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## STATEMENT OF ADDITIONAL INFORMATION (SAI)

Name of Mutual Fund	<b>Kotak Mahindra Mutual Fund</b>
Name of Asset Management Company	<b>Kotak Mahindra Asset Management Company Ltd</b> <b>CIN: U65991MH1994PLC080009</b>
Name of Trustee Company	<b>Kotak Mahindra Trustee Company Ltd</b> <b>CIN: U65990MH1995PLC090279</b>
Registered Address of the Companies	<b>27 BKC, C-27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051</b>
Corporate Office Address of Asset Management Company	<b>2<sup>nd</sup> Floor, 12-BKC, Plot No. C-12, G-Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051</b>
Website	<b><a href="http://www.kotakmf.com">www.kotakmf.com</a></b>

This Statement of Additional Information (SAI) contains details of Kotak Mahindra 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).

**This SAI is dated June 30, 2025.**

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## **I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANIES**

### **A. Constitution of the Mutual Fund**

Kotak Mahindra Mutual Fund (the “Mutual Fund”) has been constituted as a trust on May 20, 1996, in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with Kotak Mahindra Bank Limited, as the Sponsor and Kotak Mahindra Trustee Company Limited as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI on June 23, 1998 under Registration Code MF/038/98/1.

### **B. Sponsor**

Kotak Mahindra Mutual Fund is sponsored by Kotak Mahindra Bank Limited. The Sponsor is the Settler of the Mutual Fund Trust. The Sponsor has contributed Rs. One Lakh as the initial contribution to the corpus for the setting up of the Trust. The Sponsor has also contributed Rs. One Lakh Fifty Thousand as additional corpus. Financial Performance of the Sponsor (past three financial years):

<b>(Rs. In crore)</b>				
<b>Particulars</b>	<b>2024-25</b>	<b>2023-24</b>	<b>2022-23</b>	<b>2021-22</b>
Net Worth	116,897.69	96,066.10	83,459.94	72,456.47
Total Income	64,338.22	56,072.01	41,333.90	33,024.74
Profit after tax	16,450.08	13,781.58	10,939.30	8,572.69

### **About Kotak Mahindra Bank**

The erstwhile Sponsor Company, Kotak Mahindra Finance Limited (KMFL) was converted into Kotak Mahindra Bank Limited (Kotak Bank) in March 2003 after being granted a banking license was granted to it by the Reserve Bank of India. KMFL started with a capital base of Rs. 30.88 lakh. From being a provider of a single financial product, KMFL grew substantially into a highly diversified financial services conglomerate.

As on March 31, 2025, the net worth (capital, including Preference Share Capital plus Reserves & Surplus) of Kotak Bank is Rs. 116,897.69 crores. The Sponsor and its subsidiaries/associates offer wide ranging financial services such as loans, lease and hire purchase, consumer finance, home loans, commercial vehicles and car finance, Microfinance, investment banking, stock broking, mutual funds, primary market distribution of equity and debt products, general and life insurance.

The Sponsor is neither responsible nor liable for any loss resulting from the operations of the Schemes.

### **C. The Trustee**

Kotak Mahindra Trustee Company Limited (the “Trustee”) CIN: U65990MH1995PLC090279, through its Board of Directors, shall discharge its obligations as Trustee of Kotak Mahindra Mutual Fund. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI Regulations and will also review the activities carried on by the AMC.

## 1. Details of Directors on the Board of Trustee Company

Name	Age/Qualification	Brief Experience
<b>Mr. Amit Krishnakant Desai</b>	66 years/ Bachelor of Commerce - Sydenham College and LLB - Government Law College	Mr. Amit Desai is the Non-Executive Director of the Company.  He is a lawyer, with several years of experience. Mr. Desai is presently also on the Board of Kotak Mahindra Bank Limited.
<b>Mr. Chandrashekhar Sathe</b>	74 years/ Graduate in B. Tech. (Chemical Engineering) from IIT, Mumbai	Mr. Chandrashekhar Sathe is the Non-Executive Director of the Company. He has more than 41 years of experience in the banking and financial sector, and He was Group Head-Risk Management of Kotak Mahindra Bank Limited before retiring in 2009. Mr. Sathe was a part of the Senior Management team of Kotak Mahindra Group since 1992 and he was responsible for setting up the Fixed Income Securities capability of Kotak Mahindra Capital Company Limited. Prior to joining Kotak, he was with Bank of Nova Scotia and Bank of Maharashtra. He has wide ranging experience in Banking, Finance, Administration, Credit, Foreign Exchange and Money Markets. Mr. Sathe was a widely consulted expert on Foreign Exchange and Money Markets in India and he had been a frequent contributor to financial newspapers, magazines and TV News channels.
<b>Mr. Sharadkumar Bhatia</b>	70 years/ B. E (Chem), MBA, Advanced Management Program at INSEAD, France	Mr. Sharad Bhatia is the Chairman and Independent Director of the Company. Mr. Bhatia has over 42 years of experience in the financial services industry, including the last 20 years in the area of distressed debt, specializing in acquisition and resolution of stressed assets. Mr. Bhatia has served on the Boards of several leading corporates and is a regular speaker on issues relating to distressed debt and asset reconstruction. Mr. Bhatia has worked in various capacities with the ICICI group and Kotak Mahindra group, where his last mandate was setting up Phoenix ARC Private Limited, which he subsequently managed as CEO. Thereafter, he joined Axis Bank where he served as President-Stressed Assets and was responsible for managing the stressed assets portfolio. Mr. Bhatia thereafter joined Multiples Alternate Assets Private Limited, spearheading the company's foray into the stressed assets.
<b>Mr. Jayesh Merchant</b>	67 years/ B. Com, CA, CS and Law Graduate	Jayesh is an advisor to corporates, with a specialization in Corporate Laws, Mergers and Acquisitions, Intellectual Property Rights and Financial Restructuring. His extensive experience and strategic insight have been instrumental in guiding numerous companies towards sustainable growth and robust governance. Currently Jayesh serves as an Independent Director and Chairman of the Audit Committee for Trent Limited, Lenskart Solutions Private Limited,

		Voltas Limited, and Tata Investment Corporation Limited. Additionally, he holds the position of Independent Director at Trent Limited, Lenskart Solutions Private Limited, Nexus Select Mall Management Private Limited, Voltas Limited, and Tata Investment Corporation Limited. Jayesh retired in November, 2019, as Chief Financial Officer, Company Secretary and President – Industrial JVs, after completing a successful 17-year stint with Asian Paints Limited, a leading paint company in Asia with a market capitalization of around 20 billion dollars and a revenue of 2.5 billion dollars.
<b>Mr. Noshir Dastur</b>	65 Years B.Com, CA	Mr. Noshir Dastur, is a B.Com, Fellow Chartered Accountant from the Institute of Chartered Accounts of India. He is a Partner with Dubash & Patil, Chartered Accountants from January 1992. He was also a Partner with Bhandari Dastur Gupta & Associates, Chartered Accountants for period of ten years ending in March 2008.

Mr. Amit Desai and Mr. Chandrashekhar Sathe are associated with the Sponsor.

## 2. Rights, Obligations, Responsibilities and Duties of the Trustee

Pursuant to the Trust Deed constituting the Fund and in terms of the Regulations, the rights, obligations, responsibilities and duties of the Trustee are as under:

1. The Trustee has the legal ownership of the Trust Fund. The general superintendence and management of the Trust and all powers incidental to the purpose of the trust vest absolutely in the Trustee subject to the Trust Deed.
2. The Trustee shall take into its custody or under its control all the capital and property of every Scheme of the Mutual Fund and hold it in trust for the Unitholders of the Scheme.
3. The Trustee is entitled to delegate any power and/or responsibility vested in it to the Kotak Mahindra Asset Management Company Limited (AMC), which is accountable to the Trustee and bound to carry out the functions assigned to it from time to time. Notwithstanding any such delegation, the Trustee Company is at all times responsible for the acts of negligence or acts of omission and commission of the AMC.
4. The trustees shall have a right to obtain from the AMC such information as is considered necessary by the trustees.
5. The trustees shall approve the policy for empanelment of brokers by the AMC and shall ensure that an AMC 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 AMC 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 AMC are in accordance with these regulations and the scheme.
8. The trustees shall ensure that the AMC 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 AMC.
9. The trustees shall ensure that all the activities of the AMC 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 their 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.
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 ensure that the income calculated by the AMC under Sub-Regulation (25) of Regulation 25 of SEBI (Mutual Fund) Regulations is in accordance with SEBI (Mutual Fund) 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 of SEBI (Mutual Fund) Regulations or prematurely redeem the units of a close ended scheme.
16. The trustees shall ensure that no change in the fundamental attributes of any scheme, the fees and expenses payable or any other change which would modify the scheme and affect the interest of the unit holders is carried out by the AMC, unless it complies with Sub-Regulation (26) of Regulation 25 of SEBI (Mutual Fund) Regulations.
17. The trustees shall call for the details of transactions in securities by the key personnel of the AMC in his own name or on behalf of the AMC and shall report to the Board, as and when required.
18. The trustees shall quarterly review all transactions carried out between the mutual funds, asset management company and its associates.
19. The trustees shall on a quarterly basis review the networth of the AMC to ensure compliance with the threshold provided in clause (f) of Sub-Regulation (1) of Regulation 21 of SEBI (Mutual Fund) Regulations on a continuous basis.
20. The trustees shall periodically review the service contracts relating to custody arrangements and satisfy themselves that such contracts are executed in the interest of the unit holders.
21. The trustees shall ensure that there is no conflict of interest between the manner of deployment of its net worth by the asset management company and the interest of the unit- holders.
22. The trustees shall periodically review the investor complaints received and the redressal of the same by the AMC.
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 AMC,
  - c. a certificate to the effect that the AMC has been managing the schemes independently of any other activities and in case any activities of the nature referred to in 70 clause (b) of Regulation 24 of SEBI (Mutual Fund) Regulations have been undertaken by the AMC 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 of SEBI (Mutual Fund) Regulations shall give their comments on the report received from the AMC regarding the investments by the mutual fund in the securities of group companies of the sponsor.
25. 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.
26. The independent directors of the trustees or AMC shall pay specific attention to the matters specified in Regulation 18(27) of SEBI (Mutual Fund) Regulations, as may be applicable.
27. The Trustee shall abide by the Code of Conduct as specified in the Part A of the Fifth Schedule to the SEBI (MF) Regulations.

#### **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 of 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 trustees 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.

### **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.

The trustees shall also exercise due diligence on such matters as may be specified by the Board from time to time.

Modifications, if any, in the rights and/or obligations and duties of the Trustee are on account of amendments to the Regulations and the Regulations supercede/override the provisions of the Trust Deed, wherever the two are in conflict. The Compliance Officer reports directly to the Trustees to carry out the supervisory role on behalf of the Trustee. In addition, the Trustee may seek any information from time to time from the AMC. A reputed firm of Chartered Accountants has been appointed to carry out internal audit of the Fund on a periodic basis to facilitate monitoring the activities of the AMC. On a quarterly basis, an activity report prepared by the AMC is discussed at the Board Meetings of the Trustee. The Audit Committee, comprising three Directors of the Board of Directors of the Trustee. The Audit Committee of the Trustee Company was constituted pursuant to the clause 6.1 of SEBI Master circular dated June 27, 2024,. The Audit Committee comprises of three Directors and it is chaired by an Independent Director. During the year 2024-25, seven meetings of the Audit Committee were held.

The Board of Directors of the Trustee Company had eight meetings during the year 2024-25.

### **Power to make rules**

Subject to the Regulations, the Trustee may, from time to time, prescribe such terms and make such rules as may be necessary for the purpose of giving effect to the Scheme, with power to the AMC to add to, alter or amend all or any of the terms and rules that may be framed from time to time.

### **Power to remove difficulties**

If any difficulty arises in giving effect to the provisions of the Scheme, the Trustee may, subject to the Regulations, do anything not inconsistent with such provisions, which appears to it to be necessary, desirable or expedient, for the purpose of removing such difficulty. Without diluting in any way the powers granted to the Trustee as aforesaid, the Trustee has the following powers:

- (i) Right to change the load structure;
- (ii) Right to change cut-off times for purchase and redemption of Units;
- (iii) Right to change minimum amounts of purchase and redemption;



- (iv) Right to determine frequency and amount of Income Distribution cum capital withdrawal (IDCW); and the right not to declare IDCW, where distributable surplus is inadequate; and
- (v) Right to add to or alter the modes of payment by the investor for purchase of Units.

The exercise of these powers, reserved by the Trustee under this SAI vis-a-vis prospective investments in any of the scheme, shall not constitute change in the fundamental attributes of the Scheme.

## II. ASSET MANAGEMENT COMPANY

Kotak Mahindra Asset Management Company Limited (AMC) CIN: U65991MH1994PLC080009 is a public limited company incorporated under the Companies Act, 1956 on August 2, 1994, having its Registered Office at 27 BKC, C-27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051. Kotak Mahindra Asset Management Company Limited has been appointed as the Asset Management Company of the Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated May 20, 1996, as amended up to date, and executed between the Trustee and the AMC. Kotak Mahindra Asset Management Company Limited is a wholly owned subsidiary of the Sponsor, Kotak Bank. An approval by the Division of Funds, Investment Management Department under the SEBI (Portfolio Manager) Regulations, 1993 and Mutual Funds Division of SEBI under the SEBI ('Mutual Funds') Regulations, 1996, has been granted to the AMC for undertaking Portfolio Management Service (PMS) and Mutual Fund Services. The AMC offers portfolio management service. The AMC has renewed its registration obtained from SEBI vide Registration No. – INP000000837 dated November 13, 2018 to act as a Portfolio Manager under the SEBI (Portfolio Managers) Regulations, 1993. The said certificate of registration is valid unless it is suspended or cancelled by SEBI.

KMAMC received approval from SEBI for acting as an investment manager for Category II and Category III AIF. Currently KMAMC is managing Kotak India Renaissance-I Fund under Category III and Kotak Credit Opportunities Fund under Category II.

The AMC has received No objection from SEBI for providing non-binding offshore advisory services to offshore funds. The AMC has not yet commenced providing non-binding offshore advisory services.

The AMC has systems in place to ensure that there is no conflict of interest between the aforesaid activities.

### 1. Details of Directors on the Board of AMC

Name	Age/Qualification	Brief Experience
<b>Mr. Uday S. Kotak</b>	66 years/ Bachelor's degree in Commerce and an MMS from Jamnalal Bajaj Institute of Management Studies, Mumbai	Mr. Uday Kotak is the Chairman and Non-Executive Director of the Company. He is the Founder and Director of Kotak Mahindra Bank Limited. He was the Managing Director & CEO of the Kotak Bank till September 2023, prior to becoming Non-Executive Director. He has played an important role in the growth of the Kotak Mahindra group over the past 38 years. Under his leadership, the Kotak Mahindra group has emerged as one of India's leading diversified and integrated financial services conglomerates, providing a range of financial solutions covering banking, asset management, alternate asset management, insurance, stock broking, investment banking, private banking, microcredit and asset reconstruction. He has played an important role in defining and developing India's banking & financial sector over three decades. Mr. Kotak leads several key bodies and is currently Co-Chairman of the Indo-UK Financial Partnership (IUKFP). Mr. Kotak is a member of the Global Advisory Board of the Government of Singapore Investment Corporation (GIC) and Investment

Name	Age/Qualification	Brief Experience
		<p>Advisory Committee of the Army Group Insurance Fund. He was earlier a member of the International Advisory Panel of Monetary Authority of Singapore and the President of the Confederation of Indian Industry (CIT) from June 2020 until May 2021. From October 2018 to April 2022, Mr. Kotak served as Non-Executive Chairman of a specially constituted board of Infrastructure Leasing and Financial Services Limited ("IL&amp;FS") (a state-funded non-banking financial company) by the Government of India to steer IL&amp;FS out of a deep crisis, which he served as his national duty. In 2017, a Committee on Corporate Governance constituted by SEBI under the leadership of Mr. Kotak recommended sweeping changes towards more robust and transparent corporate governance. Mr. Kotak is the recipient of many accolades, including the 'EY World Entrepreneur of the Year Award' in 2014, 'India Business Leader of the Year' by CNBC-TV18 at the India Business Leader Awards 2021, Life Time Achievement Award at BT-KPMG Best Banks Awards 2023, Life Time Achievement award for Management at AIMA Awards 2023 and Institution Builder award at Forbes India Awards 2024. Mr. Kotak holds a bachelor's degree in commerce and a MMS degree from Jamnalal Bajaj Institute of Management Studies, Mumbai. Mr. Kotak is also the Non-Executive Chairman on the Boards of Kotak Mahindra Prime Limited, Kotak Mahindra Life Insurance Company Limited, Kotak Mahindra Asset Management Company Limited, Kotak Mahindra Capital Company Limited and Kotak Mahindra Investments Limited, wholly-owned subsidiaries of the Kotak Bank. He is also a member of the Board of Governors of The Mahindra United World College of India and The Anglo Scottish Education Society (Section 8 companies).</p>
<b>Mr. Jaideep Hansraj</b>	59 years/B.Com (Hon)	<p>Mr. Jaideep Hansraj is the Non-Executive Non-Independent Director of the Company. He is a Whole Time Director and Group President – One Kotak at Kotak Mahindra Bank Limited. He joined Kotak Mahindra Group in July 1993. He started his career as the Head of the East region of Kotak Securities Limited ("KSL"), a subsidiary of Kotak Mahindra Finance Limited, now Kotak Mahindra Bank Limited. In a short span of four years, he was elevated as the Chief Executive Officer of Kotak Mahindra International Limited, another subsidiary of Kotak Mahindra Finance Limited, in Dubai. In October 1999, he took over as the Head of KSL's Private Client function. He moved from KSL to build the Kotak Private Banking portfolio of the Bank in 2004. In the Bank, Mr. Hansraj went on to head</p>

Name	Age/Qualification	Brief Experience
		<p>the Bank's Private Banking and Priority Banking from 2014. He also headed the Non-Residential (NR) business of the Bank in addition to Private Banking and Priority Banking prior to moving for the next role. Under his leadership, Private Banking has emerged as a leader in India and has won several accolades and recognition across the industry, including being ranked No.1 in the Asian Private Banker's India 2017 AUM League Table. In July 2019, Mr. Hansraj was appointed as the Managing Director and CEO of KSL. His strong domain experience in investments and capital markets and a proven track record of building and scaling large businesses helped in scaling the business of KSL further. At KSL, he used technology to keep digitization and innovation at the core of customer experience. Under his astute leadership, KSL improved in all critical areas of business, including client acquisition, client activation, volumes, market share across segments, MTF book and profitability. The launch of Neo, the new age order management and risk management system, was done during his tenure as Managing Director and CEO in the brokerage firm. The market share for the securities business more than doubled during his tenure. In April 2024, Mr. Hansraj was brought back to the Bank to focus on the 'One Kotak' agenda as Group President - One Kotak. In his current role, he is driving the agenda for synergies, distribution and alignment of Kotak Group products through the distribution channels (physical, digital, voice and video). He also has oversight to Kotak Group entities. Mr. Hansraj is a member of the Secondary Market Advisory Committee ("SMAC") of the Securities and Exchange Board of India ("SEBI"), which deals with secondary market issues such as recommending actions to improve market safety, efficiency and transparency. He also serves on NSE Clearing Limited's Advisory Committee. Mr. Hansraj is also a Director on the Boards of Kotak Securities Limited, Kotak Mahindra Life Insurance Company Limited, Kotak Alternate Asset Managers Limited, Zurich Kotak General Insurance Company (India) Limited (Formerly Kotak Mahindra General Insurance Company Limited) and Anukriya Foundation (Section 8 company).</p>
<b>Mr. Sanjiv Malhotra</b>	73 years/ Chartered Accountant (England & Wales, Canada and India)	<p>Mr. Sanjiv Malhotra is the Non-Executive Independent Director of the Company. Mr. Malhotra, is a Chartered Accountant. He has 45 years of Global Banking &amp; Finance experience in senior positions in Risk Management, Private Equity, Corporate and Investment Banking, Consumer Finance, Micro Enterprise lending &amp; Wealth Management, Seasoned Business and Risk</p>

Name	Age/Qualification	Brief Experience
		<p>management professional with a sound knowledge of Global Financial Markets and well versed in Crisis Management. He has served until June 2020, as an Independent Director on the Board of State Bank of India for 6 years and Chairman of the Risk Management Committee. He was Citigroup's Chief Risk Officer for Thailand, during the Asian Crisis, and Bank Danamon's Chief Risk Officer, during the 2008-09 Global Financial Crisis. He had worked in Canada, England, India, Indonesia, Thailand and the United Arab Emirates, with Global Financial Institutions.</p>
<b>Mr. Gaurang Shah</b>	<p>63 years/ Member of the Institute of Chartered Accountants of India, the Institute of Cost and Work Accountants of India and the Institute of Company Secretaries of India. M. Com. from Gujarat University</p>	<p>Mr. Gaurang Shah is a Non-Executive Non-Independent Director of the Company. He is also on the Boards of the Insurance, Asset Management and International subsidiary of Kotak Mahindra Bank Limited. He has more than 40 years of work experience, largely in financial services, of which over 27 years have been with the Kotak Mahindra Group. He was whole time director on the Board of Kotak Bank heading the credit risk function for the Bank. He also led the Insurance &amp; Asset Management subsidiaries, as well as the Alternate Assets and Asset Reconstruction businesses. Mr. Gaurang Shah has held several positions of responsibility, including Managing Director of Kotak Life Insurance, Group Head of Retail Assets at Kotak Mahindra Bank and Executive Director of Kotak Mahindra Primus (a joint venture between Kotak Mahindra Group and Ford Credit International). Mr. Gaurang Shah is a member of the Institute of Chartered Accountants of India, the Institute of Cost and Work Accountants of India and the Institute of Company Secretaries of India, and M. Com. from Gujarat University.</p>
<b>Mr. Nilesh Shah</b>	<p>56 years/ Bachelor of Commerce – University of Mumbai, Cost Accountant – ICWAI, Chartered Accountant – ICAI, and Global Financial Management – 25 JP Morgan, USA</p>	<p>Mr. Nilesh Shah is the Managing Director of the Company. He has over 30 years of experience in capital markets and market related investments, having managed funds across equity, fixed income securities and real estate for local and global investors. In his previous assignments, Mr. Nilesh Shah has held leadership roles with Axis Capital, ICICI Prudential Asset Management, Franklin Templeton and ICICI securities. He led his team to the Best Fund House of the Year Award at all the mutual funds where he has worked viz. Kotak, ICICI Prudential and Franklin Templeton Mutual Fund. He is a part time member of the Economic Advisory Council to the Prime Minister and a part time member of Unique Identification Authority of India (UIDAI). He is also a member of the Board of Association of Mutual Funds in India, the Corporate</p>

Name	Age/Qualification	Brief Experience
		Bonds Securitization Advisory Committee (COBOSAC) of SEBI, and the Insurance Advisory Council.
<b>Mr. Krishnakumar Natarajan</b>	68 Years/ B.E MBA	<p>Mr. Krishnakumar Natarajan is the Non-Executive Independent Director of the Company. He is a B.E, MBA. A leading authority in the global IT sector, Krishnakumar Natarajan co-founded Mindtree in 1999 and has played key roles in building the company's innovative approach to delivering IT services and solutions to global 2000 enterprises. In his role as Executive Chairman, he focused on leadership development and ensuring a high quality of governance. He also actively mentored different business groups within the company and worked closely with the start-up ecosystem to bring in innovative models of business transformation for clients. His key skill is to help Enterprises navigate the Digital transformation agenda and help technology deployments by which enterprises enhance customer experience and Industry leading growth. In his prior role as CEO and Managing Director (April 2008-March 2016), Krishnakumar was responsible for making Mindtree a global IT player. Krishnakumar's efforts as a business leader has been recognized worldwide, winning him several laurels. Business world &amp; Forbes ranked him amongst the most valuable CEOs in India in 2016. He won Bloomberg UTV's award as the CEO of the Year in 2010, Business Today CEO of the year award in 2014 and was recognized by Chief Executive Magazine's as one of the twelve global leaders of tomorrow. EY honored him with Entrepreneur of the year 2015 in Services. His efforts resulted in Mindtree winning the Most promising company of the Year in 2013 by CNBC TV18. A 37-year IT industry veteran, Krishnakumar held several key positions at Wipro before co-founding Mindtree. In 2013, Krishnakumar served as Chairman of the National Association of Software and Services Companies (NASSCOM), where he worked to strengthen the Indian IT industry to build a globally competitive ecosystem. He now serves as the Chairman of Nasscom Foundation.</p>

Name	Age/Qualification	Brief Experience
		<p>Social enterprises and Philanthropy are other Key interests of Krishnakumar. He is an active partner of Social Venture Partners- an organization involved in impactful Philanthropy. Along with his wife, he runs their Personal foundation Mela which is focused on helping high potential rural girls to attain professional qualifications and helping Senior Citizens age gracefully. Krishnakumar is an active member of the Confederation of Indian Industry (CII). He is also a regular speaker at international IT industry conferences and a faculty member at management schools around the world. He has a bachelor's degree in mechanical engineering from the College of Engineering, Chennai, India, and a master's degree in Business Administration from the Xavier Institute, Jamshedpur, India.</p>
<b>Mr. Laxminarayan Rangarajan</b>	68 years/ B.Com, LLB (General) & Chartered Accountant	<p>Mr. Laxminarayan Rangarajan is the Non-Executive Independent Director of the Company. He holds a Bachelor's degree in commerce and a bachelor's degree in law (General laws) from the Mumbai university. He is also a fellow member of the Institute of Chartered Accountants of India. He possesses more than 4 decades of professional experience in the fields of accounting, auditing and corporate laws. He was part of Deloitte, the largest professional services Firm in the world for close to 40 years and retired from the Firm in March 2020 after working as an audit partner for 27 years. During his tenure as an audit partner, he had the privilege of conducting statutory and other audits of large corporates belonging to major business groups including the Kotak Mahindra Group. He gained a rich and varied experience in the financial services sector, having done the audits of several mutual funds, AMCs, Banks, NBFCs, Brokerage firms, Merchant bankers, Housing finance companies, etc. He also has significant exposure in attending Board and audit committee meetings in the capacity as the statutory auditor and adding value through the presentations to the audit committees.</p>
<b>Ms. Anjali Raina</b>	66 years/ B.A. English (Hons.), Loreto College, Calcutta, 1979, PGDM, IIM Calcutta, 1981, and AMP, Harvard Business School, 2008.	<p>Ms. Anjali Raina is the Non-Executive Independent Director of the Company. She is also the Executive Director of the Harvard Business School (HBS) India Research Center (IRC). She is an Independent Director on the Board of Harvard Business Publishing India, Harvard Global Support Center India, Mahindra Insurance Brokers Limited, and an Advisory Member on the Board of HBS Club of India. She is also a Board Member of the European Center for Executive Development (CEDEP). Ms. Anjali holds an MBA from the Indian Institute of Management Calcutta and a Bachelor's Degree (Eng. Hons) from Loreto College. She is an alumnus of HBS, having completed the Advanced Management Program. In her role at the</p>



Name	Age/Qualification	Brief Experience
		HBS IRC, Ms. Anjali focuses on building and maintaining relationships with senior business leaders in the region to facilitate the center's work in research, educational programs, community building, and faculty development. Ms. Anjali has a total of 43 years of work experience. Before joining HBS IRC in 2008, Anjali spent 15 years with Citigroup India, before which she worked for more than a decade with ANZ Grindlays Bank PLC. With over 26 years of experience in the banking sector, Ms. Anjali worked in all areas of leadership and finance, heading different units across corporate and retail businesses, as well as human resources and training.

Mr. Uday Kotak, and Mr. Nilesh Shah are associated with the Sponsor.

## 1. Powers, Functions and Responsibilities of the AMC

Under the Investment Management Agreement (IMA), Kotak Mahindra Asset Management Company Limited has been appointed as the Asset Management Company, to provide management and administrative services to the Trust and to deploy the funds raised by the Mutual Fund under the Scheme. The Trustee has authorised the AMC to do all such acts and things on behalf of the Trust as are necessary for the discharge of the responsibilities of the AMC. The duties and responsibilities of the AMC are as follows:

1. The Trustee has granted the AMC certain powers and authorities as stipulated under the Trust Deed and may grant such other powers as may be deemed fit from time to time, and communicate the same in writing to the AMC.
2. The following are, inter alia, the specific powers:
  - a. to invest, acquire, hold, manage or dispose of all or any securities and to deal with, engage in and carry out all other functions and to transact all business pertaining to KMMF;
  - b. to keep the moneys belonging to KMMF with banks and custodians, as the AMC may deem fit;
  - c. to determine the terms and conditions applicable to the Scheme and to decide the category of persons who may participate in any Scheme and to formulate, introduce, make, announce or launch one or more Schemes;
  - d. to issue, sell or purchase Units under any Scheme of KMMF;
  - e. to ascertain, appropriate and distribute the surplus generally or under various Schemes or under any Scheme, to carry forward, reinvest or otherwise deal with any surplus and to transfer such sums as the AMC may deem fit to one or more reserve funds which may be established at the discretion of the Trustee;
  - f. to sign, seal, execute, deliver and register according to law, all deeds, documents, and assurances in respect of or in any manner relating to KMMF;
  - g. to do all acts, deeds, matters and things, which are necessary for any object, purpose or in relation to KMMF in any manner or in relation to any Scheme of KMMF.
3. The board of directors of the asset management company shall exercise due diligence as follows:
  - a. The board of directors of the AMC shall ensure before the launch of any scheme that the AMC has-
    - i. systems in place for its back office, dealing room and accounting;
    - ii. appointed all key personnel including fund manager(s) for the scheme(s) and submitted their bio-data which shall contain the educational qualifications and past experience in the securities market with the Trustees, within fifteen days of their appointment;
    - iii. appointed auditors to audit its accounts;

- iv. 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;
- v. appointed a registrar to an issue and share transfer agent registered under the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and laid down parameters for their supervision;
- vi. prepared a compliance manual and designed internal control mechanisms including internal audit systems;
- vii. specified norms for empanelment of brokers and marketing agents;
- viii. obtained, wherever required under MF Regulation, prior in principle approval from the recognized stock exchange(s) where units are proposed to be listed.

b. The board of directors of the AMC shall ensure that -

- i. the AMC has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with specific brokers;
- ii. the AMC has not given any undue or unfair advantage to any associate or dealt with any of the associate of the AMC in any manner detrimental to interest of the unit holders;
- iii. the transactions entered into by the AMC are in accordance with these regulations and the respective schemes;
- iv. the transactions of the mutual fund are in accordance with the provisions of the trust deed;
- v. the networth of the AMC are reviewed on a quarterly basis to ensure compliance with the threshold provided in clause (f) of sub-regulation (1) of regulation 21 on a continuous basis;
- vi. all service contracts including custody arrangements of the assets and transfer agency of the securities are executed in the interest of the unit holders;
- vii. there is no conflict of interest between the manner of deployment of the networth of the AMC and the interest of the unit holders;
- viii. the investor complaints received are periodically reviewed and redressed;
- ix. all service providers are holding appropriate registrations with the Board or with the concerned regulatory authority;
- x. any special developments in the mutual fund are immediately reported to the trustees;
- xi. there has been exercise of due diligence on the reports submitted by the AMC to the trustees;
- xii. there has been exercise of due diligence on such matters as may be specified by the Board from time to time.

- 4. The AMC shall be responsible for investing and managing the funds mobilised under various Schemes in accordance with the provisions of the Trust Deed and Mutual Fund Regulations.
- 5. The AMC shall make such disclosures or submit such documents as may be required by the Trustee and /or SEBI and / or RBI.
- 6. The AMC shall provide management and administrative services for KMMF in accordance with the provisions of IMA and any resolution passed by the Board of Directors of the Trustee from time to time and communicated in writing to AMC.
- 7. The AMC shall be responsible for the day-to-day management of KMMF.
- 8. The AMC 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 AMC, as the case may be, by the mutual fund during the said quarter.
- 9. The AMC shall maintain books and records of the operation of various Schemes of KMMF to ensure compliance with the Mutual Fund Regulations and shall submit to the trustees quarterly reports of each year on its activities and the compliance with MF Regulations.
- 10. The AMC shall be responsible for its acts of negligence, commission and omission and those of its employees and/or the persons whose services have been engaged by the AMC and the AMC shall indemnify the Trustee and each and every one of the Directors of the Trustee Company against all damages, losses, costs and consequences and any liabilities whatsoever that may arise on account of such acts of negligence and acts of commission and omission by any of the above mentioned persons.



11. No loss or damage or expenses incurred by the AMC or officers of the AMC or any delegate of the AMC, shall be met out of the Trust Fund.
12. The AMC is not exempted from or indemnified against any liability for (i) negligence, dishonesty or fraud or (ii) failure to show the degree of care and diligence required of it while carrying out its duties. Notwithstanding anything contained in any contract or agreement or any termination settlement, neither the AMC nor its directors or other officers shall be absolved of liability to the Mutual Fund for their acts of commission or omission while holding such position or office.
13. The AMC hereby undertakes to hold harmless and indemnify the Trustee or procure the Trustee to be held harmless and indemnified against all actions, proceedings, claims, and demands, cost and expenses incidental thereto, including all legal, professional and other expenses incurred, which may be brought against, suffered or incurred by the Trustee by reason of the performance or non-performance by the AMC of its duties. Such indemnification shall be by the AMC and not out of the Trust Fund.
14. The AMC shall not be liable to the Trustee for any error of judgment or mistake of law or for any loss suffered unless such error of judgment or mistake constitutes or such loss is caused by any acts of commission or omission or by fraud or willful default or negligence of the AMC or any of its agents or delegates. Without prejudice to the generality of the foregoing, in particular (but without limitation) the AMC shall not be liable to the Mutual Fund for any loss which may be sustained in the purchase, holding or sale of any investments or other assets by the mutual fund or on any of its assets as a result of loss, delay, mis delivery or error in transmission of cabled, telexed, telecopied, facsimiled, telegraphic or other communication unless such loss arose by any acts of commission or omission or from fraud, bad faith, willful default or negligence in the performance or non-performance of its duties hereunder.
15. The AMC shall not be liable to the Trustee in the event that the Mutual Fund suffers a decline in its net asset value or fails to achieve any increase therein unless such decline or failure is caused by any acts of commission or omission or by the default or negligence of the AMC, a bona fide error of judgment not being regarded as default or negligence nor as an act of commission or omission.
16. The Chief Executive Officer of the AMC shall ensure that the Mutual Fund complies with all the provisions of SEBI (MF) Regulations and the guidelines or circulars issued thereto from time to time and 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. The Chief Executive Officer shall also ensure that the AMC has adequate systems in place to ensure that the Code of Conduct for Fund Managers and Dealers specified under PART - B of the Fifth Schedule of SEBI (MF) 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 AMC and Trustees.
17. The Fund Managers 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. The Fund Managers shall abide by the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of SEBI (MF) Regulations and submit a quarterly self-certification to the Trustees that they have complied with the said code of conduct or list exceptions, if any.
18. The Dealers shall abide by the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of the SEBI (MF) Regulations 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 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.
19. The AMC shall abide by the Code of Conduct as specified in Part A of the Fifth Schedule SEBI (MF) Regulations.
20. The AMC shall not carry out its operations including trading desk, unit holder servicing and investment operations outside the territory of India.
21. The AMC shall compute and carry out valuation of investments made by its scheme(s) in accordance with the investment valuation norms specified in Eighth Schedule of Mutual Fund Regulation, and shall publish the same.
22. The AMC and the sponsor (Kotak Mahindra Bank Ltd.) 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.
23. The AMC shall report and disclose all the transactions in debt and money market securities, including inter scheme transfers, as may be specified by the Board.
24. The compliance officer appointed under sub-clause (iv) of clause (a) of sub-regulation (22) of Mutual Fund Regulation shall independently and immediately report to the Board any non-compliance observed by him.

25. The AMC shall constitute a Unit Holder Protection Committee in the form and manner and with a mandate as may be specified by the Board.
26. The AMC shall be responsible for calculation of any income due to be paid to the mutual fund and also any income received in the mutual fund, for the unit holders of any scheme of the mutual fund, in accordance with these regulations and the trust deed.
27. The AMC shall ensure that no change in the fundamental attributes of any scheme or the trust, fees and expenses payable or any other change which would modify the scheme and affect the interest of unit holders, shall be carried out unless: -
  - a. a written communication about the proposed change is sent to each unit holder and an advertisement is issued 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 KMMF is situated and
  - b. the unit holders are given an option to exit at the prevailing Net Asset Value without any exit load.
28. The Audit Committee of the KMAMC was constituted pursuant to the clause 6.1.2 of SEBI Master Circular dated June 27, 2024, the Audit Committee comprises of four directors and it is chaired by an Independent Director. During the year 2024-25, seven meetings of the Audit Committee were held. The Board of Directors of the KMAMC had seven meetings during the year 2024-25.

## 2. Information on Key Personnel:

Name	Age	Designation	Educational Qualification	Total No of years of Experience	Nature of past experience including assignments held during the last 10 years
<b>Mr. Nilesh Shah</b>	56years	Managing Director	Bachelor of Commerce – University of Mumbai, Cost Accountant – ICWAI, Chartered Accountant – ICAI, and Global Financial Management – 25 JP Morgan, USA	30	Mr. Nilesh Shah is the Managing Director of the Company. He has over 30 years of experience in capital markets and market related investments, having managed funds across equity, fixed income securities and real estate for local and global investors. In his previous assignments, Mr. Nilesh Shah has held leadership roles with Axis Capital, ICICI Prudential Asset Management, Franklin Templeton and ICICI securities. He led his team to the Best Fund House of the Year Award at all the mutual funds where he has worked viz. Kotak, ICICI Prudential and Franklin Templeton Mutual Fund. He is a part time member of the Economic Advisory Council to the Prime Minister and a

Name	Age	Designation	Educational Qualification	Total No of years of Experience	Nature of past experience including assignments held during the last 10 years
					part time member of Unique Identification Authority of India (UIDAI). He is also a member of the Board of Association of Mutual Funds in India, the Corporate Bonds Securitization Advisory Committee (COBOSAC) of SEBI, and the Insurance Advisory Council.
<b>Mr. R Krishnan</b>	56	Chief Operations Officer	Chartered Accountant and Cost Accountant	33	Mr. R. Krishnan, is a Chartered Accountant and Cost Accountant with over 33 years of experience in the fields of Operations, Systems, Finance, MIS, Accounting, Audit and Taxation. Prior to joining the Kotak Group in August 1994, Mr. Krishnan was a practicing Chartered Accountant for two years, handling Accounting, Audit and Taxation matters for clients. Since joining the Kotak Group, Mr. Krishnan has handled major assignments like the US GAAP implementation for the erstwhile Kotak Mahindra Finance Limited (KMFL) and subsidiary/group companies, Systems Development and Implementation, for the Retail Assets Group and KMFL's transition to Kotak Bank. Mr. Krishnan's last assignment was as Head - Operations, Retail Assets, at Kotak Bank. Mr. Krishnan joined Kotak Mahindra Mutual Fund in August 2004 as Senior Vice President, and Chief Operations Officer, and oversees the Operations, Accounting and IT functions of the Fund.

Name	Age	Designation	Educational Qualification	Total No of years of Experience	Nature of past experience including assignments held during the last 10 years
<b>Mr. Manish Mehta/</b>	53	National Head of Sales, marketing and Digital business	B.Com, MMS	25	Mr. Manish Mehta joined the Kotak Group in 1999 in the Asset Management Company where he grew to be the Regional Head of Sales - West & South. In 2006, he joined AIG Investments where he was instrumental in setting up AIG Investments Intermediary Channel and was later promoted as overall Head of Sales. He rejoined Kotak Group in early 2010 as Vice President in the Wealth Management division. Mr. Mehta moved to the Kotak Mahindra Inc. in November 2010. As President & CEO of Kotak Mahindra Inc., Mr. Mehta managed a diverse set of investors ranging from institutions, family offices and Ultra high net worth individuals; providing them products and platforms that invest into India. He was appointed as Head of Sales for Kotak Mahindra AMC since Nov 2014 and over the years also overseeing the marketing and digital business.
<b>Ms. Jolly Bhatt/</b>	46	Compliance Officer	B. Com, ACS	19	Ms. Jolly Bhatt, is a B.com, ACS. She has an experience of over 18 years in Compliance and Secretarial areas. She began her career in Kotak Mahindra Asset Management Company Ltd in the year 2005. . She handled dual responsibility of Compliance Officer and Company Secretary until October 2023.
<b>Mr. Harsha Upadhyaya</b>	53	CIO - Equity and Debt	Bachelor of Engineering	20	Mr. Harsha Upadhyaya has over three decades of rich

Name	Age	Designation	Educational Qualification	Total No of years of Experience	Nature of past experience including assignments held during the last 10 years
			(Mechanical) from National Institute of Technology, Suratkal, Post Graduate Diploma in Management (Finance) from Indian Institute of Management, Lucknow and Chartered Financial Analyst charter from the CFA Institute, USA		experience spread over Fund Management and Equity Research. His prior stints have been with companies such as DSP BlackRock Investment Managers, UTI Asset Management Co. Ltd, Reliance Group, and SG Asia Securities etc.
<b>Mr. Devender Singhal</b>	47	Equity Fund Manager	PGDM (Finance, Insurance) Mathematics (Hon) Delhi University	22	Mr. Devender Singhal is managing the equity funds for Kotak AMC since Aug 2015. He is managing assets across multicap and hybrid strategies. He has more than 22 years of experience in fund management and equity research of which last 15 years has been with Kotak. Prior to joining Kotak AMC, He has been part of various PMS like Kotak, Religare, Karvy and P N Vijay Financial Services.
<b>Ms. Shibani Sircar Kurian</b>	48	Fund Manager & Head – Equity Research	PGDM (Specialization in Finance), BSc (Hons)-Economics	20	Ms. Shibani Kurian has been associated with the company since November 2007 and her key responsibilities include equity fund management and Head- equity research and ESG coordinator for the firm. Prior to joining Kotak AMC, she was working with Dawnay Day AV India Advisors Pvt Ltd and UTI AMC.

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<b>Mr. Nalin Rasik Bhatt</b>	43	Equity Fund Manager	B.Com, Chartered Accountant from The Institute of Chartered Accountants of India (ICAI)	20	Mr. Nalin Bhatt has overall 20 years of experience spread over Equity Research and Fund Management. Prior to joining KMAMC, he has also worked at Motilal Oswal Securities Limited, Angel Broking Limited and Sushil Stock Brokers.
<b>Mr. Harish Bihani</b>	43	Equity Fund Manager	MBA (Finance)	16	Harish Bihani has over 17 years of experience in equity research and fund management.  Prior to joining KMAMC, Mr. Bihani was associated with ICICI Prudential Mutual Fund as a fund manager. He has also worked with SBI Mutual Fund and Kotak Institutional Equities as research analyst.
<b>Mr. Dhananjay Tikariha</b>	44	Equity Fund Manager	B. Tech, M. Tech, PGDM	18	Mr. Dhananjay Tikariha has overall 18 years of experience in Equity Research, Fund Management and Project Finance. Prior to joining KMAMC, he has also worked at IDFC Ltd.
<b>Mr. Atul Bhole</b>	45	Equity Fund Manager	MMS (Finance-JBIMS), CA Cleared (ICAI), B.Com (Mumbai University)	19	Mr. Atul has over 19 years of experience in Indian equity markets. Prior to joining KMAMC, he has worked with DSP Asset Managers as SVP- Investments and Tata Asset Management Pvt Ltd as Fund Manager and Research analyst. He has also worked as research analyst in JP Morgan Services (India) Pvt. Ltd. and with State Bank of India.

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<b>Mr. Mandar Pawar</b>	45	Equity Fund Manager	B.Com. and M.M.S. (Finance) from Mumbai University	20	Mr. Mandar has an overall industry experience of 20 years. He has been working with Kotak Mutual Fund as an analyst for 16 years. Prior to joining Kotak Mahindra Mutual Fund, he has worked as research analyst on sell-side with KR Choksey Securities and MF Global Sify Securities for a period of 3.5 years.
<b>Mr. Rohit Tandon</b>	48	Equity Fund Manager	B.E.(Mechanical) Punjab University, Chandigarh & PGDM(IIM Bangalore)	19	Mr. Rohit has over 19 years of experience in equity research and fund management. Prior to joining KMAMC he was the Head (Equities) at Reliance Nippon Life Insurance. Before that he has worked with Max Life Insurance as Senior Fund Manager (Equities) for 14 years. He has also worked as a sell-side analyst in Power, Infrastructure & Capital Goods sectors in JP Morgan India for 4 years.
<b>Mr. Deepak Agrawal/</b>	45	CIO - Debt & Head – Products	Post Graduate in Commerce from Mumbai University, a qualified chartered account and a company secretary. Also cleared AIMR CFA Level I	22	Mr. Deepak Agrawal's career has started from Kotak AMC when he joined the organisation in December 2002, where he was initially in Research, Dealing and then moved into Fund Management from November 2006.
<b>Mr. Abhishek Bisen/</b>	46	Head - Fixed Income, Debt Fund Manager and Dealer	BA Management, MBA Finance, EPAF- IIM-C	23	Mr. Abhishek Bisen has been associated with the company since October 2006 and his key responsibilities include fund management of debt schemes. Prior to joining Kotak AMC, Abhishek was



Name	Age	Designation	Educational Qualification	Total No of years of Experience	Nature of past experience including assignments held during the last 10 years
					working with Securities Trading Corporation of India Ltd. where he was looking at Sales & Trading of Fixed Income Products apart from doing Portfolio Advisory. His earlier assignments also include 2 years of merchant banking experience with a leading merchant banking firm.
<b>Mr. Satish Dondapati/</b>	46	Fund Manager and Dealer	MBA Finance	21	Mr. Satish Dondapati has over 16 years of experience in ETF. He joined Kotak AMC in March 2008 in Product's Department. Prior to joining Kotak AMC, he was in the MF Product Team of Centurion Bank of Punjab.
<b>Mr. Hiten Shah/</b>	40	Equity Fund Manager and Dealer	Master of Management studies (MMS) in Finance from Mumbai University & B.Com	17	Mr. Hiten Shah, is a MMS in Finance with over 17 years of work experience. Prior to joining Kotak Mahindra Mutual fund, he was associated with Edelweiss Asset Management for more than 8 years as a Co-Fund manager and Chief dealer in equities segment. Mr. Hiten Shah was also associated with Edelweiss securities Ltd. as low risk arbitrage trader for more than 3 years.
<b>Mr. Arjun Khanna</b>	40	Fund Manager	Masters in Management Studies (Finance), Bachelor of Engineering (Electronics), Chartered Financial Analyst (CFA), Financial Risk	17	Mr. Arjun Khanna has over 15 years of experience out of which 17 years has been with Mutual Funds in Equity Research. Prior to joining Kotak Mahindra Mutual Fund, he was with Principal PNB Mutual Funds. He has also worked at Citibank N.A. in his earlier stint. He is a Bachelor of Engineering (Electronics) from Mumbai University and has done his



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			Manager (FRM)		Masters of Management (Finance) from Jamnalal Bajaj Institute of Management Studies, Mumbai. He has received the Chartered Financial Analyst designation from the CFA Institute and is a Financial Risk Manager - Certified by the Global Association of Risk Professionals.
<b>Mr. Jeetu Valechha Sonar</b>	36	Fund Manager and Dealer	P.G.D.M in Finance Management	14	Mr. Jeetu Valechha Sonar has more than 14 years' experience in Commodity and Equity dealing and advisory. Prior to joining Kotak AMC Limited, he has worked as institutional dealer with Kotak Securities Ltd. and is part of Kotak Group since 2014.
<b>Mr. Sunit Garg</b>	43	Debt - Fund Manager and Credit Analyst	PGDBM (Finance) – SPJIMR Mumbai, Chartered Accountant & B.Com	19	Mr. Sunit Garg has more than 19 years of experience in financial service industry in India. Out of which, more than 8 years has been with Kotak Mahindra Asset Management Company Limited. Prior to this he has worked with various Banks such as FirstRand Bank, Barclays Bank, ICICI Bank etc.
<b>Mr. Vihag Mishra</b>	39	Debt - Fund Manager	Rank Holder MBA in Finance from XLRI	14	Mr. Vihag Mishra has total work experience of 14 years in credit research and data analytics. He has been associated with Kotak Mahindra Asset Management Company Limited for the last 8 years where he is responsible for managing credit investment portfolio across funds. Prior to joining Kotak AMC, he was working as a senior

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					credit analyst at French Bank, BNP Paribas where he structured credit deals for key clients of the bank.
<b>Mr. Samit Churi</b>	44	Equity Dealer	B.COM, Diploma in Finance Management (DFM)	23	Mr. Samit Churi joined Kotak AMC in December 2004. Initially, he was responsible for coordinating and supporting Equity/ Debt/ Derivatives & Fund of Funds Operations. Since April 2008, Mr. Churi moved into equity dealership, and now he is a Senior Equity Dealer in tracking & reporting execution of deals. Prior to joining Kotak AMC, Mr. Churi worked in treasury operations team of Prudential ICICI Mutual Fund.
<b>Ms. Bhavisha Ghelani</b>	44	Equity Dealer	B.Com., MBA (Finance & Marketing)	20	Ms. Bhavisha Ghelani joined Kotak AMC from April 2005. Ms. Ghelani has been responsible for supporting the Fund Managers, Coordination with Brokers, co-ordination with Investment Back Office & Compliance Team. With effect from July 2012, Mrs. Ghelani has been assisting the Senior Dealer in tracking & reporting execution of deals, daily cash flow management and monitoring of Limits.
<b>Mr. Mahendra Jain</b>	41	Equity Dealer	Full Time PGeMBA Finance from MET Institute Of Management. Mumbai and Master of Commerce	18	Mr. Mahendra Jain has over 18 Years of experience in Asset Management Companies. Mr. Jain joined Kotak AMC in November 2018, and was responsible for Fixed Income deals settlement and Coordinating with Brokers, Counterparties, Custodian and Exchanges, Valuation of Fixed Income Securities, Regulatory MIS and other Investment Operations and was also part of the Equity dealing team for a short stint. In March 2022, Mr. Jain has moved to the Equity dealing team and is responsible for Coordinating with Fund Managers in

Name	Age	Designation	Educational Qualification	Total No of years of Experience	Nature of past experience including assignments held during the last 10 years
					<p>execution of Deals. He has been associated with Kotak Group since April 2010, before Kotak AMC he has worked for Kotak Offshore Fund for both Equity and Fixed Income Investment Operations.</p> <p>Prior to this Mr. Jain was associated with Morgan Stanley and was looking after Hedge fund accounting and operations functions.</p>
<b>Mr. Sunil Pandey</b>	39	Debt – Fund Manager & Dealer	Masters in Financial Management	20	Mr. Sunil Pandey has been associated with Kotak AMC since July 2006. Prior to joining the debt dealership segment, Mr. Pandey was part of the Investor Relations Team of Kotak AMC till 2010 & post that he was part of the Investment Operations Team of the AMC, in which he handled valuation of securities and settlement of deals with the custodian and counter parties. With effect from May 1, 2015, Mr. Pandey has been appointed as Debt Dealer.
<b>Mr. Manu Sharma</b>	45	Debt - Fund Manager and Dealer	Chartered Accountant from the Institute of Chartered Accountants of India & M.Com	17	Mr. Manu Sharma has over 17 years of experience in the fields of Fixed Income Fund Management, Operations, Finance Audit and Taxation. He joined Kotak AMC from Deskera Systems in September 2019 and was based out of Bangalore/Singapore for one year. Prior to it Mr. Manu was with Kotak AMC since September 2006 to June 2018 and has handled major assignments like the Fund Management, Operations and Finance for the Kotak AMC.
<b>Mr. Dharmesh Thakar</b>	41	Debt – Fund, manager & Dealer	PGEMBA in Finance	17	Mr. Dharmesh Thakar has over 17 years of experience in dealing of Fixed Income Products. He joined Kotak AMC from Trust Financial Consultancy Services Pvt Ltd.

Name	Age	Designation	Educational Qualification	Total No of years of Experience	Nature of past experience including assignments held during the last 10 years
<b>Mr. Hiren Nandkishor Vyas</b>	36 Years	ETF Dealer	BAF (Accounting & Finance)	15	Mr. Hiren has over 15 years of experience in dealing of equity, equity derivatives. Prior to Joining Kotak AMC Limited, he has worked with AMBIT Capital and NUVAMA Institutional Equities as an equity dealer.
<b>Ms. Sushma Mata</b>	48	Investor Relation Officer	B.Sc (Hon) graduate from Delhi University, PGDBA from Rizvi Academy of Management and LLB from Mumbai University	25	Ms. Sushma Mata has an overall work experience of 25 years, with more than 17 years in Kotak Mahindra Bank Ltd. She was mainly responsible for the Third Party Business Operations, Service Quality Initiatives, Processes, IT Initiatives, Co-Ordination with RTAs/AMCs for implementation of latest developments. Prior to joining Kotak Mahindra Bank Ltd she was associated with Stock Holding Corporation of India Limited for 7 Years. She was handling the Custody Operations, Depository Operations, and Professional Clearing Management Operations.
<b>Mr. Hariharan R.</b>	59	Chief Risk Officer	B.Com, DFM	37	Mr. Hariharan, is a graduate in commerce from University of Mumbai, and a DFM from Prin. L.N. Welingkar Institute of Management, Development and Research. Mr. Hariharan has an overall work experience of 34 years, with about 30 years with the Kotak Group. Mr. Hariharan has spent 11 years with Kotak Mahindra Finance Ltd. in the Accounts department and Retail assets, and around 23 years with Kotak AMC. He is responsible for overseeing mutual funds risk, guiding the various functions in assessing, mitigating, managing and responding to risks and for IT initiatives.

Name	Age	Designation	Educational Qualification	Total No of years of Experience	Nature of past experience including assignments held during the last 10 years
<b>Mr. Ananth Subramanian</b>	52	Chief Information Security Officer (CISO) and Head Information Technology Department	B.Com, DMS	25	<p>Chief Information Security Officer (CISO) and Head Information Technology department has over 25+ years of experience in the technology arena with a demonstrated history of working in the asset management industry and other domains. Skilled in IT Strategy, Business Process, Technology implementations, Business Automation, IT Service and Vendor Management.</p> <p>He has worked in areas of digital transformation and innovations including AI and also setting up of various cloud technologies, cyber and otherwise to ensure a secure computing landscape.</p> <p>He has also been a jury in various technology award programs and has himself been a recipient of the below accolades:</p> <ul style="list-style-type: none"> <li>• CIO Power List 2020</li> <li>• CIO 100 Honoree 2020</li> <li>• CIO 100 Honoree 2019</li> <li>• CIO 100 Honoree 2022</li> </ul> <p>Jury for Next100 since 2018 – India's premier awards programme from ITNEXT, which identifies and honours' India's top 100 Senior IT Managers. Recognised as ET Top 100 BFSI Tech Leaders</p>
<b>Mr. Govindprasad Gaonkar</b>	51	Head of Human Resource Department	PGDBM Human Resources, B.Sc. (Chemistry)	27	<p>Mr. Govindprasad Gaonkar has a total work experience of around 27years in the Human Resources space and has worked with Companies of repute like Tata Asset Management Ltd., Lotus India Mutual Fund, DSP Merrill Lynch, Kotak Mahindra Asset Management</p>

Name	Age	Designation	Educational Qualification	Total No of years of Experience	Nature of past experience including assignments held during the last 10 years
					Company, Kotak Securities Ltd. and Zee Telefilms Ltd.

### 3. Risk Management Function

The Risk Management Function is driven by SEBI circular on Risk Management Framework for Mutual Funds dated 27<sup>th</sup> September 2021 and circulars issued thereunder which lays down broad framework for Risk Management which includes:

- Governance and Organisation
- Identification of Risks
- Measurement and Management of Risks
- Reporting of Risks

KMAMC manages the Risk Management Function through:

- Board appointed Risk Management Committee (RMC) of AMC comprising of 5 Directors (incl. Managing Director of KMAMC) of which 3 are Independent Directors.
- Board appointed Risk Management Committee (RMC) of Trustee comprising of 3 Directors of which 2 are Independent Directors.

Chief Risk Officer is a permanent invitee to RMC of AMC and Trustees and assists the RMC of AMC and Trustees in overseeing the overall mutual fund risks. Other invitees as required also participates in the RMC meetings.

RMC of AMC and Trustee assists Board of AMC and Trustee respectively in discharging their duties towards risk management and also escalates material risk related incidents to the Boards.

### 4. Recording of Investment Decisions:

With regard to investments in equity instruments, individual scrip wise reasons are maintained in respect of daily transactions. Such reasons are recorded at the time of placing orders. Further, a detailed report is made before taking any decision to invest in a new company (including unlisted equity shares) and the same is also approved by the Managing Director. When it is decided to exit completely from a scrip, reasons for such decision are also recorded. In respect of debt instruments also, records in support of each investment decision are maintained. Each debt portfolio strategy is based on a duration objective. Investments in Government securities, as they do not carry any credit risk, are made based on the relevant portfolio strategy. In respect of corporate bonds, as they carry a credit risk, exposure limits for investment are determined from time to time, and investments in these corporates are made within these exposure limits.

The decision of making investments will be exercised by the Fund Managers based on the relevant norms/policy approved by the Board of the AMC. The role of the Managing Director of the AMC revolves around ensuring that due diligence is exercised while making investment decisions, that processes and procedures are followed, and review is undertaken vis-à-vis norms, policies, mechanisms etc. laid down by the Board of the AMC.

