**SCHEME INFORMATION DOCUMENT**

**IDFC CASH FUND**
**(An open ended liquid scheme)**

*(Offer of Units at NAV based prices on an on-going basis)*

This product is suitable for investors who are seeking*:
- To generate short term optimal returns with stability and high liquidity
- Investments in money market and debt instruments, with maturity up to 91 days




Investors understand that their principal will be at low risk

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

| | | |
|---|---|---|
| **Name of the Mutual Fund** | : | IDFC Mutual Fund |
| **Name of the Asset Management Company** | : | IDFC Asset Management Company Limited |
| **Name of the Trustee Company** | : | IDFC AMC Trustee Company Limited |
| **Address of the Entities** | : | One Indiabulls Centre, Jupiter Mills Commpound, 841, Senapati Bapat Marg, Elphinstone Road (West), Mumbai – 400013 |
| **Website** | : | www.idfcmf.com |

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and 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.

**The investors are advised to refer to the Statement of Additional Information (SAI) for details of IDFC Mutual Fund, Tax and Legal issues and general information on www.idfcmf.com**

**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 June 30, 2020.

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**HIGHLIGHTS/SUMMARY OF THE SCHEME**

| | | |
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| | **Name of the Scheme** | **IDFC Cash Fund** |
| | **Type of Scheme** | An Open Ended Liquid Scheme |
| | **Investment Objective** | The Scheme seeks to offer an investment avenue for short term savings by looking to generate returns commensurate with a low risk strategy and with high liquidity, from a portfolio that is invested in debt and money market securities with maturity up to 91 days.<br>Disclaimer: There is no assurance or guarantee that the objectives of the scheme will be realised. |
| | **Liquidity** | Units of the Scheme may be purchased or redeemed on all Business Days at NAV based prices subject to the prevailing load structure. The units of the Scheme are presently not listed on any stock exchange. Investors having a bank account with Banks whom the Fund has an arrangement from time to time can avail of the facility of direct debit/credit to their account for purchase/sale of their units.<br><br>The Fund shall under normal circumstances, endeavor to dispatch the redemption proceeds within 3 (three) business days from the date of acceptance of duly filled in redemption request at any of the official point of acceptance of transactions but as per the Regulations under no circumstances later than 10 (ten) Business Days from the date of such acceptance.<br><br>As per SEBI (MF) Regulations, a penal interest @15% or such other interest rate as may be prescribed by SEBI from time to time shall be paid in case the redemption proceeds are not dispatched within 10 Business days from the date of acceptance of redemption request. |
| 17(a) | **Transparency & NAV disclosure** | The face value of the Units is Rs.1000/- per unit.<br><br>NAV will be determined for every calendar Day except in special circumstances. NAV will be calculated upto four decimal places.<br><br>NAV of the Scheme shall be made available on the website of AMFI (www.amfiindia.com) and the Mutual Fund (www.idfcmf.com) by 11.00 p.m. on all business days. The NAV shall also be available on the toll free number 1-800-300-66688 and on the website of the Registrar CAMS (www.camsonline.com).<br><br>In case the NAV is not uploaded by 11.00 p.m. it shall be explained in writing to AMFI for non-adherence of time limit for uploading NAV on AMFI's website. If the NAVs are not available before the commencement of business hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAV.<br><br>The Mutual Fund/AMC shall e-mail to all unitholders (if an e-mail address is provided) the complete scheme portfolio as at the end of each month and each half year (i.e., 31st March and 30th September) within ten days of end of the month/half year. These shall also be displayed on the website of the Mutual Fund and that of AMFI in a user-friendly and downloadable spreadsheet format. Investors may also place a specific request to the Mutual Fund for sending the half yearly portfolio through email. The |

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| | Mutual Fund shall publish an advertisement disclosing uploading of such half yearly scheme portfolios on its website, in one English and one Hindi daily newspaper having nationwide circulation. The Mutual Funds shall provide a physical copy of the scheme portfolio, without charging any cost, on specific request received from a unitholder. |
| **Plans and Options** | The Scheme offers **Regular Plan** & **Direct Plan and Unclaimed Amount Plan**.<br><br>The Plans will have separate NAV and a common portfolio.<br><br>Regular Plan and Direct Plan under the Scheme offer **Dividend Option** & **Growth Option**. Dividend Option under both these Plans further offer choice of Daily (Reinvest), Weekly (Reinvest), Monthly (Payout,Reinvest and Sweep), Periodic (Payout,Reinvest and Sweep). Please note that where the Unitholder has opted for Dividend Payout option and in case the amount of dividend payable to the Unitholder is Rs.100/- or less under a Folio, the same will be compulsorily reinvested in the Scheme.<br><br>The Unclaimed Amount Plan offer the following four options which are not available for investment by investors:<br><br>• Unclaimed Redemption Less than Three Years<br>• Unclaimed Redemption More than Three Years<br>• Unclaimed Dividend Less than Three Years<br>• Unclaimed Dividend More than Three Years<br>**Default option:** The investors must clearly indicate the Option/facility (Growth or Dividend / Reinvestment or Payout or Sweep) in the relevant space provided for in the Application Form. In case the investor does not select any Option, the default shall be considered as **Growth Option**. Within dividend Option if the investor does not select any frequency / facility, then default frequency / facility shall be **Daily Dividend reinvestment.**<br><br>Investors subscribing under Direct Plan of a Scheme will have to indicate "Direct Plan" in the application form e.g. "IDFC Cash Fund - Direct Plan". Investors should also indicate "Direct" in the ARN column of the application form.<br><br>**Treatment of applications under "Direct" / "Regular" Plans:** |

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

In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The

<table>
<tr><td></td><td>AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.</td></tr>
<tr><td>Minimum Application /Repurchase Amount</td><td>
<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Initial Investment</td><td>Rs.100/- and any amount thereafter</td></tr>
<tr><td>Additional Purchases</td><td>Rs.100/- and any amount thereafter</td></tr>
<tr><td>Repurchase</td><td>Rs.500/- and any amount thereafter<br>If the balance in the Folio / Account available for redemption is less than the minimum amount prescribed above, the entire balance available for redemption will be redeemed.</td></tr>
<tr><td>SIP</td><td>Rs.100/- and in multiples of Rs.1 thereafter [minimum 6 installments]</td></tr>
<tr><td>SWP</td><td>Rs.500/- and in multiples of Re.1 thereafter</td></tr>
<tr><td>STP (in)</td><td>Rs.100/- and any amount thereafter</td></tr>
<tr><td colspan="2">Minimum amount criteria shall not be applicable for purchase and redemption in the Unclaimed Amount Plan. Unclaimed Amount Plan is not available for investments by investors. Only Unclaimed redemption and dividend shall be invested in Unclaimed Amount Plan.</td></tr>
</table>
.
</td></tr>
<tr><td>Benchmark</td><td>Crisil Liquid Fund Index</td></tr>
<tr><td>Face Value</td><td>Rs.1000/- per unit for Regular and Direct Plan<br>Re. 1/- for Unclaimed amount plan</td></tr>
<tr><td>Load structure</td><td>Entry load: Nil<br>Exit load:
<table>
<tr><th colspan="2">Exit Load Structure</th></tr>
<tr><th>Investor exit upon subscription</th><th>Exit load as a % of redemption proceeds</th></tr>
<tr><td>Day 1</td><td>0.0070%</td></tr>
<tr><td>Day 2</td><td>0.0065%</td></tr>
<tr><td>Day 3</td><td>0.0060%</td></tr>
<tr><td>Day 4</td><td>0.0055%</td></tr>
<tr><td>Day 5</td><td>0.0050%</td></tr>
<tr><td>Day 6</td><td>0.0045%</td></tr>
<tr><td>Day 7 onwards</td><td>0.0000%</td></tr>
</table>
.
</td></tr>
<tr><td>Fund Manager</td><td>Mr. Harshal Joshi (Managing the Fund since September 15, 2015)<br>Mr. Anurag Mittal (Managing the Fund since November 9, 2015)</td></tr>
</table>

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## I. INTRODUCTION

### A. RISK FACTORS 2

**Standard Risk Factors:**

- Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objective of the Scheme will be achieved.
- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down depending on the factors and forces affecting the capital markets.
- Past performance of the Sponsor and other affiliates / AMC / Mutual Fund (or any of its schemes) does not guarantee future performance of the scheme.
- IDFC Cash Fund is the name of the Scheme and do not in any manner indicate either the quality of the Scheme, its future prospects or returns
- The sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs. 30,000 made by it towards setting up the Fund
- The present Scheme are not guaranteed or assured return Scheme.

**Risk factors specific to the Scheme**

**Risk Associated with Investing in Debt / Money Market Instruments –**

1. **Price-Risk or Interest-Rate Risk:** Fixed income securities such as bonds, debentures and money market instruments run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.
2. **Re-investment Risk:** Investments in fixed income securities may carry re-investment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.
3. **Basis Risk (Interest - rate movement):** During the life of a floating rate security or a swap, the underlying benchmark index may become less active and may not capture the actual movement in interest rates or at times the benchmark may cease to exist. These types of events may result in loss of value in the portfolio.
4. **Spread Risk:** In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. However, depending upon the market conditions, the spreads may move adversely or favorably leading to fluctuation in the NAV.
5. **Liquidity Risk:** Due to the evolving nature of the floating rate market, there may be an increased risk of liquidity risk in the portfolio from time to time.
6. **Other Risk**: In case of downward movement of interest rates, floating rate debt instruments will give a lower return than fixed rate debt instruments.
7. **Credit Risk:** In simple terms this risk means that the issuer of a debenture/bond or a money market instrument may default on interest payment or even in paying back the principal amount on maturity. Even where no default occurs, the price of a security may go down because the credit rating of an issuer goes down. It must, however, be noted that where the Scheme has invested in Government Securities, there is no credit risk to that extent. Different types of securities in which the scheme would invest as given in the scheme information document carry different levels and types of risk. Accordingly the scheme's risk may increase or decrease depending upon its investment pattern. E.g. corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds which are AAA rated are comparatively less risky than bonds which are AA rated.
8. **Short-selling of Securities:** Purchasing a security entails the risk of the security price going

down. Short selling of securities (i.e. sale of securities without owning them) entails the risk of the security price going up there by decreasing the profitability of the short position. Short selling is subject to risks related to fluctuations in market price, and settlement/liquidity risks. If required by the Regulations, short selling may entail margin money to be deposited with the clearing house and daily mark to market of the prices and margins. This may impact fund pricing and may induce liquidity risks if the fund is not able to provide adequate margins to the clearing house. Failure to meet margin requirements may result in penalties being imposed by the exchanges and clearing house.

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9. **Securities Lending:** Engaging in securities lending is subject to risks related to fluctuations in collateral value and settlement/liquidity and counter party risks. The risks in lending portfolio securities, as with other extensions of credit, consist of the failure of another party, in this case the approved intermediary, to comply with the terms of agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure to comply can result in the possible loss of rights in the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The Mutual Fund may not be able to sell such lent securities and this can lead to temporary illiquidity.

**Risk associated with investing in foreign securities** 3

It is AMC's belief that the investment in ADRs/GDRs/overseas securities offer new investment and portfolio diversification opportunities into multi-market and multi-currency products. However, such investments also entail additional risks. Such investment opportunities may be pursued by the AMC provided they are considered appropriate in terms of the overall investment objectives of the schemes. Since the Schemes would invest only partially in ADRs/GDRs/overseas securities, there may not be readily available and widely accepted benchmarks to measure performance of the Schemes.

