



## STATEMENT OF ADDITIONAL INFORMATION (SAI)

<b>Asset Management Company</b>	<b>Helios Capital Asset Management (India) Private Limited</b> CIN: U67190MH2021PTC360838  <b>Registered Office:</b> 515 A, 5 <sup>th</sup> Floor, The Capital, Plot C70, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra, India.
<b>Trustee Company</b>	<b>Helios Trustee Private Limited</b> CIN: U67100MH2023FTC396998  <b>Registered Office:</b> 502 B, 5 <sup>th</sup> Floor, The Capital, Plot C70, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra, India.
<b>Website</b>	<a href="http://www.heliosmf.in">www.heliosmf.in</a>

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

This SAI is dated February 15, 2024.

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**I. INFORMATION ABOUT SPONSOR, ASSET MANAGEMENT COMPANY AND TRUSTEES**

**A. Constitution of the Mutual Fund**

Helios Mutual Fund (the Fund) has been constituted as a trust in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) vide a trust deed dated March 01, 2023 with Helios Capital Management Pte. Limited as the Sponsor / Settlor and Helios Trustee Private Limited, as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Fund was registered with SEBI under registration number MF/079/23/05 dated August 10, 2023.

The Trust has been formed for the purpose of pooling of capital from the public for collective investment in securities / any other property for the purpose of providing facilities for participation by persons as beneficiaries in such properties / investments and in the profits / income arising therefrom.

**B. Sponsor**

The Fund is sponsored by Helios Capital Management Pte. Limited ('HCMPL'). The Sponsor is the Settlor of the Mutual Fund Trust. Helios Capital Management Pte. Limited is contributing Rs. 50,000/- to the Trustee as the initial contribution towards the corpus of the Mutual Fund.

HCMPL is a private company limited by shares incorporated under the laws of Singapore on January 13, 2005, having registration number 200500610R.

The principal activity of HCMPL is to provide certain management services, including portfolio management and risk management services, to the funds managed. The fund management industry in Singapore is regulated by the Monetary Authority of Singapore ('MAS') and HCMPL is a capital markets license holder for fund management and subject to the supervision in Singapore by MAS. It is also registered with SEBI as a Foreign Portfolio Investor bearing registration no. INSGFP149917.

Financial Performance of the Sponsor (past three years):

Particulars	(Rs. In crore)		
	Year ended December 31, 2022	Year ended December 31, 2021	Year ended December 31, 2020
Net worth	104.39	91.84	67.31
Total Income	28.09	59.96	46.99
Profit After Tax	1.77	24.90	23.45

Note: Above numbers are standalone numbers of the sponsor.

**C. The Trustee**

Helios Trustee Private Limited (the "Trustee"), through its Board of Directors, shall discharge its obligations as trustee of Helios Mutual Fund. The Trustee ensures that the transactions entered into by the Investment Manager / Asset Management Company (i.e. Helios Capital Asset Management (India) Private Limited) are in accordance with the SEBI (Mutual Funds) Regulations, 1996 and will also review the activities carried out by the AMC.

## Details of Trustee Directors:

Name	Age/Qualification	Brief Experience
<b>Dr. K.P. Krishnan</b> <b>(Independent Director)</b>	62 Years  B.A. (Hons) in Economics, from St. Stephen's College, LLB from University of Delhi, M.A. in Economics from University of Mysore, FPM/Ph.D in Economics and Finance from IIM Bangalore	<p>Dr. K.P. Krishnan served in the Indian Administrative Service (IAS) for 37 years. In his IAS career, he served in various positions in the Government of Karnataka, the Government of India, and the World Bank. He superannuated from the IAS on 31/12/2019 as Secretary to GOI in the Ministry of Skill Development &amp; Entrepreneurship.</p> <p>In parallel with his government career, Dr. Krishnan has been a strong researcher and academic. Besides being visiting faculty at IIM Bangalore, ISB, and Ashoka University, he held the prestigious Bok Visiting Professorship of Regulation at the University of Pennsylvania Law School in 2012-13. He has served as the IEPF Chair Professor of Economics at the National Council of Applied Economic Research (NAER) New Delhi. At present, he is Honorary Research Professor at the Centre for Policy Research (CPR) New Delhi.</p> <p>Dr. Krishnan has chaired and served as a member of several Government of India committees, including the Krishnan Committee on Cross Border Insolvency Rules/Regulation Committee, the Krishnan Committee on Comprehensive Regulation of Credit Rating Agencies, the T K Viswanathan Committee on Reform of Bankruptcy Laws in India; the Rangarajan High-level Expert Committee on Efficient Management of Public Expenditure; High-level Coordination Committee on Financial Markets chaired by the RBI Governor; and the Rajan Committee on Financial Sector Reforms.</p> <p>He is an Independent Director on the Boards of a few other for-profit companies as well as not for profit organizations.</p>
<b>Mr. Sanjeev Aga</b> <b>(Independent Director)</b>	71 Years  Graduated with Physics Honours from St Stephen's College, Delhi,	<p>Sanjeev Aga has over four decades of experience in the corporate world. Until 2011, he was the Managing Director of Idea Cellular. Prior to that, he was the Managing</p>

Name	Age/Qualification	Brief Experience
	MBA from IIM Calcutta.	<p>Director of Aditya Birla Nuvo and before that Managing Director of VIP Industries (now BlowPlast). He started his career with Asian Paints where he spent his first nine years.</p> <p>In 2009, Mr. Aga received on behalf of Idea Cellular, the ET Award for The Emerging Company of the Year. In 2010, Mr. Aga was shortlisted for the Indian of the Year, by Forbes Magazine. The Scindia School conferred upon Mr. Aga, the Madhav Award 2014 for the Old Boy of Eminence.</p> <p>Mr. Aga now engages in advisory and board roles for reputed corporates and not-for-profits. Mr. Aga is a Director on the Board of listed companies like Larsen &amp; Toubro Ltd., LTI Mindtree Limited, Pidilite Industries Ltd and Mahindra Holidays and Resorts India Ltd.</p>
<p><b>Dr. J. N. Mukhopadhyaya</b> (Independent Director)</p>	<p>61 Years</p> <p>Mechanical engineer from IIT-BHU, Varanasi,</p> <p>PGDM (MBA - 2 years full time) from IIM Calcutta,</p> <p>UGC NET qualified and Ph.D. in Economics from Jadavpur University</p>	<p>Dr J N Mukhopadhyaya is registered as an Independent Director with IICA.</p> <p>He has a professional experience of more than 38 years. Before coming to academics, he had 17 years of professional experience in several companies.</p> <p>He has 20 years' experience in full time teaching and also has been a visiting faculty at IIM Calcutta, IIFT Calcutta, IIM Rohtak, IIM Bodh Gaya and IIM Ranchi. He was founding faculty and Professor of Finance of Globsyn Business School. He worked there for 12 years and became Dean and played a key role in making it a much sought after institute. He was Director of J.D. Birla Institute, (JDBI) for more than 5 years. The Institute is affiliated to Jadavpur University. He played a transformational role, making it a much sought after Institute.</p> <p>His areas of core competence are Corporate Finance, Financial Markets, Investment Banking &amp; Financial Services, Security Analysis &amp; Portfolio Management. Many of his research papers have been published in referred journals.</p>

Name	Age/Qualification	Brief Experience
		<p>He has been a speaker at various seminars organized by various Chambers of Commerce, CII, Institute of Company Secretaries, CMA etc.</p> <p>Dr. J N Mukhopadhyaya has conducted Corporate Training for professionals of Tata Motors, M Junction, Lafarge, McNally Bharat, IBM, Cognizant Technologies, Titan Industries, Exide Industries etc.</p> <p>He is member of BOS of the Department of Management of St Xavier's College and MCKV Institute. He is presently Professor of Finance at Army Institute of Management and Independent / Non-Executive Director in few companies.</p>
<p><b>Mr. Nawal Gupta</b> (Associate Director)</p>	<p>49 years Chartered Accountant, Cost &amp; Works Accountant</p>	<p>Nawal Gupta is the Chief Operating Officer of Helios Capital Management Pte. Ltd., Singapore and has been with the firm since 2007.</p> <p>Prior to joining Helios, Mr. Gupta was the Head of Fund Administration, Settlements and Custody at DSP Investment Managers in India from 2001 to 2007. Prior to joining DSP Investment Managers, he worked in Citibank's Corporate Banking team as Risk Manager from 2000 to 2001. Before his time at Citibank, Mr. Gupta held the designation of Senior Manager, Operations at Prudential ICICI Asset Management Co. Ltd.</p>

**Rights, Obligations, Responsibilities and Duties of the Trustee under the Trust Deed and the SEBI (MF) Regulations, 1996:**

Pursuant to the Trust Deed dated March 01, 2023, constituting the Mutual Fund, and in terms of the SEBI (MF) Regulations, the rights, obligations, responsibilities and duties of the Trustee are as under:

1. The Trustee and the AMC have with the prior approval of SEBI entered into an Investment Management Agreement.
2. The Investment Management Agreement contains clauses as are mentioned in the Fourth Schedule of the SEBI (MF) Regulations and such other clauses as are necessary for the purpose of making investments.
3. The trustees shall have a right to obtain from the asset management company such information as is considered necessary by the trustees.
4. The trustees shall approve the policy for empanelment of brokers by the asset management company and shall ensure that an asset management company has been diligent in

empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.

5. The trustees shall ensure that the asset management company has not given any undue or unfair advantage to any associates or dealt with any of the associates of the asset management company in any manner detrimental to interest of the unitholders.
6. The trustees shall ensure that the transactions entered into by the asset management company are in accordance with SEBI (MF) Regulations and the scheme.
7. The trustees shall ensure that the asset management company has been managing the mutual fund schemes independently of other activities and have taken adequate steps to ensure that the interest of investors of one scheme are not being compromised with those of any other scheme or of other activities of the asset management company.
8. The trustees shall ensure that all the activities of the asset management company are in accordance with the provisions of SEBI (MF) Regulations.
9. Where the trustees have reason to believe that the conduct of business of the mutual fund is not in accordance with SEBI (MF) Regulations and the scheme they shall forthwith take such remedial steps as are necessary by them and shall immediately inform SEBI of the violation and the action taken by them.
10. Each trustee shall file the details of his transactions of dealing in securities with the Mutual Fund, within the time and manner as may be specified by SEBI from time to time.
11. 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 SEBI (MF) Regulations and the provisions of trust deed.
12. The trustees shall take steps to ensure that the transactions of the mutual fund are in accordance with the provisions of the trust deed.
13. The trustees shall ensure that asset management company calculates the income due to be paid to the mutual fund and also of any income received in the mutual fund for the holders of the units of any scheme in accordance with SEBI (MF) Regulations and the trust deed.
14. The trustees shall obtain the consent of the unitholders—
  - a) whenever required to do so by SEBI 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 or prematurely redeem the units of a close ended scheme.
15. 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 the requirements specified under SEBI (MF) Regulations.
16. The trustees shall call for the details of transactions in securities by the key personnel of the asset management company in his own name or on behalf of the asset management company and shall report to SEBI, as and when required.
17. The trustees shall quarterly review all transactions carried out between the mutual funds, asset management company and its associates.

18. The trustees shall on a quarterly basis review the networth of the asset management company to ensure compliance with the threshold provided in clause (f) of sub-regulation (1) of regulation 21 on a continuous basis.
19. The trustees shall periodically review the service contracts relating to custody arrangements and satisfy themselves that such contracts are executed in the interest of the unit holders.
20. The trustees shall ensure that there is no conflict of interest between the manner of deployment of its networth by the asset management company and the interest of the unitholders.
21. The trustees shall periodically review the investor complaints received and the redressal of the same by the asset management company.
22. The trustees shall abide by the Code of Conduct as specified in PART-A of the Fifth Schedule to the SEBI (MF) Regulations.
23. The trustees shall furnish to SEBI on a half-yearly basis or at such frequency as may be prescribed by SEBI from time to time—
  - a) a report on the activities of the mutual fund;
  - b) a certificate stating that the trustees have satisfied themselves that there have been no instances of self-dealing or front running by any of the trustees, directors and key personnel of the asset management company;
  - c) a certificate to the effect that the asset management company has been managing the schemes independently of any other activities and in case any activities of the nature referred to in clause (b) of regulation 24 of SEBI (MF) Regulations have been undertaken by the asset management company and has taken adequate steps to ensure that the interests of the unitholders are protected.
24. The independent Directors of the Trustee shall give their comments on the report received from the asset management company regarding the investments by the mutual fund in the securities of group companies of the sponsor.
25. Trustees shall exercise due diligence as under:

**A. General Due Diligence:**

- (i) The Trustees shall be discerning in the appointment of the directors on the Board of the asset management company.
- (ii) Trustees shall review the desirability or continuance of the asset management company if substantial irregularities are observed in any of the schemes and shall not allow the asset management company to float new schemes.
- (iii) The Trustee shall ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons.
- (iv) The Trustee shall ensure that all service providers are holding appropriate registrations from SEBI or concerned regulatory authority.
- (v) The Trustees shall arrange for test checks of service contracts.
- (vi) Trustees shall immediately report to SEBI of any special developments in the mutual fund.

**B. Specific due diligence:**

The Trustees shall:



- (i) obtain internal audit reports at regular intervals from independent auditors appointed by the Trustees,
  - (ii) obtain compliance certificates at regular intervals from the asset management company,
  - (iii) hold meeting of trustees more frequently,
  - (iv) consider the reports of the independent auditor and compliance reports of asset management company at the meetings of trustees for appropriate action,
  - (v) maintain records of the decisions of the Trustees at their meetings and of the minutes of the meetings,
  - (vi) prescribe and adhere to a code of ethics by the Trustees, asset management company and its personnel,
  - (vii) communicate in writing to the asset management company of the deficiencies and checking on the rectification of deficiencies.
- C. The trustees shall also exercise due diligence on such matters as may be specified by SEBI from time to time.**

**In terms of the Provisions of SEBI Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/117** dated July 07, 2023, the trustees shall have following responsibilities:

**Core Responsibilities:**

- i) The Trustees shall exercise independent due diligence on the following matters:
  - a) Ensure the fairness of the fees and expenses charged by the AMC.
  - b) Review the performance of AMC in its schemes vis-a-vis performance of peers or the appropriate benchmarks.
  - c) Ensure that the AMC has put in place adequate systems to prevent mis-selling to increase assets under their management and valuation of the AMC.
  - d) Ensure that operations of AMC are not unduly influenced by the AMC's Sponsor, its associates and other stakeholders of AMC.
  - e) Ensure that undue or unfair advantage is not given by AMC to any of their associates/group entities.
  - f) Be responsible to address conflicts of interest, if any, between the shareholders / stakeholders / associates of the AMCs and unitholders.
  - g) Ensure that the AMC has put in place adequate systems to prevent misconduct including market abuse/misuse of information by the employees, AMC and connected entities of the AMC.
- ii) The Trustees shall take steps to ensure that there are system level checks in place at AMC's end to prevent fraudulent transactions including front running by employees, form splitting / mis-selling by distributors etc. The Trustees shall review such checks periodically.
- iii) The Trustees and their resource persons shall independently evaluate the extent of compliance by AMCs vis-à-vis the identified key areas and not merely rely on AMC's submissions /external assurances.
- iv) AMC shall put in place suitable mechanisms/systems to generate system-based information / data / reports for evaluation and effective due diligence by the

Trustees. AMC shall provide alerts based automated reports to the Trustees as may be required by the Trustees.

- v) The Trustees shall ensure that suitable mechanisms/systems are put in place by the AMC to generate system-based information/data/reports for evaluation and effective due diligence by the Trustees. The Trustees shall also ensure that the AMCs periodically review such systems.
- vi) AMC shall submit exception reports/analytical information to the Trustees, that add value to the process of exercising their oversight role. The Trustees shall evaluate the nature and adequacy of the alerts and the manner of dealing with such alerts by AMC.
- vii) The Trustees shall require the AMC to furnish, in a true and fair manner, reports and alerts based on pre-decided parameters including but not limited to the areas specified as core responsibilities, for taking appropriate action.
- viii) The Trustees shall periodically review the steps taken by AMCs for folios which do not contain all the Know Your Client (KYC) attributes / updated KYC attributes and ensure that the AMCs take remedial steps necessary for updating the KYC attributes especially pertaining to bank details, PAN, mobile phone number.

**Other Responsibilities where trustees may rely on professional firms for carrying out due diligence on behalf of the Trustees:**

- a. Overseeing that AMCs manage the operations of Mutual Fund schemes independently from other activities.
  - b. Discharging their role as a custodian of assets on behalf of unitholders in accordance with MF Regulations and the trust deed.
  - c. Reviewing the network of the AMC on a periodic basis to ensure compliance with prescribed threshold.
  - d. Ensuring that the transactions of the Mutual Funds are in accordance with the provisions of the trust deed.
26. Notwithstanding anything contained in sub-regulations (1) to (25) of Regulation 18 of SEBI (MF) Regulations, the trustees shall not be held liable for acts done in good faith if they have exercised adequate due diligence honestly.
27. The independent directors of Trustee shall pay specific attention to the following, as may be applicable, namely:—
- (i) the Investment Management Agreement and the compensation paid under the agreement.
  - (ii) service contracts with associates—whether the asset management company has charged higher fees than outside contractors for the same services.
  - (iii) selections of the asset management company's independent directors.
  - (iv) securities transactions involving associates to the extent such transactions are permitted.
  - (v) selecting and nominating individuals to fill independent directors' vacancies.
  - (vi) code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.

- (vii) the reasonableness of fees paid to sponsors, asset management company and any others for services provided.
- (viii) principal underwriting contracts and their renewals.
- (ix) any service contract with the associates of the asset management company.

Amendments to the Trust Deed shall not be carried out without the prior approval of SEBI and Unitholders' approval/consent as per the procedure/provisions laid down in the SEBI (MF) Regulations and the Trust Deed where it affects the interest of the Unitholders.

### **Supervisory Role of the Trustee**

The supervisory role of the Trustees will be discharged by reviewing the information and the operations of the Fund based on the reports submitted at the meetings of the Trustee, by reviewing the reports submitted by the Internal Auditor and the quarterly and half yearly compliance reports.

On a regular basis, activity report forwarded by the AMC will be discussed at the Board meeting of the Trustee. The Board meeting of the Trustee shall be held at least once in every two calendar months and at least six such meetings shall be held in every year or at such frequency as may be prescribed under the SEBI (MF) Regulations from time to time. The quorum for a Board meeting of the Trustee shall not be constituted unless such number of independent directors as may be prescribed under SEBI (MF) Regulations from time to time are present at the meeting.

During the period April 1, 2023 to July 31, 2023, the Board of Directors of Trustee Company met 3 times.

The Audit Committee comprising 3 Independent Directors and 1 Associate Director of the Board of Directors of Trustee Company, was constituted on July 4, 2023, and therefore, there were no meetings during the period April 1, 2023 to July 31, 2023.

### **Trusteeship Fees**

Pursuant to the Trust Deed constituting the Fund, the Trustee Company is entitled to receive Trusteeship Fee from the Fund, as may be mutually agreed between the Sponsor and the Board of Trustees from time to time, subject to the SEBI Regulations.

### **D. Asset Management Company**

Helios Capital Asset Management (India) Private Limited has been appointed as the Asset Management Company ('AMC') of Helios Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated March 13, 2023, executed between Helios Trustee Private Limited and Helios Capital Management (India) Private Limited. Helios Capital Asset Management (India) Private Limited is a private limited company incorporated under the Companies Act, 2013 on May 21, 2021, having its Registered Office at 515 A, 5th Floor, The Capital, Plot C70, Bandra Kurla Complex, Bandra East, Mumbai - 400051, Maharashtra, India. SEBI approved the AMC to act as the Investment Manager of the Fund vide its letter No. SEBI/HO/IMD/IMD-RAC-1/P/OW/2023/32305/1 dated August 10, 2023.

The AMC will manage the schemes of Helios Mutual Fund as mentioned in their respective Scheme Information Documents, in accordance with the provisions of IMA, the Trust Deed, the SEBI Regulations and the objectives of the Scheme.

**Shareholding Pattern of the AMC**

Name of the Shareholder	No of equity shares held	Equity Share Capital	% holding
Helios Capital Management Pte Ltd., Singapore	5,10,60,000	51,06,00,000	92.5%
DSI Capital Private Ltd	41,40,000	4,14,00,000	7.5%
<b>Total</b>	<b>5,52,00,000</b>	<b>55,20,00,000</b>	<b>100%</b>

**Other Activities of the AMC**

The AMC may either through itself or through its subsidiaries may undertake other Business Activities such as acting as the investment manager of various Alternative Investment Funds (AIFs), providing portfolio management services, investment advisory services, separately managed accounts; etc. as permitted under Regulation 24(b) of the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time and subject to such conditions as may be specified by SEBI from time to time. Any potential conflicts between these activities and the Mutual Fund will be adequately addressed by compliance with the requirements under Regulation 24(b) of the Regulations

The AMC is currently registered as Portfolio Manager under SEBI (Portfolio Managers) Regulations, 2020 and provides portfolio management and advisory services to domestic and overseas clients under SEBI Registration No. INP000006916. The AMC also acts as the investment manager for Helios India Alternate Fund (“AIF Fund”), which is formed as a Trust and has received registration as a Category III Alternative Investment Fund from SEBI vide Registration No. IN/AIF3/19-20/0773, under SEBI (Alternative Investment Funds) Regulations, 2012. The AMC has a common research team. The AMC has proper systems and controls in place to ensure that (a) there is no conflict of interest between the activities of managing the schemes of the Helios Mutual Fund and other activities of the AMC; and (b) interest of the unit holders of the schemes of the Fund are protected at all times.

In the situations of unavoidable conflicts of interest, the AMC undertakes that it shall satisfy itself that adequate disclosures are made of sources of conflict, potential material risk or damage to Fund's investors' interest and detailed parameters for the same.

**Details of AMC Directors:**

Name	Age / Qualification	Brief Experience
<b>Mr. Samir Arora</b> (Associate Director)	61 years Engineering from the Indian Institute of Technology, New Delhi MBA (gold medalist) from the IIM, Calcutta, Master's degree in finance from	Samir Arora is the main founder & fund manager at Helios Capital. From 1998 to 2003, he was the Head of Asian Emerging Markets at Alliance Capital Management in Singapore (both fund management and research, covering 9 markets). From 1993 to August 2003, Mr. Arora was the Chief Investment Officer of Alliance Capital's Indian mutual fund business and, along with managing Alliance Capital's Asian Emerging Markets mandates, managed all of Alliance Capital's India-dedicated equity funds.

Name	Age / Qualification	Brief Experience
	<p>the Wharton School, University of Pennsylvania</p>	<p>In 1993, Mr. Arora relocated to Mumbai from New York as Alliance Capital's first employee in India to help start its Indian mutual fund business. He also managed ACM India Liberalization Fund, an India-dedicated offshore fund since its inception in 1993 till August 2003. Prior to 1993, he worked with Alliance Capital in New York as a research analyst.</p> <p>Mr. Arora's philanthropic interests are in the areas of helping children, elderly, and the differently abled individuals. He is one of the Founders of Ashoka University, Haryana, India and has also funded a lifetime student bursary at Singapore University of Technology and Design.</p>
<p><b>Mr. Dinshaw Irani</b> (Associate Director)</p>	<p>57 years</p> <p>Graduate in Commerce (Hons.) and holds a post-graduate diploma in Rural Management from the Institute of Rural Management, Anand</p>	<p>Dinshaw Irani is the Director &amp; CEO of Helios Capital Asset Management (India) Private Limited and has overall work experience of 33 years. Prior to this, he was Executive Director at Artemis Advisors (exclusive research advisors to Helios Singapore) for over 14 years, where he led the research process, from industry outlook and idea generation to final recommendation. Prior to joining Artemis in 2005, he was the Principal Portfolio Manager at Sharekhan during 2003-04, setting up their portfolio management services division.</p> <p>Prior to his stint at Sharekhan, Mr. Irani was Vice President in the Asian Emerging Markets team for Alliance Capital in Mumbai for over 3 years covering the consumer and pharmaceutical sectors. Before Alliance, Mr. Irani has worked at Sun F&amp;C Mutual Fund and at Lloyd Securities.</p>
<p><b>Mr. Abhijit Raha</b> (Independent Director)</p>	<p>64 years</p> <p>Chartered Accountant from the Institute of Chartered</p>	<p>Mr. Abhijit Raha is associated with financial services for around four decades across a various spectrum of roles, with rich experience in equities, foreign-exchange and investment banking. He is Senior Advisor at Pivotsapes, a Singapore based Consultancy that focuses on business transformation.</p>

Name	Age / Qualification	Brief Experience
	<p>Accountants of India,</p> <p>Bachelor's Degree of Commerce (Hons.) from the University of Calcutta, India</p>	<p>Mr. Raha was the Chief Executive Officer of BNP Paribas Securities Singapore Pte Ltd. until 2017. Prior to this, he was in a similar role in India where he was tasked with setting up the Equities and Investment Banking functions for BNP Paribas. Before joining, BNP Paribas, Mr. Raha was Co- Founder and CEO of an India specific absolute return fund - Cornerstone Asia Investments, based in Singapore &amp; run in partnership with Bank Julius Baer, Zurich.</p> <p>He was instrumental in the growth of CLSA's operations in India and South-East Asia, having spent six years in India as CEO, building the organisation from scratch; and four years as CEO for Singapore and Malaysia.</p>
<p><b>Mr. Ganesh N. Prabhu</b> (Independent Director)</p>	<p>58 years</p> <p>Fellow (Ph.D) of IIM Ahmedabad, India</p> <p>Post-graduate diploma in Rural Management from the Institute of Rural Management, Anand</p> <p>Bachelor of Science from Elphinstone College, Bombay University</p>	<p>Mr. Ganesh N. Prabhu is a professor of strategy at IIM Bangalore. His areas of research and teaching are product innovation, strategic management, and entrepreneurship.</p> <p>He has published research in leading journals like Academy of Management Review, Research Policy, IEEE Transactions in Engineering Management, and International Journal of Human Resource Management. He was an invited editorial board member of the Journal of Management USA for three years and is currently on the editorial board of Asian Journal of Management Cases and Journal of Indian Business Studies. He is a nominated member on the India Design Council, on the governing council of the Strategy Academy Knowledge Center Society, on the International Advisory Board of the Center for Advancement of Research Methods and Analysis, USA.</p> <p>He jointly won the Best Paper Award at the Indian Academy of Management Conference in 2020. Earlier he had jointly won the 'ET-FLAME Best Case Writer Award' in 2015 and the 'ET Cases-FLAME Pedagogical Innovation Case Award' in 2018. He had received the AIMS Best Young Teacher Award in 2000.</p>

Name	Age / Qualification	Brief Experience
		<p>He has taught top management groups of many leading entities. He has conducted strategy, visioning &amp; innovation workshops for senior executive groups of many leading corporates. Further, he also led customized programmes at IIMB for many reputed organisations of India.</p> <p>He has consulted for the National Dairy Development Board and was involved in reviewing the restructuring plans of HMT Limited, HMT Machine Tools and HMT Tractors.</p>
<p><b>Mr. Romesh Sobti</b> (Independent Director)</p>	<p>73 years</p> <p>Bachelor's degree (Honours) in Electrical Engineering, Diploma in Corporate Laws and Secretarial Practice.</p>	<p>Mr Romesh Sobti is a career banker with 46 years of experience in all 3 sectors of banking - public, foreign and private. He became the Managing Director &amp; CEO of IndusInd Bank Ltd. during 2007-08 and retired from the Bank in 2020.</p> <p>Prior to this assignment, Mr. Sobti was the Executive Vice President – Country Executive, India and Head, UAE and Sub-Continent, at ABN AMRO Bank N.V. He joined ABN AMRO Bank N.V. in November 1990 and over a period of 17 years with the Bank, he was at helm as CEO for 12 years. In his banking career, Mr. Sobti has also been associated with ANZ Grindlays Bank plc (now Standard Chartered Bank) and with State Bank of India prior to that.</p>

#### **Duties and obligations of Asset Management Company (AMC):**

Under the SEBI (MF) Regulations and the Investment Management Agreement, the AMC has, inter-alia, the following duties and responsibilities:

1. The asset management company shall take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any scheme is not contrary to the provisions of SEBI (MF) Regulations and the trust deed.
2. The asset management company shall exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
3. The asset management company shall obtain, wherever required under SEBI (MF) Regulations, prior in-principle approval from the recognized stock exchange(s) where units are proposed to be listed.

4. The asset management company shall be responsible for the acts of commission or omission by its employees or the persons whose services have been procured by the asset management company.
5. The asset management company shall submit to the trustees, quarterly reports of each year on its activities and the compliance with SEBI (MF) Regulations.
6. The trustees at the request of the asset management company may terminate the assignment of the asset management company at any time. Provided that such termination shall become effective only after the trustees have accepted the termination of assignment and communicated their decision in writing to the asset management company.
7. Notwithstanding anything contained in any contract or agreement or termination, the asset management company or its directors or other officers shall not be absolved of liability to the mutual fund for their acts of commission or omission, while holding such position or office.
8. The Chief Executive Officer of the asset management company shall ensure that the mutual fund complies with all the provisions of applicable regulations and the guidelines or circulars issued in relation thereto from time to time and that the investments made by the fund managers are in the interest of the unit holders and shall also be responsible for the overall risk management function of the mutual fund. Chief Executive Officer shall also ensure that the Asset Management Company has adequate systems in place to ensure that the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of 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 Asset Management Company and Trustees.
9. The fund managers (including Chief Investment Officer) 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. Further, the Fund Managers (including Chief Investment Officer) 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.
10. 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. The Dealers 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.
11. The board of directors of the asset management company shall ensure that all the activities of the asset management company are in accordance with the provisions of SEBI (MF) Regulations.
12. The asset management company shall not through any broker associated with the sponsor, purchase or sell securities, which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes. Provided that for the purpose of this sub-regulation, the aggregate purchase and sale of securities shall exclude sale and distribution of units issued by the mutual fund. Provided further that the aforesaid limit of 5% shall apply for a block of any three months.
13. The asset management company shall not purchase or sell securities through any broker (other than a broker referred to in clause above) which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes, unless the asset management company has recorded in writing the justification for exceeding the limit of 5% and reports of all such investments are sent to the trustees on a quarterly basis. Provided that the aforesaid limit shall apply for a block of three months.



14. The asset management company shall not utilise the services of the sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities. Provided that an asset management company may utilise such services if disclosure to that effect is made to the unitholders and the brokerage or commission paid is also disclosed in the half-yearly annual accounts of the mutual fund.

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

- (i) any underwriting obligations undertaken by the schemes of the mutual funds with respect to issue of securities associate companies,
  - (ii) devolvement, if any,
  - (iii) subscription by the schemes in the issues lead managed by associate companies,
  - (iv) subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies have acted as arranger or manager.
15. The asset management company shall file with the trustees the details of transactions in securities by the key personnel of the asset management company in their own name or on behalf of the asset management company and shall also report to SEBI, as and when required by SEBI.
16. In case the asset management company enters into any securities transactions with any of its associates a report to that effect shall be sent to the trustees at its next meeting.
17. In case any company has invested more than 5% of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the same mutual fund in that company or its subsidiaries shall be brought to the notice of the trustees by the asset management company and be disclosed in the half-yearly and annual accounts of the respective schemes with justification for such investment provided the latter investment has been made within one year of the date of the former investment calculated on either side.
18. The asset management company shall file with the trustees and SEBI—
- (i) detailed bio-data of all its directors along with their interest in other companies within fifteen days of their appointment;
  - (ii) any change in the interests of directors every six months; and
  - (iii) a quarterly report to the trustees giving details and adequate justification about the purchase and sale of the securities of the group companies of the sponsor or the asset management company, as the case may be, by the mutual fund during the said quarter.
19. Each director of the asset management company shall file the details of his transactions of dealing in securities with the trustees on a quarterly basis in accordance with guidelines issued by SEBI.
20. The asset management company shall not appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.
21. The asset management company shall appoint registrars and share transfer agents who are registered with SEBI. Provided if the work relating to the transfer of units is processed in-house, the charges at competitive market rates may be debited to the scheme and for rates higher than the competitive market rates, prior approval of the trustees shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.
22. The asset management company shall abide by the Code of Conduct as specified in PART-A of the Fifth Schedule to the SEBI (MF) Regulations.
23. The asset management company shall invest such amounts in such schemes of the mutual fund, based on the risks associated with the schemes, as may be specified by SEBI from time to time.