For overseas investments, the Schemes which invest in domestic companies and units of overseas mutual fund, the investments will be in accordance with the terms of issue of such fund and agreement between Kotak AMC and such overseas mutual fund.

All the investment decisions are recorded in writing.

The AMC Board has appointed an Investment Committee which has the following functions viz, laying out detailed investment policy and portfolio guidelines; set internal limits at fund house level, scheme level & Industry level over & above SEBI limits; portfolio wise duration cap as & when required; ensure adherence

of the limits set; periodic review of the schemes' performance vis-à-vis peers as well as benchmark; undertake performance attribution of the schemes to identify potential reasons for outperformance / underperformance, etc.

Performance of the Schemes are periodically tabled before the Investment Committee, Boards of the AMC and the Trustee respectively. The Boards of the Trustee and the AMC monitors performance of the Schemes vis-à-vis benchmark indices periodically and also by comparing the yield with that of investment opportunities available in domestic markets. Further the AMC sends detailed periodical reports to the Trustees, which includes the following aspects.

- (i) Performance of investments made in foreign securities and overseas mutual funds.

Amount invested in the scheme and any breach of the exposure limit laid down in the scheme information document.

### III. SERVICE PROVIDERS

#### 1. Custodian

Name, Address and SEBI Registration Number of the Custodian for the schemes:

Name	Address	SEBI Registration Number
Deutsche Bank A G, Mumbai	Kodak House, 222 Dr. D.N. Road, Fort Mumbai 400 001	IN/CUS/003
Standard Chartered Bank, Mumbai	Standard Chartered Bank, 3rd Floor, 23-25, M.G. Road, Fort, Mumbai - 400001.	IN/CUS/006

#### 2. Transfer Agent

Name	Address	SEBI Registration Number
Computer Age Management Services Limited	178/ 10, M G R Salai, Nungambakkam, Chennai – 600034.	INR000002813

CAMS has been performing the functions of Registrar for all the Schemes of the Fund and the Trustee and the AMC have satisfied themselves that CAMS can provide the services required and has adequate facilities, including systems capabilities and back up, to do so.

### 3. **Statutory Auditor**

M/s. Walker Chandio & Co. LLP

9th Floor, Classic Pentagon, Near Bisleri, Western Express Highway,  
Andheri (E), Mumbai - 400 099

### 4. **Legal counsel**

There are no retained legal counsels to the mutual fund or AMC. The AMC uses such services, if need arises.

### 5. **Fund Accountant**

Fund Accounting is done in-house

### 6. **Primary Collecting Bankers**

Name	Address	SEBI Registration Number
Kotak Mahindra Bank Limited	5CII, Mittal Court, 224, Nariman Point, Mumbai - 400 021	INBI00000927
HDFC Bank Limited	Nanik Motwane Marg, Fort, Mumbai - 400 001	INBI00000063

## IV. **CONDENSED FINANCIAL INFORMATION (CFI) - As On 31st March 2025**

Condensed Financial Information (CFI) for the schemes of Kotak Mahindra Mutual Fund launched in last 3 fiscal years is as under:

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
Kotak Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index Fund	Inception date 13th Oct 2022			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>	-	-	-
	D	11.1205 (D)/	10.3574 (D)/	10.0044 (D)/
	G	11.124 (G)/	10.3607 (G)/	10.0044 (G)/
	R	11.1565 (R)/	10.3704 (R)/	10.0045 (R)/
	S	11.1564 (S)/	10.3703 (S)/	10.0045 (S)/
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	12.0398 (D)/	11.1205 (D)/	10.3555 (D)/
	G	12.0436 (G)/	11.124 (G)/	10.3589 (G)/
	R	12.1018 (R)/	11.1565 (R)/	10.3685 (R)/
	S	12.1017 (S)/	11.1564 (S)/	10.3684 (S)/
	<b>Annualised Return (%)</b>		-	-



Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	Non- Direct	8.27	7.38	3.59
	Direct	8.48	7.59	3.68
	Annualised return (scheme benchmark)	8.77	8.1	4.06
	Annualised return (additional benchmark)	-	8.55	4.18
	Net Assets at end of the year / period (Rs crores)	567.09	552.87	441.69
	Ratio of Recurring Expenses to Average Assets	0.26%	0.26%	0.25%
Kotak Nifty SDL Jul 2033 Index Fund	Inception date 15th Feb 2023			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	10.9946 (D)/	10.0979 (D)/	10.0113 (D)/
	G	10.9946 (G)/	10.0979 (G)/	10.0113 (G)/
	R	10.7029 (R)/	-	-
	S	11.0261 (S)/	10.1011 (S)/	10.0113 (S)/
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	12.0762 (D)/	10.9946 (D)/	10.0961 (D)/
	G	12.0762 (G)/	10.9946 (G)/	10.0961 (G)/
	R	11.7826 (R)/	10.7029 (R)/	-
	S	12.1392 (S)/	11.0261 (S)/	10.0992 (S)/
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	9.84	8.91	0.96
	Direct	10.10	9.19	0.99
	Annualised return (scheme benchmark)	10.45	9.43	0.86
	Annualised return (additional benchmark)	-	8.55	1.15
	Net Assets at end of the year / period (Rs crores)	230.22	218.02	146.54
	Ratio of Recurring Expenses to Average Assets	0.30%	0.29%	0.22%
Kotak Business Cycle Fund	Inception date 28th Sep 2022			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	12.852 (D)/	9.692 (D)/	10.0070 (D)/
	G	12.852 (G)/	9.692 (G)/	10.0070 (G)/
	R	13.179 (R)/	9.781 (R)/	10.0080 (R)/
	S	13.179 (S)/	9.782 (S)/	10.0080 (S)/

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	14.373 (D)/	12.852 (D)/	9.6930 (D)/
	G	14.373 (G)/	12.852 (G)/	9.6930 (G)/
	R	14.955 (R)/	13.179 (R)/	9.781 (R)/
	S	14.956 (S)/	13.179 (S)/	9.782 (S)/
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	11.84	12.03	-3.07
	Direct	13.47	12.89	-2.18
	Annualised return (scheme benchmark)	6.37	17.5	-0.21
	Annualised return (additional benchmark)	-	30.27	3.22
	Net Assets at end of the year / period (Rs crores)	2492.96	2,373.33	2,226.21
	Ratio of Recurring Expenses to Average Assets	1.89%	1.79%	1.97%
Kotak Nifty India Consumption ETF	Inception date 28th Jul 2022			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	102.087 (D)/	71.7479 (D)/	74.2411 (D)/
	G		-	-
	R		-	-
	S		-	-
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	109.0074 (D)/	102.087 (D)/	71.7485 (D)/
	G		-	-
	R		-	-
	S		-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	19.95	-3.51
	Direct	6.78	-	-
	Annualised return (scheme benchmark)	6.88	20.1	-3.09
	Annualised return (additional benchmark)	-	30.27	2.99

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	Net Assets at end of the year / period (Rs crores)	5.89	1.43	0.65
	Ratio of Recurring Expenses to Average Assets	0.10%	0.16%	0.30%
Kotak Nifty MNC ETF	Inception date 05th Aug 2022			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	26.0954 (D)/	19.1677 (D)/	19.2971 (D)/
	G		-	-
	R		-	-
	S		-	-
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	26.6425 (D)/	26.0954 (D)/	19.1678 (D)/
	G		-	-
	R		-	-
	S		-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	18	-0.78
	Direct	2.10	-	-
	Annualised return (scheme benchmark)	2.51	18.2	-0.54
	Annualised return (additional benchmark)	-	30.27	0.2
	Net Assets at end of the year / period (Rs crores)	31.59	16.06	88.85
	Ratio of Recurring Expenses to Average Assets	0.30%	0.30%	0.30%
Kotak Income Plus Arbitrage FOF	Inception date 17th Nov 2022			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	11.048 (D)/	10.2383 (D)/	10.0098 (D)/
	G	11.0481 (G)/	10.2383 (G)/	-
	R	11.0593 (R)/	10.2411 (R)/	-
	S	11.0591 (S)/	10.241 (S)/	10.0098 (S)/
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	12.0687 (D)/	11.048 (D)/	10.2383 (D)/
	G	12.0689 (G)/	11.0481 (G)/	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	R	12.0963 (R)/	11.0593 (R)/	-
	S	12.0962 (S)/	11.0591 (S)/	10.2411 (S)/
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	9.22	7.94	2.38
	Direct	9.35	8.02	2.41
	Annualised return (scheme benchmark)	8.26	8.28	2.32
	Annualised return (additional benchmark)	-	8.55	2.45
	Net Assets at end of the year / period (Rs crores)	775.78	18.5	22.45
	Ratio of Recurring Expenses to Average Assets	0.13%	0.07%	0.08%
Kotak FMP Series 300	Inception date 09th Dec 2022			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	10.9197 (D)/	10.1633 (D)/	10.0030 (D)/
	G	10.9194 (G)/	10.1633 (G)/	10.0030 (G)/
	R	10.9336 (R)/	10.1666 (R)/	10.0030 (R)/
	S	10.9337 (S)/	10.1665 (S)/	10.0030 (S)/
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	11.7529 (D)/	10.9197 (D)/	10.1613 (D)/
	G	11.7525 (G)/	10.9194 (G)/	10.1613 (G)/
	R	11.7798 (R)/	10.9336 (R)/	10.1646 (R)/
	S	11.7797 (S)/	10.9337 (S)/	10.1645 (S)/
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	7.63	7.46	1.61
	Direct	7.74	7.57	1.65
	Annualised return (scheme benchmark)	8.22	7.65	1.71
	Annualised return (additional benchmark)	-	8.55	2.15
	Net Assets at end of the year / period (Rs crores)	245.94	228.3	212.25
	Ratio of Recurring Expenses to Average Assets	0.11%	0.11%	0.11%
Kotak Nifty SDL Jul 2026 Index Fund	Inception date 22nd Dec 2022			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	10.8945 (D)/	10.1887 (D)/	10.0063 (D)/

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	G	10.8944 (G)/	10.1886 (G)/	10.0063 (G)/
	R	10.5353 (R)/	-	-
	S	10.923 (S)/	10.1943 (S)/	10.0063 (S)/
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	11.7392 (D)/	10.8945 (D)/	10.1869 (D)/
	G	11.7391 (G)/	10.8944 (G)/	10.1869 (G)/
	R	11.3807 (R)/	10.5353 (R)/	-
	S	11.7947 (S)/	10.923 (S)/	10.1925 (S)/
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	7.76	6.95	1.87
	Direct	7.98	7.17	1.93
	Annualised return (scheme benchmark)	8.26	7.46	2
	Annualised return (additional benchmark)	-	8.55	1.97
	Net Assets at end of the year / period (Rs crores)	105.85	116.83	111.93
	Ratio of Recurring Expenses to Average Assets	0.28%	0.27%	0.24%
Kotak Silver ETF	Inception date 09th Dec 2022			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	73.5711 (D)/	71.1619 (D)/	67.281 (D)/
	G		-	-
	R		-	-
	S		-	-
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	98.1691 (D)/	73.5711 (D)/	71.1628 (D)/
	G		-	-
	R		-	-
	S		-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	3.43	5.77
	Direct	34.41	-	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	Annualised return (scheme benchmark)	36.02	3.61	6.09
	Annualised return (additional benchmark)	-	-	-
	Net Assets at end of the year / period (Rs crores)	1255.8	334.39	5.56
	Ratio of Recurring Expenses to Average Assets	0.45%	0.45%	0.45%
Kotak Nifty 1D Rate Liquid ETF	Inception date 24th Jan 2023			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	1000 (D)/	1000 (D)/	1000 (D)/
	G		-	-
	R		-	-
	S		-	-
	IDCW (Rs per unit)	20.332739	63.29	10.8
	IDCW (Rs per unit) (Individuals)	20.332739	63.29	10.8
	IDCW (Rs per unit) (Others)	20.332739	63.29	10.8
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	1042.8225 (D)/	1000 (D)/	1000 (D)/
	G		-	-
	R		-	-
	S		-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	6.54	-
	Direct	6.43	-	-
	Annualised return (scheme benchmark)	6.65	6.84	1.17
	Annualised return (additional benchmark)	-	-	-
	Net Assets at end of the year / period (Rs crores)	1294.19	78.58	0.45
	Ratio of Recurring Expenses to Average Assets	0.19%	0.21%	0.25%
Kotak FMP Series 304	Inception date 30th Dec 2022			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	11.0725 (D)/	10.1683 (D)/	9.9579 (D)/
	G	11.0728 (G)/	10.1682 (G)/	9.9579 (G)/
	R	11.0768 (R)/	10.1689 (R)/	9.9579 (R)/
	S	11.0772 (S)/	10.169 (S)/	9.9579 (S)/
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	12.241 (D)/	11.0725 (D)/	10.1663 (D)/
	G	12.241 (G)/	11.0728 (G)/	10.1662 (G)/
	R	12.249 (R)/	11.0768 (R)/	10.1669 (R)/
	S	12.25 (S)/	11.0772 (S)/	10.1670 (S)/
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	10.55	8.93	1.66
	Direct	10.59	8.96	1.67
	Annualised return (scheme benchmark)	9.06	9.61	1.71
	Annualised return (additional benchmark)	-	8.55	1.94
	Net Assets at end of the year / period (Rs crores)	113.28	102.47	94.08
	Ratio of Recurring Expenses to Average Assets	0.10%	0.10%	0.10%
Kotak FMP Series 305	Inception date 19th Jan 2023			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	10.8698 (D)/	10.1319 (D)/	10.0229 (D)/
	G	10.8698 (G)/	10.1319 (G)/	10.0229 (G)/
	R	10.8893 (R)/	10.135 (R)/	10.0229 (R)/
	S	10.8893 (S)/	10.135 (S)/	10.0229 (S)/
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	11.6834 (D)/	10.8698 (D)/	10.1300 (D)/
	G	11.6834 (G)/	10.8698 (G)/	10.1300 (G)/
	R	11.722 (R)/	10.8893 (R)/	10.1330 (R)/
	S	11.722 (S)/	10.8893 (S)/	10.1330 (S)/
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	7.49	7.31	1.3
	Direct	7.65	7.47	1.33
	Annualised return (scheme benchmark)	8.22	7.65	0.93
	Annualised return (additional benchmark)	-	8.55	1.4
	Net Assets at end of the year / period (Rs crores)	34.36	31.93	29.72
	Ratio of Recurring Expenses to Average Assets	0.14%	0.14%	0.14%

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
Kotak FMP Series 308	Inception date 29th Mar 2023			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	10.7406 (D)/	10.0064 (D)/	10.0019 (D)/
	G	10.7406 (G)/	10.0064 (G)/	10.0019 (G)/
	R	10.7742 (R)/	10.0068 (R)/	10.0020 (R)/
	S	10.7748 (S)/	10.0068 (S)/	10.0020 (S)/
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	11.6465 (D)/	10.7406 (D)/	10.0047 (D)/
	G	11.6465 (G)/	10.7406 (G)/	10.0047 (G)/
	R	11.7205 (R)/	10.7742 (R)/	10.0050 (R)/
	S	11.7211 (S)/	10.7748 (S)/	10.0050 (S)/
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	8.44	7.38	0.05
	Direct	8.79	7.72	0.05
	Annualised return (scheme benchmark)	8.22	7.65	0.1
	Annualised return (additional benchmark)	-	8.55	-0.1
	Net Assets at end of the year / period (Rs crores)	95.91	88.27	82.06
	Ratio of Recurring Expenses to Average Assets	0.31%	0.31%	0.33%
Kotak FMP Series 310	Inception date 27th Mar 2023			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	10.7123 (D)/	9.9853 (D)/	9.9869 (D)/
	G	10.7127 (G)/	9.9853 (G)/	9.9869 (G)/
	R		-	-
	S	10.7402 (S)/	9.9858 (S)/	9.9869 (S)/
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	11.5125 (D)/	10.7123 (D)/	9.9834 (D)/
	G	11.513 (G)/	10.7127 (G)/	9.9835 (G)/
	R		-	-
	S	11.5719 (S)/	10.7402 (S)/	9.9838 (S)/
	<b>Annualised Return (%)</b>		-	-



Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	Non- Direct	7.47	7.31	-0.17
	Direct	7.75	7.58	-0.16
	Annualised return (scheme benchmark)	8.22	7.65	0.12
	Annualised return (additional benchmark)	-	8.55	0.04
	Net Assets at end of the year / period (Rs crores)	127.94	118.79	110.46
	Ratio of Recurring Expenses to Average Assets	0.13%	0.13%	0.13%
Kotak Banking & Financial Services Fund	Inception date 27th Feb 2023			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	12.548 (D)/	10.104 (D)/	10.0150 (D)/
	G	12.548 (G)/	10.104 (G)/	10.0150 (G)/
	R	12.779 (R)/	10.119 (R)/	10.0160 (R)/
	S	12.778 (S)/	10.119 (S)/	10.0160 (S)/
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	14.309 (D)/	12.548 (D)/	10.1040 (D)/
	G	14.309 (G)/	12.548 (G)/	10.1040 (G)/
	R	14.795 (R)/	12.779 (R)/	10.1190 (R)/
	S	14.797 (S)/	12.778 (S)/	10.1190 (S)/
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	14.03	7.77	1.04
	Direct	15.79	8.63	1.19
	Annualised return (scheme benchmark)	20.67	6.07	0.32
	Annualised return (additional benchmark)	-	30.27	-0.19
	Net Assets at end of the year / period (Rs crores)	1119.78	820.35	474.11
	Ratio of Recurring Expenses to Average Assets	2.14%	2.15%	2.35%
Kotak Silver ETF FOF	Inception date 31th Mar 2023			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D		-	-
	G	10.1636 (G)/	10.0064 (G)/	10.0048 (G)/
	R		-	-
	S	10.21 (S)/	10.0067 (S)/	10.0050 (S)/

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D		-	-
	G	13.5652 (G)/	10.1636 (G)/	10.0048 (G)/
	R		-	-
	S	13.69 (S)/	10.21 (S)/	10.0050 (S)/
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	33.47	2.45	0.05
	Direct	34.08	2.69	0.05
	Annualised return (scheme benchmark)	36.02	3.61	1.99
	Annualised return (additional benchmark)	-	-	-
	Net Assets at end of the year / period (Rs crores)	83.04	20.38	12.25
	Ratio of Recurring Expenses to Average Assets	0.48%	0.52%	0.30%
Kotak Nifty G-Sec July 2033 Index Fund	Inception date 11th Oct 2023			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	10.5015 (D)/	10.0148 (D)/	-
	G	10.5015 (G)/	10.0148 (G)/	-
	R	10.5139 (R)/	10.0149 (R)/	-
	S	10.5138 (S)/	10.0149 (S)/	-
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	11.5073 (D)/	10.5015 (D)/	-
	G	11.5074 (G)/	10.5015 (G)/	-
	R	11.5498 (R)/	10.5139 (R)/	-
	S	11.5497 (S)/	10.5138 (S)/	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	9.58	-	-
	Direct	9.85	-	-
	Annualised return (scheme benchmark)	10.22	-	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	Annualised return (additional benchmark)	-	-	-
	Net Assets at end of the year / period (Rs crores)	19.6	18.4	-
	Ratio of Recurring Expenses to Average Assets	0.20%	19.00%	-
Kotak Nifty AAA Bond Jun 2025 HTM Index Fund	Inception date 28th Mar 2024			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	10.0084 (D)/	10.0027 (D)/	-
	G	10.0084 (G)/	10.0027 (G)/	-
	R	10.0086 (R)/	10.0027 (R)/	-
	S	10.0086 (S)/	10.0027 (S)/	-
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	10.7607 (D)/	10.0084 (D)/	-
	G	10.7627 (G)/	10.0084 (G)/	-
	R	10.7803 (R)/	10.0086 (R)/	-
	S	10.7791 (S)/	10.0086 (S)/	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	7.57	-	-
	Direct	7.73	-	-
	Annualised return (scheme benchmark)	7.80	-	-
	Annualised return (additional benchmark)	-	-	-
	Net Assets at end of the year / period (Rs crores)	322.04	19.2	-
	Ratio of Recurring Expenses to Average Assets	0.11%	19.00%	-
Kotak BSE Housing Index Fund	Inception date 28th Aug 2023			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	12.008 (D)/	10.307 (D)/	-
	G	12.008 (G)/	10.307 (G)/	-
	R	12.054 (R)/	10.313 (R)/	-
	S	12.055 (S)/	10.313 (S)/	-
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	D	12.469 (D)/	12.008 (D)/	-
	G	12.469 (G)/	12.008 (G)/	-
	R	12.58 (R)/	12.054 (R)/	-
	S	12.581 (S)/	12.055 (S)/	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	3.85	16.5	-
	Direct	4.36	16.89	-
	Annualised return (scheme benchmark)	5.13	17.49	-
	Annualised return (additional benchmark)	-	0.3	-
	Net Assets at end of the year / period (Rs crores)	16.01	9.15	-
	Ratio of Recurring Expenses to Average Assets	0.44%	42.00%	-
Kotak Consumption Fund	Inception date 16th Nov 2023			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	10.702 (D)/	10.016 (D)/	-
	G	10.704 (G)/	10.016 (G)/	-
	R	10.772 (R)/	10.016 (R)/	-
	S	10.771 (S)/	10.016 (S)/	-
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	12.332 (D)/	10.702 (D)/	-
	G	12.334 (G)/	10.704 (G)/	-
	R	12.614 (R)/	10.772 (R)/	-
	S	12.615 (S)/	10.771 (S)/	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	15.23	7.06	-
	Direct	17.11	7.72	-
	Annualised return (scheme benchmark)	6.88	16.63	-
	Annualised return (additional benchmark)	-	-	-
	Net Assets at end of the year / period (Rs crores)	1171.54	508.35	-
	Ratio of Recurring Expenses to Average Assets	1.82%	209.00%	-
	Inception date 11th Dec 2023			

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
Kotak Healthcare Fund	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	11.334 (D)/	10.014 (D)/	-
	G	11.331 (G)/	10.014 (G)/	-
	R	11.389 (R)/	10.014 (R)/	-
	S	11.389 (S)/	10.014 (S)/	-
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	12.758 (D)/	11.334 (D)/	-
	G	12.754 (G)/	11.331 (G)/	-
	R	13.032 (R)/	11.389 (R)/	-
	S	13.033 (S)/	11.389 (S)/	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	12.57	13.32	-
	Direct	14.43	13.89	-
	Annualised return (scheme benchmark)	14.10	18.22	-
	Annualised return (additional benchmark)	-	-	-
	Net Assets at end of the year / period (Rs crores)	411.54	284.18	-
	Ratio of Recurring Expenses to Average Assets	2.20%	219.00%	-
Kotak Quant Fund	Inception date 2nd Aug 2023			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	13.597 (D)/	10.325 (D)/	-
	G	13.597 (G)/	10.325 (G)/	-
	R	13.606 (R)/	10.326 (R)/	-
	S	13.606 (S)/	10.326 (S)/	-
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	13.831 (D)/	13.597 (D)/	-
	G	13.937 (G)/	13.597 (G)/	-
	R	13.992 (R)/	13.606 (R)/	-
	S	13.992 (S)/	13.606 (S)/	-
	<b>Annualised Return (%)</b>		-	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	Non- Direct	2.51	31.7	-
	Direct	2.84	31.76	-
	Annualised return (scheme benchmark)	6.38	17.7	-
	Annualised return (additional benchmark)	-	-	-
	Net Assets at end of the year / period (Rs crores)	672.36	618.21	-
	Ratio of Recurring Expenses to Average Assets	1.19%	117.00%	-
Kotak Long Duration Fund	Inception date 11th Mar 2024			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	10.0362 (D)/	10.0158 (D)/	-
	G	10.0362 (G)/	10.0158 (G)/	-
	R	10.0376 (R)/	10.0159 (R)/	-
	S	10.0377 (S)/	10.0159 (S)/	-
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	10.9844 (D)/	10.0362 (D)/	-
	G	10.9842 (G)/	10.0362 (G)/	-
	R	11.0179 (R)/	10.0376 (R)/	-
	S	11.0168 (S)/	10.0377 (S)/	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	9.45	-	-
	Direct	9.75	-	-
	Annualised return (scheme benchmark)	8.65	-	-
	Annualised return (additional benchmark)	-	-	-
	Net Assets at end of the year / period (Rs crores)	151.42	68.43	-
	Ratio of Recurring Expenses to Average Assets	0.41%	39.00%	-
Kotak Multi Asset Allocation Fund	Inception date 22nd Sep 2023			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	11.416 (D)/	10.025 (D)/	-
	G	11.416 (G)/	10.025 (G)/	-
	R	11.507 (R)/	10.029 (R)/	-
	S	11.508 (S)/	10.029 (S)/	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	12.317 (D)/	11.416 (D)/	-
	G	12.317 (G)/	11.416 (G)/	-
	R	12.59 (R)/	11.507 (R)/	-
	S	12.591 (S)/	11.508 (S)/	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	7.89	14.17	-
	Direct	9.42	15.07	-
	Annualised return (scheme benchmark)	10.01	13.24	-
	Annualised return (additional benchmark)	-	-	-
	Net Assets at end of the year / period (Rs crores)	7642.88	5,367.21	-
	Ratio of Recurring Expenses to Average Assets	1.63%	175.00%	-
Kotak Nifty 200 Momentum 30 Index Fund	Inception date 15th Jun 2023			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	14.429 (D)/	10.983 (D)/	-
	G	14.429 (G)/	10.983 (G)/	-
	R	14.486 (R)/	10.999 (R)/	-
	S	14.485 (S)/	10.999 (S)/	-
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	13.271 (D)/	14.429 (D)/	-
	G	13.271 (G)/	14.429 (G)/	-
	R	13.389 (R)/	14.486 (R)/	-
	S	13.389 (S)/	14.485 (S)/	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	- 8.02	31.37	-
	Direct	- 7.57	31.7	-
	Annualised return (scheme benchmark)	-7.63	33.17	-
	Annualised return (additional benchmark)	-	-	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	Net Assets at end of the year / period (Rs crores)	350.73	114.01	-
	Ratio of Recurring Expenses to Average Assets	0.58%	60.00%	-
Kotak Nifty Financial Services Ex-Bank Index Fund	Inception date 14th Aug 2023			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	11.838 (D)/	10.719 (D)/	-
	G	11.838 (G)/	10.719 (G)/	-
	R	11.887 (R)/	10.728 (R)/	-
	S	11.887 (S)/	10.728 (S)/	-
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	13.633 (D)/	11.838 (D)/	-
	G	13.633 (G)/	11.838 (G)/	-
	R	13.759 (R)/	11.887 (R)/	-
	S	13.759 (S)/	11.887 (S)/	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	15.15	10.45	-
	Direct	15.75	10.8	-
	Annualised return (scheme benchmark)	16.64	12.03	-
	Annualised return (additional benchmark)	-	-	-
	Net Assets at end of the year / period (Rs crores)	43.56	15.94	-
	Ratio of Recurring Expenses to Average Assets	0.42%	49.00%	-
Kotak Nifty 50 Smallcap Index Fund	Inception date 10th Apr 2023			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	16.303 (D)/	13.737 (D)/	-
	G	16.303 (G)/	13.737 (G)/	-
	R	16.414 (R)/	13.786 (R)/	-
	S	16.405 (S)/	13.778 (S)/	-
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	17.813 (D)/	16.303 (D)/	-
	G	17.813 (G)/	16.303 (G)/	-



Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	R	18.049 (R)/	16.414 (R)/	-
	S	18.039 (S)/	16.405 (S)/	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	9.26	18.69	-
	Direct	9.97	19.07	-
	Annualised return (scheme benchmark)	10.77	19.81	-
	Annualised return (additional benchmark)	-	-	-
	Net Assets at end of the year / period (Rs crores)	111.43	49.55	-
	Ratio of Recurring Expenses to Average Assets	0.47%	58.00%	-
Kotak Technology Fund	Inception date 4th Mar 2024			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	9.744 (D)/	10.015 (D)/	-
	G	9.744 (G)/	10.015 (G)/	-
	R	9.755 (R)/	10.015 (R)/	-
	S	9.755 (S)/	10.015 (S)/	-
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	10.826 (D)/	9.744 (D)/	-
	G	10.825 (G)/	9.744 (G)/	-
	R	10.994 (R)/	9.755 (R)/	-
	S	10.994 (S)/	9.755 (S)/	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	11.08	-2.55	-
	Direct	12.69	-2.45	-
	Annualised return (scheme benchmark)	9.55	-4.26	-
	Annualised return (additional benchmark)	-	-	-
	Net Assets at end of the year / period (Rs crores)	537.81	303.02	-
	Ratio of Recurring Expenses to Average Assets	2.12%	226.00%	-
Kotak FMP Series 326	Inception date 26th Dec 2023			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	10.211 (D)/	10.0079 (D)/	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	G	10.211 (G)/	10.0079 (G)/	-
	R	10.2165 (R)/	10.0079 (R)/	-
	S	10.2151 (S)/	10.0079 (S)/	-
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	10.3781 (D)/	10.211 (D)/	-
	G	10.3781 (G)/	10.211 (G)/	-
	R	10.3871 (R)/	10.2165 (R)/	-
	S	10.3858 (S)/	10.2151 (S)/	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-
	Net Assets at end of the year / period (Rs crores)	115.28	113.39	-
	Ratio of Recurring Expenses to Average Assets	0.13%	13.00%	-
Kotak FMP Series 327	Inception date 12th Jan 2024			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	10.1699 (D)/	10.0026 (D)/	-
	G	10.1699 (G)/	10.0026 (G)/	-
	R	10.1743 (R)/	10.0026 (R)/	-
	S	10.1733 (S)/	10.0026 (S)/	-
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	10.2142 (D)/	10.1699 (D)/	-
	G	10.2142 (G)/	10.1699 (G)/	-
	R	10.2194 (R)/	10.1743 (R)/	-
	S	10.2185 (S)/	10.1733 (S)/	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	Net Assets at end of the year / period (Rs crores)	206.3	205.39	-
	Ratio of Recurring Expenses to Average Assets	0.08%	8.00%	-
Kotak Fixed Maturity Plan Series 328 90 days	Inception date 16th Feb 2024			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	10.1006 (D)/	10.0038 (D)/	-
	G	10.1006 (G)/	10.0038 (G)/	-
	R	10.1024 (R)/	10.0038 (R)/	-
	S	10.1025 (S)/	10.0038 (S)/	-
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	10.1952 (D)/	10.1006 (D)/	-
	G	10.1952 (G)/	10.1006 (G)/	-
	R	10.199 (R)/	10.1024 (R)/	-
	S	10.1991 (S)/	10.1025 (S)/	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-
	Net Assets at end of the year / period (Rs crores)	0	143.57	-
	Ratio of Recurring Expenses to Average Assets	0.13%	13.00%	-
Kotak Fixed Maturity Plan Series 329 90 days	Inception date 21st Mar 2024			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	10.025 (D)/	10.0028 (D)/	-
	G	10.025 (G)/	10.0028 (G)/	-
	R	10.0255 (R)/	10.0029 (R)/	-
	S	10.0255 (S)/	10.0029 (S)/	-
	IDCW (Rs per unit)	-	-	-
	IDCW (Rs per unit) (Individuals)	-	-	-
	IDCW (Rs per unit) (Others)	-	-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	10.1858 (D)/	10.025 (D)/	-
	G	10.1858 (G)/	10.025 (G)/	-
	R	10.1896 (R)/	10.0255 (R)/	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	S	10.1897 (S)/	10.0255 (S)/	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct		-	-
	Direct	-	-	-
	Annualised return (scheme benchmark)	0.00	-	-
	Annualised return (additional benchmark)	-	-	-
	Net Assets at end of the year / period (Rs crores)	124.67	122.67	-
	Ratio of Recurring Expenses to Average Assets	0.12%	12.00%	-
Kotak BSE PSU Index Fund	Inception date 31 July 2024		-	-
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	10.0000 (D)/	-	-
	G	10.0000 (G)/	-	-
	R	10.0000 (R)/	-	-
	S	10.0000 (S)/	-	-
	IDCW (Rs per unit)		-	-
	IDCW (Rs per unit) (Individuals)		-	-
	IDCW (Rs per unit) (Others)		-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	8.05 (D)/	-	-
	G	8.05 (G)/	-	-
	R	8.085 (R)/	-	-
	S	8.086 (S)/	-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-
	Net Assets at end of the year / period (Rs crores)	73.16	-	-
	Ratio of Recurring Expenses to Average Assets	0.74%	-	-
Kotak Sensex Fund	BSE Index	Inception date 31 July 2024	-	-
		<b>NAV at beginning of year / Allotment Date (Rs.) -</b>	-	-
		D	9.994 (D)/	-
		G	9.994 (G)/	-
		R	9.994 (R)/	-
		S	9.994 (S)/	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	IDCW (Rs per unit)		-	-
	IDCW (Rs per unit) (Individuals)		-	-
	IDCW (Rs per unit) (Others)		-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	10.173 (D)/	-	-
	G	10.173 (G)/	-	-
	R	10.175 (R)/	-	-
	S	10.175 (S)/	-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-
	Net Assets at end of the year / period (Rs crores)	8.6	-	-
	Ratio of Recurring Expenses to Average Assets	0.25%	-	-
			-	-
Kotak CRISIL-IBX AAA Bond Financial Services Index - Dec 2026 Fund	Inception date 17 Feb 2025		-	-
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	10.0066 (D)/	-	-
	G	10.0066 (G)/	-	-
	R	10.0067 (R)/	-	-
	S	10.0067 (S)/	-	-
	IDCW (Rs per unit)		-	-
	IDCW (Rs per unit) (Individuals)		-	-
	IDCW (Rs per unit) (Others)		-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	10.1129 (D)/	-	-
	G	10.1129 (G)/	-	-
	R	10.1153 (R)/	-	-
	S	10.1153 (S)/	-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-
			-	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	Net Assets at end of the year / period (Rs crores)	62.38	-	-
	Ratio of Recurring Expenses to Average Assets	0.11%	-	-
			-	-
			-	-
Kotak CRISIL-IBX AAA Financial Services Index-Sep 2027 Fund	Inception date 13 Sep 2024		-	-
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	10.0034 (D)/	-	-
	G	10.0034 (G)/	-	-
	R	10.0034 (R)/	-	-
	S	10.0034 (S)/	-	-
	IDCW (Rs per unit)		-	-
	IDCW (Rs per unit) (Individuals)		-	-
	IDCW (Rs per unit) (Others)		-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	10.4666 (D)/	-	-
	G	10.4666 (G)/	-	-
	R	10.4778 (R)/	-	-
	S	10.4787 (S)/	-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-
	Net Assets at end of the year / period (Rs crores)	412.09	-	-
	Ratio of Recurring Expenses to Average Assets	0.22%	-	-
			-	-
Kotak Crisil-IBX Financial Services 3-6 Months Debt Index Fund	Inception date 07 Mar 2025		-	-
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	10.0018 (D)/	-	-
	G	10.0018 (G)/	-	-
	R	10.0019 (R)/	-	-
	S	10.0019 (S)/	-	-
	IDCW (Rs per unit)		-	-
	IDCW (Rs per unit) (Individuals)		-	-
	IDCW (Rs per unit) (Others)		-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	10.0648 (D)/	-	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	G	10.0648 (G)/	-	-
	R	10.0665 (R)/	-	-
	S	10.0664 (S)/	-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-
	Net Assets at end of the year / period (Rs crores)	634.93	-	-
	Ratio of Recurring Expenses to Average Assets	0.15%	-	-
			-	-
			-	-
Kotak MNC Fund	Inception date 28 Oct 2024		-	-
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	10.015 (D)/	-	-
	G	10.015 (G)/	-	-
	R	10.016 (R)/	-	-
	S	10.016 (S)/	-	-
	IDCW (Rs per unit)		-	-
	IDCW (Rs per unit) (Individuals)		-	-
	IDCW (Rs per unit) (Others)		-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	9.026 (D)/	-	-
	G	9.026 (G)/	-	-
	R	9.083 (R)/	-	-
	S	9.083 (S)/	-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-
	Net Assets at end of the year / period (Rs crores)	2092.67	-	-
	Ratio of Recurring Expenses to Average Assets	1.86%	-	-
			-	-
Kotak MSCI India ETF	Inception date 19 Feb 2025		-	-
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	D	26.856 (D)/	-	-
	G	-	-	-
	R	-	-	-
	S	-	-	-
	IDCW (Rs per unit)		-	-
	IDCW (Rs per unit) (Individuals)		-	-
	IDCW (Rs per unit) (Others)		-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	27.537 (D)/	-	-
	G	-	-	-
	R	-	-	-
	S	-	-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-
	Net Assets at end of the year / period (Rs crores)	1018.03	-	-
	Ratio of Recurring Expenses to Average Assets	0.40%	-	-
			-	-
Kotak Nifty 100 Equal Weight ETF	Inception date 23 Dec 2024		-	-
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	29.028 (D)/	-	-
	G	-	-	-
	R	-	-	-
	S	-	-	-
	IDCW (Rs per unit)		-	-
	IDCW (Rs per unit) (Individuals)		-	-
	IDCW (Rs per unit) (Others)		-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	30.306 (D)/	-	-
	G	-	-	-
	R	-	-	-
	S	-	-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-



Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	Annualised return (additional benchmark)	NA	-	-
	Net Assets at end of the year / period (Rs crores)	0.74	-	-
	Ratio of Recurring Expenses to Average Assets	0.25%	-	-
			-	-
Kotak Nifty 100 Equal Weight Index Fund	Inception date 23 Dec 2024		-	-
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	9.996 (D)/	-	-
	G	9.996 (G)/	-	-
	R	9.996 (R)/	-	-
	S	9.996 (S)/	-	-
	IDCW (Rs per unit)		-	-
	IDCW (Rs per unit) (Individuals)		-	-
	IDCW (Rs per unit) (Others)		-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	9.633 (D)/	-	-
	G	9.633 (G)/	-	-
	R	9.645 (R)/	-	-
	S	9.646 (S)/	-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-
	Net Assets at end of the year / period (Rs crores)	9.1	-	-
	Ratio of Recurring Expenses to Average Assets	0.46%	-	-
			-	-
Kotak Nifty 100 Low Volatility 30 Index Fund	Inception date 07 June 2024			
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	9.9999 (D)/	-	-
	G	9.9999 (G)/	-	-
	R	10.0000 (R)/	-	-
	S	10.0000 (S)/	-	-
	IDCW (Rs per unit)		-	-
	IDCW (Rs per unit) (Individuals)		-	-
	IDCW (Rs per unit) (Others)		-	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	10.0062 (D)/	-	-
	G	10.0062 (G)/	-	-
	R	10.0575 (R)/	-	-
	S	10.0574 (S)/	-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-
	Net Assets at end of the year / period (Rs crores)	102.33	-	-
	Ratio of Recurring Expenses to Average Assets	0.53%	-	-
			-	-
Kotak Nifty 50 Equal Weight Index Fund	Inception date 23 Dec 2024		-	-
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	9.996 (D)/	-	-
	G	9.996 (G)/	-	-
	R	9.996 (R)/	-	-
	S	9.996 (S)/	-	-
	IDCW (Rs per unit)		-	-
	IDCW (Rs per unit) (Individuals)		-	-
	IDCW (Rs per unit) (Others)		-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	9.916 (D)/	-	-
	G	9.916 (G)/	-	-
	R	9.93 (R)/	-	-
	S	9.93 (S)/	-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-
	Net Assets at end of the year / period (Rs crores)	11.32	-	-
	Ratio of Recurring Expenses to Average Assets	0.52%	-	-
			-	-
	Inception date 10 Mar 2025		-	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
Kotak Nifty Commodities Index Fund	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	9.992 (D)/	-	-
	G	9.992 (G)/	-	-
	R	9.992 (R)/	-	-
	S	9.992 (S)/	-	-
	IDCW (Rs per unit)		-	-
	IDCW (Rs per unit) (Individuals)		-	-
	IDCW (Rs per unit) (Others)		-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	10.563 (D)/	-	-
	G	10.562 (G)/	-	-
	R	10.564 (R)/	-	-
	S	10.564 (S)/	-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-
	Net Assets at end of the year / period (Rs crores)	4.82	-	-
	Ratio of Recurring Expenses to Average Assets	0.34%	-	-
			-	-
Kotak Nifty India Tourism Index Fund	Inception date 23 Sep 2024		-	-
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	9.995 (D)/	-	-
	G	9.995 (G)/	-	-
	R	9.995 (R)/	-	-
	S	9.995 (S)/	-	-
	IDCW (Rs per unit)		-	-
	IDCW (Rs per unit) (Individuals)		-	-
	IDCW (Rs per unit) (Others)		-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	9.217 (D)/	-	-
	G	9.217 (G)/	-	-
	R	9.247 (R)/	-	-
	S	9.247 (S)/	-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-
	Net Assets at end of the year / period (Rs crores)	26.62	-	-
	Ratio of Recurring Expenses to Average Assets	0.66%	-	-
			-	-
Kotak Nifty Midcap 150 ETF	Inception date 21 March 2024		-	-
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	19.216 (D)/	-	-
	G	-	-	-
	R	-	-	-
	S	-	-	-
	IDCW (Rs per unit)		-	-
	IDCW (Rs per unit) (Individuals)		-	-
	IDCW (Rs per unit) (Others)		-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	19.136 (D)/	-	-
	G	-	-	-
	R	-	-	-
	S	-	-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-
	Net Assets at end of the year / period (Rs crores)	0.82	-	-
	Ratio of Recurring Expenses to Average Assets	0.10%	-	-
			-	-
Kotak Nifty Midcap 150 Index Fund	Inception date 21 March 2025		-	-
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	9.995 (D)/	-	-
	G	9.995 (G)/	-	-
	R	9.995 (R)/	-	-
	S	9.995 (S)/	-	-
	IDCW (Rs per unit)		-	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	IDCW (Rs per unit) (Individuals)		-	-
	IDCW (Rs per unit) (Others)		-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	9.933 (D)/	-	-
	G	9.933 (G)/	-	-
	R	9.935 (R)/	-	-
	S	9.935 (S)/	-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-
	Net Assets at end of the year / period (Rs crores)	7.2	-	-
	Ratio of Recurring Expenses to Average Assets	0.40%	-	-
			-	-
Kotak Nifty 150 Momentum 50 Index Fund	Inception date 08 October 2024		-	-
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	9.97 (D)/	-	-
	G	9.97 (G)/	-	-
	R	9.97 (R)/	-	-
	S	9.97 (S)/	-	-
	IDCW (Rs per unit)		-	-
	IDCW (Rs per unit) (Individuals)		-	-
	IDCW (Rs per unit) (Others)		-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	8.39 (D)/	-	-
	G	8.39 (G)/	-	-
	R	8.417 (R)/	-	-
	S	8.417 (S)/	-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	Net Assets at end of the year / period (Rs crores)	95.85	-	-
	Ratio of Recurring Expenses to Average Assets	0.50%	-	-
			-	-
			-	-
Kotak Nifty Midcap 50 Index Fund	Inception date 16 August 2024		-	-
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	10.002 (D)/	-	-
	G	10.002 (G)/	-	-
	R	10.003 (R)/	-	-
	S	10.003 (S)/	-	-
	IDCW (Rs per unit)		-	-
	IDCW (Rs per unit) (Individuals)		-	-
	IDCW (Rs per unit) (Others)		-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	8.908 (D)/	-	-
	G	8.908 (G)/	-	-
	R	8.942 (R)/	-	-
	S	8.942 (S)/	-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-
	Net Assets at end of the year / period (Rs crores)	48.74	-	-
	Ratio of Recurring Expenses to Average Assets	0.56%	-	-
			-	-
Kotak Nifty Smallcap 250 Index Fund	Inception date 31 July 2024		-	-
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	9.999 (D)/	-	-
	G	9.999 (G)/	-	-
	R	9.999 (R)/	-	-
	S	9.999 (S)/	-	-
	IDCW (Rs per unit)		-	-
	IDCW (Rs per unit) (Individuals)		-	-
	IDCW (Rs per unit) (Others)		-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
	D	9.786 (D)/	-	-
	G	9.786 (G)/	-	-
	R	9.795 (R)/	-	-
	S	9.795 (S)/	-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-
	Net Assets at end of the year / period (Rs crores)	20.54	-	-
	Ratio of Recurring Expenses to Average Assets	0.47%	-	-
			-	-
Kotak Special Opportunities Fund	Inception date 29 June 2024		-	-
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-
	D	10.011 (D)/	-	-
	G	10.011 (G)/	-	-
	R	10.012 (R)/	-	-
	S	10.012 (S)/	-	-
	IDCW (Rs per unit)		-	-
	IDCW (Rs per unit) (Individuals)		-	-
	IDCW (Rs per unit) (Others)		-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	8.671 (D)/	-	-
	G	8.671 (G)/	-	-
	R	8.765 (R)/	-	-
	S	8.764 (S)/	-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-
	Net Assets at end of the year / period (Rs crores)	1928.41	-	-
	Ratio of Recurring Expenses to Average Assets	1.87%	-	-
			-	-
Kotak Transportation	Inception date 16 Dec 2024		-	-
	<b>NAV at beginning of year / Allotment Date (Rs.) -</b>		-	-

Scheme Name	Particulars	FY 24-25	FY 2023-24	FY 2022-23
and Logistics Fund	D	10.014 (D)/	-	-
	G	10.014 (G)/	-	-
	R	10.014 (R)/	-	-
	S	10.014 (S)/	-	-
	IDCW (Rs per unit)		-	-
	IDCW (Rs per unit) (Individuals)		-	-
	IDCW (Rs per unit) (Others)		-	-
	<b>Nav at the end of the year / period (Rs.)</b>		-	-
	D	9.156 (D)/	-	-
	G	9.156 (G)/	-	-
	R	9.199 (R)/	-	-
	S	9.199 (S)/	-	-
	<b>Annualised Return (%)</b>		-	-
	Non- Direct	NA	-	-
	Direct	NA	-	-
	Annualised return (scheme benchmark)	NA	-	-
	Annualised return (additional benchmark)	NA	-	-
	Net Assets at end of the year / period (Rs crores)	359.76	-	-
	Ratio of Recurring Expenses to Average Assets	2.26%	-	-

Returns of the Schemes/Plans are given for Direct and Regular Growth Plans, wherever applicable.

(D) Dividend Plan

(G) Growth Plan

(R) Direct Dividend Plan (S) Direct Growth Plan

**Past performance may or may not be sustained in future.**



## **V. RISK FACTORS**

### **1. Standard Risk Factors**

#### **a. Standard Risk Factors for investments in Mutual Fund**

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down.
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme.
- The scheme/s does not in any manner indicate either the quality of the scheme or its future prospects and returns.
- The sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the - contribution of Rs.250000 made by it towards setting up the Fund.
- The present schemes are not a guaranteed or assured return scheme.

#### **b. Risk factors of not maintaining average AUM of Rs.20 crore on half yearly rolling basis**

An average AUM of 20 crore on half yearly rolling basis shall be maintained for open ended debt oriented schemes. In case of breach, the AMC shall scale up the AUM of such scheme within a period of six months so as to comply with, failing which the provisions of Regulation 39 (2) (c) of SEBI (Mutual Funds) Regulations, 1996 would become applicable.

#### **c. Risk associated with different derivative strategies**

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investment.

The Schemes may use derivative instruments such as index futures, stock futures, index options, stock options, warrants, convertible securities, swap agreements or any other derivative instruments that are permissible or may be permissible in future under applicable regulations, as would be commensurate with the investment objective of the Scheme:

The risks associated with the use of derivatives are different from or possibly greater than the risks associated with investing directly in securities and other traditional investments. There are certain risks inherent in aforesaid derivatives instruments. These are:

- a) **Basis Risk** – This risk arises when the derivative instrument used to hedge the underlying asset does not match the movement of the underlying being hedged for e.g. mismatch between the maturity date of the futures and the actual selling date of the asset.
- b) **Limitations on upside:** Derivatives when used as hedging tool can also limit the profits from a genuine investment transaction.

- c) Liquidity risk pertains to how saleable a security is in the market. All securities/instruments irrespective of whether they are equity, bonds or derivatives may be exposed to liquidity risk (when the sellers outnumber buyers) which may impact returns while exiting opportunities.
- d) In case of investments in index futures, the risk would be the same as in the case of investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks. In case futures are used for hedging a portfolio of stocks, which is different from the index stocks, the extent of loss could be more or less depending on the coefficient of variation of such portfolio with respect to the index; such coefficient is known as Beta.
- e) The risk related to hedging for use of derivatives, (apart from the derivatives risk mentioned above) is that event of risk, which we were anticipating and hedged our position to mitigate it, does not happen. In such case, the cost incurred in hedging the position would be a avoidable charge to the scheme net assets.
- f) Credit Risk – The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a IRS / IRF derivative transaction. With the phased implementation of physical settlement of stocks in equity derivative segment, though there is an element of risk of stock / funds not being received, the same is mitigated due to settlement guarantee similar to equity cash market segment.
- g) Interest Rate Risk – interest rate is one of the variables while valuing derivatives such as futures & options. For example, with everything remaining constant, when interest rates increase, the price of Call option would increase. Thus, fluctuations in interest rates would result in volatility in the valuation of derivatives.
- h) Model Risk - A variety of models can be used to value options. Hence, the risk to the fund is that the fund manager buys a particular option using a particular valuation model (on the basis of which the option seems to be fairly priced or cheap) but the market is valuing it using another valuation model and according to which the option may be expensive.
- i) The risk (loss) for an option buyer is limited to the premium paid, while the risk (loss) of an option writer is unlimited, the latter's gain being limited to the premiums earned. However, in the case of the Fund, all option positions will have underlying assets and therefore all losses due to price-movement beyond the strike price will actually be an opportunity loss. The writer of a put option bears a risk of loss if the value of the underlying asset declines below the strike price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the strike price.
- j) Potential Loss associated with Derivative Trading pertaining to Debt Markets:

The use of an Interest Rate Swap ('IRS') does not eliminate the credit (default) risk on the original investment. While the fixed to floating rate IRS reduces interest rate risk caused by rise in interest rates, it also restricts the profit in case interest rates decline. In case of a floating to fixed rate swap, any subsequent rise in interest rates will result in a loss like in any fixed rate investment. Any IRS carries the risk of default of the counter party to the swap, which may lead to a loss. Such loss is usually, a small proportion of the notional principal amount of the swap.

**d. Risks associated with Covered Call Strategy:**

The risk associated with a covered call is the loss of upside, i.e. If the underlying price rises above the strike, the short call loses its value as much as the underlying stock gains

The Scheme may write covered call option only in case it has adequate number of underlying equity shares as per regulatory requirement. This means to set aside a portion of investment in underlying equity shares. In case of change in view, the scheme may not be able to sell the underlying equity shares immediately, if covered call options are sold to the maximum extent allowed by regulatory authority.

The covered call options need to be unwound before the stock positions can be liquidated. This may lead to a loss of opportunity, or can cause exit issues if the strike price at which the call option contracts have been written become illiquid. Hence, the scheme may not be able to sell the underlying equity shares, which can lead to temporary illiquidity of the underlying equity shares and result in loss of opportunity.

**e. Risk factors associated with Imperfect Hedging:**

Holders of Debt securities are exposed to the risk of rising interest rates, which in turn results in the reduction in the value of their portfolio. So, in order to protect against a fall in the value of their portfolio due to falling bond prices, they can take short position in IRF contracts. However, there is a possibility that the hedge may be an imperfect

- Potential loss associated with imperfect hedge using IRFs – While using such strategy may reduce interest rate risk caused by rise in interest rates, it also restricts the profit in case interest rates decline.
- The risk related to hedging for use of derivatives, (apart from the derivatives risk mentioned above) is that event of risk, which we were anticipating and hedged our position to mitigate it, does not happen. In such case, the cost incurred in hedging the position would be a avoidable charge to the scheme net assets.
- Limitations on upside: Derivatives when used as hedging tool can also limit the profits from a genuine investment transaction.
- Credit Risk – The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a IRS / IRF derivative transaction.
- Liquidity risk pertains to how saleable a security is in the market. All securities/instruments irrespective of whether they are equity, bonds or derivatives may be exposed to liquidity risk (when the sellers outnumber buyers) which may impact returns while exiting opportunities.
- Movement in the prices of securities in the portfolio and the IRF contract used to hedge part of the portfolio may lead to basis risk due to imperfect correlation. Thus, the loss on the portfolio may be different from the gain of the hedged position entered using the IRF.

Date: 22/04/2025

Spot price of G sec 7.26 G sec 2033: Rs. 105.68

Futures price of IRF Contract G sec 7.26 G sec 2033: Rs.105.78

On 22/04/25 XYZ bought 2000 GOI securities from spot market at Rs105.68. He anticipates that the interest rate will rise in near future. Therefore, to hedge the exposure in underlying market he may sell IRF for 7.26 G sec 2033 maturing on 27/05/2025 traded Interest Rate Futures contracts at Rs.105.78

On 27/05/2025 the maturity price of the contract and underlying will be same thereby realising the 10p arbitrage gain

Spot price of GOI Security: Rs. 105.68

Futures Price of IRF Contract: Rs. 105.78

Profit /Loss in underlying market will be  $(105.68-105.68)*2000 = \text{Rs.}00$

Profit in the Futures market will be  $(105.78-105.68)*2000 = \text{Rs. } 20000$

Therefore the fund will earn a total holding period return of  $6.31\% + (0.10/35*365)= 6.31+1.04=7.35$

Not necessary the future is trading above cash for arbitrage to happen.

**f. Risks associated with segregated portfolio**

- Investor holding units of segregated portfolio may not able to liquidate their holding till the time realisable value is recovered.
- Security comprising of segregated portfolio may realise lower value or may realise zero value. Listing of units of segregated portfolio in recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.

**g. Other risk factors**

**• Potential Risk Matrix**

As provided in Para 17.5 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 on Potential Risk Class Matrix (PRC) for debt schemes and various other circulars issued thereon, the scheme shall maintain its portfolio in line with the defined PRC position .i.e. the maximum risk that a scheme will run as per design and a measurement of that risk on a regular basis. In case of any breaches, remedial actions shall be in line with the requirement of the aforementioned circular.

**• Risk-o-meter**

As provided in Para 17.4 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 on Product Labeling in Mutual Fund schemes – Risk-o-meter and various other circulars issued thereon, the scheme shall calculate and disclose the current risk levels based on its portfolio construct.

**• Swing Pricing**

In case of severe liquidity stress at an AMC level or a severe dysfunction at market level, the Swing Pricing guidelines gets triggered which offers the contingency plan in case all else fails. swing pricing can be a useful mechanism to contribute to protect the interests of existing investors, specifically from the dilution of their holdings; and contribute to protect the value of the investors capital.

**• Investment in Corporate Debt Market Development Fund (CDMDF):**

Backstop facility in form of investment in Corporate Debt Market Development Fund (CDMDF):

CDMDF is set up as a scheme of the Trust registered as an Alternative Investment Fund ('AIF') in accordance with the SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations"). The objective of the CDMDF is to help to develop the corporate debt market by providing backstop facility to instill confidence amongst the market participants in the corporate debt/bond market during times of market dislocation and to enhance the secondary market liquidity. In times of market dislocation, CDMDF shall purchase and hold eligible corporate debt securities from the participating investors (i.e., specified debt-oriented MF schemes to begin with) and sell as markets recover. The CDMDF will thus act as a key enabler for facilitating liquidity in the corporate debt market and to respond quickly in times of market dislocation. Access to the Fund shall be in proportion to the contribution made to the Fund at a Mutual Fund level (i.e., in the ratio of total units of CDMDF held by all specified debt schemes of each Mutual Fund).

The trigger and period for which the backstop facility will be open shall be as decided by SEBI. Thus this backstop facility will help fund managers of the schemes to better generate liquidity during market dislocation to help the schemes fulfil liquidity obligations under stress situation.

The specified scheme/s had invested 25 bps of its AUM as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF'). An incremental contribution to CDMDF shall be made every six months to ensure 25 bps of scheme AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF.

Further, investments in CDMDF units shall not be considered as violation while considering maturity restriction as applicable for various purposes (including applicable Investment limits) and the calculations of Potential Risk Class (PRC) Matrix, Risk-o-meter, Stress testing and Duration for various purposes shall be done after excluding investments in units of CDMDF. Also, for calculation of asset allocation limits of mutual fund schemes, investment in units of CDMDF shall be excluded from base of net assets.

Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF. CDMDF shall follow the loss waterfall accounting as specified in SEBI circulars and the risk of first loss shall rest with the scheme selling to the CDMDF.

- **Liquidity Risk Management (LRM)**

As provided in AMFI Best Practice Guidelines circular dated 24th July 2021 on Prudential norms for Liquidity Risk Management for Open ended Debt schemes (except Overnight Fund, Gilt Fund and Gilt Fund with 10-year constant duration) and various other circulars issued thereon, defines liquidity risk (Liquidity Ratio-Redemption at Risk (LRaR) & Liquidity Ratio-Conditional Redemption at Risk (LCRaR) arising from the liability side of the scheme and shall maintain these on each day by way of eligible assets by the scheme. However, to meet redemptions, the scheme may have to periodically dip into their liquid assets which may result in the liquidity ratio dropping below the required levels on those days. The scheme shall ensure to take remedial actions in line with the requirement of the SEBI circular.

Also, back testing analysis is performed which involves capturing actual outflow for each scheme and comparing the same with minimum LRaR & LCRaR required to be maintained by the scheme and provided to SEBI as and when required.

- **Stress Testing**

Stress testing of Interest Rate, Credit and Liquidity Risk at an aggregate portfolio level in terms of its impact on NAV is performed in line with AMFI Best Practice circular dated 12th October 2022 and various other circular issued thereon.

