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SCHEME INFORMATION DOCUMENT (SID)

Name of Mutual Fund	: Kotak Mahindra Mutual Fund
Name of Asset Management Company	: Kotak Mahindra Asset Management Company Ltd CIN: U65991MH1994PLC080009
Name of Trustee Company	: Kotak Mahindra Trustee Company Ltd CIN: U65990MH1995PLC090279
Registered Address of the Companies	: 27 BKC, C-27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051.
Corporate Address of the Asset Management Company	: 2nd Floor, 12-BKC, Plot No. C-12, G-Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051
Website	: www.kotakmf.com
Name of the scheme	: Kotak Nifty Bank Index Fund
Category of the scheme	: Others – Index Funds
Scheme code	: KOTM/O/O/EIN/26/05/0167
New Fund Offer Opens on	: August 03, 2026
New Fund Offer Closes on	: August 17, 2026
Scheme reopens on or before	: August 26, 2026

Offer for Units of ₹ 10 each for cash during the New Fund Offer and Continuous offer for Units at NAV based prices.

Investment Objective	Scheme Risk-o-meter	Benchmark Risk-o-meter Nifty Bank Index (Total Return Index (TRI))
Kotak Nifty Bank Index Fund Passive Investment in equity and equity related securities replicating the composition of Nifty Bank Index, subject to tracking error. There is no assurance that the investment objective of the scheme will be achieved.	The risk of the scheme is Very High	The risk of the benchmark is Very High

Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

(The product labelling assigned during the New Fund Offer is based on internal assessment of the Scheme Characteristics or model portfolio and the same may vary post NFO when actual investments are made)

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Kotak Mahindra Mutual Fund, Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on www.kotakmf.com.

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 2026, (herein after referred to as SEBI (MF) Regulations) as amended till date and circulars issued thereunder filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website.

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated July 27, 2026.

HIGHLIGHTS / SUMMARY OF THE SCHEME

Sr. No.	Title	Description
I.	Benchmark (TRI)	The performance of the Scheme is measured against Nifty Bank Index (Total Return Index (TRI)) <u>Benchmark Rationale -</u> The Nifty Bank Index comprises of the most liquid and large Indian Banking stocks. It provides investors and market intermediaries a benchmark that captures the capital market performance of the Indian banks. The Index comprises of maximum 14 companies listed on National Stock Exchange of India (NSE). The composition of the aforesaid benchmark is such that, it is most suited for comparing the performance of the scheme
II.	Plans and Options Plans/Options and sub options under the Scheme	Plans- Direct Plan/Regular Plan Direct Plan: This Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor. Regular Plan: This Plan is for investors who wish to route their investment through any distributor. Options under each Plan(s) • Growth • Payout of Income Distribution cum capital withdrawal (IDCW) • Reinvestment of Income Distribution cum capital withdrawal (IDCW) The NAVs of the above Options will be different and separately declared; the portfolio of investments remaining the same. The AMC/Trustee reserves the right to introduce Options(s) as may be deemed appropriate at a later date subject to SEBI (MF) Regulations and circulars issued thereunder from time to time. Default Option /Sub-Options • If applicant does not indicate the choice of option between growth and Income Distribution cum capital withdrawal (IDCW) option in the application form, then the fund will accept it as an application for growth option under respective plan. • If applicant does not indicate the choice of Income Distribution cum capital withdrawal (IDCW) sub-option between payout of Income Distribution cum capital withdrawal (IDCW) and reinvestment of Income Distribution cum capital withdrawal (IDCW) then the fund will accept it as an application for reinvestment of Income Distribution cum capital withdrawal (IDCW).

		For detailed disclosure on default plans and options, kindly refer SAI.
III.	Load Structure	a) Entry Load* - In terms of Para 11.7.1 of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, no entry load will be charged on purchase/ additional purchase / switch-in b) Exit Load - Nil. - Exit Load is an amount which is paid by the investor to redeem the units from the scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of www.kotakmf.com or may call at 18003091490 or your distributor - No exit load will be chargeable in case of switches made between different plan/options of the scheme. Units issued on reinvestment of IDCW shall not be subject to entry and exit load * In terms of Para 11.7 of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, no entry load will be charged on purchase / additional purchase / switch-in. The commission as specified in aforesaid circular, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor. Any imposition or enhancement of Load in future shall be applicable on prospective investments only. For any change in load structure AMC will issue an addendum and display it on the website/Investor Service Centres. In case of changes in load structure the addendum carrying the latest applicable load structure shall be attached to all KIM and SID already in stock till it is updated. Investors may obtain information on loads on any Business Day by calling the office of the AMC or any of the Investor Service Centers. Information on applicability of loads will also be provided in the Account Statement. As required under the Regulations, the asset management company shall ensure that exit load of an open-ended mutual fund scheme shall not exceed three per cent of the Net Asset Value of the scheme. The investor is requested to check the prevailing load structure of the scheme before investing.
IV.	Minimum Application Amount/switch in	During NFO: Rs. 1,000/- and any amount thereafter On Continuous Basis: - For SIP Purchase - Rs. 500/- (Subject to a minimum of 2 SIP instalments of Rs. 500/- each) - For Initial Purchase (Non- SIP)/Switch In - Rs. 1000/- and any amount thereafter