24. The asset management company shall not invest in any of its schemes unless full disclosure of its intention to invest has been made in the Scheme Information Document. Provided that an asset management company shall not be entitled to charge any fee on its investment in that scheme.
25. The asset management company shall not carry out its operations including trading desk, unit holder servicing and investment operations outside the territory of India.
26. The asset management company shall compute and carry out valuation of investments made by its scheme(s) in accordance with the investment valuation norms specified in Eighth Schedule of SEBI (MF) Regulations, and shall publish the same.
27. The asset management company and the sponsor of the mutual fund shall be liable to compensate the affected investors and/or the scheme for any unfair treatment to any investor as a result of inappropriate valuation.
28. The asset management company shall report and disclose all the transactions in debt and money market securities, including inter scheme transfers, as may be specified by SEBI.
29. The board of directors of the asset management company shall ensure before the launch of any scheme that the asset management company has-
  - a. systems in place for its back office, dealing room and accounting;
  - b. appointed all key personnel including fund manager(s) for the scheme(s) and submitted their bio-data which shall contain the educational qualifications and past experience in the securities market with the Trustees, within fifteen days of their appointment;
  - c. appointed auditors to audit its accounts;
  - d. appointed a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines, instructions, etc., issued by SEBI or the Central Government and for redressal of investors grievances. Further, compliance officer shall independently and immediately report to SEBI any non compliance observed by him/her.
  - e. 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;
  - f. prepared a compliance manual and designed internal control mechanisms including internal audit systems;
  - g. specified norms for empanelment of brokers and marketing agents;
  - h. obtained, wherever required under SEBI (MF) regulations, prior in principle approval from the recognized stock exchange(s) where units are proposed to be listed.
30. The board of directors of the asset management company shall ensure that –
  - a. the asset management company has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with specific brokers;
  - b. the asset management company has not given any undue or unfair advantage to any associate or dealt with any of the associate of the asset management company in any manner detrimental to interest of the unit holders;
  - c. the transactions entered into by the asset management company are in accordance with SEBI (MF) Regulations and the respective schemes;
  - d. the transactions of the mutual fund are in accordance with the provisions of the trust deed;

- e. the networth of the asset management company 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;
  - f. all service contracts including custody arrangements of the assets and transfer agency of the securities are executed in the interest of the unit holders;
  - g. there is no conflict of interest between the manner of deployment of the networth of the asset management company and the interest of the unit holders;
  - h. the investor complaints received are periodically reviewed and redressed;
  - i. all service providers are holding appropriate registrations with SEBI or with the concerned regulatory authority;
  - j. any special developments in the mutual fund are immediately reported to the trustees;
  - k. there has been exercise of due diligence on the reports submitted by the asset management company to the trustees;
  - l. there has been exercise of due diligence on such matters as may be specified by SEBI from time to time.
31. The asset management company shall constitute a Unit Holder Protection Committee in the form and manner and with a mandate as may be specified by SEBI.
32. The asset management company 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 SEBI (MF) Regulations and the trust deed.
33. The asset management company 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,—
- (i) 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 mutual fund is situated; and
  - (ii) the unit holders are given an option to exit at the prevailing Net Asset Value without any exit load.
34. The asset management company shall
- (i) not act as a Trustee of any mutual fund.
  - (ii) not undertake any business activities other than in the nature of management and advisory services provided to pooled assets including offshore funds, insurance funds, pension funds, provident funds, or Category I foreign portfolio investor as specified in Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, if any of such activities are not in conflict with the activities of the mutual fund.
- Provided that the AMC may itself or through its subsidiaries undertake any such activities, if it satisfies SEBI and ensures that the conditions as laid under the applicable Regulations are met.
- Provided further that the AMC may, itself or through its subsidiaries, undertake portfolio management services and advisory services for other than broad based fund subject to complying with the additional conditions viz. (i) that the key personnel of the AMC, the systems, back office, bank and securities accounts are segregated activity wise and there

exist systems to prohibit access to inside information of various activities; (ii) that the capital adequacy requirements, if any, separately for each such activity are met and that separate approval, if necessary under the relevant regulations is obtained; and other directions, as may be specified by the SEBI from time to time are adhered to.

- (iii) not acquire any assets out of the Trust Fund which involves the assumption of any liability which is unlimited or which may result in encumbrance of the Scheme property in any way.
35. The asset management company may become a proprietary trading member for carrying out trades in the debt segment of the recognised stock exchanges, on behalf of its mutual fund schemes and may also become a self-clearing member of the recognised clearing corporations to clear and settle trades in the debt segment on behalf of its mutual fund schemes.
36. The asset management company for each scheme shall keep and maintain proper books of account, records and documents, for each scheme so as to explain its transactions and to disclose at any point of time the financial position of each scheme and in particular give a true and fair view of the state of affairs of the Fund and intimate to the SEBI the place where such books of account, records and documents are maintained.
37. The asset management company shall maintain and preserve for a period of eight years its books of account, records and documents.
38. The independent Directors of the asset management company shall pay specific attention to the following as may be applicable, namely:
- (i) The Investment Management Agreement and the compensation paid under the Agreement.
  - (ii) Service contracts with associates - whether the AMC has charged higher fees than outside contractors for the same services.
  - (iii) Securities transactions involving associates to the extent such transactions are permitted.
  - (iv) Code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.
  - (v) The reasonableness of fees paid to Sponsors, AMC and any others for services provided.
  - (vi) Principal underwriting contracts and renewals.
  - (vii) Any service contracts with the associates of the AMC.
39. The board of directors of the trustee company and the board of directors of the asset management company, including any of their committees, shall meet at such frequency as may be specified by the Board from time to time.

## Information on Key Personnel:

Name	Designation	Age	Qualification	Brief Experience
<b>Mr. Dinshaw Irani</b>	Chief Executive Officer	57 Years	B.Com (Hons.) PGDRM (IRM, Anand)	Over 29 years of experience. <b>Helios Capital Asset Management (India) Private Limited</b> (March 2019 to present) – Chief Executive Officer. <b>Artemis Advisors Private Limited</b> (June 2005 to Feb 2019) – Executive Director. <b>Sharekhan</b> (2003-04) – Principal Portfolio Manager. Prior to his stint at Sharekhan, Dinshaw was Vice President in the Asian Emerging Markets team for Alliance Capital in Mumbai for over 3 years covering the consumer and pharmaceutical sectors. Before Alliance, Dinshaw has worked at Sun F&C Mutual Fund and at Lloyd Securities.
<b>Mr. Kiran Deshpande</b>	Chief Financial Officer (CFO) & Chief Operating Officer (COO)	55 Years	Cost Accountant C.S. CFP, FIII, B.Com. (Osmania University), Masters in Investment Management (Alagappa University), Certificate Course in Disruptive Strategy from Harvard Business School.	Over 33 years of experience. <b>Helios Capital Asset Management (India) Private Limited</b> (October 2022 to present) – CFO & COO <b>Baroda Asset Management India Limited</b> (May 2014 – May 2022) - CFO & COO <b>Deutsche Asset Management India Private Limited</b> (Oct 2007 to May 2014) – COO Before joining Deutsche Asset Management, he was associated with Birla Sun Life Distribution (BSDL) in various capacities
<b>Mr. Alok Bahl</b>	Chief Investment Officer	60 Years	B.Com (Punjab University) PGDFM (K.C. College of Management) PGDBM (XLRI, Jamshedpur)	Over 32 years of experience. <b>Helios Capital Asset Management (India) Private Limited</b> (April 2023 to present) – Chief Investment Officer. <b>Helios Capital Management Pte. Limited, Singapore</b> (May 2005 to March 2023) – Head of Trading.

Name	Designation	Age	Qualification	Brief Experience
				Prior to joining Helios, Alok worked in India with various sell side firms in sales for over 14 years.
<b>Mr. Abhay Modi</b>	Head of Research	56 Years	Engineering from NIT Rourkela, MBA from the IIM, Ahmedabad	Over 26 years of experience. <b>Helios Capital Asset Management (India) Private Limited</b> (March 2019 to present) – Head of Research. <b>Artemis Advisors Private Limited</b> (April 2007 to Feb 2019) – Director. Before Artemis, Abhay had worked at Reliance Capital, Indian Hotels and Duff & Phelps.
<b>Mr. Abhinav Khemani</b>	Vice President & Head - Compliance	42 Years	C.A. B.Com (Rajasthan University)	Over 18 years of experience. <b>Helios Capital Asset Management (India) Private Limited</b> (March 2023 to present) – VP & head - Compliance. <b>HSBC Asset Management (India) Private Limited</b> (June 2015 to Feb 2023) – VP - Compliance. <b>Birla Sun Life Asset Management Company Limited</b> (May 2011 to June 2015) – Chief Manager - Compliance. <b>Tata Asset Management Limited (Nov 2006 to May 2011)</b> – Manager -Compliance.
<b>Mr. Deviprasad Nair</b>	Head of Business	41 Years	Masters in financial Markets & Investments from Skema Business School, France MBA in Marketing from CMRIT, Bangalore.	Over 16 years of experience. <b>Helios Capital Asset Management (India) Private Limited</b> (January 2021 to present) – Business Head. <b>ICICI Prudential Asset Management Company Limited</b> (July 2018 to Jan 2021) - Head Sales & Business Development – PMS & AIF <b>PGIM India Asset Management Private Limited</b> (Dec 2017 to July 2018) – Vice President. <b>ICICI Prudential Asset Management Company Limited</b>

Name	Designation	Age	Qualification	Brief Experience
				(Sep 2014 – August 2016) – Head – Direct Business. <b>Birla Sun Life Asset Management Company Limited</b> (Nov 2008 to August 2014) – Regional Head.
<b>Mr. Apurva Sharma</b>	Vice President & Fund Manager	40 Years	CFA, BE (InfoTech) from Mumbai University, PGD in Finance from Welingkar’s Institute, Mumbai.	Over 15 years of experience. <b>Helios Capital Asset Management (India) Private Limited</b> (March 2023 to present) – VP & Fund Manager. <b>PGIM India Asset Management Private Limited</b> (April 2018 – March 2023) – Senior manager – Research. <b>ECL Finance Limited (Edelweiss)</b> (Feb 2016 – March 2018) – Manager. <b>ICICI Housing Finance Company</b> (Nov 2013 – Feb 2016) – Manager. <b>Anand Rathi Advisors Ltd.</b> (May 2010 – Oct 2013) – Analyst.
<b>Mr. Vilas Solanki</b>	Head of Operations, Investors Relationship Officer	50 years	B.Com. (Mumbai University), Investment Management Course from NMIMS	Over 27 years of experience. <b>Helios Capital Asset Management (India) Private Limited</b> (Feb 2022 to present) – VP & Head of Operations and Customer Service. <b>Navi AMC</b> (erstwhile Essel AMC and Peerless AMC) (2009-2021) - VP & Head of Operations and Customer Service. <b>ING Investment Management</b> (2003-2008) - Vice President Head - Customer Service Prior to this, Vilas has been part of the Operations function in other fund houses like ING Mutual Fund, Zurich India Mutual Fund and GIC Mutual Fund.
<b>Ms. Heena Parag</b>	VP & Head – Risk Management	41 Years	Executive MBA from IIM, Kozhikode and Master’s in Commerce from Mumbai University	Over 18 years of experience. <b>Helios Capital Asset Management (India) Private Limited</b> - (Aug 2023 to present) –VP & Head – Risk Management.

Name	Designation	Age	Qualification	Brief Experience
				<p><b>White Oak Capital Mutual Fund</b> (August 2022-August 2023) – VP – Risk Management</p> <p>She has handled functions including risk management and surveillance, compliance, operations management and business process improvements, accounting and budgeting. She has worked with both Corporate and Government.</p> <p><b>White Oak Capital Management Consultants LLP</b> (June 2017-June 2022)- VP - Operations</p> <p>Prior to this, she was working with with Ambit Capital Private Limited, Brics Securities Limited, IIFL, PHD Chamber of Commerce and Industry, PHED Govt of Bihar.</p>
<b>Mr. Jayesh Shah</b>	Manager - Dealing	51 Years	B.Com. (Mumbai University)	<p>Over 20 years of experience.</p> <p><b>Helios Capital Asset Management (India) Private Limited</b> (March 2023 to present) – Manager - Dealing.</p> <p><b>IDBI Asset Management Ltd</b> (Jan 2021 – Feb 2023) – Equity Dealer/Index Fund Manager</p> <p><b>ITI Asset Management Ltd</b> (May 2017 – Jan 2021)– Equity Dealer</p> <p><b>Brics Securities Ltd</b> (Feb 2013 – March 2017) – Institutional Equity Dealer.</p>
<b>Mr. Chaitanya D Kaikini</b>	Chief Information Security Officer (CISO)	45 Years	Bachelor of Commerce from Mumbai University	<p>Over 20 years of experience:</p> <p><b>Helios Capital Asset Management (India) Private Limited</b> (June 2023 to present) - CISO and AVP – Information Technology - June 2023 to Present.</p> <p><b>Taurus Asset Management Co. Ltd.</b> (November 2022 - June 2023) - AVP - Information Technology &amp; CISO.</p> <p><b>SVC Co-op Bank Ltd.</b> (November 2021 to November 2022) - Assistant Manager – Information Technology.</p>



Name	Designation	Age	Qualification	Brief Experience
				<p><b>Taurus Asset Management Co. Ltd.</b> (April 2008 - October 2021) - AVP - Information Technology &amp; CISO.</p> <p><b>Birla Sun Life Asset Management Co. Ltd.</b> (March 2007 - April 2008) - Executive – Information Technology.</p> <p><b>G-Tech Systems Pvt. Ltd.</b> (May 2003 - February 2007) - Senior System Administrator.</p>
<b>Mr. Utsav Modi</b>	Manager – Fixed Income Investments	37 Years	B.Com, CFA (ICFAI, Tripura)	<p>Over 11 years of experience.</p> <p><b>Helios Capital Asset Management (India) Private Limited</b> (October 2023 to present) – Fund manager and dealer for fixed income securities.</p> <p><b>Groww Asset Management Limited</b> (May 2023 - September 2023) – Dealer (Fixed Income)</p> <p><b>Indiabulls Asset Management Company Ltd.</b> (June 2022 - May 2023) – Dealer (Fixed Income)</p> <p><b>Phronesis Capital Ltd.</b> (May 2021 - May 2022) – Dealer (Debt Market Broking)</p> <p><b>Almondz Global Securities Ltd.</b> (Aug 2016 - Jan 2017) - Assistant Manager (Debt Market Broking)</p> <p>Prior to this, he has worked with A.K. Capital Ltd., LKP Securities Ltd. And Karvy Stock Broking Ltd. During the period from June 2012 to April 2016).</p>
Pratik Singh	Fund Manager - Equities	34 Years	MBA in Finance from Welingkar Institute, Mumbai  BE (Mechanical) from University of Pune.	<p>Over 10 years of experience.</p> <p><b>Helios Capital Asset Management (India) Private Limited</b> (February 2024 to present) – Fund Manager - Equities.</p> <p><b>Helios Capital Asset Management (India) Private Limited</b> (December 2021 to January 2024) – Research Analyst.</p>

Name	Designation	Age	Qualification	Brief Experience
				<p><b>Motilal Oswal Institutional Equities</b> [September 2019 to November 2021] - Senior Manager – Research.</p> <p><b>Haitong Securities India</b> [September 2017 to August 2019] - Research Associate.</p> <p><b>Nirmal Bang Institutional Equities</b> [September 2016 to August 2017] - Research Associate.</p> <p><b>Minda Valeo Security Systems Pvt Ltd.</b> [July 2011 to July'2014]</p>

Note: In case of past employment/experience details, last position held by the respective key personnel has been mentioned.

Presently all the key personnel are based at the Corporate Office of the AMC.

Mr. Vilas Solanki, Vice President & Head of Operations, has been appointed as the Investor Relations Officer of the Fund.

Presently the AMC has 1 dedicated equity dealer and a total of 9 employees (including research analysts) in the investment management department.

**Past experience details of research analyst:**

Name	Designation	Age	Qualification	Brief Experience
Darshit Shah	Research Analyst	29 years	Chartered Accountant and has cleared CFA (USA) Level 2.	Over 4 years of experience. Research Analyst at Helios Capital Asset Management (India) Private Limited since January 2022. Prior to this, he was associated with Motilal Oswal institutional equity research team, tracking the midcap sector for over 4 years. He has diverse sector experience across hotel, agro-chemicals, textile, paper, pipes, select consumer & chemical companies, and others.
Punit Pujara	Research Analyst	27 Years	Chartered Accountant and has cleared CFA (USA) Level 2.	Over 3 years of experience. Research Analyst at Helios Capital Asset Management (India) Private Limited since March 2023. In his previous roles, he worked on the sell side institutional equity research for

Name	Designation	Age	Qualification	Brief Experience
				appx. 2.5 years at IIFL Securities and Equirus Securities, covering Indian Healthcare sector. He has over 3.5 years of work experience across equity research and commercial banking.
Rohan Nagpal	Research Analyst	28 Years	28 Years / M.A. Economics, Ashoka University; B.S., Harvey Mudd College	Over 3 years of experience. Research Analyst at Helios Capital Asset Management (India) Private Limited since October 2022. Prior to Helios, he worked in software development, business analyst, and academic research roles.

### Procedure followed for Investment Decisions

The Asset Management Company (AMC) will diligently carry out all investment decisions for the schemes in strict adherence to the Regulations, the specified investment objectives outlined in the Scheme Information Document (SID), and the Investment Policy of the AMC. Each investment decision made by the AMC pertaining to the scheme's funds will be meticulously recorded.

Prior to initiating any investment in a company/issuer, a comprehensive report will be prepared to assess its suitability. The fund manager will document specific reasons for each individual order placed. The performance of the schemes will be periodically presented to the boards of both the AMC and the Trustee for review. Additionally, the boards of the Trustee and the AMC will consistently monitor the schemes' performance in comparison to their respective benchmark indices and the broader mutual fund industry.

To ensure effective decision-making and oversight, the AMC has established an Investment Management Committee consisting of the Chief Executive Officer (CEO), Chief Investment Officer, Fund Manager(s), Head – Equity Research, and Head – Compliance and Risk Officer. This committee will establish the overarching investment policy for the schemes, regularly review the policy, and periodically evaluate the portfolio and performance of the schemes. However, the fund manager of each respective scheme will retain sole responsibility for day-to-day investment management decisions.

All investment decisions will be meticulously recorded in accordance with Para 12.23 of Master Circular for Mutual Funds, as amended from time to time. The Chief Executive Officer and the Chief Investment Officer of the AMC will ensure, among other responsibilities, that the fund managers make investments that align with the best interests of the unit holders. Moreover, the Fund Manager will ensure that the funds of the scheme(s) are prudently invested in accordance with the scheme(s)' investment objectives and in the best interest of the unit holders.

## E. Service Providers

### Custodian and Fund Accountant:

**SBI-SG Global Securities Services Private Limited (SBI-SG)**, B Wing Jeevan Seva Annex Building, Ground Floor, S.V. Road, Santacruz (W), Mumbai -400054, has been appointed as Custodian and Fund Accountant for the Schemes of the Helios Mutual Fund. The Custodian has been registered with SEBI under the SEBI (Custodians of Securities) Regulations, 1996 vide registration number IN/CUS/022 dated.

The Fund Administrator provides fund accounting, Net Asset Value calculation and other related services.

### Registrar & Transfer Agent:

**Computer Age Management Services Ltd. (CAMS)** having registered office at New No 10. Old No. 178, Opp. to Hotel Palm Grove, MGR Salai (K.H. Road), Chennai - 600 034 has been appointed as Registrar, Transfer Agents and IDCW paying agent. The Registrar is registered with SEBI under the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 vide registration number INR000002813.

As Registrars to the Scheme, CAMS will handle communications with investors, perform data entry services and despatch account statements. The Board of AMC and Trustees have ensured that the Registrar has adequate capacity to discharge responsibilities with regard to processing of applications and dispatching account statements / issue units in dematerialized form to unitholders within the time limit prescribed in the Regulations and also have sufficient capacity to handle investor complaints.

### Statutory Auditor of the Mutual Fund:

#### S. R. Batliboi & Co. LLP

The Ruby, 12<sup>th</sup> Floor, Senapati Bapat Marg, Dadar West, Mumbai – 400 028

### Legal Counsel:

#### IC Universal Legal

Advocates & Solicitors

209/210, Hubtown Solaris, Prof. N. S. Phadke Marg,

Off Western Express Highway, Andheri (E), Mumbai – 400 069

### Collecting Bankers (for New Fund Offer):

Name	Registered Office Address	SEBI Registration number
<b>State Bank of India</b>	State Bank Bhavan, Madame Cama Road, Mumbai, Maharashtra - 400021	INBI00000038
<b>HDFC Bank</b>	HDFC Bank House, Senapati Bapat Marg, Lower Parel(W), Mumbai, Maharashtra - 400 013	INBI00000063
<b>Kotak Mahindra Bank</b>	27BKC, C 27, G Block,, Bandra Kurla Complex, Bandra E, MUMBAI, MAHARASHTRA, 400051	INBI00000927
<b>ICICI Bank</b>	ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara 390007, Gujarat, India.	INBI00000004

Note: The AMC/Trustee reserves the right to change service providers from time to time.

**F. Condensed Financial Information**

Historical Per Unit Statistics is presented scheme wise for all the schemes launched by Helios Mutual Fund during the last three fiscal years (excluding redeemed schemes) for each of the last three fiscal years.

**Condensed Financial Information as of March 31, 2023:** Not Applicable. Helios Mutual Fund had not launched any scheme as on March 31, 2023.

## II. HOW TO APPLY

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

1. New investors can purchase units of the respective Scheme(s)/Plans by using an application form, whereas existing Unit holders may use transaction slip or application form. Application forms or transaction slips will be available at the Investor Service Centres (ISCs)/Official Points of Acceptance of transactions during business hours on business days. The same can also be downloaded from the website of the Mutual Fund viz. [www.heliosmf.in](http://www.heliosmf.in).
2. Applications must be completed in BLOCK LETTERS in English.
3. Signatures should be in English or in any Indian Language. In case of joint holdings, all joint holders are required to sign. Applications on behalf of minors should be signed by their Guardian. In case of a HUF, the Karta should sign the application form on behalf of the HUF. Investor who cannot sign and in case required to provide a thumb impression will have to contact the AMC for the additional documentation/information required.
4. For investments through Constituted Attorney, the Power of Attorney has to be signed by the Applicant and Constituted Attorney. The signature in the Application Form needs to clearly indicate that the signature is on behalf of the applicant by the Constituted Attorney.
5. The duly completed application form/transaction slip as the case maybe, can be submitted at the designated ISCs/ official points of acceptance. The personnel at the official point of acceptance of transaction will time stamp, and return the acknowledgement slip in the application form. The application shall be subject to verification. For details on updated list of ISCs/Official Points of Acceptance investors may log on to 'Contact Us' section on our website [www.heliosmf.in](http://www.heliosmf.in)
6. Investors are required to ensure that ARN & EUIN is correctly filled up in the application form for investments routed through the distributor (ARN holder). EUIN, particularly in advisory transactions, would assist in addressing any instance of mis-selling even if the employee/relationship manager/sales person later leaves the employment of the distributor. In case, the distributor has not given any advice to investor pertaining to the investment made, the EUIN box may be left blank wherein the investor will be required to provide a duly signed declaration to this effect, as given in the application form.  
  
SEBI has made it compulsory for every employee/relationship manager/sales person of the distributor of mutual fund products to quote the EUIN obtained by him/her from AMFI in the Application Form.
7. Investors may undertake transactions viz. purchase/ redemption/switch etc. through its official website - [www.heliosmf.in](http://www.heliosmf.in), mobile handsets, etc. and may also submit transactions in electronic mode offered by specified banks, financial institutions, distributors etc., with whom AMC has entered or may enter into specific arrangements including through secured internet sites operated by CAMS. Accordingly, the servers (maintained at various locations) of the AMC and CAMS will be the official point of acceptance for all such online/electronic transaction facilities offered by the AMC. For the purpose of determining the applicability of NAV, time of transaction would be the time when request for purchase/sale/switch of units is received in the servers of AMC/RTA.
8. Investors transacting through MFSS/BSE StAR MF/NMF II Platform under the electronic order collection system for schemes which are unlisted and Stock Exchange(s) for the listed schemes will have to comply with norms/rules as prescribed by Stock Exchange(s).
9. In respect of New Fund Offer (NFO) of Schemes/Plan(s) an investor can subscribe to the NFO through Applications Supported by Blocked Amount (ASBA) facility by applying for the Units

offered under the Option(s)/Plan(s) of the Scheme(s) in the ASBA Application Form and following the procedure as prescribed in the form. For details, please refer to the Section **“Additional mode of payment through Applications Supported by Blocked Amount (ASBA) facility”**.

10. All cheques and bank drafts must be drawn in the name of the respective Schemes e.g. "Helios Overnight Fund" and crossed "Account Payee only". A separate cheque or bank draft must accompany each Application. Investors must use separate application forms for investing simultaneously in more than one option of the Scheme subject to the minimum subscription requirements under each option.
11. All cheques and bank drafts accompanying the application form should contain the application form number/PAN No/folio number on its reverse. Returned cheque(s) are liable not to be presented again for collection, and the accompanying Application Form is liable to be rejected. In case the returned cheque(s) are presented again, the necessary charges are liable to be debited to the Investor.
12. In order to comply with AMFI (Association of Mutual Funds in India) best practice guidelines on 'risk mitigation process against third party instruments and other payment modes for mutual fund subscriptions' issued from time to time and also to enhance compliance with Know Your Customer (KYC) norms under the Prevention of Money Laundering Act, 2002 (PMLA), the acceptance of Third Party Payments is restricted. For details, please refer to the Section **“Restriction on acceptance of Third-Party Payments/Instruments”**.
13. Investors should note that it is mandatory for all applicants (in the case of application in joint names, each of the applicants) to mention his/her Permanent Account Number (PAN)/PAN Exempt KYC Reference Number (PEKRN) irrespective of the amount of purchase\* (in case of PAN)\* and limit of Rs. 50000 (in case of PEKRN)\* in the Application Form. Where the applicant is a minor and does not possess his/her own PAN/PEKRN, he/she shall quote the PAN/PEKRN of his/her father or mother or the guardian, as the case may be. For details, please refer to the Section **“Permanent Account Number”**.  
  
\*includes fresh/additional purchase, switch, Systematic Investment/Transfer and Reinvestment of IDCW/Transfer of IDCW.
14. Investors should note that it is mandatory for all purchases/ switches/registrations for Systematic Transactions / Transfer of IDCW, etc. to quote the valid KYC Compliance Status of each applicant (parent or guardian in case of minor) in the application and attach proof of KYC Compliance. For more details, please refer paragraph **‘Know Your Customer (KYC)’**.
15. It is mandatory to complete the KYC requirements for all unit holders, including for all joint holders and the parent/guardian in case of folio of a minor investor.
16. Investors should note that for all purchases in the folio of minors the payment shall be made from bank account of the minor, parent or legal guardian of the minor or from a joint account of the minor with the parent or legal guardian.
17. Applicants must satisfy the minimum Application Amount requirements mentioned in the 'Scheme Information Document' of the respective scheme(s) of Helios Mutual Fund.
18. In case of non-individual applicants/investors, it will be mandatory to provide the details on 'Ultimate Beneficial Owner(s) (UBO(s))' by filling up the declaration form for 'Ultimate Beneficial Ownership'. Please contact the nearest Investor Service Centre (ISC) of Helios Mutual Fund or visit our website [www.heliosmf.in](http://www.heliosmf.in) for the Declaration Form. For more details, please refer paragraph **“Identification of Ultimate Beneficial Owners (UBO(s))”**.
19. Applications not complete in any respect are liable to be rejected.

20. Any application for subscription of units may be rejected if found incomplete or due to unavailability of underlying securities, etc.
21. Payment should be made by cheque or bank draft drawn on any bank which is situated at and is a member of the Banker's Clearing House located at the place where the application is submitted or in a manner acceptable to the AMC, which is evidenced by receipt of credit in Bank Account of the Fund.
22. Outstation cheques will not be accepted and applications accompanied by such cheques are liable to be rejected. However, outstation cheques are acceptable in case of SIP applications. The first instalment of SIP should however be payable at the location where the application is tendered.
23. No cash, money orders and postal orders will be accepted.
24. Investors may please note that in case any application is made through Demand Draft, Demand Draft charges will not be reimbursed by the AMC. The Demand Draft charges shall be borne by investors.
25. The Trustee shall have absolute discretion to accept/reject any application for purchase of Units, if in the opinion of the Trustee, increasing the size of Scheme's Unit capital is not in the general interest of the Unitholders, or the Trustee for any other reason believes it would be in the best interest of the Schemes or its Unitholders to accept/reject such an application.
26. Investors are requested to use the services of AMFI certified Distributors empanelled with the AMC. The AMC shall not be liable to an Investor, with respect to investments made through non-empanelled Distributors. If the investor wishes to invest directly, i.e. without involving the services of any agent or broker, "DIRECT" should be mentioned in the space provided for "ARN Number" in the Application Form / Transaction Form. Any subsequent change / updation / removal of broker code will be based on the written request from the Unit holder and will be on a prospective basis only from the date when the Registrar executes such written instruction.
27. If the investor wishes to invest directly, i.e. without involving the services of any agent/distributor or broker, "DIRECT" should be mentioned in the space provided for "ARN Number" in the application form / Transaction Form. Any subsequent change / updation / removal of broker code will be based on the written request from the Unit holder and will be on a prospective basis only from the date when the Registrar executes such written instruction.
28. **Treatment of Financial Transactions Received Through Suspended Distributors:**

The financial transactions of an investor where his distributor's AMFI Registration Number (ARN) has been suspended temporarily or terminated permanently by Association of Mutual Funds in India (AMFI) shall be processed as follows:

- a. All Purchase/Switch requests (including under fresh registrations of Systematic Investment Plan ("SIP")/Systematic Transfer Plan ("STP") or under SIPs/STPs registered prior to the suspension period) received during the suspension period shall be processed under "Direct Plan" and continue to be processed under "Direct Plan" perpetually unless after suspension of ARN is revoked, unitholder makes a written request to process the future instalments/investments under "Regular Plan". The AMC shall also suitably inform the concerned Unitholders about the suspension of the distributor from doing mutual fund distribution business.
- b. Any Purchase/Switch or SIP/STP transaction requests received through the stock exchange platform, from any distributor whose ARN has been suspended, shall be rejected.
- c. Additionally, where the ARN of a distributor has been terminated permanently, the AMC shall advise the concerned unitholder(s), who may at their option, either continue their existing investments under Regular Plan under any valid ARN holder of their choice or switch their



existing investments from “Regular Plan” to “Direct Plan” subject to tax implications and exit load, if any.

**29. Option to hold units in Dematerialised (Demat) form:**

Pursuant to Para 14.4.2 of Master Circular for Mutual Funds, investors subscribing for the Units in any of the schemes of the Fund may opt to hold Units in dematerialized (demat) mode by filling and providing details of their demat account in the specified application form and furnish Bank Account details linked with their demat account. Units shall be allotted in physical form by default, unless the investors intimate their intention of holding Units in demat form by filling in the specified application form. This option shall be available in accordance with the provisions laid under the respective scheme(s) and in terms of guidelines / procedural requirements as laid by the depositories (NSDL / CDSL) from time to time. Currently, the option to hold Units in demat form shall not be available to investors subscribing for Units into options where the dividend distribution frequency is less than one month

The Unit holder intending to hold the units in Demat form are required to have a beneficiary account with the Depository Participant (DP) (registered with NSDL / CDSL). Unit holders opting to hold the units in demat form must provide their Demat Account details like the DP's name, DP ID Number and the beneficiary account number of the applicant with the DP, in the specified section of the application form.

In case Unit holders do not provide their Demat Account details, unit will be allotted to them in physical form and an Account Statement shall be sent to them. Investors holding units in dematerialized form as well as investors holding units in physical form, both shall be able to trade on the BSE StAR MF Platform and on NSE NMF II and ICEX.