- **Risk Management Framework (RMF)**

As provided in Risk Management Framework circular, the schemes calculates ALM requirement which addresses potential liquidity requirement over a 90-day period and maintains relevant asset side liquidity. Remedial actions, if any required to be taken are based on directions of the Investment Committee.

## 2. Special Considerations

- a. Prospective investors should review/study SAI along with SID carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial/investment matters and are advised to consult their own professional advisor(s) as to the legal or any other requirements or restrictions relating to the subscriptions, gifting, acquisition, holding, disposal (sale, transfer, switch or redemption or conversion into money) of units and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their subscription, acquisition, holding, capitalization, disposal (sale, transfer, switch or redemption or conversion into money) of units within their jurisdiction/nationality, residence, domicile etc. or under the laws of any jurisdiction to

which they or any managed Funds to be used to purchase/gift units are subject, and also to determine possible legal, tax, financial or other consequences of subscribing/gifting to, purchasing or holding units before making an application for units.

- b. Neither the SID and SAI, nor the units have been registered in any jurisdiction. The distribution of the SID/SAI in certain jurisdictions may be restricted or subject to registration and accordingly, any person who gets possession of the SID/SAI is required to inform themselves about, and to observe, any such restrictions. It is the responsibility of any persons in possession of the SID/SAI and any persons wishing to apply for units pursuant to SID/SAI to inform themselves of and to observe, all applicable laws and Regulations of such relevant jurisdiction. Any changes in SEBI/RBI regulations and other applicable laws/regulations could have an effect on such investments and valuation thereof.
- c. Kotak Mahindra Mutual Fund/AMC has not authorized any person to give any information or make any representations, either oral or written, not stated in the SID/SAI in connection with issue of units under the Scheme. Prospective investors are advised not to rely upon any information or representations not incorporated in the SAI and SID as the same have not been authorized by the Fund or the AMC. Any purchase or redemption made by any person on the basis of statements or representations which are not contained in the SID/SAI or which are not consistent with the information contained herein shall be solely at the risk of the investor. The investor is requested to check the credentials of the individual, firm or other entity he/she is entrusting his/her application form and payment to, for any transaction with the Fund. The Fund shall not be responsible for any acts done by the intermediaries representing or purportedly representing such investor.
- d. If the units are held by any person in breach of the Regulations, law or requirements of any governmental, statutory authority including, without limitation, Exchange Control Regulations, the Fund may mandatorily redeem all the units of any Unit holder where the units are held by a Unit holder in breach of the same. The Trustee may further mandatorily redeem units of any Unit holder in the event it is found that the Unit holder has submitted information either in the application or otherwise that is false, misleading or incomplete.
- e. In terms of the Prevention of Money Laundering Act, 2002 ("PMLA") the rules issued there under and the guidelines/circulars issued by SEBI regarding the Anti Money Laundering (AML) Laws, all intermediaries, including mutual funds, are required to formulate and implement a client identification program, and to verify and maintain the record of identity and address(es) of investors.
- f. If after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, the AMC shall report any such suspicious transactions to competent authorities under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI, furnish any such information in connection therewith to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI without obtaining the prior approval of the investor/Unit holder/any other person.
- g. The AMC and/ or its Registrars & Transfer Agent (RTA) may disclose/share Unit holder's details of folio(s) and transaction details thereunder with the following third parties: a) RTA, Banks and/or authorized external third parties who are involved in transaction processing, dispatching etc., of the Unitholder's investment in the Scheme; b) Distributors or sub-brokers through whom the applications are received for the Scheme; c) Any other organizations for compliance with any legal or regulatory requirements or to verify the identity of the Unitholders for complying with anti-money laundering requirements.
- h. Any dispute arising out of the Scheme shall be subject to the non-exclusive jurisdiction of the Courts in India. Statements in this SAI are, except where otherwise stated, based on the law practiced currently in India, and are subject to changes therein.
- i. Purchase/ Redemption of units of scheme through Stock Exchange Infrastructure



Units of the scheme shall be available for subscription / purchase through stock exchange platform(s) made available by Registered Stock exchange. Under this facility, trading member can facilitate eligible investors (i.e. Resident Individuals, HUF, resident minors represented by guardian and Body corporate or such other class of eligible investors to purchase / subscribe to units of the scheme using their existing network and order collection mechanism as provided by respective stock exchange. Investors availing of this facility shall be allotted units in accordance with the SEBI guidelines issued from time to time and the records of the Depository Participant shall be considered as final for such unitholders. The transactions carried out on the above platform shall be subject to such guidelines as may be issued by the respective stock exchanges and also SEBI (Mutual Funds) Regulations, 1996 and circulars / guidelines issued there under from time to time.

The transactions carried out on the above platform shall be subject to SEBI (Mutual Funds) Regulations, 1996 and circulars / guidelines issued thereunder, and also the guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) / Stock Exchanges from time to time.

Further in line with Para 16.2 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 it has been decided to allow investors to directly access infrastructure of the recognized stock exchanges to purchase mutual fund units directly from Mutual Fund/ Asset Management Companies. SEBI circular has advised recognized stock exchanges, clearing corporations and depositories to make necessary amendment to their existing byelaws, rules and/or regulations, wherever required.

The transactions carried out on the above platform shall be subject to SEBI (Mutual Funds) Regulations, 1996 and circulars / guidelines issued thereunder, and also the guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) / Registered Stock Exchanges from time to time

#### **Note for demat holding**

- Investors would have to provide the demat account details in the application form/transaction feed along with supporting documents evidencing the accuracy of the demat account. Applications received without supporting documents could be processed under the physical mode.
- Investors of Kotak Mahindra Mutual Fund would also have an option of holding the units in demat form for SIP/STP transactions registered directly through Kotak Mahindra Asset Management Company Ltd. / Registrars & Transfer Agents. The units will be allotted based on the applicable NAV as per Scheme Information Document (SID) of the respective scheme. The units will be credited to investors demat Account post realisation of funds.
- The option of holding SIP units in Demat form is available for investments registered through Stock Exchange Platform.
- IDCW options having IDCW frequency of less than a month will not be available for Purchase and Redemption through Stock Exchange Platform.
- The minimum redemption size is 1 unit in case of redemption through Stock Exchange Platform.
- In case of non-financial requests/ applications such as change of address, change of bank details, etc. investors should approach the respective Depository Participant(s) since the units are held in demat mode.
- Investors will be sent a demat statement by Depository Participant showing the credit/debit of units to their account. Such demat statement given by the Depository Participant will be deemed to be adequate compliance with the requirements for dispatch of statement of account prescribed by SEBI.
- Investors will have to comply with Know Your Customer (KYC) norms as prescribed by SEBI. Investors should note that the terms & conditions and operating guidelines issued by stock exchanges shall be applicable for purchase/redemption of units through the stock exchange infrastructure.
- Investors should get in touch with Investor Service Centres (ISCs) of Kotak Mahindra Mutual Fund or their respective brokers for further details.

Kotak Mahindra Asset Management Company Ltd. reserves the right to change/modify the features of this facility at a later date based on applicable SEBI/Stock Exchange Regulation/Circular.

The AMC has systems in place to ensure that there is no conflict of interest between the aforesaid activity.

## **VI. HOW TO APPLY?**

### **Basic requirements for investing in mutual funds**

#### **1. PAN is mandatory for investment in mutual funds**

It is compulsory for all existing and prospective investors (including joint holders, guardians of minors and NRIs) to quote their Permanent Account Number (PAN) and submit copy of the PAN card issued by the Income Tax Department, irrespective of the amount of investment, while making an application for Purchase of Units.

The applicant or in the case of application in joint names, each of the applicants, should mention his/her permanent account number (PAN) allotted under the Income Tax Act, 1961, along with a proof of the PAN. In case the investor making the application is a minor, PAN details of the Guardian must be submitted and there should not be any joint holder in the account. In case the investments are made by the guardian on behalf of the minor it is the responsibility of the investor to inform the AMC of the change of status, if any.

Investors residing in the state of Sikkim are exempt from the mandatory requirement of PAN proof submission, however sufficient documentary evidence shall have to be submitted for verifying that they are residents of State of Sikkim.

Investors who have opted for Micro SIP are also exempted from PAN requirement. Please refer related paragraph on this for further details.

#### **2. Know Your Customer (KYC)**

Investors desiring to invest / transact in mutual fund schemes are required to comply with the “Know Your Customer” norms applicable from time to time. The need to KYC is vital for the prevention of money laundering. Under the KYC norms, Investors are required to provide prescribed documents for establishing their identity and address such as copy of the Memorandum and Articles of Association / bye-laws/trust deed/partnership deed/ Certificate of Registration along with the proof of authorization to invest, as applicable, to the KYC Registration Agency (KRA) registered with SEBI. The Fund / AMC / Trustee / other intermediaries will rely on the declarations/ affirmations provided by the Investor(s) in the Application/Transaction Form(s) and the documents furnished to the KRA that the Investor(s) is permitted/ authorised by the Constitution document/ their Board of Directors etc. to make the investment / transact. Further, the Investor shall be liable to indemnify the Fund / AMC / Trustee / other intermediaries in case of any dispute regarding the eligibility, validity and authorization of the transactions and / or the applicant who has applied on behalf of the Investor.

The Fund / AMC / Trustee reserves the right to call for such other information and documents as may be required by it in connection with the investments made by the investors. KMAMCL may also seek information or obtain and retain documentation used to establish identity of the subscribers to Kotak Mahindra Mutual Funds or existing unitholders. It may re-verify identity and obtain any missing or additional information for this purpose.



According to guidelines issued by SEBI under The Prevention of Money Laundering Act, 2002, Mutual Funds are required to follow enhanced know your customer (KYC) norms. With effect from January 1, 2011, it is mandatory for all investors to be KYC Compliant, irrespective of the amount of investment.

The investors for the purpose of KYC compliance shall include their:

- I. constituted Power of Attorney (PoA) holder, in case of investments through a PoA; and
- II. each of the applicants, in case of application in joint names.
- III. Guardian, in case of investment on behalf of minor.
- IV. An individual becoming an investor on account of operation of law, e.g., transmission of units upon death of a unit holder, the claimant eligible for entering into the register of Unit holders of the Mutual Fund will be required to be KYC compliant before such transfer can take place.

Thus investments of any amount, on or after January 1, 2011 by investors who are not KYC Compliant, are liable to be rejected.

### **3. Uniform Know Your Customers (“KYC”) requirements for the Securities Market**

Pursuant to SEBI Circular No. MIRSD/ Cir-26/ 2011 dated December 23, 2011, SEBI (KYC Registration Agency) Regulations, 2011 and SEBI Circular No. MIRSD/SE/Cir-21/2011 dated October 5, 2011, regarding uniformity in the Know Your Customer (KYC) process in the securities market and development of a mechanism for centralization of the KYC records to avoid duplication of KYC Process across the intermediaries in the securities market has been introduced with effect from January 1, 2012.

1. SEBI has introduced a common KYC Application Form for all the SEBI registered intermediaries viz. Mutual Funds, Portfolio Managers, etc. New Investors are therefore requested to use the common KYC Application Form and carry out the KYC process including In Person Verification (IPV) with mutual funds. The KYC Application Forms are also available on our website kotakmf.com. The list of documents required to complete the KYC Process is given in the application form.
2. As per the SEBI Circular No. MIRSD/ Cir.09/ 2012 dated August 13, 2012, it has been decided that the Aadhaar Letter presently being recognised as a Proof of Identity.
3. The Mutual Fund shall perform the initial KYC of its new investors and may undertake enhanced KYC measures commensurate with the risk profile of its investors. The Mutual Fund shall upload the details of the investors on the system of the KYC Registration Agency (KRA). Once the investor has done KYC with a SEBI registered intermediary and his KYC status is validated, the investor need not undergo the same process again with another intermediary including mutual funds.
4. It is mandatory for intermediaries including mutual funds to carry out In Person Verification (IPV) of its new investors with effect from January 1, 2012. The IPV carried out by any SEBI registered intermediary can be relied upon by the Mutual Fund. Kotak Mahindra Asset Management Limited and NISM/AMFI certified distributors who are KYD compliant are authorized to undertake the IPV for Mutual Fund investors. Further, in case of any applications received directly (i.e. without being routed through the distributors) from the investors, the Mutual Fund may rely upon the IPV (on the KYC Application Form) performed by the scheduled commercial banks.
5. Existing KYC compliant investors of the Mutual Fund can continue to invest as per the current practice.
6. Further, with a view to implement the regulations effectively, the following additional guidelines were issued by SEBI vide SEBI Circular No. SEBI/HO/MIRSD/DoP/P/CIR/2022/46 dated April 6, 2022.
7. KRAs shall continue to act as repository of KYC data in the securities market and shall be responsible for storing, safeguarding and retrieving the KYC documents and submit to the Board or any other statutory authority as and when required.
8. KRAs shall independently validate records of those clients (existing as well as new) whose KYC has been completed using Aadhaar as an Officially Validated Document (OVD). The records of those clients who have completed KYC using non-Aadhaar OVD shall be validated only upon receiving the Aadhaar Number.

9. During the process of validation, KRAs shall validate the following details:
  - Aadhaar through Unique Identification Authority of India (UIDAI) authentication/verification mechanism.
  - Mobile number and e-mail ID using OTP validation (only in cases where mobile number and e-mail ID provided by client are not seeded with Aadhaar)
  - PAN using the Income Tax Database.
10. The KRAs shall develop systems/mechanism, in consultation with SEBI and in co-ordination with each other, and shall follow uniform internal guidelines detailing aspects of identification of KYC attributes and procedures for KYC validation.
11. The systems of Registered Intermediaries (RIs) and the KRAs shall be integrated to facilitate seamless movement of KYC documents to and from the RIs to the KRAs.
12. KRAs shall promptly inform the respective RIs of deficiency/ inadequacy in client's KYC documents, if any, that is observed for validation.
13. On successful completion of KYC validation, a unique client identifier called KRA identifier shall be assigned by KRA to the client and such KRA identifier may be used by the client for opening of account with any other intermediary, without repeating the KYC process.
14. The KYC records of new clients (who have used Aadhaar as an OVD) shall be validated within 2 days of receipt of KYC records by KRAs.
15. KYC records of all existing clients (who have used Aadhaar as an OVD) shall be validated within a period of 180 days from July 01, 2022.
16. KRA shall intimate the KRA identifier to the client within 2 working days of receipt of KYC records by the KRAs by post or email and maintain the proof of dispatch.
17. Clients whose KYC records are not found to be valid by KRA after the validation process shall be allowed to transact in securities market only after their KYC is validated.
18. Resident Individuals: Investors whose KYC status is "Registered" can continue to transact in existing fund house. If they wish to invest in a new Mutual Fund or any new SEBI Registered Intermediary, the investors are mandated to submit the set of KYC documents with new MF/Intermediary, as per new requirement. Further, to avoid inconvenience of submission of KYC documents repeatedly and to ensure seamless transactions across securities market, we suggest investors to complete the KYC using Aadhaar as OVD so that KYC status is updated as "Validated"

Non-Resident Individuals (NRIs)/Foreign Nationals – Provision of KYC records portability has been relaxed till April 30, 2026, i.e., NRIs can open a new account with any of the new Mutual Fund house if the KYC status is "KYC Registered"

In case of KYC based on non-Aadhaar OVD, the KRA shall only store such records and the same would not be validated by KRAs unless Aadhaar number is provided by the client

The AMC, under the powers delegated by the Trustee, shall have discretion to reject any application, or prevent further transactions by a Unit Holder, if after due diligence, the investor / Unit Holder/a person making the payment on behalf of the investor does not fulfill the requirements of the "Know Your Customer" or the AMC believes that the transaction is suspicious in nature as regards money laundering. In this behalf the AMC may reject any application and/or effect a mandatory Redemption of Units allotted at any time prior to the expiry of 30 Working Days from the date of the application.

Investor transacting through Stock Exchange Platforms in a dematerialized mode will not be subject to KYC formalities as stated above. In accordance with guidelines issued by SEBI, KYC formalities carried out by the Depository Participant will be considered. The investors should ensure that the amount invested in the Scheme is through legitimate sources only and does not involve and are not designed for the purpose of any contravention or evasion of any Act, Rules, Regulations, Notifications or Directions under the provisions of Income Tax Act, Anti Money Laundering Act, Anti Corruption Act and or any other applicable laws enacted by the Government of India from time to time.

#### 4. Tax Status of Investor

For all new purchases, the AMC may update the tax status of investors on a best effort basis by referring to the information furnished on the application form by the applicant(s) and as per the documents provided for Permanent Account Number/ Bank Account details or such other documents submitted along with the application form. The AMC will rely on the information provided in feed files by entities like Channel Partners/ MFU/ Stock exchange platforms. The AMC shall not be responsible for any claims made by the investor/ third party on account of updation of tax status basis the stated process.

#### 5. Implementation of Central Know Your Customer (CKYC) norms

With reference to SEBI Circular no. CIR/MIRSD/66/2016 dated July 21, 2016 read with SEBI circular no. CIR/MIRSD/120/2016 dated November 10, 2016 has intimated about the operationalisation of Central KYC Records Registry (“CKYCR”). Thereafter, AMFI vide Best Practice Guideline circular no. 135/BP/68/2016-17 dated December 22, 2016 has prescribed guidelines including Central KYC (“CKYC”) for implementing the CKYC norms.

**In this regard, with effect from February 1, 2017, any individual customer who has not done KYC under the KYC Registration Agency (KRA) regime shall be required to fill the new CKYC form.**

The requisite forms are available on our website and at the official points of acceptance of transactions of Kotak Mahindra Asset Management Company Limited.

##### **Note for Change of Address:**

Any request for Change of Address needs to be initially updated in the records of the KRA.

Investors shall submit the following supporting documents to the KRA for updating the COA.

- Proof of new address
- Any other document/ form that the KRA may specify from time to time.

Copy of the above documents should be self-attested and the originals of the supporting should be shown to the ISC / CAMS for verification. If originals are not provided then the copies of the supporting documents should be attested by the competent authority.

Subsequently, the investor shall intimate the AMC/ RTA with respect to change of address & updation of the same in AMC/ RTA records. The AMC/ RTA shall fetch the new address of the investor from the KRA through unsolicited feeds and may update the same against all folios with the same PAN.

#### 1. How to apply?

New investors should apply through a common application form/online. The same is a part of the Key Information Memorandum which lists the key features of the schemes offered by KMMF. Investors are requested to read the latest SAI and SID alongwith addendums issued from time to time before investing. Investors, in their own interest, are requested to go through the Guidelines / instructions in Key Information Memorandum (KIM) for filling up the application form before investing. The investors' signature on the main application form shall be the basis for all future transactions processing. . The Fund House may also rely on the signature available in KRA records for verification of signature for subsequent transactions Existing investors can use their Folio number at the time of investing in the same scheme or any scheme of Kotak Mahindra Fund, Thumb impressions must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under his/her official seal.

**Employee Unique Identification Number (EUID)**

Para 15.9 of SEBI Master Circular SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 has made it compulsory for every employee/relationship manager/ sales person of the distributor of mutual fund products to quote the EUID obtained by him/her from AMFI in the Application Form. EUID would assist in addressing any instance of mis-selling even if the employee/relationship manager/sales person later leaves the employment of the distributor. Hence, if your investments are routed through a distributor the investors shall ensure that the EUID is correctly filled up in the Application Form. However, if your distributor has not given any advice pertaining to the investment, the EUID box may be left blank. In this case investors are required to provide the declaration to this effect as given in the form provided in the Key Information Memorandum (KIM).

**Subscription (for ongoing purchases & NFO)****a. Resident Investors**

Resident investors may make payment for the Units by any of the following means:

- By local Cheques payable in the city in which the applications form is submitted.
- In any other manner that may be, from time to time, accepted by the AMC for the smooth and efficient functioning of the Schemes, including NEFT, RTGS, fund transfer, etc.

The following are not accepted:

- Outstation Cheques
- Demand Draft
- Post Dated Cheques – i.e. cheques which are not available for banking on the next banking day
- (except Post Dated cheques for SIP investments)
- Investment through third party cheque. Please refer the relevant section given in the document.

All cheques and drafts should be crossed “Account Payee Only” and drawn in favour of the Scheme concerned. A separate cheque must accompany each application / each Scheme. Investors are advised to mention the Folio Number / Application Form number on the face / reverse of the cheques accompanying the Application Form, in their interest. In case the scheme name differs between application and instrument, name in the application form will be considered for processing.

Where the existing as well as new Unitholder can opt to transact through the Internet, he may purchase units, register an SIP through the website of the mutual fund viz. kotakmf.com and/ or through any other website, through which purchase may be facilitated in future.

**b. Non-Resident Indians including Persons of Indian Origin****Repatriation Basis:**

RBI has granted a general permission to Mutual Funds, which are referred to in clause (23D) of Section 10 of the Income Tax Act, 1961, to issue and repurchase Units of the Scheme that are approved by SEBI, to NRIs. Further general permission has also been granted to send such Units to NRIs at their places of residence or location as the case may be. NRI applications on a repatriation basis will be accepted, if the amount representing the investment is received by inward remittance through normal banking channels or by debit to NRE/FCNR account of the non-resident investor maintained with an authorised dealer in India.

**Non-Repatriation Basis:**

In the case of NRIs/Persons of Indian Origin seeking to apply for Units on a non-repatriation basis, the applications will be accepted, if the amount representing the investment is received by inward remittance through normal banking channels or by debit to the NRE/FCNR/NRO account of the non-resident investor maintained with an authorised dealer in India.

Payment whether on repatriation or non-repatriation basis, shall be made by Cheques crossed "Account Payee Only", in a similar fashion as in the case of resident investors.

Investors are advised to provide supporting for their investment from NRE/ FCNR account, to enable as to process the IDCW / redemption payout to their NRE/ FCNR accounts.

All relevant documents as would have been required for opening a normal folio should be submitted. However, in lieu of debit instruments a cancelled cheque/ passbook/ any other bank proof need to be submitted.

#### **Acceptance of Subscriptions from U.S. Persons and Residents of Canada:-**

The Scheme shall not accept subscriptions from U.S. Persons and Residents of Canada, except where transaction request received from Non – resident Indian (NRIs) / Persons of Indian Origin (PIO) who at the time of investment are present in India and submit physical transaction request along with such duly signed/authorized declarations / documents as may be prescribed by Kotak Mahindra Asset Management Company Ltd and Kotak Mahindra Trustee Company Ltd.

The AMC shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the AMC/ Trustee Company. The investor shall be responsible for complying with all the applicable laws for such investments. The AMC may put the transaction request on hold/reject the transaction request, or reverse the units allotted, as the case may be, as and when identified by the AMC, which are not in compliance with the terms and conditions notified in this regard.

The Trustee/AMC reserves the right to change/modify the provisions mentioned above at a later date, based on the subsequent regulatory changes.

#### **c. FPI**

RBI has granted a general permission to Mutual Funds, which are referred to in clause (23D) of Section 10 of the Income Tax Act, 1961, to issue and repurchase Units of the Scheme that are approved by SEBI to and from FPIs. Further a general permission has also been granted to send such Units / instruments out of India to their global custodians. Applications of FPIs on a repatriation basis will be accepted if the amount representing the investment is received by inward remittance through normal banking channels or out of funds held in Foreign Currency Account or Non-resident Rupee Account maintained by the FPIs with a designated branch of an authorised dealer with the approval of RBI.

#### **d. Qualified Foreign Investors**

SEBI has vide its Circular No.IMD/DF/14/2011 and Circular No. IMD/FII&C/3/2012 has allowed Qualified Foreign Investors to invest in schemes of Indian mutual funds subject to terms and conditions mentioned therein by opening a demat account with a qualified Depository Participant (DP). Further, as per the SEBI Circular No. IMD/ FII&C/ 17 / 2012 QFIs are now allowed to invest in debt schemes of Indian mutual funds.

#### **e. Applicants under Power of Attorney, Companies/Corporate Bodies / Registered Societies/ Trusts/ Partnerships**

a) In case of application(s) made by Individual Investors under a Power of Attorney, the original Power of Attorney or a certified true copy duly notarised should be submitted.



b) In case of application(s) made by Non-Individual Investors, the authorized signatories / officials of Non-Individual investors should sign the application under their official designation and as per the authority granted to them under their Constitutive Documents/Board resolutions, etc. A list of specimen signatures of the authorized officials, duly certified / attested should also be attached to the Application Form. The investment application shall be liable to be rejected or a request for switch out / redemption may not be processed in case of non-submission of aforesaid documents. Additionally, the relevant Power of Attorney or the relevant resolution or authority to make the application or the Trust Deed or the Partnership Deed as the case may be, or duly certified copy thereof, along with a certified copy of the Memorandum and Articles of Association and/or bye-laws must also be submitted with the investment application form. The Fund/AMC/Trustee shall deem that the investments made by the Investors are not prohibited by any law/Constitutive documents governing them and they possess the necessary authority to invest/transact. The Trustee, at its discretion, may alter or add other modes of payment.

c) For acceptance of financial transactions in respect of non-individual investors routed through email, the AMC shall necessarily obtain from the entity a copy of the board resolution or an authority letter on the entity's letter head, granting appropriate authority to the designated officials of the entity. The board resolution/ authority letter shall explicitly mention the following:

i. List of approved authorized officials who are authorized to transact on behalf of non-individual investors along with their

designation and email Ids.

ii. An undertaking that the instructions for any financial transactions sent by email by the authorized officials shall be binding

upon the entity as if it were a written agreement.

d) In case the document is executed electronically with a valid Digital Signature Certificate (DSC) or through Aadhaar based esignature

by the authorized official/s, the same shall be considered as valid and acceptable, and shall be binding on the nonindividual

investor even if the transaction request is not received from the registered email id. of the authorized official/s.

However, in such cases, the domain name of the email ID should be from the same organization's official domain name.

e) In addition to the acceptance of financial transactions via email, scanned copy of duly signed transaction form/request letter bearing wet signatures of the authorized signatories of the entity, received from some other official / employee of the nonindividual investor may also be accepted, and shall be binding on the non-individual investor provided -

i. The email is also CC'd (copied) to the registered email ID of the authorized official / signatory of the non-individual unit holder;and

ii. The domain name of the email ID of the sender of the email is from the same organization's official domain name.

f) No change in bank details or addition of bank account of the entity or any non-financial transactions shall be allowed / accepted

via email.

g) Request for change in bank details or addition of bank account of the entity shall be submitted by the non-individual investor using the prescribed service request form duly signed by the entity's authorized signatories.

h) Further, any change in the registered email address / contact details of the entity shall be accepted only through a physical letter (including scan copy thereof) with wet signature of the designated authorized

officials of the entity, duly supported by copy of the board resolutions/authority letter on the entity's letter head.

i) In addition to the acceptance of financial transactions via email, scanned copies of signed transaction form/request letter bearing wet signatures of the authorized signatories of the entity, received from the registered mutual fund distributor of the entity or a third party duly authorized by the non-individual unitholder may also be accepted subject to fulfillment of the following requirements:

i. Authorization letter from the non-individual unitholder authorizing the MFD/person to send the scanned copies of signed

transaction form/request letter on behalf the non-individual investor.

ii. In such cases, the non-individual unitholder's registered email ID shall also be copied in the email sent by the MFD/person

sending the scanned copies of the duly signed transaction form/request letter.

Terms and Conditions for availing the facility to transact through electronic mail shall be as mentioned below:

i. The Investor acknowledges that this is a web-based service and that the AMC/ Registrar shall not be liable for any loss/ damage/claim arising out of incorrect processing of transaction received through such mode on account of incorrect data entered due to illegibility, delay in receipt of email due to technical reasons, etc. Further, the investor shall hereby agree to indemnify the AMC /Registrar from and against all actions, loss, charges, claims, damages, expenses and demands whatsoever, which may be brought against the AMC/ Registrar and which the AMC/ Registrar shall or may sustain or be put through by reason of processing the transaction through such mode. The investor is aware of the risks involved including those arising out of transmission of electronic mails.

ii. The AMC/ Registrar shall not be liable for any loss/ damage/ claim arising in case the transaction sent or purported to be sent by the entity is not received by the AMC/ Registrar due to any reason and hence not processed. The investor shall hereby agree to indemnify the AMC / Registrar from and against all actions, loss, charges, claims, damages, expenses and demands whatsoever, which may be brought against the AMC/ Registrar and which the AMC/ Registrar shall or may sustain or be put through by reason of the same.

iii. Necessary safeguards / measures to ensure the security of email communication shall be taken by the entity.

iv. The entity availing the facility for submitting financial transactions via email shall retain records of such transactions in line with the applicable laws / regulations.

v. In case of any addition/deletion to the list of authorized signatories, investor should follow appropriate procedure and it shall be the responsibility of the entity to furnish the details to the AMC/Registrar in the prescribed manner.

vi. There shall be appropriate authorization from the non-individual investor to the AMC / Registrar to accept and act on any email transmission received from non-individual investor including a registered MF distributor/third party authorized by the investor to send a scanned copy of the transaction request on behalf of such non-individual investor.

vii. AMC may reach out to the investor, vide an outbound call or through any other means to validate the authenticity of the transaction.

viii. Electronic Time stamping mechanisms and audit trail for email transactions shall be maintained.

ix. Additionally, it may be further noted that:

a) Any change in the registered email id/contact details shall be accepted only from the designated officials authorized to notify such changes vide board resolutions/authority letter. Further, such change request shall be submitted through physical request letter (or a scanned copy thereof with wet signature of the designated authorized officials) only.

- b) No change in /addition to the bank mandate shall be allowed via email. Change in bank details or addition of bank account of the entity shall be permitted only via the prescribed service request form duly signed by the entity's authorized signatories with wet signature of the designated authorized officials.
- c) Any change in the registered email address / contact details of the entity shall be accepted only through a physical letter (including scan copy thereof) with wet signature of the designated authorized officials of the entity, duly supported by copy of the board resolutions/authority letter on the entity's letter head.
- d) Further, in case the document is executed electronically with a valid DSC or through Aadhaar based e-signatures of the authorized official/s, shall be considered valid, and the same shall be binding on the non-individual investor even if the same is not received from the registered email id of authorized officials. However, the domain name of the email ID through which such email is received should be the same as the non-individual investor's official domain name.

**f. For Schemes available on Stock Exchange Platform**

With effect from February 1, 2010, the Mutual Fund has started offering an alternate facility for transacting in the Units of selected schemes through the Mutual Fund Stock Exchange Platform

- Investor desirous of transacting through the any of the Exchange Platform can hold the units in Demat/ Non-Demat mode.
- The investor is required to place an order for purchase of units (subject to applicable limits prescribed by BSE/NSE) with the AMFI certified stock exchange brokers.
- The investor should provide their depository account details to the AMFI certified stock exchange brokers.
- The broker shall enter the purchase order in the Stock Exchange system and an order confirmation slip will be issued to investor. This slip will be considered as time stamping acknowledgement.
- The investor will transfer the funds to the AMFI certified stock exchange brokers.
- Allotment details will be provided by the AMFI certified stock exchange brokers to the investor.
- Allotted units will be settled through clearing house and the units will be credited to investor's account by the broker
- Demat statement issued by the depositories will reflect the units.

**g. Additional Mode of Payment through Applications Supported by Blocked Amount (ASBA)  
(Only during NFO period):**

In line with para 14.8 of SEBI Master Circular dated June 27, 2024 all the new scheme (NFOs) launched by Kotak Mahindra Mutual Fund on or after October 1, 2010 shall offer ASBA facility to the investors subscribing to New Fund Offers (NFOs) of Kotak Mahindra Mutual Fund schemes. This facility shall coexist with the current process, wherein cheques/ demand drafts are used as a mode of payment. Detailed procedure in this regard is incorporated in the Scheme Information Documents (SIDs) of the new schemes launched on or after October 1, 2010.

Note for transactions done through the Stock Exchange: As the units are issued through the depository system, the power attorney registered with depository participant shall be taken as final. Any changes therein can be done only through the depository system.

**h. Systematic transaction facilities:**

Kotak Mahindra Mutual fund offers systematic transaction facilities like Systematic Investment Plan (SIP), Systematic Transfer Plan (STP) and Systematic Withdrawal Plan (SWP) and Transfer of IDCW Plan. Investors are requested to refer to respective Scheme Information Documents for availability of the facility



under the scheme and further details in that regard. SIP facility is offered through, ECS debit facility and Auto Debit facilities directly with Bank. Additionally, SIP investment is available through Stock Exchange Platforms.

- **National Automated Clearing House (NACH) Platform Facility:** NACH is a centralized system, launched by National Payments Corporation of India (NPCI) with an aim to consolidate multiple Electronic Clearing Service (ECS) mandates. This facility will enable the unit holders of the Fund to make SIP investments through NACH by filling up the SIP Registration cum 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. Systematic Investment Plan (SIP) for schemes available on Stock Exchange platforms: Investor can register SIP transaction through their secondary market broker. SIP transaction will be registered in the respective Stock Exchange platform. Investor has to ensure the amount is available in his account on /before the SIP date or as advised by the respective stock exchange or its member

- **Micro SIP:** SEBI vide letter no. MRD/DoP/PAN/PM/166999/2009, dated June 19, 2009 has exempted the requirement of PAN for investments through Micro SIP.

AMFI vide its guidelines dated July 14, 2009 on aforesaid SEBI circular defines Micro SIP’s as “SIP’s where aggregate of instalments in a rolling 12 month period or in a financial year i.e. April to March does not exceed Rs. 50,000”.

The exemption is applicable only to investments by individuals (including NRIs but excluding PIOs), Minors, Sole proprietary firms and to investments made by joint holders.

Investors (including joint holders) shall have to submit a copy of proof of address and any one of the documents detailed below along with Micro SIP application as proof of identification in lieu of PAN.

1. Voter Identity Card
2. Driving License
3. Government / Defence identification card
4. Passport
5. Photo Ration Card
6. Photo Debit Card (credit cards not allowed)
7. Employee ID cards issued by companies registered with Registrar of Companies
8. Photo Identification issued by Bank Managers of Scheduled Commercial Banks / Gazetted Officer / Elected Representatives to the Legislative Assembly / Parliament
9. ID card issued to employees of Scheduled Commercial / State / District Cooperative Banks
10. Senior Citizen / Freedom Fighter ID card issued by Government
11. Cards issued by Universities / deemed Universities or institutes under statutes like ICAI, ICWA, ICSI
12. Permanent Retirement Account No (PRAN) card issued to New Pension System (NPS) subscribers by Central Recordkeeping Agency (NSDL).
13. Any other photo ID card issued by Central Government / State Governments / Municipal authorities / Government organizations like ESIC / EPFO

The Photo Identification document has to be current and valid and also either self attested or attested by an ARN holder.

Any application may be accepted or rejected at the sole and absolute discretion of the Trustee.

## 2. **How to redeem?**

Pre-printed redemption request form will be sent to the Unitholders along with the Account Statement. Transaction forms shall also be available at any of the Official Acceptance Points.

The fully completed form can be submitted at any of the ISCs.

Where the Unitholder has opted to transact through the Internet, he may redeem his units through the website of the mutual fund i.e. [kotakmf.com](http://kotakmf.com) and/ or through website of the Registrar, i.e. [www.camsonline.com](http://www.camsonline.com) and/or through any other website, through which redemption may be facilitated in future.

The redemption request will be processed only for the clear units, and the payment shall be made in to the Bank account of sole/ first unit holder by cheque, pay order, ECS, Direct Credit, IMPS, NEFT in to Bank account, RTGS facility, any other mode allowed by Reserve Bank of India or through Banker's cheque, etc., as the AMC may decide, from time to time for the smooth and efficient functioning of the Schemes. The payout will be favouring the First holder's name and bank details provided by the investor at the time of purchase or through subsequent request, will be adopted for the aforesaid purpose.

Redemption amount will be directly credited to investors' account through electronic fund transfer facilities like NEFT, ECS, RTGS, such electronic fund transfer facilities offered by RBI.

The Unitholder may request mailing of the redemption proceeds to his/her address

#### Redemption by NRIs/FPIs

Redemption proceeds in respect of NRI investors may be:

- a. Credited at the NRI investor's option, to his NRO/SB account, or
- b. Remitted abroad or at the NRI investor's option, credited to his NRE/FCNR/NRO account, where the Units were purchased on repatriation basis and the payment for purchase of the Units sold was made by inward remittance through normal banking channels or out of the funds held in NRE/FCNR account, for which investor has to provide the banker certificate or statement for the debit.

In case of an FPI, the designated branch of an authorised dealer may allow remittance of net redemption proceeds (after payment of taxes) or the same may be credited to its Non Resident Rupee Account or the Foreign Currency Account.

### **A. Where to submit application forms?**

Investors may submit completed Application Forms as under:

#### During the New Fund Offer

1. KAMAMCL Authorised Collection Centres (Fresh Application & Switch) including the website of AMC.
2. Investor Service Centre (ISCs) and Transaction Points (TPs) of the Registrar
3. Electronic transactions through specified banks, financial institutions, or other entities with whom Kotak Mahindra Asset Management Company Ltd has entered or may enter into specific arrangement for purchase/switches of units, during NFO's, if any.
4. All trading Member of Stock Exchange, who are registered with AMFI as Mutual Fund Advisors offering the facility of purchase and redemption of units of Kotak Mahindra Mutual Funds through Exchanges Platform are the official Acceptance points for fresh applications if the NFO of the scheme offered through the Exchange Platform.
5. Self Certified Syndicate Banks (SCSBs) can accept applications for ASBA facility.

#### During the Continuous Offer

1. Investor Service Centre (ISCs) and Transaction Points (TPs) of the Registrar.
2. The office of the Registrar in Chennai - Computer Age Management Services Limited (CAMS), (Unit: Kotak Mutual Fund), Rayala Towers, Tower 2, Fifth Floor, 158 Anna Salai, Chennai - 600002, and all branches of the Registrar.
3. Official Acceptance Points of KAMAMC including the website of AMC.
4. Electronic transactions through fax, website of Kotak Mahindra Mutual Fund (kotakmf.com), website of the Registrar, Specified banks, financial institutions, other entities with which Kotak Mahindra Asset Management Company Ltd has entered or may enter into specific arrangement for purchase/sale / switches of units. CAMS, the Registrar & Transfer Agent of Kotak Mahindra Mutual Fund having office at Nungambakkam, Chennai will be the Official Acceptance point for the transactions.
5. The AMC/ Registrar shall not be liable for any loss/ damage/ claim arising out of incorrect processing of transaction received through fax, or at [Kmamc.emailstamping@kotakmutual.in](mailto:Kmamc.emailstamping@kotakmutual.in) on

account of incorrect data entered due to illegible fax, delay in receipt of fax due to technical reasons, etc.. Further, the investor shall hereby agree to indemnify the AMC / Registrar from and against all actions, loss, charges, claims, damages, expenses and demands whatsoever, which may be brought against the AMC/ Registrar and which the AMC/ Registrar shall or may sustain or be put through by reason of processing the transaction on fax/ email/ any other electronic mode/ Transactions received through the Mobile Apps.

6. All trading Member of Stock Exchange, who are registered with AMFI as Mutual Fund Advisors offering the facility of purchase and redemption of units of Kotak Mahindra Mutual Funds through Exchanges Platform are the official Acceptance points for fresh applications if the NFO of the scheme offered through the Exchange Platform. Further in line with para 16.2.11 of SEBI Master Circular dated June 27, 2024, it has been decided to allow investors to directly access infrastructure of the recognised stock exchanges to purchase and redeem mutual fund units directly from Mutual Fund/ Asset Management Companies.
7. Application Forms, if sent by post, must be accompanied by Cheques / fund transfer proof and sent to any of the places mentioned above.
8. Clearing members and depository participants.
9. MF Central
10. Cybrilla (ONDC)

Any application may be accepted or rejected at discretion of the Trustee, subject to applicable SEBI Regulation & AMFI Communication.

#### **“Instant Access Facility”:**

Under the Instant Access Facility (‘the Facility’), the Scheme shall endeavour to credit the redemption proceeds to the registered bank account of the investor on the same day of receipt of Instant Redemption Request, using Immediate Payment Service (IMPS) provided by banks or similar payment mechanism provided by banks with whom Kotak Mahindra Mutual Fund has made arrangements from time to time. The Facility shall be available on all days at all points of time. The facility is available under Kotak Liquid Fund.

The terms and conditions applicable to the Facility are as follows:

1. Eligible Option: The Facility is available under the Growth Option only, under the Direct and Regular Plan available under the scheme.
2. Eligible Investors: The Facility is available only to the investors (a) whose Status is Resident Indian Individual, (b) who have Complete Core Banking System (CBS) account number registered in the folio along with IFSC code and (c) whose bank is Immediate Payment Service (IMPS) enabled.
3. Mode of Transaction: The Facility shall be available only for transactions through online mode. Currently, this Facility is available through the AMC’s website viz. kotakmf.com and Kotak Mutual Fund App in Android & IOS. The AMC reserves the right to extend the Facility to any other Official Point of Acceptance/ Platforms.
4. Holding of units: The Facility shall be available for units held in physical mode only and not available for units held in dematerialized mode.
5. Minimum Redemption amount: Investors can submit redemption only in terms of amount. Minimum redemption amount shall be Rs.1,000/- and in multiples of Re.1/- thereafter.
6. Maximum Redemption amount: Investor can submit instant redemption for a maximum of ` 50,000/- (Fifty thousand rupees) or the Redeemable Balance, whichever is lower. This limit shall be applicable per day per scheme per investor.
7. Redeemable Balance: 90% of the current value of available units. Available Units are such units in the folio for which the investor can place a redemption request at any point of time after adjusting units which are uncleared for funds realization or reconciliation, or are under lien, or are in dematerialized mode and after considering any transactions pending for unit adjustments.

Current Value of Available Units shall be value of Available Units as per the latest declared Net Asset Value (Number of Available Units X Latest declared NAV). Refer illustration below:

Particulars	Amount	
	Scenario 1	Scenario 2
(A) Current value of Available units (Number of available units for redemption * Latest NAV Declared)	50,000	1,00,000
(B) Redeemable Balance(A*90%)	45,000	90,000
Maximum Redemption Amount [B or Rs.50,000/- (fifty thousand rupees) Whichever is lower)	45,000	50,000

1. Cut-off timings: The Cut off timings for NAV applicability for redemption through the Facility shall be applicable as under:

- Where the application is received up to 3.00 pm - the lower of (i) NAV of previous calendar day and (ii) NAV of calendar day on which the application is received;
- Where the application is received after 3.00 pm -the lower of (i) NAV of calendar day on which such application is received and (ii) NAV of the next calendar day.

2. Scenarios under which the Facility may be suspended: Investors may note that in case, the payment for the redemption cannot be completed due to any technical issue at the end of the IMPS bank, or due to disproportionate increase in redemptions under the Facility vis-à-vis the past trends or due to other similar reasons where the transaction is received but cannot be processed due to reasons beyond the control of the AMC, such transaction shall be processed as an ordinary redemption transaction. The applicable NAV in such cases would be as per the guidelines for uniform cut off timings, prescribed in the SID of the Scheme, for normal redemption requests received through the physical mode.

The AMC reserves the right to change the terms and conditions of the Facility/ withdraw/ suspend the Facility at a later date”.

### 3. Other Information

#### (i) Fractional Units

Since a request for Purchase or Redemption is generally made in rupee amounts and not in terms of a fixed number of Units of a Scheme, an investor may be left with fractional Units. Purchases, redemptions and account balances of Units are calculated upto three decimal places . However, Fractional Units will not adversely affect the investor's ability to redeem the Units, either in part or in full, standing to the credit of the Unitholder.

#### (ii) Joint Applicants

If an Account has more than one holder, only the first-named holder/ Registered Emails IDs /Registered mobile numbers (as determined by the records of the Registrar) will receive all notices and correspondence with respect to the Account Registered Email ID/ Phone. Such Unitholder will receive the proceeds of any redemption requests or IDCW or other distributions. In addition, such holder will have the voting rights, as permitted, associated with such Units.

In the case of holdings specified as 'jointly', all requests have to be signed by all the joint holders. However, in the case of holdings specified as 'any one or survivor', any one of the joint holders may sign such requests.

**(iii) Provision of Bank account number in the application form is mandatory**

As per the directives issued by SEBI it is mandatory for an investor to declare his/ her bank account number. To safeguard the interest of Unitholders from loss or theft of their refund orders/redemption cheques, investors are requested to provide their bank details in the Application Form. In case the bank account mentioned for payout on the investment application form, differs from the bank account from where investment amount is drawn, it is advisable to submit a copy of the cancelled cheque of the payout bank mandate.

**(iv) Registration of Multiple Bank Accounts for pay-in and pay-out of proceeds of mutual fund units**

In accordance with the AMFI Circular on Risk Mitigation process against Third – Party Cheques in Mutual Fund Subscriptions, the Fund has set up a verification process for identifying the Third Party Payments. With reference to the same, for investors to have hassle free transactions Kotak Mahindra Mutual Fund provides a facility to register more than one bank account for the purpose of subscription, receiving redemption and IDCW proceeds.

Individuals, HUF and Sole Proprietary firms are permitted to register upto 5 bank accounts and non individuals are permitted to register upto 10 bank accounts.

Investor can use the prescribed Multiple Bank Accounts Registration Form (available with ISCs/Official Point of Acceptance/ kotakmf.com) along with any one of the following documents to register bank mandates:

- a. Cancelled cheque leaf,
- b. Pass Book Page with account number, name and address, or
- c. For Registration of Multiple Bank Accounts New bank and existing bank cheque leaf both have to be provided in original. If photocopy of New & Old bank cheque leaf are submitted, OSV to be done by AMC or CAMS. Investor name should be pre-printed on the cheque leaf. If the same is not pre-printed then Bank account statement also needs to be submitted with cancelled cheque leaf. All supporting documents should clearly evidence the bank name, account number, Account Type and Name of all joint holders.

If a copy of the above mentioned documents is submitted, investors should bring the original of the referred documents to the ISCs/ Official Point of Acceptance of Fund House office for verification. Investors shall ensure that the first-named unit holder in the folio is one of the bank account holders.

**Note for Change of Bank mandate**

With reference to the AMFI Circular no. 135/BP/26/11-12 dated March 21, 2012 the process for change of bank mandate is as under:

1. Updating of bank accounts in an Investors folio should be either through Multiple Bank Account Registration Form or a standalone separate Change of Bank Mandate form.
2. The investor has to submit original of any one of the following documents:
  - a. Cancelled original cheque of the new bank mandate with first unit holder name and bank account number printed on the face of the cheque as well as proof of existing registered bank account; or
  - b. If photocopy of New & Old bank cheque leaf are submitted, OSV to be done by AMC or CAMS. Investor name should be pre-printed on the cheque leaf. If the same is not pre-printed then Bank account statement also needs to be submitted with cancelled cheque leaf. All supporting documents should clearly evidence the bank name, account number, Account Type and Name of all joint holders.
3. Any change of bank request along with redemptions in a common transaction slip may be rejected. Investors are requested to strictly use the multiple bank mandate form for registering new bank mandate.



### **Validation of Bank Mandate**

Pursuant to AMFI Best Practice Guidelines Circular No.97 /2021-22, dated March 28, 2022, the RTA/ AMC shall follow the below process for Validation of Bank Mandate of its investors.

1. No bank account shall be registered in the investor account as part of account opening or subsequent addition or change of bank request unless a validation is undertaken through any one of the following modes whereby the investors name, account number /details are verified:
  - i. Original cancelled cheque
  - ii. Self-certified cheque copy & verified with the original by AMC / RTA
  - iii. Self-certified copy of bank passbook and verified with the original by AMC/RTA
  - iv. Penny Drop Facility or PAN based account validation facility provided by NPCI.
2. Redemption proceeds shall be credited only to a verified Bank Mandate.
3. There shall be a cooling period of 10 days for acceptance of change of bank mandate digitally post change of both email ID and mobile number in an investor folio.
4. Confirmation of registration/ change of bank details, or information regarding rejection of a registration or change of bank details shall be intimated via email, SMS and through physical mode where email id and mobile numbers are not available in AMC records.

### **(v) Validation of Email ID, Mobile Number & Two Factor Authentication for Redemptions**

Pursuant to SEBI Circular SEBI/HO/IMD/IMD-I DOF5/P/CIR/2021/634 dated October 4, 2021, AMFI vide its Best Practice Guidelines Circular No.97 /2021-22, dated March 28, 2022, has issued guidelines, in consultation with SEBI, to strengthen control with respect to verification of key details of investors like Bank account details, email id, mobile number and address etc. This Circular further requires authentication of redemption transactions using Two-Factor Authentication (for online transactions) with one of the factors being a One-Time Password (OTP) sent to the unit holder at his/ her email/ phone number registered with the AMC.

### **Validation of Email ID/ Mobile Number**

1. RTA shall carry out basic validations to check for correctness in terms of the syntax, invalid mobile number/ email address/ domain, etc. RTA shall update only validated contact details in investor folio, including those sourced from KRA.
2. Platforms are advised to authenticate the contact details received in digital mode prior to submission to RTA to avoid failures
3. RTA shall run a verification process to detect seeding of contact details of intermediaries (MFD, RIA, RTA, AMC) or their employees in folios which do not belong to such persons/entities. RTA shall look up the Central Distributor master and Employee Unique Identity Number (EUIIN) master maintained by CAMS (as a service provider to AMFI for management of ARN and EUIIN), RIA master maintained by RTA, employee master of RTA and employee master shared by AMC.
4. The contact details of PMS and Custodians for Foreign Portfolio Investors (FPI) shall be permitted to be registered in the relevant folios.
5. On detection of any instance of contact details not belonging to the customer, such contact details shall be removed from the investor folios and an intimation may be sent to the investor.
6. On detection of any such instance of multiple investors with common contact details, RTA shall request the investor to either submit a declaration stating that the contact details belong to the 'Family' of the investor or submit a request to modify contact details. Family means self, spouse, dependent children, dependent siblings, dependent parents, and a guardian in case of a minor.
7. AMC/RTA shall carry out the various processes as listed in stated AMFI Circular to authenticate the contact details prior to updating a new contact detail in investor records

### **Two Factor Authentication for Redemptions**

1. Two-Factor Authentication (2FA) shall be required to be performed for all redemptions received in non-physical modes, i.e. where signature verification is not possible including web, app, SMS, email, WhatsApp, etc.
2. 2FA shall be undertaken by sending OTP to the contact details registered in the investor folio with the AMC

3. Online Channel Partner Platforms shall provide contact details viz. email ID and/or mobile number used for 2FA, as part of transaction feeds. RTAs shall reject redemption transaction if the contact details provided by the Platform do not match with the registered contact details in the investor folio of the AMC.
4. 2FA shall be carried out at the time of investor placing the Redemption/ Switch Request. With respect to Systematic Plans (Withdrawal and Transfer), a one-time two-factor authentication shall be carried out at the time of registration of the Systematic Transaction Request.
5. Redemption triggered by the AMC (maturity, merger, winding up of a scheme) will not require 2FA.

#### **(vi) Data Enrichment**

Wherever Investor has not provided his/her email address, Mobile Number or Core Banking Account Number (and IFS Code) in respect of their already registered bank account, KMAMC Ltd. may obtain such information from the authorized entities such as 'Know Your Client' (KYC) Registration Agencies, Channel Partners, MFU, Investor's Bank, through AMFI appointed aggregators for the purpose of issuing Consolidated Account Statement (CAS) based on the same PAN, or any other regulated entity and update the records of the Investor. Upon updation of such information, the unit holders shall be informed about the same

#### **(vii) Updation of contact details:**

As per AMFI Best Practice Guidelines circular no. 97 dated 28th March 2022, the contact details i.e. email ID and/or mobile number is to be validated by receiving electronic confirmation. The contact details which are not validated will not be registered in the folio. In case the investors desire to register any of the contact details of any of the family member, the declaration is to be provided in the application at the time of investing or by way of separate request. In case of change of both email and Mobile number in an investor folio, there shall be a cooling period of 10 days for acceptance of change of bank mandate digitally.

#### **(viii) Non-acceptance of Third Party Cheques**

Third Party Cheques will not be accepted by the Scheme(s) of Kotak Mahindra Mutual Fund.

Definition of Third Party Cheques:

1. Where payment is made through instruments issued from an account other than that of the beneficiary investor, the same is referred to as Third-Party payment.
2. In case of a payment from a joint bank account, the first holder of the mutual fund folio has to be one of the joint holders of the bank account from which payment is made. If this criterion is not fulfilled, then this is also construed to be a third party payment.

However, afore-mentioned clause of investment with Third-Party Payment shall not be applicable for the below mentioned exceptional cases.

- a. Payment for investment by any 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. However, the bank account number of minor needs to be registered in the folio, before redeeming the units.
- b. Payment by Employer on behalf of employee under Systematic Investment Plans or lump sum / one-time subscription, through Payroll deductions. AMC shall exercise extra due diligence in terms of ensuring the authenticity of such arrangements from a fraud prevention and KYC perspectives.
- c. Custodian on behalf of an FII or a client.

Kotak Mahindra Asset Management Co. Ltd. / Trustee may reject/ not process application and refund subscription money if the subscription does not comply with the specified provisions of Payment Instruments.

NOTE: Kotak Mahindra Mutual Fund may not be able to payout redemption proceeds in the new Bank Mandate submitted along with the redemption request. In such a scenario, a cooling period of not more than 10 calendar days will be required for validation and registration of bank accounts. The process of validation could include notifying the investor through a letter, email, SMS etc. about the registration of his new bank account.

Investor may write the folio number / PAN number / application number alongwith the scheme name in the face of the cheque. Eg. Kotak xxx a/c PAN or folio or application number.

In case of application submitted along with third party cheque and the same is realized in mutual fund account, the refund will be made (a) if the name of the drawer mentioned in the cheque the amount will be paid with drawee name and his/her investor account or (b) if the drawer name is not available in cheque, the payment will be made in the name of first holder with the bank details of the drawee of the instrument.

**(ix) Technical issues when transactions are processed through online facilities/ electronic modes.**

The time of transaction done through various online facilities/ electronic modes offered by the AMC, for the purpose of determining the applicability of NAV, would be the time when the request for purchase / SIP/ sale / switch of units is received in the servers of AMC/RTA. In case of transactions through online facilities / electronic modes, there may be a time lag of few seconds or upto 5-7 banking days between the amount of subscription being debited to investor's bank account and the subsequent credit into the respective Scheme's bank account. This lag may impact the applicability of NAV for transactions where NAV is to be applied, based on actual realization of funds by the Scheme. Under no circumstances will Kotak Asset Management Company Limited or its bankers or its service providers be liable for any lag / delay in realization of funds and consequent pricing of units. The AMC has the right to amend cut off timings subject to SEBI (MF) Regulations for the smooth and efficient functioning of the Scheme. Representation of SIP transaction which have failed due to technical reasons will also follow same rule.

**(x) Appointment of MF Utilities India Private Limited**

Kotak Mahindra Asset Management Company Ltd ("the 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 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 Schemes of Kotak Mahindra Mutual Fund can be done through MFU either electronically on [www.mfuonline.com](http://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](http://www.mfuindia.com) as may be updated from time to time. The Online Transaction Portal of MFU i.e. [www.mfuonline.com](http://www.mfuonline.com) and the POS locations of MFUI will be in addition to the existing Official Points of Acceptance ("OPA") of the AMC.

The uniform cut-off time as prescribed by SEBI and as mentioned in the SID / KIM of respective schemes shall be applicable for applications received on the portal of MFUI i.e. [www.mfuonline.com](http://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 / Mutual Fund / the AMC 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 multiple 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. The AMC 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 or the AMC to download the relevant forms.

For any queries or clarifications related to MFU, please contact the Customer Care of MFUI on +91 22 61344316 (during the business hours on all days except Sunday and Public Holidays) or send an email to [mfuthn@mfuindia.in](mailto:mfuthn@mfuindia.in)

**(xi) Appointment of MF central as Official Point of Acceptance**

Pursuant to SEBI circular no SEBI/HO/IMD/IMD- II DOF3/P/CIR/2021/604 dated July 26, 2021 on RTA inter-operable Platform for enhancing investors' experience in Mutual Fund transactions / service requests , the Qualified R&T Agent, Kfin Technologies Private Limited and Computer Age Management Services Limited (CAMS) have jointly developed MFCentral – A digital platform for Mutual Fund investors.

MFCentral is created with an intent to be a one stop portal / mobile app for all Mutual fund investments and service-related needs that significantly reduces the need for submission of physical documents by enabling various digital / phygital services to Mutual fund investors across fund houses subject to applicable T&Cs of the Platform.

MFCentral may be accessed using <https://mfcentral.com/> and a Mobile App in future.

Any registered user of MFCentral, requiring submission of physical document as per the requirements of MFCentral, may do so at any of the designated Investor Service centres or collection centres of CAMS or Kfintech.

**(xii) Appointment of Cybrilla (ONDC) as an Official Point of Acceptance**

Cybrilla platform is appointed as one of the Official Points of Acceptance for transactions under all schemes\* of Kotak Mahindra Mutual Fund ("KMMF"). The facility shall be extended to allow financial transactions i.e. Subscription/Redemption/SIP and non-financial transactions through Cybrilla platform. The provisions of this facility shall be subject to the terms and conditions specified by SEBI and the Scheme Information Document ("SID") and Key Information Memorandum ("KIM") of the schemes of KMMF.

Further, investors are requested to note that only Regular plan(s) of the applicable schemes of KMMF are available for transaction through this route.

\*In case of Exchange Traded Funds, the said facility shall be available only during New Fund Offer(s) of such funds by

KMMF/Kotak Mahindra Asset Management Company Limited ("KMAMC"). KMMF/KMAMC reserves the right to introduce, change, modify or withdraw the features available in this facility from time to time. Accordingly, for the purpose of determining the applicability of NAV, the time at which request for purchase/sale of units is received on the server(s) of said platform will be considered as time of receipt of transaction with KMAMC.