To the extent the assets of the scheme(s) are invested in overseas financial assets, there may be risks associated with currency movements, restrictions on repatriation and transaction procedures in overseas market. Further, the repatriation of capital to India may also be hampered by changes in regulations or political circumstances as well as the application to it of other restrictions on investment. In addition, country risks would include events such as introduction of extraordinary exchange controls, economic deterioration, bi-lateral conflict leading to immobilization of the overseas financial assets and the prevalent tax laws of the respective jurisdiction for execution of trades or otherwise.

The Scheme(s) may also invest in ADRs / GDRs / Other Foreign Securities as permitted by Reserve Bank of India and Securities and Exchange Board of India from time to time. To the extent that some part of the assets of the Scheme(s) may be invested in securities denominated in foreign currencies, Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by the changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital also may be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment as applicable.

As the investment may be made in stocks of different countries, the portfolio shall be exposed to the political, economic and social risks with respect to each country. However, the Fund manager shall ensure that his exposure to each country is limited so that the portfolio is not exposed to one country. Investments in various economies will also diversify and reduce this risk.

Currency Risk: The scheme(s) may invest in securities denominated in a broad range of currencies and may maintain cash in such currencies. As a consequence, fluctuations in the

value of such currencies against the currency denomination of the relevant scheme will have a corresponding impact on the value of the portfolio. Furthermore, investors should be aware that movements in the rate of exchange between the currency of denomination of a fund and their home currency will affect the value of their shareholding when measured in their home currency.

In respect of the corpus of the Scheme(s) that is invested in overseas mutual fund schemes, investors shall bear the proportionate recurring expenses of such underlying scheme(s), in addition to the recurring expenses of the Scheme(s). Therefore, the returns attributable to such investments by the Scheme(s) may be impacted or may, at times, be lower than the returns that the investors could obtain by directly investing in the said underlying scheme(s).

To manage risks associated with foreign currency and interest rate exposure, the Fund may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by SEBI/RBI from time to time. Offshore investments will be made subject to any/all approvals, conditions thereof as may be stipulated by SEBI/RBI and provided such investments do not result in expenses to the Fund in excess of the ceiling on expenses prescribed by and consistent with costs and expenses attendant to international investing. The Fund may, where necessary, appoint other intermediaries of repute as advisors, custodian/sub-custodians etc. for managing and administering such investments. The appointment of such intermediaries shall be in accordance with the applicable requirements of SEBI and within the permissible ceilings of expenses. The fees and expenses would illustratively include, besides the investment management fees, custody fees and costs, fees of appointed advisors and sub-managers, transaction costs, and overseas regulatory costs.

**Risks associated with Investing in Derivatives:** 5

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. As and when the Scheme trade in the derivatives market there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value. Also, the market for derivative instruments is nascent in India.
The risks associated with the use of derivatives are different from or possibly greater than the risks associated with investing directly in securities and other traditional investments.

The specific risk factors arising out of a derivative strategy used by the Fund Manager may be as below:

- Lack of opportunity available in the market.
- The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

**Risk associated with Interest Rate Future (IRFs):**
An Interest Rate Futures is an agreement to buy or sell a debt instruments at a specified future date at a price that is fixed today. Interest Rate Futures are Exchange Traded and are cash settled. Hedging using Interest Rate Futures can be perfect or imperfect. Perfect hedging means hedging the underlying using IRF contract of same underlying.

(i) **Market risk**: Derivatives carry the risk of adverse changes in the market price.
(ii) **Liquidity risk** – This occurs where the derivatives cannot be sold (unwound) at prices that reflect the underlying assets, rates and indices.
(iii) **Model Risk -** The risk of mispricing or improper valuation of derivatives.
(iv) **Basis Risk –** This risk arises when the instrument used as a hedge does not match the movement in the instrument/ underlying asset being hedged. The risks may be inter-related also; for e.g. interest rate movements can affect equity prices, which could influence specific issuer/industry assets.

**Risk associated with imperfect hedge using IRF:**
In case the IRF used for hedging the interest rate risk has different underlying security than the existing position being hedged, it would result in imperfect hedging.

(i) **Basis Risk**: Basis risk is the risk that arises when the instrument used as a hedge does not match the movement in the instrument/ underlying asset being hedged. This could result into potential gains or losses from the strategy, thus adding risk to the position.
(ii) **Price Risk**: The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
(iii) **Risk of mismatch between the instruments**: The risk arises if there is a mismatch between the prices movements in derivative instrument used to hedge, compared to the price movement of the underlying assets being hedged. For example, when IRF which has government security as underlying is used to hedge a portfolio that contains corporate debt securities.
(iv) **Correlation weakening and consequent risk of regulatory breach**: SEBI Regulation mandates minimum correlation criterion of 0.9 (calculated on a 90-day basis) between the portfolio being hedged and the derivative instrument used for hedging. In cases where the correlation falls below 0.9, a rebalancing period of 5 working days has been permitted. In ability to satisfy this requirement to restore the correlation level to the stipulated level, within the stipulated period, due to difficulties in rebalancing would lead to a lapse of the exemption in gross exposure computation. The entire derivative exposure would then need to be included in gross exposure, which may result in gross exposure in excess of 100% of net asset value.

**Risk Associated with investing in Securitized Debt**

The Scheme may invest in domestic securitized debt such as asset backed securities (ABS) or mortgage backed securities (MBS). Asset Backed Securities (ABS) are securitized debts where the underlying assets are receivables arising from various loans including automobile loans, personal loans, loans against consumer durables, etc. Mortgage backed securities (MBS) are securitized debts where the underlying assets are receivables arising from loans backed by mortgage of residential / commercial properties. ABS/MBS instruments reflect the undivided interest in the underlying pool of assets and do not represent the obligation of the issuer of ABS/MBS or the originator of the underlying receivables. The ABS/MBS holders have a limited recourse to the extent of credit enhancement provided. If the delinquencies and credit losses in the underlying pool exceed the credit enhancement provided, ABS/MBS

holders will suffer credit losses. ABS/MBS are also normally exposed to a higher level of reinvestment risk as compared to the normal corporate or sovereign debt.

At present in Indian market, following types of loans are securitised:

- Auto Loans (cars / commercial vehicles /two wheelers)
- Residential Mortgages or Housing Loans
- Consumer Durable Loans
- Personal Loans
- Corporates Loans

The main risks pertaining to each of the asset classes above are described below:

**Auto Loans (cars / commercial vehicles /two wheelers)**
The underlying assets (cars etc) are susceptible to depreciation in value whereas the loans are given at high loan to value ratios. Thus, after a few months, the value of asset becomes lower than the loan outstanding. The borrowers, therefore, may sometimes tend to default on loans and allow the vehicle to be repossessed. These loans are also subject to model risk. ie if a particular automobile model does not become popular, loans given for financing that model have a much higher likelihood of turning bad. In such cases, loss on sale of repossession vehicles is higher than usual.
Commercial vehicle loans are susceptible to the cyclicality in the economy. In a downturn in economy, freight rates drop leading to higher defaults in commercial vehicle loans. Further, the second hand prices of these vehicles also decline in such economic environment.

**Housing Loans**
Housing loans in India have shown very low default rates historically. However, in recent years, loans have been given at high loan to value ratios and to a much younger borrower classes. The loans have not yet gone through the full economic cycle and have not yet seen a period of declining property prices. Thus the performance of these housing loans is yet to be tested and it need not conform to the historical experience of low default rates.

**Consumer Durable Loans**
The underlying security for such loans is easily transferable without the bank's knowledge and hence repossession is difficult. The underlying security for such loans is also susceptible to quick depreciation in value. This gives the borrowers a high incentive to default.

**Personal Loans**
These are unsecured loans. In case of a default, the bank has no security to fall back on. The lender has no control over how the borrower has used the borrowed money. Further, all the above categories of loans have the following common risks:
All the above loans are retail, relatively small value loans. There is a possibility that the borrower takes different loans using the same income proof and thus the income is not sufficient to meet the debt service obligations of all these loans.
In India, there is insufficiency of ready comprehensive and complete database regarding past credit record of borrowers. Thus, loans may be given to borrowers with poor credit record. In retail loans, the risks due to frauds are high.

**Corporate Loans**
These are loans given to single or multiple corporates. The receivables from a pool of loans to corporate are assigned to a trust that issues Pass through certificates in turn. The credit risk in such PTCs is on the underlying pool of loans to corporates. The credit risk of the underlying loans to the corporates would in turn depend of economic cycles.

**Risk associated with investing in Repo of Corporate Bond Securities**

To the extent the scheme invests in Repo of Corporate Bond Securities, the scheme will be subject to following risks –

- Settlement Risk: Corporate Bond Repo will be settled between two counterparties in the OTC segment unlike in the case of CBLO transactions where CCIL stands as central counterparty on all transactions (no settlement risk).
- Quality of collateral: The Mutual Fund will be exposed to credit risk on the underlying collateral – downward migration of rating. The Mutual Fund will impose adequate haircut on the collateral to cushion against any diminution in the value of the collateral. Collateral will require to be rated AAA or equivalent.
- Liquidity of collateral: In the event of default by the counterparty, the Mutual Fund would have recourse to recover its investments by selling the collateral in the market. If the underlying collateral is illiquid, then the Mutual Fund may incur an impact cost at the time of sale (lower price realization).

**RISK MANAGEMENT STRATEGY**

| **Risk** | **Risk mitigants / management strategy** |
|---|---|
| **Quality risk :** Risk of investing in unsustainable / weak companies | Stringent credit evaluation process to ensure high quality portfolio |
| **Reinvestment risk :** Risk of changes in interest rates impacting the fund as existing securities mature or on fresh inflows/outflows into the fund | Close tracking of different maturity buckets. Investors have to bear a certain amount of interest rate risk as it is the inherent nature of the fund. |
| **Concentration risk :** Risk of concentration in the portfolio | Create a well-distributed portfolio with defined issuer limits |
| **Liquidity risk:** High impact costs at the time of buying or selling. | Create a high quality portfolio with liquid securities which have low impact cost on buying / selling. |
| **Derivatives risk:** As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives that Investors should understand. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly | The fund has provision for using derivative instruments in the manner permitted by SEBI from time to time. Interest Rate Swaps will be done with approved counter parties under pre-approved ISDA agreements. Mark to Market of swaps, netting off of cash flow and default provision clauses will be provided as per international best practice on a reciprocal basis. Interest rate swaps and other derivative instruments will be used as per local (RBI and SEBI) regulatory guidelines. |

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| with underlying assets, rates and indices. | |

**B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME**

The Scheme shall have a minimuam of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme. The two conditions mentioned above shall be complied in each calendar quarter, on an average basis, as specified by SEBI. In case the Scheme do not have a minimum of 20 investors, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme shall be wound up and the units would be redeemed at applicable NAV. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 day notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

**C. SPECIAL CONSIDERATIONS, if any**

Investors may note that AMC/Fund Manger's investment decisions may not be always profitable or prove to be correct.

All the above factors not only affect the prices of securities but may also affect the time taken by the Fund for redemption of Units, which could be significant in the event of receipt of a very large number of redemption requests or very large value of redemption requests. The liquidity of the assets may be affected by other factors such as general market conditions, political events, bank holidays and civil strife. In view of this, the Trustee has the right in its sole discretion to limit redemption (including suspension of redemption) under certain circumstances.

The liquidity of the Scheme's investments may also be restricted by trading volumes, settlement periods and transfer procedures. In the event of an inordinately large number of redemption requests or of a restructuring of the Scheme's portfolios, the time taken by the Scheme for redemption of Units may become significant. In view of this, the Trustee has the right in its sole discretion to limit redemption (including suspension of redemption) under certain circumstances. Please refer to Section titled "Units and Offer".

The Scheme may also invest in overseas financial assets as permitted under the applicable regulations. To the extent that the assets of the Scheme will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital to India may also be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.