V.	Minimum Additional Purchase Amount	Rs. 1000/- and any amount thereafter				
VI.	Minimum Redemption / Switch Out Amount	Minimum Redemption Amount: Rs. 500/- or account balance, whichever is lower. Switches: Switch Out - The minimum switch amount for all the plans will be Rs. 500/-				
VII.	Tracking Error	Scheme will endeavor to limit the tracking error within 2% limits. In case of unavoidable circumstances in the nature of force majeure, which are beyond the control of the AMCs, the tracking error may exceed 2% and the same shall be brought to the notice of Trustees with corrective actions taken by the AMC, if any				
		Regular Plan		Direct Plan		
		Not Available since this is a new Scheme.		Not Available since this is a new Scheme.		
VIII.	Tracking Difference	Tracking difference shall be targeted to be 50bps (over and above each actual TER charged) In case the same is not maintained, it shall be brought to the notice of trustees along with corrective actions taken by the AMC, if any.				
		Regular Plan		Direct Plan		
		Not Available since this is a new Scheme.		Not Available since this is a new Scheme.		
IX	Computation of NAV	NAV of Units under the Scheme will be calculated as shown below:				
		NAV =	Market or Fair Value of Scheme's investments	+	Current assets including Accrued Income	- Current Liabilities and provisions including accrued expenses
			No. of Units outstanding under the Scheme/Option.			
		Detailed Disclosure on computation of NAV is provided on - https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim				
X	Asset Allocation	This scheme tracks Nifty Bank Index				
		Instruments		Indicative allocations (% of total assets)		
				Minimum	Maximum	
		Equity & Equity related Securities covered by Nifty Bank Index *		95%	100%	
		Debt & Money Market Instruments#		0%	5%	
*Pursuant to para 8.5 & 13.15 of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, and as may be amended from time						