Units held in demat form are transferable (except for Equity Linked Savings Scheme) in accordance with the provisions of the SEBI (Depositories and Participants) Regulations, 1996, as may be amended from time to time. Transfer can be made only in favor of transferees who are capable of holding units and having a valid demat account.

In case, the unit holder desires to hold the units in a demat/rematerialized form at a later date, the request for conversion of units held in non-demat form into Demat (electronic) form or vice versa should be submitted along with a demat/remat request form to the DP directly and not to the AMC or the Registrar and Transfer Agent (RTA) of the Fund. The AMC shall then issue units in the desired form within two working days of the receipt of valid documents from the respective DP. The credit of the converted units shall be reflected in the transaction statement provided by the DP to its client. Similarly, request for redemption or any other non-financial request shall be submitted directly to the DP and not to the AMC/ RTA of the Fund.

For the units held in demat form investors will receive an account statement from their respective DPs not from AMC / RTA of the Fund.

The facility of availing the units in demat / remat form is available subject to such processes, operating guidelines and terms & conditions as may be prescribed by the DPs and the depositories from time to time.

Presently, the option to hold units in demat form shall not be available for systematic transactions like Systematic Transfer Plan (STP), Systematic Withdrawal Plan (SWP) etc. Such investors shall be mandatorily allotted units in physical form.

Pursuant to AMFI communication no. 35P/MEM-COR/35/11-12 dated December 23, 2011, an option to hold units in demat form shall be available for SIP transactions. However, the units will be allotted based on the applicable NAV as per the SID and will be credited to investors' demat account on weekly basis upon realization of funds. For e.g. units will be credited to investors' demat account every Monday (or immediate next business day in case Monday happens to be

a non-business day) for realization status received in the last week from Monday to Friday. If an investor has opted to hold units in demat form for SIP transactions, he will be able to redeem / transfer only those units which are credited to his demat account till the date of submission of redemption / transfer request. Accordingly, redemption / transfer request shall be liable to be rejected in case of non – availability of sufficient unit in the investor’s demat account as on date of submission of redemption / transfer request.

**Static Details**

- The details provided by investors in the application form for subscribing to Units should be same as the details registered with the DP.
- In the event of any conflict, the details registered with the DP will prevail.
- In case any particular detail is not registered with the DP, the details in the application form will be considered.
- In the event of mismatch in the mode of holding as mentioned in the application form vis-à-vis details with the DP, the application is liable to be rejected.

**Additional information regarding dematerialisation or Rematerialization of mutual fund units:**

Investor(s)/Unitholder(s) are requested to note the following procedures pertaining to Dematerialisation or Rematerialization of mutual fund units pursuant to AMFI letter AMFI/35P/MEM-COR/72/2023-24 dated October 17, 2023:

**a) How to apply for/get allotment of units in Demat mode:**

The investors who intend to hold units in dematerialised mode (demat mode) are required to have a demat account with Central Depository Services (India) Ltd (“CDSL”)/National Securities Depository Ltd (“NSDL”). Such investors should provide their Demat account details in the physical application form along with copy of Client Master List.

Investors investing through the Stock Exchange Platforms in Demat mode are required to provide their Demat account details in their account opening form.

Investors investing online using either the Helios MF platform or that of its RTA, will get units by way of account statement only. Thereafter, they may choose to convert such holding in demat form as per the process explained below.

**b. How to convert the units held in SoA mode to Demat mode:**

Investors desiring to convert the physical units (SoA mode) into dematerialized form, need to submit the dematerialized request along with their latest account statement to their Depository Participant. For process of conversion and other requirements, investors are advised to contact their DP. Investor can also visit the website of respective depositories ([www.nsdl.co.in](http://www.nsdl.co.in) / [www.cdslindia.com](http://www.cdslindia.com)) for information in this regard.

**c. How to convert the units held in Demat mode to Remat (Rematerialization) mode:**

Investor who wishes to convert the holding in demat form to Remat mode, has to apply for Rematerialization through his Depository Participants (DP) and complete the required formalities at DP’s end. Once this is done, DP will send the same to RTA for processing.

**d. How to redeem the units held in Demat mode:**

Investor who intends to redeem their mutual fund units held in demat form need to submit the request through Depository Participants (DP) or through the respective exchanges.

**e. Is switch-transaction permissible if the units are held in Demat:**

Investors who intend to switch their demat units (switch-in and switch-out transactions), need to submit the request through their Depository Participants (DP) and can be done only through exchanges. As of now switch is not available through DP.

**f. The procedure for change in investor's profile/ bank account details etc. in respect of units held in demat mode (i.e ., to whom the investor is required to approach, in case of such request):**

In case of non-financial requests/ applications such as change of investor's profile, address, bank details, complaints etc. investor should approach their respective Depository Participant(s) if units are held in demat mode.

**Investors are also advised to contact the nearest Investor Service Centre (ISC) of Helios Mutual Fund or CAMS for further information/assistance in this regard.**

**30. Transacting through Stock Exchange Platform/Mechanism:**

The Fund also offers an alternate facility of transacting in the Units of the select Schemes of the Mutual Fund through the mutual fund trading platform of the Bombay Stock Exchange (BSE StAR MF) and National Stock Exchange (NSE MFSS). Investors desirous of transacting through the stock exchange mode have an option to hold units in Demat Mode or in Physical Mode. Investors may note that the facility of transacting through the stock exchange mode being offered for all schemes of the Mutual Fund. Investors desirous of transacting through the stock exchange mode shall submit applications to registered stock brokers, clearing members of recognized stock exchanges, or Depository Participants for transacting through BSE StAR MF or NSE MFSS. Stock brokers, Clearing members and Depository Participants (DP) will be considered as official points of acceptance of such transactions. A confirmation slip will be issued to the investor upon acceptance of the application.

**31. Application through Common One Time Mandate Registration Facility offered by CAMS/RTA:**

One Time Mandate registration shall be registered against the PAN/PEKRN of the First Unit holder, which authorizes his/her bank to debit their account up to a certain specified limit per Transaction (subject to the statutory limits as applicable from time to time), as and when they wish to transact with the Fund, without the need of submitting cheque or fund transfer letter with every transaction thereafter. This Facility currently enables Unit holder(s) of the Fund to start Systematic Investment Plan (SIP) or invest lump sum amounts in the schemes of the Fund wherever subscription is allowed. Currently, this facility is available for transactions made through physical mode and the Fund may, at its discretion, extend the same to other modes of transactions from time to time.

This facility can be availed only if the Investor's Bank is participating in the NACH (National Automated Clearing House) Platform and subject to investor's bank accepting ACH/OTM Registration mandate.

**32. Additional mode of payment through Applications Supported by Blocked Amount (ASBA) facility:**

Pursuant to clause 14.8 of SEBI Master Circular no. Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 for Mutual Funds ("Master Circular"), an investor can subscribe to the New Fund Offers (NFOs) launched through ASBA facility by applying for the Units offered under the Option(s)/Plan(s) of the Scheme(s) in the ASBA Application Form and following the procedure as prescribed in the form. Hence, all the NFOs to be launched by the Mutual Fund shall have ASBA facility, which will co-exist with the existing mode of subscription.

ASBA is an application containing an authorization given by the Investor to block the application money in his/her specified bank account towards the subscription of Units offered during the NFO of the Scheme of Helios Mutual Fund.

Thus, for an investor who applies through ASBA facility, the application money towards the subscription of Units shall be debited from his/her specified bank account only if his/her application is selected for allotment of Units.

### **Benefits of Applying through ASBA facility:**

- (i) Writing cheques and demand drafts is not required, as investor needs to submit ASBA application Form accompanying an authorization to block the account to the extent of application money towards subscription of Units. The balance money, if any, in the account can be used for other purposes by the investors.
- (ii) Release/Unblocking of blocked funds after allotment is done instantaneously.
- (iii) Unlike other modes of payment, ASBA facility prevents the loss of interest income on the application money towards subscription of Units as it remains in the bank account of the investor till the allotment is made.
- (iv) Refunds of money to the investors do not arise as the application money towards subscription of Units gets blocked only on the allotment of Units.
- (v) The investor deals with the known intermediary i.e. his/her own bank.
- (vi) The application form is simpler as the application form for ASBA will be different from the NFO application form.

### **ASBA Procedure**

- (a) An Investor intending to subscribe to the Units of the NFO through ASBA, shall submit a duly completed ASBA Application Form to a Self Certified Syndicate Bank (SCSB), with whom his/her bank account is maintained.
- (b) An ASBA investor shall submit a duly filled up ASBA Application form, physically or electronically to the SCSB with whom the investors holds the bank account which is to be blocked
  - In case of ASBA application in physical mode, the investor shall submit the ASBA Application form at the bank branch of SCSB, which is designated for the purpose and the investor must be holding a bank account with such SCSB.
  - In case of ASBA application in electronic form, the investor shall submit the ASBA Application form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for subscribing to units of Mutual Fund schemes authorizing to block the subscription money in a bank account.
- (c) An acknowledgement will be given by the SCSB in the form of the counter foil or specifying the application number for reference. Such acknowledgement does not guarantee, in any manner that the investors will be allotted the Units applied for.

**Note: if the bank account specified in the ASBA Application Form does not have sufficient credit balance to meet the application money towards the subscription of Units, the Bank shall reject the ASBA Application form.**

- (d) On acceptance of Physical or Electronic ASBA, the SCSB shall block funds available in the bank account specified to the extent of the application money specified in the ASBA Application Form.
- (e) ASBA application form will not be accepted by any of the offices of Helios Mutual Fund or its Registrar & Transfer Agent, i. e. Computer Age Management Services (P) Ltd. (CAMS).
- (f) The application money towards the Subscription of Units shall be blocked in the account until (i) Allotment of Units is made or (ii) Rejection of the application or (iii) Devolvement of the Scheme, as the case may be.
- (g) SCSBs shall unblock the bank accounts for (i) Transfer of requisite money to the Mutual Fund/Scheme bank account against each valid application on allotment or (ii) in case the application is rejected.
- (h) During processing of the ASBA application Forms by R&TA, if the application is found to be incomplete or incorrect, the SCSB will be informed on the same who will then unblock the investor account with appropriate remarks in the investor account.
- (i) The list of SCSBs and their DBs where ASBA application form is available on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)), NSE ([www.nseindia.com](http://www.nseindia.com)) and SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and shall also be given in the ASBA application form.

**Mechanism for Redressal of Investor Grievances:**

All grievances relating to the ASBA facility may be addressed to the respective SCSBs, giving full details such as name, address of the applicant, number of Units applied for, counterfoil or the application reference given by the SCSBs, DBs or CBs, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Investor. If the SCSB is unable to resolve the grievance, it shall be addressed to the Registrar and Transfer Agent M/s. Computer Age Management Services Limited (CAMS), at New No 10. Old No. 178, Opp. to Hotel Palm Grove, MGR Salai (K.H. Road), Chennai - 600 034, with a copy to Mr. Vilas Solanki, Vice President and Head Operations, who can be contacted at The Capital, 502, 5th Floor, Plot C70, Bandra Kurla Complex, Mumbai – 400051 at telephone number Tel.: +91 22 6731 9649. E-mail can be sent to : [iro@helioscapital.in](mailto:iro@helioscapital.in).

The Mutual Fund, AMC and Trustees shall not be responsible for any acts, mistakes, errors, omissions and commissions etc. in relation to the ASBA facility.

**33. Transactions through Facsimile/Electronic Mode:**

The AMC, Mutual Fund, Registrar or any other agent or representative of the AMC, Mutual Fund, Registrar (“Recipient”) may accept certain transactions via facsimile or through any electronic mode (“fax / electronic transactions”), subject to the investor fulfilling certain terms and conditions as stipulated by the AMC from time to time.

Acceptance of fax / electronic transactions as may be permitted by SEBI or other regulatory authorities from time to time and will be solely at the risk of the transmitter of the fax / electronic transaction (“Transmitter”) and the Recipient shall not in any way be liable or responsible for any loss, damage caused to the Transmitter directly or indirectly, as a result of the Transmitter sending or purporting to send such fax / electronic transactions including where a fax / electronic transaction sent / purported to be sent is not processed on account of the fact that it either received late or not received by the Recipient.

The Transmitter acknowledges that fax / electronic transaction is not a secure means of giving instructions / transaction requests and that the Transmitter is aware of the risks involved including those arising out of such transmission being inaccurate, imperfect, ineffective, illegible, having a

lack of quality or clarity, garbled, altered, distorted, not timely etc. and that the Transmitter's request to the Recipient to act on any fax / electronic transaction is for the Transmitter's convenience and the Recipient shall not be obliged or bound to act on the same. The Transmitter authorizes the Recipient to accept and act on any fax / electronic transaction which the Recipient believes in good faith to be given by the Transmitter and the Recipient shall be entitled to treat any such fax / electronic transaction as if the same was given to the Recipient under the Transmitter's original signature. The Transmitter agrees that security procedures adopted by the Recipient may include signature verification, telephone callbacks or a combination of the same. Callbacks may be recorded by tape recording device and the Transmitter consents to such recording and agrees to co-operate with the Recipient to enable confirmation of such fax / electronic transaction requests. The Transmitter further accepts that the fax / electronic transaction shall not be considered until time stamped appropriately as a valid transaction request in the Scheme in line with the SEBI Regulations. In consideration of the Recipient accepting and at its sole discretion (including but not limited to the AMC extending / discontinuing such facilities from time to time) acting on any fax / electronic transaction request received / purporting to be received from the Transmitter, the Transmitter agrees to indemnify and keep indemnified the AMC, Directors, employees, agents, representatives of the AMC, Mutual Fund and Trustees (indemnified parties) from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs (including without limitation, interest and legal fees) and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred sustained by or threatened against the indemnified parties whatsoever arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on fax / electronic transaction requests including relying upon such fax / electronic transaction requests purporting to come from the Transmitter even though it may not come from the Transmitter.

The AMC reserves the right to discontinue the above mentioned facilities at any point in time. Applications which are not complete in any respect are liable to be rejected.

**In case of Commercial Transactions Received on Email:**

The AMC declares its Designated E-mail server as one of the Official Points of Acceptance of transactions. The facility of carrying out commercial transactions through designated E-mail, in units of the Fund, is available, subject to the following terms and conditions:

- Transaction requests can be sent to designated email id ([transact@helioscapital.in](mailto:transact@helioscapital.in)). The AMC reserves the right to change/add the Designated email id(s) from time to time.
- This facility is available for all open-ended schemes except Exchange Traded Funds.
- Only Commercial transactions i.e. Purchase, Redemption and Switches shall be accepted through designated email.
- The additional purchase/redemption/switch request shall be received from the registered email ID of the investor. In case such request is received from an unregistered email id, the AMC may, at its sole discretion, process the same after carrying out necessary validations/ due diligence or can even reject such transactions received from an unregistered email id.
- Investor agrees that based on the scanned image of application for purchase, redemption or switches, the transaction will be processed subject to receipt of the subscription amount in case of purchase and subject to signature verification in case of purchase, redemption and switches. The receipt of such scanned image by the AMC at designated email id shall be deemed sufficient for effecting the transaction. Investor further agrees to keep in its records, the original application and provide the original application.

- All transaction requests will be deemed to be valid, where applications, transaction slips, forms, supporting documents are received at the designated email id. Documents received on emails shall only be accepted if they are in PDF or JPG format. The AMC may not acknowledge the receipt of the email requests.
- This facility will be provided subject to provisions of cut off timing for applicability of NAV and time stamping requirements, as amended by Securities and Exchange Board of India (SEBI) from time to time and any other applicable laws, rules and regulations as may be enforced from time to time. For the purpose of determining the applicable NAV in accordance with SEBI (Mutual Funds) Regulations, 1996, the system generated date and time on the transmitted email received at server / system of the AMC and / or Its RTA and availability of funds for utilization for the same shall be considered.
- The investor acknowledges that it is in the inherent nature of telecommunication services that transmissions may not be properly received and may be inadvertently read or may be erroneous or made known to unauthorised persons. Investor agrees that all the risks, errors or breaches shall be borne by the investor and the Fund/AMC/Trustee shall not be responsible/liable for any claims, liability, loss, damage, cost or expenses arising from such risks, errors or breach of confidentiality.
- At the request of the investor, the AMC is hereby requested and authorised, but is not obliged, to process the transactions as per email submissions received from time to time from investors and otherwise to rely upon and act in accordance with email submission which is signed, or is believed to have been signed by any person authorised by the documents governing the arrangement between the AMC and the Investor.
- It is further mutually agreed that if any other permission is required under the provisions of law for processing such requests / instructions, the investor shall be solely liable and responsible for any failure to comply with such provisions of laws, rules and regulations. The investor will keep the Fund/AMC/Trustee fully absolved and indemnified with respect to any violation of such laws, rules and regulations and consequences thereafter in case of such violation mentioned hereinabove.
- It is agreed by the investors that the AMC need not confirm (whether orally, in writing or otherwise) any email submission or verify the identity of the person making or giving or purporting to make or give any email submission.
- Investor agrees that security procedures adopted by the AMC may include signature verification, telephonic call backs or a combination of the same, that may be recorded by tape recording device and investor consents to such recording and agrees to co-operate with the AMC to enable confirmation of such electronic transactions. However, the AMC shall be under no duty to prescribe or adopt any procedures for the purpose of such confirmations or verification and any such procedure prescribed or adopted by the AMC shall not impose upon the AMC any obligation to adopt or comply with the same in any or every instance.
- In case there is a variation between the documents received vide email as against the original/physical documents which will be received thereafter, the AMC reserves the right to process the transaction as per
- the documents received vide email and the pecuniary loss if any, due to any such variation shall be entirely borne by the Investor and the AMC shall under no circumstances be liable for such losses.
- Investors shall abide with such terms and conditions, as may be specified by the AMC from time to time. Investors must note that the AMC reserves the right to terminate this

arrangement of receiving transactions through email at its own discretion without any prior notice or intimation to the Investors.

### **34. Online Transactions Facility**

Helios Mutual Fund allows investors to invest in any scheme of Helios Mutual Fund through its website [www.heliosmf.in](http://www.heliosmf.in). Also, existing investors can do additional purchase, switch, Systematic transactions and redemption of the Units of the Fund through the website.

The Fund will also allow existing investors to transact through the website of the Fund's Registrar & Transfer Agent (CAMS), i.e. [www.camsonline.com](http://www.camsonline.com).

For subscriptions or SIP received through Online transaction platform, the bank account details provided will be verified through Penny drop. It is a method of third party verification where the investor's bank mandate (that is given for making the online payment during fresh / additional purchase / SIP transaction) shall be validated for payment done by a third party or not, by crediting Re. 1 to investor's account from Helios scheme fund account. Using the response feed provided by the bank which contains the account holder name, account number etc. the investor's name & bank mandate details as available against the transaction shall be verified and the bank account shall be marked as Third Party Verified. If any of the details do not match and investor's account is found to be a third party account, such transaction is liable to get rejected.

Online transactions will save cost and time of the investor and will also enable the Fund to serve its clients in a faster and efficient way. However, investors intending to take benefit of the web-based transaction facility should note that the investor shall use this service at his own risk. The Fund, the AMC, the Trustee, along with its directors, employees and representatives shall not be liable for any damages or injuries arising out of or in connection with the use of the website or its non-use including, without limitation, non-availability or failure of performance, loss or corruption of data, loss of or damage to property (including profit and goodwill), work stoppage, computer failure or malfunctioning, or interruption of business; error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communication line failure, unauthorised access or use of information.

The Fund shall not be liable for any misuse of data placed on the Internet, by third parties "hacking" or unauthorized accessing of the server. The Fund will not be liable for any failure to act upon electronic instructions or to provide any facility for any cause that is beyond the control of the Fund.

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 / sale / switch of units is received in the servers of AMC / RTA.

Further, applicable NAV for web based transactions shall be based on actual realization of funds by the Scheme. Under no circumstances will the AMC 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(s).

**MF Central:** As per clause 16.6 of Master Circular, to comply with the requirements of RTA inter-operable Platform for enhancing investors' experience in Mutual Fund transactions/service requests, the Qualified RTAs, currently, Kfin Technologies Private Limited ("KFinTech") and Computer Age Management Services Limited ("CAMS") have jointly developed MF Central - A digital platform for Mutual Fund investors (hereinafter referred to as "MF Central" or "the Platform"). MF Central 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/physical services to Mutual fund investors across



fund houses subject to applicable Terms and Conditions of the Platform. MFCentral has been enabling various features and services in a phased manner. MFCentral may be accessed using <https://mfcentral.com/> and a Mobile App. Any registered user of MFCentral, requiring submission of physical document as per the requirements of MFCentral, may do so at any of the DISCs or collection centres of Kfintech or CAMS.

### **35. Bank Account Numbers**

In order to protect the interest of investors from fraudulent encashment of cheques, cheques specify the name of the Unitholder and the bank name and account number where payments are to be credited. As per Para no. 14.12 of Master Circular for Mutual Funds, it is mandatory for applicants to mention their bank details in their applications for purchase or redemption of units. It is important for applicants to mention their bank name, bank account number, branch address, account type in their applications at the time of subscription. Applications without this information shall be rejected.

#### **Bank Mandate Registration as part of new folio creation**

Investor(s) or Unit Holder(s) are requested to note that any one of the following documents shall be submitted by the investor(s) or Unit Holder(s), in case the cheque / Fund Transfer Request provided along with fresh subscription / new folio creation does not belong to the bank mandate specified in the application form:

Any one of the following supporting documents\* can be accepted as a Proof of account bank account:

- a) Cancelled original cheque leaf with first Unit Holder name and bank account number printed on the face of the cheque. OR Copy of Bank Passbook having the name, address and account number of the account holder.
- b) Bank Statement (issued within 3 months for new bank, in case of old bank account the date of statement will not be applicable).

\*The above documents should be either in original or copy to be submitted along with original produced for verification. In case if documents for the existing bank account are not available, kindly visit office of Helios AMC / CAMS for In Person Verification along with PAN Card Copy / Photo Identification Proof for PAN Exempt cases. All documents to be self-attested. Where such additional document(s) are not provided for the verification of bank account, the AMC reserves the right to capture the bank account used towards subscription for the purpose of redemption and dividend payments.

#### **Updation of Bank Account**

Updation / change of bank account in a folio should either be through Multiple Bank Account Registration Form or a standalone separate Change of Bank Mandate form only. Hence, forms like Common Transaction Form or any other form containing Redemption and Change of Bank Mandate requests will not be processed by the Fund and investors must refrain from using such forms which have combined Redemption and Change of Bank Mandate requests for the purpose of changing their bank mandate or updating a new bank mandate. Please visit our website [www.heliosmf.in](http://www.heliosmf.in) for the list of documents for updation of new bank mandate.

Any request for change of bank mandate details will be entertained only if the Unit Holder provides any of the following documents (for Existing (Old) as well as New Bank account) along with the designated Multiple Bank Account Registration / Deletion form or a standalone separate Change of Bank Mandate form:

- a) Cancelled original cheque leaf with first Unit Holder name and bank account number printed on the face of the cheque. OR Copy of Bank Passbook having the name, address and account number of the account holder.
- b) Bank Statement (issued within 3 months for new bank, in case of old bank account the date of statement will not be applicable).

In case if multiple banks are registered in the folio, existing bank proof of any one bank will be required to be submitted for adding another bank.

It may be noted that, in case of those unit holders who hold Units in demat form, the bank mandate available with respective DP will be treated as the valid bank mandate for the purpose of payout at the time of maturity or at the time of any corporate action.

**Change of bank account along with Redemption request placed with the Mutual Fund:**

In the interest of security of investments made by the Unit holder(s), the below risk mitigating steps have been introduced by the Mutual Fund:

Any request received for Change in Bank details which forms part of a financial transaction request will be subject to rejection. In such cases, only the financial transaction will be processed. For e.g. In case of a redemption transaction, the same will be processed and the proceeds shall be credited to the registered bank account without considering the change of bank details received along with such redemption request.

In case a redemption request is received before the change of bank details have been validated and registered, the redemption request would be processed to the currently registered bank account (existing on Fund's records). The Fund will follow a cooling period only in such cases where an updation / change of bank mandate request is received / processed few days prior to submission of a redemption request.

The Mutual Fund will require a cooling period of not more than 10 calendar days for validation and registration of bank accounts. The process of validation would include notifying the investor through e-mail, SMS, phone etc. about the registration of a new bank account. The Fund shall endeavour to use, where possible, more than one of the above means of communication. Further, the Fund shall credit the redemption / IDCW proceeds only to a registered bank account that has gone through the validation process as enumerated above.

Within the cooling period, the investor will have an option to contact the Fund and validate the request placed. In case of non-validation or no objection raised by the Unit holder, the redemption proceeds will be paid in favour of the new bank account details requested for registration. The Fund reserves the right to reject any such request found incomplete or not found in order.

**Multiple Bank Account Registration / Deletion facility**

- i) The Fund offers its investors the facility to register Multiple Bank Accounts to receive redemption / dividend proceeds.
- ii) Registering of Multiple Bank Accounts will enable the Fund to systematically validate the Pay-in payment and avoid acceptance of third party payments.
- iii) Investor can register upto 5 bank accounts in case of individuals / HUFs, and upto 10 in other cases.
- iv) Investor may choose one of the registered bank accounts as default bank account for the credit of redemption / IDCW proceeds. In case of existing investors, their existing bank mandate registered with the AMC / RTA, and in case of new investors, their bank account details as mentioned in the application form shall be treated as default bank account for pay-out, if they have not specifically designated a default bank account. Investors may change the same in writing, using the Multiple Bank Account Registration / Deletion Form.

- v) For registration of bank account(s), investors shall submit the 'Multiple Bank Account Registration / Deletion Form' together with the supporting documentation, attested as per the requirements specified by the AMC.
- vi) The AMC / RTA will register the bank account only after verifying that the sole or 1st joint holder is the holder or one of the joint holders of the bank account, respectively.
- vii) Where an investor proposes to delete his existing default bank account, he shall compulsorily designate another account as default account.
- viii) Thus, change of bank mandates shall be effected only through the 'Multiple Bank Account Registration / Deletion facility'. Such change of bank mandates will be effected within 10 days of valid documents being received by the AMC / RTA.
- ix) Any financial transaction request received in the interim, will be processed in 10 days as specified in viii) above.
- x) Investors are requested to use the Multiple Bank Account Registration / Deletion Form for all bank account related requirements. AMC reserves the right to reject such bank account registration requests which are not in the specified format.

### **36. Permanent Account Number (PAN)**

SEBI has made it mandatory for all applicants (in the case of application in joint names, each of the applicants) to mention his/ her permanent account number (PAN) irrespective of the amount of purchase\* [Except as given under PAN Exempt Investments]. Where the applicant is a minor, and does not possess his/ her own PAN, he/she shall quote the PAN of his/her father or mother or the legal guardian, as the case may be. However PAN is not mandatory in the case of Central Government, State Government entities and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) for transacting in the securities market.

Helios Mutual Fund reserves the right to ascertain the status of such entities with adequate supporting documents. Also, investors residing in the state of Sikkim are exempt from the mandatory requirement of PAN, subject to the AMC verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence.

In order to verify that the PAN of the applicants (in case of application in joint names, each of the applicants) has been duly and correctly quoted therein, the applicants shall attach along with the purchase\* application, a photocopy of the PAN card duly self-certified along with the original PAN Card. The original PAN Card will be returned immediately across the counter after verification. The photocopy of the PAN card is not required if KYC acknowledgement issued by CVL is made available.

\* includes fresh/additional purchase and Systematic Investment#

Further, as per the Notification No. 288 dated December 1, 2004, every person who makes payment of an amount of Rs. 50,000 or more to a Mutual Fund for purchase^ of its units should provide PAN.

^ includes fresh/additional purchase, switch, Systematic Investment#/Transfer and Reinvestment of IDCW/Transfer of IDCW.

Since reinvestment of IDCW/transfer of Rs. 50,000 or more qualifies as purchase of Units for aforesaid Notification, PAN is required to process such reinvestment/transfer, failing which reinvestment of IDCW/transfer shall be automatically converted into payout option.

Investors are requested to note that PAN is mandatory for all financial transactions in schemes of the Fund, with respect to all unitholders in the folio. Accordingly, any financial transactions received without PAN, in respect of non-PAN-exempt folios, shall be rejected in case the copy of

the PAN card is not submitted along with the transaction/application. The AMC reserves the right to keep on hold the transaction till the PAN is validated by the AMC / Registrar.

Additionally, in the event of any application form being subsequently rejected for mismatch of applicant's PAN details with the details on the website of the Income Tax Department, the investment transaction will be cancelled and the amount may be redeemed at the applicable NAV, subject to payment of exit load, if any. Please contact any of the Investor Service Centres/CAMS/Distributors or visit our website [www.heliosmf.in](http://www.heliosmf.in) for further details.

#However, the requirement of PAN is exempted in respect of investments in Mutual Fund Scheme(s) [including Systematic Investment Plan (SIP)] upto Rs. 50,000/- per year per investor per mutual fund. Please refer "PAN Exempt investments" as stated below for more details.

### **PAN Exempt Investments**

SEBI vide its circular dated July 24, 2012 has clarified that investments in mutual funds schemes (including investments in SIPs) of upto Rs. 50,000 per investor per year across all schemes of the Fund shall be exempt from the requirement of PAN. Accordingly, individuals (including Joint Holders who are individuals, NRIs but not PIOs, Minors) and Sole Proprietary Firms who do not possess a PAN ("Eligible Investors")\* are exempt from submission of PAN for investments upto Rs.50,000 in a rolling 12 month period or in a financial year i.e. April to March. However, Eligible Investors are required to undergo Know Your Customer (KYC) procedure with any of the SEBI registered KYC Registration Authorities (KRA). Eligible Investors must quote PAN Exempt KYC Reference Number (PEKRN) issued by the KRA under the KYC acknowledgement letter in the application form and submit a copy thereof along with the application form. In case the applicant is a minor, PAN/PEKRN details of the Guardian shall be submitted, as applicable. Eligible Investors (i.e. the First Holder) must not possess a PAN at the time of submission of application form. Eligible investors must hold only one PEKRN issued by any one of the KRAs

If an application for investment together with investments made in a rolling 12 month period or in a financial year exceeds Rs. 50,000, such an application will be rejected.

Fresh/Additional Purchase and Systematic Investment Plans will be covered in the limit of Rs.50,000. Investors may switch their investments to other Schemes. However, if the amount per switch transaction is Rs. 50,000 or more, in accordance with the extant Income Tax rules, investors will be required to furnish a copy of PAN to the Mutual Fund.

\* HUFs and other categories are not eligible for such investments.

### **Aadhaar – PAN Linking**

As per Section 139AA of the Income Tax Act, 1961 read with CDBT circular 7 of 2022 dated March 30, 2022, where a person who has been allotted PAN as on the 1st day of July, 2017, and who is eligible to obtain Aadhaar number has failed to intimate / link Aadhaar with PAN on or before 30th June 2023, the PAN of such person shall become inoperative immediately after the said date. Once a person's PAN becomes inoperative, TDS at the higher rate of 20% shall be applicable in addition to other consequences under the Act.

Note: Presently, Aadhaar-PAN linking does not apply to any individual who is (a) residing in the States of Assam, Jammu and Kashmir and Meghalaya; (b) a non-resident as per the Income Tax Act, 1961 (NRI as per Income Tax records); or (c) of the age of eighty years or more at any time during the previous year; or (d) not a citizen of India. However, these exemptions may change or be revoked later.

### 37. NRIs / PIOs / FPIs / OCIs

The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (the "FEMA Regulations") permit a NRI / PIO to purchase on repatriation or non-repatriation basis, without limit, units of domestic mutual funds.

Payment for such units must be made either by: (i) inward remittance through normal banking channels; or (ii) out of funds held in the NRE / FCNR account, or (iii) Indian Rupee drafts purchased abroad, in the case of purchases on a repatriation basis or out of funds held in the NRE / FCNR / NRO account, in the case of purchases on a non-repatriation basis. In case Indian Rupee drafts are purchased abroad or from FCNR / NRE accounts, an account debit certificate from the bank / financial entity issuing the draft confirming the debit shall also be enclosed.

NRIs shall also be required to furnish such other documents as may be necessary and as desired by the AMC / Mutual Fund / Registrar, in connection with the investment in the schemes.