Redemption due to change in the fundamental attributes of the Scheme or due to any other reasons may entail tax consequences. The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any such tax consequences that may arise.

The tax benefits described in this Scheme Information Document are as available under the present taxation laws and are available subject to conditions. The information given is included for general purpose only and is based on advice received by the AMC regarding the

law and practice in force in India and the Unitholders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unitholder is advised to consult his/ her own professional tax advisor.

No person has been authorized to give any information or to make any representation not confirmed in this Standard Information Document in connection with the scheme or the issue of Units, and any information or representation not contained herein must not be relied upon as having been authorized by the Mutual Fund or the Asset Management Company.

Neither the Statement of Additional Information; nor this Scheme Information Document, nor the Application for the Units, nor the Units ("these Documents") have been registered in any jurisdiction. The distribution of these Documents in certain jurisdictions may be prohibited or restricted or subject to registration requirements and accordingly, persons who come into possession of any of these Documents are required to inform themselves about and to observe, any such restrictions. No person receiving a copy of any of these Documents in such jurisdiction may act or treat these Document or any part/portion thereof as constituting an invitation to him to subscribe for Units, nor should he in any event use any such Documents, unless in the relevant jurisdiction such an invitation could lawfully be made to him and such Documents could lawfully be used without compliance with any registration or other legal requirements.

The AMC is also engaged in portfolio management services (PMS) under SEBI Registration No. INP000002064. The AMC is also providing investment management services to Alternative Investment Funds registered under SEBI (Alternative Investment Funds) Regulations, 2012 and registered Venture Capital Fund i.e. IDFC SPICE Fund. All these activities are not in conflict with the activities of the Mutual Fund.

**D. DEFINITIONS AND ABBREVIATIONS.**

In this document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

| | |
|---|---|
| **AMC** | IDFC Asset Management Company Limited a company set up under the Companies Act, 1956, and approved by SEBI to act as the Asset Management Company for the Schemes of IDFC Mutual Fund |
| **Applicable NAV** | Unless stated otherwise in the Scheme information document, Applicable NAV is the Net Asset Value as of the Day as of which the purchase or redemption is sought by the investor and determined by the Fund. (For details, please refer to the section on "Applicable NAV") |
| **Business Day** | A day other than (i) Saturday or Sunday or (ii) a day on which the Reserve Bank of India &/or Banks in Mumbai are closed for business or clearing or (iii) a day on which there is no RBI clearing / settlement of securities or (iv) a day on which the Bombay Stock Exchange and/or National Stock Exchange are closed or (v) a day on which the Redemption of Units is suspended by the Trustee / AMC or (vi) a day on which normal business could not be transacted due to storms, floods, other natural calamities, bandhs, strikes or such other events or as the AMC may specify from time to time. The AMC reserves the right to declare any day as a Business Day or otherwise at any or all collection &/or Official points of acceptance of transactions. |
| **Continuous Offer** | Offer of units when the scheme becomes available for subscription, |

| | |
|---|---|
| | after the closure of the New Fund Offer |
| **Custodian** | Deutsche Bank A.G., Mumbai, acting as Custodian to the Scheme, or any other custodian who is approved by the Trustee |
| **Cut Off time** | A time prescribed in the SID prior to which an investor can submit a subscription / redemption request along with a local cheque or a demand draft payable at par at the place where the application is received, to be entitled to the Applicable NAV for that Business Day. |
| **Distributor** | Such persons/firms/ companies/ corporates who fulfill the criteria laid down by SEBI/AMFI from time to time and as may be appointed by the AMC to distribute/sell/market the Schemes of the Fund. |
| **Exit Load** | A charge that may be levied as a percentage of NAV at the time of exiting the scheme. |
| **FPIs** | Foreign Portfolio Investors, registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 |
| **Fixed Income Securities** | Debt Securities created and issued by, inter alia, Central Government, State Government, Local Authorities, Municipal Corporations, Public Sector Undertaking, Private Sector companies/enterprises, Financial Institutions, Bodies Corporate, Unincorporated SPVs and any other entities which may be recognised/permitted, which yield at fixed or variable rate by way of interest, premium, discount or a combination of any of them. |
| **Fund or Mutual Fund** | IDFC Mutual Fund ("the Mutual Fund" or "the Fund") had been constituted as a trust in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) vide a trust Deed dated December 29, 1999. The office of the Sub-Register of Assurances at Mumbai had registered the Trust Deed establishing the Fund under the Registration Act, 1908. The Fund was registered with SEBI vide Registration No.MF/042/00/3 dated March 13, 2000. A deed of amendment to the Trust Deed had been executed and registered to recognize the change in sponsor of the Mutual Fund. |
| **The Scheme** | IDFC Cash Fund |
| **Gilt or Govt. Securities** | A security created and issued by the Central Government or a State Government for the purpose of raising a public loan or for any other purpose as may be notified by the concerned Government in the Official Gazette and having one of the forms mentioned in section 3 of Government Securities Act, 2006 and includes Treasury Bills, Cash Management Bills, State Development Loans and UDAY Bonds |
| **InvIT or Infrastructure Investment Trust** | "InvIT" or "Infrastructure Investment Trust" shall have the meaning assigned in clause (za) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 |
| **Investment Management Agreement** | The Agreement dated January 3, 2000 entered into between IDFC AMC Trustee Company and IDFC Asset Management Company Limited as amended from time to time. |
| **Official Points of acceptance of transaction** | All applications for purchase/redemption of units should be submitted by investors at the official point of acceptance of transactions at the office of the registrar and/or AMC as may be notified from time to time. For details please refer to the application form and/or website of the Mutual Fund at www.idfcmf.com |
| **Load** | A charge that may be levied as a percentage of NAV at the time of |

| | |
|---|---|
| | entry into the Scheme or at the time of exiting from the Scheme |
| **Money Market Instruments** | Money market instruments includeCommercial papers, Commercial bills, Treasury bills, Government Securities having an unexpired maturity upto one year, call or notice money, certificates of deposit, usance bills and any other like instruments as specified by the Reserve Bank of India from time to time |
| **NAV** | Net Asset Value of the Units of the Scheme calculated on every Business Day in the manner provided in this Scheme Information Document or as may be prescribed by regulations from time to time |
| **NRIs** | Non-Resident Indians |
| **Scheme Information Document** | This document is issued by IDFC Mutual Fund, offering Units of scheme under IDFC Cash Fund |
| **Person of Indian Origin** | A citizen of any country other than Bangladesh or Pakistan, if- a) he at any time held an Indian passport, or b) he or either of his parents or any of his grand-parents was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955) or c) the person is a spouse of an Indian citizen or a person referred to in sub clause (a) or (b) |
| **RBI** | Reserve Bank of India, established under the Reserve Bank of India Act, 1934, as amended from time to time |
| **Repo / Reverse Repo** | Sale / Purchase of Government Securities as may be allowed by RBI from time to time with simultaneous agreement to repurchase / resell them at a later date |
| **Repurchase / Redemption** | Repurchase / Redemption of units of the scheme, as permitted under the scheme |
| **Sale / Subscription** | Sale or allotment of units to the unitholders upon subscription by an investor / applicant under this scheme |
| **"REIT" or "Real Estate Investment Trust"** | "REIT" or "Real Estate Investment Trust" shall have the meaning assigned in clause (zm) of sub-regulation 1 of regulation 2 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 |
| **SEBI** | Securities and Exchange Board of India established under Securities and Exchange Board of India Act, 1992, as amended from time to time |
| **Systematic Investment Plan (SIP)** | A plan enabling investors to save and invest in the scheme on monthly / quarterly / other periodic basis submitting post dated cheques / payment instructions. The AMC reserves the right to introduce SIPs at other frequencies such as daily / weekly / half yearly etc., as may be deemed appropriate by the AMC, from time to time. |
| **Systematic Transfer Plan (STP)** | A plan enabling investors to transfer lumpsum amounts / capital appreciation in the specific schemes of IDFC Mutual Fund to other scheme of the fund by providing a standing instruction to transfer sums at monthly intervals. The AMC reserves the right to introduce STPs at such other frequencies such as weekly / quarterly / half yearly etc. as the AMC may feel appropriate from time to time. |
| **Systematic Withdrawal Plan (SWP)** | A plan enabling investors to withdraw amounts from the scheme on a monthly / quarterly basis by giving a single instruction. The AMC reserves the right to introduce SWPs at such other frequencies such as weekly / quarterly / half yearly etc. as the AMC may feel appropriate from time to time |
| **The Regulations** | Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended from time to time |
| **Trustee** | IDFC AMC Trustee Company Limited a company set up under the |

| | |
|---|---|
| | Companies Act, 1956, and approved by SEBI to act as the Trustee for the Scheme/s of IDFC Mutual Fund |
| **Trust Deed** | The Trust Deed dated December 29, 1999 establishing IDFC Mutual Fund as amended from time to time |
| **Trust Fund** | Amounts settled/contributed by the Sponsor towards the corpus of the IDFC Mutual Fund and additions/accretions thereto |
| **Unit** | The interest of an investor that consists of one undivided share in the Net Assets of the Scheme |
| **Unitholder** | A holder of Units under the IDFC Cash Fund, as contained in this Scheme information document |
| **Unitholder**<br>**Words or expressions in this Scheme Information Document and not defined** | Same meaning as in Regulations. |

For all purposes of this Scheme information document, except as otherwise expressly provided or unless the context otherwise requires:

- the terms defined in this Scheme information document include the plural as well as the singular
- pronouns having a masculine or feminine gender shall be deemed to include the other
- all references to "Sterling Pounds" refer to United Kingdom Sterling Pounds , "dollars" or "$" refer to United States Dollars and "Rs" refer to Indian Rupees. A "crore" means "ten million" and a "lakh" means a "hundred thousand"

**IMPORTANT NOTICE TO INVESTORS**

The mutual fund or AMC and its empanelled brokers have not given and shall not give any indicative portfolio and indicative yield in any communication, in any manner whatsoever. Investors are advised not to rely on any communication regarding indicative yield/ portfolio with regard to the scheme.

## E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

(i) the Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.

(ii) all legal requirements connected with the launching of the scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.

(iii) the disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the scheme.

(iv) the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

**For IDFC Asset Management Company Limited**
**(Investment Manager of IDFC Mutual Fund)**

**Sd/-**
**Sanjay Lakra**
**Compliance Officer**

Date: June 30, 2020
Place: Mumbai

The Due Diligence Certificate dated June 30, 2020 has been submitted to SEBI.

## II. INFORMATION ABOUT THE SCHEME

### A. TYPE OF SCHEME

An open ended liquid scheme

### B. INVESTMENT OBJECTIVE

The Scheme seeks to offer an investment avenue for short term savings by looking to generate returns commensurate with a low risk strategy and with high liquidity, from a portfolio that is invested in debt and money market securities with maturity up to 91 days.

However, there is no assurance that the investment objective of the scheme will be realized.

### C. ASSET ALLOCATION 14

| Asset Class | Indicative allocation (as % of total assets) |
|---|---|
| Debt Securities (including G-Sec and securitised debt) and Money Market Instruments with maturity* up to 91 days | 0% – 100% |

*In case of securities where the principal is to be repaid in a single payout the maturity of the securities shall mean residual maturity. In case the principal is to be repaid in more than one payout then the maturity of the securities shall be calculated on the basis of weighted average maturity of security. In case of securities with put and call options (daily or otherwise) the residual maturity of the securities shall not be greater than 91 days. In case the maturity of the security falls on a non-business day then settlement of securities will take place on the next business day.