**(xiii) Online Dispute Resolution (ODR)**

In accordance with SEBI Master Circular No. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated July 31, 2023 ("Master Circular") with respect to Online Resolution of Disputes in the Indian Securities Market, a common Online Dispute Resolution ("ODR") Portal has been launched in order to harness online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market.

The said Master Circular along with the link to the ODR Portal viz. <https://www.smartodr.in> has been displayed on our website [www.kotakmf.com](http://www.kotakmf.com) for the convenience of unitholders/ investors.

## A. Special Products/Facilities offered by the AMC/Schemes

The Following special product/facilities are available under the Scheme:

- Systematic Investment Plan
- SIP Top Up Facility
- Flex - Systematic Investment Plan Facility ('FSIP') Facility
- Systematic Transfer Plan (STP)
- SIP Pause
- Daily frequency under Systematic Transfer Plan Facility
- Flex - Systematic Transfer Plan ('FSTP') Facility
- Systematic Withdrawal Plan (SWP)
- Transfer of IDCW Plan
- Switching
- Trigger Facility
- Variable Transfer Plan ('VTP')
- Smart Facility .i.e. Smart Systematic Transfer Plan(SSTP)
- Smart Systematic Investment Plan (SSIP)
- Smart Systematic Withdrawal Plan (SSWP)
- Long Term Income (LTI)
- Freedom SIP facility
- Choti SIP

### **Systematic Investment Plan (SIP):**

This facility enables investors to save and invest periodically over a longer period of time. It is a convenient way to "invest as you earn" and affords the investor an opportunity to enter the market regularly, thus averaging the acquisition cost of Units. Any Unitholder can avail of this facility subject to certain terms and conditions contained in the Application Form. The Fundamental Attributes and other terms and conditions regarding purchase/redemption, price and related matters are the same as contained in the respective SID.

The first SIP can be for any date of the month on which a NAV is declared in the scheme. In respect of the second and all subsequent SIPs, investors can select any date from 1<sup>st</sup> to 31<sup>st</sup> of the chosen frequency as the SIP Date (in case the chosen date falls on non-Business day the transaction will be effected on the next Business day of the scheme), and can also choose the SIP frequency as daily, weekly, monthly, quarterly, half-yearly and annually however subject, to the condition that there shall be a minimum gap of 28 days between the first and the second SIP. The aforesaid minimum gap shall be applicable only for SIPs registered via direct / auto debit. The AMC reserves the right to process the request lesser than 28 days in the interest of unit holders. The minimum SIP instalment amount is Rs. 100/ for all eligible schemes, except Kotak ELSS and Kotak Quant Fund where minimum SIP amount is Rs. 500, and for Kotak Multicap fund, Kotak Multi Asset Allocation fund, Kotak Nifty 200 Momentum 30 Index fund and Kotak Gold fund where minimum SIP amount is Rs. 21. The minimum instalment is 1 except for Daily SIP, and 10 for Kotak Quant Fund.. In case the SIP date is not selected for the aforesaid facility, 7<sup>th</sup> of every month/quarter/ half yearly / Annually will be treated as the default date. Wednesday is the default day for weekly option. If applicant does not indicate the choice of option between growth and IDCW option in the application form, then the scheme will accept it as an application for growth option under respective plan.

The SIP payments can be made by availing the Auto Debit Facility or by availing the Direct Debit Facility / Standing Instructions Facility (Unitholders may check with their bankers for availability of this facility)/ NACH facility through NPCI. However, the first investment in SIP through the Auto Debit Facility or Direct Debit Facility would need to be ideally made by issuance of a cheque from the account from which the Auto Debit / Direct Debit is requested. Investors can also submit SIP applications along with cancelled cheque leaf of the account from where the investor intends to commence the SIP.

If the first SIP investment is through the initial investment cheque is drawn from a bank account, other than the bank account mentioned in the SIP mandate, the investor has to ensure that the bank details and signatures are attested by the banker of the bank from where the SIP is initiated. Alternatively, the investors should provide a copy of the cancelled cheque leaf of the bank account from where the investor intends to do the SIP.

The load structure applicable for each instalment will be as per the load structure applicable at the time of registration of SIP. Changes in load structure effected by the AMC after that date may not be applicable unless stated specifically.

The below mentioned timeline shall be applicable for treating an SIP as closed/cancelled:

Sr. No.	SIP Interval	No. of failed debit attempts prior to cancellation of SIP
1.	Daily	3
2.	Weekly, Fortnightly	3
3.	Monthly	3
4.	Bi-monthly, Quarterly or Longer interval SIPs	2

In case of a request placed by the investor for cancellation of SIP/SSIP/FSIP/Freedom SIP, through any of the below mentioned modes:

SIP/SSIP/FSIP/Freedom SIP Registered with		
RTA/AMC		Exchanges/Channel partners
Cancellation Application-Online	Cancellation Application-Physical	Cancellation Application-Online

active cancellation of auto debit/SIP/SSIP/FSIP/Freedom SIP shall be processed within T+2 working days of such request placed by the investor.

#### **SIP Top Up Facility:**

Description: It is a facility whereby an investor has an option to increase the amount of the SIP Instalment by a fixed amount at pre-defined intervals. This will enhance the flexibility of the investor to invest higher amounts during the tenure of the SIP.

Frequency: Half Yearly Basis and Yearly Basis.

Functionality of frequency:

The instalment amount can be increased on a Half-Yearly and/or Yearly basis i.e. on completion of 6 months/1 year from the commencement of the first SIP.

SIP Frequency	SIP Top Up Frequency	Default	Min Amount
Monthly	Half Yearly / Yearly	Yearly	Rs. 100/-and any amount thereafter.
Quarterly	Half Yearly / Yearly	Yearly	Rs. 100/-and any amount thereafter.

#### **Other Terms:**

- SIP Top Up Facility shall be available with fresh registration of SIP only. If an existing investor wants to opt for SIP Top Up facility, the existing SIP is required to be cancelled and a fresh SIP investment with SIP Top Up Facility is required to be submitted.
- SIP Top Up Facility will be available for all open-ended schemes of Kotak Mutual Fund where SIP facility is being currently offered.

- c. Investors opting for this facility, need to duly fill-in the SIP Booster Facility section of SIP Form along-with the other requisite SIP related information.
- d. For complete details regarding the SIP with SIP Top Up facility please refer to SIP Auto Debit Form with SIP Top Up facility.
- e. All other terms & conditions applicable for regular SIP will also be applicable to SIP Top Up SIP

**Illustration explaining the SIP Top Up facility:**

SIP period: 01-Jan-2015 to 01-Dec-2016 (2 years)

Monthly SIP Amount: Rs 2000

Top-up Amount Rs 1000

Top-up frequency: Half-yearly

Instalment Period	From date	To Date	Monthly SIP Amount	SIP Top Up Amount	Final Monthly SIP Amount
1 to 6	01-Jan-15	01-Jun-15	2000	Not Applicable	2000
7 to 12	01-Jul-15	01-Dec-15	2000	1000	3000
13 to 18	01-Jan-16	01-Jun-16	3000	1000	4000
19 to 24	01-Jul-16	01-Dec-16	4000	1000	5000

Note: In the above table, Monthly SIP Instalment Amount increases by SIP Top Up amount of Rs 1,000 at half-yearly intervals.

The Trustee/AMC reserves the right to change/modify the provisions mentioned facility at a later date subject to SEBI (MF) Regulations and circulars issued thereunder from time to time.

**SIP Top Up Facility with Fixed Top Up option or Variable Top Up option:**

**Description:** SIP Top-Up facility with Fixed Top Up option or Variable Top Up option will be available to the investors, wherein the amount of SIP can be increased at fixed intervals.

**Frequency:** Half Yearly Basis and Yearly Basis.

**Functionality of frequency:**

1. Investors can opt for SIP Top up facility with Fixed Top-Up option or Variable Top-Up option, wherein the amount of SIP can be increased at fixed intervals. The Fixed Top-Up amount shall be in multiples of Rs.100/- and thereafter.
2. Variable Top-Up option will be available at 10%, 15% and 20% and such other denominations (over and above 10%, 15% and 20%) as opted by the investor in multiples of 5%.
3. The frequency is fixed at Yearly and Half Yearly basis.
4. In case of Quarterly SIP, only the Yearly frequency is available under SIP Top-Up. SIP Top-Up facility shall also be available for the existing investors who have already registered for SIP facility without Top-Up option.
5. In case the investor opts for both options, the Variable Top-Up option shall be triggered.
6. In case the investor does not select the frequency for Top-up or selects both frequencies, the Top-up facility shall be registered at Yearly basis.

**Top-Up Cap amount or Top-Up Cap month-year**

- I. **Top-Up Cap amount:** In this facility the investor has an option to freeze the SIP Top-Up amount once it reaches a fixed predefined amount. The fixed pre-defined amount should be same as the maximum amount mentioned by the investor in the bank mandate/ existing registered One-Time Mandate (OTM). In case of difference between the Cap amount & the maximum amount mentioned in Bank mandate, then amount which is lower of the two amounts shall be considered as the default amount of SIP Cap amount.
- II. **Top-Up Cap month-year:** The facility for SIP Top-Up amount will cease and last SIP instalment including Top-Up amount will remain constant from Cap date till the end of SIP tenure.

**Basic Terms and conditions are as follows:**

- The date from which Investors have opted the SIP Top-Up amount will cease and last SIP instalment including
- Top-Up amount will remain constant from Cap date till the end of SIP tenure.
- Investor shall have flexibility to choose either Top-Up Cap amount or Top-Up Cap month- year. In case of multiple selection, Top-Up Cap amount will be considered as default selection.
- Top-Up Cap is applicable for Fixed Top Up option as well as Variable Top Up option.
- All the investors of the fund availing the facility under SIP Variable Top - Up feature are hereby requested to select either Top - Up Cap amount or Top - Up Cap month - year.
- In case of no selection, the SIP Variable Top-Up amount will be capped at a default amount of Rs. 10 Lakhs. Under said facility, SIP amount will remain constant from Top - Up Cap date/ amount till the end of SIP Tenure.

**Illustration explaining the Top-Up Cap month-year:**

SIP Period: 01-Jan-2022 to 01-Dec-2024 (3 Years)

Monthly SIP Installment Amount: Rs. 2,000

SIP Date: 1st of every month (36 installments)

Top-up Amount: Rs. 1,000

Top-up Frequency: Half Yearly

Top-up cap month - year: 01-Jul-2023

SIP Instalments shall be as follows:

Instalment No.	From Date	To Date	Monthly SIP Instalment Amount (Rs.)	SIP Top Up Amount (Rs)	Increased Monthly SIP Instalment Amount (Rs.)
1 to 6	1-Jan-22	1-Jun-22	2000	NA	2000
7 to 12	1-Jul-22	1-Dec-22	2000	1000	3000
13 to 18	1-Jan-23	1-Jun-23	3000	1000	4000
19 to 24	1-Jul-23	1-Dec-23	4000	1000	4000
25 to 30	1-Jan-24	1-Jun-24	4000	N.A	4000
31 to 36	1-Jul-24	1-Dec-24	4000	N.A	4000

The Trustee/AMC reserves the right to change/modify the provisions mentioned facility at a later date subject to SEBI (MF) Regulations and circulars issued thereunder from time to time.

## SIP Pause

SIP Pause Facility is a facility whereby an investor will be able to temporarily stop his SIP for a period specified. He can do so by filling 'SIP pause' facility form. This facility gives option to pause the SIP for a period ranging from 1 month up to 6 months. This is beneficial to investor as he needs to just submit the SIP pause request and after the stipulated months as aforesaid, the SIP instalment starts automatically. The load structure applicable for each instalment will be as per the load structure applicable at the time of registration of SIP. Changes in the load structure effected by the AMC after that date may not be applicable unless stated specifically.

## **Flex - Systematic Investment Plan Facility ('FSIP') Facility**

- **FSIP** - is a facility wherein an investor can opt to invest variable amount in the scheme based on P/E (price-to-earnings ratio) level of Nifty 50 Index TRI. This facility allows investors to take advantage of market movements by investing higher amounts when the markets are low, and by investing a variable amount (within the limits defined by the investor) when the markets are higher. If an investor wants to opt for the said facility then Individual Enrolment Form is required filled for each FSIP transaction.
- Details for FSIP:
- Available under the Monthly and Quarterly Options
- The minimum amount and tenure of FSIP would be as applicable to normal SIP facility in the scheme.
- Dates available for transfer are as applicable for regular SIP of Schemes.
- Investors at the time of registration will have an option to specify the amount to be invested at PE level of  $\leq 15$ . This amount will have to be higher than the installment amount invested at PE level of  $> 15$ . In case the investor does not specify the amount for PE level of  $\leq 15$ , then the default amount (3 times the specified amount for PE band  $> 15$ ) shall be applicable.
- There is no maximum duration for FSIP enrollment.
- Calculation of FSIP :
- The FSIP will be based on the trailing Price to Equity ratio (P/E) of Nifty 50 Index TRI. The amount to be transferred on each FSIP date will be determined on the basis of the P/E band.
- If the P/E ratio is greater than 15, then the specified amount gets invested
- If the P/E ratio is lesser than or equal to 15, then -
- The amount in the application form specified by the investor for PE level  $\leq 15$ .  
Or if no such amount is specified then the default amount which is 3 times the FSIP amount gets invested
- The installment value of FSIP would be determined based on PE of BSE PSU Index TRI on T-10th day. If T-10th day is a non-business day, then valuation will be done on the previous business day i.e. T-11th day.

**The process has been explained below through an illustration for FSIP using the default option.**

### Assumptions:

Instalment amount – Rs. 2,500		
PE Band	Allocation	Installment Amount (Rs.)
$> 15$	1x	2,500
$\leq 15$	3x	7,500

Date	Assumed BSE PSU Index TRI P/E Ratio	Assumed Equity Scheme NAV	FSIP Installment Amount (Rs.)	Units	Accumulated Units	Valuation (Rs.)
1-May-15	21.4	10.0	2,500.0	250.0	250.0	2,500
1-Jun-15	22.0	10.9	2,500.0	228.4	478.4	2,736
1-Jul-15	21.9	11.0	2,500.0	226.6	705.0	5,277
1-Aug-15	21.4	10.7	2,500.0	233.0	938.0	7,565
1-Sep-15	21.0	10.8	2,500.0	232.0	1,170.0	10,107
1-Oct-15	18.6	9.6	2,500.0	260.6	1,430.6	11,226
1-Nov-15	18.9	9.7	2,500.0	257.9	1,688.5	13,869
1-Dec-15	18.1	10.2	2,500.0	245.2	1,933.7	17,212
1-Jan-16	17.9	10.1	2,500.0	247.8	2,181.5	19,509
1-Feb-16	17.4	10.0	2,500.0	250.1	2,431.6	21,805
1-Mar-16	16.5	10.1	2,500.0	247.0	2,678.7	24,608
1-Apr-16	16.2	10.0	2,500.0	249.4	2,928.1	26,853
1-May-16	14.7	9.4	7,500.0	802.0	3,730.0	27,384
1-Jun-16	14.8	9.1	7,500.0	823.8	4,553.8	33,957
1-Jul-16	15.8	9.5	2,500.0	262.1	4,816.0	43,432
1-Aug-16	14.9	9.1	7,500.0	825.1	5,641.1	43,775
1-Sep-16	13.9	8.8	7,500.0	855.8	6,496.9	49,439
1-Oct-16	15.7	9.4	2,500.0	264.7	6,761.6	61,351
1-Nov-16	16.0	9.5	2,500.0	262.3	7,023.9	64,436
1-Dec-16	15.5	9.6	2,500.0	261.8	7,285.7	67,085

- The below mentioned timeline shall be applicable for treating an FSIP as closed/cancelled:

Sr. No.	SIP Interval	No. of failed debit attempts prior to cancellation of SIP
1.	Daily	3
2.	Weekly, Fortnightly	3
3.	Monthly	3
4.	Bi-monthly, Quarterly or Longer interval SIPs	2

- The first FSIP instalment will be processed as per the standard instalment amount specified by the unit holder at the time of enrolment and not based on PE value of Nifty 50 Index TRI.
- Once the FSIP has been stopped, the unit holder needs to provide a new request to start FSIP.
- In respect of FSIP enrollments made in any of the existing open ended Scheme(s), the Load Structure prevalent at the time of enrollment shall be applicable to the investors during the tenure of the FSIP.
- FSIP Facility will not be available if the Folio / Certificate is under Lien or marked "FROZEN" on the advice of I.T. authorities / regulatory authorities / Court or any other reason.

All requests for registering or deactivating the FSIP shall be subject to an advance notice of 10 (Ten) business days. Investors can deactivate the facility by sending a written request to the Investor Service Centers.

#### **Systematic Withdrawal Plan:**



This facility enables the Unitholders to withdraw (subject to deduction of tax at source, if any) sums from their investments in Scheme at periodic intervals through a one-time request. The withdrawals can be made on any date under Daily/Weekly/Monthly/Quarterly/Half-Yearly and Annual frequency for all schemes except for Kotak Overnight Fund. In case of Kotak overnight Fund the withdrawals can be made on any date under Weekly/ Monthly/ Quarterly (under Fixed Sum Option and Appreciation Option ). In case any of these days fall on non-business day the transaction will be effected on the next business day of the scheme. SWP registration needs to be submitted to the Registrar/ AMC 7 days prior to the date of commencement of SWP. In case the SWP commencement date is less than 7 days from the date of submission of registration form and the date opted for, then the same would be registered for the next cycle. The AMC reserves the right to process the SWP registration request received for a period lesser than 7 days in the interest of unit holders. SWP for investor investing in Kotak ELSS Tax Saver Scheme shall be available after the lock in period of 3 years.

Example: for Monthly SWP if the SWP date opted is 7<sup>th</sup> of every month from 7<sup>th</sup> January and submitted on 3<sup>rd</sup> January then the registration of this SWP will be from 7<sup>th</sup> February onwards.

This facility is available in two options to the Unitholders:

**Fixed Option:** Under this option, the Unitholder can seek redemption of a fixed amount of not less than Rs. 1000 from his Unit account. In this option the withdrawals will commence from the Start Date (being one of the dates indicated above) mentioned by the Unitholder in the Application Form for the facility. The Units will be redeemed at the Applicable NAV of the respective dates on which such withdrawals are sought. If the net asset value of the units outstanding on the withdrawal date is insufficient to process the withdrawal request, then the entire outstanding units will be processed. And if the available balance falls below Rs. 1000 after processing of the last SWP instalment then the entire amount will be processed along the last SWP instalment.

**Appreciation Option:** Under this option, the Unitholder can seek redemption of an amount equal to a periodic appreciation on the investment. The Unitholder redeems only such number of Units, which when multiplied by the Applicable NAV is, in amount terms equal to the appreciation in his investment over the last month / quarter. The investor would need to indicate in his systematic withdrawal request, the commencement / start date from which the appreciation in investment value should be computed. The withdrawal will commence after one month/quarter (as requested by the investor) from the commencement / start date mentioned by the Unitholder in the Application Form and can, at the investor's discretion be on any date of the month / quarter. The Units will be redeemed at the Applicable NAV of the respective dates on which such withdrawals are sought. In case the investor purchases additional Units, the withdrawal amount would include the appreciation generated on such Units as well. In the absence of any appreciation, the redemption under this option will not be made.

### **Systematic Transfer Plan (STP)**

This facility enables the Unitholders to switch an amount from their existing investments in a Scheme/Plan/Option to another Scheme/Plan/Option of the Scheme, which is available for investment at that time, at periodic intervals through a one-time request. The switch can be made Daily, weekly, monthly or quarterly. Under this facility the switch by the Unitholders should be within the same account/ folio number. The withdrawals can be made either Daily, Weekly or Monthly or Quarterly on any business day. In case of these days fall on non-Business day the transaction will be effected on the next Business day of the scheme. The amount so switched shall be reinvested in the other scheme / plan and accordingly, to be effective, the systematic transfer must comply with the redemption rules of transferor scheme and the issue rules of transferee scheme (e.g. exit / entry load etc). STP for investor investing in Kotak ELSS Tax Saver Scheme shall be available after the lock in period of 3 years.

Default day for Weekly STP is 'Wednesday'. Default date for Monthly and Quarterly STP is 7<sup>th</sup> of subsequent month/ Quarter. Default amount for STP is Rs. 1000.



STP registration needs to be submitted to the Registrar/ AMC 7 days prior to the date of commencement of STP. In case the STP commencement date is less than 7 days from the date of submission of registration form and the date opted for, then the same would be registered for the next cycle. The AMC reserves the right to process the STP registration request received for a period lesser than 7 days in the interest of unit holders.

Example: for Monthly STP if the STP date opted is 7th of every month from 7th January and submitted on 3rd January then the registration of this STP will be from 7th February onwards.

This facility offers two options to the Unitholders:

**Fixed Option:** Under this option, the Unitholder can switch fixed amount of not less than Rs. 1000/- from his Unit account. In this option the switch will commence from the Start Date mentioned by the Unitholder in the application form for the facility. The Units in the Scheme/Plan/Option from which the switch - out is sought will be redeemed at the Applicable NAV of the Scheme/Plan/Option on the respective dates on which such switches are sought and the new Units in the Scheme/Plan/Option to which the switch - in is sought will be created at the Applicable NAV of such Scheme/Plan/Option on the respective dates. If the net asset value of the units outstanding on the transfer date is insufficient to process the withdrawal request, then the entire outstanding units will be processed. And if the available balance falls below Rs 1000 after processing of the last STP instalment, then the entire amount will be processed along the last STP instalment.

**Appreciation Option:** Under this option, the Unitholder can seek switch of an amount equal to the periodic appreciation on the investment. Under this option the Unit holder switches only proportionate number of Units, which when multiplied by the applicable NAV is, in amount terms equal to the appreciation in the investment over the last month/quarter.

The investor has to mention a "Start Date". The first switch will happen after one month/quarter from the start date. In case the investor purchases additional Units, the amount to be switched would be equal to the appreciation generated on such Units. In the absence of any appreciation as mentioned above, the switch under this option will not be made. The Units in the Scheme/Plan/Option from which the switch - out is sought will be redeemed at the Applicable NAV of the Scheme/Plan/Option on the respective dates on which such switches are sought and the new Units in the Scheme/Plan/Option to which the switch - in is sought will be allotted at the Applicable NAV of such Scheme/Plan/Option on the respective dates.

### **Daily frequency under Systematic Transfer Plan Facility (Daily STP)**

Daily STP is available under "Fixed Option" of Systematic Transfer Plan facility. This frequency will be available under all the "eligible schemes" of Kotak Mahindra Mutual Fund.

Terms and conditions of Daily STP are as follows:

#### **Applicability:**

- Daily STP is only available under Fixed amount Option (Fixed STP) and will not be applicable under Capital appreciation STP (Variable STP).
- An investor can select this facility whereby the investor chooses to transfer on a periodic basis a pre-determined amount from any "Source Scheme" into any "Target Scheme".
- In case the Investor fails to mention the frequency for the STP option in the form, then the default option will be considered as monthly frequency.
- The STP will be processed subject to the terms of the Target scheme.
- Eligible Schemes:

<b>Eligible Schemes</b>	Source Scheme	All Open-Ended Schemes of Kotak Mahindra Mutual Fund except Exchange Traded Funds. In case of Kotak Tax Saver Fund, Daily STP will be available for free units only.
	Target Scheme	All Open-Ended Schemes of Kotak Mahindra Mutual Fund except Exchange Traded Funds.

#### **Transfer of Funds:**

- Minimum Instalment amount to be transferred through this facility should be at least Rs. 6,000 per year or that which matches the minimum investment amount of the said schemes whichever is higher for the said year.
- Minimum amount to transfer under Daily STP: Minimum 12 transfers of Rs. 500/- each and in multiples of Rs. 100/- thereafter.
- Default amount: If investor fails to mention the STP Amount then the default value should be taken as Rs. 500 (minimum transfer amount).

#### **Schemes available for Daily STP:**

- It shall be the responsibility of the investor to ensure that sufficient balance (free from any Lock-in or encumbrances) is available in the Source Scheme account on the date of transfer, failing which the transfer will not be processed to the extent of available balance in the source scheme's account.
- If the plan/option of the Source scheme is not mentioned and there is only one plan/option available in the folio, the STP will be processed from that plan/option.
- If investor carries investments under multiple schemes / plans / options and does not mention the Source Scheme along with plans and options, then such request will be rejected.
- In case plan and option in Target Scheme for STP are not selected by the investor, then the default option/ plan for the Target scheme shall be considered as per respective SID.

#### **Other Terms and Conditions:**

- Investor need to clearly mention the "Transfer Period from" and "Transfer Period To" in the STP request Form. In case, the investor fails to specify the "Transfer Period from" the STP will start from the 7th day from the date of receipt of valid registration form.
- In case, the investor fails to specify the "Transfer Period To" under Daily STP, STP shall continue to be triggered perpetually until further valid instructions from the investor or until the outstanding balance in "Source scheme" does not cover the Daily STP transfer amount.
- If the available balance falls below the minimum amount of the specified triggered value, the available balance in the Source scheme will get triggered and future STP will be ceased.
- STP registration from the existing investment (in the Source Scheme) will start from the 7th day from the date of receipt of valid registration form. If the STP form is received along with fresh investment, then the STP will start from the 7th day from the date of realisation of the investment amount with the valid registration form.
- the allotment in the Target scheme will be processed based on the utilisation/ realisation of funds from Source scheme (for more details refer NAV applicability clause for respective Target scheme).
- In case the STP commencement date is less than 7 days from the date of submission of registration form, the same will commence from the 7<sup>th</sup> day from the date of receipt of valid registration form. The AMC reserves the right to process the STP registration request received for a period lesser than 7 days in the interest of unit holders.
- An investor can discontinue his STP facility by giving 7 days prior notice in writing to the Registrars (CAMS) office or at any other point of service.

### **Flex - Systematic Transfer Plan ('FSTP') Facility**

- **FSTP** - is a facility wherein an investor under the specified schemes ('Transferor Schemes') can opt to transfer variable amount, on the predetermined dates to the Growth Option of open-ended equity Scheme(s) ('Transferee Scheme') based on the PE level of the eligible schemes.
- If an investor wants to opt for the said facility then Individual Enrolment Form is required filled for each FSTP transaction.
- In case of valid FSTP enrolment forms received, indicating choice of option other than the growth option in the Transferee Scheme, it will be deemed as the growth option in the Transferee Scheme and processed accordingly.
- Details for FSTP:
  - Available under the Weekly, Monthly and Quarterly options
  - The minimum amount and tenure of FSTP would be as applicable to normal STP facility in the scheme.
  - Transfer can be made on 'Any Day' for weekly and 'Any Date' under Monthly and Quarterly options
  - Investors at the time of registration will have an option to specify the amount to be invested at PE level of  $\leq 15$ . This amount will have to be higher than the specified installment amount for investments at PE level of  $> 15$ . In case the investor does not specify the amount for PE level of  $\leq 15$ , then the default amount (3 times the specified amount for PE band  $> 15$ ) shall be applicable.
  - There is no maximum duration for FSTP enrollment.
  - Calculation of FSTP:
    - The FSTP will be based on the trailing Price to Equity ratio (P/E) of benchmark index. The amount to be transferred on each FSTP date will be determined on the basis of the P/E band.
    - If the P/E ratio is greater than 15, then the specified amount gets invested
    - If the P/E ratio is lesser than or equal to 15, then
      - The amount in the application form specified by the investor for PE level  $\leq 15$ .
      - Or if no such amount is specified then the default amount which is 3 times the FSTP amount gets invested
    - The installment value of FSTP would be determined based on PE of benchmark Index TRI on the date of the transfer (T day)

**The process has been explained below through an illustration for FSTP using the default option.**

**Assumptions:**

<b>Installment amount – Rs. 2,500</b>		
PE Band	Allocation	Installment Amount (Rs.)
$> 15$	1x	2,500
$\leq 15$	3x	7,500

Date	Assumed Benchmark Index TRI P/E Ratio	Assumed Equity Scheme NAV	FSIP Installment Amount (Rs.)	Units	Accumulated Units	Valuation (Rs.)
1-May-15	21.4	10.0	2,500.0	250.0	250.0	2,500
1-Jun-15	22.0	10.9	2,500.0	228.4	478.4	2,736
1-Jul-15	21.9	11.0	2,500.0	226.6	705.0	5,277
1-Aug-15	21.4	10.7	2,500.0	233.0	938.0	7,565
1-Sep-15	21.0	10.8	2,500.0	232.0	1,170.0	10,107
1-Oct-15	18.6	9.6	2,500.0	260.6	1,430.6	11,226
1-Nov-15	18.9	9.7	2,500.0	257.9	1,688.5	13,869
1-Dec-15	18.1	10.2	2,500.0	245.2	1,933.7	17,212

Date	Assumed Benchmark Index TRI P/E Ratio	Assumed Equity Scheme NAV	FSIP Installment Amount (Rs.)	Units	Accumulated Units	Valuation (Rs.)
1-Jan-16	17.9	10.1	2,500.0	247.8	2,181.5	19,509
1-Feb-16	17.4	10.0	2,500.0	250.1	2,431.6	21,805
1-Mar-16	16.5	10.1	2,500.0	247.0	2,678.7	24,608
1-Apr-16	16.2	10.0	2,500.0	249.4	2,928.1	26,853
1-May-16	14.7	9.4	7,500.0	802.0	3,730.0	27,384
1-Jun-16	14.8	9.1	7,500.0	823.8	4,553.8	33,957
1-Jul-16	15.8	9.5	2,500.0	262.1	4,816.0	43,432
1-Aug-16	14.9	9.1	7,500.0	825.1	5,641.1	43,775
1-Sep-16	13.9	8.8	7,500.0	855.8	6,496.9	49,439
1-Oct-16	15.7	9.4	2,500.0	264.7	6,761.6	61,351
1-Nov-16	16.0	9.5	2,500.0	262.3	7,023.9	64,436
1-Dec-16	15.5	9.6	2,500.0	261.8	7,285.7	67,085

- The first FSTP installment will be processed as per the standard installment amount specified by the unit holder at the time of enrolment and not based on PE value of BSE PSU Index TRI.
- Once the FSTP has been stopped, the unit holder needs to provide a new request to start FSTP.
- In respect of FSTP enrollments made in any of the existing open ended Scheme(s), the Load Structure prevalent at the time of enrollment shall be applicable to the investors during the tenure of the FSTP.
- FSTP will be automatically terminated if all units are liquidated or withdrawn from the Transferor Scheme or lien/pledged.
- FSTP Facility will not be available if the Folio / Certificate is under Lien or marked “FROZEN” on the advice of I.T. authorities /regulatory authorities / Court or any other reason.
- All requests for registering or deactivating the FSTP shall be subject to an advance notice of 10 (Ten) business days. Investors can deactivate the facility by sending a written request to the Investor Service Centers. In case of weekly FSTP, during the notice period the transaction will be processed.

All open ended mutual fund schemes excluding exchange traded funds will be eligible as Transferee schemes under FSTP Facility.

#### **Transfer of IDCW Plan (DTP):**

Transfer of IDCW Plan is a facility whereby the unit holders under the IDCW Options (other than Daily Reinvestment Sub-option) of the open ended Schemes of KMMF can opt to transfer their IDCW to any other Investment option (other than Daily Reinvestment Sub-option) under any other open ended schemes of KMMF. DTP facility will be available to unit holder(s) holding units in non-demat form under the IDCW Option of the Transferor Schemes.

Under the Transfer of IDCW Plan facility investors cannot transfer their IDCWs into certain category of transferee schemes viz, close ended Schemes, Exchange Traded Funds (ETFs), and Kotak Tax Saver Fund.

Under Transfer of IDCW Plan, IDCW as & when declared (as reduced by the amount of applicable statutory levy) in the transferor scheme (subject to minimum of Rs.500/-) will be automatically invested without any exit load into the transferee scheme, as opted by the Unit holder. Such transfer will be treated as fresh subscription in the transferee scheme and invested at the Applicable NAV of the Transferee Scheme. If the IDCW amount in the Transferor Scheme is less than Rs.500/- the IDCW will be automatically reinvested in the Transferor Scheme itself and hence will not be transferred. The provision for 'Minimum Application Amount' specified in the respective transferee scheme's SID will not be applicable under Transfer of IDCW Plan.

Enrolment under the DTP facility will automatically override any previous instructions for 'Payout of IDCW' or 'Reinvestment of IDCW' option in the transferor scheme. No Exit Load will be levied on units allotted in the Transferee Scheme under the Transfer of IDCW Plan.

Unit holders who wish to enroll for the DTP facility are required to fill DTP Enrollment Form available with the ISC's, distributors/ agents and also available on the website [www.kotakmf.com](http://www.kotakmf.com)

The request for enrolment or cancellation for DTP must be submitted at least 7 days prior to the Record Date for the IDCW. In case of the condition not being met, the enrolment would be considered valid from the immediately succeeding Record Date of the IDCW, provided the difference between the date of receipt of a valid application for enrolment under DTP and the next Record Date for the IDCW is not less than 7 days.

The AMC / Trustee may change/ modify the terms and conditions of the DTP on a prospective basis.

- **Switching for all the schemes except Kotak Liquid Fund and Kotak Overnight Fund**

Unit holders of the Scheme have the option of switching in or out all or part of their investment in the Scheme/ Plan/ Option to any other Option of the Scheme or to any other Scheme / Plan/ Option of the Scheme.

A switch has the effect of redemption from a Scheme/Plan/ Option and a purchase in the other Scheme/Plan/Option to which the switching has been done and all the terms and conditions pertaining to redemption and purchase of the Units of the respective Scheme shall apply to a switch, unless otherwise specified.

No exit load will be chargeable in case of switches made between different plan/options of the scheme

Switch is affected by redeeming Units from the Scheme/ Plan/Option and investing the net proceeds in the other Scheme/Plan/Option.

- **Switching for Kotak Liquid Fund and Kotak Overnight Fund**

Unit holders of the Scheme have the option of switching in or out all or part of their investment in the Scheme/ Plan/ Option to any other Option of the Scheme or to any other Scheme / Plan/ Option of the Fund. A switch has the effect of redemption from a Scheme/Plan/ Option and a purchase in the other Scheme/Plan/Option to which the switching has been done and all the terms and conditions pertaining to redemption and purchase of the Units of the respective Scheme shall apply to a switch, unless otherwise specified.

No exit load will be chargeable in case of switches made between different plan/options of the scheme

Switch is affected by redeeming Units from the Scheme/ Plan/Option and investing the net proceeds in the other Scheme/Plan/Option.

#### **New Fund Offer (“NFO”) Switch –**

Investors also have the option to switch out all or part of their investments available in the Growth option of the Scheme (“**Source Scheme**”) to any NFO (“**Target Scheme**”) of the Fund, during its NFO period. Investors having investments in the Scheme (investments in Growth Option) need to submit their switch-out request to the Fund’s respective NFO, up to a minimum of 2 days prior to the Fund’s respective NFO closing date. All valid switch-out requests adhering to the above time frame will be processed and executed on the Fund’s respective NFO closing date. However, the above shall be applicable only for those NFO’s by the Fund where the NFO period is for a minimum of 7 days.

In the event of the withdrawal/ cancellation/calling off of the NFO, the switch request submitted by the investor shall not be processed and the investment shall be retained in the Source Scheme.

All the other applicable provisions pertaining to switch/redemption/load structure and purchase of the Units of the Scheme/respective NFO of the Fund shall apply to such switches, unless otherwise specified.

#### **Trigger Facility**

Unit holders of the Scheme have the option under this facility to automatically redeem/ switch the units to any other scheme on the occurrence of any one of the trigger option as specified by Unit holder

#### **Trigger Options:**

- **Value Trigger (Amount based)**
- **Appreciation/Depreciation Trigger (% based)**

**Value Trigger:** Under this option the investors will be given a choice to indicate the exit trigger as and when investment value increases/decreases by a particular sum.

**Appreciation/Depreciation Trigger:** Under this option the investors will be given a choice to indicate the exit trigger as and when investment value appreciates/depreciates by a particular percentage (%) (Whole Numbers only e.g. 10%, 11%) of investment value.

#### **Actions on occurrence of Trigger:**

Additionally, the investor can choose any of the applicable actions on occurrence of trigger:

- Redemption/Switch to the extent of capital appreciation or
- Redemption/Switch of Full amount or
- Redemption/Switch of Partial amount (%)

#### **Trigger Facility is available in the following specified schemes:**

The investors of the transferor scheme, on occurrence of trigger can opt for switch in their investments in any of below mentioned transferee schemes:

- Kotak Liquid Fund
- Kotak Money Market Fund
- Kotak Savings Fund
- Kotak Low Duration Fund
- Kotak Banking & PSU Debt Fund



#### Notes:

- Trigger Facility will be a one time facility which can be selected by the investors. On occurrence of trigger and post completion of corresponding action, the trigger facility will be automatically deactivated.
- Trigger Facility will be available only for growth option. In case investor has opted for trigger facility and subsequently switches from growth option to IDCW option, the trigger facility will be automatically deactivated
- Minimum Investment in the facility – Rs. 20,000, and in multiples of Rs 0.01 thereof.
- The minimum application amount criteria for switch into transferee schemes will not be applicable.
- NAVs of the schemes are declared at the close of the business day and hence value of the unit holder's unit holdings based on the end of day NAV will be considered as a base for activating the triggers. Accordingly, all the redemptions/switches etc. will be done on the day on which the trigger occurs. Applicable NAV of switch in schemes will be applied.
- All requests for registering or deactivating the trigger facility shall be subject to an advance notice of 10 (Ten) business days. Investors can deactivate the trigger facility by sending a written request to the Investor Service Centres. Trigger facility shall be applicable subject to exit load, if any, in the transferor schemes. Exit load as applicable to redemption of units will also be applicable to trigger facility.
- Investor cannot modify a Trigger registration once submitted. Investor must cancel the existing Trigger option and enroll for a fresh Trigger option.
- Trigger Facility is not available if the Folio / Certificate is under Lien or marked "FROZEN" on the advice of I.T Authorities /regulatory authorities/ Court or any other reason.
- All trigger option will be processed at transaction level. Since, redemption is processed on First-in-First-out basis, investors having multiple transactions in single folio and opting for trigger facility will have to select the redemption action at transaction level.
- Existing investors of the transferor schemes can opt for trigger facility by completing the necessary formalities.
- Systematic Withdrawal Plan (SWP)/Systematic Transfer Plan (STP) facilities will not be available for the investors, if they opt for trigger facility.

#### **Variable Transfer Plan:**

It is a facility wherein an investor under a source scheme can opt to transfer variable amounts linked to the value of his investments on the date of transfer at pre-determined intervals from source scheme to the growth option of target scheme.

It would be suitable for investors who are looking to invest higher when the NAVs are lower and a fixed amount when the NAVs are higher and take the benefit of rupee cost averaging.

#### **Terms and conditions of VTP are as follows:**

- 1 An individual VTP Enrolment Form should be filled for each Scheme / Plan / Option.
- 2 VTP will be available in the following specified schemes:

Source Schemes	VTP will be available for free units only.
Target Schemes	All open ended equity schemes, open ended hybrid schemes and open ended fund of fund schemes excluding exchange traded funds and Kotak Tax Saver Fund.

## 1. Calculation of VTP:

The amount to be transferred under Variable Transfer Plan from source scheme to target scheme shall be calculated using the below formula -

**Variable Transfer Plan amount shall be higher of the following:**

- Fixed amount specified at the time of enrolment
- Fixed amount to be transferred per installment x number of installments already executed, including the current instalment - market value of the investments through Variable Transfer Plan in the Target Scheme on the date of transfer

### Illustration:

The process has been explained below through an illustration for calculation of VTP as on the date of 3rd Installment, with the help of the abovementioned formula:

Fixed amount specified at the time of enrolment (A)	Rs.6000
<b>Or</b>	
As determined by the formula (B)	$(6000 \times 3) - 11495 = \text{Rs.}6505$
<b>Whichever is higher. Hence, Rs.6505 is taken as investment amount.</b>	

Inst. No.	Fixed Amount	NAV	Amt. as determined by formula	Variable Transfer Amount	Units	Total units	Market Value before transfer	Target Value
1	6,000	10.000	-	6,000	600	600	6,000	6,000
2	6,000	9.500	6,300	6,300	663	1,263.16	5,700	12,000
3	6,000	9.100	6,505	6,505	715	1,978.02	11,495	18,000
4	6,000	8.700	6,791	6,791	781	2,758.62	17,209	24,000
5	6,000	8.100	7,655	7,655	945	3,703.70	22,345	30,000
6	6,000	8.000	6,370	6,370	796	4,500.00	29,630	36,000
7	6,000	8.000	6,000	6,000	750	5,250.00	36,000	42,000
8	6,000	8.300	4,425	6,000	723	5,972.89	43,575	48,000
9	6,000	9.000	244	6,000	667	6,639.56	53,756	54,000
10	6,000	10.000	-6,396	6,000	600	7,239.56	66,396	60,000
11	6,000	11.000	-13,635	6,000	545	7,785.01	79,635	66,000
12	6,000	12.000	-21,420	2,378*	198	7,983.18	93,420	72,000
Total	72,000			72000				

\*residual amount in the Source scheme.



Note: The above example does not contain any TDS / STT deduction. VTP determined will be net of applicable taxes.

1. The minimum amount and tenure of VTP would be as applicable to normal STP (Specified Transaction Period) facility in respective schemes. Frequency of the VTP is mentioned as below:

Particulars	VTP Transaction Dates	Minimum no. of installments and Minimum amount per instalment
Daily	Every Business Day	6 installments of Rs. 1000/- each and in multiples of Re.0.01/- thereafter
Weekly	Any day of the Week (except Saturday & Sunday)	6 installments of Rs. 1000/- each and in multiples of Re.0.01/- thereafter
Monthly	Any Date	6 installments of Rs. 1000/- each and in multiples of Re.0.01/- thereafter
Quarterly	Any Date	6 installments of Rs.1000/- each and in multiples of Re.0.01/- thereafter

1. In case of valid VTP enrolment forms received, indicating choice of option other than the growth option in the Target Scheme, it will be deemed as the growth option in the Target Scheme and processed accordingly.
2. In case the VTP commencement date is less than 10 calendar days from the date of submission of registration form, the same will commence from the 11th day from the date of receipt of valid registration form. The AMC may process the VTP registration request received for a period lesser than 10 calendar days in the interest of unit holders.
3. There is no maximum duration for VTP enrollment.
4. The first VTP installment will be processed for the fixed installment amount specified by the investor at the time of enrolment. From the second installment onwards, the transfer amount shall be computed as per formula stated above.
5. If there is any other financial transaction (Purchase, redemption or switch or Systematic Investment Plan) processed in the target scheme during the tenure of VTP, the VTP will be processed as normal STP for the rest of the installments for a fixed amount, also there will not be any change in number of installments.
6. In case of VTP, if four consecutive installments fail, then VTP will be ceased. In case the amount to be invested is not available, the transaction will be rejected. After 4 consecutive rejects, this facility will be cancelled.
7. The VTP will be processed subject to the terms, applicable loads (if any), of the Target scheme and Source Scheme.
8. An investor can select this facility whereby the investor chooses to transfer on a periodic basis a variable amount from any "Source Scheme" into any "Target Scheme".
9. Once the VTP has been stopped, the unit holder needs to provide a new request to start VTP again.

All other terms & conditions of Systematic Transfer Plan are also applicable to VTP.

**Smart Facility i.e. Smart Systematic Investment Plan (SSIP)/ Smart Systematic Withdrawal Plan (“SSWP”)/ Smart Systematic Transfer Plan (“SSTP”)** for all the Equity, Equity Index, Equity Hybrid and Multi Asset Allocation schemes of the Fund

It is a facility wherein the investor(s) of Eligible scheme(s) can opt to invest, transfer or withdraw a pre-determined sum at defined intervals. The investor would be required to provide a Base SSIP/SSWP/SSTP amount. Basis this Base amount, the amount for SSIP/SSWP/SSTP, which will be linked to the percentage of Net Equity allocation (equity and equity related securities net of hedged positions using derivatives) of Kotak Balanced Advantage Fund (“KBAF”), will be calculated.

It could be suitable for investors who are looking to invest/transfer/withdraw periodically, based on the different market conditions, i.e. either higher, base or lower amount(s).

Sr. No	Particulars	Eligible Schemes
(A)	(B)	(C)
I.	Smart Systematic Investment plan	Kotak Flexicap Fund, Kotak Midcap Fund, Kotak Large & Mid cap Fund, Kotak Small Cap Fund, Kotak Large Cap Fund, Kotak Multicap Fund, Kotak Tax Saver Fund, Kotak Focused Fund, Kotak Pioneer Fund, Kotak ESG Opportunities Fund, Kotak Contra Fund, Kotak Manufacture in India Fund, Kotak Infrastructure and Economic Reform Fund, Kotak Nifty 50 Index Fund, Kotak Nifty Next 50 Index Fund, Kotak Aggressive Hybrid Fund, Kotak Business Cycle Fund, Kotak Banking and Financial Services Fund, Kotak Nifty Smallcap 50 Index Fund, Kotak Nifty 200 Momentum 30 Index Fund, Kotak Quant Fund, Kotak Multi Asset Allocation Fund, Kotak Nifty Financial Services Ex-Bank Index Fund, Kotak BSE Housing Index Fund
II.	Smart Systematic Withdrawal Plan	All schemes as mentioned under (I)(C)
III.	SSTP from (Transferor Scheme)	All Open Ended Debt Schemes of KMMF, All Open Ended Debt Index Schemes of KMMF, Kotak Arbitrage Fund, Kotak Debt Hybrid Fund and Kotak Equity Savings Fund.

#### Key Features of Smart Facility:

- SSIP/SSWP/SSTP are market linked products.
- For those who wish to avail the said facility in case of existing investors, SSIP/SSWP/SSTP Investment form(s) needs to be submitted for each SSIP/SSWP/SSTP registration. In case of SSIP, investors have to compulsorily mention folio number details. New investors to fill and submit Investment Application Forms along with SSIP/SSWP/SSTP Investment forms.
- Individual Enrolment Form should be filled for each SSIP/SSTP transaction. Separate forms to be used for each SSWP option under each folio / scheme /plan. For multiple SSWP option under same folio/ scheme/ plan separate forms for each enrolment to be used.

The details for SSIP, SSTP and SSWP are as mentioned below:

Sr. No	Facility	Frequency	Days/Dates available	Minimum number of Investments/Transfers/Withdrawals
1.	SSIP	Monthly or Quarterly	Any date from 1 <sup>st</sup> to 31 <sup>st</sup> of a given month/quarter.	As per the applicable Scheme Information document limits of the Eligible scheme(s)
2.	SSTP	Monthly or Quarterly	<ul style="list-style-type: none"> <li>Any Business Day (Monday-Friday)</li> <li>Any Business date from 1<sup>st</sup> to 31<sup>st</sup></li> </ul>	6
3.	SSWP	Monthly or Quarterly	1 <sup>st</sup> , 7 <sup>th</sup> , 14 <sup>th</sup> , 21 <sup>st</sup> & 25 <sup>th</sup>	6

- The Base amount for SSIP/SSWP/SSTP:
- The investor has to mandatorily and clearly specify the Base SSIP/SSWP/SSTP amount;
- The minimum Base SSIP/SSWP/SSTP amount would be the minimum Systematic Investment Plan (SIP) /Systematic Withdrawal Plan (SWP)/ Systematic Transfer Plan (STP)[STP limits of transferor scheme] amount, as applicable as per the Scheme Information documents of Eligible Schemes

#### **6. Calculation of SSIP/SSTP amount:**

The amount to be invested in case of SSIP / to be transferred from the Transferor scheme to Transferee scheme in case of SSTP shall be basis the below mentioned details:

For SSIP/SSTP		
(A)	(B)	(C)
Net Equity Allocation of KBAF	Default option	Investor defined Amount
> 60%	2 times Base SSIP/SSTP Amount	Investor defined Maximum SSIP/SSTP Amount
40%- 60% (Inclusive of 40 and 60)	Base SSIP/SSTP Amount	Base SSIP/SSTP Amount
< 40%	0.5 times Base SSIP/SSTP Amount	Investor defined Minimum SSIP/SSTP Amount

#### **For SSIP:**

- If net equity allocation percentage of KBAF for the trigger date is greater than 60%, then SSIP amount would be twice the Base SSIP amount or Investor defined Maximum SSIP amount, if specified by the investor.
- If the net equity allocation percentage for KBAF for the trigger date is between 40% and 60% (including 40% and 60%), then Base SSIP amount would be triggered.
- If the net equity allocation percentage for KBAF for the trigger date is less than 40%, then SSIP amount would be half the Base SSIP amount or Investor defined Minimum SSIP Amount, if specified by the investor.

#### **For SSTP:**

- If the net equity allocation percentage for KBAF for the trigger date is greater than 60%, then SSTP amount would be twice the Base SSTP amount or Investor defined Maximum SSTP Amount, if specified by the investor.

- If the net equity allocation percentage of KBAF for the trigger date is between 40% and 60% (including 40% and 60%), then Base SSTP amount would be triggered.
- If the net equity allocation percentage of KBAF for the trigger date is less than 40%, then SSTP amount would be half the Base SSTP amount or Investor defined Minimum SSTP Amount, if specified by the investor.
- In case of SSIP/SSTP, the investor has an option to mention the Maximum amount /Minimum amount In case no amount(s) are mentioned by the investor, the amount to be invested/transferred shall be as per the Default option, as per details mentioned under column (B) above.
- In case of SSIP, the amount shall be derived based on the Net Equity allocation percentage of KBAF on the Trigger date and not on the SSIP date. Hence, the SSIP Amount will be of T-10th day (i.e Trigger Date) assuming the instalment is triggered 10 days before the SSIP date.
- In case of SSTP, the amount shall be derived based on the Net Equity allocation percentage of KBAF on the Trigger date and not as on the SSTP date. Hence, the SSTP amount will be of T-1 day (i.e. Trigger Date) assuming the instalment is triggered 1 day before the SSTP date.
- In case of first SSIP it can be for any day of the month, however subject to the condition that, there shall be a minimum gap of 28 days between the first, second and subsequent SSIP Instalments. Investor can choose any date from 1st to 31st of a given month/quarter for the purpose of SSIP. Kotak Mahindra Asset Management Company Limited (AMC) may register the SSIP in less than 28 days where One Time Mandate (OTM) is already available.
- For SSIP, if the Maximum amount exceeds the OTM maximum amount, then the OTM maximum amount would be triggered. In case if the Minimum amount is less than the Minimum SSIP amount for the scheme, then the Minimum SSIP amount will be considered.
- For SSTP in case if the Minimum amount is below the Minimum SSTP amount of the Eligible (Transferor) scheme, then the amount considered would be the minimum SSTP amount of the Eligible (Transferor) scheme.
- In case of SSIP if the end date is not mentioned/ in case of ambiguity the end date considered should be Dec, 2099. In case of SSTP if the end date is not mentioned/ in case of ambiguity the SSTP shall continue till availability of funds in the source (Transferor) scheme.
- In case of SSIP if the preference is not completely mentioned by the investor or in case of any discrepancy the frequency would be assumed as Monthly, 7th as the default date and name of the scheme shall be as mentioned in the accompanying investment application forms.
- In case of SSIP the Transaction charges, shall be applicable only if the total commitment through SSIP amounts to 10,000 /- & above. In case of SSTP the transaction charge shall be applicable only if the total commitment through SSTP amounts to Rs.10,000/- & above. In such cases the transaction charge shall be recovered in first 3/4 successful instalments.
- In case of SSIP an Account Statement confirming the unit holder's SSIP would be sent within 10 business days from the date of first SSIP. Confirmation for subsequent SSIP's would be sent as Consolidated Account Statements (CAS) on monthly basis.
- In respect of SSIP/SSTP enrolments made in any of the eligible schemes, the load structure prevalent at the time of enrolment shall be applicable to the investors during the tenure of the SSIP/SSTP.
- In case of SSTP, registration request needs to be submitted to the Computer Age Management Services Limited, Registrar and transfer agent ("RTA") of Kotak Mahindra Mutual Fund (Mutual Fund) /AMC 7 days prior to the date of commencement of SSTP. In case the SSTP commencement date is less than 7 days from the date of submission of registration form and the date opted for, then the same would be registered for the next cycle. The AMC may process the SSTP registration request received for a period lesser than 7 days in the interest of unit holders.

## 7. Calculation for SSWP amount:

- a) The amount to be withdrawn in case of SSWP shall be basis the details as mentioned below:

<b>For SSWP</b>		
<b>(D)</b>	<b>(E)</b>	<b>(F)</b>
<b>Net Equity Allocation of KBAF</b>	<b>Default option</b>	<b>Investor defined Amount</b>
> 60%	0.5 times Base SSWP Amount	Investor defined Minimum SSWP Amount
40-60% (inclusive of 40 and 60)	Base SSWP Amount	Base SSWP Amount
< 40%	2 times Base SSWP Amount	Investor defined Maximum SSWP Amount

### For SSWP:

- If the net equity allocation percentage of KBAF for the trigger date is greater than 60%, then SSWP amount would be half the Base SSWP amount or Investor defined Minimum SSWP Amount, if specified by the investor.
  - If the net equity allocation percentage of KBAF for the trigger date is between 40% and 60% (including 40% and 60%), then Base SSWP amount would be triggered.
  - If the net equity allocation percentage of KBAF for the trigger date is less than 40%, then SSWP amount would be twice the Base SSWP amount or Investor defined Maximum SSWP Amount, if specified by the investor.
- 
- In case of SSWP, the investor has an option to mention the Minimum amount/Maximum amount. In case no amount(s) are mentioned by the investor, the amount to be withdrawn shall be as per Default option, as per details mentioned under column (E) above.
  - The SSWP Amount shall be derived based on the Net Equity allocation percentage of KBAF on the Trigger date and not as on the SSWP date. Hence, the SSWP Amount will be of T-1 day (i.e. Trigger Date) assuming the instalment is triggered 1 day before the SSWP date.
  - In case of Kotak Tax Saver Fund, (An Open-Ended Equity Linked Saving Scheme with a statutory lock in of 3 years and tax benefits), SSWP shall be applicable only for free units
  - If SSWP end date is not mentioned/ incase of ambiguity the same shall be processed till there is available balance in the applicable Eligible scheme.
  - In case of SSWP registration needs to be submitted to the RTA/ AMC 7 days prior to the date of commencement of SSWP. In case the SSWP commencement date is less than 7 days from the date of submission of registration form and the date opted for, then the same would be registered for the next cycle. The AMC reserves the right to process the SSWP registration request received for a period lesser than 7 days in the interest of unit holders.
  - For SSWP, in case if the Minimum amount is below the Minimum SSWP amount of the scheme, then the amount considered would be the minimum SSWP amount of the scheme.
  - SSWP is not to be conceived as an assurance on part of Kotak Mahindra Mutual Fund that the investor will manage to receive a particular sum of money/ appreciation/ and/ or fixed % of sum.
- 
1. The Base SSIP/SSTP/SSWP amount, Maximum SSIP/SSTP/SSWP amount and Minimum SSIP/SSTP/SSWP amount specified by the investor must be in multiples of Re. 1 (whole numbers only, no decimals eg: Rs. 20001, Rs.30015).

2. The SSIP/SSWP and SSTP shall be applicable for applications routed through Mutual Fund's website [www.kotakmf.com](http://www.kotakmf.com) and physical applications submitted at specified investor service centers of the RTA.
3. In case of first SSIP/SSWP/SSTP installment, it shall be processed for the Base SSIP/SSTP/SSWP amount as specified by the investor at the time of enrollment, and will not be based on the Net equity allocation percentage of KBAF.
4. SSIP/SSWP shall be available only for Growth Option of Eligible schemes. In case the unit holder has opted for SSWP facility and subsequently switches from growth to Income Distribution cum Capital Withdrawal option, the SSWP facility will be automatically deactivated. In case of SSTP, it shall be applicable for both IDCW and growth option for transferor scheme however in case of transferee scheme it shall be applicable only for growth option.
5. SSIP/SSWP/SSTP will not be available if the folio/PAN is under Lien or marked as frozen on the advice of I.T authorities/Regulatory authorities/ Court or any other reason.
6. All requests for modification or deactivation of SSIP shall be subject to an advance notice of 28 (Twenty eight) calendar days, whereas all requests for registration or deactivation of SSTP/SSWP shall be subject to an advance notice of 7 (seven) calendar days. The same can be done by sending a written request to the RTA's investor service centers.
7. In case of SSIP/SSTP/SSWP where unit holder has specified Minimum/ Maximum amount as well as ticked the option for Default SSIP/SSTP/SSWP, then trigger will be as per the Default SSIP/SSTP/SSWP Amount.
8. Once the SSIP/SSWP has been stopped or discontinued for any reason, the unit holder needs to provide a new request to re-start SSIP/SSWP. In case of SSTP, if the same is stopped for any reason a new request needs to be provided to re-start SSTP. A unit holder cannot pause his existing SSIP.
9. In case of SSIP/ SSTP/ SSWP incorrect, incomplete, ambiguous forms will be liable to be rejected.
10. All other terms & conditions of SIP/SWP/STP of the Eligible schemes would also be applicable to SSIP/SSWP/SSTP, unless and otherwise as specifically mentioned above.
11. Please refer the Key Information Memorandum and Scheme Information Document of the respective Scheme(s) and Statement of Additional Information for Applicable NAV, Risk Factors, Load Structure and other information on the Scheme(s).