The FEMA Regulations also permit a registered FPI to purchase, on repatriation basis, units of domestic mutual funds provided the FPI restricts allocation of its total investment between equity and debt instruments in the ratio as applicable at the time of investments. Payment by the FPI must be made either by inward remittance through normal banking channels or out of funds held in foreign currency account or non-resident rupee account maintained by the FPI with a designated branch of an authorised dealer with the approval of the RBI in terms of paragraph 2 of Schedule 2 to the FEMA Regulations.

In case an investor who is a foreign national and resident in India, ceases to be resident in India, such investor will be required to redeem his / her investments prior to change in the resident status. Investor shall be fully liable for all consequences (including taxation) arising out of the failure to redeem on account of change in residential status. The AMC reserves the right to redeem investments of such investors if their resident status is found to have changed to a country other than India. The redemption proceeds will be credited in Indian rupees only. Further, the AMC, its affiliates or service providers reserve the right to seek additional documents, implement controls and / or impose restrictions with respect to acceptance of investments from foreign nationals resident in India including the right to reject applications or subsequently redeem investments which are not in line with the controls deemed necessary by the AMC.

A person who falls within the definition of the term "U.S. Person" under the Securities Act of 1933 of the United States, and corporations or other entities organised under the laws of the U.S. are not eligible to invest in the schemes, except for lump sum subscription, systematic transactions and switch transactions requests received from Non-resident Indians/Persons of Indian origin who at the time of such investment, are present in India and submit a physical transaction request along with such documents as may be prescribed by the AMC/Trustee from time to time. The AMC shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the AMC/the Trustee. The investor shall be responsible for complying with all the applicable laws for such investments.

Persons of Canada will not be permitted to make any fresh purchases/additional purchases/swiches/SIPs in any Schemes of Helios Mutual Fund (via internet or otherwise). However, any investment made before becoming person(s) of Canada will be allowed to be redeemed. In case the debit certificate is not provided, the AMC reserves the right to reject the application of the NRI investors.

FPIs can transact in the schemes of the Fund subject to applicable guidelines. Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.

**38. Applications under Power of Attorney / Body Corporate / Registered Society / Trust / Partnership**

The original Power of Attorney or a duly notarised copy of the Power of Attorney shall be required to be submitted where applications are made under a Power of Attorney. A company, body corporate, eligible institutions, registered society, trusts, partnership or other eligible non-individuals who apply in the Scheme should furnish a certified copy of resolution or authority to make the application as the case may be and a certified copy of the Memorandum and Articles of Association and / or bye-laws and / or Trust Deed and / or Partnership Deed and certificate of registration or any other document as the case may be. In case of a Trust / Fund, it shall submit a certified true copy of the resolution from the Trustee(s) authorising such purchases. The officials should sign the application under their official designation and furnish a list of authorised signatories. All communications and payments shall be made to the First Applicant only.

**39. Identification of Ultimate Beneficial Owners (UBO(s))**

As a part of Client Due Diligence (CDD) Process under PML Act 2002 read with PML Rules, 2005 as amended from time to time each of the SEBI registered intermediary, which interalia includes Mutual Funds, is required to obtain sufficient information from their clients in order to identify and verify the identity of persons who beneficially own or control the securities account. Providing information about beneficial ownership is mandatory for all categories of investors except (i) Individuals and (ii) a Company, which is listed on a stock exchange or is a majority owned subsidiary of such a Company.

Further, pursuant to SEBI Master Circular No. SEBI/HO/MIRSD/ MIRSD-SEC-5/P/CIR/2023/022 dated February 03, 2023 on AML/CFT Obligations read with SEBI Circular No. SEBI/HO/MIRSD/MIRSDSECFATF/P/CIR/2023/091 dated June 16, 2023 and Guidelines on identification of Beneficial Ownership issued by SEBI vide its Circular No. CIR/MIRSD/2/2013 dated January 24, 2013, investors (other than Individuals) are required to provide details of Ultimate Beneficial Owner(s) ("UBO(s)") and submit proof of identity (viz. PAN with photograph or any other acceptable proof of identity prescribed in common KYC form) of UBO(s).

**Identification process for Investors other than Individuals or Trusts:**

If the investor is an unlisted company, partnership firm or unincorporated association/body of individuals, the beneficial owners are the natural person/s who is/are acting alone or together, or through one or more juridical person and exercising control through ownership or who ultimately has a controlling ownership interest i.e. ownership of/entitlement to:

- a) more than 10% of shares or capital or profits of the juridical person, where juridical person is a company.
- b) more than 15% of the capital or profits of the juridical person, where the juridical person is a partnership firm; or
- c) more than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

In cases, where there exists doubt as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity details should be provided of the natural person who is exercising control over the juridical person through other means (i.e. control exercised through voting rights, agreement, arrangements or in any other manner).

In case no natural person is identified under any of the above criteria, the person who holds the position of senior managing official shall be provided.

**Identification process for Investor which is a Trust:**

In case of a Trust, the settler of the trust, the trustee, the protector and the beneficiaries with 10% or more interest in the trust or any other natural person exercising ultimate effective control over the trust through a chain of control or ownership shall be considered as beneficial owner.

**Identification process for Foreign Investors:**

The identification of beneficial ownership in case of Foreign Portfolio Investors (FPIs), their sub-accounts and Multilateral Funding Agencies / Bodies Corporate incorporated outside India with the permission of Government of India / Reserve Bank of India may be guided by the clarifications issued vide SEBI circular CIR/MIRSD/11/2012 dated September 5, 2012.

**Investors (other than Individuals & Listed companies) are required to submit the following additional documents along with the declaration, to the Fund at the time of an investment transaction. Additionally, investors shall be required to notify the fund, when there is a change in the beneficial ownership:**

- Copy of the latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI takeover Regulations, duly certified by the Company Secretary / Whole time director / MD.
- Documents confirming identity and address of the UBOs of the entity.

Investors are requested to note that, the fund shall reserve the right to seek additional information to ascertain the beneficial or controlling ownership in the entity investing with the fund. Applications without the information are subject to rejection / refund. Investors are also required to note that the Beneficial owners of investors shall also be required to comply with the "Who can Invest" section as outlined in the Scheme Information Document.

**40. Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS) on Automatic Exchange of Information (AEOI)**

India has executed an Inter-Governmental Agreement (IGA) with the U.S. and the Fund intends to take any measures that may be required to ensure compliance under the terms of the IGA and local implementing regulations. In order to comply with its FATCA obligations, the Fund will be required to obtain certain information from its investors so as to ascertain their U.S. tax status. If the investor is a specified U.S. person, U.S. owned non-U.S. entity, non-participating FFI ("NPFPI") or does not provide the requisite documentation, the Fund may need to report information on these investors to the appropriate tax authority, as far as legally permitted. If an investor or an intermediary through which it holds its interest in the Fund either fails to provide the Fund its agents or authorised representatives with any correct, complete and accurate information that may be required for the Fund to comply with FATCA or is a NPFPI, Fund may be required to provide information about payment to NPFPI to upstream payor to enable them to make the appropriate FATCA withholding on NPFPIs. Further, we may be compelled to sell its interest in the Fund or, in certain situations, the investor's interest in the Fund may be sold involuntarily. The Fund may at its discretion enter into any supplemental agreement without the consent of investors to provide for any measures that the Fund deems appropriate or necessary to comply with FATCA, subject to this being legally permitted under the IGA or the Indian laws and regulations. FATCA is globally applicable from July 1, 2014 and in order to comply with FATCA obligations, the Fund will, seek additional information from investors while accepting applications, in order to ascertain their U.S. Person status. The Fund will not accept applications which are not accompanied with information / documentation required to establish the U.S. Person status of investors. Investors are therefore requested to ensure that the details provided under Section "Confirmation under Foreign Account Tax Compliance Act (FATCA) for determining US person status" of the application form are

complete and accurate to avoid rejection of the application (updated forms are available with ISCs or on Fund's website – [www.heliosmf.in](http://www.heliosmf.in)).

Investors should consult their own tax advisors regarding the FATCA requirements with respect to their own situation. In the event of any conflict or inconsistency between any of these Terms and Conditions and those in any other service, product, business relationship, account or agreement between investor and the AMC/Fund, these terms shall prevail, to the extent permissible by applicable local law. If all or any part of the provisions of these Terms and Conditions become illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair the legality, validity or enforceability of such provision in any other jurisdictions or the remainder of these Terms and Conditions in that jurisdiction. These Terms and Conditions shall continue to apply notwithstanding the death, bankruptcy or incapacity of the investor, the closure of any investor account, the termination of Services to the investor or the redemption of the investor's investment in the Fund.

### **Common Reporting Standards**

India has joined the Multilateral Competent Authority Agreement (MCAA) on automatic exchange of financial information in Tax Matters, commonly known as Common Reporting Standards ('CRS'). All countries which are signatories to the MCAA are obliged to exchange a wide range of financial information after collecting the same from financial institutions in their jurisdiction. In accordance with Income Tax Act read with SEBI Circular nos. CIR/MIRSD/2/2015 dated August 26, 2015 and CIR/MIRSD/3/2015 dated September 10, 2015 regarding implementation of CRS requirements, it shall be mandatory for all new investors to provide details and declaration pertaining to CRS in the application form, failing which the AMC shall have authority to reject the application.

#### **41. Joint Applicants**

If an application has more than one investor, (maximum three permitted) the investors are required to specify the 'mode of holding' in the initial application form as either 'Joint' or 'Anyone or Survivor'.

In the event, the investors fail to specify the mode of holding, then by default, the mode of holding will be treated as 'joint' for all future purposes by the AMC in respect of the folio.

In the case of holding specified as 'Joint', all transactions / instructions would have to be signed by all joint holders. However, in cases of holding specified as 'Anyone or Survivor', any one of the Unitholders will have the power to make transaction requests / provide instructions, without it being necessary for all the Unitholders to sign except for lien requests and appointment of nominee/cancellation of nominee, where signature of all the Unitholders are required. However, in all cases, all distributions will be made to the first-named holder only.

However, in both the modes of holding ('Joint' or 'Anyone or Survivor'), the first-named holder (as determined by reference to the original Application Form) shall receive all Account Statements, notices and correspondence with respect to the account, as well as the proceeds of any redemption requests or IDCW or other distributions. The Mutual Fund/AMC shall have no liability in this regard to any other Unitholder other than the first named holder of Units. In addition, such first named Unitholders shall have the voting rights, as permitted, associated with such Units, as per the applicable guidelines.

In case of death / insolvency of any one or more of the persons named in the register of Unitholders as the joint holders of any Units, the AMC shall not be bound to recognise any person(s) other than the remaining holders. It is however clarified that if any order/direction/instruction to the contrary is issued by any Governmental/judicial/quasi-judicial authority, the AMC/ Mutual Fund may act in compliance with the same. In all such cases, the



redemptions, IDCW and other distributions as may be declared by the Mutual Fund from time to time shall be paid to the first-named of the remaining Unitholder/s or as the case may be.

**For Units held in Electronic (Demat) Mode**

For DP account held in joint names, the rules of the Depository for operation of such DP accounts will be applicable.

**42. Investments on Behalf of Minor**

In addition to the existing procedures, the following procedures shall apply to the investments made on behalf of Minors:-

- I. The Minor shall be the first and sole holder in the folio. In folios where Unit holder is a Minor, there can be no Joint Holders or nominees.
- II. The Guardian to the Minor should either be a natural guardian (i.e. father or mother) or a court appointed legal guardian. The supporting documents reflecting Date of Birth of Minor and relationship of Minor with Guardian should mandatorily accompany the application form. In case of court appointed legal guardian, supporting documentary evidence shall be required.
- III. Investments in the name of minors shall be permitted only from bank account of the minor, parent or legal guardian of the minor or from a joint account of the minor with the parent or legal guardian only, else the transaction is liable to get rejected.
- IV. Irrespective of the source of payment for subscription, all Redemption/IDCW etc. proceeds shall be credited only in the verified bank account of the Minor i.e. the account the minor may hold with the parent / legal guardian after completing all KYC formalities.

**Change of Status from Minor to Major:**

When the units are held on behalf of the Minor, the ownership of the units rests with the Minor. A guardian operates the account until the Minor attains the age of majority. Prior to the minor Unitholder attaining the age of majority, the AMC/Mutual Fund/RTA will send a notice to the minor Unitholder at the registered correspondence address/email id advising such minor Unitholder to submit, on attaining the age of majority, an application form along with prescribed documents listed below to change the status of the folio/s from 'minor' to 'major':

- i) Services Request form, duly filled and containing details like name of major, folio number, etc.
- ii) New Bank mandate where account changed from Minor to major.
- iii) Signature attestation of the major duly attested by the parent / guardian whose signature is registered in the records of mutual fund / RTA against the folio of minor unit holder.
- iv) KYC acknowledgement of the major as per current norms.
- v) FATCA / CRS and Additional KYC Details and Declaration Form.
- vi) Nomination form / declaration for opting out of Nomination is mandatory.

Upon attainment of majority by the minor Unitholder, the folio/s should be regularized forthwith. The AMC may specify such procedures for regularisation of the Folio/s, as it may deem appropriate from time to time. Till the receipt of such intimation/information from the minor turned major Unitholder, existing contract as signed by the parent/legal guardian of the minor Unitholder will continue. However, from the date of attainment of majority, Folio/s of the minor Unitholder will be frozen for operation by the representing guardian and all transactions will be suspended. No transactions will be permitted in the Folio(s) till the regularization of the Folio/s in a manner prescribed by the AMC/Mutual Fund.

The AMC/Mutual Fund will register standing instructions like SIP/STP/SWAP etc. for a folio held by a minor Unitholder from the parent/legal guardian only till the date when the minor Unitholder attains the age of majority, even though the instructions may be for a period beyond that date.

**Change in Guardian**

In case of change in legal guardian of a minor Unitholder, either due to mutual consent or demise of existing guardian, the following documents are required to be submitted:

- i) Request letter from the new guardian;
- ii) No Objection Letter (NoC) or Consent Letter from existing guardian or Court Order for new guardian, in case the existing guardian is not alive.
- iii) Notarized or attested copy of the Death Certificate of the deceased guardian, where applicable. (Attested by a special executive magistrate, AMC authorised official or manager of a scheduled bank).
- iv) Supporting documents evidencing the relationship of new Guardian with the Minor Unit holder.
- v) Bank attestation attesting the signature of the new guardian in a bank account of the minor where the new guardian is registered as the guardian.
- vi) KYC of the new guardian as per current norms.
- vii) FATCA, CRS and Additional KYC Details and Declaration Form.

**43. Modes of payout**

The AMC may use instruments or payment channels such as NEFT / RTGS / Direct Credit / ACH Credit, etc. ('Electronic Payout') or any other mode allowed by Reserve Bank of India from time to time, for payments including refunds to unitholders in addition to the cheque, demand draft or IDCW warrants. Further, AMC may also use modes of despatch such as speed post, courier etc. for payments including refunds to unitholders in addition to the registered post with acknowledgment due.

Electronic payout are facilities offered by RBI, for facilitating better customer service by direct credit of IDCW / redemption to an investor's bank account through electronic credit. This helps in avoiding loss of IDCW / redemption warrant in transit or fraudulent encashment. To facilitate the above electronic credits and minimise errors, the AMC may validate the investors' Bank Account numbers with the respective banks and / or populate necessary IFSC / MICR codes through publicly available sources or through its banks.

**44. Modes of Payment:****For NRIs, FPIs and Foreign Investors**

**On repatriation basis:** FPIs may pay their subscription amounts either by way of inward remittance through normal banking channels or out of funds held in Foreign Currency Account or Non-resident Rupee Account maintained by the FPI with a designated branch of an authorized dealer with the approval of the RBI subject to the terms and conditions set out in the aforesaid notification. In case Indian rupee drafts are purchased abroad or from Foreign Currency Accounts or Non-resident Rupee Accounts an account debit certificate from the Bank issuing the draft confirming the debit shall also be enclosed.

In case of NRIs and persons of Indian origin residing abroad, payment may be made by way of Indian Rupee drafts purchased abroad and payable at the collecting bank branch locations of Collecting Bankers and/or any other bank or by the way of cheques drawn on Non-Resident

(External) (NRE) Accounts payable at designated Collection Centres of the Collecting Bankers and/or any other bank collection centre or at specified AMC branches.

All cheques/drafts should be made out in favour of the Scheme name as provided in the Scheme Information Documents (SID) of respective schemes – NRI /FII A/C” and crossed “Account Payee Only”. In case Indian Rupee drafts are purchased abroad or from FCNR/NRE A/c. an account debit certificate from the Bank issuing the draft confirming the debit shall also be enclosed.

**On Non – Repatriation basis:** In case of NRIs /Persons of Indian origin seeking to apply for Units on a non-repatriation basis, payments may be made by cheques/demand drafts drawn out of Non-Resident Ordinary (NRO) accounts/ Non-Resident Special Rupee (NRSR) accounts and Non-Resident Non- Repatriable (NRNR) accounts payable at the location where the Application Form is accepted and/or branch of designated bank(s).

**For Resident Investors:**

Investors may make payments for subscription to the Units of the Scheme by local cheque/bank draft, drawn on any bank branch or RTGS/fund transfer in favour of MF Collection account. Cheques/demand drafts should be drawn in favour of “Helios <Scheme name>” as provided in the Scheme Information Document (SID) of respective schemes and must be crossed “Account Payee Only”.

The cheque/demand draft should be payable at the Centre where the application is lodged. The cheque/demand draft should be drawn on any Bank which is situated at and is a member/sub-member of the Bankers’ Clearing House. Cheques/demand drafts drawn on a Bank not participating in the Clearing House will not be accepted.

Payments by Stock invest/out-station and/or post-dated cheques will not be accepted. However, the AMC may, at its sole discretion allow post-dated cheques for SIP transactions.

Investors may please note that in case any application is made through Demand Draft, Demand Draft charges will not be reimbursed by the AMC. The Demand Draft charges shall be borne by investors.

**For Payment of SIP:**

In case of SIP transaction where, the mode of payment is through Standing Instructions/ Direct Debit facility or NACH, investors are not required to do an initial purchase transaction for the minimum amount as applicable. However, investors are required to submit SIP request at least 15 days prior to the date of first instalment. Investors shall be required to submit a cancelled cheque or a photocopy of a cheque of the bank account for which the debit mandate is provided. SIP facility shall be available on any date of the month for SIP registrations. In case the date chosen for SIP falls on a Non-Business Day or on a date which is not available in a particular month, the SIP will be processed on the immediate next Business Day. In addition, investors are requested to peruse and understand the instructions mentioned on specific application forms and scheme specific Scheme Information Documents.

**Facility of National Automated Clearing House (NACH) Platform in Systematic Investment Plan (SIP):**

In addition to existing facility available for payments through Direct Debits/Standing Instructions for investments in SIP, the NACH facility can also be used to make payment of SIP instalments.

**45. Restriction on acceptance of Third-Party Payments/Instruments**

“Third Party Payment Instrument” means payment made through an instrument issued from a bank account other than that of the first named applicant/investor mentioned in the application

form. In case of payment instruments issued from a joint bank account, the first named applicant/ investor must be one of the joint holders of the bank account from which the payment instrument is issued to consider the payment as a non- Third Party Payment.

**The AMC/ Fund, shall not accept applications for subscriptions of units accompanied with Third Party Payment instruments except in cases as enumerated below:**

- Payment made by an Employer on behalf of employee under SIP or lumpsum / one time subscription, through payroll deductions or deductions out of expense reimbursements.
- Custodian making investment on behalf of an FPI or a Client.
- Payment by a Corporate to its Agent/Distributor/Dealer (similar arrangement with Principal agent relationship), on account of commission or incentive payable for sale of its goods/services, in the form of the Mutual Fund Units through SIP or lump sum/one-time subscription.
- Payment by AMC to a Distributor empanelled with it on account of commission / incentive etc. in the form of mutual fund Units of the funds managed by the AMC through SIPs or lumpsum investment.
- Any other cases as may be permitted by SEBI/AMFI from time to time.

Applications submitted through the above mentioned 'exceptional cases' are required to comply with the following, without which applications for subscriptions for units will be rejected/not processed/refunded.

- (I) Mandatory KYC of investors (parent/guardian in case of minor) and person making the payment.
- (II) Submission of a complete and valid 'Third Party Payment Declaration Form' from the investors (parent/guardian in case of minor) and the person making the payment. The said form shall be available on the Fund's website and at Investor Service Centres (ISCs).
- (III) Verifying the source of funds to ensure that funds have come from the drawer's account only.

The Mutual Fund shall adopt the following procedures to ascertain whether payments are third party payments and investors are therefore required to comply with the requirements specified herein below:

**i) Source of Funds – if paid by Cheque**

An investor at the time of his / her purchase of units must provide in the application form the details of his pay-in bank account (i.e. account from which a subscription payment is made) and his pay-out bank account (i.e. account into which redemption / IDCW proceeds are to be paid).

Identification of third party cheques by the AMC / RTA will be on the basis of either matching of pay-in bank accounts details with the pay-out bank account details, or by matching the bank account number, name of the first applicant with the name and, account number available on the cheque or by matching the signature of the Unit holder as on the investment application against the signature on the payment instrument. For all such cases, where the name is not pre-printed on the cheque, then the first named applicant / investor should submit a self - attested copy of the bank passbook containing the name of the unit holder and the bank account number. The documents should be either in original or copy to be submitted along with original produced for verification.

**ii) Source of Funds – if funded by pre-funded instruments such as Demand Draft / Pay Order / Banker's Cheque etc.**

In case of subscriptions received through these pre-funded instruments, such instruments should be accompanied with a certificate from the issuing banker (containing bank seal and name and employee number of issuing officials), stating the account holder's name and the account number which has been debited for issue of the instrument.

**iii) Source of funds - if paid by a pre-funded instrument issued by the Bank against Cash**

Subscription received through a pre-funded instrument procured against cash shall only be accepted for investments below Rs. 50,000/-. Investor is required to provide a certificate from Banker stating the name, address and PAN of the person requisitioning such pre-funded instruments.

Declaration obtained from the banker, if any in a different format will be subject to rejection if the required details are not captured.

**iv) Source of Funds - if paid by RTGS, Bank Account-to-Account Transfer, NEFT, ECS, etc.**

A copy of the instruction to the bank stating the account number debited must accompany the purchase application. The account number mentioned on the transfer instruction copy should be a registered bank account or the first named applicant / investor should be one of the account holders to the bank account debited for such electronic transfer of funds.

Any other method of payment allowed by the Fund will also be covered under these provisions. All the above mentioned documents, to the extent applicable, are required to be provided along with the application form. In case the application for subscription is not in accordance with the above provisions, the AMC reserves the right to reject / not process the application and refund the subscription amount without interest.

**46. Change in Static Information**

Investors, for whom the KYC process has been previously completed, should submit their request for change in static information, viz. Name, PAN, DOB, Address, Email address to any of the Point of Services (PoS) appointed by CDSL Ventures Ltd / Intermediary through whom the uniform KYC was recorded. Investors, who have not complied with the KYC requirement, may submit their request for change in static information to the AMC's Registrar. Other information such as bank account details, dividend sub option etc. may be changed by Unit Holders by submitting a written request to the Registrar. Such changes will be effected within 5 Business Days of the valid signed request reaching the processing centre of the Registrar, and any interim financial transactions like purchase, redemption, switch, payment of IDCW etc. will be effected with the previously registered details only.

Investors are advised to update their static details immediately on occurrence of change. Please note that, if any change in static information is submitted along with a financial transaction in the same request, such change shall not be processed and the financial transaction shall get processed with the previously registered details. Unit Holders are therefore advised to provide requests for change in static information separately and not along with financial transactions. Investors transacting through the stock exchange mechanism should approach their respective DP for non-financial requests / applications such as change of address, change of bank, etc.

Any change in Income Distribution cum capital withdrawal (IDCW) sub option due to additional investment or Unit Holder request will be applicable to the entire Units in the IDCW option of the scheme / plan concerned.

47. Any decision of Helios AMC about the eligibility or otherwise of a person to transact under the scheme shall be final and binding on the applicant. Helios AMC shall have the right to accept and/or to reject/compulsorily redeem the transaction at its sole discretion.

**48. Transactions through MFU Platform:**

The AMC has entered into an Agreement with MF Utilities India Private Limited (MFUI), for usage of MF Utility (MFU) - a shared services initiative of various Asset Management Companies, which acts as a transaction aggregator for transacting in multiple Schemes of various Mutual Funds with a single form and a single payment instrument.

Accordingly, all the authorized Point of Service (POS) and website/mobile application of MFUI (as updated from time to time) are considered as 'official points of acceptance' for all financial and non-financial transactions pertaining to Scheme(s) of Helios Mutual Fund either physically or electronically. The list of POS of MFUI published on the website of MFUI at [www.mfuindia.com](http://www.mfuindia.com) as may be updated from time to time will be considered as Official Point of Acceptance for transactions (OPAT) in the Scheme(s) of the Fund.

The applicability of NAV shall be based on time stamping as evidenced by confirmation slip given by POS of MFUI and also the realisation of funds in the Bank account of Helios Mutual Fund (and not at the time of realization of funds in the bank account of MFUI) within the applicable cut-off time. 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. However, investors should note that transactions through MFUI shall be subject to the eligibility of the investors, any terms & conditions as stipulated by MFUI / the 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 authorised MFUI Points of Service (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 i.e. [www.mfuindia.com](http://www.mfuindia.com) to download the relevant forms. Investors transacting through MFU shall be deemed to have consented to exchange of information viz. personal and/or financial (including the changes, if any) between the Fund /the AMC and MFUI and/or its authorized service providers for validation and processing of transactions carried out through MFU.

For any queries or clarifications related to MFU, please contact the Customer Care of +91 22 6134 4316 (during the business hours on all days except Sunday and Public Holidays).

### III. RIGHTS OF UNITHOLDERS OF THE SCHEME

- 1) Unit holders of the Scheme have a proportionate right in the beneficial interest in the assets of the Scheme.
- 2) When the Mutual Fund declares a IDCW under the Scheme/ Plan, the IDCW shall be transferred to the Unitholders within 7 working days of the record date of such declaration of IDCW or such other timeline as may be prescribed by SEBI from time to time. In the event of failure to transfer IDCW within the stipulated period, the AMC shall be liable to pay interest @ 15% per annum to the Unitholders for the delay in payment as computed from the Record Date or from such other date or for such period as may be advised by SEBI from time to time.
- 3) As per SEBI (MF) Regulations, the Mutual Fund shall transfer Redemption proceeds within 3 working days (except in case of schemes investing at least 80% of total assets in permissible overseas investments where timeline shall be 5 working days) from the date of acceptance of redemption application. However, as per AMFI circular no. AMFI/35P/MEM-COR/74/2022-23 dated January 16, 2023, in case of exceptional situations the AMC might follow the additional timelines for making redemption payments. For details, please refer 'LIST OF EXCEPTIONAL SITUATIONS AND ADDITIONAL TIMELINES FOR MAKING REDEMPTION PAYMENT'.

A penal interest of 15% p.a. or such other rate as may be prescribed by SEBI from time to time, will be paid by the AMC for the period of delay in case the Redemption proceeds are not transferred within the specified timeline.

- 4) On acceptance of a valid application/transaction request for subscription, an allotment confirmation specifying the number of units allotted by way of email and/or SMS within 5 working days from the date of receipt of application/ transaction request/closure of New Fund Offer shall be sent to the Unit holders registered e-mail address and/or mobile number.
  - a) For Unitholders having any security in dematerialised form and having Mutual Fund (MF) folios:
    - The depositories shall dispatch the Securities Consolidated Account Statement (SCAS) within ten days from the month end where there are transactions either in MF or Demat account based on the data provided by MF Registrar & Transfer Agent (RTA) in respect of MF units.
    - In case of no transactions in either MF or Demat account, SCAS shall be sent on a Half- yearly basis showing the holding details by the Depositories.
  - b) For investors having only mutual fund folios and no demat account a Consolidated Account Statement (CAS) shall be sent within ten days from the month end where there are transactions by mail/e-mail by the AMC/RTA.
  - c) Half-yearly CAS shall be issued at the end of every six months (i.e. September/March) on or before 21st day of succeeding month, to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable.
  - d) Half yearly CAS will not be sent to those Unit holders who do not have any holdings in the schemes of mutual fund and where no commission against their investment has been paid to distributors, during the concerned half-year period.

In case of Unitholders holding units in demat (electronic) mode, a demat statement will be sent by Depository Participant to the Unitholders.

The first-named Unit holder shall receive the account statements, all notices and correspondence with respect to the Folio(s), as well as the proceeds of any Redemption

requests or IDCW or other distributions. In addition, such holder shall have the voting rights, as permitted, associated with such Units as per the applicable guidelines.

- 5) The Trustee is bound to make such disclosures to the Unit holders as are essential in order to keep them informed about any information known to the Trustee which may have a material adverse bearing on their investments.
- 6) The appointment of the AMC for the Mutual Fund can be terminated by majority of the directors of the Trustee or by 75% of the Unit holders of the Scheme.
- 7) 75% of the Unit holders of a Scheme can pass a resolution to wind-up a Scheme.
- 8) 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 on the requisition made by three-fourths of the Unit holders of the Scheme.
  - When the Trustee decides to wind up the Scheme or prematurely redeem the Units.
- 9) The Trustee/AMC shall ensure that no change in the fundamental attributes of any Scheme or the trust or fees and expenses payable or any other change which would modify the Scheme and affects the interest of Unit holders, shall be carried out unless:
  - SEBI has reviewed and provided its comments on the proposal;
  - a written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the Mutual Fund is situated; and
  - the Unit holders are given an option to exit at the prevailing Net Asset Value without any Exit Load.
- 10) In specific circumstances, where the approval of Unitholders is sought on any matter, the same can also be obtained by way of a postal ballot or such other means as may be approved by SEBI. For this purpose, voting through Postal Ballot shall mean voting by post or through any electronic mode.



#### IV. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

SEBI vide Gazette Notification no. LAD-NRO/GN/2011- 12/38/4290, dated February 21, 2012 amended Regulation 25, 47 and the Eighth Schedule titled 'Investment Valuation Norms' under SEBI (Mutual Funds) Regulations, 1996 to introduce the overarching principles namely 'Principles of Fair Valuation' in order to ensure fair treatment to all investors (including existing as well as new investors) seeking to purchase or redeem the units of the scheme(s) at all points of time.

It further prescribed that the valuation shall be reflective of the realizable value of securities and shall be done in good faith and in true and fair manner through appropriate valuation policies and procedures approved by the Board of the Asset Management Company. In the event of a conflict between the principles of fair valuation and valuation guidelines prescribed by SEBI under the Regulations, the principles of fair valuation shall prevail.

Consequentially, the Boards of the Helios AMC and Trustee has adopted a comprehensive policy on investment valuation and procedures. Accordingly, the disclosure inter-alia of the security/asset - wise valuation policy, procedure & methodology for each type of investment made by the scheme(s) of Helios Mutual Fund is given below:

##### 1. Policy, Procedure & Methodology for valuation of securities/assets

- The AMC shall adopt the principle of fair valuation i.e. valuation will done be in good faith and in true and fair manner to reflect the net realizable value of the securities/asset as determined by Valuation Committee. This principle will be adopted by AMC even during exceptional events specified under Point no. 2 below.
- The detailed security/asset-wise valuation policy, procedure & methodology for each type of investment made by the scheme(s) of Helios Mutual Fund is described appended **Annexure I**.
- Investments in any new securities/assets (other than those mentioned in the appended Annexure) shall be made only after the establishment of the valuation methodology as approved by the Boards of the AMC and Trustee.
- Inter-scheme transfers, if any, will be executed as per Regulations at fair value thereby ensuring fair treatment to all the investors in accordance with the guidelines in appended table (refer **Annexure I**).

##### 2. Exceptional events

Following indicative types of events could be classified as exceptional events where market information may either not be available or is insufficient for valuation of securities:

- a) Major policy announcements by the Central Bank, the Government or any other Regulatory Body (SEBI/IRDA/PFRDA).
- b) Natural disasters or public disturbances may impact the functioning of the capital market.
- c) Absence of trading in a specific security not covered in this valuation policy or similar securities.
- d) Significant volatility in the capital and debt markets.
- e) A credit default event by the issuer of any fixed income security will be considered as an exceptional event and the value of the security will be appropriately discounted by the valuation committee in accordance with norms laid down by AMFI.
- f) Deviation from the indicative haircuts and/or the valuation price.

