cost

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and are in the interest of investors of Navi Mutual Fund. The business given to brokers and brokerage rates charged to the schemes are within the limits specified under SEBI (Mutual Funds) Regulations, 1996.

11. Investor Grievances Redressal Mechanism

Investors can lodge any service request or complaints or enquire about NAVs, Unit Holdings, Valuation, Dividends, etc by calling the investor line of the AMC at 02240635025 –toll free no 18001038999 or email – mf@navi.com .The service representatives may require personal information of the investor for verification of his / her identity in order to protect confidentiality of information. The AMC will at all times endeavour to handle transactions efficiently and to resolve any investor grievances promptly.

Any complaints should be addressed to Mr. Tushar Chandel, who has been appointed as the Investor Relations Officer and can be contacted at:

Address:

7th Floor, Vaishnavi Tech Square, Ibbalur Village, Begur Hobli, Bengaluru, Karnataka – 560102 Tel No: 8147544555, Toll free no 1800 103 8999

Email : mf@navi.com

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II A	Non receipt of Statement of Account/Unit Certificate	0	1	1	0	0	0	4	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	1	1	0	0	0	1	0	0	0	0	0
II C	Data corrections in Investor details	0	7	7	0	0	0	1	0	0	0	0	0
II D	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	0	5	5	0	0	0	1	0	0	0	0	0
III F	Delay in allotment of Units	0	0	0	0	0	0	0	0	0	0	0	0
III G	Unauthorized Redemption	0	0	0	0	0	0	0	0	0	0	0	0
IV	Others **	0	6	6	0	0	0	3	0	1	0	0	0
Total		0	20	20	0	0	0	10	0	1	0	0	0

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	Redemption												
II A	Non receipt of Statement of Account/Unit Certificate	0	0	0	0	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	0	0	0	0	0	0	0	0	0	0	0
II C	Data corrections in Investor details	0	0	0	0	0	0	0	0	0	0	0	0
II D	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	0	0	0	0	0	0	0	0	0	0	0	0
III F	Delay in allotment of Units	0	0	0	0	0	0	0	0	0	0	0	0
III G	Unauthorized Redemption	0	0	0	0	0	0	0	0	0	0	0	0
IV	Others **	0	8	8	0	0	0	3	0	1	0	0	0

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Total	0	10	10	0	0	0	6	0	1	0	0	0
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Details of investors complaints received and redressed during the period April 1, 2022 to March 31, 2023 are as under:-

Redressal of Complaints received during				2022-2023									
Name of the Mutual Fund				Navi Mutual Fund									
Total Number of Folios				762174									
Complaint code	Type of complaint#	(a) No. of complaints pending at the beginning of the year	(b) No of complaints received during the year	Action on (a) and (b)									
				Resolved					Non Actionable *	Pending			
				With in 30 days	30-60 days	60-180 days	Beyond 180 days	Average time taken ^ (in days)		0-3 months	3-6 months	6-12 months	Beyond 12 months
IA	Non receipt of amount declared under Income Distribution cum Capital Withdrawal option	0	0	0	0	0	0	0	0	0	0	0	0
IB	Interest on delayed payment of amount declared under Income Distribution cum Capital Withdrawal option	0	0	0	0	0	0	0	0	0	0	0	0
IC	Non receipt of Redemption Proceeds	0	12	12	0	0	0	3	0	0	0	0	0

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I D	Interest on delayed payment of Redemption	0	0	0	0	0	0	0	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	0	0	0	0	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	2	2	0	0	0	0	0	0	0	0	0
II C	Data corrections in Investor details	0	0	0	0	0	0	0	0	0	0	0	0
II D	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	0	0	0	0	0	0	0	0	0	0	0	0
III F	Delay in allotment of Units	0	0	0	0	0	0	0	0	0	0	0	0

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III G	Unauthorized Redemption	0	0	0	0	0	0	0	0	0	0	0	0
IV	Others **	0	56	56	0	0	0	3	0	1	0	0	0
Total		0	70	70	0	0	0	6	0	1	0	0	0

Notwithstanding anything contained in this Statement of Additional Information, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines thereunder shall be applicable.

**For and on behalf of the Board of Directors of Navi AMC Limited
(formerly Essel Finance AMC Limited)**

Sd/-

Rajiv Naresh
Chief Executive Officer
Place: Bengaluru
Date: June 28, 2023