Kotak Mahindra Asset Management Company Limited, may add or delete any of the facility /special product features /eligible schemes. Please read the terms and conditions/ General instructions in the applicable forms before investing.

**Smart Facility i.e. Smart Systematic Transfer Plan ("SSTP") for Debt Schemes, Debt Index Schemes of KMMF and Kotak Arbitrage Fund, Kotak Debt Hybrid Fund and Kotak Equity Savings Fund**

It is a facility wherein the investor(s) of Eligible scheme(s) can opt to transfer a pre-determined sum at defined intervals. The investor would be required to provide a Base SSTP amount. Basis this Base amount, the amount for SSTP, which will be linked to the percentage of Net Equity allocation (equity and equity related securities net of hedged positions using derivatives) of Kotak Balanced Advantage Fund ("KBAF"), will be calculated.



It could be suitable for investors who are looking to transfer periodically, based on the different market conditions, i.e. either higher, base or lower amount(s).

Sr. No	Particulars		Eligible Scheme(s)
(A)	(B)		(C)
I.	Smart Systematic Transfer Plan (SSTP)	SSTP from (Transferor Scheme)	Kotak Overnight Fund, Kotak Liquid Fund, Kotak Savings Fund, Kotak Money Market Fund, Kotak Low Duration Fund, Kotak Corporate Bond Fund, Kotak Bond Short Term Fund, Kotak Credit Risk Fund, Kotak Dynamic Bond Fund, Kotak Floating Rate Fund, Kotak Medium Term Fund, Kotak Banking & PSU Debt Fund, Kotak Gilt Fund, Kotak Bond Fund Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund, Kotak Nifty SDL Apr 2032 Top 12 Equal Weight Index Fund, Kotak Arbitrage Fund, Kotak Debt Hybrid Fund, Kotak Equity Savings Fund and Kotak Nifty SDL Plus AAA PSU Bond JUL 2028 60: 40 Index Fund, Kotak Nifty SDL Jul 2026 Index Fund, Kotak Nifty SDL Jul 2033 Index Fund, Kotak Nifty SDL Jul 2028 Index Fund, Kotak Nifty G-Sec July 2033 Index Fund
		SSTP to (Transferee Scheme)	All Open ended Equity Schemes of KMMF, All Open ended Equity Index schemes of KMMF, Kotak Aggressive Hybrid Fund and Kotak Multi Asset Allocation Fund.

### Key Features of Smart Facility:

1. SSTP is a market linked product.
2. For those who wish to avail the said facility in case of existing investors, SSTP Investment form(s) needs to be submitted for each SSTP registration. New investors to fill and submit Investment Application Forms along with SSTP Investment forms.
3. Individual Enrolment Form should be filled for each SSTP transaction.

The details for SSTP are as mentioned below:

Sr. No	Facility	Frequency	Days/Dates available	Minimum number of Investments/Transfers/ Withdrawals
	SSTP	Monthly or Quarterly	<ul style="list-style-type: none"> <li>Any Business Day (Monday-Friday)</li> <li>Any Business date from 1<sup>st</sup> to 31<sup>st</sup></li> </ul>	6

5. The Base amount for SSTP:
  - a. The investor has to mandatorily and clearly specify the Base SSTP amount;



- b. The minimum Base SSTP amount would be the minimum Systematic Transfer Plan (STP)[STP limits of transferor scheme] amount, as applicable as per the Scheme Information documents of Eligible Scheme(s)

#### 6. Calculation of SSTP amount:

- a. The amount to be transferred from the Transferor scheme to Transferee scheme in case of SSTP shall be basis the below mentioned details:

For SSTP		
(A)	(B)	(C)
Net Equity Allocation of KBAF	Default option	Investor defined Amount
> 60%	2 times Base SSTP Amount	Investor defined Maximum SSTP Amount
40%- 60% (Inclusive of 40 and 60)	Base SSTP Amount	Base SSTP Amount
< 40%	0.5 times Base SSTP Amount	Investor defined Minimum SSTP Amount

#### For SSTP:

- If the net equity allocation percentage for KBAF for the trigger date is greater than 60%, then SSTP amount would be twice the Base SSTP amount or Investor defined Maximum SSTP Amount, if specified by the investor.
  - If the net equity allocation percentage of KBAF for the trigger date is between 40% and 60% (including 40% and 60%), then Base SSTP amount would be triggered.
  - If the net equity allocation percentage of KBAF for the trigger date is less than 40%, then SSTP amount would be half the Base SSTP amount or Investor defined Minimum SSTP Amount, if specified by the investor.
- b. In case of SSTP, the investor has an option to mention the Maximum amount /Minimum amount In case no amount(s) are mentioned by the investor, the amount to be invested/transferred shall be as per the Default option, as per details mentioned under column (B) above.
- c. In case of SSTP, the amount shall be derived based on the Net Equity allocation percentage of KBAF on the Trigger date and not as on the SSTP date. Hence, the SSTP amount will be of T-1 day (i.e. Trigger Date) assuming the instalment is triggered 1 day before the SSTP date. .
- d. For SSTP in case if the Minimum amount is below the Minimum SSTP amount of the scheme , then the amount considered would be the minimum SSTP amount of the scheme .
- e. In case of SSTP if the end date is not mentioned/ in case of ambiguity the SSTP shall continue till availability of funds in the source (Transferor) scheme.
- f. In case of SSTP the transaction charge shall be applicable only if the total commitment through SSTP amounts to Rs.10, 000/- & above. In such cases the transaction charge shall be recovered in first 3/4 successful instalments.
- g. In respect of SSTP enrolments made in any of the eligible schemes, the load structure prevalent at the time of enrolment shall be applicable to the investors during the tenure of the SSTP.
- h. In case of SSTP, registration request needs to be submitted to the Computer Age Management Services Limited, Registrar and transfer agent (“RTA”) of Kotak Mahindra Mutual Fund (**Mutual Fund**) /AMC 7 days prior to the date of commencement of SSTP. In case the SSTP commencement date is less than 7 days from the date of submission of registration form and the date opted for, then the same would be registered for the next cycle. The AMC reserves the right to process the SSTP registration request received for a period lesser than 7 days in the interest of unit holders.

7. The Base SSTP amount, Maximum SSTP amount and Minimum SSTP amount specified by the investor must be in multiples of Re. 1 (whole numbers only, no decimals eg: Rs. 20001, Rs.30015).
8. The SSTP shall be applicable for applications routed through Mutual Fund's website [www.kotakmf.com](http://www.kotakmf.com) and physical applications submitted at specified investor service centers of the RTA.
9. In case of first SSTP installment, it shall be processed for the Base SSTP amount as specified by the investor at the time of enrollment, and will not be based on the Net equity allocation percentage of KBAF.
10. In case of SSTP, it shall be applicable for both IDCW and growth option for transferor scheme however in case of transferee scheme it shall be applicable only for growth option.
11. SSTP will not be available if the folio/PAN is under Lien or marked as frozen on the advice of I.T authorities/Regulatory authorities/ Court or any other reason.
12. All requests for registration or deactivation of SSTP shall be subject to an advance notice of 7 (seven) calendar days. The same can be done by sending a written request to the RTA's investor service centers.
13. In case of SSTP where unit holder has specified Minimum/ Maximum amount as well as ticked the option for Default SSTP, then trigger will be as per the Default SSTP Amount.
14. In case of SSTP, if the same is stopped for any reason a new request needs to be provided to re-start SSTP.
15. In case of SSTP incorrect, incomplete, ambiguous forms will be liable to be rejected.
16. All other terms & conditions of STP of the Eligible schemes would also be unless and otherwise as specifically mentioned above.
17. Please refer the Key Information Memorandum and Scheme Information Document of the respective Scheme(s) and Statement of Additional Information for Applicable NAV, Risk Factors, Load Structure and other information on the Scheme(s).

Kotak Mahindra Asset Management Company Limited, reserves the right to add or delete any of the Eligible schemes in the list above. Please read the terms and conditions/ General instructions in the applicable forms before investing.

### **Freedom SIP Facility**

Freedom SIP" facility ("the facility") for investments is available under the Growth Option of Eligible Schemes of the Kotak Mahindra Mutual Fund ("KMMF") as per the following terms and conditions:

- **Freedom SIP facility:** Under this facility, an investor can register for a SIP (Systematic Investment Plan) cum SWP (Systematic Withdrawal Plan) for specified duration. SWP installments will commence on completion of the SIP tenure. The investor has the option to register the SIP and SWP in the same scheme or different schemes. This facility will be available through online & offline mode.
- **Eligible Schemes under the facility:** The facility will be allowed only under the Growth Option of the below mentioned Schemes. Further, the same plan ("Direct" / "Regular") shall prevail for both **Source scheme** (Scheme selected for SIP) and **Target scheme** (Scheme selected for SWP). The source and target schemes could be any open ended schemes of KMMF or any other open ended schemes to be launched in future. This facility will not be available for Exchange Traded Funds (ETFs) The AMC reserves the right to modify list of eligible schemes from time to time.

- Investors would be able to choose between the following two options:

- **Option A:** (Where Source & Target scheme are same for SIP & SWP): All open ended schemes offered by Kotak Mahindra Mutual Fund or any other open ended schemes to be launched in future
- **Option B:** (Where SIP and SWP are registered in different Schemes). SIP will be in Source Scheme. i.e All open ended schemes offered by Kotak Mahindra Mutual Fund or any other open ended schemes to be launched in future.
- On completion of SIP Tenure, amount will be switched to Target Scheme at Applicable NAV at the end of 15 days from the date of last SIP installment and SWP will be carried out from Target Scheme.
- Target Schemes- Kotak Aggressive Hybrid Fund, Kotak Balanced Advantage Fund, Kotak Equity Savings Fund, & Kotak Multi Asset Allocation Fund, & Kotak Multi Asset Allocator Fund of Fund — Dynamic or any other open ended schemes offered by Kotak Mahindra Mutual Fund.

Especially under Option B - Investors are advised to consult their tax advisors before opting for this facility.

- **Registration:** SIP can be registered in the eligible schemes for a fixed period of either 7, 10, 12, 15, 20, 25 or 30 years. Investor can opt for any SIP date of his/her choice. The default tenure shall be 20 years and default SIP date will be 7th of each month. Freedom SIP can be registered in a separate/new folio or an existing folio. Standalone SIP registrations cannot be converted into Freedom SIP registrations. The facility shall be registered only for Monthly frequency under the eligible Schemes. If a source scheme is not explicitly selected or cannot be identified from the payment instruction, Kotak Flexicap Fund will be considered as the default source scheme, and Kotak Balanced Advantage Fund will be treated as the target scheme.
- **SIP & SWP Installment Amount:** The minimum installment amount under Freedom SIP / SWP shall be the same as minimum amount prescribed for SIP/SWP under monthly frequencies in the respective schemes.
- **SWP installment amount:**  
Investor can specify any SWP amount of his/her choice. If an investor does not state the SWP amount while registering this facility, default SWP amount will be based on SIP tenure & Amount selected by the investor. Any additional investment through SIP (including SIP Top – up if any)/lumpsum/switch-in in the folio will not be considered for computation of SWP installment amount as per SWP matrix for such investors.

The below illustration is based on monthly SIP of Rs. 10,000.

SIP Tenure	Monthly SWP Installment amount
7 Yrs	Rs. 10,000
10 Yrs	Rs. 15,000
12 Yrs	Rs. 20,000
15 Yrs	Rs. 30,000
20 Yrs	Rs. 50,000
25 Yrs	Rs. 80,000
30 Yrs	Rs. 1,20,000

For example, if an investor does an SIP of Rs. 5000 per month and selects Tenure as 15 years, the default monthly SWP amount will be Rs. 15000 in case no SWP amount is mentioned in the form.

- **Eligible Investors:** The facility will be available for all investors except minors

**IMPORTANT NOTE:**

Freedom SIP is an optional facility offered by the KMAMC and does not in any way give guarantee, assurance, promise or indication of the performance of any of the schemes of KMMF or provide any guarantee of withdrawals through SWP mode or the returns that can be generated under this facility.

SIP Top-Up and SIP Pause would be allowed under this facility. SIP Modification will not be allowed under this facility.

However, the SWP installment would get registered only based on the initial SIP amount (for investors who have not stated any SWP amount).

SWP under this facility shall be processed upto 31 Dec 2099 or till all units available in the SWP Scheme, whichever is earlier.

- **Commencement of SWPs:**

The SWP transactions will be initiated w.e.f. month following the month of completion of SIP tenure. SWP Date will be same as the SIP date. SWP will commence only subject to completion of statutory lock-in period, if any, applicable to units of relevant schemes and from units / folios which are free from any other encumbrances / restrictions.

- **Exit Load:** Exit load shall be applicable as follows:

Exit load as on the date of registration of Freedom SIP will be applicable on any redemptions / Switch-out from source during the tenure of SIP.

In case of Option A, exit load as on the date of registration of Freedom SIP will be applicable on SWP.

In case of Option B, exit load in the source scheme, as on the date of registration of Freedom SIP will be applicable on the switch from Source scheme to target scheme. For subsequent SWP/redemptions/Switch-outs from the target scheme, the exit load prevalent in the target scheme as on the date of the switch from source to target scheme will be applicable. All the current rules for cancellation of SIP will apply for this facility.

- **Redemptions/Switch Out:**

Investors can purchase and redeem/switch out units under scheme other than this facility also. Units are redeemed/switch out from a scheme in a folio on a First in First out (FIFO) basis. Thus, the impact of redemptions / switch-out on the Freedom SIP facility registration shall be as under:

**Option A:** Redemptions/Switch Out will be processed in the Scheme during Freedom SIP tenure. However, if any of the units acquired under this facility are impacted i.e. redeemed, then SWP registration under this facility will stand cancelled. SIPs would continue just like a normal SIP till completion of SIP Tenure.

Redemption/Switch-out from scheme under this facility will be allowed during the SWP period and SWP triggers will continue unaffected till such time the units are available.

**Option B:** Redemption and Switch Out is allowed from the Target Scheme and will not impact SWP triggers, till such time the units are available.

In case of Redemption / Switch Out is processed in Source Scheme after the SIP tenure till the execution of switch (to Target Scheme) and such redemption/switch out impacts i.e. leads to redemption of any of the units acquired under this facility, then the switch trigger (to Target Scheme) would be only to the extent of the balance units.

All other terms and conditions applicable to Systematic Investment Plan (SIP) and Systematic Withdrawal Plan (SWP) facilities shall apply mutatis mutandis to this facility.

The AMC/Trustee reserves the right to change / modify the terms and conditions of the facility or withdraw the facility. KMAC reserves the right to add or delete any of the Eligible schemes in the list above. Investors are requested to refer to the Enrolment Form available on our website viz. [www.kotakmf.com](http://www.kotakmf.com) or with ISCs, for the latest terms and conditions, before enrolling. Investors should consult their tax advisor before opting for this facility.

The aforesaid provisions of this facility are subject to change as per SEBI (MF) Regulations and circulars issued thereunder from time to time.

Choti SIP

### Key Features

- The new investor must not have previously invested in mutual funds (SIP “Systematic Investment Plan”/Lumpsum) at the industry level.
- SIP ticket size should be ₹ 250/- only restricted to three SIP’s (only one each in upto three Asset Management Companies).
- Investments must be under the Growth Option.
- Minimum commitment of 60 installments is required at the time of registration. Early withdrawals of the instalments shall not be restricted and exit load shall be applicable as per the provisions of the SID of the respective eligible schemes.
- SIP frequency should be Monthly.
- Payment should be made through NACH & UPI auto pay only.
- List of Eligible Schemes:
  - Kotak Large Cap Fund
  - Kotak Contra Fund
  - Kotak Large & Mid cap Fund
  - Kotak Flexicap Fund
  - Kotak Focused Fund
  - Kotak Multicap Fund
  - Kotak Aggressive Hybrid Fund
  - Kotak Multi Asset Allocation Fund
  - Kotak Equity Savings Fund
  - Kotak Balanced Advantage Fund
  - Kotak Silver ETF Fund of Fund
  - Kotak Gold Fund
  - Kotak Nifty Next 50 Index Fund
  - Kotak Nifty 50 Index Fund
  - Kotak Nifty 100 Low Volatility 30 Index Fund
  - Kotak Nifty 50 Equal Weight Index Fund
  - Kotak Nifty 100 Equal Weight Index Fund
  - Kotak BSE Sensex Index Fund

### B. Default Scenarios available to the investor under plans/options of the schemes:

**Default Plan:** Investors subscribing under Direct Plan of a Scheme will have to indicate “Direct Plan” against the Scheme name in the application form.

Investors should also indicate “Direct” in the ARN column of the application form.

If the application is received incomplete with respect to not selecting Regular/Direct Plan, the application will be processed as under:

Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured
1	Not mentioned	Not mentioned	Direct Plan
2	Not mentioned	Direct	Direct Plan
3	Not mentioned	Regular	Direct Plan
4	Mentioned	Direct	Direct Plan
5	Direct	Not Mentioned	Direct Plan
6	Direct	Regular	Direct Plan
7	Mentioned	Regular	Regular Plan
8	Mentioned	Not Mentioned	Regular Plan

The scheme will comply with AMFI Best Practices Guidelines Circular No.111 /2023-24 dated February 2, 2024 regarding transactions received with invalid ARN.

Guidelines for Processing of transactions received under Regular Plan with invalid ARN:

(i) Transactions received in Regular Plan with Invalid ARN to be processed in Direct Plan of the same Scheme (even if reported in Regular Plan)

ii) If the EUIN is invalid/missing, the transactions shall be processed in Regular plan, and the distributor/investor shall be given 30 day period from the date of the transaction for remediation of the EUIN. In such cases, the investor to be advised to either provide a different EUIN linked to the ARN who would be engaged in servicing the investor OR switch to Direct Plan.

iii) For SIP & STP facilities, the ARN validity shall be verified / validated at the time of registration. For instances where the registration details not available in RTA records the transaction shall be treated as lumpsum purchase for validations.

(iv) SIPs registered under ARN of deceased to continue till end of SIP registration period or investor's request as per AMFI guidelines; No fresh transactions or SIPs to be booked under the ARN of deceased MFD post cancellation of ARN at AMFI.

(v) Only Sub-distributor's ARN with valid "ARN-" values in the transaction will be considered for validation of Sub- distributor ARN for all types of transactions (lumpsum/SIP/STP).

(vi) If the ARN is invalid as on date of SIP / STP registration, such registration and future transactions thereunder will be processed under DIRECT plan.

(vii) Transactions other than the physical mode which are found to be not in order basis above mentioned points, will be rejected at the time of upload / submission. Since the validation cannot be carried out at the time of acceptance for transactions received in physical form, the same will be done at the time of processing the transaction, and if found to be invalid, the transaction will be processed under DIRECT.

(viii) Transactions received from the stock exchange platforms in Demat mode with invalid ARN shall be rejected instead of processing in Direct Plan.

### **Default Option**



- If applicant does not indicate the choice between growth and Income Distribution Cum Withdrawal (IDCW) in the application form, then the scheme will accept it as an application for growth option under respective plan.
- If applicant does not indicate the choice of IDCW sub-option between payout of IDCW and reinvestment of IDCW then the scheme will accept it as an application for IDCW reinvestment.

## **VII. 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 an Income Distribution cum Capital Withdrawal (IDCW)/dividend under a scheme, IDCW/ dividend warrants shall be dispatched to the Unit Holders within 7 working days from the record date of IDCW/dividend. Consolidated Account Statement ('CAS') at mutual fund industry level for each calendar month will be issued on or before 15th day of succeeding month to all unit holders having financial transactions and who have provided valid Permanent Account Number (PAN). For folios not included in the CAS, the AMC shall issue a monthly account statement to the unit holders, pursuant to any financial transaction done in such folios; the monthly statement will be send on or before 15th day of succeeding month. In case of a specific request received from the unit holders, the AMC shall provide the account statement to the unit holder within 5 business days from the receipt of such request.

If a Unit holder so desires the Mutual Fund shall issue a Unit certificate (non- transferable) within 5 Business Days of the receipt of request for the certificate.

3. The Mutual Fund shall dispatch redemption or repurchase proceeds within 3 working days of accepting the valid redemption or repurchase request. For schemes investing at least 80% of total assets in such permissible overseas investments, 5 Working Days of accepting the valid redemption or repurchase request. Further, in case of exceptional scenarios as prescribed by AMFI vide its communication no. AMFI/ 35P/ MEM-COR/ 74 / 2022-23 dated January 16, 2023, read with para 14.1.3 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024(SEBI Master Circular), the AMC may not be able to adhere with the timelines prescribed above.
4. The Trustee is 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 majority of the trustees decide to wind up a scheme in terms of clause (a) of sub regulation (2) of regulation 39 of SEBI (Mutual Funds) Regulations, 1996.
  - The trustees shall ensure that no change in the fundamental attributes of any scheme, the fees and expenses payable or any other change which would modify the scheme and affect the interest of



the unit holders is carried out by the asset management company, unless it complies with sub-regulation (26) of regulation 25 of SEBI (Mutual Funds) Regulations, 1996.

In specific circumstances, where the approval of unitholders 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.

## **VIII. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS**

The Fund shall value its investments according to the valuation norms, as specified in the Eighth Schedule of the Regulations, or such guidelines / recommendations as may be specified by SEBI/AMFI from time to time.

### **1. Introduction**

SEBI vide Gazette Notification no. LAD-NRO/GN/2011-12/38/4290 dated February 21, 2012 has introduced the Principles of Fair Valuation by amending Regulation 47 and the Eighth schedule, which governs the valuation policy adopted by Kotak Mahindra Mutual Fund (KMMF), along with the various circulars issued by the SEBI from time to time.

The Regulations require that mutual funds shall value their investments in accordance with the principles of fair valuations so as to ensure fair treatment to all investors including the one's staying in the fund, the purchasing investor and the redeeming investor.

It further prescribes that the valuation shall be reflective of the realizable value of the securities and should take into consideration prices of the same security or similar security reported on all available public platforms.

The valuation shall be done in good faith and in a true and fair manner through appropriate valuation policies and procedures including dealing with exceptional events, duly approved by the Board of Asset Management Company.

The Regulation also states that in case of any conflict between the principles of fair valuation and valuation guidelines as per Eighth schedule and circulars issued by SEBI, the principles of fair valuation shall prevail. AMC / Sponsor shall be liable to compensate investors / schemes for any unfair treatment to any investor as a result of inappropriate valuation.

The purpose of the Valuation Policy is primarily to:

- describe the methodologies for valuing each type of securities held by the schemes;
- ensure the appropriateness of the methodologies used;
- describe the process to deal with the exceptional events;
- address conflict of interest;
- ensure transparency by making appropriate disclosures.

### **2. Valuation Policies and Procedures**

Mutual Fund shall value its investments in accordance with the overarching principles of fair valuation as enshrined above. The methodologies for each type of securities held by the schemes are provided in **Annexure 1**.

Investment in any new type of security shall be made only after establishment of the valuation methodology for such security with the approval of the Board of the AMC.

All inter-scheme transactions in debt and money market securities (incl. government securities) shall be priced at average of security level prices obtained from valuation agencies, currently CRISIL and ICRA.

Waterfall Mechanism for valuation of money market and debt securities to be used by valuation agencies and guidelines issued by AMFI on polling process for money market and debt securities is provided in **Annexure 2**.

### **3. Exceptional events**

In case of exceptional events, the process and methodologies as determined by the Investment Committee shall be considered. Given the dynamic nature of the markets, defining standard processes and procedures for handling exceptional events may not be appropriate.

The illustrative list of exceptional events is as under:

- Policy announcements by the Reserve Bank of India (RBI), the Government or any Regulatory body for e.g. SEBI, AMFI etc.
- Significant volatility in the securities markets
- Market Illiquidity
- Any other event considered exceptional by the Investment Committee

### **4. Conflict of Interest**

If any situation arises that leads to conflict of interest, the same shall be raised to the Investment Committee and the Committee shall address the same such that the valuation provides for fair treatment to all investors. In the normal course of business, so long as the standard valuation policies are adopted, no conflict of interest issue arises.

### **5. Deviation**

Investments shall be valued as per the methodologies mentioned in this Policy, which aim to enable true and fair valuation of securities. However, if the valuation of any particular security does not result in fair / appropriate valuation or under exceptional circumstances, the Investment Committee would have the right to deviate from the established policies in order to value the security at fair / appropriate value. Deviations from the valuation policy, if any, will be informed to the AMC and Trustee Board and will be communicated to the investors vide appropriate disclosures on the Mutual Fund's website.

### **6. Periodic Review**

The Valuation Policy shall be reviewed on an annual basis to ensure appropriateness by the AMC / Trustee boards. It shall also be reviewed periodically by the internal auditors and annually by the independent auditors to ensure appropriateness.

### **7. Disclosure and Record keeping**

In order to ensure transparency of valuation norms by Kotak Mahindra Asset Management Company (KMAMC), the valuation policy and procedures shall be disclosed in the Statement of Additional Information (SAI) and on the website.

All the documents which form the basis of valuation shall be maintained in electronic or physical form. These records shall be preserved in accordance with the norms prescribed by the SEBI Regulations and guidelines.

## **Annexure 1 – Security wise valuation policy and procedures for Investments made by KMMF**

**A. Equity and Equity Related Instruments** - Investments are stated at market / fair value at the Balance Sheet date / date of determination.

S. No.	Security Type	Valuation Policy
1.	Traded equity and equity related securities including Preference shares and Convertible Debentures	<p>These securities are valued at the last quoted closing price on the National Stock Exchange of India Limited (NSE) except for schemes replicating / tracking BSE Indices, wherein the equity securities are valued at the last quoted closing price of Bombay Stock Exchange Ltd. (BSE).</p> <p>However, if these securities are not listed / traded on NSE, as the case may be, the securities are valued at the last quoted closing price on the exchange where it is principally traded.</p> <p>When these securities are not traded on any stock exchange on a particular valuation day, the value at which it was traded on NSE or any other stock exchange as the case may be, on the earliest previous day is used, provided that such day is not more than thirty days prior to the valuation date.</p>
2.	Non-traded / Thinly traded / Privately placed / Unlisted equity and preference shares	<p>Non-traded / thinly traded / privately placed / unlisted equity and preference shares are valued at fair value as per procedures determined by the Investment Committee.</p> <p>Non Traded equity shares are equity shares which are not traded on any recognized stock exchange for a period of thirty days prior to the valuation date.</p> <p>Thinly traded equity shares are equity shares for which the value of the trades of that security in a month is less than Rs. 5 lacs by value and the total volume of the trades in that security is less than 50,000 shares. In order to determine whether a security is thinly traded, the volumes traded in NSE and BSE shall be considered.</p> <p><b>The procedures for valuing Non-traded / Thinly traded shares shall be as under:</b></p> <p>Based on the latest available Balance Sheet, net worth shall be calculated as follows:</p> <p>(a) Net Worth per share = [share capital + reserves (excluding revaluation reserves) – Misc. expenditure and Debit Balance in P&amp;L A/c] Divided by number of Paid up Shares.</p> <p>(b) Average capitalisation rate (P/E ratio) for the industry based on NSE or BSE data, shall be taken and discounted by 75% i.e. only 25% of</p>

		<p>the Industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts shall be considered for this purpose.</p> <p>(c) The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for ill-liquidity so as to arrive at the fair value per share.</p> <p>(d) If the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalized earning.</p> <p>(e) 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.</p> <p>(f) Where an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5% of the total net assets of the scheme, it shall be valued by the procedure above and the proportion which it bears to the total net assets of the scheme on the date of valuation shall be taken into account</p> <p>In order to ensure fair valuation, the AMC, after providing suitable justification and due approval from the Investment Committee, may decide to value non-traded/thinly traded equity share at a price lower / above than the value derived using the aforesaid methodology.</p> <p>In case trading in equity security is suspended up to thirty days, then the last traded price shall be considered for valuation of that security. If equity security is suspended for more than thirty days, then AMC, after providing suitable justification and due approval from the Investment Committee shall decide on the valuation norms.</p> <p><b>The procedures for valuing Privately placed / Unlisted shares shall be as under:</b></p> <p>a. Based on the latest available audited balance sheet, net worth shall be calculated as lower of (i) and (ii) below</p>
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		<p>i. Net worth per share = [share capital plus free reserves (excluding revaluation reserves) minus miscellaneous expenditure not written off, deferred revenue expenditure, intangible assets and accumulated losses] divided by Number of Paid up Shares.</p> <p>ii. After taking into account the outstanding warrants and options, net worth per share shall again be calculated and shall be = [share capital plus consideration on exercise of Option/Warrants received/receivable by the Company plus free reserves (excluding revaluation reserves) minus miscellaneous expenditure not written off, deferred revenue expenditure, intangible assets and accumulated losses] divided by {Number of paid up shares plus number of shares that would be obtained on conversion/exercise of outstanding Warrants and Options}</p> <p>iii. The lower of (i) and (ii) above shall be used for calculation of net worth per share and for further calculation in (c) below</p> <p>b. Average capitalisation rate (P/E ratio) for the industry based on NSE or BSE data shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.</p> <p>c. The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 15% for illiquidity so as to arrive at the fair value per share.</p> <p>The above methodology for valuation shall be subject to the following conditions:</p> <ul style="list-style-type: none"> <li>• All calculations as aforesaid shall be based on audited accounts.</li> <li>• 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.</li> <li>• If the net worth of the company is negative, the share would be marked down to zero.</li> </ul>
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		<ul style="list-style-type: none"> <li>• In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalized earning</li> <li>• In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5% of the total assets of the scheme, it should be valued in accordance with the procedure as mentioned above on the date of valuation.</li> </ul> <p>In order to ensure fair valuation, the AMC, after providing suitable justification and due approval from the Investment Committee, may decide to value Privately placed / Unlisted shares at a price lower / above than the value derived using the aforesaid methodology.</p>
3.	Non traded Rights Entitlement	<p>Until they are traded, the value of "rights" shares shall be calculated as the difference between the ex-rights price and the rights offer price subject to illiquidity discount if any as decided by the Investment Committee on a case to case basis.</p> <p>Where the rights are not treated pari passu with the existing shares, suitable adjustments shall be made to the value of the rights.</p> <p>Where it is decided not to subscribe for the rights but to renounce them and renunciations are being traded, the rights can be valued at the renunciation value.</p>
4.	Equity and Equity related securities awaiting listing (Merger, Demerger, etc.)	In respect of special circumstances, such as Merger, De-Merger, Split, Hiving off, etc., fair value principles are adopted. Such fair valuation principles could be the difference between the price as existed on the date previous to the ex-date and the ex-date price of the existing equity shares, duly adjusted for discount, if any.
5.	Initial Public Offering ('IPO') application	<p>Prior to allotment – at Bid Price</p> <p>Post allotment but awaiting listing – at allotment price</p>
6.	Non-traded Convertible debentures	In respect of convertible debentures and bonds, the non-convertible and convertible components shall be valued separately. The non-convertible component should be valued on the same basis as would be applicable to a debt instrument. The convertible component should be

		valued on the same basis as would be applicable to an equity instrument. If after conversion the resultant equity instrument would be traded pari passu with an existing instrument which is traded, the value of the latter instrument can be adopted after an appropriate discount for the non-tradability of the instrument during the period preceding the conversion while valuing such instruments, the fact whether the conversion is optional should also be factored in.
7.	Non-traded warrants	In respect of warrants to subscribe for shares attached to instruments, the warrants can be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant. Appropriate discount shall be deducted to account for the period, which must elapse before the warrant can be exercised.

#### **B. Debt and Money Market (including Sovereign securities) Instruments**

<b>S. No.</b>	<b>Security Type</b>	<b>Valuation Policy</b>
1.	Money Market and Debt Securities	<p>All money market and debt securities including floating rate securities and bills purchased under rediscounting scheme shall be valued at average of security level prices obtained from valuation agencies, currently CRISIL and ICRA.</p> <p>In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund), then such security may be valued at purchase yield on the date of allotment / purchase.</p>
2.	Government Securities	Irrespective of the residual maturity, Government Securities (including T-bills) shall be valued on the basis of average of security level prices obtained from valuation agencies, currently CRISIL and ICRA.
3.	Securities which are rated below investment grade or default	<p>Securities which are rated below investment grade or default shall be valued at the price provided by AMFI appointed valuation agencies, currently CRISIL and ICRA.</p> <p>From the date of the credit event till such time the valuation agencies appointed by AMFI compute the valuation of money market and debt securities classified as below investment grade, such securities</p>



		<p>shall be valued on the basis of indicative haircuts provided by these valuation agencies.</p> <p>Where such securities are traded during the interim period from the date of the credit event and receipt of valuation price and if such trade price is lower than the price post standard hair cut then the traded price will be considered for such valuation till valuation price is determined by the valuation agencies appointed by AMFI.</p> <p>In case of trades after the valuation price is computed by the valuation agencies appointed by AMFI as referred above and where the traded price is lower than such computed price, such traded price shall be considered for the purpose of valuation and the valuation price may be revised accordingly.</p> <p>The trades referred above shall be of a minimum size as determined by valuation agencies.</p> <p>Any deviation from the indicative haircuts and/or the valuation price for money market and debt securities rated below investment grade provided by the valuation agencies may be as decided by the Investment Committee by recording detailed rationale for such deviation.</p>
4.	Bank Deposits and Repo (including Tri Party Repo (TREPS)) with tenor of upto 30 days	Bank deposits and Repo (including tri-party repo (TREPS)) with tenor upto 30 days are valued at cost plus accrual basis.
5.	Repo (including Tri Party Repo (TREPS)) with tenor greater than 30 days	<p>Repo (including Tri Party Repo (TREPS)) with tenor greater than 30 days shall be valued at average of security level prices obtained from valuation agencies, currently CRISIL and ICRA.</p> <p>In case security level prices given by valuation agencies are not available for a new Repo (which is currently not held by any Mutual Fund), then such Repo may be valued at purchase yield on the date of placement.</p>

### C. Other Instruments

S. No.	Security Type	Valuation Policy
1.	Real Estate Investment Trust ('ReITs') & Infrastructure Investment Trust ('InvITs')	<p><u>Allotted but awaiting listing -</u> At allotment price</p> <p><u>Listed / Traded / Non Traded</u> ReIT and InvIT are valued at the last quoted closing price at the principal stock exchange. In case ReIT /</p>

		<p>InvIT are not traded on the principal stock exchange on a particular date, the closing price at which it is traded on any other stock exchange will be considered. If the traded price is not available, then valuation shall be as per the direction of Investment Committee.</p> <p>Investments in ReIT / InvIT shall be valued as follows:</p> <ul style="list-style-type: none"> <li>• In case ReIT / InvIT is not being traded on any given day, last traded price would be taken as fair market value provided such last trade is not beyond previous 30 days.</li> <li>• In case ReIT / InvIT is not being traded for previous 30 days, latest NAV declared by investment manager of ReIT / InvIT trust shall be deemed to be the fair price.</li> <li>• In case investment committee can establish a case that NAV as published by investment manager of ReIT / InvIT is not representative of fair value than at a price suggested to be fair value.</li> </ul>
2.	Futures and Options (both exchange traded equity and interest rate derivatives)	<p>All open future positions are valued at the futures settlement price as determined by the exchange where it is traded.</p> <p>All option positions are valued at the last traded price where it is traded. In case there is no traded price available then the option position is valued at fair value based on a theoretical price as derived by Black &amp; Scholes option pricing formula.</p>
3.	Mutual Fund units	<p>In case of listed investments in mutual fund units, valuation shall be at the last quoted closing price at the principal stock exchange. If the traded price is not available, then last declared net asset value of the schemes available on AMFI site will be considered for valuation.</p> <p>Investments in unlisted mutual fund schemes are valued based on the last declared net asset value of the schemes available on AMFI website.</p>
4.	Units of Corporate Debt Market Development Fund (CDMDF)	Investments in units of CDMDF shall be valued based on the last declared net asset value as disclosed on the website of the CDMDF Fund.
5.	Gold / Silver	<p>Investments in gold / silver are valued as under:</p> <ol style="list-style-type: none"> <li>a. The London Bullion Market Association's (LBMA) AM fixing price per troy ounce would be considered.</li> <li>b. The Cost, Insurance, Freight premium, LBMA fixing charges, *Premium / Discount and other</li> </ol>

		<p>charges, as applicable, shall be added to the above LBMA price as determined above.</p> <p>c. The value arrived based on (a) and (b) above shall then be converted to the equivalent price for 1 kilogram gold / silver of 0.995 / 0.999 fineness by applying the conversion factor.</p> <p>d. The RBI reference rate shall be applied to convert the price from US dollars to Indian Rupees.</p> <p>e. Statutory taxes and levies, as applicable from time to time, shall be added to arrive at the final landed price of gold / silver.</p> <p>If on any day the LBMA AM fixing or RBI reference rate is not available due to holiday or any other reason, then the immediately previous day's prices shall be applied for the purpose of calculating the value of gold / silver.</p> <p>* MCX spot price (or any other source as approved by the Investment Committee) would be considered for determining a suitable premium to arrive at the fair valuation reflecting the domestic prices of Gold. Instances where MCX spot price is lower than the price as determined above, a suitable discount would be applied.</p>
6.	Physical Commodities other than Gold & Silver	<p>Physical stocks / commodities received from the exchange accredited warehouse in the location (as notified and determined by the exchanges) will be valued based on latest spot market price of the respective location as published by the respective commodity exchanges.</p> <p>If on any day the spot market prices as above are not available, then the prices of immediately preceding day will be considered for the purpose of valuation of such commodity.</p> <p>If the prices as per above do not represent fair value, the Investment Committee will determine the price based on the available information, in order to ensure fair valuation.</p>
7.	Foreign Securities	<p>Investments in securities outside India are valued at the closing price on the stock exchange on which they are listed or at the last available traded price.</p> <p>Investment in units of overseas mutual funds is valued based on the last declared net asset value of the overseas mutual fund prior to the stipulated time of release of NAV of the scheme investing in such overseas mutual funds.</p>

		On valuation date, all foreign securities shall be valued in Indian Rupees at the last available RBI reference rate.
8.	OTC Derivatives and Market Linked Debentures	OTC Derivatives and Market Linked Debentures are valued based on prices received from valuation agencies.
9.	Securities Lending Scheme	The lending fees received on securities lent under Securities lending scheme would be amortised till the maturity of the contract.
10.	Exchange Traded Commodity Derivatives (ETCDs)	<p>Exchange Traded Commodity Derivatives (ETCDs) shall be valued at the settlement price where such ETCD Contracts are listed.</p> <p>In case necessary details to value ETCDs are not available, the prices will be determined based on the available information which shall be approved by Investment Committee.</p>

## **Annexure 2 – Waterfall Mechanism and guidelines issued by AMFI on polling process**

### **Waterfall Mechanism for valuation of money market, debt and government securities**

SEBI vide circular no. SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019 on “Valuation of money market and debt securities” provides that for arriving at security level pricing, a waterfall approach shall be followed for valuation of money market and debt securities.

The circular also lays down broad principles for considering the traded yields for valuation of debt, money market and government securities, subject to identification of outlier trades by the valuation agencies.

The said circular also prescribes that AMFI in consultation with SEBI shall ensure that valuation agencies have a documented waterfall approach for valuation of money market and debt securities. Accordingly, AMFI in consultation with SEBI has issued Best Practices Guidelines circular no. 135/BP/83/2019-20 dated November 18, 2019 pertaining to the waterfall mechanism, the extract of which is as under:

### **Part A: Valuation of Money Market and Debt Securities other than Government Securities (“G-Secs”)**

#### **1. Waterfall Mechanism for valuation of money market and debt securities**

- The following shall be the broad sequence of the waterfall for valuation of money market and debt securities:
- Volume Weighted Average Yield (VWAY) of primary reissuances of the same ISIN (whether through book building or fixed price) and secondary trades in the same ISIN;
- VWAY of primary issuances through book building of same issuer, similar maturity (Refer Note 1 below);
  - VWAY of secondary trades of same issuer, similar maturity;
  - VWAY of primary issuances through fixed price auction of same issuer, similar maturity;

4. VWAY of primary issuances through book building of similar issuer, similar maturity (Refer Note 1 below);
5. VWAY of secondary trades of similar issuer, similar maturity;
6. VWAY of primary issuance through fixed price auction of similar issuer, similar maturity;

Construction of matrix (polling may also be used for matrix construction);

In case of exceptional circumstances, polling for security level valuation (Refer Note 2 below)

**Note 1**

Except for primary issuance through book building, polling shall be conducted to identify outlier trades. However, in case of any issuance through book building which is less than INR 100 Cr, polling shall be conducted to identify outlier trades.

**Note 2**

Some examples of exceptional circumstance would be stale spreads, any event/news in particular sector/issuer, rating changes, high volatility, corporate action or such other event as may be considered by valuation agencies. Here stale spreads are defined as spreads of issuer which were not reviewed/updated through trades/primary/polls in same or similar security/issuers of same/similar maturities in waterfall approach in last 6 months.

Further, the exact details and reasons for the exceptional circumstances which led to polling shall be documented and reported to AMCs. Further, a record of all such instances shall be maintained by AMCs and shall be subject to verification during SEBI inspections.

**Note 3**

All trades on stock exchanges and trades reported on trade reporting platforms till end of trade reporting time (excluding Inter-scheme transfers) should be considered for valuation on that day.

**Note 4**

It is understood that there are certain exceptional events, occurrence of which during market hours may lead to significant change in the yield of the debt securities. Hence, such exceptional events need to be factored in while calculating the price of the securities. Thus, for the purpose of calculation of VWAY of trades and identification of outliers, on the day of such exceptional events, rather than considering whole day trades, only those trades shall be considered which have occurred post the event (on the same day).

The following events would be considered exceptional events:

- i. Monetary/Credit Policy
- ii. Union Budget
- iii. Government Borrowing/ Auction Days
- iv. Material Statements on Sovereign Rating
- v. Issuer or Sector Specific events which have a material impact on yields
- vi. Central Government Election Days
- vii. Quarter end days

In addition to the above, valuation agencies may determine any other event as an exceptional event. All exceptional events along-with valuation carried out on such dates shall be documented with adequate justification.

**2. Definition of tenure buckets for Similar Maturity**

When a trade in the same ISIN has not taken place, reference should be taken to trades of either the same issuer or a similar issuer, where the residual tenure matches the tenure of the bond to be priced. However, as it may not be possible to match the exact tenure, it is proposed that tenure buckets are created and trades falling within such similar maturity be used as per table below.

<b>Residual Tenure of Bond to be priced</b>	<b>Criteria for similar maturity</b>
Upto 1 month	Calendar Weekly Bucket
Greater than 1 month to 3 months	Calendar Fortnightly Bucket
Greater than 3 months to 1 year	Calendar Monthly Bucket
Greater than 1 year to 3 years	Calendar Quarterly Bucket
Greater than 3 years	Calendar Half Yearly or Greater Bucket

In addition to the above:

- In case of market events, or to account for specific market nuances, valuation agencies may be permitted to vary the bucket in which the trade is matched or to split buckets to finer time periods as necessary. Such changes shall be auditable. Some examples of market events / nuances include cases where traded yields for securities with residual tenure of less than 90 days and more than 90 days are markedly different even though both may fall within the same maturity bucket, similarly for less than 30 days and more than 30 days or cases where yields for the last week v/s second last week of certain months such as calendar quarter ends can differ.
- In the case of illiquid/ semi liquid bonds, it is proposed that traded spreads be permitted to be used for longer maturity buckets (1 year and above). However, the yield should be adjusted to account for steepness of the yield curve across maturities.
- The changes / deviations mentioned in clauses (a) and (b) above, should be documented, along with the detailed rationale for the same. Process for making any such deviations shall also be recorded. Such records shall be preserved for verification.

### **3.Process for determination of similar issuer**

Valuation agencies shall determine similar issuers using one or a combination of the following criteria. Similar issuer do not always refer to issuers which trade at same yields, but may carry spreads amongst themselves & move in tandem or they are sensitive to specific market factor/s hence warrant review of spreads when such factors are triggered.

- Issuers within same sector/industry and/or
- Issuers within same rating band and/or
- Issuers with same parent/ within same group and/or
- Issuers with debt securities having same guarantors and/or
- Issuers with securities having similar terms like Loan Against Shares (LAS)/ Loan Against Property (LAP)

The above criteria are stated as principles and the final determination on criteria, and whether in combination or isolation shall be determined by the valuation agencies. The criteria used for such determination should be documented along with the detailed rationale for the same in each instance. Such records shall be preserved for verification. Similar issuers which trade at same level or replicate each other's movements are used in waterfall approach for valuations. However, similar issuer may also be used just to trigger the review of spreads for other securities in the similar issuer category basis the trade/news/action in any security/ies within the similar issuer group.

#### 4. Recognition of trades and outlier criteria

##### i. Volume criteria for recognition of trades (marketable lot)

Paragraph 1.1.1.1(a) of SEBI vide circular no. SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019 on Valuation of money market and debt securities, prescribes that the marketable lots shall be defined by AMFI, in consultation with SEBI. In this regard, marketable lot is defined as under. The following volume criteria shall be used for recognition of trades by valuation agencies:

Parameter	Minimum Volume Criteria for marketable lot
Primary	INR 25 cr for both Bonds/NCD/CP/ CD and other money market instruments
Secondary	INR 25 cr for CP/ CD, T-Bills and other money market instruments
Secondary	INR 5 Cr for Bonds/NCD/ G-secs

Trades not meeting the minimum volume criteria i.e. the marketable lot criteria as stated above shall be ignored.

##### ii. Outlier criteria

It is critical to identify and disregard trades which are aberrations, do not reflect market levels and may potentially lead to mispricing of a security or group of securities. Hence, the following broad principles would be followed by valuation agencies for determining outlier criteria.

a. Outlier trades shall be classified on the basis of liquidity buckets (Liquid, Semi-liquid, Illiquid). Price discovery for liquid issuers is generally easier than that of illiquid issuers and hence a tighter pricing band as compared to illiquid issuers would be appropriate.

b. The outlier trades shall be determined basis the yield movement of the trade, over and above the yield movement of the matrix. Relative movement ensures that general market movements are accounted for in determining trades that are outliers. Hence, relative movement over and above benchmark movement shall be used to identify outlier trades.

c. Potential outlier trades which are identified through objective criteria defined below will be validated through polling from market participants. Potential outlier trades that are not validated through polling shall be ignored for the purpose of valuation.

d. The following criteria shall be used by valuation agencies in determining Outlier Trades

Liquidity Classification	Bps Criteria (Yield movement over Previous Day yield after accounting for yield movement of matrix)		
	Upto 15 days	15-30 days	Greater than 30 days
Liquid	30 bps	20 bps	10 bps
Semi-liquid	45 bps	35 bps	20 bps
Illiquid	70 bps	50 bps	35 bps

The above criteria shall be followed consistently and would be subject to review on a periodic basis by valuation agencies and any change would be carried in consultation with AMFI.



e. In order to ensure uniform process in determination of outlier trades the criteria for liquidity classification shall be as detailed below.

### **Liquidity classification criteria - Liquid, semi-liquid and Illiquid definition**

Valuation agencies shall use standard criteria for classifying trades as Liquid, Semi-Liquid and illiquid basis the following two criteria:

- a. Trading Volume
- b. Spread over reference yield

Such criteria shall be reviewed on periodic basis in consultation with AMFI.

### **Trading Volume (Traded days) based criteria:**

Number of unique days an issuer trades in the secondary market or issues a new security in the primary market in a calendar quarter

- Liquid = 50% of trade days
- Semi liquid = 10% to 50% trade days
- Illiquid = <10 % of trade days

### **Spread based criteria:**

Spread over the matrix shall be computed and based on thresholds defined, issuers shall be classified as liquid, semi liquid and illiquid. For bonds thresholds are defined as upto 15 bps for liquid; >15-75 bps for semi-liquid; > 75 bps for illiquid. (Here, spread is computed as average spread of issuer over AAA Public Sector Undertakings/Financial Institutions/Banks matrix), For CP/ CD - upto 25 bps for liquid; > 25-50 bps for semiliquid; > 50 bps for illiquid. (Here, spread is computed as average spread of issuer over A1+/AAA CD Bank matrix).

The thresholds shall be periodically reviewed and updated having regard to the market.

The best classification (liquid being the best) from the above two criteria (trading volume and spread based) shall be considered as the final liquidity classification of the issuer. The above classification shall be carried out separately for money market instruments (CP/ CDs) and bonds.

## **5. Process for construction of spread matrix**

Valuation agencies shall follow the below process in terms of calculating spreads and constructing the matrix:

<b>Step 1</b>	<b>Segmentation of corporates –</b> The entire corporate sector is first categorised across following four sectors i.e. all the corporates will be catalogued under one of the below mentioned bucket: <ol style="list-style-type: none"> <li>1. Public Sector Undertakings/Financial Institutions/Banks;</li> <li>2. Non-Banking Finance Companies - except Housing Finance Companies;</li> <li>3. Housing Finance Companies;</li> <li>4. Other corporates</li> </ol>
<b>Step 2</b>	<b>Representative issuers –</b>

	<p>For the aforesaid 4 sectors, representative issuers (Benchmark Issuers) shall be chosen by the valuation agencies for only higher rating {I.e. "AAA" or AA+}. Benchmark/Representative Issuers will be identified basis high liquidity, availability across tenure in AAA/AA+ category and having lower credit/liquidity premium. Benchmark Issuers can be single or multiple for each sector.</p> <p>It may not be possible to find representative issuers in the lower rated segments, however in case of any change in spread in a particular rating segment, the spreads in lower rated segments should be suitably adjusted to reflect the market conditions. In this respect, in case spreads over benchmark are widening at a better rated segment, then adjustments should be made across lower rated segments, such that compression of spreads is not seen at any step. For instance, if there is widening of spread of AA segment over the AAA benchmark, then there should not be any compression in spreads between AA and A rated segment and so on.</p>
<b>Step 3</b>	<p><b>Calculation of benchmark curve and calculation of spread –</b></p> <ol style="list-style-type: none"> <li>1. Yield curve to be calculated for representative issuers for each sector for maturities ranging from 1 month till 20 years and above.</li> <li>2. Waterfall approach as defined in Part A (1) above will be used for construction of yield curve of each sector.</li> <li>3. In the event of no data related to trades/primary issuances in the securities of the representative issuer is available, polling shall be conducted from market participants.</li> <li>4. Yield curve for Representative Issuers will be created on daily basis for all 4 sectors. All other issuers will be pegged to the respective benchmark issuers depending on the sector, parentage and characteristics. Spread over the benchmark curve for each security is computed using latest available trades/primaries/polls for respective maturity bucket over the Benchmark Issuer.</li> <li>5. Spreads will be carried forward in case no data points in terms of trades/primaries/polls are available for any issuer and respective benchmark movement will be given.</li> </ol>
<b>Step 4</b>	<ol style="list-style-type: none"> <li>1. The principles of VWAY, outlier trades and exceptional events shall be applicable while constructing the benchmark curve on the basis of trades/primary issuances.</li> <li>2. In case of rating downgrade/credit event/change in liquidity or any other material event in Representative Issuers, new Representative Issuers will be identified. Also, in case there are two credit ratings, the lower rating to be considered.</li> <li>3. Residual tenure of the securities of representative issuers shall be used for construction of yield curve.</li> </ol>

#### **Part B: Valuation of G-Secs (T-Bill, Cash management bills, G-Sec and SDL)**

The following is the waterfall mechanism for valuation of Government securities:

- VWAY of last one hour, subject to outlier validation;
- VWAY for the day (including a two quote, not wider than 5 bps on NDSOM), subject to outlier validation;

- Two quote, not wider than 5 bps on NDSOM, subject to outlier validation;
- Carry forward of spreads over the benchmark;
- Polling etc.

**Note:**

1. VWAY shall be computed from trades which meet the marketable lot criteria stated in Part A of these Guidelines.
2. Outlier criteria: Any trade deviating by more than +/- 5 bps post factoring the movement of benchmark security shall be identified as outlier. Such outlier shall be validated through polling for inclusion in valuations. If the trades are not validated, such trades shall be ignored.

**Guidelines on Polling Process for money market, debt and government securities**

The Guidelines on polling issued by AMFI in consultation with SEBI are as under:

1. Valuation agencies shall identify the Mutual Funds who shall participate in the polling process on a particular day, taking into account factors such as diversification of poll submitters and portfolio holding of the Mutual Funds. Mutual Funds who are identified by the valuation agencies shall necessarily participate in the polling process. However, in case any Mutual Fund does not participate in the polling process, detailed reason for the same shall be recorded at the time and subsequently made available during SEBI inspections. In this respect, since a Mutual Fund may have investments in similar securities, a security not forming part of investment universe may not be considered as an adequate reason for not participating in the polling process.
2. Polling will be carried out on a daily basis by the valuation agencies.
3. Each valuation agency needs to take polls from at least 5 unique Mutual Funds on a daily basis. Hence, between the two valuation agencies 10 unique Mutual Funds to be polled. They may cover more Mutual Funds, over and above this. For benchmark securities a poll constituting at least 5 responses will be considered as valid. In case of non-benchmark securities a poll constituting at least 3 responses will be considered as valid. The responses received by each valuation agency will be shared with the other agency also.
4. Median of polls shall be taken for usage in valuation process.
5. The valuation agencies will also need to cover as many non- Mutual Fund participants as possible, over and above the Mutual Funds, to improve on the polling output quality.

6. Endeavour would be made to have adequate representation of both holders and non-holders of the same bond/same issuer for non-benchmark securities in the poll process. Where this is not possible, valuation agencies may seek polls from holders of bonds with a similar structure.
7. In the case of issuers with multiple notch rating upgrades / downgrades over short periods of time, valuation agencies shall:
  - a) Conduct polls with a larger universe of pollers
  - b) Increase the frequency of polling
8. Suo moto feedback on valuations should be entertained only through formal mails from persons designated by AMC for said purpose, and the same shall be validated through repolling. Any such feedback shall be duly recorded by the valuation agencies, including the reason for the challenge, results of repolling and subsequent changes in valuation on re-polling, if any. Such records shall be preserved by the valuation agencies, for verification.
9. Polling will be done for two sets of securities, Benchmark & Others.
10. Benchmark will be defined for the following categories across tenors:
  - a. Treasury Bills
  - b. Central Government Securities
  - c. State Government Securities
  - d. AAA PSU / PFI / PSU Banks
  - e. AAA Private
  - f. NBFC
  - g. HFC

Any other as required for improving fair valuations
11. Polling shall be conducted in the following two scenarios:
  - a. Validation of traded levels if they are outlier trades
  - b. Non-traded Securities (in exceptional circumstances as defined in the waterfall mechanism for valuation of money market and debt securities).
12. Best efforts should be made by poll submitters to provide fair valuation of a security.
13. The polling process will be revalidated by external audit of the valuation agencies with at least an annual frequency.
14. AMCs shall have a written policy, approved by the Board of AMC and Trustees, on governance of the polling process. The aforesaid policy shall include measures for mitigation of potential conflicts of interest in the polling process and shall identify senior officials, with requisite knowledge and expertise, who shall be responsible for polling. Further, the policy should outline the following aspects.
  - a. the process of participating in a polling exercise
  - b. identify the roles and responsibilities of persons participating in the polling
  - c. include policies and procedures for arriving at the poll submission
  - d. cover the role of the Board of AMC and Trustees, and the periodic reporting that needs to be submitted to them.

- e. All polling should be preferably over email. In case for any reason, the polling is done by way of a telephonic call then such a call should be over recorded lines, followed subsequently by an email.
  - f. AMC's should have adequate business continuity arrangements for polling, with the necessary infrastructure / skill to ensure that consistent delivery of poll submissions is made without material interruption due to any failure, human or technical.
15. All polling done will have to be documented and preserved in format approved by the Board of AMC, for a period of eight years, along-with details of the basis of polling (such as market transactions, market quotes, expert judgement etc.).
  16. AMC's shall ensure that participation in the polling process is not mis-used to inappropriately influence the valuation of securities. The officials of the AMC who are responsible for polling, shall also be personally liable for any misuse of the polling process.
  17. AMC's shall maintain an audit trail for all polls submitted to valuation agencies.

For updated valuation policy kindly refer: <https://www.kotakmf.com/Information/forms-and-downloads>.

## 8. Computation of NAV

### A. Policy of computation of NAV and Policy for computation of NAV in foreign Securities

The AMC shall compute NAV of the Units of the Scheme by dividing the net assets of the Scheme by the number of Units outstanding on the valuation date.

The AMC shall value its investments according to the valuation norms (Valuation Policy includes computation of NAV in case of investment in foreign securities), as specified in the Eighth Schedule of the Regulations, or such guidelines / recommendations as may be specified by SEBI from time to time. The broad valuation norms are detailed in the Statement of Additional Information.

- a. NAV of Units under the Scheme will be calculated as shown below:

NAV =	Market or Fair Value of Scheme's investments*	+	Current assets including Accrued Income	-	Current Liabilities and provisions including accrued expenses
	No. of Units outstanding under the Scheme/Option.				

NAV for the Schemes and the repurchase prices of the Units will be calculated and announced at the close of each Business Day. The NAV of Direct Plan will be different than the NAV of Regular Plan.

- b. Computation of NAV will be done after taking into account IDCWs paid, if any, and the distribution tax thereon, if applicable. Therefore, once IDCWs are distributed under the IDCW Option, the NAV of the Units under the IDCW Option would always remain lower than the NAV of the Units issued under the Growth Option. The income earned and the profits realized in respect of the Units issued under the Growth Option remain invested and are reflected in the NAV of the Units.