- g) Any other events where realizable value may be substantially different from benchmark-based prices obtained.

The Valuation Committee shall be responsible for monitoring exceptional events and recommending appropriate valuation methods under the circumstances, with due reporting to the AMC board. Under such circumstances, the Valuation committee will be vested with powers by the AMC board in deciding the appropriate methodology for valuation of such securities. In case of deviations from the valuation policy and principles, if any, the detailed rationale for each instance of deviation shall be recorded and impact of such deviation on scheme NAV will be reported to the Board of AMC and Trustees. The rationale for the deviation along with details will be disclosed under a separate head on the website of the AMC and a link in respect of the same will be disclosed along with the monthly and half-yearly portfolio statements.

### 3. Record keeping

Valuation Policy document will be updated in SID / SAI, website and other documents as prescribed by the SEBI regulations and guidelines. All the documents which form the basis of valuation, including inter-scheme transfers (the approval notes & supporting documents) will be maintained in electronic or physical form.

The AMC shall maintain and preserve all the documents which form the basis of valuation including inter-scheme transfers (the approval notes & supporting documents) either in electronic or physical form for a period of 8 years or such period as specified by SEBI from time to time.

### Annexure I - Valuation Methodology

The valuation policy, procedure & methodology adopted by the AMC for investments in securities/assets made by the Scheme(s) of Helios Mutual Fund is as under:

#### A. Equity and Equity Related Securities:

Asset Class	Traded / Not Traded / Thinly Traded/ Listed / Unlisted	Valuation Methodology
Equity, Preference shares and Cumulative Convertible Preference Share	Traded	<p>AMC has selected the National Stock Exchange (NSE) as the Principal Stock Exchange. In respect of the Index Funds, the Principal Stock Exchange would be the Exchange where the underlying benchmark index has been set up.</p> <p>a) Traded securities shall be valued at the day's closing price on the NSE.</p> <p>b) When, on a particular day a security is not traded on NSE, the closing price of the security on the Bombay Stock Exchange Limited (BSE) will be considered for valuation. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the National Stock Exchange or the Bombay Stock Exchange, as the case may be, on the earliest previous day may be used, provided such date is not more than thirty days prior to the valuation date.</p>

		<p>c) For Index Funds, valuation shall be done at the closing prices of the underlying index.</p>
	<p>Not Traded / Thinly Traded</p>	<p>When a security (<b>other than Futures &amp; Options</b>) is not traded on any Stock Exchange on a particular valuation day, the value at which it was traded (closing price) on the selected stock exchange or any other stock exchange shall be used, provided such day is not more than thirty days prior to the valuation date.</p> <p><b>Valuation of Non-Traded / Thinly Traded:</b>  When trading in an equity/equity related security (such as convertible debentures, equity warrants, etc.) in a month is both less than Rs. 5,00,000 and the total volume is less than 50,000 shares, it shall be considered as a thinly traded security and valued accordingly. In order to consider a security as a thinly traded security, the volumes traded only on NSE and BSE shall be considered.</p> <p>Where a security is identified as a “thinly traded” by applying the above parameters for the preceding calendar month, the same will be valued by AMC as a thinly traded security.</p> <p>If the share is not listed on the stock exchanges which provide such information, then it will be obligatory on the part of the Fund to make its own analysis in line with the above criteria to check whether such security is thinly traded, which would then be valued accordingly.</p> <p>Further, thinly traded securities would be monitored on a calendar month basis and not on a rolling basis. i.e., If a security in holding has been classified as thinly traded according to the criteria mentioned above, it would be fairly valued ignoring the primary and secondary stock exchange prices. This fair valuation would continue for the entire month even though the volumes and value might have exceeded the limit in the current month.</p> <p>In case trading in an equity security is suspended for trading on the stock exchange up to 30 days, then the last traded price would be considered for valuation of that security. If an equity security is suspended for trading for more than 30 days, then it would be considered as non-Traded and valued accordingly.</p> <p><b>Non-Traded:</b> If the equity securities are not traded on NSE and BSE for a period of thirty days prior to the</p>

		<p>valuation date, the scrip must be treated as 'non-traded' scrip.</p> <p><b>For Equity Shares:</b></p> <p>Based on the latest available audited Balance Sheet, net worth shall be calculated as follows:</p> <ol style="list-style-type: none"> <li>i. Net Worth per share = [Share Capital + Reserves (excluding Revaluation Reserves) – Misc. expenditure and Debit Balance in P&amp;L A/c] / No. of Paid-up Shares. This shall be computed based on the latest available audited balance sheet.</li> <li>ii. Average capitalization rate (P/E ratio) for the industry based upon either NSE or BSE data (which should be followed consistently and changes, if any noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalization rate (P/E ratio). Earnings per share (EPS) of the latest audited annual accounts will be considered for this purpose.</li> <li>iii. The value as per the net worth value per share and the capital earning value calculated above shall be averaged and further discounted by 15% for ill-liquidity to arrive at the fair value per share.</li> <li>iv. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalized earning.</li> <li>v. In the 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>vi. 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 by the procedure above and the proportion which it bears to the total net assets of the scheme to which it belongs would be compared on the date of valuation.</li> </ol> <p><b>Preference share:</b></p> <p>Convertible preference shares shall be valued based on the intrinsic value of the preference shares considering the conversion ratio as adjusted for illiquidity on case-to-case basis</p>
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		<p>and other relevant factors as applicable as on the valuation date with the approval of the Valuation Committee.</p> <p>Non-traded non-convertible redeemable preference shares, being similar to debt securities, valuation shall be on the same basis as is for debt instruments as approved by the Valuation Committee</p> <p><b>Convertible Debentures:</b> In respect of convertible debentures and bonds, the non-convertible and convertible portion would be valued separately. The non-convertible portion would be valued on the same basis as is applicable to a debt instrument. The convertible component would be valued based on the same basis as would be applicable to an equity instrument.</p> <p>If after conversion, the resultant equity instrument would be traded pari-passu with an existing equity instrument which is traded, the value of the later 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 conversion is optional should also be factored in. The appropriate discount applied for should be approved and factored in.</p> <p>The value of the optional conversion shall be determined as follows:</p> <ul style="list-style-type: none"> <li>• If the option to exercise rests with the issuer, the lower of the value when exercised or value when not exercised shall be taken.</li> <li>• If the option to exercise rests with the investor, the higher of the value when exercised or value when not exercised shall be taken. The valuation shall be approved by the Valuation Committee.</li> </ul>
Equity	Unlisted securities	<p>The Unlisted equity shares application pending for allotment would be valued at Face value. If the security does not get listed within 60 days from the allotment date shall be valued "in good faith" based on the valuation principles laid down below:</p> <p><b>A. Based on the latest available audited balance sheet, Net Worth shall be calculated as the lower of the following:</b></p>

		<p>(i) Net worth per share = [Share capital + Free Reserves (excluding Revaluation reserves) - Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] / 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 and/or Warrants received/receivable by the Company plus Free Reserves (excluding Revaluation Reserves) minus Miscellaneous expenditure not written off or 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 and/or exercise of Outstanding Warrants and Options).</p> <p><b>The lower of (i) and (ii) above shall be used for calculation of Net Worth per share and for further calculation to be arrive at the fair value per share as stated in (C) below:</b></p> <p><b>B.</b> Average capitalization rate (P/E ratio) for the industry based upon either BSE or NSE data (which shall be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalization rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.</p> <p><b>C.</b> 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 per cent for illiquidity to arrive at the fair value per share. In effect, the Computation of fair value per share to be considered for valuation at 15 % discount for illiquidity. [(Net worth per share + Capitalized value of EPS) / 2] * 0.85</p> <p>The above valuation methodology shall be subject to the following conditions:</p> <p>a) All calculations shall be based on audited accounts.</p> <p>b) If the latest Balance Sheet of the company is not available within nine months of the close</p>
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		<p>of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.</p> <p>c) If the Net Worth of the company is negative, the share would be marked down to zero.</p> <p>d) In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalized earning.</p> <p>e) In case an individual security accounts for more than 5 per cent 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 per cent of the total assets of the scheme, it shall be valued in accordance with the procedure as mentioned above on the date of valuation.</p> <p>To ensure fair valuation, the valuation committee of the AMC may decide to value an unlisted security at a price lower than the value derived using the aforesaid methodology.</p>
Initial Public Offering (IPO)		<p>Such shares shall be classified as “to be listed” / “awaiting listing”.</p> <p>These shares will be valued at:</p> <p>(a) cost of acquisition, in case acquired other than IPO route.</p> <p>(b) allotment price, in case allotted under IPO.</p> <p>till the listing of shares.</p> <p>If such shares do not get listed on recognized stock exchange within 60 days of such allotment, shares so acquired will be valued as per the fair value guidelines applicable for unlisted shares.</p>
Equity and equity related securities under lock-in period / pending listing		<p>In case of shares under lock-in for more than 3 months:</p> <p>(a) from the date of purchase, in the case of shares already listed on the date of purchase.</p> <p>(b) from the date of IPO allotment, in case of shares acquired under Private Placement or under pre-IPO.</p> <p>The shares would be valued as per the valuation guidelines applicable to Traded and Thinly Traded / Non-Traded equity shares, further appropriate discount for illiquidity may be applied by Valuation Committee on a case-to-case basis.</p>
Rights entitlement/partly	Traded	<p>Right entitlements if traded will be valued at the closing market price on principal stock exchange (NSE). If the entitlements are not traded on NSE but are</p>

paid-up rights shares		traded on any other stock exchange the closing market price of the exchange where it traded will be considered for valuation
	Non-Traded/Unlisted/Thinly Traded	<p>a) Until they are traded, post the rights renunciation period, the value of the “rights” entitlement would be calculated as per the SEBI prescribed formula stated below:</p> $V_r = n/m * (P_{ex} - P_{of})$ <p>Where  <math>V_r</math> = Value of Rights  <math>n</math> = Number of rights offered  <math>m</math> = Number of original shares held  <math>P_{ex}</math> = Ex-right price  <math>P_{of}</math> = Rights Offer price</p> <p><i>Ratio of Rights i.e. (n/m where n = No. of Rights offered and m = No. of original shares held) will be adjusted in the quantity directly while booking the Rights and hence not considered again for valuation.</i></p> <p>b) Where the rights are not treated pari-passu with the existing shares, suitable adjustments would be made to the value of rights. Where it is decided not to subscribe for the rights but to renounce them and renunciations are being traded, the rights would be valued at the renunciation value.</p> <p>c) In case original shares on which the right entitlement accrues are not traded on the Stock Exchange on an ex-right basis, right entitlement should not be recognised as investments.</p> <p>d) Where right entitlements are not traded and it was decided not to subscribe the rights, the right entitlements must be valued at zero.</p> <p>e) Post payment of the subscription amount for the rights entitlement, it will be valued in line with the normal valuation methodology for valuation of equities.</p>
Partly Paid-up Equity Shares:	Traded	If the partly paid-up equity shares are traded in the market separately then the same shall be valued at the traded price (like any other equity instrument).
	Non-Traded/Thinly Traded	<p>i) The partly paid-up equity shares will be valued at lower of the following two prices:</p> <ul style="list-style-type: none"> <li>- Value of the underlying fully paid-up equity shares as reduced by the amount of balance call money payable.</li> <li>- Value of the partly paid-up equity shares, if traded on the valuation day. If not traded on any stock exchange on a particular valuation day, the value at which it was traded on the earliest previous day may be used provided such date is not more than 30 days prior to valuation date.</li> </ul>



		<p>ii) Valuation guidelines related to equity shares would be applicable for the valuation of underlying fully paid-up equity shares.</p> <p>iii) In case the trade price of the partly paid-up equity shares was not available for last 30 days or in case of unlisted partly paid-up equity shares, it will be valued at the value of the underlying fully paid-up equity share as reduced by the amount of balance call money payable.</p>
Shares tendered for Buyback		<p>If a company offers to buy back a hundred percent of the shares tendered, then shares will be valued at the price of buy back, if the shares are already tendered ignoring the market price. Else, the market price of the security will be considered for valuation till the date of receipt of formal confirmation of acceptance of shares tendered under the buyback scheme.</p>
Suspended Security		<p>In the case of trading in an equity security is suspended for up to thirty days, then the last traded price shall be considered for valuation of that security. If an equity security is suspended for more than thirty days, then the securities should be treated as Thinly Traded / Non-Traded Security and valued accordingly.</p>
Valuation of Shares on Merger, Demerger and Other Corporate Action Events		<p><b>Merger:</b> Valuation of merged entity would be arrived at by summation of previous day's value of the respective companies prior to merger divided by the entitled quantity of the merged entity in cases where identity of the entities getting merged is lost until the new entity is listed. Example: If Company A and Company B merge to form a new Company C, then new company C would be valued at the previous day's price of A and B with appropriate inter-se weights as indicated in the scheme of merger.</p> <p>In case of a merger where the identity of one entity continues, valuation of merged entity would be at the closing price of the surviving entity. Example: If Company A merges into Company B, then the merged entity would be valued at the price of Company B being the surviving Company.</p> <p><b>De-merger:</b> <b>On de-merger following possibilities arise which determines valuation:</b></p> <p><b>A) Both the shares are traded immediately on de-merger:</b></p>

		<p>In this case, shares of both the Companies are valued at respective traded prices.</p> <p><b>B) Shares of only one company continued to be traded on de-merger:</b> In case one entity is demerged into two or more entities and one of those entities continues to be listed, the value of unlisted entity(ies) will be difference between the closing price of the security on the ex-date (after demerger) and closing price of the security on previous trading day (before demerger) that continues to be listed. The difference in price of two dates will be the valuation price of the unlisted entity(ies) proportionately, till they are listed and traded on a stock exchange. The cost price of new entity/entities would be derived proportionately from the cost price of parent entity.</p> <p>In the event the value of the traded security of the demerged entity is equal to or more than the value of that entity before de-merger, then the security of the non-traded entity will be valued at zero.</p> <p>In case an unlisted security is not listed within a period of 60 days from the ex-date, the valuation price derived for the demerged security will be reviewed on expiry of 30 days thereafter.</p> <p><b>Both the shares are not traded on de-merger:</b></p> <p>The price of the shares of the Company one day prior to ex-date of de-merger will be bifurcated over the demerged shares in the ratio of cost of shares of each demerged entity or based on net assets transferred if the same is available from the Company and any other relevant factors.</p> <p>In case shares of both the companies are not traded for more than 60 days, these are to be treated as unlisted security and valued accordingly.</p> <p>On merger/demerger in case the company specifies any regulations/ method for cost bifurcation or valuation the same will be adopted. In case the above methodology does not derive the fair valuation of demerged entities, the same may be determined by the Valuation Committee on case-to-case basis.</p> <p><b>Other corporate action event:</b></p>
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Stock and Index Derivatives	-	<b>Equity / Index Options Derivatives and Equity / Index Futures Derivatives</b> Market values of traded open future/option contracts shall be determined with respect to the exchange on which it is contracted originally, i.e., a future/option contracted on the National Stock Exchange (NSE) would be valued at the Settlement price of future/option on the NSE. Futures & Options are considered as Non-Traded, when such Futures & Options are not traded on the respective stock exchange on the Valuation Date. Non-traded futures and options are valued based on the settlement price / any other equivalent price provided on the respective stock exchange.
Valuation of Warrants	Traded	If the warrants are traded, the traded price will be considered for valuation.
	Non-Traded	Warrants can be valued at the value of the share which would be obtained on exercise of the Warrant after applying appropriate discount as decided by valuation committee prorated monthly after reducing the exercise price / issuance price from the closing price of the underlying cash equity security.  If the amount payable for the exercise of the warrants is higher than the value of the share, the value of the warrants should be taken as zero.
Stock Split/ Face value change		In the case of stock split, the face value of a stock is reduced and proportionately the number of shares is increased. The valuation price will be derived based on the closing price before the ex-date and adjusted in proportion of stock split, till the new stock split shares are listed and traded on a stock exchange. The cost of one share will be proportionately adjusted in line with stock split change, to derive the new cost of share. On stock split/face value change in case the company specifies any regulations/ method for cost bifurcation or valuation the same will be adopted.
Valuation of Securities Lent under Securities Lending Scheme		The valuation of securities lent under the Securities Lending Scheme shall be valued as per the valuation guideline of the respective security as mentioned in this document. The lending fees received for the securities lent out would be accrued in a proportionate manner till maturity of the contract.
Valuation of Indian Depositories Receipts (IDR)		Valuation of IDRs listed on the India Stock Exchange would follow the valuation guidelines adopted for the Listed Indian Equity Shares. In case the IDRs are

		classified as thinly traded / non-traded, the criteria, as laid above for Listed Indian Equity Shares shall be applied taking into consideration the relevant Company's Balance Sheet.
Valuation of American Depository Receipt (ADR), Global Depository Receipt (GDR) and all Overseas Securities	Traded	<p>i) Traded foreign securities will be valued at latest available closing price of the stock exchange on which the security is traded.</p> <p>ii) In case the security is traded on more than one stock exchange, the security will be valued at the latest available closing price of the principal stock exchange. The principal stock exchange will be decided by the AMC at the time of purchase of securities and the reason for the selection will be recorded in writing. Any subsequent change in the principal stock exchange selected for valuation will be necessarily backed by reasons for such change being recorded in writing by the AMC and approved by the Valuation Committee.</p> <p>iii) When on a particular valuation day, a security has not been traded on the principal stock exchange; the value at which it is traded on secondary stock exchange may be used.</p> <p>iv) When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than 30 days prior to valuation date.</p> <p>v) Due to differences in the time zones across different markets, the AMC would consider a cut off time of 5.00 PM (IST) for availability of the closing market price for the purpose of valuation i.e. if any market closes on or before 5.00 pm (IST) that day's last closing price will be considered for valuation else the previous day's closing price of that stock exchange will be considered. Accordingly, the valuation of the securities will be done based on T day prices or T-1 day prices, depending upon the closure of business hours of the stock exchange on which the particular securities are traded / listed.</p> <p>vi) The price in local currency would be obtained and the closing RBI reference rate would be used to calculate the closing price in INR. If the security is listed in currency for which RBI reference rate is not available, the exchange rate available on Bloomberg/Reuter's would be considered. In case the direct exchange rates are not available on</p>

		Bloomberg/Reuter's, then cross currency with USD would be considered and converted as per INR/USD RBI reference rate.
	Non-Traded Securities	<p>A non-traded foreign security will be valued by the AMC using the principles of fair valuation after considering relevant factors on a case-to-case basis.</p> <p>In case of any extraordinary event in other markets post the closure of the relevant markets, the AMC will value the security at suitable fair value as determined by the Valuation Committee.</p> <p>All the corporate action for foreign securities will be recorded on the same basis as valuation of foreign securities by considering a cut off time of 5.00 PM (IST). The corporate action of the securities will be recorded on T day or T+1 day, depending upon the closure of business hours of the stock exchange on which the particular securities are traded / listed.</p>

**B. Fixed Income and Related Securities:**

Asset Class	Traded / Not Traded / Thinly Traded/ Listed / Unlisted	Valuation Methodology
Debt Securities/ Instruments (Commercial Paper/ Certificate of Deposit / Bonds/Zero Coupon Bonds/ Bills /Floating rate securities/Securitization, etc.)	Traded	<p>All Debt and Money Market securities shall be valued at the average of the prices provided by the agencies nominated by AMFI daily. (SEBI/HO/IMD/DF4/CIR/P/2019/102)</p> <p>In case of price being available from only one agency, the same will be considered for valuation.</p> <p>In case of non-availability of prices from AMFI approved agencies-</p> <ul style="list-style-type: none"> <li>• Traded (Own) securities will be valued at weighted average traded price /yield on the date of trade.</li> <li>• Non-traded securities will be at the fair value as per procedures determined by the Valuation Committee.</li> </ul>
Government Securities (including, Central Government Securities (GSEC), Treasury Bills (T-Bills), State Government Securities/ State		<p>Government Securities shall be valued at an average of the prices provided by AMFI approved 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),</p>

Development Loans, Cash Management Bills, etc.)		then such security may be valued at purchase yield on the date of allotment / purchase.
Valuation of money market and debt securities classified as below investment grade or default		<ul style="list-style-type: none"> <li>• All money market and debt securities which are rated below investment grade (if the long-term rating below BBB- or if the short term rating of the security is below A3) shall be valued at the average of the security level price provided by valuation agencies.</li> <li>• A money market or debt security shall be classified as “Default” if the interest and / or principal amount has not been received, on the day such amount was due or when such security has been downgraded to “Default” grade by a Credit Rating Agency (CRA). In this respect, the Fund Manager shall promptly provide the rating downgrade details to Operations Team which shall promptly be informed to the valuation agencies and the CRAs, any instance of non-receipt of payment of interest and / or principal amount (part or full) in any security.</li> <li>• Till such a time the valuation agencies compute the valuation of money market and debt securities classified as below investment grade, such securities shall be valued by the valuation agencies based on indicative haircuts. These indicative haircuts shall be applied on the date of credit event i.e., migration of the security to sub-investment grade and shall continue till the valuation agencies compute the valuation price of such securities. Further, these haircuts shall be updated and refined, as and when there is availability of material information which impacts the haircuts. The indicative haircut rate that is applied to the principal will be applied to the accrued interest also.</li> <li>• In the case of trades during the interim period between date of credit event and receipt of valuation price from valuation agencies, traded price will be considered if it is lower than the price post standard haircut. The said traded price shall be considered for valuation till the valuation price is determined by the valuation agencies.</li> <li>• In case of trades after the valuation price is computed by the valuation agencies as referred above and where the traded price</li> </ul>

		<p>is lower than such computed price, such traded price shall be considered for the purpose of valuation and the valuation price will be revised accordingly.</p> <ul style="list-style-type: none"> <li>• AMCs may deviate from the indicative haircuts and/or the valuation price for money market and debt securities rated below investment grade provided by the valuation agencies with detailed rationale for deviation, as per prescribed in SEBI Circulars, Rules, Regulation and Master Circulars time to time.</li> <li>• In case of securities classified as below investment grade but not default, interest accrual will continue with the same haircut applied to the principal. In case of securities classified as default, no further interest shall be made. Any recovery will first be adjusted against the outstanding interest recognized in the NAV and any balance shall be adjusted against the value of principal recognized in the NAV. Any recovery more than the carried value in the NAV will be applied first towards amount of interest written off and then towards amount of principle written off.</li> </ul>
		<p><b>Changes in terms of investment:</b></p> <p>While making any change to terms of an investment, the following conditions shall be adhered to:</p> <ol style="list-style-type: none"> <li>1. Any changes to the terms of investment, which may have an impact on valuation, shall be reported to the valuation agencies immediately.</li> <li>2. Any extension in the maturity of a money market or debt security shall result in the security being treated as “Default”, for the purpose of valuation.</li> <li>3. If the maturity date of a money market or debt security is shortened and then subsequently extended, the security shall be treated as “Default” for the purpose of valuation.</li> <li>4. Any put option inserted after the issuance of the security shall not be considered for the purpose of valuation and original terms of the issue will be considered for valuation.</li> </ol>

Treatment of Upfront fees		<ul style="list-style-type: none"> <li>• Upfront Fees on all trades (including primary market trades), by whatever name called, will be considered by the valuation agencies for the purpose of valuation of securities.</li> <li>• Details of such upfront fees will be shared with the valuation agencies on the trade date to enable them to arrive at the fair valuation for that date.</li> <li>• Upfront fees will be reduced from the cost of investment and will be shared on pro-rata basis if the investment in a particular security is made from multiple schemes.</li> </ul>
Overnight Money (Reverse Repo/TREPS)		Overnight money deployed for less than 30 days will be valued at cost plus the accrual. Overnight money deployed for greater than 30 days will be valued at the average prices provided by AMFI approved agencies (currently CRISIL and ICRA)
Interest Rate Swap (IRS) / Forward Rate Agreement (FRA)		All OTC derivatives viz. IRS/FRA will be valued at average of security level prices provided by CRISIL & IMACS
Investments in short term deposits with banks		Investments in short-term deposits with banks will be valued at cost plus the accrual
Securities with Put/Call Options		<p>The option embedded securities would be valued as follows:</p> <p>i) <b>Securities with Call Option:</b> The securities with call option shall be valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option. In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instrument.</p> <p>ii) <b>Securities with Put Option:</b> The securities with put option shall be valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option. In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instrument.</p> <p>iii) <b>Securities with both Put and Call Option:</b> Only securities with put / call options on the same day and having the same put and call</p>



		<p>option price, shall be deemed to mature on such put / call date and shall be valued accordingly. In all other cases, the cash flow of each put / call option shall be evaluated and the security shall be valued on the following basis:</p> <p>a) Identify a 'Put Trigger Date', a date on which 'price to put option' is the highest when compared with price to other put options and maturity price.</p> <p>b) Identify a 'Call Trigger Date', a date on which 'price to call option' is the lowest when compared with price to other call options and maturity price.</p> <p>c) In case no Put Trigger Date or Call Trigger Date ('Trigger Date') is available, then the valuation would be done to maturity price. In case one Trigger Date is available, then valuation would be done as to the said Trigger Date.</p> <p>In case both Trigger Dates are available, then valuation would be done to the earliest date.</p> <p>iv) If a put option is not exercised by a Mutual Fund when exercising such put option would have been in favour of the scheme, in such cases the justification for not exercising the put option shall be provided to the Board of AMC and Trustees.</p> <p>v) Any put option inserted after the issuance of the security shall not be considered for the purpose of valuation and original terms of the issue will be considered for valuation.</p>
Interest Rate Futures	-	The exchange traded Interest Rate Futures would be valued based on the Daily Settlement Price or any other derived price provided by the exchange e / adopted by the industry.
Segregated Portfolio valuation		Notwithstanding the decision to segregate the debt and money market instrument in accordance with the SEBI Circular dated December 28, 2018, the valuation should consider the credit event and value the portfolio based on the principles of fair valuation. (i.e. realizable value of the assets) in terms of relevant provisions of SEBI (Mutual Funds) Regulation, 1996 and Circular(s) issued thereunder. In case of AT-1 Bonds) and Tier 2 Bonds, the financial stress of the issuer and the capabilities of issuer to repay the

		<p>dues/borrowings are considered in the valuation of the securities from the trigger date onwards i.e. date on which the instrument is to be written off or converted to equity pursuant to any proposal or otherwise.</p> <p>Irrespective of the above policy, the valuation committee might adopt valuation principles to align with fair valuation norms</p>
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**Guidelines for valuation of Debt & Debt Related Instruments:**

All Debt & Debt related Instruments are valued based on AMFI and SEBI circulars/guidelines, by the independent valuation agencies nominated by AMFI for determining valuation for such securities.

Definition of non-traded, thinly traded and traded money market / debt security:

- (i) Traded and non-traded money market and debt securities shall be defined as follows: A money market or debt security shall be considered as traded when, on the date of valuation, there are trades (in marketable lots) in that security on any recognized Stock Exchange or there are trades reported (in marketable lots) on the trade reporting platform of recognized stock exchanges or The Clearing Corporation of India Ltd. (CCIL).

**Marketable lot defined by AMFI in consultation with SEBI is as under: -**

The following volume criteria shall be used for recognition of trades by valuation agencies:

Parameter	Minimum Volume of Criteria for marketable lot
Primary	Rs. 25 cr for both/ NCD/ CP/ CD and any other money market instruments
Secondary	Rs. 25 cr for CP/CD, T-Bills and any other money market instruments
Secondary	Rs. 5 cr for Bonds/ NCD/ G-Secs

- (ii) A money market or debt security shall be considered as non-traded when, on the date of valuation, there are no trades (in marketable lots) in such security on any recognized Stock Exchange or no trades (in marketable lots) have been reported on any of the trade reporting platforms.

**C. OTHER SECURITIES (MUTUAL FUND UNITS, ETFS, InvITs, ReITs, GOLD AND SILVER)**

Asset Class	Traded / Not Traded / Listed / Unlisted	Valuation Methodology
Mutual Fund Unit and ETFS	Traded/Non-Traded	<p>Mutual fund, ETF, units shall be valued at the closing traded price on the principal stock exchange as on the valuation date.</p> <p>If the units are not traded on a particular valuation day, they shall be valued at the quoted closing price on another recognised stock exchange.</p> <p>Non-traded units shall be valued at the declared applicable NAV as on the valuation date.</p>
Listed Overseas Mutual Fund Units		Exchange Traded Fund units shall be valued based on the latest available closing price of the stock exchange on which the respective Overseas ETF is listed.

<p>[refer note (a) and (b) below]</p>		<p>In case an Overseas ETF is listed on more than one stock exchange, the AMC shall select the appropriate stock exchange and the reasons for selection of the stock exchange shall be recorded in writing and approved by the Valuation Committee. Any subsequent change in the stock exchange selected for valuation of Overseas ETF will also be recorded in writing and approved by the Valuation Committee.</p> <p>When on a particular valuation day, if the latest available closing price is not available for units of Overseas ETF on the selected stock exchange, then value at which such units are traded on another stock exchange or last available price on the selected stock exchange, shall be used provided such date is not more than thirty days prior to the valuation date.</p> <p>On valuation date, all assets and liabilities in foreign currency shall be valued in Indian Rupees at the FBIL reference rate as at the close of banking hours on the relevant business day in India.</p> <p>If the security is listed in currency for which the FBIL reference rate is not available, the exchange rates available from Reuters will be used. In case the direct exchange rates are not available on Reuters, then cross currency rate with USD would be considered and converted as per the INR/USD FBIL reference rate.</p>
<p>Units of Unlisted overseas Mutual Funds</p>		<p>Valuation will be based on the latest available Net Asset Value (NAV) of Mutual Fund units.</p> <p>On valuation date, all NAVs in foreign currency shall be valued in Indian Rupees at the FBIL reference rate as at the close of banking hours on the relevant business day in India.</p> <p>If the Units NAV is quoted in currency for which FBIL reference rate is not available, the exchange rates available from Reuters will be used. In case the direct exchange rates are not available on Reuters, then cross currency rate with USD would be considered and converted as per the INR/USD FBIL reference rate.</p>
<p>Units of InvITs / ReITs</p>	<p>Traded</p>	<p>Valuation of units of InvITs and ReITs will be based on the last quoted closing price on the principal stock exchange where such security is listed. NSE is the principal stock exchange for the AMC.</p> <p>If no trade is reported on the principal stock exchange on a particular valuation date, units of InvITs and ReITs shall</p>

		be valued at the last quoted closing price on other stock exchange.
	Non-Traded	<p>When units of InvITs and ReITs are not traded on any stock exchange on a particular valuation day, the value at which these were traded on the selected stock exchange or any other stock exchange, on any immediately prior to valuation day, shall be considered for valuation, provided such date is not more than thirty days prior to the valuation date.</p> <p>Where units of InvITs and ReITs are not traded on any stock exchange for a continuous period of 30 days, then valuation for such units will be determined by Valuation Committee in consultation with the Internal auditors or valuation agencies in accordance with the decision of Valuation Committee.</p> <p>In addition to the above, if the valuation of units of InvITs and ReITs is provided by the independent agency as approved by AMFI, AMC may get into arrangement with such agency to provide the security level valuation price.</p>
Gold		<p>Gold acquired by a scheme is in the form of standard bars and its value as on a particular day is determined as under:</p> <p>(1) AM fixing price of London Bullion Market Association (LBMA) in US dollars per troy ounce for gold having a fineness of 995.0 parts per thousand, subject to the following:</p> <p>a) adjustment for conversion to metric measure as per standard conversion rates.</p> <p>b) adjustment for conversion of US dollars into Indian rupees as per the RBI reference rate declared by the Foreign Exchange Dealers Association of India (FEDAI).</p> <p>c) Addition of-</p> <p>(i) transportation and other charges that may be normally incurred in bringing such gold from London to the place where it is stored on behalf of the mutual fund; and</p> <p>(ii) notional customs duty and other applicable taxes and levies that may be normally incurred to bring the gold from London to the place where it is stored on behalf of the mutual fund.</p> <p>Provided that the adjustment under clause (c) above may be made based on a notional premium that is usually charged for delivery of gold to the place where it is stored on behalf of the mutual fund.</p> <p>Provided further that where the gold held by a scheme has a greater fineness, the relevant LBMA prices of AM fixing shall be taken as the reference price under this subparagraph.</p> <p>(2) If the gold acquired by the Scheme is not in the form of standard bars, it shall be assayed and converted into</p>

		<p>standard bars which comply with the good delivery norms of the LBMA and thereafter valued like standard bars. If on any day the LBMA AM fixing or RBI reference rate is not available due to holiday, then the immediately previous day's prices are applied for the purpose of calculating the value of gold.</p>
Silver		<p>The market price of Silver in the domestic market on any Business Day would be arrived at as under:</p> <p>The Silver held by a Scheme shall be valued at the AM fixing price of London Bullion Market Association (LBMA) in US dollars per troy ounce for Silver having a fineness of 999.0 parts per thousand, subject to the following:</p> <ul style="list-style-type: none"> <li>a) adjustment for conversion to metric measures as per standard conversion rates.</li> <li>b) adjustment for conversion of US dollars into Indian rupees as per the RBI reference rate declared by the Foreign Exchange Dealers Association of India (FEDAI); and</li> <li>c) addition of –             <ul style="list-style-type: none"> <li>i. transportation and other charges that may be normally incurred in bringing such Silver from London to the place where it is stored on behalf of the Scheme; and</li> <li>ii. notional customs duty and other applicable taxes and levies that may be normally incurred to bring the Silver from London to the place where it is stored on behalf of the Scheme: Provided that the adjustment under clause (c) above may be made on the basis of a notional premium that is usually charged for delivery of Silver to the place where it is stored on behalf of the Scheme.</li> </ul> </li> </ul> <p>Provided further that where the Silver held by the Scheme has a greater fineness, the relevant LBMA prices of AM fixing shall be taken as the reference price.</p> <p>A premium or discount shall be applied to the valuation price arrived at as per the above methodology to ensure it reflects a fair value. The premium / discount shall be determined monthly or such other shorter periodic interval as may be deemed necessary. The premium / discount shall be decided by comparing the domestic price i.e. MCX spot price with the valuation price. In case MCX spot price is not available, any other appropriate source may be used as agreed upon by valuation committee to determine the domestic price.</p>

**Note:**

(a) Due to differences in the time zones across different markets, the AMC would consider a cut off time of 5.00 PM (IST) for availability of the closing market price for the purpose of valuation i.e. if any

market closes on or before 5.00 PM (IST) that day's last closing market price will be considered for valuation else the previous day's closing market price of that stock exchange will be considered. Accordingly, the valuation of the units will be done based on T day prices or T-1 day prices, depending upon the closure of business hours of the stock exchange on which the particular units are traded / listed.

b) All the corporate action for Overseas Mutual Fund units will be recorded on the same basis as valuation of Overseas Mutual Fund units by considering a cut off time of 5.00 PM (IST).