Investment in Securitised Debt - up to 50% of the total assets 4
Exposure in Derivatives – up to 100% of total assets
Gross Exposure to Repo of Corporate Debt Securities – up to the extent permitted by the Regulations (currently up to 10% of total assets, subject to change in line with the regulations from time to time)
Investment in Foreign securities - up to 50% of total assets
Investment in Securities lending – up to 20% of the total assets with maximum single party exposure restricted to 5% of the total assets

The Scheme may engage in short selling of securities in accordance with the applicable guidelines / regulations. The scheme may invest in Credit Default Swaps (CDS) in accordance with the applicable regulations as and when permitted by SEBI/RBI up to the extent permitted by the regulations.

The cumulative gross exposure through derivatives and debt & money market instruments along with repo transactions in corporate debt securities and credit default swaps shall not exceed 100% of the net assets of the Scheme.

### D. WHERE WILL THE SCHEME INVEST? 15

The corpus of the Scheme will be invested in high quality debt and money market instruments. Subject to the Regulations, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

1. Securities issued, created, guaranteed or supported by the Central Government or a State Government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills / cash management bills)
2. Debt instruments (including non convertible portion of convertible instruments) issued by Companies / institutions promoted / owned / controlled by the Central or State Governments, domestic government agencies, quasi-government or local / statutory bodies, which may or may not carry a Central/State Government guarantee.
3. Debt securities (including non convertible portion of convertible instruments) issued by companies, banks, financial institutions and other bodies corporate (both public and private sector undertakings) including Bonds (coupon bearing / zero coupon), Debentures, Notes, Strips, etc.
4. Obligations of banks (both public and private sector) and financial institutions.
5. Certificate of Deposits (CDs), Commercial Paper (CPs), Bills Rediscounting, TREPS, Repo/Reverse repo, money at call or notice and other Money Market Instruments as may be permitted by SEBI / RBI from time to time.
6. Securitised Debt, Pass through, Pay through or other Participation Certificates representing interest in a pool of assets including receivables.
7. Derivatives.
8. Units of mutual fund schemes / ETF's
9. The non-convertible part of convertible securities.
10. Permitted foreign securities (except foreign securitised debt)
11. Any other debt and money market instruments as may be permitted by SEBI/ RBI from time to time.

The scheme shall make investment in /purchase debt and money market securities with maturity of upto 91 days only.

Explanation:

a. In case of securities where the principal is to be repaid in a single payout the maturity of the securities shall mean residual maturity.
b. In case the principal is to be repaid in more than one payout then the maturity of the securities shall be calculated on the basis of weighted average maturity of security.
c. In case of securities with put and call options (daily or otherwise) the residual maturity of the securities shall not be greater than 91 days.
d. In case the maturity of the security falls on a non-business day then settlement of securities will take place on the next business day.

The securities mentioned above and such other securities the Scheme is permitted to invest in could be listed, unlisted, publicly offered, privately placed, through negotiated deals, secured, unsecured, of various ratings or unrated as well as of various maturity.

For the purpose of further diversification and liquidity, the Scheme may invest in another scheme managed by the same AMC or by the AMC of any other Mutual Fund without charging any fees on such investments, provided that aggregate inter-scheme investment made by all schemes managed by the same AMC or by the AMC of any other Mutual Fund shall not exceed 5% of the net asset value of the Fund.

The scheme may invest the funds of the scheme in short term deposits of scheduled commercial banks as permitted under extant regulations. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

**NOTE ON DEBT MARKET & MONEY MARKET IN INDIA** 12

The Indian debt markets are one of the largest such markets in Asia. Government and Public

Sector enterprises are predominant borrowers in the market. While interest rates were regulated till a few years back, there has been a rapid deregulation and currently both the lending and deposit rates are market determined.

The debt markets are developing fast, with the rapid introduction of new instruments including Foreign Institutional Investors are also allowed to invest in Indian debt markets now. There has been a considerable increase in the trading volumes in the market. The trading volumes are largely concentrated in the Government of India Securities, which contribute a significant proportion of the daily trades.

The money markets in India essentially consist of the call money market (i.e. market for overnight and term money between banks and institutions), repo transactions (temporary sale with an agreement to buy back the securities at a future date at a specified price), commercial papers (CPs, short term unsecured promissory notes, generally issued by corporates), certificate of deposits (CDs, issued by banks) and Treasury Bills & Cash Management Bills (issued by RBI). In a predominantly institutional market, the key money market players are banks, financial institutions, insurance companies, mutual funds, primary dealers and corporates.

Following table exhibits various debt instruments along with indicative yields as on May 29, 2020:

| Instruments | Yield level (% per annum) |
|---|---|
| G – Sec 5 year | 5.43 |
| G – Sec 10 year | 5.76 |
| CP's 3 months | 4.40 |
| CD's 3 months | 3.40 |
| CP's 1 year | 5.70 |
| CD's 1 year | 4.40 |
| **NON PSU** | |
| Corporate Debentures AAA 3 year | 6.80 |
| Corporate Debentures AAA 5 year | 6.90 |
| **PSU** | |
| Corporate Debentures AAA 3 year | 5.35 |
| Corporate Debentures AAA 5 year | 5.70 |

The actual yields will, however, vary in line with general levels of interest rates and debt/money market conditions prevailing from time to time.

The mutual fund or AMC and its empanelled brokers have not given and shall not give any indicative portfolio and indicative yield in any communication, in any manner whatsoever. Investors are advised not to rely on any communication regarding indicative yield/ portfolio with regard to the scheme.

## E. INVESTMENT STRATEGY 7

The Scheme proposes to invest in fixed income securities and money market instruments with the aim of generating returns commensurate with a low risk strategy. The Scheme will invest in Debt securities and money market instruments with maturity up to 91 days.

The aim of the Investment Manager will be to allocate the assets of the Scheme amongst various fixed income instruments (debt / money market) with the objective of optimizing returns with a highly liquid portfolio. The actual percentage of investment in various fixed

income instruments from time to time will be decided basis the prevailing macro-economic environment (including interest rates and inflation), market conditions, general liquidity, and fund manager views.

**INVESTMENT IN DERIVATIVES**

The following information provides a basic idea as to the nature of the derivative instruments proposed to be used by the Scheme and the risks attached there with.

**Advantages of Derivatives:**
The volatility in Indian markets both in debt and equity has increased over last few months. Derivatives provide unique flexibility to the Scheme to hedge part of its portfolio. Some of the advantages of specific derivatives are as under:

**Derivatives Strategy:**
The Scheme may use derivatives instruments like Interest Rate Swaps, Forward Rate Agreements, Interest Rate Futures or such other derivative instruments as may be introduced from time to time and in the manner permitted by SEBI/RBI from time to time.

**Interest Rate Swaps (IRS)**
An IRS is an agreement between two parties to exchange stated interest obligations for an agreed period in respect of a notional principal amount. The most common form is a fixed to floating rate swap where one party receives a fixed (pre-determined) rate of interest while the other receives a floating (variable) rate of interest.

In terms of SEBI circular no. Cir/IMD/DF/11/2010 dated August 18, 2010, Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.

*Basic Structure Of A Swap*
Let us assume the Scheme holds a fixed rate bond with an interest rate (coupon) of 6% p.a. The Scheme can enter into an IRS with another market participant (Counter party) to hedge this risk and convert it into a floating rate instrument.

The following is an illustration of how an Interest rate swap works:

- The Scheme contracts to pay a fixed rate, say 6% p.a., and receive a floating rate (say overnight MIBOR).
- This transaction is done for a notional principal amount equal to the value of the investment, say INR 10 crore.
- The counter party pays floating rate (overnight MIBOR) and receives fixed rate, 6% p.a.
- Deal tenor is say 3 months.

At the end of the tenor, the following exchange will take place:

- The scheme pays at the rate of 6% p.a. i.e. INR 10 crore * 6% * 91/365 = INR 14,95,890
- The counter party pays a compounded MIBOR rate for 3 months, say 6.25%, which effectively works out to INR 15,58,219
- In practice, however, the difference of the two amounts is settled. In this case counter party will pay the scheme INR 62,329.

Please note that the above example is hypothetical in nature and the interest rates are

assumed. The actual return may vary based on actual and depends on the interest rate prevailing at the time the swap agreement is entered into.

The AMC retains the right to enter into such derivative transactions as may be permitted by the applicable regulations from time to time.

**Forward Rate Agreement (FRA)**
A FRA is an agreement between two parties to pay or receive the difference between an agreed fixed rate (the FRA rate) and the interest rate (reference rate) prevailing on a stipulated future date, based on a notional principal amount for an agreed period. The only cash flow is the difference between the FRA rate and the reference rate. As is the case with IRS, the notional amounts are not exchanged in FRAs.

**Interest Rate Future (IRF)**
Interest Rate Futures means a standardized interest rate derivative contract traded on a recognized stock exchange to buy or sell a notional security or any other interest bearing instrument or an index of such instruments or interest rates at a specified future date, at a price determined at the time of the contract.

Exchange traded IRFs are standardised contracts based on a notional coupon bearing Government of India (GOI) security currently.

As there is an inverse relationship between interest rate movement and underlying bond prices and the futures price also moves in tandem with the underlying bond prices. If the Fund Manager has a view that interest rates will rise in the near future and intends to hedge the risk from rise in interest rates; the Fund Manager can do so by taking short position in IRF contracts.

If the Fund Manager is of the view that the interest rates will go down the Fund Manager will buy IRF to participate in appreciation.

**Example:**

The scheme holds cash & cash equivalent and expects that the interest rate will go down and intends to take directional position. Accordingly, the fund manager shall buy IRF –

- Trade Date – January 1, 2019
- Futures Delivery date – April 1, 2019
- Current Futures Price - Rs. 102.00
- Futures Bond Yield- 8.85%
- Trader buys 200 contracts of the April 2019 10 Year futures contract of face value of Rs.1000 on NSE on January 1, 2019 at Rs. 102.00

Closing out the Position

- Date: January 7, 2019
- Futures market Price – Rs. 105.00
- Trader sells 200 contracts of April 2019 10 year futures contract of face value of Rs.1000 at Rs. 105 and squares off his position
- Therefore total profit for trader 200*1000*(105 – 102) is Rs.6,00,000

Exposure to Interest Rate Derivatives shall be within the position limits as prescribed by SEBI vide circulars no. CIR/MRD/DRMNP/11/2015 dated June 12, 2015 and Circular No. SEBI/HO/MRD/CIR/P/2019/103 dated September 26, 2019.

**Hedging**

Debt securities are exposed to the risk of rising interest rates, which in turn results in the reduction in the value and such impact can be seen in the value of the portfolio of the scheme. Under such circumstances, in order to hedge the fall in the value of the portfolio of the scheme due to falling bond prices, the fund manager may sell IRF contracts.

Example:

Date: January 01, 2019
Spot price of Security: Rs 101.80
Futures price of IRF Contract: Rs 102.00

On January 01, 2019, the Fund Manager bought 2000 GOI securities from spot market at Rs 101.80. The Fund Manager anticipates that the interest rate will rise in near future, therefore to hedge the exposure in underlying security the Fund Manager sells March 2019, Interest Rate Futures contracts at Rs 102.00.

On February 01, 2019 due to increase in interest rate:

Spot price of Security: Rs 100.80
Futures Price of IRF Contract: Rs 101.10
Loss in underlying market will be (101.80 - 100.80)*2000 = Rs 2000
Profit in the Futures market will be (101.10 – 102.00)*2000 = Rs 1800

**Imperfect hedging:**

Use of IRF may result in imperfect hedging when the IRF used for hedging the interest rate risk has different underlying security(s) than the existing position being hedged.

Example of imperfect hedge due to use of IRF:

Assume the portfolio of market value worth INR 100 crore has a modified duration of 5. This is being hedged with an IRF that has a modified duration of 10.