- c. As per para 8.3 of SEBI master circular dated June 27, 2024 Mutual Funds shall round off NAV up to four decimal places for index funds and all types of debt oriented. For all equity oriented and balanced fund schemes, Mutual Funds shall round off NAVs up to two decimal places. However, Mutual Funds can round off the NAVs up to more than two decimal places in case of equity oriented and balanced fund schemes.

#### Illustration for Computation of NAV:

NAV=	Market or Fair Value of Scheme's investments	+	Current assets including Accrued Income	-	Current Liabilities and provisions including accrued expenses	
	No. of Units outstanding under the Scheme/Option.					
10.109=	10,01,00,000.00	+	10,00,000.00	-	10,000.00	10,10,90,000.00
			1,00,00,000.00			1,00,00,000.00

- d. Timelines for disclosure of NAV, as per para 8.1 and 8.2 of SEBI Master Circular dated June 27, 2024 is tabulated below:

Scheme Type	Timeline
All schemes except for Fund of Fund Schemes	11 p.m on T day
Fund of Fund Schemes	10 a.m of T+1
For schemes having exposure to ETCDs	9 AM of T+1
Schemes unable to disclose NAV as per the timeline mentioned in para 8.1 and 8.2 of master circular due to inability to incapturing same day valuation of underlying investment (11 p.m of T day or 10 a.m on T+1 day)	Such as per the disclosure made in the SID along with reasons for such delayed disclosure

In case NAV of Corporate Debt Market Development Fund ('CDMDF') units is not available by 9:30 p.m. of same Business Day for specified open ended debt schemes, NAV declaration timing for Mutual Fund Schemes holding units of CDMDF shall be 10 a.m. on next business day instead of 11 p.m. on same Business Day.

- e. As per para 8.2 of SEBI master circular dated May 9, 2023 the timelines for declaration of NAV is prescribed depending on investment objective and asset allocation of schemes, which is tabulated below

Sr No	Scheme Type	Timeline
01	Fund of Funds (FoFs) schemes	10 AM on T+1 day
02	Schemes investing atleast 80% of total assets in permissible overseas investments	10 AM on T+1 day
03	Index funds and ETFs investing atleast 80% of total assets in permissible overseas investments	10 AM on T+1 day

#### Example:

Assuming scheme is investing overseas and that the Scheme is computing NAV for May 6, 2024, i.e. Monday. The cut off time for declaration of NAV for May 6, 2024 is by 10.00 am IST on May 7, 2024.

The AMC will compute the NAV for the scheme and the NAV so computed will be the applicable NAV for May 6, 2024. The AMC will value all the assets and liabilities in foreign currency in Indian Rupees at the RBI reference rate at the close of banking hours on May 6, 2024.

The NAVs will be posted on the website of AMFI and Kotak Mahindra Mutual Fund on May 7, 2024 by 10.00 a.m IST.

- f. The first NAV of a new scheme shall be declared within 5 working days from the allotment.
- g. The NAVs of the Schemes will be calculated and disclosed basis the timelines mentioned above on the website of the Kotak Mahindra Mutual Fund viz [www.kotakmf.com](http://www.kotakmf.com) and AMFI's website [www.amfiindia.com](http://www.amfiindia.com).
- h. Unitholders may avail the facility to receive the latest available NAVs through SMS by submitting a specific request in this regard to the AMC/Mutual Fund. Also, information regarding NAVs can be obtained by the Unit holders / Investors by calling or visiting the nearest ISC.
- i. In terms of SEBI regulations, a complete statement of the Scheme portfolio will be sent to all unitholders, within 5 days of each fortnight and within ten days from the close of each month / half-year whose email addresses are registered with the Mutual Fund.
- j. The portfolio of the scheme (alongwith ISIN) shall also be disclosed on the website of Mutual Fund ([www.kotakmf.com](http://www.kotakmf.com)) and on the website of AMFI ([www.amfiindia.com](http://www.amfiindia.com)) on a monthly, fortnightly and half-yearly basis within 5 days of every fortnight & within 10 days from the close of each month/ half-year respectively in a user-friendly and downloadable spreadsheet format

## **B. Procedure in case of delay in disclosure of NAV**

Delay beyond 10 a.m. of the following business day in case of Fund of Fund schemes and 11:00 p.m. on the same day for all other schemes shall be explained in writing to AMFI.

Mutual Fund shall report in the quarterly Compliance Test Reports (CTRs) the number of days when mutual funds were not able to adhere to the above mentioned time limit for uploading their NAVs on the AMFI website with reasons thereof and the corrective action taken by the AMC to reduce the number of such occurrences.

In case the NAVs are not available before the commencement of business hours on the following business day due to any reason, a press release for revised NAV shall be issued.

## **9. ITAX & LEGAL & GENERAL INFORMATION**

### **A. Taxation on investing in Mutual Funds**

The following outline of tax implications is provided for general information purposes only, based on the law prevailing as at the date of this document and also incorporating the amendments by Finance Act, 2025. These implications not necessarily describe the tax consequences for all types of investors in the Fund and should be considered in light of the specific facts of each individual case. Furthermore, in the event of periodic amendments to the relevant legislation, the nature and / or quantum of these benefits / implications are subject to change.



Further statements with regard to tax implications mentioned herein below are mere expressions of opinion and are not representations of the mutual fund to induce any investor to acquire units of the schemes of the mutual fund. The prospective investors should not treat this information as advice relating to taxation or investment or any other matter. In view of the individual nature of the implications, each investor is advised to consult with his or her own tax advisors/authorised dealers with respect to the specific tax and other implications arising out of his or her participation in the schemes.

#### 1) Tax Benefits to the Mutual Fund –

KMMF is a Mutual Fund registered with the SEBI and hence the entire income of the Mutual Fund will be exempt from income-tax in accordance with the provisions of section 10 (23D) of the Income-tax Act, 1961 (the Act). The Mutual Fund will receive all income without any deduction of tax at source under the provisions of section 196(iv) of the Act.

Where the Mutual Fund receives any income from investments made in overseas jurisdictions, this income may be subject to withholding in the relevant jurisdiction. As the income of the Mutual Fund is exempt from tax in India, credits/ refunds in relation to these foreign taxes may not be available in India.

The Mutual Fund is liable to pay Securities Transaction Tax (STT) at prescribed rates on the value of transactions of purchase or sale of specified securities

STT shall be payable under Chapter VII of the Finance (No. 2) Act, 2004, wherever applicable, as follows:

Sr. No.	Taxable Securities Transaction	Rate	Payable by
1	2	3	4
1.	Purchase of an equity share in a company [or a unit of a business trust] where—	[0.1] per cent	Purchaser
	(a) the transaction of such purchase is entered into in a recognized stock exchange; and		
	(b) the contract for the purchase of such share [or unit] is settled by the actual delivery or transfer of such share [or unit].		
2.	Sale of an equity share in a company [or a unit of a business trust] where—	[0.1] per cent	Seller
	(a) the transaction of such sale is entered into in recognized stock exchange; and		
	(b) The contract for the sale of such share [or unit] is settled by the actual delivery or transfer of such share [or unit].		
2A.	Sale of a unit of an equity oriented fund, where—	0.001 per cent	Seller
	(a) the transaction of such sale is entered into in a recognised stock exchange; and		
	(b) The contract for the sale of such unit is settled by the actual delivery or transfer of such unit.		
3.	Sale of an equity share in a company or a unit of an equity-oriented fund [or a unit of a business trust], where—	0.025 per cent	Seller

	(a) the transaction of such sale is entered into in a recognised stock exchange; and		
	(b) The contract for the sale of such share or unit is settled otherwise than by the actual delivery or transfer of such share or unit.		
<b>Sr. No.</b>	<b>Taxable Securities Transaction</b>	<b>Rate</b>	<b>Payable by</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
4.	(a) Sale of an option in securities	0.1 per cent	Seller
	(b) Sale of an option in securities, where option is exercised	0.125 per cent	Purchaser
	(c) Sale of a futures in securities	[0.02] per cent	Seller
5.	Sale of a unit of an equity-oriented fund to the Mutual Fund – ETF	[0.001] per cent	Seller
6.	Sale of unlisted equity shares under an offer for sale referred to in subclause (aa) of clause (13) of section 97.	0.2 per cent	Seller
7.	Sale of unlisted units of a business trust under an offer for sale referred to in sub- clause (ab) of clause (13) of section 97.	0.2 per cent	Seller

**2) TDS on IDCW (Income Distribution cum Capital Withdrawal) distributed by Mutual Funds (in the case of Equity oriented / other than equity oriented funds):-**

Categories of Unit Holders	Threshold	TDS Rate	Taxation Rate
<b>Resident Unit Holders</b>	Rs. 10,000 (w.e.f 1st April, 2025)	Section 194K: 10%	As per applicable slab rates plus applicable surcharge and cess (Refer Note 1)
<b>Non-Resident Unit Holders (subject to DTAA benefits, in case applicable)</b>			
(1) FII/FPI	NILs	Section 196D: 20% plus applicable surcharge and cess (Refer note 1)	20% plus applicable surcharge and cess (Refer Note 1)
<b>(2) Foreign company/corporates</b>			
Purchase in Indian Rupees	NILs	Section 196A: 20% plus applicable surcharge and cess (Refer note 1)	35% plus applicable surcharge and cess (Refer Note 1)
Purchase in Foreign Currency	NILs	Section 196A: 20% plus applicable surcharge and cess (Refer note 1)	20% plus applicable surcharge and cess (Refer Note 1)
<b>(3) Others</b>			
Purchase in Indian Rupees	NILs	Section 196A: 20% plus applicable	At slab rates applicable plus applicable

		surcharge and cess (Refer note 1)	surcharge and cess (Refer Note 1)
Purchase in Foreign Currency	NILs	Section 196A: 20% plus applicable surcharge and cess (Refer note 1)	20% plus applicable surcharge and cess (Refer Note 1)

Note 1: -

A) In case of foreign companies;

- 2% where the total income exceeds Rs. 10,000,000 but less than / equal to Rs. 100,000,000

- 5% where the total income exceeds Rs. 100,000,000

B) In case of resident domestic corporate unit holders;

- 7% where the total income exceeds Rs. 10,000,000 but less than / equal to Rs. 100,000,000 or

- 12% where the total income exceeds Rs. 100,000,000

- 10% where domestic company is eligible & exercises the option granted u/s 115BAA or 115BAB of the Act.

C) In case of non-corporate resident unit holders being partnership firms covered under Indian Partnership Act, 1932/ Limited liability partnership covered under Limited Liability Partnership Act, 2008:

- 12% where the total income exceeds Rs.10,000,000

D) I) In case of resident and non-resident unit holders being individual, HUF, AOP, BOI and artificial juridical person (opting old regime of taxation);

Income	Surcharge Rates		
Total Income	Other Income (i.e Income other than Capital gains covered under section 111A, section 112A, section 112, 115AD(1)(b) & company dividend).	Other Income (i.e Income other than Capital gains covered under section 111A, section 112A, section 112, 115AD(1)(b) & company dividend).	Capital gains covered under section 111A, section 112A, section 112, & 115AD(1)(b) & company dividend.
Upto 50Lakh		Nil	Nil
More than 50Lakh up to 1 Cr		10%	10%
More than 1 Cr but up to 2Cr		15%	15%
More than 2 Cr	Up to 2 cr	15%	15%
	More than 2 cr but up to 5 cr	25%	15%
	More than 5Cr	37%	15%

II In case of resident and non-resident unit holders being individual, HUF, AOP, BOI and artificial juridical person (who have not elected for old regime of taxation);

Income	Surcharge Rates		
Total Income	Other Income (i.e Income other than Capital gains covered under section 111A, section 112A, section 112, 115AD(1)(b) & company dividend).	Other Income (i.e Income other than Capital gains covered under section 111A, section 112A, section 112, 115AD(1)(b) & company dividend).	Capital gains covered under section 111A, section 112A, section 112, & 115AD(1)(b) & company dividend.
Upto 50Lakh		Nil	Nil
More than 50Lakh up to 1 Cr		10%	10%
More than 1 Cr but up to 2Cr		15%	15%

More than 2 Cr	Up to 2 cr	15%	15%
	More than 2 cr	25%	15%

Note 2: - W.e.f 01.04.2020, as per Section 115R, no additional income tax payable on amount of distributed income on or after 01.04.2020.

Note 3: - Section 112A r.w.s section 55(ac) levies capital gains tax @ 10% on Long Term Capital Gains arising on transfer of units of equity-oriented funds upto 22<sup>nd</sup> July, 2024 and 12.50% thereafter.

The salient features of the capital gain tax are as under:

- ☐ Any transfer of equity-oriented fund units on or after 1 April 2018, shall not be exempt under section 10(38)
- ☐ Long term capital gains in excess of Rs. 1.25 lakh shall be taxable at rates mentioned in table above plus surcharge (if any, as applicable) plus health & education cess @ 4%.
- ☐ The capital gain will be computed without giving effect to the 1st and 2nd proviso to section 48 in the manner laid down under the section i.e. without indexation benefit and without foreign currency conversion benefit
- ☐ Cost for units acquired prior to 1 Feb 2018 and sold on or after 1 April 2018 will be computed as under:
  - ☐ Higher of:
    - Cost of acquisition or
  - ☐ Lower of:
    - FMV of asset on 31 Jan 2018
    - Full value of consideration accruing as a result of transfer

Note 4: - Tax Rates Regimes available for Domestic Corporate companies-

- (a) 30% if investor falls into highest tax bracket.
- (b) 25% for AY 2026-27 if total turnover or gross receipts in the financial year 2023-24 does not exceed Rs. 400 crores.
- (c) 22% lower rate is optional and subject to fulfilment of certain conditions (not claiming specified incentives and deductions) as provided in section 115BAA.
- (d) 15% lower rate is optional for companies engaged in manufacturing business (set-up & registered on or after 1 October 2019) subject to fulfilment of certain conditions (inter-alia not claiming specified incentives and deductions) as provided in section 115BAB.

Further, the domestic companies are subject to minimum alternate tax (except for those who opt for lower rate of tax of 22%/15%) not specified in above tax rates

Note 5: - As per section 139AA of the Income tax Act, 1961 ('the Act') read with rule 114AAA of the Income-tax Rules, 1962, in the case of a resident person, whose PAN has become inoperative due to PAN-Aadhaar not being linked on or before 30 June 2023, it shall be deemed that he has not furnished the PAN and tax could be withheld at a higher rate of 20% as per section 206AA of the Act

Note 6: - Relaxation to non-residents from deduction of tax at higher rate in the absence of PAN subject to them providing specified information and documents.

Note 7: - It is assumed that the mutual fund units are held as capital assets by the investors.

Note 8: - Under Section 115BAC w.e.f 01.04.2023, all individual, HUF, AOP, BOI is required to pay tax at concessional rates (as below) under the new tax regime subject to the condition that certain exemptions/ losses/ deductions cannot be claimed. In case such taxpayer intends to claim deductions / exemptions, it may

elect to opt for existing tax and slabs rates to continue to apply. The tax rates under the new tax regime and the existing tax regime are as under:

New Slab Rates		Existing Slab rates	
Income up to Rs 4,00,000	NIL	Income up to Rs 2,50,000	NIL
Income from Rs 4,00,001 to Rs 8,00,000	5%	Income from Rs 2,50,001 to Rs 5,00,000	5%
Income from Rs 8,00,001 to Rs 12,00,000	10%	Income from Rs.5,00,001 to Rs.10,00,000	20%
Income from Rs 12,00,001 to Rs 16,00,000	15%	Income greater than Rs. 10,00,000	30%
Income from Rs 16,00,001 to Rs 20,00,000	20%		
Income from Rs 20,00,001 to Rs. 24,00,000	25%		
Income above Rs. 24,00,000	30%		

a) In the case of a resident individual of the age of 60 years or above but below 80 years, the basic exemption limit is Rs 300,000 under the old regime.

b) In case of a resident individual of age of 80 years or above, the basic exemption limit is Rs 500,000 under the old regime.

c) W.e.f 01.04.2023, the default tax regime is the new tax regime.

### 3) Long-term Capital Gains: (Resident Individual, HUF, Domestic Corporate, NRI<sup>\$</sup>)

Particulars	Investments made	Listed or Unlisted	Long-term capital gains	
			Investments redeemed on or after 01-04-2025	
			Holding Period	Tax Rate <sup>^</sup>
Equity oriented mutual fund ( ≥65% Domestic equity shares)	--	--	> 12 months	12.50%
Mutual Fund (Domestic equity >35% and <65%)	--	Listed	> 12 months	12.50%
	--	Unlisted	> 24 months	12.50%
Specified Mutual Fund ('SMF') <sup>@</sup>	Before 01-04-2023	Listed	> 12 months	12.50%
		Unlisted	> 24 months	12.50%
	On or after 01-04-2023	Listed and Unlisted	Always Short Term	Applicable slab rates
Gold & Silver ETFs <sup>@</sup>	Before 01-04-2023	Listed	> 12 months	12.50%

	On or after 01-04-2023	Listed	> 12 months	12.50%
Fund of Funds (which invests <65% in SMF as defined in Finance (No.2) Act, 2024 @)	Before 01-04-2023	Unlisted	> 24 months	12.50%
	On or after 01-04-2023	Unlisted	> 24 months	12.50%
Fund of Funds (which invests => 65% in SMF as defined in Finance (No. 2) Act, 2024 @)	Before 01-04-2023	Unlisted	> 24 months	12.50%
	On or after 01-04-2023	Unlisted	Always Short Term	Applicable slab rates

#### 4) Short-term Capital Gains (Resident Individual, HUF, Domestic Corporate, NRI\$)

Particulars	Investments made	Listed or Unlisted	Investments redeemed on or after 01-04-2025	
			Holding Period	Tax Rate^
Equity oriented mutual fund ( >=65% Domestic equity shares)	--	--	= < 12 months	20%
Mutual Fund (Domestic equity >35% and <65%)	--	Listed	= < 12 months	Applicable slab rates
	--	Unlisted	= < 24 months	Applicable slab rates
Specified Mutual Fund ('SMF') @	Before 01-04-2023	Listed	NA	NA
		Unlisted	NA	NA
	On or after 01-04-2023	Listed and Unlisted	Always Short Term	Applicable slab rates
Gold & Silver ETFs @	Before 01-04-2023	Listed	NA	NA
	On or after 01-04-2023	Listed	= < 12 months	Applicable slab rates
Fund of Funds (which invests <65% in SMF as defined in Finance (No. 2) Act, 2024 @)	Before 01-04-2023	Unlisted	NA	NA
	On or after 01-04-2023	Unlisted	NA	NA
Fund of Funds (which invests => 65% in SMF as defined in Finance (No. 2) Act, 2024 @)	Before 01-04-2023	Unlisted	NA	NA
	On or after 01-04-2023	Unlisted	Always Short Term	Applicable slab rates

\$ Subject to NRI having Permanent Account Number (PAN) in India. The TDS deductible in case of NRI shall also be increased by applicable surcharge as per Note 1 and 4% health and education cess. In case of NRI, if

PAN is not available and specified declaration is not provided as specified under Rule 37BC, TDS @ higher of 20% or rates calculated as above will be deducted. The tax rates are subject to DTAA benefits available to NRI's. As per the Finance Act 2013, submission of tax residency certificate ("TRC") will be necessary for granting Double Taxation Avoidance Agreement ("DTAA") benefits to non-residents. A Taxpayer claiming DTAA benefit shall furnish a TRC of his residence obtained by him from the Government of that country or specified territory. Further, in addition to the TRC, the non-resident shall also provide electronically filed Form 10F and such other documents /information, as may be prescribed by the Indian Tax Authorities and Kotak Mahindra Mutual Fund or Kotak Mahindra Asset Management Company Ltd. Further investor needs to certify in its No PE declaration that the one of the principle purpose of investment is not to avail the treaty benefits & the investment asset & investment income are beneficial hold by the investor claiming DTAA benefits.

@ For FY 2024-25, Specified Mutual Fund is defined as where not more than thirty-five per cent of its total proceeds is invested in the equity shares of domestic companies. However, Finance (No 2) Act, 2024 has amended the definition of Specified Mutual Fund w.e.f. FY 2025-26 as -

- (i) a Mutual Fund by whatever name called, which invests more than sixty-five per cent of its total proceeds in debt and money market instruments;
- (ii) or a fund which invests sixty-five per cent or more of its total proceeds in units of a fund mentioned in clause (i)

^ Tax rates for resident and non-residents shall be increased by applicable surcharge as per Note 1 and 4% Health & Education Cess.

## 5) 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 slab rates specified by the Act.

Where the units are treated as 'stock in trade' and the profits arising from the sale of units are taxed under the head "Profits & Gains of business or profession", the amount equal to the STT paid by the unit holder can be claimed as deductible expenses

## 6) Equity Linked Savings Schemes

Equity Linked Savings Schemes (ELSS) are Schemes formulated under the Equity Linked Savings Scheme, 2005 ('the Scheme'), issued by the Central Government.

Accordingly, any investment made by an assessee in the ELSS of the Fund up to a sum of Rs. 1,50,000/- in a financial year would qualify for deduction under section 80C of the Act. The Scheme defines "assessee" to mean:—

- i. an individual; or
- ii. a Hindu undivided family; or
- iii. an association of persons or a body of individuals consisting, in either case, only of husband and wife governed by the system of community of property in force in the State of Goa and Union Territories of Dadra and Nagar Haveli and Daman and Diu by whom, or on whose behalf, investment is made.

## 7) Securities Transaction Tax (STT)

### a) Equity oriented funds :

STT is levied on purchase or sale of a unit of an equity- oriented fund entered in a recognized stock exchange. The responsibility for the collection of the STT and payment to the credit of the Government is with the Stock Exchange.

STT is also levied on sale/redemption of a unit of an equity-oriented fund to the Mutual Fund. In such a case, the responsibility for the collection of the STT and payment to the credit of the Government is with the Mutual Fund.



STT is not deductible for the computation of capital gains. However, where the units are treated as 'stock in trade' or if it is held that gains on the sale of units are in the nature of business profits, then for the purpose of computing the business income, an amount equivalent to the STT paid on the transaction value will be allowed as a deduction from the gains earned, under section 36(1)(xv) of the Act.

#### **b) Non Equity oriented funds**

Securities Transaction Tax (STT) is not applicable in the case of non-equity-oriented mutual fund Schemes

#### **8) IDCW Stripping (All Unit holders)**

As per section 94(7) of the Act, loss arising on sale/transfer of units(including redemption), which are bought within 3 months prior to the record date [i.e. the date fixed by the Mutual Fund for the purposes of entitlement of the unit holders to receive income distribution(IDCW)] and sold within 9 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such units.

However, w.e.f 1st April 2020, Mutual fund Income distribution(IDCW) has become taxable in the hands of investor, the provision of section 94(7) would not be applicable to transfer of such units.

#### **9) Bonus stripping (All Unit holders)**

As per section 94(8) of the Act, in case of units purchased within a period of 3 months prior to the record date for entitlement of bonus units( i.e additional units without consideration) and sold within 9 months after the record date, the loss arising on transfer of original units shall be ignored for the purpose of computing the income chargeable to tax. The amount of loss so ignored shall be deemed to be the cost of acquisition/purchase of such bonus units.

#### **10) General Anti Avoidance Rule ('GAAR')**

GAAR is an anti-tax avoidance Rule which is applicable w.e.f. April 1, 2017. The objective of GAAR is to deny tax benefits to an arrangement which has been entered into with the main purpose of obtaining tax benefits and which lacks commercial substance or creates rights and obligations which are not at arm's length principle or results in misuse of tax law provisions or is carried out by means or in a manner which are not ordinarily employed for bona fide purposes. The over-arching principle of GAAR provisions is "substance over form".

#### **11) GAAR provisions empowers the tax authorities to treat any transaction or arrangement entered into for the primary purpose of tax avoidance as an impermissible avoidance arrangement subject to specified terms and conditions mentioned therein. The GAAR provisions seek to confer on the tax officer extensive powers, to disregard/ combine/ re-characterise transactions/ persons in situations where there is a tax avoidance motive or where such motive is presumed to exist in law. **Tax Treaty read with MLI provision:-****

Income tax is required to be deducted at source from the capital gains and IDCW chargeable to tax under section 195 of the Act at the applicable rates. In the case of an assessee resident of a country with which a Double Tax Avoidance Agreement ('DTAA') is in force, the tax should be withheld as per provisions in the Act or as per the provisions in the DTAA whichever is more beneficial to the non-resident holder, only if such unit holder is eligible to claim treaty benefits under the provisions of DTAA and one of principle purpose of such unit holder should not be to obtain treaty benefits for the purpose of tax avoidance. However, such a non-resident unit holder will be required to provide appropriate documents to the Fund, to be entitled to a beneficial rate under such DTAA.

The MLI, amongst others, includes a "principal purpose test", wherein Tax Treaty benefits can be denied if one of the principal purpose of an arrangement or a transaction was to, directly or indirectly, obtain tax benefit

As per section 90(4) of the Act, a non-resident shall not be entitled to claim treaty benefits, unless the non-resident obtains a Tax Residency Certificate ('TRC') from their home country, containing such particulars as specified in notification no. 39/2012 dated September 17, 2012.

Further, as per section 90(5) of the Act r.w. rule 21AB the additional information required to be provided by a non-resident in Form No. 10F along with TRC to avail treaty benefits.

## **12) Consolidation/ Merger of schemes**

In case of consolidation of mutual fund schemes, the investors generally receive units in the consolidated scheme in consideration of units held in the consolidating scheme. As per the Finance Act, 2015, the following provisions would apply from Assessment year 2016-17 and onwards in case of consolidation of mutual fund schemes.

As per section 47(xviii) of the Act, any transfer of units held by the investor in the consolidating scheme of the mutual fund in consideration of allotment of units in the consolidated scheme, shall not be regarded as a taxable transfer, provided that the consolidation is of two or more schemes of an equity oriented fund or two or more schemes of a fund other than equity oriented fund.

Further, as per section 49(2AD) of the Act, the cost of acquisition of units in the consolidating scheme shall be deemed to be the cost of acquisition of the units in the consolidated scheme. Also, as per section 2(42A) of the Act, the period of holding of the units in the consolidated scheme shall include the period of holding of the units in the consolidating scheme.\_

'Consolidating scheme' has been defined under section 47(xviii) of the Act as the scheme of a Mutual Fund which merges under the process of consolidation of the schemes of mutual fund in accordance with the SEBI (Mutual Funds) Regulations, 1996. Consolidated scheme' has been defined as the scheme with which the consolidating scheme merges or which is formed as a result of such merger.

## **13) Consolidation / Merger of plans**

The tax exemption, available on merger or consolidation of mutual fund schemes has been extended to the merger or consolidation of different plans in a mutual fund scheme.

Section 47(xix) provides that any transfer of unit or units by a unit holder held by him in the Consolidating plan of a mutual fund, will not be treated as transfer, if the transfer is made in consideration of the allotment to him of unit or units in the Consolidated plan of the mutual fund under the process of consolidation of the plan of that schemes of mutual fund in accordance with the SEBI (Mutual Funds) Regulation, 1996 and accordingly capital gains will not apply

Further, sub-section (2AF) is inserted under section 49 of the Act to provide that the cost of acquisition of units in the consolidating plan of a scheme shall be deemed to be the cost of acquisition of the units in the consolidated plan. Also, section 2(42A) of the Act is amended, whereby the period of holding of the units in the consolidated plan of a scheme shall include the period of holding of the units in the consolidating plan of a scheme.

For the purpose of above, 'Consolidating Plan' means the plan within a Scheme of the mutual fund which merges under the process of consolidation of the plans within a Scheme of mutual fund in accordance with the SEBI (Mutual Funds) Regulation, 1996 and 'Consolidated Plan' means the Plan with which the Consolidating Plan merges or which is formed as a result of such merger.

## **14) Exemptions from long-term capital gains**

The following deductions are available from Long-term Capital Gains arising on sale of Mutual Fund units if sale proceeds/capital gains are invested in eligible avenues subject to fulfilment of certain conditions specified in those sections:

Particulars	Section 54F	Section 54EE
Eligible persons	Individuals and HUFs	Any person
Asset to be purchased to claim exemption	One residential house in India	“Long-term specified asset” means a unit or units, issued before the 1st day of April, 2019, of such fund as may be notified by the Central Government in this behalf.
Time limit for purchase from date of sale of MF Units	Purchase: 1 year before/ 2 years after & Construction: 3 years after the date of transfer	6 months
Particulars	Section 54F	Section 54EE
Amount Exempted	Capital gains proportionate to the investment made from the sale proceeds (subject to the investment amount not exceeding Rs. 10crore and other conditions of owning/ purchasing the residential house mentioned in the section)	Investment in the new asset or capital gain whichever is lower subject to maximum deduction of Rs. 50 Lakhs in a financial year. Further, such investment made during the financial year in which the original asset was transferred and in the subsequent financial year does not exceed Rs.50 lakhs.
Lock-in period	3 years	3 years

### 15) Other Benefits

Investment in Units of the Mutual Fund by Religious and Charitable Trusts is an eligible investment under section 11(5) of the Act, read with Rule 17C of the Income Tax Rules, 1962. However, such investment may be permitted only subject to the state/other legislation governing Religious and Charitable Trusts in this regard, wherever applicable.

### 16) Capital Losses and Set-off and carry forward of capital losses

Losses under the head capital gains cannot be set off against income under any other head. Furthermore, within the head capital gains, losses arising from the transfer of long term capital assets cannot be adjusted against gains arising from the transfer of a short term capital asset. However, losses arising from the transfer of short term capital assets can be adjusted against gains arising from the transfer of either a long term or a short term capital asset

Unabsorbed long term capital losses can be carried forward and set off against the long term capital gains arising in any of the subsequent eight assessment years. Unabsorbed short term capital losses can be carried forward and set off against the income under the head capital gains in any of the subsequent eight assessment years.

### 17) Minimum Alternate Tax (‘MAT’) / Alternate Minimum Tax (‘AMT’)

The income on transfer of Mutual Fund units by a company would be taken into account in computing the book profit and MAT, if any u/s 115JB of the Act.

The taxable income on transfer of Mutual Fund units would be taken into account in computing the Adjusted Total Income and AMT u/s 115JC of the Act.

The above MAT provisions of section 115JB of Act shall not be applicable to domestic companies opting for concessional rate of tax under section 115BAA and section 115BAB of the Act

MAT would not be applicable to a foreign company with, if:

- a. it is resident of a country with which India has DTAA, and it does not have a permanent establishment in India, in accordance with provision of relevant DTAA or
- b. it is resident of a country with which India does not have a DTAA and it is not required to seek registration under Indian corporate laws.

## 16) Wealth-tax

Wealth Tax has been abolished with effect from April 1, 2015.

## 17) Property received without/ inadequate consideration (Gift-tax)

The Gift-tax Act, 1958, has ceased to apply to gifts made on or after October 1, 1998. No gift tax shall be payable either by the donor or donee on gift of mutual fund units as the Gift Tax has been abolished. However the donee may be liable u/s 56(2)(x) (w.e.f April 1, 2017) of the Income tax Act, 1961.

Under section 56(2)(x), receipt of shares and securities without consideration or without adequate consideration, the difference (if exceeding fifty thousand rupees) between the aggregate FMV and such consideration is taxable as income in the hands of any person being recipient of such shares and securities as income from other sources.

The above provision of section 56(2)(x) shall not apply to inter-alia, any units/shares received by the donee:

- (I) from any relative; or
- (II) on the occasion of the marriage of the individual; or
- (III) under a will or by way of inheritance; or
- (IV) in contemplation of death of the payer or donor, as the case may be; or
- (V) from any local authority as defined in the Explanation to clause (20) of section 10; or
- (VI) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10; or
- (VII) from or by any trust or institution registered under section 12A or section 12AA or section 12AB;
- (VIII) by any fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10; or
- (IX) by way of transaction not regarded as transfer under clause (i) or clause (iv) or clause (v) or clause (vi) or clause (via) or clause (viaa) or clause (vib) or clause (vic) or clause (vica) or clause (vicb) or clause (vid) or clause (vii) or clause (viiac) or clause (viiad) or clause (viiæ) or clause (viiæf) of section 47; or
- (X) from an individual by a trust created or established solely for the benefit of relative of the individual.

### Relative Means:-

A] In the case of an Individual :-

- (i) spouse of the individual
- (ii) brother or sister of the individual
- (iii) brother or sister of the spouse of the individual
- (iv) brother or sister of either of the parents of the individual
- (v) Any lineal ascendant or descendant of the individual
- (vi) Any lineal ascendant or descendant of the spouse of the individual
- (vii) spouse of the person referred to in clauses (ii) to (vi), and

B] In case of a HUF, any member thereof.

### **18) Default in furnishing the PAN**

Section 206AA of the Act inserted by the Finance (No.2) Act, 2009, operative with effect from April 1, 2010, states that the deductee is required to mandatorily furnish his PAN to the deductor failing which the deductor shall deduct tax at source at higher of the following rates:

- a. the rate prescribed in the Act;
- b. at the rate in force i.e., the rate mentioned in the Finance Act; or
- c. at the rate of 20%.

However, in the case of a non-resident, not being a company, or a foreign company not having permanent account number the provisions of section 206AA shall not apply in respect of payments in the nature inter-alia includes payments on transfer of any capital asset, if such non-resident unit holder furnishes the details and the documents specified below to the Mutual fund :

- a. name, e-mail id, contact number;
- b. address in the country or specified territory outside India of which the unit holder is a resident;
- c. a certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate;
- d. Tax Identification Number of the unit holder in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the such unit holder is identified by the Government of that country or the specified territory of which he claims to be a resident.

Further, the Finance Act 2021 has amended the provisions of section 206AA to provide that where tax is required to be withheld u/s 194Q of Act and PAN is not provided by seller of goods, then the rate of tax shall be 5% instead of 0.1%.

### **19) PAN – AADHAAR Linking**

Section 139AA of the Act read with Rule 114AAA of the Income Tax Rules, the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance 2020 and the Notification dated June 24, 2020, inter alia, provides that where a person has failed to intimate / link Aadhaar with PAN on or before March 31, 2021, the PAN of such person shall become inoperative immediately after the said date. Once a person's PAN becomes inoperative, the person would be deemed to have not furnished, intimated or quoted PAN and accordingly be liable for consequences under the Act. PAN will become operative once the same is linked with Aadhaar with effect from the date of such linking. By Circular No 3/2023 dated March 28, 2023, of the Ministry of Finance, the date for intimating/linking Aadhaar with PAN has been further extended to June 30, 2023 with payment of fees of Rs. 500 if you link your PAN with Aadhaar by June 30, 2023 and a fee of Rs. 1,000 post June 30, 2023.

Accordingly, in case of a person whose PAN has become inoperative due to PAN-Aadhaar not being linked on or before June 30, 2023, it shall be deemed that he has not furnished the PAN and tax could be withheld at a higher rate of 20% as per section 206AA of the Act.

**INVESTORS SHOULD BE AWARE THAT THE FISCAL RULES/TAX LAWS MAY CHANGE AND THERE CAN BE NO GUARANTEE THAT THE CURRENT TAX POSITION MAY CONTINUE INDEFINITELY. IN VIEW OF THE INDIVIDUAL NATURE OF TAX IMPLICATIONS, INVESTORS ARE ADVISED TO CONSULT THEIR PROFESSIONAL TAX ADVISOR.**

## **B. Legal Information**

### **(i) Anti Money Laundering**

Kotak Mahindra Mutual Fund is committed to complying with the provisions of Prevention of Money Laundering Act, 2002 and the rules made thereunder. Further, SEBI has also issued guidelines on Anti Money Laundering which are required to be followed by the intermediaries. Kotak Mahindra Mutual Fund recognises the value and importance of creating a business environment that strongly discourages money launderers from using Kotak Mahindra Mutual Fund. To that end, certain policies have been adopted by KMAMCL.

### **(ii) Nomination Facility**

In terms of SEBI Notification dated June 11, 2002 nomination can be made only by individuals on their own behalf, singly or jointly. Nomination is mandatory for single holder only.

Any request for updation/ modification/ cancelation of nomination shall be made by the unit-holders as per the mode of holding of the respective folio. Where an investor affixes his/ her thumb impression on the nomination form, then the same shall be witnessed by two persons and details of such witnesses shall be duly captured in the nomination form.

Other than an individual, no person including but not limited to a Company, Body Corporate, PSU, AOP, BOI, Society, Trust, Partnership Firm, Karta of HUF and a holder of POA, Bank, FII and can nominate.

Unit holder can nominate (in the manner prescribed under the SEBI Regulations), maximum upto 10(person(s) in whom the Units held by him/her shall vest in the event of his/her death. It shall be mandatory to indicate clearly percentage of allocation/share in favour of each of the nominees 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 the Unitholders not indicating the percentage of allocation/share for each of the nominees, the AMC, by invoking default option shall transmit the units as detailed in the SEBI Circular no. SEBI/HO/OIAE/OIAE\_IAD-3/P/ON/2025/01650 dated January 10, 2025

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. A nomination in respect of the Units does not create an interest in the property after the death of the Unit holder. The nominee 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 under the nomination facility provided herein shall not necessarily acquire any title or beneficial interest in the property by virtue of this nomination.

Unit Holder/s can nominate, at the time an application is made or by subsequently writing to a Investor Service Centre, request for a Nomination Form in order to nominate any one person to receive the Units upon his/her death subject to the necessary completion of the necessary formalities eg. Proof of the death of the Unit Holder, signature of the nominee, furnishing proof of guardianship in case the nominee is a minor, execution of Indemnity Bond of or such other documents as may be required from the nominee in favour of and to the satisfaction of the Fund, the AMC, or the Trustee.(refer transmission process)

- Non-submission of 'choice of nomination' shall not result in freezing of Demat Accounts as well as Mutual Fund Folios.
- Securityholders holding securities in physical form shall be eligible for receipt of any payment including dividend, interest or redemption payment.
- All new investors/unitholders shall continue to be required to mandatorily provide the 'Choice of Nomination' for MF Folios (except for jointly held Mutual Fund Folios).
- All existing investors/ unitholders are encouraged, in their own interest, to provide 'choice of nomination' for ensuring smooth transmission of securities
- For marking nomination, disclosing of name of nominee, share of each nominee and Relationship if any is to be disclosed mandatorily.



- Investors shall mandatorily provide the following;
- a) any one of the following personal identifiers of the nominee – PAN or Driving Licence number or last 4 digits of Aadhaar (only the document number is required to be provided; not the document), in case of NRI / OCI / PIO, Passport number is acceptable.
- b) full contact details of nominee(s) such residential address, e-mail address, telephone / mobile number
- c) relationship of nominee(s) with the investor
- d) Guardian details and Date of birth of nominee(s) (if nominee is a minor)

All other provisions related to requirement of Nomination as provided in SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 for Mutual Funds, SEBI Master Circular No. SEBI/HO/MRD/MRD-PoD-2/P/CIR/2023/166 dated October 06, 2023 for Depositories and SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 for RTAs shall remain unchanged.

If the nominee is a minor, then the name and address of the guardian of such nominee shall be provided. An NRI can be a nominee subject to the Exchange Control Regulations from time to time. Other than an individual, no person including but not limited to Company, Body Corporate, PSU, AOP, BOI, Society, Trust (other than religious or charitable trust), Partnership Firm, Karta of HUF, Bank, FII, and a holder of POA can be a nominee.

Nomination in respect of the Units stands rescinded upon the redemption of Units. 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 AMC/Fund shall not be under any obligation to transfer the Units in favour of the nominee.

Nomination shall not be allowed in a folio held on behalf of a minor. Nomination shall be mandatory for new folios/accounts by individuals under single holding capacity and no such new folios/accounts for individuals shall be opened without nomination. Those investors who do not wish to nominate must sign and submit a separately request confirming their non-intention to nominate.

Unitholders may change/ cancel nomination any time by communicating the change using the prescribed form. Nomination form cannot be signed by Power of Attorney (PoA) holders.

Transfer of Units/payment to the nominee of the sums shall be valid and effectual against any demand made upon the Trust/AMC and shall discharge the Trust/AMC of all liability towards the estate of the deceased Unit Holder and his/her successors and legal heirs, executors and administrators.

If the Fund or the AMC or the Trustee were to incur, suffer, or any claim, demand, liabilities, proceedings or actions are filed or made or initiated against any of them in respect of or in connection with the nomination, they shall be entitled to be indemnified absolutely for any loss, expenses, costs, and charges that any of them may suffer or incur absolutely from the investor's estate.

Para 17.16 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 for Mutual Funds ('Master Circular') read with Circular No. SEBI/HO/IMD/IMD POD1/P/CIR/2023/160 dated September 27, 2023 and Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/193 dated December 27, 2023, inter alia, prescribes the requirement for nomination/opting out of nomination for all the existing individual unit holder(s) holding Mutual Fund units either solely or jointly, by June 30, 2024.

Investors shall :

- a. Provide nomination in the format specified in fourth schedule of SEBI (Mutual Funds) Regulations, 1996 (or)
- b. Opt out of nomination through a signed Declaration form in the format prescribed by SEBI. KAMC shall provide an option to the unit holder(s) to submit either the nomination form or the declaration form for opting out of nomination in physical or online. In case of physical option, the forms shall



carry the wet signature of all the unit holder(s) and in case of online option, the forms shall be using e-Sign facility recognized under Information Technology Act, 2000, instead of wet signature(s) of all the unit holder(s). Pursuant to SEBI Circular No SEBI/HO/IMD/IMD-II DOF3/P/CIR/2022/82 dated June 15, 2022, SEBI Circular No SEBI/HO/IMD/IMD-I DOF1/P/CIR/2022/105 dated July 29, 2022 and SEBI Circular No SEBI/HO/IMD/IMD-1 PODI/P/CIR/2023/47 dated March 28, 2023 all existing individual unitholders holding units solely or jointly are required to nominate or opt out of nomination in the format provided by SEBI by September 30, 2023, failing which the folios shall be frozen for debits.

As per SEBI circular dated April 30, 2024 the requirement of nomination specified under 17.16 of SEBI Master circular shall be optional for jointly held Mutual Fund Folios

For Exchange Traded Funds and for units held in demat form: The unitholder will be entitled to the nomination facility offered by the depository with whom the unitholder has an account.

### **(iii) Operation of Minor Account**

“On Behalf of Minor” Accounts: Where the account/folio (account) is opened on behalf of a minor, Kotak Mahindra Mutual Fund follows the below mentioned guidelines, for all new folios opened.

- i. The minor shall be the first and the sole holder in an account.
- ii. Guardian in the folio on behalf of the minor should either be a natural guardian (i.e. father or mother) or a court appointed legal guardian.
- iii. Investment Application on behalf of Minor needs to mention the relationship status of the guardian as father, mother or legal guardian in the investment application form.
- iv. It is mandatory to mention the date of birth of the minor in the Investment Application on behalf of Minor and the same must be mandatorily accompanied by any one of the below mentioned documents:
- v. Birth certificate of the minor; or School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc.; or Passport of the minor; or any other suitable proof evidencing the date of birth & relationship status of the guardian with minor; or in case of court appointed legal guardian, supporting documentary evidence shall be submitted

Minor Attaining Majority – Status Change: When the units are held on behalf of the minor and when the minor turns major, the minor turned major needs to submit below mentioned documents to update the status change in the AMC records & following guidelines shall be applicable for the same.

- (i) The account shall be frozen for operation by the guardian on the day the minor attains the age of majority and no transactions shall be permitted till the documents for changing the status are received.
- (ii) Standing instructions like SIP, SWP, STP in respect of a minor’s folio shall be registered/ executed only till prior to the date of the minor attaining majority, even if the standing instructions in the SIP, SWP, STP mandate form might be for a period beyond that date.
- (iii) List of documents required to change account status from minor to major:
  - Duly filled in Service Request Form as per prescribed guidelines, with signature duly attested by the parent/ guardian whose signature is registered in the records of the AMC, or by a Notary or a Judicial Magistrate First Class or by the unitholder’s bankers in the prescribed form
  - A cancelled cheque leaf with the applicant’s name pre-printed or the applicant’s latest Bank Statement/ Passbook
  - Signature attestation of the major by a manager of a Scheduled Bank / Bank Certificate / Letter
  - PAN Card copy, KYC acknowledgement of the major and Nomination Form

Change in Guardian: When there is a change in guardian either due to mutual consent or demise of existing guardian, the documents required to be submitted for registering the new guardian are available on [kotakmf.com](http://kotakmf.com).

**(iv) Transfer of Units**

An Account Statement, stating the number of Units allotted, will be sent to each Unitholder within five working days from the date of closure of the initial subscription list or from the date of receipt of the application.

Any discrepancy in the Account Statement / Unit Certificate should be brought to the notice of the Fund/AMC immediately. Contents of the Account Statement will be deemed to be correct if no error is reported within 30 days from the date of Account Statement / Unit Certificate.

A unit unless otherwise restricted or prohibited under the scheme, shall be freely transferable by act of parties or by operation of law.

An unitholder, in a close ended scheme listed on a recognized stock exchange, who desires to trade in units shall hold units in dematerialised form.

The asset management company shall, on production of instrument of transfer together with relevant unit certificates, register the transfer and return the unit certificate to the transferee within thirty days from the date of such production:

Provided that if the units are with the depository such units will be transferable in accordance with the provisions of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

**Transfer of units held in Non-Demat [Statement of Account ('SOA')] mode:**

As per the AMFI Best Practices Guidelines Circular No.116 /2024-25 dated August 14, 2024, on 'Standard Process for Transfer of Units held in Non-Demat (SoA) mode', units held by individual unitholders (in any schemes of Kotak Mahindra Mutual Fund ("Mutual Fund") except in case of Exchange Traded Funds (ETF)) in Non Demat ('SoA') mode can be transferred only in following cases-

- i. Surviving joint unitholder, who wants to add new joint holder(s) in the folio upon demise of one or more joint unitholder(s).
- ii. A nominee of a deceased unitholder, who wants to transfer the units to the legal heirs of the deceased unitholder, post the transmission of units in the name of the nominee.
- iii. A minor unitholder who has turned a major and has changed his/her status from minor to major, wants to add the name of the parent / guardian, sibling, spouse etc. in the folio as joint holder(s).
- iv. Investors under Resident/non-resident Individual category.

Partial transfer of units held in a folio shall be allowed. If the request for transfer of units is lodged on the record date, the IDCW payout/ reinvestment shall be made to the transferor.

Redemption of the transferred units shall not be allowed for 10 days from the date of transfer. This will enable the investor to revert in case the transfer is initiated fraudulently.

**For Exchange Traded Funds and units held in demat form:**

Units allotted under the above category, are transferable subject to the provisions of the Depositories Act, SEBI (Depository and Depository Participant) Regulations, 1996 and other applicable provisions.

All Units rank pari passu amongst Units within the Scheme/Option as to assets and earnings.

Units of all schemes of Kotak Mahindra Mutual Fund which are held in demat form shall be freely transferable under the depository system. However, restrictions on transfer of units of Kotak Tax Saver Fund during the lock-in period shall continue to be applicable as per the ELSS Guidelines. Further, the

investors under Kotak Tax Saver Fund may specifically note that the units held under the scheme can only be transferred after a period of 3 years from the date of allotment of Units, whether it be in physical or demat mode.

#### **(v) Transmission**

In case Units are held in a single name by the 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 documents to the satisfaction of the Fund, AMC/Trustee or Registrar. If the Unit Holder has not appointed a nominee, the Units shall be transmitted in favour of the Unit Holder's executor/administrator of its estate/Legal heir(s) as the case may be on production of death certificate or any other documents to the satisfaction of the Fund, AMC/Trustee or Registrar.

In case Units are held jointly by more than one registered Unit Holder, then upon death of any one of the Unit Holder, Units shall be transmitted in favour of the surviving named Holder(s) on production of a death certificate or any other document to the satisfaction of the Fund, AMC/Trustee or Registrar.

The rights in the Units will vest in the nominee, if the joint holders have nominated any person, upon the death of all Joint Unit Holders upon the nominee producing a death certificate or any other document to the satisfaction of the Fund, AMC/Trustee or Registrar.

As per SEBI circular no. SEBI/HO/OIAE/OIAE\_IAD-3/P/ON/2025 dated January 10, 2025 Nomination is mandatory for single holding . The requirement of nomination shall be optional for jointly held accounts / folios.

As per SEBI Circular dated December 24, 2019 on 'Investments in units of Mutual funds in the name of minor through guardian and ease of process for transmission of units, the following will be applicable:

- The AMC will implement image based processing wherever the claimant is a nominee or a joint holder in the investor folio.
- The AMC will have a dedicated, Central Help Desk and a webpage carrying relevant information and instructions in order to provide assistance on the transmission process.
- The AMC will adopt a common Transmission Request Form and NOC form. All such forms and formats will be made available on the website of the AMC, RTA and AMFI.
- The AMC will implement a uniform process for treatment of unclaimed funds to be transferred to the claimant including the unclaimed IDCW.
- The AMC will not accept requests for redemption from a claimant pending completion of the transmission of units in his /her favour.
- The Stamp duty payable by the claimant with respect to the indemnity bond and affidavit, will be in accordance with the stamp duty prescribed by law

#### **Transmission to nominee(s):**

For transmission of assets to the registered nominee(s) only the following are required:

- (a) Self-attested copy of Death Certificate of the deceased investor,
- (b) due completion, updating or reaffirming of the KYC of nominee/s,
- (c) due discharge from the creditors if there are subsisting credit facilities secured by a duly created pledge
- (d) Regulated entities shall not seek any other documentation including affidavits, indemnities, undertakings, attestations or notarizations from the nominee(s),
- (e) No claims in respect of such transmission shall subsist against regulated entities and any claim or contestation shall be only amongst the nominee(s) and the claimants without reference to regulated entities.

#### **Transfer to Legal heir(s) / representatives from nominee(s):**

The facility to transfer of assets from the nominee(s) to the legal heir(s) of an investor is available, as and when approached by either party. In this regard, suitable declaration from the nominee(s) while effecting transmission, will be as follows;

- (a) I / We are receiving the assets of the deceased's demat account / MF folio as a trustee to his / her legal heir(s).
- (b) I / We shall extend all co-operation in transferring such assets to the legal heir(s) either suo moto or when approached by the latter.
- (c) The regulated entity legally and validly discharged upon transmission of assets to the nominee(s). In case I / We fail to discharge my / our liability, or if there is any dispute between me / us and the legal heir(s) of the deceased, then AMC, shall not be party to such disputes.

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 the Fund's website (kotakmf.com) for a ready reckoner matrix of various documents required.

For Exchange Traded Funds and units held in demat form: The unitholder will be entitled to subject to the transmission facility and procedure of the depository with whom the unitholder has an account.

**(vi) Duration of the schemes and winding up of the schemes**

- The Schemes may be wound up if:
- There are changes in the capital markets, fiscal laws or legal system, or any event or series of event occurs, which, in the opinion of the Trustee, requires the Scheme to be wound up; or  
75% of the Unitholders of the Scheme pass a resolution that the Scheme be wound up; or
- SEBI directs the Scheme to be wound up in the interests of the Unitholders.
- Where the Scheme is to be wound up pursuant to the above Regulations, the Trustee shall give notice within one day of the circumstances leading to the winding up of the Scheme:
  - to SEBI; and
  - in two daily newspapers having circulation all over India and also in a vernacular newspaper circulating in the place where the Mutual Fund is established.

**(vii) Procedure and manner of winding up**

- a. The Trustee shall call a meeting of the Unitholders to consider and pass necessary resolutions by simple majority of the Unitholders present and voting at the meeting for authorising the Trustee or any other person to take steps for winding up the Scheme concerned.
- b. The Trustee or the person authorised as above, shall dispose off the assets of the Scheme concerned in the best interest of the Unitholders of that Scheme.
- c. 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 Unitholders 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.
- d. On completion of the winding up, the Trustee shall forward to the Board and the Unitholders, a report on the winding up containing particulars such as circumstances leading to the winding up, steps taken for the disposal of the assets of the Fund before winding up, expenses of the Fund for winding up, net assets available for distribution to the Unitholders and a certificate from the Auditors of the Scheme concerned.
- e. Notwithstanding anything contained herein, the provisions of the Regulations in respect of disclosure of half-yearly reports and annual reports shall continue to apply.
- f. After the receipt of the report referred to above under 'Procedure and Manner of Winding Up', if SEBI is satisfied that all measures for winding up of the Scheme concerned have been completed, the Scheme shall cease to exist.
- g. Pursuant to para 7.2 of SEBI master Circular dated June 27, 2024, schemes which are in the process of winding-

- h. up in terms of Regulation 39(2)(a) of MF Regulations shall be listed on recognized stock exchange, subject to compliance
- i. with listing formalities as stipulated by the stock exchange. Further, pursuant to listing, trading on stock exchange mechanism will not be mandatory for investors, but an optional channel to exit such schemes.

**(iii) Restriction on redemption in Mutual Funds:**

The Asset Management Company (AMC) may, in the general interest of the all Unit holders of the Scheme, keeping in view the unforeseen circumstances, limit the total number of Units which may be redeemed on any Business Day. Restrictions may be imposed under the following circumstances that lead to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets.

- a. Liquidity issues - When the market at large becomes illiquid, affecting almost all securities rather than any issuer specific security.
  - b. Market failures, exchange closures - When markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies.
  - c. Operational issues - When exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out).
  - d. Under the aforesaid circumstances, the AMC / Trustee may restrict redemption for a specified period of time not exceeding 10 working days in any 90 days period.
  - e. Any imposition of restriction on redemption / switch of units would be imposed after prior approval of Board of AMCs and Trustees, and the same shall be informed to SEBI immediately.
  - f. Unitholders should note that the following provisions shall be applicable when redemption requests are placed during such restricted period.
- i) No redemption requests upto Rs. 2 lakh shall be subject to such restriction and
  - ii) Where redemption requests are above Rs. 2 lakh, AMCs shall redeem the first Rs. 2 lakh without such restriction and remaining part over and above Rs. 2 lakh shall be subject to such restriction.

**(ix) Unclaimed Redemption and IDCW Amount**

In accordance with Para 14.3 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 and SEBI Letter SEBI/HO/IMD-SEC-2/P/OW/2025/02346/1 dated January 22, 2025 the unclaimed Redemption amount and IDCW amount that are currently allowed to be deployed by the Mutual Fund only in call money market or money market Instruments, shall also be allowed to be invested in a separate plan of only Overnight scheme / Liquid scheme / Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts. There shall a separate scheme/plan for Redemption amount and IDCW amount, pending for less than 3 years and more than 3 years

Following are timelines for deployment by Mutual fund

- a) Transfer of Unclaimed redemption and dividend amount to Unclaimed Dividend and Redemption Scheme (UDRS) after 90 days and not beyond 105 days from date of issuance of the instruments
- b) On completion of first 3 years of a separate plan of Overnight scheme / Liquid scheme / Money Market Mutual Fund scheme, AMC shall transfer such units to UDRS plan (> 3 years) within 10 business days of subsequent month
- c) The amount of income accrued on daily basis on unclaimed amount beyond 3 years shall be transferred on a monthly basis  
(ie on or before 10th calendar day of subsequent month ) to the investor education scheme/folio

Provided that such schemes where the unclaimed redemption and IDCW amounts are deployed shall be only those Liquid scheme / Money Market Mutual Fund schemes which are placed in A-1 cell (Relatively Low Interest Rate Risk and Relatively Low Credit Risk) of Potential Risk Class matrix as as per para 17.5 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024.

AMCs shall not be permitted to charge any exit load in this plan and TER (Total Expense Ratio) of such plan shall be capped as per the TER of direct plan of such scheme or at 50bps whichever is lower. Investors who claim these amounts during a period of three years from the due date shall be paid initial unclaimed amount along with the income earned on its deployment. Investors who claim these amounts after 3 years, shall be paid initial unclaimed amount along with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education. AMC shall play a proactive role in tracing the rightful owner of the unclaimed amounts considering the steps suggested by regulator vide the referred circular.

As per SEBI Circular no. SEBI/HO/IMD/IMD-SEC-3/P/CIR/2025/15 dated February 12, 2025 a service platform for investors to trace inactive and unclaimed Mutual Fund folios- MITRA (Mutual Fund Investment Tracing and Retrieval Assistant) MITRA platform is developed and hosted by the QRTAs (CAMS and KFinTech) would be available through a link on the website of MF Central, AMCs, AMFI, the two QRTAs and SEBI.

MITRA platform will facilitate the investors with a searchable database of inactive and unclaimed Mutual Fund folios at an industry-level which will empower the investors on following manner:

Enable investors/ legal claimants to identify the overlooked investments or any investments made by any other person for which he/she may be rightful legal claimant.

Encourage investors to do KYC as per the current norms thus reducing the number of non-KYC compliant folios.

Contribute towards building a transparent financial ecosystem and will be reliable medium for investors to find their inactive and unclaimed Mutual Fund investments.

Build and incorporate mitigants against fraud risk

An inactive folio shall be defined as “Mutual Fund Folio(s) where no investor-initiated transaction/s (financial and non-financial) have taken place in the last 10 years, but unit balance is available”.

This portal would display only Fund Names and investor has to approach the respective MFs for more information.

**(x) AMC to have right to set off redemption/IDCW amounts**

The AMC shall have right to set-off IDCW amounts, redemption amounts or any other amounts that may be payable to an investor under the scheme:

- against redemption proceeds already paid by the AMC in respect of units created without realising the subscription amounts, and / or
- against any excess payment made to such investor, under the scheme or any other scheme of the mutual fund managed by the AMC in the same folio or any other folio of such investor in the Mutual fund.