The corporate action of the units will be recorded on T day or T+1 day, depending upon the closure of business hours of the stock exchange on which the particular units are traded / listed.

**D. INTER SCHEME TRANSFER**

<b>Asset Class</b>	<b>Traded / Not Traded / Listed / Unlisted</b>	<b>Valuation Methodology</b>
Inter Scheme Transfer	Equity and related securities	In respect of inter scheme transfer of equity securities, the spot/current market price at the time into entering the deal is considered. The screenshot of the source screen will be taken to confirm the price.
	Fixed Income securities including Government Securities, Treasury Bills, Cash Management Bills, State Development Loans, etc.	<p>AMC shall seek prices for Inter-scheme Transfer of any money market or debt security (irrespective of maturity), from the valuation agencies as approved by AMFI from time to time (as outlined in SEBI circular: SEBI/HO/IMD/DF4/CIR/P/2019/102)</p> <p>If prices from the valuation agencies are received within the pre-agreed TAT, an average of the prices so received shall be used for IST pricing.</p> <p>If price from only one valuation agency is received within the agreed TAT, that price may be used for IST pricing.</p> <p>If prices are not received from any of the valuation agencies, Valuation Committee may determine the price for the IST, in accordance with Clause 3 (a) of Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996</p>

**Notes:**

1. Own trades will not be used for valuation of debt and money market securities and for inter-scheme transfers.
2. Following assets with tenor up to 30 days will be valued at Cost plus accrual basis:
  - a) Reverse Repo
  - b) Tri-party Repo (TREPS)
  - c) Short Term Deposit with banks
3. All securities with less than 30 days residual maturity other than sovereign securities will have long term rating (either by SEBI approved rating agency or internal long term rating assigned)

4. The policy will be modified in line with any regulatory pronouncements from time to time.
5. In case of security/ies purchased by the fund does not fall within the current framework of the valuation of securities then the same shall be reported immediately to AMFI. Further, at the time of investment AMC shall ensure that the total exposure in such securities does not exceed 5% of the total AUM of the scheme.

**Indicative Haircut for below investment grade securities:**

Haircuts for senior, secured securities.

Rating/sector	Infrastructure, Real Estate, Hotels, Loan against shares and Hospitals	Other Manufacturing and Financial Institutions	Trading, Gems & Jewellery and Others
BB	15%	20%	25%
B	25%	40%	50%
C	35%	55%	70%
D	50%	75%	100%

Haircuts on subordinated and unsecured (or both) securities

Rating/sector	Infrastructure, Real Estate, Hotels, Loan against shares and Hospitals	Other Manufacturing and Financial Institutions	Trading, Gems & Jewelry and Others
BB	25%	25%	25%
B	50%	50%	50%
C	70%	70%	70%
D	100%	100%	100%

**Waterfall approach 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, has laid down broad principles for considering the traded yields for valuation of Debt, money market and government securities. The said circular prescribes AMFI shall ensure valuation agencies have a documented waterfall approach for valuation of Debt & money market securities.

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

The extract from AMFI best practices circular (135/BP/83/2019-20) dated November 18, 2019 pertaining to the waterfall mechanism is as below.

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

- a. All traded securities will be valued based on traded yields, subject to identification of outlier trades by the valuation agencies.

- b. Volume Weighted Average Yield (VWAY) for trades in the last one hour of trading will be used as the basis for valuation of Government Securities and Treasury Bills. Valuation of all other money market and debt securities including Government Securities not traded in the last one hour will be done based on VWAY of all trades during the day.
- c. In case of any exceptional event on a day, only VWAY of trades post such an event will be considered for valuation. Further, all exceptional events along with valuations carried out on such dates shall be documented with adequate justification. The following events would be considered as exceptional events:
  - i. Monetary / Credit Policy
  - ii. Union Budget
  - iii. Government Borrowing / Auction Day iv) Material Statements on Sovereign Rating
  - iv. Issuer or Sector Specific events which have a material impact on yields
  - v. Central Government Election Days
  - vi. Quarter end days
  - vii. In addition to the above, valuation agencies may determine any other event as an exceptional event.
- d. All trades on stock exchanges and trades reported on trade reporting platforms till end of the trade reporting time (excluding inter-scheme transfers) will be considered for arriving at the valuation every day.
- e. CRISIL & IMACS will follow a polling process as part of the waterfall approach and will identify Mutual Funds who will participate in the polling process on a particular day.
- f. Polling process policy, approved by the Board of AMC and Trustees, will be documented detailing the governance of the polling process.

**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:

- a) 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.

- b) 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.
- c) 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 issuers 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.

- i. Issuers within same sector/industry and/or
- ii. Issuers within same rating band and/or
- iii. Issuers with same parent/ within same group and/or
- iv. Issuers with debt securities having same guarantors and/or
- v. 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:

<b>Parameter</b>	<b>Minimum Volume Criteria for marketable lot</b>
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

- a) Outlier trades shall be classified based on 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 based on 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)		
	up to 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 will be subject to review on a periodic basis by valuation agencies and any change will be carried out in consultation with AMFI.

- e) To ensure a uniform process in the 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.

- i. Trading Volume
- ii. Spread over reference yield.

Such criteria shall be reviewed on a 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.

Type of security	Spread for Liquid	Spread for Semi Liquid	Spread for Illiquid	Spread computation
Bonds	Upto 15 Bps	>15 - 75 Bps	> 75 Bps	Point 1
CP / CD	Upto 25 Bps	>25 - 50 Bps	> 50 Bps	Point 2

**Point 1:** spread is computed as average spread of issuer over AAA Public Sector Undertakings/Financial Institutions/Banks matrix.

**Point 2:** 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.

Segmentation of corporates –

- a. 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:
- b. Public Sector Undertakings/Financial Institutions/Banks.
- c. Non-Banking Finance Companies -except Housing Finance Companies.
- d. Housing Finance Companies.
- e. Other corporates

**Representative issuers –**

For the aforesaid 4 sectors, representative issuers (Benchmark Issuers) shall be chosen by the valuation agencies for only higher ratings {i.e., "AAA" or AA+}. Benchmark/Representative Issuers will be identified basis high liquidity, availability across tenure in the AAA/AA+ category and having lower credit/liquidity premium. Benchmark Issuers can be single or multiple for each sector.

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.

Calculation of benchmark curve and calculation of spread –

- i. The yield curve to be calculated for representative issuers for each sector for maturities ranging from 1 month to 20 years and above.
- ii. Waterfall approach as defined in Part A (1) above will be used for construction of yield curve of each sector.
- iii. 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.

- iv. The yield curve for Representative Issuers will be created daily 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.
- v. 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.
  - a) The principles of VWAY, outlier trades and exceptional events shall be applicable while constructing the benchmark curve based on trades/primary issuances.
  - b) 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 must be considered.
  - c) Residual tenure of the securities of representative issuers shall be used for construction of yield curve.

**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 quotes, 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 an 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 and Debt Securities:**

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

**Polling Guidelines:**

1. Valuation agencies shall identify the Mutual Funds who shall participate in the polling process on a particular day, considering 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 daily by the valuation agencies, in terms of points 9-11 below.
3. Each valuation agency needs to take polls from at least 5 unique Mutual Funds daily. Hence, among 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 the 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 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 repolling, 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. Benchmarks 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
  - h. 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 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. AMCs 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 shall ensure that participation in the polling process is not misused to inappropriately influence the valuation of securities. The officials of the AMC who are responsible for polling in terms of point no. 14 above, shall also be personally liable for any misuse of the polling process.
17. AMC shall maintain an audit trail for all polls submitted to valuation agencies.

**Guidelines for Valuation of Bonds (AT 1 Bonds and Tier 2 Bonds)**

Valuation of Bonds issued under Basel III framework as per SEBI circular SEBI/HO/IMD/DF4/CIR/P/2021/034 dated March 22, 2021 and AMFI Best Practices circular 135/BP/ 91 /2020-21 dated March 24, 2021. Relevant extract of AMFI Best Practices is being reproduced herein below:

1. Currently a bond is considered traded, if there is at least one trade in market lot in that ISIN. If the bond does not get traded there is a defined waterfall mechanism for valuation of that bond as per AMFI Best Practice Guideline circular no. NO.83 / 2019-20 dated November 18, 2019.
2. The said waterfall requires grouping of same issuer with similar maturity and similar issuers with similar maturity. However, in case any ISIN of issuer has not traded, the valuation of AT1 Bonds is currently done based on adjusting spread directly to the benchmark security.
3. To improve existing valuation of these bonds and implement the defined waterfall, following is being done:
  - a. Form two types of ISINs:
    - i. Benchmark ISINs (a non-benchmark ISIN can be linked to only one benchmark ISIN. Currently, SBI ISINs happen to be the benchmark ISINs across all maturities for AT1 Bonds.)
    - ii. Non-benchmark ISINs (Will be divided into multiple groups based on similar issuer and similar maturity).
    - iii. The groups will be decided on in consultation with valuation agencies. The two main criteria envisaged to be used here would be Tier 1 / Tier 2 ratings of the ISINs / Issuers, and the spread range in which the group of ISINs / Issuer's trade over the benchmark.
  - b. Look back period for trade recognition as under:
    - i. 15 working days for benchmark ISINs
    - ii. 30 working days for non-benchmark ISINs
    - iii. This will be revised to 7 working days for benchmark ISIN and 15 working days for non- benchmark ISINs from October 01, 2021.
4. If the ISIN gets traded, the traded YTM will be taken for the purpose of valuation. Further, if 1 ISIN of the issuer trades all other ISINs of issuers will be considered as traded but with necessary adjustment of spread to YTM. If none of the ISIN of the issuer gets traded, the trade of similar issuer in the group will be taken to valuation however with necessary adjustment of spread to YTM of similar issuer similar maturity. If none of the ISIN in a group gets traded on any day, an actual trade in a look back period will be seen. If there is an actual trade in the look back period, the security will be considered as traded and valued with necessary adjustment

of spread to YTM. According to this valuation will be done based on the trade of the issuer, trade of similar issuer and as an additional layer a look back period of is requested. It is confirmed that spread over YTM will be taken without any adjustment of modified duration to call.

5. Further, as the valuation is based on trade during the look back period, it is confirmed that a spread is adjusted to reflect adverse news, change in credit rating, interest rate etc., which has bearing on the yield of ISIN being valued.
6. However, if there is no actual trade of any ISIN of the issuer as well as similar issuer during look back period, the valuation will be done by taking spread over matrix and/or polling in line with the waterfall mechanism prescribed by AMFI.
7. A maturity of 100 years will be adopted for perpetual bond issued by banks, with effect from March 31, 2023 onwards.
8. Valuation methodology, as mentioned above, for AT-1 Bonds is to be followed for the valuation of tier II bonds also. Further, the Macaulay Duration shall be calculated as per actual maturity of Tier II bonds:
9. Besides, AT-1 bonds and Tier 2 bonds being different categories of bonds, the valuation of these bonds will be done separately (i.e.) ISIN of AT-1 bond traded will not mean that ISIN of Tier-2 bonds of the same issuer have also traded. However, if any issuer does not exercise call option for any ISIN, then the valuation and calculation of Macaulay Duration should be done considering maturity of 100 years from the date of issuance for AT-1 Bonds and Contractual Maturity for Tier 2 bonds, for all ISINs of the issuer.
10. It is confirmed that the Macaulay Duration of ISINs will be calculated based on the deemed residual maturity proposed in para 7 and 8 above to reflect the duration risk.
11. Further, henceforth mutual funds will disclose both Yield to Call and Yield to Maturity.



## V. TAX & LEGAL & GENERAL INFORMATION

### A. Taxation on investing in Mutual Funds

The tax benefits set out in the SAI are for general information purposes only, based on the law prevailing as at the date of this document and also incorporating the amendments made by the Finance Act, 2023 and do not constitute tax advice by Helios Mutual Fund. The tax information provided in the SAI does not purport to be a complete description of all potential taxes, incidence and risks inherent in subscribing to the Units of scheme(s) offered by Helios Mutual Fund. Investors should note that the fiscal rules/ tax laws may change from time to time and the current tax positions may not continue for ever. The applicability of tax laws, if any, on Helios Mutual Fund /its Scheme(s)/ investments made by the Scheme(s) and/ or investors and/ or income attributable to, or distributions or other payments made to Unitholders are based on the understanding of the prevailing tax laws and could potentially be subject to different interpretations adopted by the relevant authorities resulting in tax liability being imposed on the Mutual Fund/ Scheme(s)/ Unitholders/ Trustee/ AMC.

In view of the individual nature of the tax consequences, each investor is advised to consult his/ her own professional tax advisor. The tax information contained in SAI should not be used for implementation of an investment strategy or construed as investment advice. Investors in their individual capacity should understand that they shall be fully responsible/ liable for any decision taken on the basis of this document. Neither the Mutual Fund nor the AMC nor any person connected with it accepts any liability arising from the use of this information. Investors should study this SAI carefully in its entirety and should not construe the contents as an advice relating to taxation. Investors should consult professional advisors to determine possible tax, financial or other considerations of subscribing to or redeeming Units, before making a decision to invest/ redeem Units.

#### I. Tax Benefits/Consequences to the Mutual Fund

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

#### II. Tax Benefits / Consequences to Unit holders

##### Incomes from units

Income in the nature of dividends distributed by mutual funds is taxable in the hands of unit holders under section 56 of the Act under the head 'Income from Other Sources' at the applicable rates given below. Further, the taxpayer can claim a deduction of interest expenditure only under section 57 of the Act which shall be restricted to 20% of the gross dividend income.

Type of Assessee	% of Income Tax
Individuals, HUFs, Association of Persons	Applicable Slab Rates
Partnership Firms, including Limited Liability Partnerships ('LLPs') and Indian companies*	30%
Foreign Companies	40%

\* A tax rate of 25% (plus applicable surcharge and health and education cess) is applicable for the financial year 2023-24 in the case of domestic companies having total turnover or gross receipts not exceeding Rs. 400 crores in the financial year 2021-22. Domestic companies may opt for a lower tax rate of 22% (plus fixed surcharge at the rate of 10% and health and education cess) (as per section 115BAA of the Act), subject to fulfilment of prescribed conditions. Further, new domestic manufacturing companies may opt for a lower tax rate of 15% (plus fixed surcharge at the rate of 10% and health and education cess) (as per section 115BAB of the Act), subject to fulfilment of prescribed conditions.

Unless specifically stated, the income-tax rates specified above and elsewhere in this document are exclusive of the applicable surcharge and health and education cess of 4%.

**Levy of surcharge on tax for:**

- a. Individuals/HUFs/AOPAJP/BOI is as under:

Total Income slabs	Rate of Surcharge
Rs. 5,000,001 to Rs. 10,000,000	10%
Rs. 10,000,001 to Rs. 20,000,000	15%
Rs. 20,000,001 to Rs. 50,000,000	25%*
Rs. 50,000,001 and above	37%**

\*Where total income of the assessee exceeds Rs. 2 Crores and includes dividend income or any capital gains income referred to in section 111A, 112A or 112, surcharge to be levied on tax on such dividend / capital gains income shall be restricted to 15%. Further, where total income of an assessee, being a Specified Fund or a Foreign Institutional Investor as defined in Section 115AD, includes income from capital gains from transfer of securities, rate of surcharge on income tax on such income shall be restricted to 15%.

\*\*Rate of surcharge on income tax, if total income of assessee exceeds Rs. 5 crores, shall be restricted to 25%, if assessee pays tax as per under new regime (section 115BAC) for AY 2024-25 onwards.

- b. Partnership Firms, including Limited Liability Partnerships ('LLPs')

Surcharge on tax of 12% applicable in case where total income exceeds Rs. 1 Crore

- a. Indian companies

Particulars	Resident Company opting for Concessional Tax Regime		Resident Company not opting for Concessional Tax Regime					
	Category / Income Threshold (INR Mn)	Any company	Company with turnover up to Rs. 4,000 Mn* for FY 2021-22			Other companies		
		New manufacturing company	Upto 10 Mn	Above 10 Mn	Above 100 Mn	Upto 10 Mn	Above 10 Mn	Above 100 Mn

				<b>upto100 Mn</b>			<b>upto100 Mn</b>	
<b>Basic Tax Rate</b>	22%	15%	25%	25%	25%	30%	30%	30%
<b>Surcharge</b>	10%	10%	-	7%	12%	-	7%	12%

c. Foreign Companies

The amount of income-tax shall be increased by a surcharge at the rate of 2% of such tax, where total income exceeds Rs. 1 Crore but not exceeding Rs. 10 Crore and at the rate of 5% of such tax, where total income exceeds Rs. 10 Crore.

**Securities Transaction Tax (STT)**

As per the taxation laws in force and Chapter VII of the Finance (No.2) Act, 2004 pertaining to Securities Transaction Tax (STT), the tax benefits/ consequences as applicable to Helios Mutual Fund in respect of its Mutual Fund schemes and investors investing in the Units of its Mutual Fund Schemes [on the assumption that the units are not held as stock-in-trade] are stated as follows:

STT is levied on purchase or sale of 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 of a unit of an equity-oriented 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 applicable on purchase / sale / redemption of units other than equity oriented units. STT is not deductible for the computation of capital gains. However, if it is held that gains on the sale of securities 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 of the Act.

The applicable rates of STT are as follows:

Sr. No	Nature of securities transaction	STT Rate	Payable by
1.	Purchase / Sale of equity shares on a recognized stock exchange, settled by actual delivery	0.1%	Purchaser/ Seller
2.	Sale of units of an equity oriented mutual fund (delivery based) entered in a recognized stock exchange	0.001%	Seller
3.	Sale of units of an equity oriented mutual fund (non-delivery based) entered in a recognized stock exchange	0.025%	Seller
4.	Sale of a unit of an equity oriented fund to the Mutual Fund	0.001%	Seller
5.	Sale of unlisted equity shares under an offer for sale referred to in Section 97(13) (aa) under Chapter VII of the Finance (No. 2) Act, 2004	0.2%	Seller

The above STT shall not apply in respect of taxable securities transactions entered into by the following persons:

- a. any person for, or on behalf of, the New Pension System Trust referred to in clause (44) of section 10 of the Act; or
- b. any person on a recognised stock exchange located in an International Financial Services Centre where the consideration for such transaction is paid or payable in foreign currency.

**Gains on transfer / redemption of units****Capital Gains**

The capital gains would be computed as under:

Sale consideration Rs. XXX

Less: Cost of acquisition (Note) Rs. XXX

Less: Expenses on such transfer Rs. XXX

Capital gains Rs. XXX

Note:1: In case of computation of long term capital gains, option of indexation of cost may be available, as applicable.

Note 2: This would include only expenses relating to transfer of units.

Period of holding for short term capital asset in respect of units of equity-oriented mutual fund schemes is less than or equal to 12 months and in case of units other than equity-oriented mutual fund and specified mutual fund, is less than or equal to 36 months. A capital asset other than a short-term capital asset is considered as long-term capital asset. In case of ELSS, the units are subject to a lock-in period of 3 years. Accordingly, any sale of units after this lock-in period will qualify as a long-term capital gain.

- **Long term capital gains**

In the case of a fund other than equity-oriented fund, including a money market mutual fund or a liquid fund:

Long-term capital gains in respect of units of other than units of equity-oriented fund will be chargeable under section 112 of the Act, at concessional rate of tax of 20% (plus applicable surcharge and health & education cess) after substituting the indexed cost of acquisition for the cost of acquisition.

Furthermore, long term capital gains in the case of non-residents would be taxable at rate of 10% on the transfer of capital assets, being unlisted securities, computed without giving effect to the first and second proviso of section 48 i.e. without taking benefit of foreign currency fluctuation and indexation benefit. The benefit of indexation and foreign currency fluctuation will not be available to specified offshore fund which is taxable at rate of 10% plus the applicable surcharge and health and education cess in terms of section 115AB of the Act.

The benefit of indexation will also not be available to FPIs who are taxed under section 115AD of the Act at rate of 10% (plus applicable surcharge and health and education cess).

In cases where the taxable income, reduced by long term capital gains of a resident individual or HUF is below the taxable limit, the long term capital gain will be reduced to the extent of this shortfall and only the balance of the long term capital gain is chargeable to income tax.

As per section 50AA of the Act introduced by the Finance Act 2023, capital gains on transfer/redemption /maturity of specified mutual funds acquired on or after 01 April 2023 shall be deemed to be short term capital gains (irrespective of the period of holding). As per explanation (ii) to section

50AA of the Act, "Specified Mutual Fund" means a mutual fund by whatever name called, where not more than 35% of its total proceeds is invested in the equity shares of domestic companies provided that the percentage of equity shareholding held in respect of the Specified Mutual Fund shall be computed with reference to the annual average of the daily closing figures.

In the case of equity-oriented fund:

As per section 112A of the Act, long term capital gain exceeding Rs. 1 lakh, arising on sale of such units would be taxed at the rate 10% (plus applicable surcharge and health & education cess). Benefit of such lower tax is available on transfer of units of equity oriented mutual fund if such units are subject to STT at the time of transfer. Further, benefit of indexation is not available.

"Equity oriented fund" has been defined to mean a fund set up under a scheme of a mutual fund specified under clause (23D) of section 10 and—

- (i) in a case where the fund invests in the units of another fund which is traded on a recognised stock exchange-
  - (A) a minimum of 90% of the total proceeds of such fund is invested in the units of such other fund; and
  - (B) such other fund also invests a minimum of 90% of its total proceeds in the equity shares of domestic companies listed on a recognised stock exchange; and
- (ii) in any other case, a minimum of 65% of the total proceeds of such fund is invested in the equity shares of domestic companies listed on a recognised stock exchange.

Further it is stated that the percentage of equity shareholding or unit held in respect of the fund, as the case may be, shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

In case of resident individuals and HUFs, where taxable income as reduced by long term capital gains, is below the basic exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long term capital gains is chargeable to income tax.

To provide relief on gains already accrued up to 31 January 2018, a mechanism has been provided to "step up" the COA of securities. Under this mechanism, COA is substituted with the Fair Market Value (FMV), where sale consideration is higher than the FMV. Where sale value is higher than the COA but not higher than the FMV, the sale value is deemed as the COA. FMV is defined as the highest price quoted for the unit on 31 January 2018 on a "recognized stock exchange", or Net Asset Value of the unit as on 31 January 2018 where unit is not listed.

In the cases, where the gross total income includes such Long-term capital gains, deduction under Chapter VI-A should be allowed for the gross total income as reduced by such capital gains. Also, rebate under section 87A (available for resident investors) should be allowed from the income-tax on the total income as reduced by tax payable on such capital gains except long term capital gain under section 112A of the Act.

The Mutual Fund would recover the STT from the unit holder at the applicable rate. Long term capital gains arising from the transfer of units on which STT is not paid, should be chargeable to tax at the rate of 20% (with indexation benefit) [plus applicable surcharge and health and education cess].

As per the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a HUF, capital gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period (In case of Purchase: 1 year backward / 2 years forward from date of transfer of original asset & in case of Construction: 3 years forward from date of transfer of original asset) in a residential house in India. If part of such net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a

proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. The Finance Act, 2023 limits the maximum deduction that can be claimed under section 54 and section 54F of the Act to Rs. 10 crores, where the cost of new asset purchased is more than Rs. 10 crore then the cost of such asset exceeding Rs. 10 crore should not be considered. This amendment will take effect from 1 April 2024.

- **Short term capital gains**

In the case of a fund other than equity-oriented fund, including a money market mutual fund or a liquid fund

Short term capital gains are taxed at the normal rates applicable to each unit holder. In case where the taxable income as reduced by short term capital gains of a resident individual or HUF is below the taxable limit, the short term capital gain will be reduced to the extent of this shortfall and only the balance short term capital gain is chargeable to income tax.

In the case of equity-oriented fund

As per section 111A of the Act, short-term capital gains on sale of units of an 'equity-oriented fund', subject to STT, shall be subject to tax at a rate of 15% (plus applicable surcharge and health & education cess). Short term capital gains arising from transfer of units of an 'equity oriented fund' on which STT is not paid are taxed at the normal rates applicable to each unit holder.

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

In the cases, where the gross total income includes such short-term capital gains, deduction under Chapter VI-A should be allowed for the gross total income as reduced by such capital gains. Also, rebate under section 87A (available for resident investors) should be allowed from the income-tax on the total income including such capital gains.

**Provisions relating to dividend stripping & bonus stripping**

As per Section 94(7) of the Act, loss arising on sale of units, 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 or additional units without any consideration, as the case may be) 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.

In the Finance Act, 2022 the said provision is applicable to securities as well and the definition of unit has also been modified, so as to include units of business trusts and AIF, within the definition of units. This amendment will take effect from 01 April 2022.

As per Section 94(8) of the Act, where any person purchases units ('original units') within a period of 3 months prior to the record date, who is allotted additional units without any payment and sells all or any of the original units within a period of 9 months after the record date, while continuing to hold all or any of the additional units, then any loss arising on sale of the original units shall be ignored for the purpose of computing income chargeable to tax. The amount of loss so ignored shall be deemed to be the cost of purchase of the additional units as are held on the date of such sale.

In the Finance Act, 2022, sub-section 8 of the section 94 has modified the definition of unit, so as to include units of business trusts and AIF, within the definition of units.

### 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.

Under section 10(38) of the Act, long term capital gains on sale of units of an equity-oriented fund were exempt from income tax subject to certain conditions till 31 March 2018. Hence, losses arising from such transactions would not be eligible for set off against taxable capital gains and not allowed to be carried forward. With effect from 1 April 2018, long term capital loss on transfer of units of equity oriented mutual fund should be allowed to set off against other long term gains.

Unabsorbed long term capital losses can be carried forward and set off against the long term capital gains arising in any of the subsequent 8 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 8 assessment years.

### Minimum Alternative Tax/Alternate Minimum Tax

The income on the transfer of Mutual Fund units by a company would be taken into account in computing the book profits and Minimum Alternative Tax ('MAT'), if any, under section 115JB of the Act.

Income of a foreign company in respect of capital gains on transactions in securities (as defined under Securities Contract Regulation Act), as well as corresponding expenses, are to be excluded while computing income under minimum alternate tax provisions, if tax payable thereon is less than 15% (plus surcharge and health and education cess) *[MAT should not apply in case of domestic companies exercising option under section 115BAA and section 115BAB of the Act]*.

The taxable income on transfer of Mutual Fund units would be taken into account in computing the Adjusted Total Income and Alternate Minimum Tax, if any, under section 115JC of the Act. *[Section 115JC is applicable to all persons other than company which has claimed any deduction under Chapter VI-A under the heading 'C- Deductions in respect of certain incomes' (other than section 80P) or section 10AA]*.

An amendment has been made vide the Finance Act, 2016, to clarify that MAT provisions should not be applicable to a foreign company with retrospective effect from financial year 2001-2002, if:

- it is resident of a country with which India has a DTAA, and it does not have a permanent establishment in India, in accordance with the provisions of the relevant DTAA; or
- 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.

### Sec 47 of the Indian Income Tax Act - Transactions not regarded as transfers

Section 47 has been amended with insertion of clause (xviii) and clause (xix) to provide that any transfer of unit or units by a unit holder upon consolidation of two or more schemes of equity oriented fund or two or more schemes of a fund other than equity oriented fund or upon consolidation of two or more plans within a mutual fund scheme, 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 scheme of the mutual fund under the process of consolidation of the schemes of mutual fund in accordance with the SEBI (Mutual Funds) Regulation, 1996 and accordingly capital gains will not apply.

As per section 49(2AD) of the Act, the cost of acquisition of units in the consolidated plan / scheme shall be the cost of units in consolidating plan / scheme of mutual fund. As per section 2(42A) of the

Act, period of holding of the units of consolidated plan / scheme shall include the period of holding for which the units in consolidating plan / scheme of mutual fund were held.

Finance Act, 2020 has rationalized capital gains taxability in relation to mutual fund portfolio segregation as per SEBI regulations. In such a case, the period of holding of segregated units shall be counted from date of holding of original units and the cost of acquisition of segregated units shall be apportioned between original units and segregated units based on net asset value prevailing immediately before segregation.

### **Tax Deduction at Source**

#### **A. On income distributed by mutual funds**

##### Resident Unit holders:

As per section 194K of the Act, any person responsible for paying to a resident any income in respect of units of a Mutual Fund specified under clause (23D) of section 10 shall, at the time of credit of such income to the account of the payee or at the time of payment thereof by any mode, whichever is earlier, deduct income-tax thereon at the 10% on income (in excess of Rs. 5,000). It has been clarified that the provisions of section 194K of the Act shall apply only in respect of income in the nature of dividends distributed by the mutual fund and shall not apply in respect of income which is in the nature of capital gains on units of mutual fund.

##### Non-resident Unit holders:

Section 196A of the Act requires mutual fund to withhold taxes on income in respect of units at the rate of 20% (plus applicable surcharge and health and education cess) or the rates provided in the tax treaty on any income paid to a non-resident.

#### **B. On income in the nature of capital gains**

##### Resident Unit holders:

No income tax is required to be deducted at source from capital gains arising on transfer of units by resident unit holders.

- In the case of other than equity-oriented fund

1. Non-resident Individual Unit holders:

Tax is required to be deducted at source on payment of any sum chargeable under the provisions of the Act to a non-resident under section 195 of the Act at the following rates:

- On income by way of long term capital gains @ 20% (plus applicable surcharge and health and education cess). Furthermore, on income by way of long term capital gains @ 10% on transfer of capital assets, being unlisted securities, computed without giving effect to the first & second proviso of section 48 of the Act i.e. without taking benefit of foreign currency fluctuation and indexation benefit.
- On income by way of short term capital gains @ 30% (plus applicable surcharge and health and education cess)

A non-resident, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial. Accordingly, tax should be withheld as per the provisions of the Act or the provisions of the relevant Double Taxation Avoidance Agreement ('DTAA'), whichever is more beneficial to the assessee. However, the Unit holder will be required to provide appropriate documents to the Fund in order to be entitled to a beneficial rate under such DTAA. 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') of being a resident of his home country. Furthermore, as



per section 90(5) of the Act, non-residents are also required to provide other information in the prescribed Form 10F.