	to time, The Scheme may take an exposure to equity derivatives of constituents or index derivatives of the underlying index for short duration when securities of the index are unavailable, insufficient or for rebalancing at the time of change in index or in case of corporate actions, as permitted subject to rebalancing within 7 calendar days (or as specified by SEBI from time to time). The equity derivative exposure of scheme for non-hedging purposes shall be up to 20% of equity and equity related Securities of the scheme. #Money Market instruments includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, triparty repo and any other like instruments as specified by the Reserve Bank of India from time to time and subject to regulatory approval. #In accordance with clause 3 of Sixth Schedule of SEBI (Mutual Funds) Regulations 2026, read with Para 13.14.1 of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, the scheme may invest up to 5% of net assets in Liquid & Overnight Mutual Fund schemes without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the management of Kotak Mahindra Asset Management Company Limited or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of Kotak Mahindra Mutual Fund. As per para 13.18 of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, the cumulative gross exposure through equity, debt, derivative positions, other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme. Pursuant to Para 13.18.6 of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, and SEBI Letter to AMFI dated November 03, 2021, Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. Cash Equivalent shall consist of the following securities having residual maturity of less than 91 days: - Government Securities; - T-Bills; and - Repo on Government securities. Pursuant to para 13.6 of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, as amended from time to time, the Trustee may permit the Scheme to engage in securities lending and borrowing. At present, since only lending is permitted, the scheme may temporarily lend securities held with the Custodian to reputed counter-parties or on the exchange, for a fee, subject to prudent limits and controls for enhancing returns. The Scheme will lend securities subject to a maximum of 20%, in aggregate, of the net assets of the Scheme and 5% of the net assets of the Scheme in the case of a single intermediary. As per para 4.3 of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, in order to address the risk related to portfolio concentration in the Scheme, the underlying index for this scheme shall comply with the following: - The index shall have a minimum of 10 stocks as its constituents.
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		b) For a sectoral/ thematic Index, no single stock shall have more than 35% weight in the index. For other than sectoral/ thematic indices, no single stock shall have more than 25% weight in the index. c) The weightage of the top three constituents of the index, cumulatively shall not be more than 65% of the Index. d) The individual constituent of the index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over previous six months. Accordingly, the underlying Index shall ensure that such index complies with the aforesaid norms. The Scheme does not intend to undertake/ invest/ engage in: • ADR/GDR/overseas securities/ foreign securities. • Credit Default Swaps. • Units of Infrastructure Investment Trusts (InvITs). • Debt instruments with special features as referred to in Para 10.4, 5.5.3 & 13.1 of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026 • Securitized debt • Investment in commodity derivatives, debt derivative instruments • Structured obligations and credit enhancements. • Repo/ reverse repo transactions corporate debt securities. • Short Selling of Securities • Inter scheme transactions • Unrated debt and money market instruments (except G-Secs, T-Bills and other money market instruments) • Unlisted debt instrument • Bespoke or complex debt products For residual portion of 5% in asset allocation, apart from the investment restrictions prescribed under SEBI (MF) Regulations, the scheme follows certain internal norms vis-à-vis limiting exposure to a particular issuer or sector, etc. within the mentioned restrictions, and these are subject SEBI (MF) Regulations and circulars issued thereunder and to review from time to time. Portfolio Rebalancing: As per Para 4.5.5 of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, and circulars issued thereunder, in case of change in constituents of the index due to periodic review, the portfolio of the scheme will be rebalanced within 7 calendar days. As per Para 7.24 of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, the scheme shall deploy the funds garnered in an NFO within 30 business days from the date of allotment of units. In an exceptional case, if the AMC is not able to deploy the funds in 30 business days, reasons in writing, including details of efforts taken to deploy the funds, shall be placed before the Investment Committee of the AMC. The Investment Committee, if so desired, can extend the timelines up to thirty (30) business days from the date of completion of mandated deployment period.
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		Short Term Defensive Consideration: Subject to Para 1.9.1.(b) of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, and circulars issued thereunder, the asset allocation pattern indicated above may change for a short-term period on defensive considerations, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. These proportions may vary depending upon the perception of the Fund Manager, the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be rebalanced within 7 calendar days from the date of deviation and further action may be taken as specified under SEBI Circulars/ AMFI guidelines issued from time to time. In the event of involuntary corporate action, the scheme shall dispose the securities not forming part of the underlying index within 7 days from the date allotment/ listing.		
XI	Fund Manager Details	Mr. Satish Dondapati and Mr. Jeetu Valechha Sonar will be the designated Fund Managers for the Scheme.		
		Mr. Abhishek Bisen will be the Fund Manager for debt securities of the Scheme		
		S. No	Name of the Fund Manager	Managing Since
				Total Experience
		1	Mr. Satish Dondapati	This is a new scheme
		2	Mr. Jeetu Valechha Sonar	This is a new scheme
		3	Mr. Abhishek Bisen	This is a new scheme
				19 years
XII	Annual Scheme Recurring Expenses	As per Regulation 67 of SEBI (MF) Regulations, 2026, the total of all expenses charged to the investors of the scheme, shall be total of expense charged within the base limit specified under sub-regulation 7 of regulation 66, brokerage cost permitted under sub regulation 9 of regulation 66, transaction cost incurred for the purpose of execution of trade as referred under sub-regulation 10 of regulation 66, and statutory levies. The AMC has estimated that Maximum Base expense ratio (BER) upto 0.90% daily net assets of the scheme will be charged to the scheme as expenses. Brokerage cost permitted under sub regulation 9 of regulation 66, transaction cost incurred for execution of trade as referred under sub-regulation 10 of regulation 66, and statutory levies will be charged to the scheme as applicable. For detailed disclosure, kindly refer https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim		
XIII	Transaction charges and stamp duty	Transaction Charges - Investors are requested to note that no transaction charges shall be deducted from the investment amount given by the investor for all transactions / applications (including SIP's) (i.e. in Regular Plan) and full investment amount (subject to deduction of statutory charges, if any) will be invested in the Scheme. Stamp Duty - A stamp duty @ 0.005% would be levied on all applicable mutual fund transactions. Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase transactions (including reinvestment IDCW and Switch in) to the unitholders would be reduced to that extent.		