Imperfect Hedging cannot exceed 20% of Portfolio. The maximum extent of short position that may be taken in IRFs is as below:

$$\frac{\text{(Portfolio Modified Duration * Market Value of Portfolio)}}{\text{(Futures Modified Duration * Futures Price/PAR)}}$$

Consider that we choose to hedge 20% of portfolio, as below:

$$\frac{(5 * (0.2*100))}{(10 * 101/100)} = \text{INR 9.90 Crores}$$

Hence the scheme can sell IRFs worth INR 9.90 Crores and with duration of 10 to hedge INR 20 crore of portfolio with a duration of 5.

**INVESTMENT IN REPO IN CORPORATE DEBT SECURITIES**

SEBI has vide CIRCULAR no. CIR / IMD / DF / 19 / 2011 dated November 11, 2011 enabled mutual funds to participate in repos in corporate debt securities as per the guidelines issued by RBI from time to time and subject to few conditions listed in the circular.

The circular requires the Trustees and the Asset Management Companies to frame guidelines

about, inter alia, the following in context of these transactions, keeping in mind the interest of investors in the scheme:

i. Category of counterparty
ii. Credit rating of counterparty
iii. Tenor of collateral
iv. Applicable haircuts

**Conditions applicable (as per SEBI circular):**

1. The gross exposure of any mutual fund scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the concerned scheme.
2. The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the Scheme.
3. Mutual funds shall participate in repo transactions only in AAA rated corporate debt securities.
4. In terms of Regulation 44 (2) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, mutual funds shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.
5. Mutual funds shall ensure compliance with the Seventh Schedule of the Mutual Funds Regulations about restrictions on investments, wherever applicable, with respect to repo transactions in corporate debt securities.
6. The details of repo transactions of the scheme in corporate debt securities, including details of counterparties, amount involved and percentage of NAV shall be disclosed to investors in the half yearly portfolio statements and to SEBI in the half yearly trustee report.
7. To enable the investors in the mutual fund schemes to take an informed decision, the concerned Scheme Information Document shall disclose the following:
   i. The intention to participate in repo transactions in corporate debt securities in accordance with directions issued by RBI and SEBI from time to time;
   ii. The exposure limit for the scheme; and
   iii. The risk factors associated with repo transactions in corporate bonds

**Guidelines to be followed by IDFC Mutual Fund:**

The following guidelines shall be followed by IDFC Mutual Fund for participating in repo in corporate debt security:

**i. Category of counterparty & Credit rating of counterparty**

All the counterparties with whom IDFC Mutual Fund currently deals in repo (SLR) shall be eligible for corporate bonds repo subject to execution of corporate bond repo agreement.

**ii. Tenor of Repo**

Tenor of repo shall be capped to 3 months as against maximum permissible tenor of 6 months. Any repo for a tenor beyond 3 months shall require prior approval from investment committee of the fund. There shall be no restriction / limitation on the tenor of collateral.

**iii. Applicable haircut**

A haircut of minimum 5% or such other amount specified by SEBI / RBI (currently 7.50%), whichever higher, from on the market value of the underlying security irrespective of the tenor to adjust for the illiquidity of the underlying instrument. The haircut % mentioned herein is a function of how market practice evolves with respect to corporate bond repo. Prior

approval of the Investment committee shall be sought for change in the haircut from existing 5% to such other % as deemed fit.

**iv. Additional internal investment limit:**

Any scheme shall not lend / borrow more than 10% of its corpus in repo against corporate bonds or 5% of total AUM of the Mutual fund (excluding Fund of fund) whichever is lower.

**INVESTMENT IN SECURITISED DEBT**

**1. How the risk profile of securitized debt fits into the risk appetite of the scheme**

Securitization is the fact or process of securitizing assets i.e. the conversion of loans into securities, usually in order to sell them on to other investors. This is done by assigning the loans to a special purpose vehicle (a trust), which in turn issues Pass-Through-Certificates (PTCs). These PTCs are transferable securities with fixed income characteristics. The risk of investing in securitized debt is similar to investing in debt securities.

However it differs mainly in two respects. One, the liquidity of securitized debt is less than similar debt securities. Two, for certain types of securitized debt (backed by mortgages etc.), there is an additional pre-payment risk. Prepayment risk refers to the possibility that loans are repaid before they are due, which may reduce returns if the re-investment rates are lower than initially envisaged.

Because of these additional risks, securitized debt typically offers higher yields than debt securities of similar credit rating and maturity. After considering these additional risks, the investment is no different from investment in a normal debt security. Considering the investment objective of the scheme, these instruments with medium risk profile can be considered in the investment universe. Thus if the Fund Manager judges that the additional risks are suitably compensated by the higher returns, he may invest in securitized debt up to the limits specified in the asset allocation table.

**2. Policy relating to originators based on nature of originator, track record, NPAs, losses in earlier securitized debt, etc**

Investments in securitized debt will be done based on the assessment of the originator and the securitized debt, which is carried out by the Fixed Income team based on the in-house research capabilities as well as the inputs from the independent credit rating agencies and by following AMC's internal credit process.

Specifically, in order to mitigate the risk at the issuer/originator level the Fixed Income team will consider various factors which will include -

− Track record of the originator in the specific business to which the underlying loans correspond to;
− Size and reach of the issuer/originator;
− Collection infrastructure & collection policies;
− Post default recovery mechanism & infrastructure;
− Underwriting standards & policies followed by originator;
− Management information systems;
− Financials of the originators including an analysis of leverage, NPAs, earnings, etc.
− Future strategy of the company for the specific business to which the underlying loans correspond to;
− Performance track record of Originator's portfolio & securitized pools, if any;
− Utilization of credit enhancement in the prior securitized pools;
− The quality of information disseminated by the issuer/ originator; and

− The credit enhancement for different types of issuer/originator.

Also, assessment of business risk would be carried out which includes -
− Outlook for the economy (both domestic and global); and
− Outlook for the industry

In addition, the fund analyses the specific pool and the broad evaluation parameters are as follows:
− Average seasoning of the loans in the pool
− Average Loan to value ratio of the loans in the pool
− Average ticket size of the loans
− Borrower profile (salaried / self employed, etc)
− Geographical profile of the pool
− Tenure profile of the pool
− Obligor concentration
− Credit enhancement cover available over and above the historic losses on Originator's portfolio
− Expected Prepayment rate in the specific asset class experienced by the originator in the past as well as the industry
− Limited Liquidity and Price Risk.

The scheme will invest in securitized debt which are rated investment grade and above by a credit rating agency recognized by SEBI. The investment team analyses the Rating Rationale in detail before investing in any PTCs, and also discusses with the concerned rating agency on a need basis. The rating agency would normally take into consideration the following factors while rating a securitized debt:

- Credit risk at the asset/originator/portfolio/pool level
The quality of the pool is a crucial element in assessing credit risk. In the Indian context, generally, pools are 'cherry-picked' using positive selection criteria. To protect the investor from adverse selection of pool contracts, the rating agencies normally take into consideration pool characteristics such as pool seasoning (seasoning represents the number of installments paid by borrower till date: higher seasoning represents better quality), over dues at the time of selection and Loan to Value (LTV). To assess its risk profile vis-à-vis the overall portfolio, the pool is analyzed with regard to geographical location, borrower profile, LTV, and tenure.

- Counterparty risk
This includes Servicer Risk, co-mingling risk etc. The rating agencies generally mitigate such risks though the usage of stringent counterparty selection and replacement criteria to reduce the risk of failure.
- Bankruptcy risk
- Of the Originator –
• Normally, specific care is taken in structuring the securitization transaction so as to minimize the risk of the sale to the trust not being construed as a 'true sale'.
It is also in the Interest of the originator to demonstrate the transaction as a true sell to get the necessary revenue recognition and tax benefits.
- Of the Investors' agent
• All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by Investor's Agent is held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor's Agent.
- Legal risks
The rating agency normally conducts a detailed study of the legal documents to ensure that the investors' interest is not compromised and relevant protection and safeguards are built into the transaction.

Various market risks like interest rate risk, macro-economic risks Assessment of risks related to business for example outlook for the economy, outlook for the industry and factors specific to the issuer/originator.

**3. Risk mitigation strategies for investments with each kind of originator**

The examples of securitized assets which may be considered for investment by the Scheme and the various risk mitigation parameters (please read in continuation with point 2 above), which will be considered include;

A) Asset backed securities issued by banks or nonbanking finance companies.
Underlying assets may include receivables from loans against cars, commercial vehicles, construction equipment or unsecured loans such as personal loans, consumer durable loans. The various factors which will be usually considered while making investments in such type of securities include profile of the issuer, analysis of underlying loan portfolio – nature of asset class, seasoning of loans, geographical distribution of loans and coverage provided by credit-cum-liquidity enhancements.

A) Mortgage backed securities issued by banks or housing finance companies, where underlying assets are comprised of mortgages/home loan.
The various factors which will be usually considered while making investments in such type of securities include issuer profile of the issuer, quality of underlying portfolio, seasoning of loans, coverage provided by credit-cum-liquidity enhancements and prepayment risks.

B) Single loan securitization, where the underlying asset comprises of loans issued by a bank/non-banking finance company.
The factors which will be usually considered while making investments in such type of securities include assessment of credit risk associated with the underlying borrower as well as the originator. The Fixed Income team will adhere to the AMC's internal credit process and perform a detailed review of the underlying borrower prior to making investments. This analysis is no different from the analysis undertaken by Fund when it invests in Debentures or Commercial papers issued by the same borrower.

Critical Evaluation Criteria
Typically the Fund would avoid investing in securitization transaction (without specific risk mitigation strategies / additional cash/security collaterals/ guarantees) if there are concerns on the following issues regarding the originator / underlying issuer:

1. High default track record/ frequent alteration of redemption conditions/covenants
2. High leverage ratios – both on a standalone basis as well on a consolidated level/ group level
3. Higher proportion of re-schedulement of underlying assets of the pool or loan, as the case may be
4. Higher proportion of overdue assets of the pool or the underlying loan, as the case may be
5. Poor reputation in market
6. Insufficient track record of servicing of the pool or the loan, as the case may be.

Further, investments in securitized debt will be done in accordance with the investment restrictions specified under the SEBI Regulations/ this Scheme Information Document which would help in mitigating certain risks.

**4. The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments**

The framework which will generally be applied by the Fund Manager while evaluating the investment decision with respect to securitized debt will be as follows:

| **Characteristics/Type of Pool** | **Mortgage Loan** | **Single Sell Down** | **Others** |
|---|---|---|---|
| Approximate Average Maturity (in Months) | Up to 10 years | Case by case basis | As and when new asset classes of securitized debt are introduced, the investments in such instruments will be evaluated on a case by case basis |
| Collateral margin (including cash, guarantees, excess interest spread, subordinate tranche) | In excess of 3% | Case by case basis | |
| Average Loan to Value Ratio | 95% or lower | Case by case basis | |
| Average seasoning of the Pool | Minimum 2 months | Case by case basis | |
| Maximum single exposure range * | < 5% | Not applicable | |
| Average single exposure applicable range % * | < 5% | Not applicable | |

* denotes % of a single ticket/loan size to the overall assets in the securitized pool.
$ Broad evaluation criteria as per point 3 above

**Notes:**
1. Retail pools are the loan pools relating to Car, 2 wheeler, micro finance and personal loans, wherein the average loan size is relatively small and spread over large number of borrowers.
2. The information illustrated in the table above is based on current scenario relating to securitized debt market and is subject to change depending upon the change in the related factors. In addition to the framework stated in the table above, in order to mitigate the risks associated with the underlying assets where the diversification is less, at the time of investment the Fixed Income team could consider various factors including but not limited to -

- Size of the loan - the size of each loan is generally analyzed on a sample basis and an analysis of the static pool of the originator is undertaken to ensure that the same matches with the static pool characteristics. It also indicates whether there is high reliance on very small ticket size borrower which could result in delayed and expensive recoveries.
- Average original maturity of the pool of underlying assets
- The analysis of average maturity of the pool is undertaken to evaluate whether the tenor of the loans are generally in line with the average loans in the respective industry and repayment capacity of the borrower.
- Loan to value ratio, average seasoning of the pool of underlying assets - these parameters would be evaluated based on the asset class as mentioned in the table above.
- Default rate distribution - the Fixed Income team generally ensures that all the contracts in the pool are current to ensure zero default rate distribution.
- Geographical distribution - the analysis of geographical distribution of the pool is undertaken to ensure prevention of concentration risk.
- Credit enhancement facility - credit enhancement facilities in the form of cash collateral, such as fixed deposits, bank guarantee etc could be obtained as a risk mitigation measure.
- Liquidity facility - these parameters will be evaluated based on the asset class as mentioned in the table above.
- Structure of the pool of underlying assets – The structure of the pool of underlying assets would be either single asset class or combination of various

asset classes as mentioned in the table above. We could add new asset class depending upon the securitization structure and changes in market acceptability of asset classes.