2. Offshore fund Unit holders:

Under section 196B of the Act, tax shall be deducted at source from long term capital gains @ 10% plus applicable surcharge and health and education cess.

Tax is required to be deducted at source, on payment to a non-resident of any sum chargeable under the provisions of the Act, at the applicable rates. A non-resident, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial. Accordingly, tax should be withheld as per the provisions of the Act or the provisions in the DTAA whichever is more beneficial to the assessee, subject to certain conditions. However, the unit holder will be required to provide appropriate documents to the Fund, in order to be entitled to a beneficial rate under the relevant DTAA. 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 TRC) of being a resident of his home country. Furthermore, as per section 90(5) of the Act, a non-resident is also required to provide other information in the prescribed Form 10F.

- In the case of equity-oriented fund - for non-resident Individual Unit holders and offshore fund unit holders

Tax is required to be deducted at source under section 195 of the Act on payment to a non-resident on any sum which is chargeable under the provisions of the Act, at the following rates:

- Income from way of long-term capital gains arising from the transfer of units, subject to STT, at 10% (plus applicable surcharge and health and education cess).
- On income by way of short-term capital gains arising from the transfer of units, subject to STT, taxable under section 111A of the Act @ 15% (plus applicable surcharge and health and education cess).

Tax is required to be deducted at source under section 195 of the Act, on payment to a non-resident of any sum chargeable under the provisions of the Act, at the applicable rates. A non-resident, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial than the DTAA. Accordingly, tax should be withheld as per the provisions of the Act or the provisions in the DTAA, whichever is more beneficial to the assessee, subject to certain conditions. However, the unit holder will be required to provide appropriate documents to the Fund, in order to be entitled to a beneficial rate under the relevant DTAA.

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') of being a resident of his home country. Furthermore, as per section 90(5) of the Act, a non-resident is also required to provide other information in the prescribed Form 10F.

- Foreign Institutional Investors /Foreign Portfolio Investor

As per section 196D of the Act, no deduction shall be made from any income by way of capital gains, in respect of transfer of units referred to in section 115AD of the Act.

**The higher rate of TDS may apply in following cases: -**

**1. Failure to provide Permanent Account Number (PAN)**

As per Section 206AA, a recipient who fails to furnish PAN to the person making a payment would suffer TDS at the higher rate of the following:

- I. The rate prescribed in the Act;
- II. The rate in force; or

III. The rate of 20%.

This requirement would not apply to such non-resident not being a company, or to a foreign company, if the following details and documents are furnished to the payer (Rule 37BC inserted vide Notification No. 53/2016):

- Name, email ID, contact number;
- Address in the country or specified territory outside India of which the deductee is a resident;
- 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 the issuance of such certificate;
- Tax Identification Number of the deductee in the country or specified territory of his residence. In case no such number is available, then a unique number on the basis of which the deductee is identified by the government of that country or specified territory of which he claims to be a resident.

**2. Applicability of higher tax deducted / collected at source rates where return of income is not filed**

The Finance Act, 2021, has inserted new Section 206AB which is effective from July 01, 2021, where tax shall be deducted at higher of the following rates at the time of payment to specified person:

- a. twice the rate specified in the relevant provision of the Act; or
- b. twice the rate or rates in force; or
- c. the rate of 5%

Where the provisions of section 206AA of the Act is applicable, tax shall be deducted at the higher rate as provided under section 206AA and 206AB of the Act.

Section 206CCA of the Act inserted by the Finance Act, 2021 states that tax should be collected at the higher of the following rates at the time of payment to a specified person:

- a. at twice the rate specified in the relevant provision of the Act; or
- b. at the rate of 5%.

The rate of TCS under section 206CCA shall not exceed 20% as amended by Finance Act 2023 w.e.f. 1 July 2023.

For the purposes of section 206AB and 26CCA of the Act, specified person means person who has not filed tax return for the previous year immediately before the year in which tax is required to be deducted or collected and time limit for filing such tax returns has expired; and aggregate of TDS and TCS in previous year exceeds Rs. 50,000.

It is provided that specified person shall not include a non-resident who does not have a permanent establishment in India or to a person who is not required to furnish the return of income and who is notified by the Central Government in the official gazette in this behalf.

**3. PAN Aadhaar linking:**

As per Section 139AA of the Income Tax Act, 1961 read with CDBT circular 7 of 2022 dated March 30, 2022, where a person who has been allotted PAN as on the 1st day of July, 2017, and who is eligible to obtain Aadhaar number has failed to intimate / link Aadhaar with PAN on or before 30<sup>th</sup> June 2023, the PAN of such person shall become inoperative immediately after the said date. Once a person's PAN becomes inoperative, TDS at the higher rate of 20% shall be applicable in addition to other consequences under the Act.

**Clubbing of income**

Subject to the provisions of section 64(1A) of the Act, taxable income accruing or arising in the case of a minor child ((not being a minor child suffering from disability specified in section 80U) shall be included in the income of the parent whose total income is greater or where the marriage of the parents does not subsist, in the income of that parent who maintains the minor child. An exemption under section 10(32) of the Act, is granted to the parent in whose hand the income is included up to Rs. 1,500/- per minor child. When the child attains majority, the tax liability will be on the child.

**Deduction under section 80C**

As per section 80C, and subject to the provisions, an individual / HUF is entitled to a deduction from Gross Total Income up to Rs. 1,50,000/- (along with other prescribed investments) for amounts invested in units of a mutual fund referred to in section 10(23D) of the Act, under Equity Linked Savings Schemes (ELSS) or any plan formulated in accordance with such scheme as the Central Government may notify.

**OTHER BENEFITS**

Investments in Units of the Mutual Fund will rank as an eligible form of investment under Section 11(5) of the Act read with Rule 17C of the Income-tax Rules, 1962, for Religious and Charitable Trusts.

**TAX TREATY BENEFITS**

A non-resident investor has an option to be governed by the provisions of the Act or the provisions of a Tax Treaty that India has entered into with another country of which the non-resident investor is a tax resident, whichever is more beneficial to the non-resident investor. As per the provisions of the Act, submission of tax residency certificate ("TRC") along with Form 10F will be necessary for granting Tax Treaty benefits to non-residents.

A taxpayer claiming Tax Treaty benefit shall furnish a TRC of his residence obtained by him from the Government of that country or specified territory. CBDT has issued a notification no.57/2013 dated August 1, 2013, amending the Income-tax Rules, 1962, prescribing the additional information required to be provided by a non-resident in Form No. 10F along with TRC to avail treaty benefits. The non-resident is required to provide the following information duly signed by the authorised signatory in the prescribed form 10F:

- a. Status (individual, company, firm etc.) of the non-resident;
- b. Permanent Account Number (PAN) of the non-resident if allotted;
- c. Nationality (in case of an individual) or country or specified territory of incorporation or registration (in case of others);
- d. Non-resident's tax identification number in the country or specified territory of residence and in case there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the non-resident claims to be a resident;
- e. Period for which the residential status, as mentioned in the certificate referred to in sub-section (4) of section 90 or subsection (4) of section 90A, is applicable; and
- f. Address of the non-resident in the country or specified territory outside India, during the period for which the certificate, as mentioned in (5) above, is applicable.

Further as per section 195(7) of the Act, an application may be required to be made to the tax authorities to determine the withholding tax rate, if transfer / redemption / buyback of units are covered within the list of specified transactions, such list being yet not specified. Further, the provisions of Section 195 and / or Section 197 of the Act would need to be complied and also documents will have to be furnished by the non-resident investor in this regard.

The above statement of likely / possible Direct Tax Benefits/ Consequences, sets out the provisions of law in a summary manner only and is not a complete analysis or a listing of all potential tax consequences of the purchase, ownership and disposal of mutual fund units. The statements made above are based on the tax laws in force. Investors/Unit holders are advised to consult their tax advisors with respect to the tax consequences of the purchase, ownership and disposal of mutual fund units.

## B. Legal Information

### 1. Nomination Facility

In terms of Regulation 29A of the SEBI (Mutual Funds) Regulations, the Unitholders have an option for making nomination and such nomination shall be subject to Personal laws applicable to the Unitholders. In terms clause 17.16 of Master Circular, it is mandatory for individual investors subscribing to mutual fund units, to either provide nomination details or opt out of nomination in prescribed format. The AMC provides an option to the investor(s)/ Unit holder(s) to nominate (in the manner prescribed under the SEBI (MF) Regulations, 1996) in whom the Units shall vest in the event of the death of the Unitholder(s) subject to the satisfactory completion of certain necessary formalities as may be prescribed by the AMC. Through this facility the AMC is not in any way attempting to grant any rights other than those granted by law to the nominee(s). A nomination in respect of the Units does not create any title or beneficial interest in the property after the death of the Unitholder. The nominee(s) shall receive the Units only as an agent/trustee for the legal heirs or legatees of the deceased Unitholder as the case may be. Transmission of Units in favour of the nominee(s) shall be a valid discharge by the AMC/Mutual Fund of its liability towards the estate of the deceased Unitholder(s) and his/her/ their successors/legal heirs. It is however clarified that the Mutual Fund/AMC will not be bound to transmit the Units in favour of the nominee if it becomes aware of any dispute in relation to the nominee's entitlement to the Units. In the event the Mutual fund/AMC/Trustee incurs or suffers any claim, demand, liabilities, including claims and demands in respect of any prospective or retrospective tax liability, proceedings or actions are filed or initiated against any of them in respect of or in connection with the nomination, the Mutual fund/ AMC/Trust shall be entitled to be indemnified absolutely for any loss, expenses, costs and charges that any of them may suffer or incur.

Nomination Form shall be required for all folios held in the name of single individual investors or where there is Joint holding. Provided that, if any single individual investor does not wish to nominate, such investor shall be required to confirm the same at the time of making an application. Where the Units are held jointly, all the Joint holders are required to jointly nominate one or more persons (not exceeding three) in whom the Units shall vest in the event of death of all the Joint holders. Unitholders can, by filing fresh nomination form, make a fresh nomination which will supersede all existing nominations in the folio. In case of Joint holders , request for nomination/ cancellation of nomination, (whether the mode of holding is 'joint' or 'either or survivor') all the Joint holders are required to sign such request.

Non individual Unitholder(s)/investors including society, trust (other than a religious or charitable trust), body corporate, company, AOP, BOI, bank, FPI, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. A nomination cannot be made in favour of a trust (save and except a religious or charitable trust), society, body corporate, partnership firm, Karta of Hindu Undivided Family or a Power of Attorney holder. A nomination may be made in favour of a non-resident Indian/person or Indian origin/overseas citizen of India subject to the compliance by the Unitholder/investor of the applicable laws including the rules and regulations prescribed under the Foreign Exchange Management Act, 1999, as may be applicable and in force from time to time.

Minor(s) can be nominated and in such cases, the name, address and signature of the natural parent/legal guardian representing such minor nominee(s) shall be provided by the Unitholder. Nomination can also be made in favour of the Central Government, State

Government, local authority, any person designated by virtue of his office or a religious or charitable trust.

The following terms and conditions have to be complied with by the Unitholder/investor who wishes to nominate a person in whom the Units shall vest in the event of death of the Unitholder(s):

- a) Nomination shall be mandatory for new folios / accounts opened by individual especially with sole holding and no new folios / accounts for individuals in single holding should be opened without nomination.
- b) Those investors who do not wish to nominate must sign separately on the application form, confirming their non-intention to nominate. Where nominee details and non-intention to nominate both are mentioned, intention to nominate will be considered as "Default". Folio in such case will be updated with Nominee.
- c) Nomination by a Unitholder shall be applicable for all the investments in all schemes held under a particular folio i.e. if nomination is registered at the Folio level, then it will be applicable for all investments in all Schemes under the said Folio.
- d) In case a folio has Joint holders, all Joint holders should sign the request for nomination/cancellation of nomination, even if the mode of holding is 'either or survivor'.
- e) Every new nomination for a folio will supersede all the existing nomination.
- f) Nomination is not permissible for a folio held on behalf of a minor Unitholder.
- g) Nomination can be made for maximum of three nominees. In case of multiple nominations under the same folio, the Unitholder(s) must clearly and unambiguously specify the exact share of each of the nominees as a percentage of the Units held by the Unitholder(s) making a total of 100%.
- h) In absence of such clear and unambiguous indication by the Unitholder regarding the exact share of each of the nominees, it will be assumed that the Unitholder(s) has opted for the Default Option where the Units to be allocated equally among all the nominees and settled accordingly.
- i) In case of multiple nominees, on the death of one or more nominee, the transmission of units shall be made in favour of the remaining nominee(s).
- j) Cancellation of nomination registered with the AMC/Mutual Fund can be made only by those Unitholder(s) who hold Units on their own behalf either singly or jointly and who had made the original nomination. On cancellation of existing nomination, the nomination shall stand rescinded and the Mutual Fund/AMC shall not be under any obligation to transmit the Units in favour of the nominee(s).
- k) Any transfer/transmission of Units to any other person shall also result in automatic cancellation of the nomination and the Mutual Fund/AMC shall not be under any obligation to transmit the Units in favour of the nominee(s).
- l) Transmission of Units in favour of a Nominee, shall be a valid discharge by the Mutual Fund / AMC / Trustees against the legal heirs of the Unit holder(s).
- m) **For Units of the Scheme(s) held in demat mode** - the nomination details provided by the Unitholder to the Depository will be applicable to the Units of the Scheme. Such nomination including any variation, cancellation or substitution of Nominee(s) shall be governed by the rules and bye-laws of the Depository.

## 2. Prevention of Money Laundering

Prevention of Money Laundering Act, 2002 (hereinafter referred to as “PML Act”) came into effect from July 1, 2005 vide Notification No. GSR 436(E) dated July 1, 2005 issued by Department of Revenue, Ministry of Finance, Government of India. SEBI vide Circular No. CIR/ISD/AML/3/2010 dated December 31, 2010 issued a ‘Master Circular on Anti Money Laundering (AML) Standards/Combating the Financing of Terrorism (CFT)/Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002’ which has been most recently updated on February 03, 2023 consolidating all the requirements/instructions/obligations of Securities Market Intermediaries issued under the various circulars issued by SEBI with regard to AML/CFT up to date, whereby all intermediaries are advised to take necessary steps to ensure compliance with the requirement of the PML Act inter-alia for the maintenance and preservation of records and reporting of information relating to cash and suspicious transactions to Financial Intelligence Unit-India (FIU-IND), New Delhi.

The investor(s) should ensure that the amount invested in the schemes of Helios Mutual Fund is through legitimate sources only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, Prevention of Money Laundering Act, Prevention of Corruption Act and/or any other laws in force in India from time to time or any rules, regulations, notifications or directions issued thereunder.

To ensure appropriate identification of the investor(s)/ Unitholder(s) under the KYC policy and with a view to monitor transactions for the prevention of money laundering, the AMC/the Mutual Fund reserves the right to seek information, record investor’s/Unitholder’s telephonic calls and/or obtain and retain documentation for establishing the identity of the investor/Unitholder, their beneficial owner(s), proof of residence, source of funds, etc. It may re-verify identity and obtain any incomplete or additional information for this purpose as the case may be.

The investor(s)/Unitholder(s) shall provide such documents to the satisfaction of the AMC as may be required from time to time for the verification/identification of the investor(s)/ Unitholder(s)/any transaction by the AMC/Mutual Fund. If the investor(s)/Unitholder(s) refuses/fails to provide to the AMC, the required documents/information within the period specified, the AMC, shall have the sole and absolute discretion to freeze the folio(s) of the investor(s)/Unitholder(s), reject any application(s)/ allotment of Units and report the details of such investor/ Unitholder/transaction to appropriate authority. The Mutual Fund, AMC, Trustee Company and its Directors, employees and agents shall not be liable in any manner for any claims arising whatsoever on account of such freezing of folio(s)/rejection of any application/allotment of Units and/or reporting the same to appropriate authorities.

## 3. Know Your Customer (KYC)

In terms of the PML Act, 2002, the Rules issued there under and the guidelines/circulars issued by SEBI regarding the Anti Money Laundering (AML Laws), all intermediaries, including Mutual Funds, have to formulate and implement a client identification programme, verify and maintain the record of identity and address(es) of investors.

In order to bring about uniformity in the Know Your Customer (KYC) process in the securities market, Common KYC Application form and supporting documents shall be used by all SEBI registered intermediaries viz. intermediaries viz. Mutual Funds, Portfolio Managers, Depository Participants, Stock Brokers, Venture Capital Funds, Collective Investors Schemes, etc. Further, to avoid duplication of KYC process across SEBI registered

intermediaries, a mechanism for centralization of the KYC records in the securities market has been developed.

Accordingly, the AMC/Fund will be performing the initial KYC of investors/Unitholders and upload the details on the system of the KYC Registration Agency (KRA). The data from the KRA shall be checked and passed onto the Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) for generation of the KYC Identification number (KIN) of the investor. The KYC details of the client can be accessed by other intermediaries by accessing the KRA system. As a result, once the client has done KYC with a SEBI registered intermediary, he need not undergo the same process again with another intermediary. For regulating KRAs, SEBI has formulated the KYC Registration Agency (KRA) Regulations, 2011 which covers the registration of KRAs, functions and responsibilities of the KRAs and intermediaries, code of conduct, data security, etc.

In-Person' Verification (IPV) of clients has been made mandatory for all SEBI registered intermediaries. Asset Management Companies (AMCs) and the distributors who comply with the certification process of National Institute of Securities Market (NISM) or Association of Mutual Funds (AMFI) and have undergone the process of 'Know Your Distributor (KYD)' can perform the IPV for mutual fund investors. However, where applications are received by the mutual funds directly from the clients (i.e. not through any distributor), the IPV performed by the scheduled commercial banks can be relied on. The IPV carried out by any SEBI registered intermediary can be relied upon.

Since PAN is not mandatory for (a) Investment (including SIP) upto Rs. 50,000 per year per investor and (b) Investments from Investors residing in state of Sikkim, KYC through CVL will not apply. In such cases, KYC will be performed by the AMC/R&TA directly.

Units held in physical (non-demat) form Investors should note that KYC is mandatory for all subscription(s) viz.- Purchases, Switches, Registration of systematic transactions such as SIP/SWP/STP/IDCW Transfer etc.; irrespective of the amount of investment to be KYC Compliant.

Investors should quote the valid KYC Compliance Status and attach proof of KYC Compliance viz. KYC Acknowledgement Letter/Printout of KYC Compliance Status downloaded from the website [www.cvlindia.com/www.cvlkra.com](http://www.cvlindia.com/www.cvlkra.com) using the PAN.

Further, it is also mandatory for the Third Party (i.e., any person making payment towards subscription of Units in the name of the Beneficial Investor) to quote the KYC Compliance Status and attach proof of KYC Compliance.

All investors (both individual and non-individual) can apply for KYC compliance. However, applicants should note that minors cannot apply for KYC compliance and any investment in the name of minors should be through parent/legal Guardian, who should be KYC compliant for the purpose of investing with a Mutual Fund. Also, applicants/Unitholders intending to apply for Units/ currently holding Units and operating their Mutual Fund folios through a Power of Attorney (PoA) must ensure that the issuer of the PoA and the holder of the PoA must mention their KYC compliance status at the time of investment. PoA holders are not permitted to apply for KYC compliance on behalf of the issuer of the PoA. Separate procedures are prescribed for change in name, address and other KYC related details, should the applicant desire to change such information.

**Financial transactions (including subscription, redemptions, switches and all types of systematic plans) and non-financial requests will not be processed if the Unitholders have not completed KYC requirements.**



Unitholders are advised to use the applicable KYC Form for completing the KYC requirements and submit the form at the point of acceptance. Further, upon updation of PAN details with the KRA (KRA-KYC) / CERSAI (CKYC), the unit holders are requested to intimate the AMC/ Registrar and Transfer Agent their PAN information along with the folio details for updation in the records. For applicants who subscribe to the Units through Stock Exchange facility, the KYC performed by the Depository Participant of the applicants will be considered as KYC verification done by the Trustee/AMC. For Units held in demat form, the KYC performed by the Depository Participant of the applicants will be considered as KYC verification done by the Trustee/AMC.

**How to Apply for KYC**

To avoid duplication of KYC process across the financial services sector, the government has introduced Central KYC (CKYC) which is a mechanism for centralization of the KYC records. Accordingly, the AMC shall perform the initial KYC of our clients into the existing KRA module from where the data will get passed onto the Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) for generation of the KYC Identification number (KIN) of the investor.

Investors who wish to be KYC Compliant should submit a completed CKYC & KRA KYC Form along with all the prescribed documents listed in the Form to any of the SEBI registered intermediaries viz. Mutual Funds, Portfolio Managers, Depository Participants, Stock Brokers, Venture Capital Funds, Collective Investors Schemes, etc. The CKYC Form is available at our website - [www.heliosmf.in](http://www.heliosmf.in) and AMFI website - [www.amfiindia.com](http://www.amfiindia.com). Investors may visit any of the ISC of Helios Mutual Fund for completion of their KYC formalities. Further, all the official points of acceptance of Helios Mutual Fund are authorized to carry out KYC on behalf of the Fund.

For investors attempting to complete their KYC formalities using the CKYC form, it is mandatory for intermediaries including mutual funds to carry out In-Person Verification (IPV). The IPV carried out by any SEBI registered intermediary can be relied upon by the Fund. The officials of the AMC and NISM/AMFI certified distributors who are Know Your Distributors (KYD) compliant are authorized to undertake the IPV for Fund investors. Further, in case of any applications received directly (i.e. without being routed through the distributors) from the investors, the Fund may rely upon the IPV (on the KYC Application Form) performed by the scheduled commercial banks.

Once the investor has done KYC with a SEBI registered intermediary, the investor need not undergo the same process again with another intermediary including mutual funds. However, the Fund reserves the right to carry out fresh KYC of the investor. The Fund may undertake enhanced KYC measures commensurate with the risk profile of its investors.

**How to Apply for eKYC?**

eKYC is a paperless Aadhaar-based process for fulfilling your KYC requirements to start investing in Mutual Funds. SEBI has recently allowed Aadhaar-based KYC to be used for MF investments, for the convenience of investors. eKYC facility is an electronic, 100% paperless process for first time investors to Mutual Funds to complete their Know Your Customer (KYC) process using their PAN card, Aadhaar and Bank Account details. All first time investors who have not completed their KYC or whose KYC has got rejected for some reason can complete KYC using this facility. Currently, this facility is only available for Resident Individual investors and not available for NRI, Non-individual and minor investors. Investors can start their investment journey as soon as E-KYC process is completed without any limitation on the amount which can be invested.

**Who are required to be KYC Compliant?**

All investors (both individual and non-individual) should be KYC compliant.

Any investment in the name of minors should be through a Guardian, who should be KYC compliant for the purpose of investing with a Mutual Fund. The Minor, upon attaining majority, should immediately apply for KYC compliance in order to be able to transact in his/her own capacity.

Also, applicants/unit holders intending to apply for units/currently holding units and operating their Mutual Fund folios through a Power of Attorney (PoA) must ensure that the issuer of the PoA (i.e. the investor) and the holder of the PoA (i.e. the Attorney) must be KYC compliant. PoA holders are not permitted to apply for KYC compliance on behalf of the issuer of the PoA.

An individual becoming an investor on account of an 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.

#### **4. Transfer and Transmission of units**

The Unit holders are given an option to hold the Units by way of an Account Statement (physical form) or in Dematerialized (demat form).

Units held in Demat form are transferable (subject to lock-in period, if any and subject to lien, if any marked on the units) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018, as may be amended from time to time. Transfer can be made only in favor of transferees who are capable of holding Units and having a Demat Account. The delivery instructions for transfer of Units will have to be lodged with the DP in requisite form as may be required from time to time and transfer will be effected in accordance with such rules / regulations as may be in force governing transfer of securities in dematerialized mode. Further, for the procedure of release of lien, the investors shall contact their respective DP.

Units held in paper / physical form are not transferable. However, if an applicant so desires to transfer units, the same can be done post conversion of units from paper / physical form to demat form. The AMC, upon submission of documents which will be prescribed from time to time, shall issue units in dematerialized form to a unit holder in a scheme within two working days of the receipt of request from the unitholder AMC reserves the right to accept the request for dematerialization of units. The AMC reserves the right to reject the application for dematerialization of units, post acceptance of the same, if any of the requisite documents / declarations are unavailable or incomplete.

Since, any addition/deletion of name(s) from a folio is deemed as transfer of Units, additions/deletions of names are not allowed in any folio(s) of any Scheme offered by the Mutual Fund. However, a person becoming entitled to hold the Units in consequence of the death, insolvency, or winding up of the sole holder or the survivors of joint holders, upon producing evidence and documentation to the satisfaction of the Fund and upon executing suitable indemnities in favor of the Fund and the AMC, shall be registered as a Unit holder if the transferee is otherwise eligible to hold the Units.

On death of the single or all the Unitholder(s), Units can be transmitted in favour of the registered nominee or the legal heirs, as the case may be, after completion of necessary formalities to the satisfaction of the AMC/Trustee. All restrictions and limitations specified herein including those relating to lock-in period and lien/pledge will be binding also on the legal heirs, successors, pledgees of the Unitholder(s).

Where the Units of the Plan(s) are issued in demat form in the Demat account of the

investor, the nomination as registered with the DP will be applicable to the Units of the Plan(s). A Nominee / legal heir approaching the Fund for Transmission of Units must have beneficiary account with a DP of CDSL or NSDL, since the Units shall be in demat mode. It may be noted that the nominee / legal heir is required to provide a copy of his / her PAN card as well as fulfil the Know Your Customer (KYC) requirements which is a pre-requisite for the transmission process. The list of documents required in order to place a request for transmission of units can be obtained directly from the AMC / RTA of AMC. The AMC reserves the right to seek additional documents where it may deem necessary.

In case of Equity Linked Saving Schemes ('ELSS'), unitholders should, however, note that in the event of death of the Unit holder, the legal heir, subject to production of requisite documentary evidence, will be able to redeem the investment only after the completion of one year or anytime thereafter, from the date of allotment of Units to the deceased Unit holder. Units issued under ELSS can be transferred, assigned or pledged after a period of 3 years from the date of allotment.

In case of Close Ended schemes, the transmission of units in favour of claimant will be completed before the maturity date subject to completion of KYC process etc. The claimant may redeem the units held by deceased unit holder in the close ended schemes before maturity by selling the units on the stock exchange after completing the transmission procedure and dematerialization of units.

In the event of transmission of units to a Minor, documents submitted including KYC, bank attestation, indemnity etc. should be of the parent/guardian of the minor.

Investor(s) claiming transmission of Units in his / their name(s) are required to submit prescribed documents based on the kind of scenario for transmission. Kindly refer the Fund's website ([www.heliosmf.in](http://www.heliosmf.in)) for a transmission form and a ready reckoner matrix of necessary documents under different transmission scenarios. The Fund may also seek additional documents if the amount involved is above Rs. 2 lakhs, on a case to case basis or depending upon the circumstances of each case.

**Processing of Transmission-cum-transaction requests:**

If an investor submits either a financial or non-financial transaction request along with transmission request, then such transaction requests will be processed after the Units are transferred in the name of new unit holder and only upon subsequent submission of fresh request from the new unit holder post transmission. Under normal circumstances, the Fund will endeavor to process the transmission request within 10 business days, subject to receipt of complete documentation as applicable. The AMC reserves the right to insist on transmission along with redemption request by the claimant at any point deemed necessary.

**5. Duration of the Schemes/Plans**

- a) In case of open ended/interval scheme, the duration of the schemes shall be perpetual.
- b) In case if close ended schemes, the duration of the schemes will be for a fixed term and a maturity date as mentioned in the respective Scheme Information Document (SID). However, the Fund may convert the Scheme/Plan after the Maturity Date/Final Redemption Date into an open-ended Scheme/Plan in accordance with the SEBI (MF) Regulations. The close-ended Scheme/Plan may be converted into open-ended scheme, i) if the SID of such Scheme/Plan disclose the option and the period of such conversion; or ii) the Unitholders of such close-ended Scheme/ Plan are provided with an option to redeem their Units in full before such conversion. Further, close ended

scheme may be allowed to be rolled over if the purpose, period and other terms of the roll over and all other material details of the scheme including the likely composition of assets immediately before the roll over, the net assets and net asset value of the scheme, are disclosed to the Unitholders and a copy of the same has been filed with SEBI. Such roll over will be permitted only in case of those Unitholders who express their consent in writing and the Unitholders who do not opt for the roll over and/or have not given their written consent shall be allowed to redeem their units in full at NAV based price.

## **6. Winding up of the Schemes/Plans**

The AMC, the Fund and the Trustees reserve the right to make such changes / alterations to the Scheme (including the charging of fees and expenses) to the extent permitted by the applicable Regulations. In terms of the Regulations, a scheme may be wound up after repaying the amount due to the Unitholders:

- On the happening of any event, which in the opinion of the Trustees, requires the Scheme to be wound up.

In case of winding up of the Scheme on account of above, the units of the units of the Scheme shall be listed on recognized stock exchange, subject to compliance with listing formalities as stipulated by the stock exchange. However, pursuant to listing, trading on stock exchange mechanism will not be mandatory for investors, rather, if they so desire, may avail an optional channel to exit provided to them.

Initially, trading in units of such a listed scheme that is under the process of winding up, shall be in dematerialized form. AMCs shall enable transfer of such units which are held in form of Statement of Account / unit certificates.

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

- If seventy-five per cent (75%) of the Unitholders of the Scheme pass a resolution that the Scheme be wound up; or
- If SEBI so directs in the interest of the Unitholders.
- Further in case of non-fulfillment of clause 6.11 of Master Circular relating to Minimum Number of Investors in Scheme(s)/Plans of Mutual Funds the provisions of Regulation 39(2) (c) of SEBI (MF) Regulations, 1996 would become applicable automatically without any reference from SEBI. Accordingly, the scheme(s) shall be wound up by following the guidelines laid down by SEBI. Please refer to the SIDs of respective scheme(s) for more details.

Where the Scheme is so wound up, the Trustees shall give notice of the circumstances leading to the winding up of the Scheme:

- To SEBI; and
- In two daily newspapers having a circulation all over India and in one vernacular newspaper with circulation in Mumbai.

In case a scheme is to be wound up on the happening of any event (which in the opinion of the Trustees, requires the Scheme to be wound up), the trustees shall obtain consent of the unit holders participating in the voting by simple majority on the basis of one vote per unit and publish the results of voting within forty five days from the publication of aforesaid notice.

In case the trustees fail to obtain the required consent of the unitholders, the schemes shall be reopened for business activities from the second business day after publication of results of the voting.

On and from the date of the publication of notice of winding up, the Trustees or the AMC, as the case may be, shall:

- a) Cease to carry on any business activities in respect of the Scheme so wound up.
- b) Cease to create or cancel Units in the Scheme.
- c) Cease to issue or redeem Units in the Scheme.

### **Procedure and Manner of Winding up**

- The Trustees shall call a meeting of the Unitholders of the Scheme to approve by simple majority of the Unitholders present and voting at the meeting, resolution for authorizing the Trustees or any other person to take steps for the winding up of the Scheme. Provided that a meeting shall not be necessary if the Scheme(s) is/are wound up at the end of the maturity period.
- The Trustees or the person authorized as above, shall dispose of the assets of the Scheme concerned in the best interest of the Unitholders of the Scheme. The proceeds of sale realised in pursuance of the above, shall be first utilised towards discharge of such liabilities as are due and payable under the Scheme, and after meeting the expenses connected with such winding up, the balance shall be paid to the Unitholders in proportion to their respective interest in the assets of the Scheme, as on the date the decision for winding up was taken.
- On completion of the winding up, the Trustees shall forward to SEBI and the Unitholders, a report on the winding up, detailing the circumstances leading to the winding up, the steps taken for disposal of the assets of the Scheme before winding up, expenses of the Scheme for winding up, net assets available for distribution to the Unitholders and a certificate from the auditors of the Fund.
- Notwithstanding anything contained herein above, the provisions of the Regulations in respect of disclosures of half-yearly reports and annual reports shall continue to be applicable, until winding up is completed or the Scheme ceases to exist.
- After the receipt of the report referred to above, if SEBI is satisfied that all measures for winding up of the Scheme have been complied with, the Scheme shall cease to exist.