		Details regarding transaction charges and stamp duty refer to SAI
XIV	Information available through weblink	Following information may be provided through weblink Liquidity/listing details- https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim NAV disclosure - https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim Applicable timelines for dispatch of redemption proceeds etc - https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim Breakup of Annual Scheme Recurring expenses- Link - https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim Definitions-https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim Applicable risk factors - https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim Detailed disclosures regarding the index, index eligibility criteria, methodology, index service provider, index constituents, impact cost of the constituents/ underlying fund in case of fund of funds - https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim List of official points of acceptance - https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim Penalties, Pending Litigation or Proceedings, Findings of Inspections or Investigations -https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim Investor services - https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim Portfolio Disclosure-https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim Detailed comparative table of the existing schemes of AMC-https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim Scheme performance - https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim Periodic Disclosures-https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim Scheme specific disclosures (as per the prescribed format)-https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim SchemeFactsheet-https://www.kotakmf.com/Information/statutory-disclosure/information
XV	How to Apply/Where can applications for subscription/redemption/	Application form and Key Information Memorandum may be obtained from the offices of AMC or Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs)of the Registrar or distributors or downloaded from www.kotakmf.com. Investors are also advised to refer to Statement of Additional Information before submitting the application form. The investors can submit these Application forms and Key Information Memorandum (along with transaction slip)/ forms at the branches of AMC or Investor Service Centres (ISCs)/Official Points of Acceptance

	switches be submitted	(OPAs) of the Registrar (CAMS) or distributors or on the website of Kotak Mahindra Mutual Fund (www.kotakmf.com). The list of the Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of the Mutual Fund will be available on the website www.kotakmf.com. All cheques should be crossed "Account Payee Only" and drawn in favour of the scheme viz: Kotak Nifty Bank Index Fund The AMC/ Trustee reserves the right to reject any application inter alia in the absence of fulfillment of any regulatory requirements, fulfillment of any requirements as per the SID, incomplete/incorrect documentation and not furnishing necessary information to the satisfaction of the Mutual Fund/AMC. Investors are also advised to refer to Statement of Additional Information before submitting the application form For detailed disclosure, kindly refer SAI
XVI	Specific attribute of the scheme	Not Applicable
XVII	Special product/facility available during the NFO and on Ongoing basis	During NFO - Switch-In from any existing schemes of Kotak Mahindra Mutual Fund (Except ETFs) and Systematic Investment Plan (SIP) are available during the NFO. Note: Investors also have an option to switch out all or part of their investments available in the Growth option of the Scheme of Kotak Liquid Fund and Kotak Overnight Fund, (Source Schemes) to this Scheme during the NFO period, subject to the terms and conditions mentioned in the Scheme Information Document of the respective source schemes. In the event of the withdrawal/cancellation/calling off of the NFO, the switch request submitted by the investor shall not be processed and the investment shall be retained in the source scheme. The Following facilities are available under the Scheme. 1. Systematic Investment Plan 2. SIP Top Up Facility 3. Systematic Transfer Plan 4. Daily frequency under Systematic Transfer Plan Facility 5. Systematic Withdrawal Plan 6. Transfer of IDCW Plan 7. Switching 8. Trigger Facility 9. Smart Facility i.e. Smart Systematic Transfer Plan (SSTP) 10. Smart Systematic Investment Plan (SSIP) 11. Smart Systematic Withdrawal Plan (SSWP) 12. Freedom SIP For further details of above special products / facilities, kindly refer SAI
XVIII	Segregated Portfolio/side pocketing disclosure	Segregated Portfolio has been enabled in the Scheme. For Details, kindly refer SAI

XIX	Stock Lending	Securities lending has been enabled in the scheme and Short selling has not been enabled in the Scheme. For Details, kindly refer SAI
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Notes:

1. Further, any amendments / replacement / re-enactment of SEBI Regulations subsequent to the date of the Scheme Information Document shall prevail over those specified in this Document.
2. The Scheme under this Scheme Information Document was approved by the Trustees on **October 16, 2025**.
3. The Trustees have ensured that **Kotak Nifty Bank Index Fund** approved by them is a new product offered by Kotak Mahindra Mutual Fund and is not a minor modification of any existing scheme/fund/product.
4. **Notwithstanding anything contained in the Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 2026 and the guidelines there under shall be applicable.**

**For and on behalf of the Board of Directors,
Kotak Mahindra Asset Management Company Limited
(Investment Manager of Kotak Mahindra Mutual Fund)**