**(xi) Use of Intermediaries for dispatch of IDCW and account statements**

The mutual fund needs to use intermediaries such as Post Office, courier, banks and other intermediaries for correspondence with investor and for making investment with investor by cheque, draft, warrants, Direct credit, RTGS / NEFT, through ECS etc. The investor expressly agrees and authorize mutual fund to correspond with the investor or make payment to the investor through intermediaries including but not limited to post office, local and international couriers and banks. The investor clearly understands the mutual fund uses such intermediaries for the convenience of the investor and such intermediaries are agents of the investor and not the mutual Fund. The fund is not responsible for delayed receipt or non-receipt of any correspondence or payment through such intermediaries.

**(xii) Disclosure to Intermediaries**

The Mutual Fund may disclose details of the investor's account and transactions thereunder to those intermediaries whose stamp appears on the application form/ transaction slips. The Mutual Fund may



disclose such details to the bankers, as may be necessary for the purpose of effecting payments to the investor.

**(xiii) Investors Personal Information**

The AMC may share Investors' personal information with the following third parties:

Registrar, Banks and / or authorised external third parties who are involved in transactions processing, despatches, etc., of investors' investment in the Scheme

- Distributors or Sub-brokers through whom applications of the investors are received for the Scheme or
- Any other organizations for compliance with any legal or regulatory requirements or to verify the identity of investor for complying with anti-money laundering requirements.

Account statements / financial information pertaining to the investor, if it is to be sent over the internet to the Unitholder, distributors or any other entity as indicated above, will be sent only through a secure means and / or through encrypted electronic mail.

**(xiv) Pledge of Units (except Kotak ELSS Tax Saver Fund and Kotak Gold Fund)**

The Units under the respective Scheme(s) (subject to completion of Lock-in Period, if any) may be offered as security by way of a pledge / charge in favour of scheduled banks, financial institutions, non-banking finance companies (NBFC's), or any other body. The AMC and / or the ISC will note and record such Pledged Units. A standard form for this purpose is available on request from any of the ISCs. The AMC shall mark a lien only upon receiving the duly completed form and documents as it may require. Disbursement of such loans will be at the entire discretion of the bank / financial institution / NBFC or any other body concerned and the Mutual Fund assumes no responsibility thereof.

The Pledger will not be able to redeem Units that are pledged until the entity to which the Units are pledged provides written authorisation to the Mutual Fund that the pledge / lien charge may be removed. As long as Units are pledged, the Pledgee will have complete authority to redeem such Units.

For units of the Scheme(s) held in electronic (demat) form, the rules of Depository applicable for pledge will be applicable for Pledge/Assignment of units of the Scheme(s).

Pledger and Pledgee must have a beneficial account with the Depository. These accounts can be with the same DP or with different DPS

**C. General Information**

**1. Inter Scheme Transfer of Investments**

Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if -

- a. such transfers are made at the prevailing market price for quoted Securities on spot basis (spot basis shall have the same meaning as specified by Stock Exchange for spot transactions.)
- b. the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
- c. the same are in line with Para 12.30 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024

**2. Aggregate investment in the scheme under the following categories**



In accordance with Paragraph on ‘Scheme Related Disclosures ‘of SEBI Master Circular for Mutual Funds dated June 27, 2024, please find below the aggregate investment in the respective schemes by Board of Directors of Kotak Asset Management Co Ltd. and Key Personnel as on 31<sup>st</sup> May’2025:

Scheme Name	Aggregate amount invested in the scheme as on May 31, 2025 ( Market Value in Rs. in Crs.)		
	AMC’s Board of Directors	Key Personnel (excluding Fund Manager)	Fund Manager
Kotak FMP Series 292	18.9274	0.0000	0.0000
Kotak Large Cap Fund	7.6454	0.8589	0.4027
Kotak Income Plus Arbitrage FOF	17.9446	0.0000	0.0013
Kotak Balanced Advantage Fund	10.9526	0.5416	1.5915
Kotak Aggressive Hybrid Fund	0.0927	0.1252	8.7279
Kotak Business Cycle Fund	0.0404	0.0488	0.1616
Kotak Banking and Financial Services Fund	0.0126	0.0133	0.0955
Kotak Bond Fund	0.0329	0.2220	0.0679
Kotak Bond Short Term Fund	550.6578	0.3059	0.4074
Kotak Credit Risk Fund	0.0188	0.0268	0.1654
Kotak Contra Fund	0.0502	0.0609	0.4933
Kotak Consumption Fund	0.0074	0.0778	0.0212
Kotak Arbitrage Fund	804.3757	0.9902	1.1674
Kotak ELSS Tax Saver Fund	0.0918	0.2756	0.1001
Kotak Midcap Fund	44.0729	2.5574	6.1854
Kotak Energy Opportunities Fund	0.0005	0.0003	0.0982
Kotak Equity Savings Fund	0.6737	0.1108	0.4240
Kotak ESG Exclusionary Strategy Fund	1.7643	0.0376	0.1599
Kotak Focused Fund	0.0602	0.1068	0.7101
Kotak Dynamic Bond Fund	57.1445	0.0591	0.0827
Kotak Money Market Fund	515.7251	0.3566	0.6028
Kotak Flexicap Fund	5.8027	3.3005	1.5227
Kotak Multi Asset Allocator Fund of Fund - Dynamic	3.7244	0.6480	0.0908
Kotak Savings Fund	482.7822	0.2595	0.4078
KOTAK FLOATING RATE FUND	0.0833	0.1167	0.1542
Kotak Global Emerging Market Fund	0.0000	0.0000	0.0111
Kotak Gold Fund	0.0000	0.0000	0.0440
Kotak Gilt Fund	49.1033	0.3817	0.0953
Kotak Global Innovation Fund of Fund	0.0000	0.0000	0.0544
Kotak Healthcare Fund	0.0030	0.0029	0.1027
Kotak Infrastructure and Economic Reform Fund	0.0274	0.0846	0.2668
Kotak International REIT FOF	0.0000	0.0000	0.0116
Kotak Long Duration Fund	0.0011	0.0009	0.0016
Kotak Liquid Fund	910.3590	0.6185	0.8595
Kotak Multicap Fund	0.1807	0.2152	1.0055

Kotak Small Cap Fund	1.0026	1.7519	0.8893
Kotak Manufacture in India Fund	0.0301	0.0364	0.1419
Kotak Debt Hybrid Fund	4.9322	0.0577	0.2662
Kotak Multi Asset Allocation Fund	0.0618	0.0698	0.3384
Kotak Medium Term Fund	0.0362	0.4105	0.3460
Kotak NASDAQ 100 Fund of Fund	0.0000	0.2624	0.0247
Kotak Nifty 200 Momentum 30 Index Fund	8.0070	0.0000	0.0000
Kotak MNC Fund	0.0077	0.0060	0.0904
Kotak Overnight Fund	0.0000	0.0000	0.0124
Kotak Nifty 50 Index Fund	1.7356	1.5276	0.0000
Kotak Nifty India Tourism Index Fund	0.0000	0.0048	0.0000
Kotak Nifty 100 Low Volatility 30 Index Fund	0.0000	0.1852	0.0000
Kotak Nifty Next 50 Index Fund	3.6616	1.1900	0.0000
Kotak Nifty Smallcap 50 Index Fund	0.0000	0.1913	0.0000
Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund	6.4337	0.0000	0.0000
Kotak Large & Mid cap Fund	18.3956	0.9391	1.2073
Kotak Pioneer Fund	0.0451	0.0600	0.2135
KOTAK TRANSPORTATION & LOGISTICS FUND	0.0013	0.0009	0.0087
Kotak Banking and PSU Debt Fund	1.4867	0.1346	0.1789
Kotak Quant Fund	1.4438	0.3433	1.4015
Kotak Special Opportunities Fund	0.0084	0.0077	0.0227
Kotak Low Duration Fund	0.1695	0.2507	0.3078
Kotak Corporate Bond Fund	46.5522	0.2304	0.3755
Kotak Technology Fund	0.0036	0.0033	0.0218

### 3. Dematerialisation and Rematerialisation procedures:

#### Procedure for conversion of units held in Statement of Account mode to Demat mode and vice versa

Following are the steps involved in case investors desire to convert their existing physical units (represented by statement of account) into dematerialized form:

- Investors can obtain Conversion Request Form (CRF) from their Depository Participant (DP) and submit duly filled in CRF along with the Statement of Account to their DP.
- After due verification, the DP would send the CRF and Statement of Account to the Asset Management Company (AMC) / Registrar and Transfer Agent (RTA).
- The AMC / RTA after due verification will confirm the conversion request executed by DP and the mutual fund units will be credit in your demat account.

Rematerialization of Units will be in accordance with the provisions of SEBI (Depositories & Participants) Regulations, 1996 as may be amended from time to time.

The procedure of Rematerialization:

- Investors need to approach their DP's and submit duly filed and signed Remat Request Form (RRF) form.
- The documents need to be filed along with KYC documents and self attested PAN copy.
- Upon verification , DP will send these documents to AMC/RTA for processing.

- Post verification, the AMC/RTA will confirm status of conversion to DP and mutual fund units will be extinguished from investors demat account. These demat unit then converted into physical (i.e. Statement of Account)

#### 4. ASBA Disclosures

##### **Additional Mode of Payment through Applications Supported by Blocked Amount (ASBA) (Only during NFO period):**

In line with para 14.8 of SEBI Master Circular dated June 27, 2024, all the new scheme (NFOs) launched by Kotak Mahindra Mutual Fund on or after October 1, 2010 shall offer ASBA facility to the investors subscribing to New Fund Offers (NFOs) of Kotak Mahindra Mutual Fund schemes. This facility shall coexist with the current process, wherein cheques are used as a mode of payment. Detailed procedure in this regard is incorporated in the Scheme Information Documents (SIDs) of the new schemes launched on or after October 1, 2010.

**Note for transactions done through the Stock Exchange:** As the units are issued through the depository system, the power attorney registered with depository participant shall be taken as final. Any changes therein can be done only through the depository system.

As per para 14.8 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated June 27, 2024, an investor can subscribe to the New Fund Offer (NFO) through ASBA facility. The ASBA facility is offered by selected Self Certified Syndicate Banks (SCSBs) which are registered with SEBI for offering the facility, and whose names appear in the list of SCSBs as displayed by SEBI on its website at [www.sebi.gov.in](http://www.sebi.gov.in).

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. On intimation of allotment by CAMS to the banker the investors account shall be debited to the extent of the amount due thereon. On allotment, units will be credited to the Investor's demat account as specified in the ASBA application form.

Grounds for rejection of ASBA applications

ASBA application forms can be rejected by the AMC/Registrar/ SCSBs, on the following technical grounds: -

Applications by persons not competent to contract under the Indian Contract Act, 1872, including but not limited to minors, insane persons etc.

Mode of ASBA i.e. either Physical ASBA or Electronic ASBA, not selected or ticked.

ASBA Application Form without the stamp of the SCSB.

Application by any person outside India if not in compliance with applicable foreign and Indian laws.

Bank account details not given/incorrect details given.

Duly certified Power of Attorney, if applicable, not submitted along with the ASBA application form.

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.

Insufficient funds in the investor's account.

Application accepted by SCSB and not uploaded on/with the Exchange/ Registrar.

5. **Portfolio Turnover Details**

- **Equity and FOF Schemes**

Portfolio Turnover is a term used to measure the volume of trading that occurs in a Scheme's portfolio during a given time period. The scheme being an open ended scheme, it is expected that there would be frequent subscriptions and redemptions. Hence, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. If trading is done frequently there may be an increase in transaction cost such as brokerage paid etc. The fund manager will endeavour to optimize portfolio turnover to maximize gains and minimize risks keeping in mind the cost associated with it. The Scheme has no specific target relating to portfolio turnover.

- **Index/ETF Schemes**

Portfolio Turnover is a term used to measure the volume of trading that occurs in a Scheme's portfolio during a given time period. The scheme being a passively managed open-ended index scheme, it is expected that there would be a number of subscriptions and redemptions on a daily basis. Hence, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. Generally, turnover will depend upon the extent of purchase and redemption of units and the need to rebalance the portfolio on account of change in the composition, if any, and corporate actions of securities included in the Index. The Scheme has no specific target relating to portfolio turnover.

- **Debt Schemes other than Kotak Dynamic Bond Fund**

Portfolio Turnover is a term used to measure the volume of trading that occurs in a Scheme's portfolio during a given time period. The Scheme has no specific target relating to turnover of securities, given the low liquidity in the debt market. However, the turnover is guided by sale and purchase of securities arising out of the purchase and redemption of Units. Trading opportunities may arise due to changes in system liquidity, interest rate policy announced by RBI, shifts in the yield curve, change or anticipation of change in the credit worthiness or credit rating of securities or any other factors, which may lead to increase in the turnover. The fund manager will endeavour to optimize portfolio turnover to maximize gains and minimize risks keeping in mind the cost associated with it. The Scheme has no specific target relating to portfolio turnover.

- **Kotak Dynamic Bond Fund**

Portfolio Turnover is a term used to measure the volume of trading that occurs in a Scheme's portfolio during a given time period. The Scheme has no specific target relating to turnover of securities. However, in view of the asset allocation pattern of the Scheme where the portfolio allocations could move across debt securities such as government securities, corporate bonds and the money market securities, the portfolio turnover could be on the higher side. The turnover is also due to the sale and purchase of securities arising out of the purchase and redemption of Units. Trading opportunities may arise due to changes in system liquidity, interest rate policy announced by RBI, shifts in the yield curve, change or anticipation of change in the credit worthiness or credit rating of securities or any other factors, which may lead to increase in the turnover. The fund manager will endeavour to optimize portfolio turnover to maximize gains and minimize risks keeping in mind the cost associated with it. The Scheme has no specific target relating to portfolio turnover.

- **Hybrid Schemes**

Portfolio Turnover is a term used to measure the volume of trading that occurs in a Scheme's portfolio during a given time period. The scheme being an open ended scheme, it is expected that there would be frequent subscriptions and redemptions. Hence, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. Trading opportunities may arise due to changes in system liquidity, interest rate policy announced by RBI, shifts in the yield curve, change or anticipation of change in the credit worthiness or credit rating of securities or any other factors, which may lead to increase in the turnover.. If trading is done frequently there may be an increase in transaction cost such as brokerage paid etc. The fund manager will endeavour to optimize portfolio turnover to maximize gains and minimize risks keeping in mind the cost associated with it. The Scheme has no specific target relating to portfolio turnover.

#### **6. Securities lending by the fund**

If permitted by SEBI under extant regulations/guidelines, the Trustee may permit the fund to engage in securities lending. Securities lending means the lending of securities to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio. The borrower will return the securities lent on the expiry of the stipulated period or the lender can call the same back i.e. the scheme before its expiry. The fund may lend the securities for a specific period, to generate better returns on those stocks, which are otherwise bought with the intention to hold the same for a longer period of time.

#### **7. Borrowing Power**

To meet the temporary liquidity needs of the Schemes for the purpose of repurchase, redemption, or payment of income to Unitholders, the Scheme may borrow in accordance with Regulation 44(2), with the prior approval of Trustees. The Fund may tie up with various banks/institutions for the above-mentioned facility. The Scheme may offer schemes assets as collateral against the borrowings and bear the interest and commitment charges charged on borrowings

### **D. Associate Transactions**

During the normal course of business, services of Sponsor and associate companies are utilized from time to time. There is no undue or unfair advantage given to any of the associates.

The policy for investing in group companies of the sponsor the Mutual Fund is as follows:

#### **a. Investment in security of an associate or group company**

As per Seventh Schedule of Mutual Funds Regulation, no mutual fund scheme shall make any investment in:

- (a) any unlisted security of an associate or group company of the sponsor; or
- (b) any security issued by way of private placement by an associate or group company of the sponsor; or
- (c) the listed securities of group companies of the sponsor which is in excess of 25 per cent of the net assets.

Above investment restrictions are strictly adhered to by KMAMC.

#### **b. Maximum exposure Per Group for investment in debt instruments**

Group limits will be as per prevailing SEBI regulations or such tighter norms as specified in the Debt Investment policy.

#### **c. Investment in Associate and Group companies**

It will be ensured that transactions with associate and group companies are carried out in normal course of business and at arm's length price and Fund Manager is guided by SEBI Regulations and internal provisions

applicable for investments in Group / Associate companies. FM always ensures interest of unit holders is paramount and always acts in the best interest of unit holders.

Specific monitoring of outlier trades is done for transactions with associate and group companies based on emails received from CRISIL and ICRA.

The purchase and sell transactions with broker associated with the sponsor shall be restricted to average of 5 per cent or more of the aggregate purchases and sale of securities made by the fund in all its schemes. The same shall be calculated on quarterly basis.

**Underwriting obligations with respect to issues of associate companies:**

The AMC has, till date not entered into any Underwriting contracts in respect of any public issue made by any of its associate companies.

**Subscriptions made in issues lead managed, arranged or book-running lead managed by associate companies:**

Following subscriptions have been made in issues lead managed, arranged or book-running lead managed by Kotak Mahindra Capital Company Limited during the period from April 01, 2020 to March 31, 2025.

**Financial Year 2024-25**

**Equity:**

<b>(Rs. In Lakhs)</b>														
<b>Scheme</b>	<b>Bajaj Housing Finance Ltd.</b>	<b>Braibe Solutions Limited</b>	<b>Brigade Enterprises Limited</b>	<b>Emcure Pharmaceuticals Limited</b>	<b>Ola Electric Mobility Limited</b>	<b>Premier Energies Limited</b>	<b>Western Carriers (India) Ltd</b>	<b>Cell World Limited</b>	<b>Samvardhana Motiherson International Limited</b>	<b>Hexaware Technologies Ltd</b>	<b>Hyundai Motors India Ltd</b>	<b>Sai Life Sciences Limited</b>	<b>Swiggy Ltd</b>	<b>Vishal Mega Mart Limited</b>
Kotak Banking and Financial Services Fund	1,566.61	-	-	-	-	-	-	-	-	-	-	-	-	-
Kotak Consumption Fund	-	1,465.23	-	-	-	-	-	-	-	-	-	-	1,293.93	2,499.99
Kotak Contra Fund	-	2,930.32	-	-	-	-	-	-	-	2,506.91	-	-	3,546.38	-
Kotak ELSS Tax Saver Fund	3,133.37	310.73	-	-	-	26.68	-	-	-	-	-	-	2,134.39	-

Kotak Healthcare Fund	-	-	-	494.77	-	-	-	-	-	-	-	966.61	-	-
Kotak Large Cap Fund	159.43	1,242.93	-	-	-	160.05	-	-	2,500.00	-	3,949.85	-	4,850.73	2,499.99
Kotak Balanced Advantage Fund	765.25	-	-	78.33	-	426.81	-	-	12,500.00	-	-	999.98	-	-
Kotak Business Cycle Fund	-	2,197.92	1,052.31	-	-	1,142.86	1,716.97	-	-	2,479.69	-	-	-	4,999.97
Kotak Infrastructure and Economic Reform Fund	-	-	1,973.08	-	-	1,244.22	-	-	-	-	-	-	-	-
Kotak Manufacture In India Fund	-	-	-	1,499.82	-	1,185.53	-	500.00	-	-	-	2,093.36	-	-
Kotak Large & Mid cap Fund	-	1,864.39	-	-	-	-	-	-	-	-	-	-	16,546.89	-
Kotak Pioneer Fund	-	2,197.92	-	-	-	-	-	-	-	-	-	-	-	-
Kotak Equity Savings Fund	433.64	1,553.66	-	459.09	7,919.19	373.46	-	-	-	-	-	-	-	-
Kotak Multi Asset Allocation Fund	-	-	-	305.46	4,949.47	-	-	-	-	-	-	-	4,743.11	-
Kotak Small Cap Fund	382.62	2,485.86	5,524.62	-	-	-	260.40	4,500.01	-	-	-	-	4,743.11	623.45
Kotak Flexicap Fund	-	3,262.68	-	-	-	106.70	-	-	-	-	19,749.94	-	15,059.46	-
Kotak Special	-	2,699.35	-	-	-	-	-	-	-	-	-	-	-	-



Opportunities Fund														
Kotak Technology Fund	-	976.87	-	-	-	-	-	-	-	1,201.06	-	-	730.77	-
Kotak Midcap Fund	-	-	-	-	-	-	-	-	-	18,909.55	-	-	-	6,558.60
Kotak Equity Saving Fund	-	-	-	-	-	-	-	-	-	-	-	-	14,229.41	-
Kotak Focused Fund	-	-	-	-	-	-	-	-	-	-	2,962.42	-	-	-
Kotak MNC Fund	-	-	-	-	-	-	-	-	-	-	-	915.98	5,241.14	-
Kotak Multicap Fund	-	-	-	-	-	-	-	-	-	-	-	-	5,174.11	-
Kotak Debt Hybrid Fund	76.52	932.19	-	78.33	3,464.63					523.08			1,067.19	54.55

**Debt:**

Scheme	PTC Dhruva Trust	National Bank for Agriculture and Rural Development
Kotak Credit Risk Fund	500.00	-
Kotak Floating Rate Fund	7,500.00	1,000.00
Kotak Low Duration Fund	9,500.00	-
Kotak Medium Term Fund	2,500.00	1,000.00
Kotak Banking And PSU Debt Fund	-	1,000.00
Kotak Bond Short Term Fund	-	16,000.00
Kotak Corporate Bond Fund	-	16,000.00

**Financial Year 2023-24**
**Equity:**
**(Rs.in Lakhs)**

Scheme	Mankind Pharma Ltd	SBFC Finance Ltd	Signature Global Ltd	Utkarsh Small Finance Bank Ltd	Federal Bank Ltd.	India Shelter Finance Corporation Ltd
Kotak Aggressive Hybrid Fund	-	9,999.94	-	-	-	
Kotak Banking and Financial Services Fund	-	917.65	-	1,085.55	-	999.95
Kotak Contra Fund	-	-	1,500.01	-	-	-
Kotak Tax Saver Fund	6,999.92	-	-	-	-	-
Kotak Midcap Fund	53,004.23	-	-	-	3,000.00	-
Kotak Large Cap Fund	4,999.92	-	-	-	-	-
Kotak Balanced Advantage Fund	32,999.90	-	-	-	-	-
Kotak Business Cycle Fund	-	684.54	-	-	-	-
Kotak Large & Mid cap Fund	11,201.67	-	-	-	-	-
Kotak Equity Savings Fund	16,139.96	-	-	-	-	-
Kotak Small Cap Fund	-	24,999.86	-	-	-	-
Kotak Multicap Fund	-	-	3,480.92	24,942.00	-	-
Kotak Flexicap Fund	14,999.91	-	-	-	-	-
Kotak Multi Asset Allocation Fund	-	-	--		-	1,000.10
Kotak Debt Hybrid Fund	16,989.94	-	240.51	-	-	-

#### Debt:

Scheme	Century Textiles & Industries Ltd.	Godrej Properties Limited	Indiavita Trust	Performance Chemise Limited	Indian Railway Finance Corporation Ltd.	Nirma Ltd.	Pipeline Infrastructure Limited	Prestige Projects Pvt. Ltd	Rural Electrification Corporation Ltd.	Titan Company Ltd.	National Bank For Agriculture & Rural Development	Small Industries Development Bank Of India
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Kotak Credit Risk Fund	4,200.00	-	-	5,000.00	-	2,002.28	-	4,000.00	-	-	-	5,000.00
Kotak Savings Fund	-	-	15,000.00	-	-	20,003.00	-	-	-	10,005.50	-	
Kotak Low Duration Fund	-	10,000.00	15,000.00	-	10,000.00	12,511.16	-	-	-	22,508.00	-	
Kotak Medium Term Fund	5,000.00	-	-	-	-	3,504.56	5,054.50	6,000.00	-	-	-	5,000.00
Kotak FMP Series 308	800.00	-	-	-				-	-	-	-	-
Kotak Bond Short Term Fund	-	-	-	-	10,000.00	-	-	-	10,000.00	-	10,000.00	20,000.00
Kotak Corporate Bond Fund	-	-	-	-	10,000.00	-	19,803.80	-	30,000.00	-	20,000.00	10,000.00
Kotak Floating Rate Fund	-	-	-	-	-	-	15,007.28	-	-	-	-	
Kotak Banking and PSU Debt Fund	-	-	-	-	10,000.00	-	-	-	10,000.00	-	10,000.00	10,000.00
Kotak Debt Hybrid Fund	-	-	-	-	-	-	-	-	2,500.00	-	-	

## Financial Year 2022-23

### Equity :

(Rs. In Lakhs)

Company Name	Kotak Equity Hybrid Fund	Kotak India EQ Contra Fund	Kotak Midcap Equity Fund	Kotak Large Cap Fund	Kotak Balanced Advantage Fund	Kotak Debt Hybrid Fund	Kotak Large & Midcap Fund	Kotak Equity Savings Fund	Kotak Small Cap Fund	Kotak Flexicap Fund	Kotak Business Cycle Fund
Aether Industries Ltd.	-	-	-	-	-	834.29	2,101.35	834.29	933.35	-	-

Life Insurance Corporation Of India	99 9.8 7	1,99 9.88	4,999.90	2,99 9.88	2,999 .88	49 9.9 3	2,999.88	4,49 9.97	-	2,99 9.88	-
Bikaji Foods International Ltd.	-	-	-	-	-	-	-	-	-	-	89 7.4 2
Global Health Ltd.	-	-	-	-	-	-	-	1,07 1.01	-	-	-
<b>Grand Total</b>	<b>99 9.8 7</b>	<b>1,99 9.88</b>	<b>4,999.90</b>	<b>2,99 9.88</b>	<b>2,999 .88</b>	<b>1,33 4.22</b>	<b>5,101.23</b>	<b>6,40 5.27</b>	<b>93 3. 35</b>	<b>2,99 9.88</b>	<b>89 7.4 2</b>

#### Financial Year 2022-23

##### Debt :

(Rs. In Lakhs)

	Amount Subscribed (Rs. in Lakhs)			
Company Name	Kotak Bond Short Term Fund	Kotak Corporate Bond Fund	Kotak Banking and PSU Debt Fund	Kotak Medium Term Fund
Small Industries Development Bank Of India	10,000.00	-	10,000.00	-
Small Industries Development Bank Of India	35,000.00	25,000.00	25,000.00	-
National Bank For Agriculture & Rural Development	20,000.00	20,000.00	-	5,000.00
<b>Grand Total</b>	<b>65,000.00</b>	<b>45,000.00</b>	<b>35,000.00</b>	<b>5,000.00</b>

#### Financial Year 2021-22 Equity Shares:

Company Name	Kotak Equity Hybrid Fund	Kotak India EQ Contra Fund	Kotak Tax Saver Fund	Kotak Midcap Fund	Kotak ESG Opportunities Fund	Kotak Blue Chip Fund	Kotak Balanced Advantage Fund	Kotak Focused Fund	Kotak Debt Hybrid Fund	Kotak Large & Midcap Fund
Embassy Office Park REITS	-		-	--	-	-	7,50 0.00	-	2,50 0.00	-

FSN E- Com mer ce Vent ures Ltd	94 .5 5	<u>51</u> <u>4.8</u> 9 -	<u>4,21</u> <u>3.12</u>	<u>1,</u> <u>72</u> <u>7.</u> <u>99</u> 11 ,7 87 .3 3	-	<u>98.5</u> <u>1</u>	<u>3,28</u> <u>3.51</u>	-	<u>73</u> <u>0.6</u> <u>7</u>	<u>26</u> <u>2.6</u> <u>8</u>  6, 80 5. 74
Adit ya Birl a Sun Life AM C Ltd	-	19 9.9 3	199. 93	20 0. 07	-	=	200. 07	-	=	=
Clea n Scie nce and Tec hnol ogy Ltd	83 .0 7	62. 93	-	-	64 2. 02	24.9 1	375. 61	-	24 2.4 6	=
Car Trad e Tec h Ltd.	-	-	-	-	-	-	-	-	-	=

G R Infraprojects Ltd.	-	122.41	380.32	-	-	-	86.26	-	174.67	129.40
Sona BLW Precision Forgings Ltd	-	-	-	-	-	-	-	-	-	-
Zomato Ltd.	405.79	-	81.16	-	54.10	175.84	2,164.23	429.57	194.64	703.37
<b>Grand Total</b>	<b>583.41</b>	<b>900.16</b>	<b>9,022.12</b>	<b>15,821.54</b>	<b>790.67</b>	<b>1,132.27</b>	<b>14,555.15</b>	<b>916.65</b>	<b>4,050.76</b>	<b>8,279.38</b>

Company Name	Kotak Pioneer Fund	Kotak Equity Savings Fund	Kotak Multi cap Fund	Kotak Flexicap Fund	Kotak Corporate Bond Fund	Kotak Floating Rate Fund	Kotak Medium Term Fund	Kotak India Growth Fund Series 4	Kotak Infrastructure and Economic Reform Fund	Kotak Small Cap Fund
Embassy Office Parks REITS	-	-	-	-	10,000.00	10,000.00	10,000.00	-	-	-
FSN E-Commerce Ventures Ltd	47.22	292.04	1,122.77	944.79	-	-	-	-	-	-
PB Fintech Ltd	789.70	-	1,797.18	656.70	-	-	-	-	-	-
Vedant Fashions Ltd	-	-	-	-	-	-	-	-	-	-
Aditya Birla Sun Life AMC Ltd	-	200.07	-	-	-	-	-	-	-	-
Clean Science and Technology Ltd	414.95	-	-	83.07	-	-	-	-	-	795.42

CarTrade Tech Ltd.	2,624.95	-	-	-	-	-	-	-	-	-
G R Infraprojects Ltd.	-	-	-	-	-	-	-	-	302.29	413.92
Sona BLW Precision Forgings Ltd.	1,460.06	-	-	-	-	-	-	-	-	-
Zomato Ltd.	1,055.22	311.10	-	9,862.59	-	-	-	130.56	-	-
<b>Grand Total</b>	<b>6,392.10</b>	<b>803.22</b>	<b>2,919.96</b>	<b>11,547.14</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>130.56</b>	<b>302.29</b>	<b>1,209.34</b>

**Financial Year 2021-22 Debt:**

	Amount Subscribed (Rs. in Lakhs)						
Company Name	Kotak Bond Short Term	Kotak Savings Fund	Kotak Corporate Bond Fund	Kotak Floating Rate Fund	Kotak Banking and PSU Debt Fund	Kotak Low Duration Fund	Kotak Medium Term Fund
Kirloskar Ferrous Industries Ltd	-	-	-	-	-	12,500.00	-
Rural Electrification Corporation Ltd	16,000.00	16,000.00	16,000.00	16,000.00	16,000.00	16,000.00	-
National Bank for Agriculture and Rural Development	14,000.00	-	10,500.00	-	7,000.00	-	3,500.00
Shriram Transport Finance Company Ltd.	-	-	-	-	-	30,000.00	-
<b>Grand Total</b>	<b>30,000.00</b>	<b>16,000.00</b>	<b>26,500.00</b>	<b>16,000.00</b>	<b>23,000.00</b>	<b>58,500.00</b>	<b>3,500.00</b>



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

Name of associate / 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 the fund)		Brokerage (Rs. Cr. & % of total brokerage paid by the fund)	
			Rs. (Cr.)	%	Rs. (Cr.)	%
Kotak Securities Ltd	Associate	2024-25	97,313.82	3.31	14.75	4.05
Kotak Securities Ltd	Associate	2023-24	57,254.96	3.14	10.16	4.98
Kotak Securities Ltd.	Associate	2022-23	41,585.16	2.96	8.06	5.74
Kotak Securities Ltd.	Associate	2021-22	49,617.69	3.46	9.59	7.42

**Commission paid to associates/related parties/group companies of Sponsor/AMC: For the financial year 2024-25**

Name of the associate/related parties/ group companies of the Sponsor/AMC	Nature of Association / Nature of relation	Period covered	Value of transaction (in Rs. Cr. & % of total value of transaction of the fund)		Commission paid (Rs & % of total commission paid by the fund)	
			(Rs in Crs)	%	(Rs in Crs)	%
Kotak Mahindra Asset Management Company (PMS)	Associate	2024-25	-	-	-	-
Kotak Mahindra Bank Ltd.	Sponsor	2024-25	9,607.48	4.89	132.59	5.75
Kotak Securities Ltd	Associate	2024-25	216.47	0.11	3.67	0.16
Kotak Mahindra (International) Ltd	Associate	2024-25	-	-	-	-
Kotak Mahindra	Associate	2024-25	-	-	-	-

Asset Management Singapore PTE Ltd						
Chintan Ashwin Shah	(Employee/Relative)	2024-25	1.39	#	0.25	0.01
Credos Capital Services LLP	(Employee/Relative)	2024-25	4.32	#	0.01	#

# Less than Rs. 0.005 Crores or 0.005%

**Commission paid to associates/related parties/group companies of Sponsor/AMC: For the financial year 2023-24**

Name of associate/ 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 the fund)		Commission paid (Rs. & % of total commission paid by the fund)	
			Rs. (Cr.)	%	Rs. (Cr.)	%
Kotak Mahindra Asset Management Company (PMS)	Associate	2023-24	#	#	-	-
Kotak Mahindra Bank Ltd.	Sponsor	2023-24	7,852.24	4.45	103.61	6.05
Kotak Securities Ltd	Associate	2023-24	0.69	#	2.87	0.17
Kotak Mahindra (International) Ltd	Associate	2023-24	-	-	#	#
Kotak Mahindra Asset Management Singapore PTE Ltd	Associate	2023-24	-	-	-	-
Chintan Ashwin Shah	(Employee/Relative)	2023-24	1.60	#	0.21	0.01

# Less than Rs. 0.005 Crores or 0.005%

**Commission paid to associates/related parties/group companies of Sponsor/AMC: For the financial year 2022-23**

Name of associate/ 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 the fund)		Commission paid (Rs. & % of total commission paid by the fund)	
			Rs. (Cr.)	%	Rs. (Cr.)	%
Kotak Mahindra Bank Ltd.	Sponsor	2022-23	7,456.48	4.14	90.43	6.50
Kotak Securities Ltd	Associate	2022-23	145.31	0.08	2.78	0.20
Kotak Mahindra (International) Ltd	Associate	2022-23	-	-	#	#
Kotak Mahindra Asset Management Singapore PTE Ltd	Associate	2022-23	-	-	#	#
Chintan Ashwin Shah	(Employee/ Relative)	2022-23	2.21	#	0.18	0.01

# Less than Rs. 0.005 Crores or 0.005%

**Commission paid to associates/related parties/group companies of Sponsor/AMC: For the financial year 2021-22**

Name of associate / 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 the fund)		Commission paid (Rs. & % of total commission paid by the fund)	
			Rs. (Cr.)	%	Rs. (Cr.)	%
Kotak Securities Ltd	Associate	2021-22	209.11	0.26	2.44	0.39
Kotak Mahindra Bank Ltd.	Sponsor	2021-22	7,164.54	8.94	85.41	13.85
Kotak Mahindra (International) LTD	Associate	2021-22	-	-	0.06	0.01
Kotak Mahindra Assets Management Singapore PTE Ltd	Associate	2021-22	-	-	0.03	#

Chintan Ashwin Shah	(Employee/Relative)	2021-22	6.14	0.01	0.16	0.01
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These transactions were made at arms length and within the limits set by the Regulations, wherever applicable.

#### **E. Documents Available for Inspection**

The following documents will be available for inspection at the office of the Mutual Fund at 6th Floor Kotak Towers Building No 21, Infinity Park , Off W. E. Highway Goregaon - Mulund Link Road, Malad (East) Mumbai 400097 during business hours on any day (excluding Saturdays, Sundays and public holidays):

- Memorandum and Articles of Association of the AMC
- Investment Management Agreement
- Trust Deed and amendments thereto, if any
- Mutual Fund Registration Certificate
- Agreement between the Mutual Fund and the Custodian
- Agreement with Registrar and Share Transfer Agents
- Consent of Auditors to act in the said capacity
- Consent of Legal Advisors 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.

#### **F. Investor Grievances Redressal Mechanism**

History of Investor Queries/ Complaints for the period April 01, 2025 to May 31, 2025. These were mostly in the nature of issues and complaints and were attended to as follows:

Financial Year	2025-26 (April 01, 2025- May 31,2025)			2024-25			2023-24			2022-23			2021-22		
Scheme name	Compl aints Rec eived	Com plain ts Redr essed	Com plain ts Pend ing	Com plain ts Rece ived	Compl aints Redre ssed	Compl aints Pendin g	Compl aints Receiv ed	Compl aints Redre ssed	Com plain ts Pend ing	Compl aints Recei ved	Compl aints Redres sed	Co mpl aints s Pen ding	Com plain ts Recei ved	Com plain ts Redr essed	Com plain ts Pend ing
Kotak Large Cap Fund	2	2	0	21	21	0	36	34	2	56	55	1	67	65	2
Kotak Aggressive Hybrid Fund	0	0	0	11	11	0	18	18	0	21	21	0	25	25	0
Kotak Bond Fund	0	0	0	2	2	0	2	2	0	3	3	0	1	1	0
Kotak Bond Short Term Fund	0	0	0	1	1	0	2	2	0	3	3	0	6	6	0
Kotak Contra Fund	1	1	0	16	16	0	12	12	0	10	10	0	6	6	0
Kotak Credit Risk Fund	0	0	0	2	2	0	2	2	0	3	3	0	-	-	-
Kotak Midcap Fund	13	13	0	129	129	1	191	188	3	198	195	3	159	158	1
Kotak Arbitrage Fund	1	1	0	21	21	2	16	16	0	17	17	0	15	15	0
Kotak Equity Savings Fund	0	0	0	13	13	0	10	10	0	7	7	0	7	7	0

Financial Year	2025-26 (April 01, 2025- May 31,2025)			2024-25			2023-24			2022-23			2021-22		
Scheme name	Compl aint s Rec eive d	Com plain ts Redr essed	Com plain ts Pend ing	Com plain ts Recei ved	Compl aints Redre ssed	Compl aints Pendin g	Compl aints Receiv ed	Compl aints Redre ssed	Com plain ts Pend ing	Comp l aints Recei ved	Compl aints Redres sed	Co mpl aint s Pen ding	Com plain ts Recei ved	Com plain ts Redr essed	Com plain ts Pend ing
Kotak Dyna mic Bond Fund	0	0	0	1	1	0	3	3	0	2	2	0	1	1	0
Kotak Savin gs Fund	0	0	0	9	9	0	19	19	0	19	19	0	17	17	0
Kotak Mone y Marke t Fund	0	0	0	4	4	0	2	2	0	4	4	0	4	4	0
Kotak Banki ng and PSU Debt Fund	0	0	0	1	1	0	1	1	0	-	-	-	3	3	0
Kotak Global Emerging Market Fund	1	1	0	1	1	0	3	3	0	1	1	0	8	8	0
Kotak Debt Hybri d Fund	1	1	0	7	7	0	2	2	0	11	11	0	9	9	0
Kotak Liqui d Fund	3	3	0	14	14	0	12	12	0	25	25	0	27	27	0

Financial Year	2025-26 (April 01, 2025- May 31,2025)			2024-25			2023-24			2022-23			2021-22		
Scheme name	Compl aint s Recei ved	Com plain ts Redr essed	Com plain ts Pend ing	Com plain ts Recei ved	Compl aints Redre ssed	Compl aints Pend ing	Compl aints Recei ved	Compl aints Redre ssed	Com plain ts Pend ing	Compl aints Recei ved	Compl aints Redre ssed	Compl aint s Pend ing	Com plain ts Recei ved	Com plain ts Redr essed	Com plain ts Pend ing
Kotak Small Cap Fund	4	4	0	47	47	0	92	91	1	133	132	1	148	148	0
Kotak Large & Mid cap Fund	4	4	0	61	61	0	93	93	0	76	75	1	67	67	0
Kotak Flexicap Fund	9	9	0	57	57	0	106	105	1	177	175	2	204	204	0
Kotak ELSS Tax Saver Fund	2	2	0	36	36	0	76	74	2	96	96	0	90	88	2
Kotak Gold Fund	1	1	0	4	4	0	4	4	0	3	3	0	14	14	0
Kotak Medium Term Fund	0	0	0	2	2	0	2	2	0	3	3	0	6	6	0
Kotak Infrastructure & Economic Refor	0	0	0	12	12	0	13	13	0	5	5	0	3	3	0



Financial Year	2025-26 (April 01, 2025- May 31,2025)			2024-25			2023-24			2022-23			2021-22		
Scheme name	Compl aint s Recei ved	Com plain ts Redr essed	Com plain ts Pend ing	Com plain ts Recei ved	Compl aints Redre ssed	Compl aints Pendin g	Compl aints Receiv ed	Compl aints Redre ssed	Com plain ts Pend ing	Comp l aints Recei ved	Compl aints Redres sed	Co mpl aint s Pen ding	Com plain ts Recei ved	Com plain ts Redr essed	Com plain ts Pend ing
m Fund															
Kotak World Gold Fund	0	0	0	-	-	-	-	-	-	-	-	-	1	1	0
Kotak Multi Asset Allocator FOF Dynamic	0	0	0	3	3	0	3	3	0	2	2	0	3	3	0
Kotak Gilt Fund	0	0	0	2	2	0	2	2	0	3	3	0	2	2	0
Kotak Gold ETF	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-
Kotak Corporate Bond Fund	0	0	0	1	1	0	-	-	-	2	2	0	5	5	0
Kotak FMP Series 189	0	0	0	-	-	-	-	-	-	-	-	-	1	1	0
Kotak Low Duration Fund	3	3	0	22	22	0	27	27	0	25	25	0	56	56	0
Kotak FMP	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-

Financial Year	2025-26 (April 01, 2025- May 31,2025)			2024-25			2023-24			2022-23			2021-22		
Scheme name	Compl aint s Rec eive d	Com plain ts Redr essed	Com plain ts Pend ing	Com plain ts Rece ived	Compl aints Redre ssed	Compl aints Pendin g	Compl aints Receiv ed	Compl aints Redre ssed	Com plain ts Pend ing	Comp laints Recei ved	Compl aints Redres sed	Co mpl aint s Pen ding	Com plain ts Recei ved	Com plain ts Redr essed	Com plain ts Pend ing
Series 202															
Kotak FMP Series 204	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-
Kotak India Growth Fund Series 4	0	0	0	-	-	-	-	-	-	1	1	0	3	3	0
Kotak India Growth Fund Series 5	0	0	0	-	-	-	-	-	-	-	-	-	1	1	0
Kotak Balanced Advantage Fund	1	1	0	15	15	0	33	33	0	40	40	0	56	56	0
Kotak Focus ed Fund	0	0	0	4	4	0	9	9	0	23	22	1	27	27	0
Kotak Overnight Fund	0	0	0	3	3	0	3	3	0	1	1	0	4	4	0
Kotak Pione	0	0	0	5	5	0	9	9	0	10	10	0	38	38	0

Financial Year	2025-26 (April 01, 2025- May 31, 2025)			2024-25			2023-24			2022-23			2021-22		
Scheme name	Complaints Received	Complaints Redressed	Complaints Pending	Complaints Received	Complaints Redressed	Complaints Pending	Complaints Received	Complaints Redressed	Complaints Pending	Complaints Received	Complaints Redressed	Complaints Pending	Complaints Received	Complaints Redressed	Complaints Pending
er Fund															
Kotak Capital Protection Oriented Fund Series I	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-
Kotak ESG Exclusionary Strategy Fund	0	0	0	1	1	0	2	2	0	4	4	0	7	6	1
Kotak Floating Rate Fund	0	0	0	1	1	-	1	1	0	-	-	-	5	5	0
Kotak International REIT FOF	0	0	0	1	1	0	1	1	0	3	3	0	6	6	0
Kotak FMP Series 287	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-

Financial Year	2025-26 (April 01, 2025- May 31,2025)			2024-25			2023-24			2022-23			2021-22		
Scheme name	Compl aint s Rece ived	Com plain ts Redr essed	Com plain ts Pend ing	Com plain ts Rece ived	Compl aints Redre ssed	Compl aints Pendin g	Compl aints Receiv ed	Compl aints Redre ssed	Com plain ts Pend ing	Compl aints Recei ved	Compl aints Redres sed	Compl aint s Pen ding	Com plain ts Recei ved	Com plain ts Redr essed	Com plain ts Pend ing
Kotak FMP Series 289	0	0	0	-	-	-	-	-	-	-	-	-	1	1	0
Kotak FMP Series 293	0	0	0	-	-	-	-	-	-	-	-	-	1	1	0
Kotak FMP Series 295	0	0	0	-	-	-	-	-	-	1	1	0	-	-	-
Kotak FMP Series 304	0	0	0	-	-	-	-	-	-	1	1	0	-	-	-
Kotak NAS DAQ 100 Fund of Fund	0	0	0	2	2	0	8	8	0	24	23	1	17	17	0
Kotak Nifty 50 Index Fund	1	1	0	6	6	0	4	4	0	8	8	0	14	13	1
Kotak Nifty Next 50 Index Fund	0	0	0	2	2	0	-	-	-	5	5	0	5	5	0

Financial Year	2025-26 (April 01, 2025- May 31,2025)			2024-25			2023-24			2022-23			2021-22		
Scheme name	Compl aint s Rec eive d	Com plain ts Redr essed	Com plain ts Pend ing	Com plain ts Rece ived	Compl aints Redre ssed	Compl aints Pendin g	Compl aints Receiv ed	Compl aints Redre ssed	Com plain ts Pend ing	Comp laints Recei ved	Compl aints Redres sed	Co mpl aint s Pen ding	Com plain ts Recei ved	Com plain ts Redr essed	Com plain ts Pend ing
Kotak Global Innovation FOF	0	0	0	2	2	0	5	5	0	10	10	0	39	39	0
Kotak Multi cap Fund	8	8	0	132	132	0	100	97	3	45	44	1	66	66	0
Kotak Midcap 50 ETF	0	0	0	-	-	-	-	-	-	-	-	-	2	2	0
Kotak Nifty Alpha 50 ETF	1	1	0	-	-	-	-	-	-	-	-	-	3	3	0
Kotak Manufacture in India Fund	1	1	0	20	20	0	14	14	0	14	14	0	13	13	0
Kotak Business Cycle Fund	1	1	0	6	6	0	11	11	0	34	33	1	-	-	-
Kotak Nifty SDL APR 2032	0	0	0	-	-	-	-	-	-	1	1	0	-	-	-

Financial Year	2025-26 (April 01, 2025- May 31,2025)			2024-25			2023-24			2022-23			2021-22		
Scheme name	Compl aint s Rec eive d	Com plain ts Redr essed	Com plain ts Pend ing	Com plain ts Rece ived	Compl aints Redre ssed	Compl aints Pendin g	Compl aints Receiv ed	Compl aints Redre ssed	Com plain ts Pend ing	Comp laints Recei ved	Compl aints Redres sed	Co mpl aint s Pen ding	Com plain t s Recei ved	Com plain ts Redr essed	Com plain ts Pend ing
top 12 Equal Weig htInde x Fund															
Kotak Nifty SDL APR 2027 top 12 Equal Weig ht Index Fund	0	0	0	3	3	0	3	3	0	2	2	0	-	-	-
Kotak Banki ng & Finan cial Servic es Fund	1	1	0	6	6	0	8	8	0	3	3	0	-	-	-
Kotak BSE PSU Index Fund	0	0	0	6	6	0	-	-	-	-	-	-	-	-	-
Kotak Silver ETF	0	0	0	-	-	-	-	-	-	1	1	0	-	-	-
Kotak Nifty Smallca	0	0	0	1	1	0	1	1	0	-	-	-	-	-	-

Financial Year	2025-26 (April 01, 2025- May 31,2025)			2024-25			2023-24			2022-23			2021-22		
Scheme name	Compl aint s Rec eive d	Com plain ts Redr essed	Com plain ts Pend ing	Com plain ts Rece ived	Compl aints Redre ssed	Compl aints Pendin g	Compl aints Receiv ed	Compl aints Redre ssed	Com plain ts Pend ing	Comp laints Recei ved	Compl aints Redres sed	Co mpl aint s Pen ding	Com plain t s Recei ved	Com plain ts Redr essed	Com plain ts Pend ing
p 50 Index Fund															
Kotak Nifty 200 Momentum 30 Index Fund	0	0	0	3	3	0	3	3	0	-	-	-	-	-	-
Kotak Nifty 100 Low Volatility 30 Index Fund	0	0	0	1	1	0	-	-	-	-	-	-	-	-	-
Kotak Multi Asset Allocation Fund	1	1	0	26	26	0	56	56	0	-	-	-	-	-	-
Kotak Consumption Fund	0	0	0	14	14	0	9	9	0	-	-	-	-	-	-
Kotak Quant Fund	1	1	0	2	2	0	-	-	-	-	-	-	-	-	-
Kotak Nifty Midcap 50 Index Fund	0	0	0	2	2	0	-	-	-	-	-	-	-	-	-



Financial Year	2025-26 (April 01, 2025- May 31,2025)			2024-25			2023-24			2022-23			2021-22		
Scheme name	Compl aint s Recei ved	Com plain ts Redr essed	Com plain ts Pend ing	Com plain ts Recei ved	Compl aints Redre ssed	Compl aints Pend ing	Compl aints Recei ved	Compl aints Redre ssed	Com plain ts Pend ing	Compl aints Recei ved	Compl aints Redres sed	Co mpl aint s Pen ding	Com plain ts Recei ved	Com plain ts Redr essed	Com plain ts Pend ing
Kotak Health care Fund	3	3	0	1	1	0	7	7	0	-	-	-	-	-	-
Kotak Technology Fund	0	0	0	14	14	0	10	9	1	-	-	-	-	-	-
Kotak Special Opportunities Fund	0	0	0	41	41	0									
Kotak Nifty Midcap 150 Momentum 50 Index Fund	0	0	0	2	2	0	-	-	-	-	-	-	-	-	-
Kotak Nifty India Tourism Index Fund	0	0	0	1	1	0	-	-	-	-	-	-	-	-	-
Kotak Nifty Financial Services Ex Bank Index Fund	0	0	0	2	2	0									

Financial Year	2025-26 (April 01, 2025- May 31,2025)			2024-25			2023-24			2022-23			2021-22		
Scheme name	Compl aint s Rec eive d	Com plain ts Redr essed	Com plain ts Pend ing	Com plain ts Recei ved	Compl aints Redre ssed	Compl aints Pendin g	Compl aints Receiv ed	Compl aints Redre ssed	Com plain ts Pend ing	Compl aints Recei ved	Compl aints Redres sed	Compl aint s Pen ding	Com plain ts Recei ved	Com plain ts Redr essed	Com plain ts Pend ing
Kotak MNC Fund	3	3	0	33	33	0	-	-	-	-	-	-	-	-	-
Kotak Trans portati on & Logist ics Schm e	0	0	0	8	8	0	-	-	-	-	-	-	-	-	-
Kotak Nifty Small cap 250 Index Fund				1	1	0	-	-	-	-	-	-	-	-	-
Kotak Energ y Oppor tunitie s Fund	2	2	0												
Multi ple Sche mes*	0	0	0	4 2	42	0	4 7	4 7	0	4 8	48	0	1 0 5	1 0 4	1
NA - Non- Actio nable	1	1	0	7	7	0	2	2	-	5	5	0	3	3	0
Kotak Uncla im	0	0	0	-	-	-	-	-	-	-	-	-	4	4	0

Financial Year	2025-26 (April 01, 2025- May 31, 2025)			2024-25			2023-24			2022-23			2021-22		
Scheme name	Compl aint s Recei ved	Com plain ts Redr essed	Com plain ts Pend ing	Com plain ts Recei ved	Compl aints Redre ssed	Compl aints Pendin g	Compl aints Receiv ed	Compl aints Redre ssed	Com plain ts Pend ing	Compl aints Recei ved	Compl aints Redres sed	Co mpl aint s Pen ding	Com plaint s Recei ved	Com plain ts Redr essed	Com plain ts Pend ing
IDC W Transitory Scheme															
Kotak Uncla im IDC W stable Scheme	0	0	0	1	1	0	-	-	-	-	-	-	-	-	-
Kotak Uncla im Rede mption Transitory Scheme	1	1	0	3	3	0	1	1	0	3	3	0	2	2	0
Kotak Uncla imed Rede mption Stable Scheme	0	0	0	1	1	0	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>73</b>	<b>73</b>	<b>0</b>	<b>919</b>	<b>919</b>	<b>0</b>	<b>1096</b>	<b>1083</b>	<b>13</b>	<b>1193</b>	<b>1181</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>8</b>

Financial Year	2025-26 (April 01, 2025- May 31,2025)			2024-25			2023-24			2022-23			2021-22		
Scheme name	Compl aint s Rec eive d	Com plain ts Redre ssed	Com plain ts Pend ing	Com plain ts Rece ived	Compl aints Redre ssed	Compl aints Pend ing	Compl aints Receiv ed	Compl aints Redre ssed	Com plain ts Pend ing	Compl aints Recei ved	Compl aints Redres sed	Compl aint s Pen ding	Com plain ts Recei ved	Com plain ts Redr essed	Com plain ts Pend ing
													79	71	

Remarks:

SN	Year	Received during the year	Redressed during the year	Pending at the end of the year	Remark
1	2020-21	482	481	1	1 pending case of 2020-21 redressed in 2021-22 which in not included in " Redressed count".
2	2021-22	1379	1371	8	8 pending cases of 2021-22 redressed in 2022-23 and the same were not included in " Redressed count".
3	2022-23	1193	1181	12	12 pending cases of 2022-23 redressed in 2023-24 and the same were not included in " Redressed count".
4	2023-24	1096	1083	13	13 pending cases of 2023-24 redressed in 2024-25 and the same were not included in " Redressed count".
5	2024-25	919	919	0	
6	2025-26 (April, 2025- May 2025)	73	73	0	

Multiple scheme - \* the issue / complaint was with respect to more than one scheme of single folio / investor. Investor grievances will normally be received at the AMC office or at any of the Investor Services Centres or directly by the Registrar. All grievances will then be forwarded to the Registrar, if required, for necessary action.

The complaints will closely be followed up with the Registrar to ensure timely redressal and prompt investor service.

a) Meeting in Person

A responsible official of the Asset Management Company will be available every business day between 3.00 p.m. and 4.00 p.m. for a personal meeting with any Unitholder at the below mentioned office of the AMC. The purpose of this facility is to discuss the investment needs of the client, address any queries on the Mutual Fund and to provide other services.

b) Finding Solutions to Problems

The Fund will follow up with the Investor Service Centres and the Registrar on complaints and enquiries received from investors. The Fund will strive to speedily resolve investor complaints.

Ms. Sushma Mata is the Investor Relations Officer for the Fund.

All related queries should be addressed to:

Ms. Sushma Mata, Kotak Mahindra Asset Management Company Limited,  
6th Floor Kotak Towers Building No 21, Infinity Park, Off. W. E. Highway Goregaon - Mulund Link Road, Malad (East) Mumbai 400097. Phone: 022-6605 6765; Fax: 022-6708 2213; e-mail: mutual@kotak.com

## **F. Information pertaining to investments by the schemes of the Fund**

### **1. Derivative Strategies**

Investments in Derivatives shall be in accordance with the guidelines as stated under Para 7.5, 7.6 and 12.25 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 as may be amended from time to time.

## **INVESTMENT IN DERIVATIVES**

As part of the Fund Management process, the Schemes, may use derivative instruments such as index futures and options, stock futures and options contracts, or any other derivative instruments that are permissible or may be permissible in future under applicable regulations and such investments shall be in accordance with the investment objectives of the Scheme.

Index futures/options are meant to be an efficient way of buying/selling an index compared to buying/selling a portfolio of physical shares representing an index for ease of execution and settlement. Index futures/options can be an efficient way of achieving the Schemes' investment objective.

Notwithstanding the pricing, they can help in reducing the Tracking Error in the Schemes. Index futures/options may avoid the need for trading in individual components of the index, which may not be possible at times, keeping in mind the circuit filter system and the liquidity in some of the individual stocks. Index futures/options can also be helpful in reducing the transaction costs and the processing costs on account of ease of execution of one trade compared to several trades of shares comprising the Underlying Index and will be easy to settle compared to physical portfolio of shares representing the Underlying Index. In case of investments in index futures/options, the risk/reward would be the same as investments in portfolio of shares representing an index. However, there may be a cost attached to buying an index future/option. Further there could be an element of settlement risk, which could be different from the risk in settling physical shares. This settlement risk is likely to be minimized if the exchange acts as the clearing corporation and the counter party, as is the practice in the developed markets. The Schemes will not maintain any leveraged or trading positions.

### **Purpose of investment in derivatives**

1. The Scheme shall fully cover its positions in the derivatives market by holding underlying securities/cash or cash equivalents/option and/or obligation for acquiring underlying assets to honour the obligations contracted in the derivatives market.
2. Separate records shall be maintained for holding the cash and cash equivalents/securities for this purpose.
3. The securities held would be marked to market by the AMC to ensure full coverage of investments made in derivative products at all time.

4. The Scheme may use derivative instruments such as index futures, stock futures, index options, stock options, or any other derivative instruments that are permissible or may be permissible in future under applicable regulations, as would be commensurate with the investment objective of the Scheme. The manner of use of derivatives instruments is illustrated below:

The Schemes may use derivative instruments such as index futures, stock futures, index options, stock options, or any other derivative instruments that are permissible or may be permissible in future under applicable regulations, as would be commensurate with the investment objective of the Scheme. The manner of use of derivatives instruments is illustrated below:

## Hedging & Portfolio balancing

As part of the fund management exercise under the Scheme, the Trustee may permit the use of any of the instruments mentioned above or any other instrument that may become permissible in the future under applicable regulations. Such investment in Index futures, Stock options, Index Options, Stock Futures and other derivative instruments will be used with the objective of a) hedging the portfolio and/or b) rebalancing of the portfolio of the Scheme or c) for any other purpose as may be permitted by the Regulations from time to time.