**5. Minimum retention period of the debt by originator prior to securitization**

The minimum retention period of the debt by the originator prior to securitization and the minimum retention percentage by originator of debts will be as per the guidelines/regulations issued by the RBI/other regulatory agencies from time to time.

Also, please refer the table in point 4. The Fund will adopt that policy, whichever is stricter.

**6. Minimum retention percentage by originator of debts to be securitized**

Same as point 5 above.

**7. The mechanism to tackle conflict of interest when the mutual fund invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme of the fund**

An investment by the scheme in any security is done after detailed analysis by the Fixed Income team and in accordance with the investment objectives and the asset allocation pattern of a scheme. All investments are made on an arms-length basis without consideration of any investments (existing/potential) in the schemes made by any party related/involved in the transaction. The robust credit process ensures that there is no conflict of interests when a scheme invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme.

**8. The resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt**

The resources for and mechanisms of individual risk assessment with the AMC for monitoring investment in securitized debt are as follows:

- Fixed Income Team – Currently, the AMC has a 4 member team, who is responsible for credit research and monitoring and fund management, for all exposures including securitized debt.
- Ratings are monitored for any movement – Based on the cash flow report and Fixed Income Team's view, periodic review of utilization of credit enhancement shall be conducted and ratings shall be monitored accordingly.
- For legal and technical assistance with regard to the documentation of securitized debt instruments, the team can make use of resources within the internal legal team and if required take help of our external legal counsel as well.

**INVESTMENT IN OVERSEAS FINANCIAL ASSETS/FOREIGN SECURITIES:**

In terms of SEBI Circulars dated September 26, 2007 and April 08, 2008, each mutual fund is permitted to invest up to maximum of US$ 300 million. The overall cap for the entire mutual funds industry to invest in foreign securities is US$ 7 billion. The Scheme can invest in:

i. Foreign debt securities in the countries with fully convertible currencies, short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies
ii. Money market instruments rated not below investment grade
iii. Repos in the form of investment, where the counterparty is rated not below investment grade; repos should not however, involve any borrowing of funds by mutual funds
iv. Government securities where the countries are rated not below investment grade
v. Derivatives traded on recognized stock exchanges overseas only for hedging and portfolio balancing with underlying as securities
vi. Short term deposits with banks overseas where the issuer is rated not below investment grade
vii. Units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in (a) aforesaid securities, (b) Real Estate Investment Trusts (REITs)

listed in recognized stock exchanges overseas or (c) unlisted overseas securities (not exceeding 10% of their net assets).

The overall ceiling for investment in overseas ETFs that invest in securities is US $ 1 billion subject to a maximum of US $ 50 million per mutual fund.

The restriction on the investments in mutual fund units upto 5% of net assets and prohibits charging of fees, shall not be applicable to investments in mutual funds in foreign countries made in accordance with SEBI Guidelines. However, the management fees and other expenses charged by the mutual fund in foreign countries along with the management fee and recurring expenses charged to the domestic mutual fund scheme shall not exceed the total limits on expenses as prescribed under Regulation 52(6). Where the scheme is investing only a part of the net assets in the foreign mutual fund(s), the same principle shall be applicable for that part of investment.

**Procedure & Recording of Investment Decisions and Risk Control**

All investment decisions, relating to the Scheme, will be undertaken by the AMC in accordance with the Regulations and the investment objectives specified in this SID. All investment decisions taken by the AMC in relation to the Scheme shall be recorded.

The Investment Management Committee (IMC) oversee the Investment function, will be responsible for laying down the broad Investment Policy and the Specific scheme mandates, in addition to monitoring scheme performance and reviewing portfolio strategy. The risk control parameters would be laid down for each scheme based on the objectives of the scheme and prudent fund management practices will ensure that investor monies are invested in the appropriate risk/reward environment. The AMC would ensure that investments are made in accordance with the regulatory / internal guidelines, if any. Internal guidelines may be set by the AMC from time to time and reviewed in line with the market dynamics.

The designated Fund manager of the scheme will be responsible for taking the day-to-day investment decisions and will inter-alia be responsible for asset allocation, security selection and timing of investment decisions.

In case of investments in debt instruments, the AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, the investment team of the AMC will carry out requisite credit evaluation of the securities. Rated Debt instruments in which the Scheme invests will be of investment grade as rated by a credit rating agency. The AMC will be guided by the ratings of Rating Agencies such as CRISIL, CARE, ICRA and Fitch or any other rating agencies that may be registered with SEBI from time to time. In case a debt instrument is not rated, prior approval of the Board of Directors of Trustee and the AMC will be obtained for such an investment.

The AMC may approach rating agencies such as CRISIL, ICRA, etc for ratings of the scheme. The Scheme may use various derivatives and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unit holders' interests.

The Scheme may invest in other Schemes managed by the AMC or in the Schemes of any other Mutual Funds, provided it is in conformity to the investment objectives of the Scheme and in terms of the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments and the aggregate inter-Scheme investment made by all Schemes of IDFC Mutual Fund or in the Schemes under the management of other asset management companies shall not exceed 5% of the net asset value of the IDFC Mutual Fund. For the present, the Scheme does not intend to enter into underwriting obligations. However, if the

Scheme does enter into an underwriting agreement, it would do so after complying with the Regulations.

**SECURITIES LENDING**

If permitted by SEBI Regulations, the Scheme may also engage in securities lending in accordance with the applicable guidelines/regulations. Securities lending means lending a security to another person or entity for a fixed period of time, at a negotiated compensation. The security lent will be returned by the borrower on expiry of the stipulated period.

A maximum of 20% of the net assets will be deployed in securities lending and the maximum single party exposure will be restricted to 5% of the net assets.

Engaging in securities lending is subject to risks related to fluctuations in the collateral value / settlement / liquidity / counter party.

6 **SHORT SELLING OF SECURITIES**

If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines / regulations issued by SEBI. Short sale of securities means selling of securities without owning them.
Engaging in short sale of securities is subject to risks related to fluctuations in market price, and settlement/ liquidity risks.

**PORTFOLIO TURNOVER**

It is expected that there would be a number of subscriptions and redemptions on a daily basis. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. However, being fixed income oriented Scheme/s a high portfolio turnover would not significantly affect the brokerage and transaction costs.

Portfolio turnover in the scheme will be a function of market opportunities. It is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. The AMC will endeavor to optimize portfolio turnover to optimize risk adjusted return keeping in mind the cost associated with it. A high portfolio turnover rate is not necessarily a drag on portfolio performance and may be representative of investment opportunities that exist in the market.

Being a debt scheme, disclosure of Portfolio Turnover ratio is not applicable to this scheme.

**INVESTMENT BY THE AMC IN THE SCHEME** 1

The AMC may invest in the Scheme from time to time. As per the Regulations, such investments are permitted subject to disclosure being made in this Scheme information document. However, the AMC shall not be entitled to charge any management fee on its investments in the Scheme.

Further, as required by the regulations, the AMC has invested not less than 1% of the AUM as on May 6, 2014 or Rs.50 lakhs, whichever is less, in the Growth option of the scheme and such investment shall not be redeemed unless the scheme is wound up.

**F. FUNDAMENTAL ATTRIBUTES** 8

Following are the "fundamental attributes" of the scheme, in terms of Regulation 18(15A) of the SEBI (MF) Regulations:

**(i) Type of scheme**

Please refer to section on "Information about the Scheme"

**(ii) Investment Objectives**

Please refer to section on "Information about the Scheme"

**(iii) Asset Allocation Pattern**

Please refer to section on "Information about the Scheme"

**(iv) Terms of Issue**

Redemption of Units , Please refer to section UNITS AND OFFER. Fees and expenses Please refer to section FEES AND EXPENSES

**(v) Any Safety Net or Guarantee provided – None**

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme there under or the trust or fee and expenses payable or any other change which would modify the Scheme at hereunder and affect the interests of Unitholders is carried out unless:

(i) A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
(ii) The Unitholders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load.

## G. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE? 9

The Scheme is benchmarked to CRISIL Liquid Fund Index.

In line with the investment strategy and portfolio construct of the Scheme the Benchmark is most suited for comparison of the performance of the Scheme. However the Benchmark being widely used benchmark in the market, the same has been selected as a standard benchmark for the purpose of this Scheme.

The fund reserves the right to change the said benchmark and/or adopt one or more other benchmarks to compare the performance of the scheme.

## H. WHO MANAGES THE SCHEME? 10

Details of the Fund Managers are stated here below:

**Mr. Anurag Mittal**

| Name | Qualification | Brief Experience |
|---|---|---|
| Mr. Anurag Mittal Associate Director – | 37 years / B. Com (Hons), CA, M.Sc. (Accounting & Finance with specialisation in Finance) from London School of | Mr. Mittal has experience spanning of over 13 years in Mutual Fund & Banking.<br><br>He is associated with IDFC AMC since November 2015. Prior to joining IDFC he was |

| | | |
|---|---|---|
| Fund Management | Economics & Political Science | associated with HDFC Asset Management Company Ltd. (Sept.2012 – Oct.2015) as Senior Manager Investments, responsible for Dealing & Research. Prior to that he was associated with Axis Asset Management Company Limited (Jul.2009 – Sept.2012) as Fund Manager – Investments, responsible for Fund Management, Dealing & Research. Prior to that he was associated with ICICI Prudential Life Insurance (Jun.2008-Jun.2009) as a Manager of Investments, responsible for Dealing & Research. Prior to that, he was associated with Bank of America (Nov.2006-Jun.2008) as an Analyst for Corporate Debt Products and was involved in research.<br><br>Managing the Fund since November 9, 2015 |

**Other Schemes managed by Anurag Mittal are**:
IDFC Hybrid Equity Fund, IDFC Regular Savings Fund, IDFC Cash Fund, IDFC Low Duration Fund, IDFC Money Manager Fund, IDFC Banking & PSU Debt Fund, IDFC Corporate Bond Fund, IDFC Fixed Term Plans

**Mr. Harshal Joshi**

| Name / Designation | Age / Qualification | Brief Experience |
|---|---|---|
| Mr. Harshal Joshi Associate Vice President - Fund Management | 35 Years / PGDBM | Mr. Joshi has experience spanning over 12 years in Mutual Fund.<br><br>He has been associated with IDFC AMC since December'2008 with Fixed Income Investment team. Prior to the same he was associated with ICAP India Pvt. Ltd. (2006 to 2007).<br><br>Managing the Fund since September 15, 2015 |

**Other schemes managed by Mr. Harshal Joshi are:**

IDFC Arbitrage Fund, IDFC Equity Savings Fund, IDFC All Seasons Bond Fund, IDFC Cash Fund, IDFC Ultra Short Term Fund, IDFC Money Manager Fund, IDFC Government Securities Fund – Constant Maturity Plan, IDFC Yearly Series Interval Fund – Series II, IDFC Fixed Term Plans

**Dedicated fund manager for foreign/overseas investment (since March 2016):**

| **Name** | Qualification | Brief Experience |
|---|---|---|
| Mr. Viraj Kulkarni Manager - Fund Management | 31 Years / B.Tech, Electronics Engineering; PGDM, Finance; CFA | Mr. Kulkarni has an experience spanning of over 7 years in Finance Industry.<br><br>He has been associated with IDFC AMC since September 2015. Prior to joining IDFCAMC he was associated with Franklin Templeton Asset Management (India) Pvt. Ltd. (May 2014 – Sept.2015). Prior to that he was associated with Goldman Sachs Services India (June 2010 – May 2012) as an Analyst for Wealth Management |

| | | |
|---|---|---|
| | | Technology. |

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## I. WHAT ARE THE INVESTMENT RESTRICTIONS?