### **7. Lien/pledge of units**

The Units standing to the credit of the Unit holder under the Scheme(s) (subject to completion of Lock-in Period, if any) may be offered by the Unitholder as security in favour of scheduled banks, financial institutions, nonbanking finance companies (NBFC's) or any other persons ("Lender") subject to applicable SEBI Regulations and other laws, provided such Lenders are eligible to hold the Units.

Upon a specific authorisation request made by the Unitholder (to be signed by all Unitholders, in case the mode of holding is joint or either or survivor) and completion of necessary documentary formalities, the Mutual Fund/AMC will instruct the Registrar to mark a pledge/lien on the Units in favour of the Lender on the Units as may be requested by the Unitholder.

A standard form for this purpose is available on request from any of the ISCs. Disbursement/sanctioning of loans/facilities will be at the sole discretion of the Lender and the Mutual Fund/AMC assumes no responsibility thereof.

The Unitholder will not be able to redeem/switch-out the Units that are pledged/lien marked in favour of the Lender until the Mutual Fund/AMC receives a written authorization from the Lender that the Unitholder has been absolved of the financial obligations and that the pledge/lien may be removed/vacated.

As long as the Units are pledged/lien marked, the Lender will have complete authority to redeem/transact in respect of such Units. If by enforcing the pledge/lien, the Lender seeks to transfer the Units in its own name, then in such event the Mutual Fund/AMC shall be obliged to comply with the said request, provided the Lender or such other entity, as the case may be, is eligible to hold the units and all the necessary documentary evidence is made available to the satisfaction of the Mutual Fund/AMC. Upon such transfer, the Mutual Fund/AMC shall be discharged of all its liabilities in respect of the Units towards the Unitholder.

An intimation of the invocation of the pledge/lien will be sent to the Unitholder. The Mutual Fund/AMC thereafter shall not be responsible for any claims made and/or losses incurred by the Unitholder and/or any third party in this regard. In case the Units of close-ended scheme are under pledge/lien, then at the time of maturity of the scheme if the Units are still under pledge/lien, then on the failure to receive any instructions from the Lender and the Unitholder, the Mutual Fund/AMC reserves the right to pay the maturity proceeds to the Unitholder, post intimation of such payment to the Lender, and AMC/Mutual Fund shall not be liable/responsible for any loss incurred by the Lender and/or the Unitholder on account of such payment. The AMC/Mutual Fund shall also not be liable/responsible for any delay in payment of the maturity proceeds in such an event. Upon such payment, the Mutual Fund/AMC will be discharged of all its liabilities towards such Unitholder.

The distribution of income in the nature of IDCW payouts declared on Units under pledge/lien shall always be paid to the Unitholder. The Mutual Fund/AMC reserves the right to change the operational guidelines for this facility offered by the AMC from time to time.

For Units held in Electronic (Demat) Mode, the rules/bye-laws of Depository applicable for lien/pledge will be applicable to the Units of the Scheme(s).

#### **8. Unclaimed Redemption / IDCW Amount**

The unclaimed Redemption amount and IDCW amounts (the funds) may be deployed by the Mutual Fund in money market instruments and separate plan of Liquid scheme/Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts only. Investors who claim the unclaimed 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. The AMC will make a continuous effort to remind the investors through letters to take their unclaimed amounts. The details of such unclaimed redemption/IDCW amounts are made available to investors upon them providing proper credentials, on website of Mutual Funds and AMFI along with the information on the process of claiming the unclaimed amount and the necessary forms/documents required for the same.

Further, the information on unclaimed amount along-with its prevailing value (based on income earned on deployment of such unclaimed amount), will be separately disclosed to

investors through the periodic statement of accounts/Consolidated Account Statement sent to the investors. Further, the investment management fee charged by the AMC for managing the said unclaimed amounts shall not exceed 50 basis points.

#### **9. Suspension of Sale / Switch-in of Units**

The AMC/Trustee at its sole discretion reserves the right to withdraw / suspend sale (via fresh / additional subscriptions / switch-ins / existing or fresh SIP / STP or such other special product) of the Units in the scheme temporarily or indefinitely, if in the opinion of the AMC, the general market conditions are not favourable and / or suitable investment opportunities are not available for deployment of funds.

Further, the indicative list of circumstances under which sale or switching of units may temporarily be suspended is as follows:

- When one or more stock exchanges or markets, which provide basis for valuation for a substantial portion of the assets of the Scheme is closed otherwise than for ordinary holidays.
- In the event of breakdown in the means of communication use for the valuation of investments of the Scheme, without which the value of the securities of the scheme cannot be accurately calculated.
- During periods of extreme volatility of markets, which in the opinion of the AMC are prejudicial to the interests of the Unitholders of the Scheme.
- When AMC is of the view that further increasing the size of the corpus of the Scheme may prove detrimental to the interest of the existing unit holders.
- In case of natural calamities, war, strikes, riots and bandhs.
- In the event of any force majeure or disaster that affects the normal functioning of the AMC, ISC or the Registrar.
- In case of fund of fund schemes, if the underlying schemes suspend sale (including switch-in) of units.
- When the money markets which provide basis for valuation are closed/not accessible otherwise than for ordinary holidays.
- In the event of any unforeseen situation that affects the normal functioning of the stock exchange(s).
- When, as a result of political, economic or monetary events or any circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the Scheme are not reasonable, or would not reasonably be practicable without being detrimental to the interests of the Unit holders.
- Further, an order to purchase Units is not binding and may be rejected by the Trustees, the AMC or their respective agents, until it has been confirmed in writing by the AMC or its agents and payment has been received.
- If so directed by SEBI.

Additionally, the AMC reserves the right in its sole discretion to withdraw the facility of Sale (including switch-in) of Units into and out of the Scheme(s) (including any one Plan/Option of the Scheme), temporarily or indefinitely, if AMC views that changing the size of the corpus may prove detrimental to the existing Unit holders of the Scheme(s).

**10. Suspension of Redemption / Switch-out of units**

Suspension or restriction of repurchase/ redemption facility under any scheme of the Mutual Fund shall be made applicable only after obtaining the approval from the Boards of Directors of the AMC and the Trustees.

Additionally, the following requirements shall need to be observed before imposing restriction on redemptions:

- a) Restriction may be imposed when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:
  - i. Liquidity issues - when the market at large becomes illiquid affecting almost all securities rather than any issuer specific security.
  - ii. 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.
  - iii. Operational issues – when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out). Such cases can only be considered if they are reasonably unpredictable and occur in spite of appropriate diligence of third parties, adequate and effective disaster recovery procedures and systems.
- b) Restriction on redemption may be imposed for a specified period of time not exceeding 10 working days in any 90 days period.
- c) Any imposition of restriction would require specific approval of Board of AMC and Trustees and the same shall be informed to SEBI immediately.
- d) When restriction on redemption is imposed, the following procedure shall be applied:
  1. No redemption requests up to INR 2 lakh shall be subject to such restriction.
  2. Where redemption requests are above INR 2 lakh, AMCs shall redeem the first INR 2 lakh without such restriction and remaining part over and above INR 2 lakh shall be subject to such restriction.

**Right to Limit Redemptions**

Any Units, which by virtue of these limitations are not redeemed on a particular Business Day, will be carried forward for Redemption to the next Business Day, in order of receipt. Redemptions so carried forward will be priced on the basis of the Applicable NAV (subject to the prevailing load) of the Business Day on which Redemption is made. Under such circumstances, to the extent multiple Redemption requests are received at the same time on a single Business Day, Redemptions will be made on pro-rata basis, based on the size of each Redemption request, the balance amount being carried forward for Redemption to the next Business Day(s).

Suspension or restriction of repurchase/ redemption facility under any Scheme of the mutual fund shall be made applicable only after obtaining the approval from the Boards of Directors of the AMC and the Trustees. After obtaining the approval from the AMC Board and the Trustees, intimation would be sent to SEBI in advance providing



details of circumstances and justification for the proposed action shall also be informed.

**11. LIST OF EXCEPTIONAL SITUATIONS AND ADDITIONAL TIMELINES FOR MAKING REDEMPTION PAYMENT:**

Sr. No.	Exceptional Situation	Additional Timelines allowed
1	Payment of redemption proceeds through physical instruments (cheque / DD) where electronic fund transfer is not possible (such as old / non-Core Banking account / IFSC non-available records / IMPS failed records for reasons like name mismatch, technical error / Investor Bank not participating in Electronic Fund transfers or failure of electronic credit for any reason which are at the bank's end.	Additional 2 working days
2	Redemption in case of funds where payout schedule of underlying instruments/ funds is different e.g., Domestic Fund of Funds, Overseas funds, Overseas FOF scheme, wherein the redemption proceeds can be paid after 1 day of payout schedule.	Additional 1 working day after receiving proceeds from underlying instruments/ schemes for electronic payouts. {For physical payouts, i.e., issuance and dispatch of cheque/ DD, additional days as per (1) above would also be allowed, after receiving proceeds from underlying instruments/ schemes}. For example, in case of Domestic FoFs, where funds are received on T+3 days, timeline applicable would be – a) T+4 days for Electronic payment; and b) T+6 days physical payout.
3	On such days, where it is a bank holiday in some or all the states, but a business day for the stock exchanges.	Additional 1 working day following the bank holiday(s) in the State where the investor has bank account.
4	Exceptional circumstances such a sudden declaration of a business day as a holiday (as it happened on the day the famous singer Bharat Ratna Lata Mangeshkar passed away) or as a non-business day due to any unexpected reason / Force Majeure events.	In all such exceptional situations, the timelines prescribed in paragraph 14.1 and 14.2 of SEBI Master Circular shall be counted from the date the situation becomes normal.
5	In all such cases where a request for Change of Bank account (COB) has been received just prior to (upto 10 days prior) OR simultaneously with redemption request.	In all such cases, the AMCs / RTAs can make the redemption payment after the cooling off period of 10 days from the date of receipt of COB.

Sr. No.	Exceptional Situation	Additional Timelines allowed
		The redemption transaction shall be processed as per the applicable NAV on the basis time stamp. The credit may either be given in the existing bank account or the new bank account post due diligence within 1 working day after cooling off period.
6	Need for additional due diligence in instances such as Transmission reported in one fund, but not in the current fund, proceedings by Income Tax authorities, Folio under lock/bank lien etc.	Additional 3 working days

Further, as per the directives issued by SEBI, it is mandatory for applicants to mention their bank account numbers in their applications for purchase or redemption of Units.

If the Unitholder fails to provide the Bank mandate, the request for redemption would be considered as not valid and the Fund retains the right to reject/withhold the redemption until a proper bank mandate is furnished by the Unitholder and the provision with respect of penal interest in such cases will not be applicable/ entertained.

AMC reserves right to decide the payment the mode of payment viz, Direct Credit /ECS/NEFT or cheque and no specific consent is required in case of electronic mode is opted.

## C. General Information

### 1. Investors' Personal Information and disclosure of Personal Information to third parties

The AMC, being a SEBI registered intermediary governed by the provisions of SEBI (Intermediaries) Regulations, 2008 and by virtue of the provisions of SEBI Circular No. MIRSD/Cir23/2011 dated December 02, 2011 is authorised to collect information/relevant KYC documents relating to investor(s) in connection with KYC process of investor(s) and in connection with the transactions executed by such investor(s). The Fund and the AMC recognize the importance of protecting the Personal Information of its Investor(s) and the documents so furnished and have established policies and procedures in place for appropriate handling and for maintaining confidentiality and secrecy of the Personal Information of its Investor(s) and the KYC documents. As per the Code of Conduct for intermediaries stipulated by SEBI (Intermediaries) Regulations, 2008, the intermediaries shall not divulge to anybody, either orally or in writing, directly or indirectly, any confidential information about its clients/investors, which has come to its knowledge, without taking prior permission of its clients/investors except where such disclosures are required to be made in compliance with any law for the time being in force. By subscribing to the Unit/s of the Scheme/s the Investor(s) are deemed to have consented for the usage of the Personal Information as stated herein.

Personal Information collected by the AMC in the physical form and through the website may be converted and stored in electronic form by the AMC and/or its Registrar, CAMS at its sole discretion.

Personal Information of an Investor shall mean such information that is of a confidential nature and may include any information that relates to a natural person, which, either directly or indirectly, is capable of identifying such Investor. The type of Personal Information collected from an Investor shall include, but may not be limited to, full name, address, telephone number, e-mail address and any other information as defined in Rule 3 of the Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011 as may be required by AMC and/or its Registrar from time to time in order to provide services to the Investor(s).

The AMC reserves the right to use the Personal Information and to share/disclose the same with third parties as may be necessary to provide various services to the investor(s). Notwithstanding anything contained herein, the AMC may also share, disclose, or remit in any form, mode or manner, all/any of the Personal Information collected from the Investor(s), including all changes and updates thereto, as and when provided, with any Indian or foreign governmental authority including but not limited to the RBI, SEBI, Income Tax Authority, Financial Intelligence Unit –India (FIU-IND), or any other judicial and quasi judicial authorities or investigation agencies, to the extent required by such authority, without any obligation of advising/informing Investors/Unit holder(s) about the same. The AMC may also share/exchange with other SEBI registered intermediaries on a reciprocity basis the Personal Information, including information on FATCA/CRS/UBO and/ or any details of transaction(s) undertaken by the Investor(s) for single updation/submission for operational/administrative convenience of the AMC and also to enable the AMC to serve the Unitholder(s) better. These third parties shall be bound by confidentiality arrangements when handling the Investor(s) Personal Information requiring that such information only be used for the limited purpose for which it was shared. The AMC shall not make any disclosures of the Personal Information to any third party for the purpose of marketing their products or services to the Unitholder(s). The AMC may delegate to another entity/third party service provider including to its Sponsor, its subsidiaries, associates, or any group company of the Sponsor, either established or to be established at a later date (the "Service Providers"), the

processing of the Personal Information and/or distributor communications, to the extent permitted by the applicable laws and SEBI Regulations.

The AMC can also share Investors' Personal Information with its associates or Group companies of the Sponsor or any other Organisations/Authorities/Bodies for compliance with any group, legal or regulatory requirements, including, but not limited to, compliance with anti-money laundering, sanctions and/or any other financial crime control risk management requirements.

To the extent required or permitted under law, we may share your Personal Information for the uses mentioned herein with the following third parties:

- The Sponsor or its associates, Trustee Company, Registrar and transfer agent/s, call centers, Banks, custodians, depositories and/or authorized external third parties who are involved in transaction processing, despatches, etc., of investors' investment with us;
- Distributors or Sub-brokers through whom applications of such investors are received for the investments; or
- Entities involved in data analysis, data management, data storage etc., for various purposes including but not limited to reporting, audit, investigations, record keeping etc.
- Any other organization for verifying the identity of investors for complying with anti-money laundering requirements.
- Any governmental authority including but not limited to the Reserve Bank of India or the Securities and Exchange Board of India.
- We may share your investment account and transaction details and other Personal Information with the intermediaries, whose ARN stamp appears on the application forms/ transaction slips.
- We may share your details with certain third parties such as post office, local and international couriers and other intermediaries for correspondence with the investor and for making payments to the investor by cheques, drafts, warrants, through Electronic Clearing Services (ECS), NEFT etc..

Further, all the personal information collected and received either in physical mode or in electronic mode, shall be governed by the Privacy Policy of the AMC as available on its website i.e. [www.heliosmf.in](http://www.heliosmf.in).

## **2. Inter-Scheme Transfer of Investments**

Transfer of investments from one Scheme to another Scheme in the Mutual Fund shall be permitted provided:

- Such transfers are done at the prevailing market price for quoted instruments on spot basis;
- The securities so transferred shall be in conformity with the investment objective of the transferee Scheme and
- Inter-Scheme transfers shall be done in accordance with the SEBI (Mutual Fund) Regulations.

The AMC shall comply with various restrictions and guidelines pertaining to inter-scheme transfer of investments as may be issued by SEBI from time.

### 3. Associate Transactions

- (i) **Details of investments made by the Mutual Fund in securities of Sponsors and its Group Companies during the period April 1, 2020, to March 31, 2023:**

Not Applicable. The Fund had not launched any scheme during this period.

- (ii) **Details of investments made by the Mutual Fund in securities of the Associates, during the period April 1, 2020, to March 31, 2023:**

Not Applicable. The Fund had not launched any scheme during this period.

- (iii) **Underwriting Obligations with respect to issues of Associate Companies:**

The AMC/Schemes of the Fund has/have, till date not entered into any Underwriting contracts in respect of any public issue made by any of its associate companies.

- (iv) **Details of subscription in issues lead managed by the Sponsor or any of its associates:**

The AMC/Schemes of the Fund has/have, till date not subscribed in issues lead managed by the Sponsor or any of its associates.

- (v) **Borrowing by Helios Mutual Fund/Schemes from Associates**

Not Applicable. The Fund has not yet launched any scheme.

- (vi) **Disclosures on brokerage (for securities transactions) and commission (for distribution of units) paid to associates/related parties/group companies of sponsor/AMC, during past three financial years:**

- (a) **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	Value of transaction		Brokerage Paid	
			Rs. Cr.	% of total value of transaction by the fund	Rs. Cr.	% of total brokerage paid by the fund
Not Applicable*		FY 2020-21	Not Applicable*			
		FY 2021-22				
		FY 2022-23				

\* The Fund had not launched any scheme during this period.

- (b) **Commission 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	Value of transaction		Commission Paid	
			Rs. Cr.	% of total value of business received by the fund	Rs. Cr.	% of total commission paid by the fund
Not Applicable*		FY 2020-21	Not Applicable*			

	FY 2021-22	
	FY 2022-23	

\* The Fund had not launched any scheme during this period.

**(vii) Dealing with Associates:**

Transactions (aggregate purchase and sale) in securities with associates during the past 3 financial years:

Not Applicable. The Fund had not launched any scheme during this period.

**(viii) Utilisation of Services of Associates**

The AMC may from time to time, for the purpose of conducting its normal business, use the services (including brokerage services and securities transactions) of the Sponsor, its subsidiaries, associates of the Sponsor and employees or relatives.

The AMC may utilise the services of the Sponsor, group companies and any other subsidiary or associate company of the Sponsor established or to be established at a later date, in case such a company (including employees or relatives) is in a position to provide the requisite services to the AMC. The AMC will conduct its business with said companies (including employees or relatives) on commercial terms and on arm's length basis and at mutually agreed terms and conditions to the extent permitted under the SEBI Regulations, after evaluation of the competitiveness of the pricing offered by the Sponsor, associate companies (including employees or relatives) and the services to be provided by them.

Associate transactions, if carried out, will be as per the SEBI Regulations and the limits prescribed thereunder. The Scheme shall not make any investment in:

- Any unlisted security of an associate or group company of the Sponsor.
- Any security issued by way of private placement by an associate or group company of the Sponsor.
- The listed securities of group companies of the Sponsor which is in excess of 25% of the net assets.

The AMC may avail the services of the Sponsor and / or its associates for usage of premises as Investor Service Centres and / or to act as collection and distribution agents. The Sponsor / associates shall be paid a fee based on the quality of services rendered. These fees shall be debited to the Scheme, subject to SEBI Regulations.

**4. Documents Available for Inspection**

The following documents will be available for inspection at the office of the Mutual Fund at 515 A, 5<sup>th</sup> Floor, The Capital, Plot C70, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra, India, 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.
- The scheme wise annual report.

## **5. Underwriting**

Subject to SEBI (MF) Regulations, the Scheme may enter into underwriting agreements after the Mutual Fund obtains a certificate of registration in terms of the Securities and Exchange Board of India (Underwriters) Rules and Securities And Exchange Board Of India (Underwriters) (Repeal) Regulations, 2021 authorising it to carry on activities as underwriters. The capital adequacy norms for the purpose of underwriting shall be the net assets of the respective Scheme/Plans and that the underwriting obligation of the respective Scheme/Plans shall not at any time exceed the total net asset value of the respective Scheme/Plans. For the purposes of the Regulations, the underwriting obligation will be deemed as if investments are made in such securities.

## **6. Securities Lending**

Subject to the SEBI (MF) Regulations, the Mutual Fund may engage in Stock Lending. Stock Lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio. The securities lent will be returned by the borrower on the expiry of the stipulated period. The exposure limits with regard to stock lending for various Schemes, shall be as specified in the respective Scheme Information Documents from time to time. The Mutual Fund may not be able to sell such lent out securities and this can lead to temporary illiquidity. The AMC shall report to the Trustees on a quarterly basis as to the level of lending in terms of value, volume and the names of the intermediaries and the earnings / losses arising out of the transactions, the value of collateral security offered etc.

## **7. Soft Dollar Arrangements**

Soft Dollar arrangements refers to an arrangement between AMC and brokers in which the AMC executes trades through a particular broker and in turn the broker may provide benefits such as free research, hardware, software or even non-research-related services etc., to the AMC. In this regard, it may be noted that Helios Capital Asset Management (India) Private Limited ('Helios AMC') does not have Soft Dollar Arrangements with any of its empanelled brokers. However, it may receive benefits like research report/ material, market data services, invitation to meeting with market experts/leaders, invitation to attend conferences etc. Helios AMC is not liable or obliged to use the services of any broker for trade execution in lieu of the benefits provided by them. The quality of research inputs and market analysis given by the brokers is the sole parameter being used by investment team for allocation of business among brokers. The research inputs provided by brokers are free of cost and are for the benefit of the investors. The business given to brokers and brokerage rates charged to the schemes are within the limits specified under SEBI (Mutual Funds) Regulations, 1996.

## **8. Borrowing**

Under the SEBI (MF) Regulations, the Mutual Fund is allowed to borrow to meet the temporary liquidity requirements of its Scheme(s) for the purpose of Repurchase or Redemption of Units or the payment of interest or IDCW to the Unitholders. Further, as per the SEBI (MF) Regulations, the Mutual Fund shall not borrow more than 20% of the Net Assets of the Scheme and the duration of such borrowing shall not exceed a period of six months. The Mutual Fund

may raise such borrowings after approval by the Trustee from Sponsors or any of their Associate/Group Companies or Banks in India or any other entity at market related rates prevailing at the time and applicable to similar borrowings. The security for such borrowings, if required, will be as determined by the Trustee. Such borrowings, if raised, may result in a cost, which would be dealt with in consultation with the Trustee.

**9. Consolidation of Folios**

In case an investor holds investments in multiple folios under the Fund, the investor can opt for consolidation of such folios into one folio (Target/Master folio) by sending a written request to the Mutual Fund/AMC. The Mutual Fund/AMC will process such requests subject to verification of criteria's viz. mode of holding, bank mandate, tax status, mode of operation and nomination details in the source Folio and other confirmations/requirements, etc. as may be requested from the investors.

**10. E-mail Communication**

For those Unitholders who have provided an e-mail address, the AMC will send the communication by e-mail. It is deemed that the Unitholder is aware of all security risks including possible third-party interception of the documents and contents of the documents becoming known to third parties.

**11. Website**

The website of the Fund/AMC is intended for the use of Resident Indians, Non Resident Indians, persons of Indian Origin and Foreign Institutional Investors registered with SEBI. It should not be regarded as a solicitation for business in any jurisdiction other than India. In particular the information is not for distribution and does not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction where such activity is prohibited. Any persons resident outside India who nevertheless intend to transact in the schemes of the Fund, must first satisfy themselves that they are not subject to any local requirements, which restrict or prohibit them from doing so. Information other than that relating specifically to the AMC/ Fund and its products is for information purposes only and should not be relied upon as a basis for investment decisions. The Fund/AMC cannot be held responsible for any information contained in any website linked from the Mutual Fund website.

The investors are requested to read the Terms and Conditions given on the website carefully before using the website. By using the website, the investor will be deemed to have agreed that the Terms and Conditions specified apply to the use of the investor of the website, any information obtained from the site, and our products and services. If the investor does not agree to the specified Terms, the investor may not use the website or download any content from it.

**12. Scheme(s) to be binding on the Unit holders**

Subject to the SEBI (MF) Regulations, the Trustee may, from time to time, add or otherwise vary or alter all or any of the features of investment options/facilities and terms of any of the Scheme(s) after obtaining the prior permission of SEBI and Unitholders (where necessary), and the same shall be binding on all the Unitholders of such Scheme and any person or persons claiming through or under them as if each Unitholder or such person expressly had agreed that such features and terms shall be so binding. Any additions/variations/alterations shall be done in accordance with the SEBI (MF) Regulations. Any change in fundamental attribute of the Scheme(s) shall be done only in accordance with Regulation 25(26) of SEBI (MF) Regulations.

**13. Fractional Units**

Unit holders are requested to note that requests made for Units to be held in dematerialized form, which are or shall be listed on any recognized Stock Exchange(s), would be allotted in



whole numbers and no fractional Units will be allotted. As the Units will not be allotted in fractions, any excess amount will be refunded to the investors.

**14. Unambiguous and Unconditional requests**

Any application for redemption, purchase or exchange or any other instruction must be correct, complete, clear and unambiguous in all respects and should conform to the prescribed procedure / documentation requirements, failing which the Trustee / AMC reserve the right to reject the same and in such a case the Trustee / AMC will not be responsible for any consequence therefrom. The Investor shall ensure that any overwriting or correction shall be countersigned by the investor, failing which the Fund / Trustee / AMC may at its sole discretion reject such transaction request. Further, any requests for purchase / redemption / switch or other transactions must be unconditional. The Fund / Trustee / AMC shall not be bound to take cognizance of any conditions placed on the transaction request and may at its sole discretion, reject such transaction request, or process the same as if the condition were not mentioned.

**15. Acts done in good faith**

Any act, thing or deed done in good faith in pursuance of or with reference to the information provided in the application or other communications received from the investor / unit holder will constitute good and full discharge of the obligation of the Fund, Trustee and the AMC.

In cases of copies of the documents / other details such as list of authorized signatories, that are submitted by a limited company, body corporate, registered society, trust or partnership, if the same are not specifically authenticated to be certified true copies but are attached to the application form and / or submitted to the Fund, the onus for authentication of the documents so submitted shall be on such investors and the AMC / Fund will accept and act on these in good faith wherever the documents are not expressly authenticated. Submission of these documents / details by such investors shall be full and final proof of the corporate investor's authority to invest and the AMC / Fund shall not be liable under any circumstances for any defects in the documents so submitted.

In cases where there is a change in the name of such investor, such a change will be effected by the AMC / Fund only upon receiving the duly certified copy of the revised Certificate of Incorporation issued by the relevant Registrar of Companies / registering authority. In cases where the changed PAN Number reflecting the name change is not submitted, such transactions accompanied by duly certified copy of the revised Certificate of Incorporation with a copy of the Old PAN Card and confirmation of application made for new PAN Card will be required as a documentary proof.

**16. Investor Grievances Redressal Mechanism**

Investor grievances are normally received at the Corporate Office of the AMC or at the Investor Service Centres or directly by the Registrar. All grievances are generally forwarded to the Registrar for their necessary action. The complaints are closely followed up with the Registrar to ensure timely redressal and prompt investor service.

The AMC will follow-up with Customer Service Centres and Registrar on complaints and enquiries received from investors to resolve them promptly.

For this purpose, **Mr. Vilas Solanki** is the Investor Relations Officer. He can be contacted at the Corporate Office of the AMC. The address and phone numbers are:

**Mr. Vilas Solanki**

Investor Relations Officer

Helios Capital Asset Management (India) Private Limited

The Capital, 502, 5th Floor,

Plot C70, Bandra Kurla Complex,  
Mumbai - 400051  
Email: [iro@helioscapital.in](mailto:iro@helioscapital.in)  
Phone: +91 22 6731 9649

### **Introduction of Online Resolution of Disputes**

Pursuant to SEBI Master Circular no. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated August 11, 2023, a common Online Dispute Resolution ('ODR') Portal has been introduced. The ODR Portal allows investors with additional mechanism to resolve the complaints/disputes through online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market. Investors can register complaints/disputes against all Market Participants for resolution on the Online Dispute Resolution ('ODR') Portal i.e. <https://smartodr.in/login>.

For the purpose of aforesaid SEBI circular, Helios Capital Asset Management (India) Private Limited ('the AMC') comes under the ambit of specified intermediaries / regulated entity of the securities market, referred to as "Market Participant" and accordingly, the AMC has enrolled itself on the ODR Portal. In this regard, investors are requested to note the following:

1. An investor shall first take up his/her/their grievance with the AMC by lodging a complaint directly with the AMC. If the grievance is not redressed satisfactorily, the investor may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal in accordance with the process laid out therein. After exhausting these options for resolution of the grievance, if the investor is still not satisfied with the outcome, he/she/they can initiate dispute resolution through the ODR Portal.
2. Alternatively, the investor can initiate dispute resolution through the ODR Portal if the grievance lodged with the AMC was not satisfactorily resolved or at any stage of the subsequent escalations mentioned in the paragraph 1 above (prior to or at the end of such escalation/s). The AMC may also initiate dispute resolution through the ODR Portal after having given due notice of at least 15 calendar days to the investor for resolution of the dispute which has not been satisfactorily resolved between them.
3. Disputes between Investors and the AMC (including for any complaints/disputes arising on account of Mutual Fund Distributors of the Fund / AMC) arising out of latter's activities in the securities market, will be resolved in accordance with the aforesaid circular and by harnessing online conciliation and/or online arbitration as specified in the aforesaid circular. The AMC or the investors (or holders on account of nominations or transmission being given effect to) may also refer any unresolved issue of any service requests / service-related complaints for due resolution by harnessing online conciliation and/or online arbitration as specified in the aforesaid circular.
4. The dispute resolution through the ODR Portal can be initiated when the complaint/dispute is not under consideration in terms of the paragraph 1 above or SCORES guidelines as applicable or not pending before any arbitral process, court, tribunal or consumer forum or are non-arbitrable in terms of Indian law. The dispute resolution through the ODR Portal can be initiated when within the applicable law of limitation (reckoned from the date when the issue arose/occurred that has resulted in the complaint/date of the last transaction or the date of disputed transaction, whichever is later).
5. The ODR Portal has necessary features and facilities to, inter alia, enrol the investors and the AMC, to file the complaint/dispute and to upload any documents or papers pertaining thereto. The ODR Institution that receives the reference of the complaint/dispute shall appoint a sole independent and neutral conciliator from its panel of conciliators. Investors

are requested to refer to aforesaid SEBI circular for details on conciliation and arbitration proceedings and associated fees and charges. The said circulars along with the link to ODR portal are also made available on our website ([www.heliosmf.in](http://www.heliosmf.in)).

**The details of investor complaints for the last 3 years are as follows:**

**For FY 2020-21, 2021-22, 2022-23:** *Not applicable as the Helios Mutual Fund did not have any live scheme.*

**For FY 2023-24 (April 01, 2023 to January 31, 2024):**

<b>Scheme</b>	<b>Number of complaints pending at the beginning of the period</b>	<b>Complaints received</b>	<b>Complaints redressed</b>	<b>Number of complaints pending at the end of the period</b>
Helios Overnight Fund	Nil	1	1	Nil
Helios Flexi Cap Fund	Nil	4	4	Nil

**Notes:**

- 1) The Statement of Additional Information ('SAI') will be uploaded by Helios Mutual Fund on its website ([www.heliosmf.in](http://www.heliosmf.in)) and on AMFI website ([www.amfiindia.com](http://www.amfiindia.com)). The printed copy of SAI will be made available to the investor on request.
- 2) SAI will be updated within 3 (three) months from the end of each financial year and filed with SEBI.
- 3) Any material changes to SAI will be made on an ongoing basis by Helios Mutual Fund by issuing an addendum to the SAI. Such addendum shall be uploaded on the website ([www.heliosmf.in](http://www.heliosmf.in)) and also filed with SEBI within 7 (seven) days. The effective date for all such changes will be mentioned in the addendum.
- 4) **Notwithstanding anything contained in this Statement of Additional Information, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines thereunder shall be applicable.**

**For and on behalf of the Board of Directors of Helios Capital Asset Management (India) Pvt. Ltd.**

S/d

**Mr. Dinshaw Irani**

Chief Executive Officer

Place: Mumbai

Dated: February 15, 2024

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