Sd/-

**Place: Mumbai
Date: July 27, 2026**

**Ms. Jolly Bhatt
Compliance Officer**

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

Annexure 1

Calculation of Cumulative gross exposure

As per para 13.18 of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026 the cumulative gross exposure through equity, debt, derivative positions, other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme

Numerical example of risk involved (For illustration purposely only)

Due to ease of execution and settlement, index futures are an efficient way of buying / selling an Index compared to buying / selling a portfolio of physical shares representing an Index. Index futures can be an efficient way of achieving a Scheme's investment objectives. Index futures may do away with the need for trading in individual components of the Index, which may not be possible at times, keeping in mind the circuit filter system and the liquidity in some of the scripts. Index futures can also be helpful in reducing transaction costs and processing costs on account of ease of execution of one trade compared to several trades of shares comprising the Index and will be easy to settle compared to physical portfolio of shares representing an Index

The National Stock Exchange and the Bombay Stock Exchange introduced Index futures on Nifty (NSE-50) and Sensex (BSE 30) for three serial months. For example, in the month of April 2024, three futures were available i.e. May, June and July 2024, each expiring on the last working Thursday of the respective month

Let us assume the Nifty Index was 19,638.3 as on May 30, 2025 and three future indices were available as under:

Month	Bid Price	Offer Price
Jun 2025	19708	19710
July 2025	19824	19828
Aug 2025	19930	19940

The Fund could buy an Index of Jun 2025 as on May 30, 2025 at an offer price of 19710. The Fund would have to pay the initial margin as regulated by the exchanges and settle its Index position with daily marked to market i.e. receive profits/pay losses on a daily basis.

The following is a hypothetical example of a typical index future trade and the associated costs compared with physical stocks.

(Amount in Rupees)		
Particulars	Index Future	Actual Purchase of Stocks
Index as on May 30, 2025	19638.3	19638.3
Jun 2025 Futures Cost	19710	
A. Execution Cost		
Carry costs (19710-19638.3)	71.7	Nil
B. Brokerage Cost		
Assumed at 0.02% for Index Future and 0.05% for spot stocks (0.02% of 19710) (0.05% of 19638.3)	3.94	9.82
C. Securities Transaction Tax STT for Index Futures is Nil STT for Spot Stocks is 0.10% (0.10% of 19638.3)	Nil	19.64

D. Gains on Surplus Funds (Assuming 6% return on 81% of the money left after paying (19% margin) (6% x 19638.3 x 81% x 27 days ÷ 365)	(70.6)	Nil
Cash Market/ Sale Price at expiry	19800	19800
E. Brokerage on Sale		
Assumed at 0.02% for Index Future and 0.05% for Spot stocks (0.02% of 19800) (0.05% of 19800)	3.96	9.9
F. Securities Transaction Tax STT for Index Futures is 0.0125% STT for Spot Stocks is 0.10% (0.0125% of 19800) (0.10% of 19800)	2.48	19.8
Total Cost (A+B+C-D+E+F)	11.48	59.16
Profit	150.22	102.54

As the above example demonstrates, the cost differential between purchasing Index Future and 50 stocks comprising Nifty (NSE-50) is a function of the carrying cost, the interest earned available to Fund Managers and the brokerage cost applicable in both cases. However, as mentioned earlier, as the Indian equity markets continues to have limitations in execution of trades due to the lack of adequate liquidity and the concept of circuit breakers, index future can allow a fund to buy all the stocks comprising the index at a nominal additional cost.

Please note that the above example is hypothetical in nature and the figures, brokerage rates etc. are assumed. In case the execution and brokerage costs on purchase of Index Futures are high and the returns on surplus funds are less, buying of index future may not be beneficial as compared to buying stocks comprising the Index. The actual return may vary based on actuals and depends on final guidelines / procedures and trading mechanism as envisaged by stock exchanges and other regulatory authorities.

Disclosure relating to extent and manner of participation in derivatives to be provided

Pursuant to para 8.5 & 13.15 of SEBI Master circular no HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026 and as may be amended from time to time, The Scheme may take an exposure to equity derivatives of constituents or index derivatives of the underlying index for short duration when securities of the index are unavailable, insufficient or for rebalancing at the time of change in index or in case of corporate actions, as permitted subject to rebalancing within 7 calendar days (or as specified by SEBI from time to time). The equity derivative exposure of scheme for non-hedging purposes shall be up to 20% of equity and equity related Securities of the scheme.