Pursuant to Regulations, specifically the Seventh schedule and amendments thereto, the following investment restrictions are currently applicable to the Scheme:

1. Investment in securities from the scheme's corpus would be only in transferable securities in accordance with Regulation 43 of Chapter VI of SEBI [Mutual Funds] Regulations, 1996.

2. The Scheme shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities;

   Provided that the Scheme may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI;

   Provided further that the Scheme may enter into derivatives transactions in a recognised stock exchange, subject to the framework specified by SEBI;

   Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.

3. The Scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the SEBI Act. Such investment limit may be extended to 12% of the NAV of the Scheme with the prior approval of the Boards of the Trustee Company and the AMC;

   Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and Tri-Party Repos;

   Provided further that investment within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with SEBI.

4. The Scheme shall not invest in unlisted debt instruments including commercial papers (CPs), other than (a) government securities, (b) other money market instruments and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. which are used by mutual funds for hedging.

   However, Scheme may invest in unlisted Non-Convertible Debentures (NCDs) not exceeding 10% of the debt portfolio of the Scheme subject to the condition that such unlisted NCDs have a simple structure (i.e. with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront, without any credit enhancements or structured obligations) and are rated and secured with coupon payment frequency on monthly basis.

   For the purpose of investment in debt instruments, listed debt instruments shall include listed and to be listed debt instruments.

5. All investments by the Scheme in Commercial Papers (CPs) would be made only in CPs which are listed or to be listed.

6. Investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps, Interest Rate Futures, etc by the Scheme shall be subject to the following:
    a. Investments shall only be made in such instruments, including bills re-discounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder.
    b. Exposure of the Scheme in such instruments, shall not exceed 5% of the net assets of the Scheme.
    c. All such investments shall be made with the prior approval of the Board of AMC and the Board of Trustees.

7. The Scheme shall hold at least 20% of its net assets in liquid assets. For this purpose, 'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities. In case, the exposure in such liquid assets falls below 20% of net assets of the scheme, the compliance with the above requirement shall be ensured before making any further investments.

8. The Scheme shall not make investments in debt securities having structured obligations (SO rating) and / or credit enhancements (CE rating). However, debt securities with government guarantee shall be excluded from such restriction.

9. The Scheme shall not make any investment in
    - any unlisted security of an associate or group company of the sponsor; or
    - any security issued by way of private placement by an associate or group company of the sponsor; or
    - the listed securities of group companies of the sponsor which is in excess of 25% of the net assets.

10. Transfer of investments from one scheme to another scheme in the same Mutual Fund is permitted provided:
    a) such transfers are done at the prevailing market price for quoted instruments on spot basis and in line provisions of SEBI Circular dated September 24, 2019 and as may be specified by SEBI from time to time, in this regard; and
    b) the securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.

11. The Scheme may invest in other Schemes under the same AMC or any other Mutual Fund without charging any fees, provided the aggregate inter-Scheme investment made by all the Schemes under the same management or in Schemes under management of any other asset management company shall not exceed 5% of the Net Asset Value of the Fund. Provided that this clause shall not apply to any Fund of Funds scheme.

12. The Fund shall get the securities purchased transferred in the name of the Fund on account of the concerned Scheme, wherever investments are intended to be of a long-term nature.

13. All the Scheme's investments will be in transferable securities or bank deposits or in money at call or any such facility provided by RBI in lieu of call.

14. No loans for any purpose can be advanced by the Scheme.

15. The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of repurchase/ redemption of units or payment of interest and/or dividend to the Unitholders, provided that the Fund shall not borrow more than 20% of the net assets of the

individual Scheme and the duration of the borrowing shall not exceed a period of 6 months.

16. The Scheme shall not park funds in short term deposits of scheduled commercial bank.

17. The scheme shall not make any investment in a Fund of Funds scheme.

18. The exposure in a particular sector (excluding investments in Bank CDs, TREPS, G-Secs, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) under the portfolio will not exceed 20% of the net assets on account of purchase.

    An additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the scheme shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) only. Further, an additional exposure of 5% of the net assets of the Scheme has been allowed for investments in securitized debt instruments based on retail housing loan portfolio and / or affordable housing loan portfolio.

    Provided that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 20% of the net assets of the scheme on account of purchase.

19. The total exposure of debt and liquid schemes in a group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the scheme. Such investment limit may be extended to 25% of the net assets of the scheme with the prior approval of the Board of the Trustee Company.

    However, investment by debt mutual fund schemes in debt and money market instruments of group companies of both the sponsor and asset management company shall not exceed 10% of the net assets of the Scheme. Such investment limit may be extended to 15% of the net assets of the Scheme with the prior approval of the Board of Trustees.

    For this purpose, a group means a group as defined under regulation 2 (mm) of SEBI (Mutual Funds) Regulations, 1996 and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates

20. The Scheme will comply with provisions specified in Circular dated August 18, 2010 related to overall exposure limits applicable for derivative transactions as stated below:

    (a) The cumulative gross exposure through equity, debt, derivative positions, REITs & InvITs and across various other asset classes in which the Scheme is permitted to invest should not exceed 100% of net assets of the Scheme.
    (b) Mutual Funds shall not write options or purchase instruments with embedded written options.
    (c) The total exposure related to option premium paid must not exceed 20% of the net assets of the Scheme.
    (d) Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
    (e) Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:
        i. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities till the existing position remains.
        ii. Hedging position cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in point a).
        iii. Any derivative instrument used to hedge the underlying security as the existing

position being hedged.

iv. The quantity of underlying associated with the derivative position taken for hedging purpose does not exceed the quantity of the existing position against which hedge has been taken.

(f) Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counterparty in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the Scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the Scheme.

(g) Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point a) above.

(h) Definition of Exposure in case of Derivatives Positions – Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss.

Exposure in derivative positions shall be computed as follows:

| Position | Exposure |
|---|---|
| Long Future | Futures Price * Lot Size * Number of Contracts |
| Short Future | Futures Price * Lot Size * Number of Contracts |
| Option Bought | Option Premium Paid * Lot Size * Number of Contracts |

**Exposure limit for participating in Interest Rate Futures**

In addition to the existing provisions of SEBI Circular No. Cir/IMD/DF/11/2010 dated August 18, 2010, the following has been prescribed vide SEBI Circular No. SEBI/HO/IMD/DF2/ CIR/P/2017/109 dated September 27, 2017:

i. To reduce interest rate risk in a debt portfolio, mutual funds may hedge the portfolio or part of the portfolio (including one or more securities) on weighted average modified duration basis by using Interest Rate Futures (IRFs). The maximum extent of short position that may be taken in IRFs to hedge interest rate risk of the portfolio or part of the portfolio, is as per the formula given below:

$$\frac{\text{(Portfolio Modified Duration * Market Value of the Portfolio)}}{\text{(Futures Modified Duration * Future Price / PAR)}}$$

ii. In case the IRF used for hedging the interest rate risk has different underlying security(s) than the existing position being hedged, it would result in imperfect hedging.

iii. Imperfect hedging using IRFs may be considered to be exempted from the gross exposure, upto maximum of 20% of the net assets of the Scheme, subject to the following:

01. Exposure to IRFs is created only for hedging the interest rate risk based on the weighted average modified duration of the bond portfolio or part of the portfolio.

02. Mutual Funds are permitted to resort to imperfect hedging, without it being considered under the gross exposure limits, if and only if, the correlation between the portfolio or part of the portfolio (excluding the hedged positions, if any) and the IRF is at least 0.9 at the time of initiation of hedge. In case of any subsequent

deviation from the correlation criteria, the same may be rebalanced within 5 working days and if not rebalanced within the timeline, the derivative positions created for hedging shall be considered under the gross exposure computed in terms of Para 21 a) above. The correlation should be calculated for a period of last 90 days.

**Explanation:** If the fund manager intends to do imperfect hedging upto 15% of the portfolio using IRFs on weighted average modified duration basis, either of the following conditions need to be complied with:

- The correlation for past 90 days between the portfolio and the IRF is at least 0.9 or
- The correlation for past 90 days between the part of the portfolio (excluding the hedged portions, if any) i.e. at least 15% of the net asset of the Scheme (including one or more securities) and the IRF is at least 0.9.

03. At no point of time, the net modified duration of part of the portfolio being hedged should be negative.

04. The portion of imperfect hedging in excess of 20% of the net assets of the Scheme should be considered as creating exposure and shall be included in the computation of gross exposure in terms of 20.a) above.

iv. The basic characteristics of the Scheme should not be affected by hedging the portfolio or part of the portfolio (including one or more securities) baseed on the weighted average modified duration.

**Explanation:** In case of long term bond fund, after hedging the portfolio based on the modified duration of the portfolio, the net modified duration should not be less than the minimum modified duration of the portfolio as required to consider the fund as a long term bond fund.

v. The interest rate hedging of the portfolio should be in the interest of investors.

21. The scheme shall make investment in /purchase debt and money market securities with maturity of upto 91 days only.

Explanation:

a. In case of securities where the principal is to be repaid in a single payout the maturity of the securities shall mean residual maturity.
   In case the principal is to be repaid in more than one payout then the maturity of the securities shall be calculated on the basis of weighted average maturity of security.
b. In case of securities with put and call options (daily or otherwise) the residual maturity of the securities shall not be greater than 91 days.
c. In case the maturity of the security falls on a non-business day then settlement of securities will take place on the next business day.

The Scheme will comply with SEBI regulations and any other Regulations applicable to the investments of Mutual Funds from time to time. The Trustees may alter the above restrictions from time to time to the extent that changes in the Regulations may allow and/or as deemed fit in the general interest of the Unitholders.

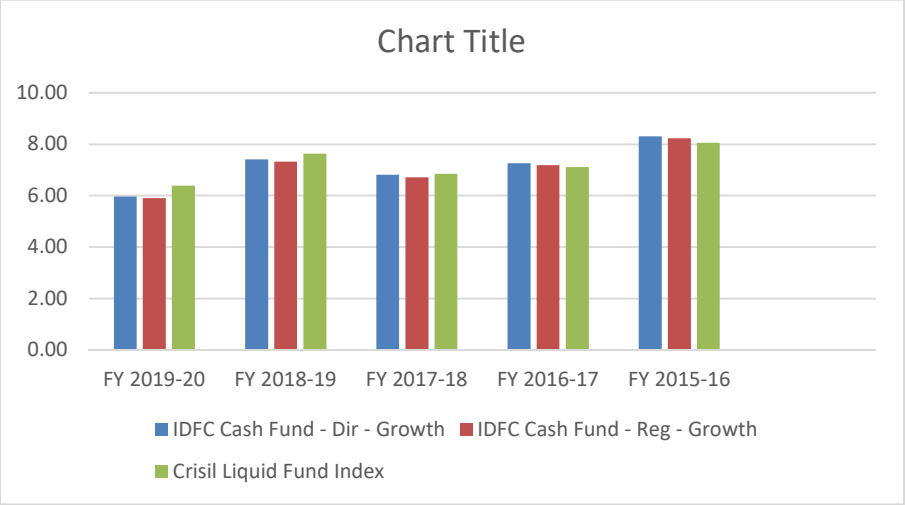
All investment restrictions shall be applicable at the time of making the investment.