The note below explains the concept of Index Futures, Options, with an example each, for the understanding of the Unitholders.

### Equity derivatives

#### **Index Futures**

Due to ease of execution and settlement, index futures are an efficient way of buying / selling an Index compared to buying / selling a portfolio of physical shares representing an Index. Index futures can be an efficient way of achieving a Scheme's investment objectives. Index futures may do away with the need for trading in individual components of the Index, which may not be possible at times, keeping in mind the circuit filter system and the liquidity in some of the scripts. Index futures can also be helpful in reducing transaction costs and processing costs on account of ease of execution of one trade compared to several trades of shares comprising the Index and will be easy to settle compared to physical portfolio of shares representing an Index

The National Stock Exchange and the Bombay Stock Exchange introduced Index futures on Nifty (NSE-50) and Sensex (BSE 30) for three serial months. For example, in the month of April 2024, three futures were available i.e. May, June and July 2024, each expiring on the last working Thursday of the respective month

Let us assume the Nifty Index was 19,638.3 as on May 30, 2025 and three future indices were available as under:

Month	Bid Price	Offer Price
Jun 2025	19708	19710
July 2025	19824	19828
Aug 2025	19930	19940

The Fund could buy an Index of Jun 2025 as on May 30, 2025 at an offer price of 19710. The Fund would have to pay the initial margin as regulated by the exchanges and settle its Index position with daily marked to market i.e. receive profits/pay losses on a daily basis.

The following is a hypothetical example of a typical index future trade and the associated costs compared with physical stocks.

(Amount in Rupees)

Particulars	Index Future	Actual Purchase of Stocks
Index as on May 30, 2025	19638.3	19638.3
Jun 2025 Futures Cost	19710	
<b>A. Execution Cost</b>		
Carry costs (19710-19638.3)	71.7	Nil
<b>B. Brokerage Cost</b>		
Assumed at 0.02% for Index Future and 0.05% for spot stocks (0.02% of 19710) (0.05% of 19638.3)	3.94	9.82
<b>C. Securities Transaction Tax</b>	Nil	19.64

STT for Index Futures is Nil STT for Spot Stocks is 0.10% (0.10% of 19638.3)		
<b>D. Gains on Surplus Funds</b> (Assuming 6% return on 81% of the money left after paying (19% margin) (6% x 19638.3 x 81% x 27 days ÷ 365)	(70.6)	Nil
Cash Market/ Sale Price at expiry	19800	19800
<b>E. Brokerage on Sale</b>		
Assumed at 0.02% for Index Future and 0.05% for Spot stocks (0.02% of 19800) (0.05% of 19800)	3.96	9.9
<b>F. Securities Transaction Tax</b> STT for Index Futures is 0.0125% STT for Spot Stocks is 0.10% (0.0125% of 19800) (0.10% of 19800)	2.48	19.8
<b>Total Cost (A+B+C-D+E+F)</b>	<b>11.48</b>	<b>59.16</b>
<b>Profit</b>	<b>150.22</b>	<b>102.54</b>

As the above example demonstrates, the cost differential between purchasing Index Future and 50 stocks comprising Nifty (NSE-50) is a function of the carrying cost, the interest earned available to Fund Managers and the brokerage cost applicable in both cases. However, as mentioned earlier, as the Indian equity markets continues to have limitations in execution of trades due to the lack of adequate liquidity and the concept of circuit breakers, index future can allow a fund to buy all the stocks comprising the index at a nominal additional cost.

Please note that the above example is hypothetical in nature and the figures, brokerage rates etc. are assumed. In case the execution and brokerage costs on purchase of Index Futures are high and the returns on surplus funds are less, buying of index future may not be beneficial as compared to buying stocks comprising the Index. The actual return may vary based on actuals and depends on final guidelines / procedures and trading mechanism as envisaged by stock exchanges and other regulatory authorities.

### Use of futures

Futures can effectively be used as a substitute for underlying stocks e.g. if the Scheme has received fresh subscriptions and if it is not immediately possible to invest the cash so received into intended stocks, the Fund Manager can buy a Future contract and subsequently replace them by actual purchase of stocks. The reverse can be done in case of redemption of Units.

The Scheme typically holds cash in order to meet sudden redemption requests. This cash holding reduces the overall returns of the Scheme. By buying futures relative to this cash holding the Scheme can effectively increase its exposure to the market while keeping the cash required to meet redemption requirement.

### Note on Risk:

- In case of investments in index futures, the risk would be the same as in the case of investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks. In case futures are used for hedging a portfolio of stocks, which is different from the index stocks, the extent of loss could be more or less depending on the coefficient of variation of such portfolio with respect to the index; such coefficient is known as Beta.



- **Interest Rate Risk** – interest rate is one of the variables while valuing derivatives such as futures & options. For example, with everything remaining constant, when interest rates increase, the price of Call option would increase. Thus, fluctuations in interest rates would result in volatility in the valuation of derivatives.
- **Credit Risk** – With the implementation of physical settlement of stocks in equity derivative segment, though there is an element of risk of stock / funds not being received, the same is mitigated due to settlement guarantee similar to equity cash market segment.
- **Liquidity risk** pertains to how saleable a security is in the market. All securities/instruments irrespective of whether they are equity, bonds or derivatives may be exposed to liquidity risk (when the sellers outnumber buyers) which may impact returns while exiting opportunities.

### **Option Contracts (Stock and Index)**

In the global financial markets, particularly securities markets, options have been, for quite many years, a means of conveying rights from one party to another at a specified price on or before a specific date, at a cost, which is called Premium. The underlying instrument can be an individual stock or a stock index such as the BSE Sensex (such options being referred to as index options). Options are used widely the world over to manage risk and generate income. Options may be preferred over futures as they provide asymmetric pay offs.

There are broadly two kinds of Options trade viz. Long & Short. A Long Call is buying a Call option to purchase the stock at a later date at a fixed price called the strike price. A Long Put on the other hand is buying Put option i.e. an option to sell the stock at a later date at the strike price. Similarly A Short Call is selling a Call option which is also called writing a Call option by which the option writer has an obligation to sell the stock to the call buyer at the strike price. A Short Put is to sell or write a Put option i.e. an obligation to buy the stock from the Put buyer at the strike price. The specified price at which the shares are contracted to be purchased or sold is called the strike price. Options that can be exercised on or before the expiration date are called American Options, while those that can be exercised only on the expiration date are called European Options. Option contracts are designated by the type of option, name of the underlying, expiry month and the strike price. Example for Options

**Buying a Call Option:** Let us assume that the Scheme buys a call option of ABC Ltd. with strike price of Rs. 4000, at a premium of Rs. 100. If the market price of ABC Ltd on the expiration date is more than Rs. 4000, the option will be exercised. The Scheme will earn profits once the share price crosses Rs. 4100 (Strike Price + Premium i.e. 4000+100). Suppose the price of the stock is Rs. 4300, the option will be exercised and the Scheme will buy 1 share of ABC Ltd. from the seller of the option at Rs 4000 and sell it in the market at Rs. 4300, making a profit of Rs. 200. In another scenario, if on the expiration date the stock price falls below Rs. 4000, say it touches Rs. 3500, the Scheme will choose not to exercise the option. In this case the Scheme loses the premium (Rs. 100), which will be the profit earned by the seller of the call option.

Thus for an option buyer, loss is limited to the premium that he has paid and gains are unlimited. The risk of an option writer i.e. the seller of the option, is unlimited while his gains are limited to the premiums earned. However, in the case of the Scheme, all option positions will have underlying assets and therefore all losses due to price-movement beyond the strike price will actually be an opportunity loss as illustrated in the example below.

**Buying a Put Option:** Let us assume that the Scheme owns shares of ABC Ltd., which are trading at Rs. 3500. The fund manager expects the price to rise to Rs. 3800 but at the same time wants to protect the downside. So, he can buy a put option at Rs. 3500 by paying a premium of, say, Rs. 100. If the stock falls to say Rs 3200 by expiry, the option becomes in-the-money by Rs. 300 and the scheme loses only the initial premium paid to buy the hedge. On the contrary, if the fund manager's view turns out to be right and the

stock actually rallies to Rs. 3800, the scheme gains Rs. 300 from the stock and the hedging cost paid to buy the protection is the loss. Thus, adjusted for the hedging cost, the scheme gains Rs. 200 from the trade.

The above example is hypothetical in nature and all figures are assumed for the purpose of illustrating the use of call options in individual stocks. Similarly, analogies can be drawn to illustrate the use of put options in individual stocks, and call and put options in index.

**Writing a Call Option:** Let us assume that the Fund owns shares of ABC Ltd., which are trading at Rs. 3500. The Fund wishes to sell these shares at Rs.3800. It can write call option at Rs. 3800 and earn a premium of, say, Rs. 50. If the option is not exercised, the Fund earns a premium and if the stock price does reach Rs. 3800, the premium adds to the profits that the Fund would have booked by selling at that price. In this case, if the stock price of ABC Ltd. is less than Rs. 3800, the Fund earns Rs 50 and if it closes above Rs. 3800 and the option gets exercised by the buyer, the Fund gets the strike price of Rs. 3800 plus a premium of Rs. 50, i.e. effectively Rs. 3850. Any loss because of stock price movement beyond Rs. 3850 is actually an opportunity loss, as the Fund would otherwise have sold the shares at Rs. 3800.

The above example is hypothetical in nature and all figures are assumed for the purpose of illustrating the use of call options in individual stocks. Similarly, analogies can be drawn to illustrate the use of put options in individual stocks, and call and put options in index.

**Note on Risk:** The risk (loss) for an option buyer is limited to the premium paid, while the risk (loss) of an option writer is unlimited, the latter's gain being limited to the premiums earned. However, in the case of the Fund, all option positions will have underlying assets and therefore all losses due to price-movement beyond the strike price will actually be an opportunity loss. The writer of a put option bears a risk of loss if the value of the underlying asset declines below the strike price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the strike price.

The Scheme will use options only for the purpose of hedging and portfolio balancing or for any purpose as permitted by Regulations from time to time. Internal controls / limits for managing risks associated with options have been set up / laid down.

### **Benefits of Covered Call Strategy:**

Covered call writing is a strategy where a writer (say the Fund) will hold a particular stock, and sell in the market a call option on the stock. Here the buyer of the call option now has the right to buy this stock from the writer (the Fund) at a particular price which is fixed by the contract (the strike price). The writer receives a premium for selling a call, but if the call option is exercised, he has to sell the underlying stock at the strike price. This is advantageous if the strike price is the level at which the writer wants to exit his holding / book profits. The writer effectively gains a fixed premium in exchange for the probable opportunity loss that comes from giving up any upside if the stock goes up beyond the strike price.

### **Illustration/Example of Covered Call Strategy:**

The Scheme owns 5000 shares of A with a current market price of Rs 180. The view of the fund manager is that the price could decline by Rs 15 – Rs 20 over a one-month period. The fund manager does, however, wish to hold the shares due to the positive long-term outlook. The fund manager can cover the expected near-term decline by writing a call or buying a put.

A call option may be sold for a contract size of 5000 at a strike price of Rs 180 with an expiry date that is one month going forward. The Scheme receives a premium of Rs 10 (for example) for writing this call option in favour of the buyer. The buyer has the choice to buy the shares at Rs 180 on expiry date (usually the last Thursday of a month). The following are examples based on price trends after one month:

- If the stock price declines to Rs 170, the buyer of the call option will not exercise the right to buy as the stock can be purchased at a lower price in the spot market. The fund manager has ensured that the

Rs 180 prevailing at the time of selling the option is protected through a combination of market price of Rs 170 and earned premium of Rs 10;

- If the stock price dips below Rs 170, the buyer will not exercise the option. The loss for the fund manager is limited to the extent to which price dips below Rs 170, as the decline from Rs 180 to Rs 170 is covered by the earned premium;
- If the stock price rises to Rs 190, the buyer of the option will exercise the right to buy the shares he can buy them at the strike price of Rs 180 and if he chooses to sell at the spot of Rs 190 to make a profit of Rs 10 per share. This price trend is, however, contrary to the expectations of the fund manager. There is no loss for the fund manager as he has already received Rs 10 as premium. This will ensure that his effective price in meeting the commitment to the holder of the call option is Rs 180 and
- If the stock price rises to more than Rs 190, the buyer will exercise the option. The loss to the fund manager will be limited to the extent to which the price is higher than Rs 190, as the premium of Rs 10 will cover partially the higher cost of the shares that have to be purchased to meet the commitment under the option.

The above example is hypothetical in nature and all figures are assumed for the purpose of illustrating the use of call options in individual stocks. Similarly, analogies can be drawn to illustrate the use of put options in individual stocks, and call and put options in index.

**Note on Risk:** The risk (loss) for an option buyer is limited to the premium paid, while the risk (loss) of an option writer is unlimited, the latter's gain being limited to the premiums earned. However, in the case of the Fund, all option positions will have underlying assets and therefore all losses due to price-movement beyond the strike price will actually be an opportunity loss. The writer of a put option bears a risk of loss if the value of the underlying asset declines below the strike price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the strike price.

## **Fixed Income Derivatives**

### **Interest Rate Swap (IRS)**

IRS is a widely used derivative product in the financial markets to manage interest rate risk. A typical transaction is a contract to exchange streams of interest rate obligation/income on a notional principal amount with a counter party, usually a bank. The two interest streams are, fixed rate on one side and floating rate on the other.

**Example:** Suppose the Fund holds a fixed rate bond of maturity 5 years carrying a fixed interest rate (YTM) of 7.25% p.a. payable half yearly. Such an investment runs the risk of depreciation if interest rates rise. To manage this risk, the Fund can enter into an IRS with another market participant, here the Fund contracts to pay fixed rate, say 6.85% p.a., and receive a floating rate (say overnight MIBOR). This transaction is done for a notional principal amount equal to the value of the investment. By such a contract a fixed rate income is offset by a fixed rate payment obligation leaving only a floating rate income stream. Thus, without actually investing in a floating rate asset, the Fund starts earning a floating rate income, reducing the risk of depreciation associated with the fixed rate investment. Following table summarises the cash flow streams:

Original investment	7.25% p.a.
Pay (Fixed rate)	6.85% p.a. (IRS)
Receive (Floating rate)	MIBOR
Net Flow	MIBOR + 0.40% p.a. (*)

\* (7.25% p.a. – 6.85 % p.a.)

The floating rate reference is defined in the swap agreement.

The above example illustrates a case of fixed to floating rate swap. A swap could be done to move from floating rate to fixed rate in a similar fashion.

Please note that the above example is hypothetical in nature and the interest rates are assumed. The actual return may vary based on actual and depends on the interest rate prevailing at the time the swap agreement is entered into.

The Scheme will be allowed to take exposure in Interest Rate Swaps only on a non-leveraged basis. A swap will be undertaken only if there is an underlying asset in the portfolio.

The Scheme may use other derivatives such as interest rate futures, etc, to meet the investment objective of the Scheme, whenever such instruments are available in the market.

#### **Note on Risk:**

- Limitations on upside: Derivatives when used as hedging tool can also limit the profits from a genuine investment transaction.
- Credit Risk – The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a IRS / IRF derivative transaction.

#### **Interest Rate Futures**

IRF means a standardized interest rate derivative contract traded on a recognized stock exchange to buy or sell a notional security or any other interest bearing instrument or an index of such instruments or interest rates at a specified future date, at a price determined at the time of the contract. Hedging using interest rate futures could be perfect or imperfect, subject to applicable regulations. Currently, exchange traded Interest Rate Futures traded on exchange are standardized contracts based on 10-Year Government of India Security and 91 day Treasury bill. IRF contracts are cash settled. IRFs give an opportunity in the fixed income market to hedge interest rate risk or rebalance the portfolio by using them. By locking into a price, the IRF contract can help to eliminate the interest rate risk. Thus, in order to protect against a fall in the value of the portfolio due to falling bond prices, one can take short position in IRF contracts. Example: Date: May 01, 2024 Spot price of the Government Security: Rs.105 Price of IRF– Jan contract: Rs. 105.5 On Jan 01, 2024, Fund buys 100 units of the Government security from the spot market at Rs. 105. Subsequently, it is anticipated that the interest rate will rise in the near future. Therefore to hedge the exposure in underlying Government security, Fund sells May 2024 Interest Rate Futures contracts at Rs. 105.5. On May 15, 2024 due to increase in interest rate: Spot price of the Government Security: Rs. 104 Futures Price of IRF Contract: Rs.104.2 Loss in underlying market will be  $(105 - 104) \times 100 = (\text{Rs. } 100)$  Profit in the Futures market will be  $(105.50 - 104.2) \times 100 = \text{Rs. } 130$

#### **Interest Rate Futures (IRFs) (both perfectly and imperfectly hedged):**

To reduce interest rate risk in a debt portfolio, scheme may hedge the portfolio or part of the portfolio (including one or more securities) on weighted average modified duration basis by using Interest Rate Futures (IRFs). The maximum extent of short position that may be taken in IRFs to hedge interest rate risk of the portfolio or part of the portfolio, is as per the formula given below:

$$\frac{(\text{Portfolio Modified Duration} \times \text{Market Value of the Portfolio})}{(\text{Futures Modified Duration} \times \text{Futures price/PAR})}$$

In case the IRF used for hedging the interest rate risk has different underlying security(s) than the existing

position being hedged, it would result in imperfect hedging.

Imperfect hedging using IRFs may be considered to be exempted from the gross exposure, upto maximum of 20% of the net assets of the scheme, subject to the following:

- a. Exposure to IRFs is created **only for hedging** the interest rate risk based on the weighted average modified duration of the bond portfolio or part of the portfolio.
- b. The scheme is permitted to resort to imperfect hedging, without it being considered under the gross exposure limits, if and only if, the correlation between the portfolio or part of the portfolio (*excluding the hedged portions, if any*) and the IRF is atleast 0.9 at the time of initiation of hedge. In case of any subsequent deviation from the correlation criteria, the same may be rebalanced within 5 working days and if not rebalanced within the timeline, the derivative positions created for hedging shall be considered under the gross exposure computed in terms of Para 3 of SEBI circular dated August 18, 2010. The correlation should be calculated for a period of last 90 days.

*Explanation: If the fund manager intends to do imperfect hedging upto 15% of the portfolio using IRFs on weighted average modified duration basis, either of the following conditions need to be complied with:*

- i. The correlation for past 90 days between the portfolio and the IRF is at least 0.9 or*
- ii. The correlation for past 90 days between the part of the portfolio (excluding the hedged portions, if any) i.e. at least 15% of the net asset of the scheme (including one or more securities) and the IRF is at least 0.9.*

At no point of time, the net modified duration of part of the portfolio being hedged should be negative.

- c. The portion of imperfect hedging in excess of 20% of the net assets of the scheme should be considered as creating exposure and shall be included in the computation of gross exposure in terms of Para 3 of SEBI circular dated August 18, 2010.

The basic characteristics of the scheme will not be affected by hedging the portfolio or part of the portfolio (including one or more securities) based on the weighted average modified duration.

The interest rate hedging of the portfolio will be in the interest of the investors.

### **Hedging**

Holders of the GOI securities are exposed to the risk of rising interest rates, which in turn results in the reduction in the value of their portfolio. So in order to protect against a fall in the value of their portfolio due to falling bond prices, they can take short position in IRF contracts.

Example:

Example:

On 17/05/2025 buy 7.26 G sec 2033: Rs. 100.19 at the current market price of Rs. 100.19

Step 1 - Short the 31/05/2025 IRF futures contract at say price of Rs. 100.29 (assuming IRF trading at premium)

Step 2 – Earn the carry (running yield) of the 10 yr G sec of 7.23% from date of purchase till IRF expiry.

Step 3 – IRF and cash market price will converge on the maturity of the contract hence sell the bond on the maturity.

Under the strategy, the trader has earned a return of

- Arbitrage =  $(100.29 - 100.19) / 100.19 * 365 / 10 = 3.65\%$
- Current yield of G sec = 7.23%
- Arbitrage + current yield of G sec = 10.88 % (Holding period Arbitrage)

(Note: For simplicity accrued interest is not considered for calculation)  
Assuming IRF is trading at premium the above trade will be done.

### **Imperfect Hedge**

#### **Illustration for Imperfect Hedging Scenario 1 and 2**

Assumption: Portfolio whose duration is 3 years, is being hedged with an IRF whose underlying securities duration is 10 years

Portfolio Duration: 5 year

Market Value of Portfolio: Rs 100 crs

Imperfect Hedging cannot exceed 20% of Portfolio

Maximum extent of short position that may be taken in IRFs is as per below mentioned formula: Portfolio (security) Modified Duration \* Market Value of Portfolio (security) / (Futures Modified Duration \* Futures Price/PAR)

Consider that we choose to hedge 20% of portfolio  $(5 * (0.2 * 100)) / (10 * 100/100) = \text{Rs } 10 \text{ cr}$

So we must Sell Rs 10 cr of IRF with underlying duration of 10 years to hedge Rs 100 of Portfolio with duration of 5 years.

Scenario 1 If the yield curve moves in a way that the 5 year moves up by 10 bps and the 10 year moves up by 5bps, which means that the short end has moved up more than the long end

Amount of Security in Portfolio (LONG): Rs 100 cr

If yields move up buy 10 bps then the price of the security with a modified duration of 5 years will move down by;

Formula:  $(\text{Yield movement} * \text{Duration}) * \text{Portfolio Value} ((0.001 * 5) * 1,00,00,00,000) = - 50,00,000$

Underlying IRF (SHORT): Rs 10 crs

If yields move up buy 5bps then the price of the security with a duration of 10 years will move down by;

Formula:  $(\text{Yield movement} * \text{Duration}) * \text{Portfolio Value} (-0.0005 * 10) * 10,00,00,000 = 5,00,000$  Since we have sold the IRF, this movement is positive and hence the total loss will be reduced to:  $-50,00,000 + 5,00,000 = -45,00,000$

Due to IRF, the overall impact on the portfolio due to interest rate movement has been reduced.

Scenario 2 If the yield curve moves in a way that the 5 year does not move and the 10 year moves down by 5 bps, which means that the yield curve has flattened.

If yield does not move then the price of the security with a duration of 5 years will remain flat: Formula:  $(\text{Yield movement} * \text{Duration}) * \text{Portfolio Value} (0 * 5) * 100,00,00,000 = 0$

Underlying IRF (SHORT): Rs 10 cr If yields moves down by 5bps then the price of the security with a duration of 10 years will move up by;  $(0.0005 * 10) * 10,00,00,000 = -5,00,000$  In this scenario, the imperfect hedge created on the portfolio would create a loss on the total position.

The fund will use derivatives instruments for the purpose hedging or portfolio rebalancing or for any other stock and / or index derivative strategies as allowed under the SEBI regulations.

#### **Note on Risk:**

- Potential loss associated with imperfect hedge using IRFs – While using such strategy may reduce interest rate risk caused by rise in interest rates, it also restricts the profit in case interest rates decline.
- The risk related to hedging for use of derivatives, (apart from the derivatives risk mentioned above) is that event of risk, which we were anticipating and hedged our position to mitigate it, does not happen. In such case, the cost incurred in hedging the position would be a avoidable charge to the scheme net assets.



- Limitations on upside: Derivatives when used as hedging tool can also limit the profits from a genuine investment transaction.
- Credit Risk – The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a IRS / IRF derivative transaction.
- Liquidity risk pertains to how saleable a security is in the market. All securities/instruments irrespective of whether they are equity, bonds or derivatives may be exposed to liquidity risk (when the sellers outnumber buyers) which may impact returns while exiting opportunities.
- Movement in the prices of securities in the portfolio and the IRF contract used to hedge part of the portfolio may lead to basis risk due to imperfect correlation. Thus, the loss on the portfolio may be different from the gain of the hedged position entered using the IRF.

### **Limits for investment in derivatives instruments**

In accordance with Para 7.5 and 12.25 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, the following conditions shall apply to the Scheme's participation in the derivatives market. The investment restrictions applicable to the Scheme's participation in the derivatives market will be as prescribed or varied by SEBI or by the Trustees (subject to SEBI requirements) from time to time.

#### *i. Position limit for the Mutual Fund in equity index options contracts*

- The Mutual Fund position limit in all equity index options contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in equity index option contracts, whichever is higher,
- This limit would be applicable on open positions in all options contracts on a particular underlying index.

#### *ii. Position limit for the Mutual Fund in equity index futures/stock futures contracts:*

- The Mutual Fund position limit in all equity index futures/stock futures contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest in the market in equity index futures/stock futures contracts, whichever is higher.
- This limit would be applicable on open positions in all futures contracts on a particular underlying index.

#### *iii. Additional position limit for hedging*

In addition to the position limits at point (i) and (ii) above, Mutual Fund may take exposure in equity index derivatives subject to the following limits:

- a) Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.
- b) Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, government securities, T-Bills and similar instruments.

#### *iv. Position limit for the Mutual Fund for stock based derivative contracts*

The combined futures and options position limit shall be 20% of applicable MWPL

#### *v. Position limit for the Scheme*

The position limits for the Scheme and disclosure requirements are as follows—

- a. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of the Mutual Fund shall not exceed the higher of:

1% of the free float market capitalisation (in terms of number of shares).

*Or*

5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).

- b. This position limit shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
- c. For index based contracts, the Mutual Fund shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

As and when SEBI notifies amended limits in position limits for exchange traded derivative contracts in future, the aforesaid position limits, to the extent relevant, shall be read as if they were substituted with the SEBI amended limits.

As per para 12.25 of SEBI Master Circular No. SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 on “norms for investment and disclosure by Mutual Funds in derivatives”, the limits for exposure towards derivatives are as under:

1. The cumulative gross exposure through equity, debt, derivative positions, other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme.
2. Mutual Funds shall not write options or purchase instruments with embedded written options.
3. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
4. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
5. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:-
  - a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
  - b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
  - c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.

The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.

1. Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme. However, if mutual funds are transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable.

Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.



Exposure in derivative positions shall be computed as follows:

Position	Exposure
Long Future	Futures Price * Lot Size * Number of Contracts
Short Future	Futures Price * Lot Size * Number of Contracts
Option bought	Option Premium Paid * Lot Size * Number of Contracts

In accordance with SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2019/17 dated January 16, 2019 on “Norms for investment and disclosure by mutual funds in derivatives”, are as under:

Mutual Fund schemes are permitted to undertake transactions in equity derivatives in accordance with the exposure limits specified in the SEBI circular no. Cir / IMD / DF / 11 / 2010 dated August 18, 2010. Paragraph 4 of the said circular, *inter-alia*, states that *Mutual Funds shall not write options or purchase instruments with embedded written options.*

Based on the suggestions of market participants and recommendations of Mutual Fund Advisory Committee (MFAC), it has been decided to permit mutual funds to write call options under a covered call strategy as prescribed below:

*Writing of Covered Call Options by Mutual Fund Schemes:*

a. In partial modification to aforementioned circular, Mutual Fund schemes (except Index Funds and ETFs) may write call options only under a covered call strategy for constituent stocks of NIFTY 50 and BSE SENSEX subject to the following:

b. The total notional value (taking into account strike price as well as premium value) of call options written by a scheme shall not exceed 15% of the total market value of equity shares held in that scheme.

c. The total number of shares underlying the call options written shall not exceed 30% of the unencumbered shares of a particular company held in the scheme. The unencumbered shares in a scheme shall mean shares that are not part of Securities Lending and Borrowing Mechanism (SLBM), margin or any other kind of encumbrances.

d. At all points of time the Mutual Fund scheme shall comply with the provisions at paragraph (a) and (b) above. In case of any passive breach of the requirement at paragraph (a), the respective scheme shall have 7 trading days to rebalance the portfolio. During the rebalancing period, no additional call options can be written in the said scheme.

e. In case a Mutual Fund scheme needs to sell securities on which a call option is written under a covered call strategy, it must ensure compliance with paragraphs (a) and (b) above while selling the securities.

f. In no case, a scheme shall write a call option without holding the underlying equity shares. A call option can be written only on shares which are not hedged using other derivative contracts.

g. The premium received shall be within the requirements prescribed in terms of paragraph 5 of SEBI circular dated August 18, 2010 i.e. the total gross exposure related to option premium paid and received must not exceed 20% of the net assets of the scheme.

h. The exposure on account of the call option written under the covered call strategy shall not be considered as exposure in terms of paragraph 3 of SEBI Circular no. Cir/IMD/DF/11/2010, dated August 18, 2010.

i. The call option written shall be marked to market daily and the respective gains or losses factored into the daily NAV of the scheme until the position is closed or expired.

As and when SEBI notifies amended limits in position limits for exchange traded derivative contracts in future, the aforesaid position limits, to the extent relevant, shall be read as if they were substituted with the SEBI amended limits.

## 2. Swing Pricing

### Swing Pricing Framework

Pursuant to SEBI circular no. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/631 dated September 29, 2021, all open ended debt mutual fund schemes (except overnight funds, Gilt funds and Gilt with 10-year maturity funds) are required to follow Swing Pricing Framework:

Accordingly, mandatory full swing pricing during market dislocation period as announced by SEBI shall be applicable for open ended

debt schemes of Kotak Mahindra Mutual Fund (except Kotak Overnight Fund, Kotak Gilt Fund) which:

- Have High or Very High risk on the risk-o-meter in terms of SEBI circular SEBI/HO/IMD/DF3/CIR/P/2020/197 dated October 5, 2020 (as of the most recent period at the time of declaration of market dislocation); and
- classify themselves in the cells A-III, B-II, B-III, C-I, C-II and C-III of Potential Risk Class (PRC) Matrix in terms of SEBI circular SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/573 dated June 7, 2021.

Swing pricing refers to a process for adjusting a fund's net asset value (NAV) to effectively pass on transaction costs stemming from net capital activity (i.e., flows into or out of the fund) to the investors associated with that activity during the life of a fund, excluding ramp-up period or termination. In a liquidity-challenged environment, quoted bid/ask spreads and overall trading cost can widen and may not be representative of the executed prices that can be achieved in the market.

In such circumstances, swing pricing can be a useful mechanism to contribute to protect the interests of existing investors, specifically from the dilution of their holdings; and contribute to protect the value of the investor's capital.

Once the market dislocation is declared by SEBI either based on AMFI's recommendation or suo moto, SEBI will notify that swing pricing shall be applicable for a specified period. Subsequent to the announcement of market dislocation by SEBI: a. both the incoming and outgoing investors shall get NAV adjusted for swing factor.

- Swing pricing shall be made applicable to all unitholders at PAN level with an exemption for redemptions upto Rs. 2 lacs for each mutual fund scheme.
- The scheme performance shall be computed based on unswung NAV.
- The below disclosures pertaining to NAV adjusted for swing factor along with the performance impact will be made in scheme wise Annual Reports and Abridged summary and the same may be disclosed on their website prominently only if swing pricing framework has been made applicable for the said mutual fund scheme. The following will be effective from May 01, 2022:

Sr. No.	Period of Applicability of Swing Pricing	Scheme Name	Unswung NAV	Swing Factor Applied	Whether Optional or Mandatory

Illustration on swing pricing - market dislocation as announced by SEBI;

<b>Scheme NAV (Unswung NAV) (in Rs. Per unit)</b>	20
<b>Potential Risk Class matrix classification</b>	B-II
<b>Swing Factor applicable</b>	1.25%
<b>Swung NAV(in Rs. Per unit)</b>	$19.75 = 20 * (1 - 0.0125)$

**Note:**

If there is any exit load applicable as per scheme provisions, the same will be applied on the Swung NAV i.e. Rs. 19.75.

Both the incoming and outgoing investors shall get the Swung NAV i.e. Rs. 19.75 for their subscription and redemption transactions.

This effect of 1.25% on the applicable Unswung NAV shall be given on each day during the market dislocation period specified by SEBI.

The minimum swing factor as given below will be applicable in the scheme and the NAV will be adjusted downwards for both the incoming and outgoing investors.

**Note:**

If there is any exit load applicable as per scheme provisions, the same will be applied on the Swung NAV i.e. Rs. 19.75.

Both the incoming and outgoing investors shall get the Swung NAV i.e. Rs. 19.75 for their subscription and redemption transactions.

This effect of 1.25% on the applicable Unswung NAV shall be given on each day during the market dislocation period specified by SEBI.

The minimum swing factor as given below will be applicable in the schemes and the NAV will be adjusted downwards for both the incoming and outgoing investors.

<b>Credit Risk</b>	<b>Relatively Low (Class A)</b>	<b>Moderate (Class B)</b>	<b>Relatively High (Class C)</b>
<b>Interest Rate Risk</b>			
Relatively Low (Class I)	NA Kotak Overnight Fund	NA Kotak Money Market Fund Kotak Liquid Fund	1.5% No schemes
Moderate (Class II)	NA	1.25% Kotak Savings Fund	1.75% No schemes
Relatively High (Class III)	1% Kotak Long Duration Fund Kotak Gilt Fund	1.5% Kotak Bond Fund Kotak Bond Short Term Fund Kotak Corporate Bond Fund Kotak Banking and PSU Debt Fund Kotak Dynamic Bond Fund	2% Kotak Medium Term Fund Kotak Credit Risk Fund

		Kotak Floating Rate Fund Kotak Low Duration Fund	
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### Triggering Swing Pricing on Re-opening of a scheme after announcement of winding-up

- A. There may be instances where an AMC, after making an announcement to wind up a scheme, decides to roll-back the decision to wind up the scheme. Such situations may trigger large scale redemptions and hence, it would be prudent to invoke the Swing Pricing mechanism to manage such a situation. In other words, if an AMC decides to reverse its decision to wind up the scheme, it shall mandatorily invoke the Swing pricing upon re-opening a scheme for subscriptions and redemptions post such announcement.
- B. Indicative Range of Swing Threshold  
The Indicative range shall be the same as applicable for swing pricing during normal times as communicated by AMFI from time to time.

The swing pricing period shall be higher of swing period suggested by the Board of AMC or a minimum period of 7 working days, upon re-opening a scheme for subscriptions and redemptions.

### 3. Provisions on creation of segregated Portfolio/Side Pocketing

In accordance with para 4.4 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, provisions have been included for creation of segregated portfolio in the scheme.

#### Explanations:

1. The term 'segregated portfolio' shall mean a portfolio, comprising of debt or money market instrument affected by a credit event, that has been segregated in a mutual fund scheme.
2. The term 'main portfolio' shall mean the scheme portfolio excluding the segregated portfolio.
3. The term 'total portfolio' shall mean the scheme portfolio including the securities affected by the credit event.

Note 1: As per para 4.4 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, credit event is considered for creation of segregated portfolio, however for the purpose of Para 4.4.3.3 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, 'actual default' by the issuer of such instruments shall be considered for creation of segregated portfolio.

Note 2: Portfolio referred herewith will include interest accrued as well.

#### Terms and conditions in respect of Creation of segregated portfolio in the scheme:

AMC may create segregated portfolio in the scheme and it shall be subject to guidelines specified by SEBI from time to time including the following:

1. Segregated portfolio may be created, in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:
  - a. Downgrade of a debt or money market instrument to 'below investment grade', or
  - b. Subsequent downgrades of the said instruments from 'below investment grade', or

c. Similar such downgrades of a loan rating.

2. In case of difference in rating by multiple CRAs, AMC shall consider the most conservative rating. Creation of segregated portfolio shall be based on issuer level credit events as per above point no. 1 and shall be implemented at the ISIN level.

3. Creation of segregated portfolio shall be optional and at the discretion of Kotak Mahindra Asset Management Company Ltd ('AMC'). It should be created only if the Scheme Information Document (SID) of the scheme has provisions for segregated portfolio with adequate disclosures.

Further, in accordance with para 4.4 of SEBI Master circular no SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated June 27, 2024, Creation of segregated portfolio in mutual fund schemes has been permitted in respect of unrated debt or money market instruments by mutual fund schemes of an issuer that does not have any outstanding rated debt or money market instruments, subject to the following terms:

- a. Segregated portfolio of such unrated debt or money market instruments may be created only in case of actual default of either the interest or principal amount. Credit event is considered for creation of segregated portfolio, however as per the para 4.4. of SEBI Master circular no SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated June 27, 2024 'actual default' by the issuer of such instruments shall be considered for creation of segregated portfolio.
- b. AMCs shall inform AMFI immediately about the actual default by the issuer. Upon being informed about the default, AMFI shall immediately inform the same to all AMCs. Pursuant to dissemination of information by AMFI about actual default by the issuer, AMCs may segregate the portfolio of debt or money market instruments of the said issuer in terms of Para 4.4 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024.
- c. All other terms and conditions as stated in Paragraph 4.4 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 shall remain the same.

**Process for creation of segregated portfolio:**

On the date of the Credit Event the Investment Committee of AMC shall first approve the creation of segregated portfolio and their decision will be recommended to the Board of AMC and the Trustee company for approval.

- a. Once AMC decides to segregate portfolio, it shall seek approval of trustees prior to creation of the segregated portfolio. immediately issue a press release disclosing its intention to segregate such debt and money market instrument and its impact on the investors. Kotak Mahindra Mutual Fund should also disclose that the segregation shall be subject to Trustees approval. Additionally, the said press release shall be prominently disclosed on the website of the AMC. ensure that till the time the trustees approval is received, which in no case shall exceed 1 business day from the day of credit event, the subscription and redemption in the scheme shall be suspended for processing with respect to creation of units and payment on redemptions.
- b. Once trustees approval is received by the AMC:
  - i. Segregated portfolio shall be effective from the day of credit event
  - ii. AMC shall issue a press release immediately with all relevant information pertaining to the segregated portfolio. The said information shall also be submitted to SEBI.
  - iii. An e-mail or SMS should be sent to all unit holders of the concerned scheme.
  - iv. The NAV of both segregated and main portfolio will be disclosed from the day of the credit event.
  - v. All existing investors in the scheme as on the day of the credit event shall be allotted equal number of units in the segregated portfolio as held in the main portfolio.

- vi. No redemption and subscription shall be allowed in the segregated portfolio. However, in order to facilitate exit to unit holders in segregated portfolio, AMC shall enable listing of units of segregated portfolio on the recognized stock exchange within 10 working days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer requests.
- c. If the trustees do not approve the proposal to segregate portfolio, AMC shall issue a press release immediately informing investors of the same.

### **Valuation and processing of subscriptions and redemptions:**

The valuation of the instruments/portfolio shall be done based on the Board approved valuation policy for securities which are rated below investment grade.

All subscription and redemption requests for which NAV of the day of credit event or subsequent day is applicable will be processed as per the existing circular on applicability of NAV as under:

2. Upon trustees' approval to create a segregated portfolio -
  - Investors redeeming their units will get redemption proceeds based on the NAV of main portfolio and will continue to hold the units of segregated portfolio.
  - Investors subscribing to the scheme will be allotted units only in the main portfolio based on its NAV.
3. In case trustees do not approve the proposal of segregated portfolio, subscription and redemption applications will be processed based on the NAV of 'Total portfolio'.

### **TER for the Segregated Portfolio**

1. AMC shall not charge investment and advisory fees on the segregated portfolio. However, TER (excluding the investment and advisory fees) can be charged, on a pro-rata basis only upon recovery of the investments in segregated portfolio.
2. The TER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on daily basis on the main portfolio (in % terms) during the period for which the segregated portfolio was in existence.
3. The legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER limit as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, shall be borne by the AMC.
4. The costs related to segregated portfolio shall in no case be charged to the main portfolio.

### **Disclosure Requirements:**

In order to enable the existing as well as the prospective investors to take informed decision, the following shall be adhered to:

- a. A statement of holding indicating the units held by the investors in the segregated portfolio along with the NAV of both segregated portfolio and main portfolio as on the day of the credit event shall be communicated to the investors within 5 working days of creation of the segregated portfolio.
- b. Adequate disclosure of the segregated portfolio shall appear in the scheme related documents, in monthly and halfyearly portfolio disclosures and in the annual report of the mutual fund and the scheme.
- c. The Net Asset Value (NAV) of the segregated portfolio shall be declared on daily basis.
- d. The information regarding number of segregated portfolios created in a scheme shall appear prominently under the name of the scheme at all relevant places such as SID, KIM-cum-Application Form, advertisement, AMC and AMFI websites, etc.
- e. The scheme performance required to be disclosed at various places shall include the impact of creation of segregated portfolio. The scheme performance should clearly reflect the fall in NAV to



the extent of the portfolio segregated due to the credit event and the said fall in NAV along with recovery(ies), if any, shall be disclosed as a footnote to the scheme performance.

- f. The disclosures at paragraph (d) and (e) above regarding the segregated portfolio shall be carried out for a period of at least 3 years after the investments in segregated portfolio are fully recovered/ written-off.
- g. The investors of the segregated portfolio shall be duly informed of the recovery proceedings of the investments of the segregated portfolio. Status update may be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.

### Monitoring by Trustees

- a. In order to ensure timely recovery of investments of the segregated portfolio, trustees shall ensure that:
  - i. The AMC puts in sincere efforts to recover the investments of the segregated portfolio.
  - ii. Upon recovery of money, whether partial or full, it shall be immediately distributed to the investors in proportion to their holding in the segregated portfolio. Any recovery of amount of the security in the segregated portfolio even after the write off shall be distributed to the investors of the segregated portfolio.
  - iii. An Action Taken Report (ATR) on the efforts made by the AMC to recover the investments of the segregated portfolio is placed in every trustees meeting till the investments are fully recovered/ written-off.
  - iv. The trustees shall monitor the compliance of aforesaid SEBI circular and disclose in the half-yearly trustees reports filed with SEBI, the compliance in respect of every segregated portfolio created.
- b. In order to avoid mis-use of segregated portfolio, trustees shall ensure to have a mechanism in place to negatively impact the performance incentives of Fund Managers, Chief Investment Officers (CIOs), etc. involved in the investment process of securities under the segregated portfolio, mirroring the existing mechanism for performance incentives of the AMC, including claw back of such amount to the segregated portfolio of the scheme.

### Illustration of Segregated Portfolio:

Portfolio Date 31-Mar-25

Downgrade Event Date 31-Mar-25

Downgrade Security **7.65% C Ltd from AA+ to B**

**Valuation Marked Down 25%**

**Mr. X is holding 1000 Units of the scheme, amounting to (1000\*15.8450) Rs.15844.99**

Portfolio on the date of Downgrade Event

Security	Rating	Type of the Security	Quantity	Price Per Unit	Market Value (Rs. in Lacs)	% of Net Assets
7.80% A FINANCE LTD	CRISIL AAA	NCD	3200000	102.81	3289.98	20.76
7.70% B LTD	CRISIL AAA	NCD	3230000	98.51	3182.00	20.08
7.65% C Ltd	CRISIL B	NCD	3200000	98.46	3150.62	19.88
7.00% D Ltd	ICRA A1+	CP	3200000	98.36	3147.65	19.87
7.90% E LTD	CRISIL AA	NCD	3200000	98.68	2960.27	18.68

Cash/ Cash Equivalents (incl Interest accrued but not due of Rs.5.96 lacs on 7.65 % C Ltd NCD^)	115.96	0.73
Net Assets	15846.48	
Unit Capital (no of units) in lacs	1000.00	
NAV per unit (Rs.)	15.8450	

On the date of credit event i.e. on 31st March 2025, NCD of C Ltd (7.65%) will be segregated as separate portfolio.

#### Main Portfolio as on 31st March 2025

Security	Rating	Type of the Security	Quantity	Price Per Unit	Market Value (Rs. in Lacs)	% of Net Assets
7.80% A FINANCE LTD	CRISIL AAA	NCD	3200000	102.81	3289.98	25.93
7.70% B LTD	CRISIL AAA	NCD	3230000	98.51	3182.00	25.08
7.00% D Ltd	ICRA A1+	CP	3200000	98.36	3147.65	24.80
7.90% E LTD	CRISIL AA	NCD	3200000	98.68	2960.27	23.32
Cash/ Cash Equivalents					110.00	0.87
Net Assets					12,689.90	
Unit Capital (no of units) in lacs					1,000	
NAV (Rs.)					12.6899	

#### Segregated Portfolio as on 31st March 2025

Security	Rating	Type of the Security	Quantity	Price Per Unit (before marked down)#	Price Per Unit (after marked down)*	Market Value (Rs. in Lacs)	% of Net Assets
7.65 % C Ltd	CRISIL B*	NCD	3200000	98.46	73.84	2362.97	99.81
Interest accrued but not due on 7.65 % C LTD NCD before mark down was Rs.5.96 lacs						4.47	0.19
Net Assets						2,367.44	
Unit Capital (no of units) in lacs						1,000	



NAV per unit (Rs.)	2.3674	
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# Before Marked down the security was valued at Rs. 98.46 per unit. \* Marked down by 25% on the date of credit event

#### Value of Holding of Mr. X after creation of Segregated Portfolio

	Segregated Portfolio	Main Portfolio	Total Value
No of units	1,000	1,000	
NAV per unit (Rs.)	2.3674	12.6899	
Total value in Rs.	2,367.40	12,689.90	15057.30

#### 4. Short Selling / Securities lending

Subject to SEBI (MF) Regulations and in accordance with Securities Lending Scheme, 1997, Pursuant to para 12.11 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, the Trustee may permit the Fund to engage in securities lending and borrowing. At present, since only lending is permitted, the fund may temporarily lend securities held with the Custodian to reputed counter-parties or on the exchange, for a fee, subject to prudent limits and controls for enhancing returns

The SLB shall be operated through Clearing Corporation/Clearing House of stock exchanges having nation-wide terminals who are registered as Approved Intermediaries (AIs).” The risk is adequately covered as Securities Lending & Borrowing (SLB) is an Exchange traded product. Exchange offers an anonymous trading platform and gives the players the advantage of settlement guarantee without the worries of counter party default. However, the Fund may not be able to sell such lent securities during contract period or have to recall the securities which may be at higher than the premium at which the security is lent.

#### Risk associated with Securities Lending:

In the case of securities lending the additional risk is that there can be temporary illiquidity of the securities that are lent out and the Fund may not be able to sell such lent-out securities, resulting in an opportunity loss. In case of a default by counterparty, the loss to the Fund can be equivalent to the securities lent.

#### Risks associated with Short Selling:

Short-selling is the sale of shares or securities that the seller does not own at the time of trading. Instead, he borrows it from someone who already owns it. Later, the short seller buys back the stock/security he shorted and returns the stock/security to the lender to close out the loan. The security being short sold might be illiquid or become illiquid and covering of the security might occur at a much higher price level than anticipated, leading to losses. Purchasing a security entails the risk of the security price going down. Short selling is subject to risks related to fluctuations in market price, and settlement/liquidity risks. If required by the regulations, short selling may entail margin money to be deposited with the clearing house and daily mark to market of the prices and margins. This may impact fund pricing and may induce liquidity risks if the fund is not able to provide adequate margins to the clearing house. Failure to meet margin requirements may result in penalties being imposed by the exchanges and clearing house

#### G. Transaction Charges & Stamp Duty

Investors are requested to note that no transaction charges shall be deducted from the investment amount given by the investor for all transactions / applications (including SIP's) received through the distributors (i.e. in Regular Plan) and full investment amount (subject to deduction of statutory charges, if any) will be invested in the Scheme.

### **Transactions Through "Channel Distributors"**

Investors may enter into an agreement with certain distributors/ Registered Investment Advisers (RIAs) (with whom AMC also has a tie up) referred to as "Channel Distributors" who provide the facility to investors to transact in units of mutual funds through various modes such as their website / other electronic means or through Power of Attorney in favour of the Channel Distributor, as the case may be. Under such arrangement, the Channel Distributors will aggregate the details of transactions (viz. subscriptions/redemptions/swiches) of their various investors and forward the same electronically to the AMC / RTA for processing on daily basis as per the cut-off timings applicable to the relevant schemes. The Channel Distributor is required to send copy of investors' KYC Proof and agreement entered into between the investor & distributor/RIA to the RTA (one time for central record keeping) as also the transaction documents / proof of transaction authorization as the case may be, to the AMC / RTA as per agreed timelines. In case KYC Proof and other necessary documents are not furnished within the stipulated timeline, the transaction request, shall be liable to be rejected. Normally, the subscription proceeds, when invested through this mode, are by way of direct credits to the specified bank account of the Mutual Fund. The Redemption proceeds (subject to deduction of tax at source, if any) and IDCW payouts, if any, are paid by the AMC to the investor directly through direct credit in the specified bank account of the investor or through issuance of payment instrument, as applicable. It may be noted that investors investing through this mode may also approach the AMC / Official Point(s) of Acceptance directly with their transaction requests (financial / non-financial) or avail of the online transaction facilities offered by the AMC. The Mutual Fund, the AMC, the Trustee, along with their directors, employees and representatives shall not be liable for any errors, damages or losses arising out of or in connection with the transactions undertaken by investors / Channel Distributors through above mode.

Pursuant to Para 15.5 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated June 27, 2024, Mutual funds/ AMC will adhere to the due diligence of distributors.

### **Levying of Stamp Duty on Mutual Fund Transactions -**

Pursuant to Notification No. S.O. 4419(E) dated December 10, 2019 and Notification No. G.S.R 226 (E) dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019 and clarification letter no : SEBI/IMD/DF2/OW/P/2020/11099/1 issued by Securities and Exchange Board of India dated June 29, 2020, a stamp duty @ 0.005% would be levied on all applicable mutual fund transactions.

Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase transactions (including reinvestment of IDCW and Switch in) to the unitholders would be reduced to that extent.

#### **a. DISCLOSURES AND REPORTS BY THE FUND**

##### **1. Account Statement /Consolidated Account Statement**

On acceptance of application for financial transaction, a confirmation specifying the number of Units allotted/redeemed will be sent by way of e-mail and/or SMS to the applicant's registered e-mail address and/or mobile number within five business days from the date of closure of New Fund Offer (NFO) period.

In case of continuous subscription after the NFO, Kotak Mutual Fund will send account statement with all details registered in the folio by way of an e-mail and/ or SMS to the investor's registered address/email address/registered mobile number not later than five business days from the date of subscription or by way of physical statement not later than five business days from the date of receipt of request from the unitholder.

Pursuant to Para 14.4 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, the investor whose transaction has been accepted by Kotak Mahindra Asset Management Company Ltd. / Kotak Mahindra Mutual Fund shall receive the following:

1. The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 Business Days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form).
2. The holding(s) of the beneficiary account holder for units held in demat mode will be shown in the statement issued by respective Depository Participants (DPs) periodically.
3. A consolidated account statement (CAS) for each calendar month on or before 12th of the succeeding month shall be sent by email (wherever investor has provided email id) or physical account statement where investor has not provided email id., across the schemes of the mutual funds, to all the investors in whose folio(s) transaction(s) has/have taken place during the month. The same shall be sent by the AMC or by the Agencies appointed by the AMC for non demat unit holders.
4. For the purpose of sending CAS, common investors across mutual funds shall be identified by their Permanent Account Number (PAN).
5. The CAS will not be received by the investors 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 and email id. Such investors will get monthly account statement from Kotak Mahindra Mutual Fund in respect of transactions carried out in the schemes of Kotak Mahindra Mutual Fund during the month.
6. Pursuant to SEBI Circular no. CIR /MRD /DP /31/2014 dated November 12, 2014 requiring Depositories to generate and dispatch a single consolidated account statement for investors having mutual fund investments and holding demat accounts, the following modifications are made to the existing guidelines on issuance of CAS.
  - Such Investors shall receive a single Consolidated Account Statement (CAS) from the Depository.
  - Consolidation 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.
  - In case an investor has multiple accounts across two depositories, the depository with whom the Demat account has been opened earlier will be the default depository which will consolidate the details across depositories and MF investments and dispatch the CAS to the investor.
  - The CAS will be generated on 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.
  - The dispatch of CAS by the depositories shall constitute compliance by Kotak AMC/ Kotak Mahindra Mutual Fund with the requirements under Regulation 36(4) of SEBI (Mutual Funds) Regulations, 1996
  - Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 18th day of April and October and to investors that have opted for delivery via physical mode, on or before the twenty-first (21st) day of April and October. 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 with the Depositories and the AMCs/MF-RTAs. The Account Statement shall reflect
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- holding at the end of the six month

- The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as Goods and Services tax (wherever applicable, as per existing rates), operating expenses, etc.

The scheme's average Total Expense Ratio (in percentage terms) along with the break up between Investment and Advisory fees, Commission paid to the distributor and Other expenses for the period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in

7. Such half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.
8. In case of a specific request is received from the investors, Kotak Mahindra Asset Management Company Ltd./ Kotak Mahindra Mutual Fund will provide the physical account statement to the investors.
9. For Unitholders who have provided an e-mail address in KYC records, the CAS will be sent by e-mail.
10. Any discrepancy in the Account Statement should be brought to the notice of the Fund/AMC immediately. Contents of the Account Statement will be deemed to be correct if no error is reported within 30 days from the date of Account Statement.

#### 1. Half Yearly Account Statement:

11. Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 18th day of April and October and to investors that have opted for delivery via physical mode, on or before the twenty-first (21st) day of April and October. 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 with the Depositories and the AMCs/MF-RTAs. The Account Statement shall reflect

- holding at the end of the six month
  - The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as Goods and Services tax (wherever applicable, as per existing rates), operating expenses, etc.
  - The scheme's average Total Expense Ratio (in percentage terms) along with the break up between Investment and Advisory fees, Commission paid to the distributor and Other expenses for the period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in
- Such half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.
- The account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme.
  - Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so mandated.

“Transaction” shall include purchase, redemption, switch, Payout of Income Distribution cum capital withdrawal option (IDCW), Reinvestment of Income Distribution cum capital withdrawal option (IDCW), systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions.

## **2. Half Yearly Disclosures/Portfolio Disclosures/Financial Results**

The AMCs, shall disclose portfolio (along with ISIN) as on monthly, half-yearly basis for all the schemes except MF Lite Schemes on the website of the Kotak Mahindra Mutual Fund viz. [www.kotakmf.com](http://www.kotakmf.com) and on the website of AMFI ([www.amfiindia.com](http://www.amfiindia.com)) within 10 days from the close of each month/ half-year respectively in a user-friendly and downloadable spreadsheet format.

As per SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2024/183 dated December 31,2024, The AMCs, shall disclose portfolio (along with ISIN) as on quarterly basis and monthly basis for all the MF Lite Equity Index/ETF schemes and MF Lite Debt Index/ETF Schemes respectively on the website of the Kotak Mahindra Mutual Fund viz. [www.kotakmf.com](http://www.kotakmf.com) and on the website of AMFI ([www.amfiindia.com](http://www.amfiindia.com)) within 10 days from the close of each quarter/month respectively in a user-friendly and downloadable spreadsheet format.

In accordance with Para 5.1 and 5.3 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, effective from October 01, 2021, unitholders whose e-mail addresses are registered, AMC shall send the details of the scheme portfolio including the scheme risk-o-meter, name of benchmark and risk-o-meter of benchmark while communicating the fortnightly, monthly and half-yearly statement of scheme portfolio via email within 5 days of every fortnight for debt schemes, 10 days from the close of each month for other schemes except MF Lite Equity Index/ETF Schemes, 10 days from the close of each quarter for MF Lite Equity Index/ETF Schemes, and 10 days from the close of half-year for all schemes except MF Lite Schemes.

AMCs shall provide a link to investors to their registered email to enable the investor to directly view/download only the portfolio of schemes subscribed by the said investor.

The Mutual Fund / AMC shall provide a physical copy of statement of its scheme portfolio, without charging any cost, on specific request received from a unit holder. An advertisement shall be published every half-year disclosing the hosting of the half-yearly statement of the schemes on website of Kotak Mahindra Mutual Fund and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which a unitholder can submit a request for a physical or electronic copy of the statement of scheme portfolio. Such advertisement shall be published in the all India edition of at least two daily newspapers, one each in English and Hindi.

## **3. Half Yearly Results**

The soft copy of unaudited financial results shall within one month from the close of each half year i.e. 31st of March and the 30th of September, be hosted on the website [www.kotakmf.com](http://www.kotakmf.com) and will be sent to AMFI for posting on its website [www.amfiindia.com](http://www.amfiindia.com).

Also an advertisement of hosting of the unaudited results shall be published in one English daily newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated.

As per SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2024/183 dated December 31,2024, the above disclosure is not applicable to MF Lite Schemes.

#### **4. Annual Report**

Pursuant to Regulation 56 of SEBI (Mutual Funds) Regulations, 1996 read with Para 5.4 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, and with SEBI Mutual Fund (Second Amendment) Regulation 2018, the scheme wise annual report or abridged summary thereof will be hosted on the website in machine readable format of Kotak Mahindra Mutual Fund viz. [www.kotakmf.com](http://www.kotakmf.com) and on the website of AMFI, immediately after approval in Annual General Meetings within a period of four months, from the date of closing of the financial year (31st March). The AMCs shall display the link prominently on the website of the Kotak Mahindra Mutual Fund viz. [www.kotakmf.com](http://www.kotakmf.com) and make the physical copies available to the unitholders, at their registered offices at all times. Unit holders whose e-mail addresses are not registered will have to specifically 'opt in' to receive physical copy of scheme wise annual report or abridged summary thereof. The unit holders may request for a physical copy of scheme annual reports at a nominal price and the text of the relevant scheme by writing to the Kotak Mahindra Asset Management Company Ltd. / Investor Service Centre / Registrar & Transfer Agents. AMC shall provide a physical copy of abridged report of the annual report, without charging any cost, on specific request received from a unit holder. An advertisement shall be published every year disclosing the hosting of the scheme wise annual report on website of Kotak Mahindra Mutual Fund and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which a unitholder can submit a request for a physical or electronic copy of the scheme wise annual report or abridged summary thereof. Such advertisement shall be published in the all India edition of at least two daily newspapers, one each in English and Hindi.

**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.**