## J. HOW HAS THE SCHEME PERFORMED

Returns (%) for Growth Option as on May 29, 2020

| Period | Scheme Returns % | | Benchmark Returns % | |
|---|---|---|---|---|
| | Direct | Regular | Direct | Regular |
| 1 Year | 5.57% | 5.51% | 6.01% | 6.01% |
| 3 Years | 6.63% | 6.55% | 6.88% | 6.88% |
| 5 Years | 7.02% | 6.94% | 7.10% | 7.10% |
| Since Inception | 7.70% | 7.61% | 7.73% | 7.44% |
| Benchmark – Crisil Liquid Fund Index<br>Date of Inception Direct – January 01, 2013 Regular – June 04, 2008 | | | | |

Return > 1 year are compounded annualised, Return < 1 year are absolute

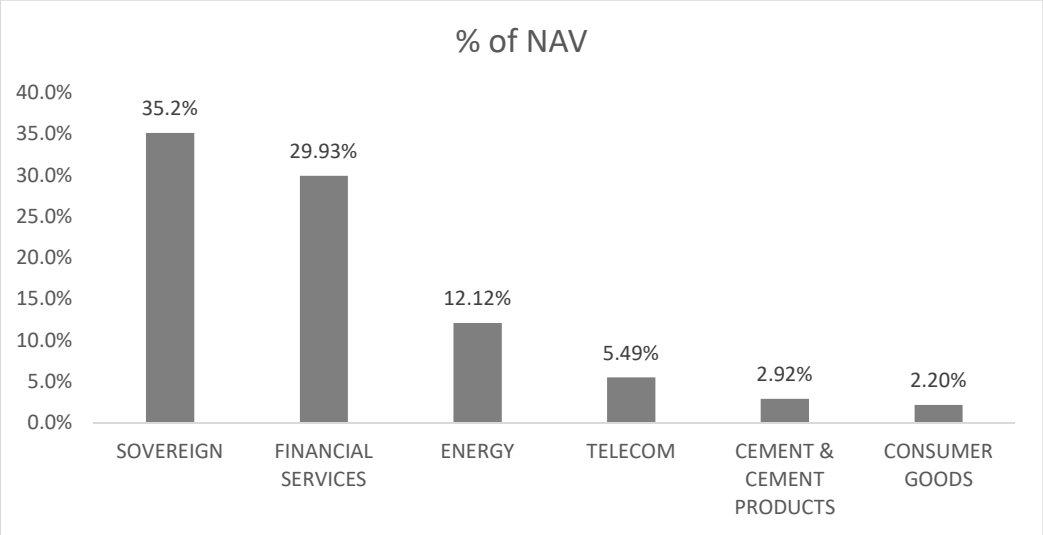



## K. SCHEME PORTFOLIO HOLDINGS

Top 10 holdings of the Scheme as on May 29, 2020 is stated here below:

| Issuer Name | % of NAV |
|---|---|
| Government of India | 35.18% |
| Clearing Corporation of India Ltd | 11.73% |
| Bajaj Finance Limited | 11.19% |
| Indian Oil Corporation Limited | 6.61% |
| Reliance Jio Infocomm Limited | 5.49% |
| Axis Bank Limited | 3.96% |
| Power Finance Corporation Limited | 3.30% |
| Reliance Industries Limited | 2.57% |
| Bank of Baroda | 2.39% |
| Reliance Retail Ltd. | 2.20% |
| **Total** | **84.62%** |

**Sector Allocation of the Scheme is stated herebelow:**




Monthly portfolio statement of the Scheme is hosted on website – http://www.idfcmf.com/Downloads.aspx

## L. INVESTMENT BY BOARD OF DIRECTORS, FUND MANAGERS AND KEY PERSONNELS

Aggregate Investment in the Scheme by the following categories as on May 31, 2020 is stated here below:

| Categories | Investments in the scheme ( in Rs. Cr) |
|---|---|
| AMC's Board of Directors | Nil |
| Fund Manager | 0.16 |
| Other Key Personnel | 0.42 |

## M. COMPARISON WITH OTHER SCHEMES OF IDFC MUTUAL FUND:

| Name of the scheme | Category of the scheme | Type of scheme |
|---|---|---|
| IDFC Dynamic Bond Fund | Dynamic Bond | An open ended dynamic debt scheme investing across duration |
| IDFC Bond Fund – Income Plan | Medium to Long Duration Fund | An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 4 years and 7 years |
| IDFC Bond Fund - Medium Term Plan | Medium Duration Fund | An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years and 4 years |
| IDFC Government Securities Fund - Investment Plan | Gilt Fund | An open ended debt scheme investing in government securities across maturities |
| IDFC Credit Risk Fund | Credit Risk Fund | An open ended debt scheme predominantly investing in AA and below rated corporate bonds |
| IDFC Bond Fund - | Short Duration | An open ended short term debt scheme |

| Name of the scheme | Category of the scheme | Type of scheme |
|---|---|---|
| Short Term Plan | Fund | investing in instruments such that the Macaulay duration of the portfolio is between 1 year and 3 years |
| IDFC Banking & PSU Debt Fund | Banking and PSU Fund | An open ended debt scheme predominantly investing in debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds |
| IDFC Regular Savings Fund | Conservative Hybrid Fund | An open ended hybrid scheme investing predominantly in debt instruments |
| IDFC Corporate Bond Fund | Corporate Bond Fund | Corporate Bond Fund - an open ended debt scheme predominantly investing in AA+ and above rated corporate bonds |
| IDFC Government Securities Fund - Constant Maturity Plan | Gilt Fund with 10 year constant duration | An open ended debt scheme investing in government securities having a constant maturity of 10 years |
| IDFC Cash Fund | Liquid Fund | An open ended liquid scheme |
| IDFC Low Duration Fund | Low Duration Fund | An open ended low duration debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 6 months and 12 months |
| IDFC Money Manager Fund | Money Market Fund | An open ended debt scheme investing in money market instruments |
| IDFC Ultra Short Term Fund | Ultra Short Duration Fund | An open-ended ultra-short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 to 6 months |
| IDFC Overnight Fund | Overnight Fund | An open-ended Debt Scheme investing in overnight securities |

## III. UNITS AND OFFER

This section provides details you need to know for investing in the scheme.

### A. NEW FUND OFFER

This section does not apply to the scheme, as the ongoing offer of the scheme has commenced after the NFO, and the units are available for continuous subscription and redemption at applicable NAV based prices.

### B. ONGOING OFFER

**Ongoing price for subscription (purchase)/switch-in (from other schemes/plans of the mutual fund) by investors:**

During the continuous offer of the schemes, the units will be available for subscription at applicable NAV based prices.

**Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors.**

At the applicable NAV based prices, subject to prevailing exit load.

Example: If the applicable NAV is Rs. 10, exit load is 2% then redemption price will be Rs. 10* (1-0.02) = Rs. 9.80

17(b)

The Redemption Price will not be lower than 93% of the NAV and the Purchase Price will not be higher than 107% of the NAV, provided that the difference between the Redemption Price and the Purchase Price at any point in time shall not exceed the permitted limit as prescribed by SEBI from time to time, which is currently 7% calculated on the Purchase Price.

**PLANS AND OPTIONS OFFERED**

Regular Plan, Direct Plan and Unclaimed Amount Plan

Regular Plan, and Direct Plan under the Scheme have Growth & Dividend Option.

Dividend Option under the Scheme offers Daily (Reinvest), Weekly (Reinvest), Monthly (Payout,Reinvest and Sweep), Periodic (Payout,Reinvest and Sweep).

The Unclaimed Amount Plan offer the following four options which are not available for investment by investors:

- Unclaimed Redemption Less than Three Years
- Unclaimed Redemption More than Three Years
- Unclaimed Dividend Less than Three Years
- Unclaimed Dividend More than Three Years

**Regular Plan:** Regular plan is for investors purchasing / subscribing units in this scheme through distributors.

**Direct Plan:** Direct Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund. This plan is not available for investors who wish to purchase/ subscribe units through a Distributor – such investors have to subscribe for Regular Plan.

Regular Plan and Direct Plan have the same features (i.e. Investment Objective, Asset Allocation Pattern, Investment Strategy, Risk factors) and facilities offered including terms and conditions except that Direct Plan shall have a lower expense ratio excluding distribution expenses, commission etc. and no commission for distribution of Units will be paid / charged under Direct Plan.

**Growth Option:** This option is suitable for investors who are not seeking dividend

**Dividend (payout, reinvestment and sweep) Option:**
Under this option, the Fund will endeavor to declare dividends periodically.

This option is suitable for investors seeking income through dividend declared by the scheme. The distribution of dividend will be made out of the net surplus under this Option subject to availability of distributable profits, as computed in accordance with SEBI Regulations. The remaining net surplus after considering the dividend and tax, if any, payable thereon will remain invested in the Scheme and be reflected in the NAV.

Dividends, if declared, will be paid out of the net surplus of the Scheme to those Unitholders whose names appear in the Register of Unitholders on the record date. The actual date for declaration of dividend will be notified suitably to the Registrar. Unitholders are entitled to receive dividend within 30 days of the date of declaration of the dividend. However, the Mutual Fund will endeavour to make dividend payments sooner to Unitholders. There is no assurance or guarantee to Unitholders as to the rate of dividend distribution nor that dividends will be paid, though it is the intention of the Mutual Fund to make dividend distributions.

For details on taxation of dividend, please refer to the section on 'Tax Benefits of Investing in the Mutual Fund' in the Statement of Additional Information.

**Dividend Re investment facility:**
Investors opting for the Dividend Option may choose to re-invest the dividend to be received by them in additional Units of the Scheme. Under this provision, the dividend due and payable to the Unitholders will compulsorily and without any further act by the Unitholders, be re-invested in the same option (at the first ex-dividend NAV). The dividends so re-invested shall constitute a constructive payment of dividends to the Unitholders and a constructive receipt of the same amount from each Unitholder for re-investment in Units.

On re-investment of dividends, the number of Units to the credit of the Unitholder will increase to the extent of the dividend re-invested divided by the NAV applicable as explained above. There shall, however, be no entry load on the dividends so re-invested

**Dividend Payout facility:**
Under this Facility, the unit holders would receive payout of their dividend in the Option.
Please note that where the Unitholder has opted for Dividend Payout option and in case the amount of dividend payable to the Unitholder is Rs.100/- or less under a Folio, the same will be compulsorily reinvested in the Scheme.

**Dividend sweep option:**
The investor has the option to sweep dividend declared in the Scheme into any other open-ended scheme of IDFC Mutual Fund. The transfer shall be effected at the applicable NAV of the next business day. If the amount of dividend is less than Rs 1/- the dividend shall be re-invested in the same scheme and not transferred to the desired other scheme.

**Dividend Policy**

Dividend declaration and distribution shall be in accordance with SEBI Regulations as

applicable from time to time. The AMC reserves the right to declare dividend from time to time, depending on availability of distributable surplus. There is no assurance or guarantee to Unitholders as to the rate of dividend distribution nor will that dividends be paid, though it is the intention of the Mutual Fund to make dividend distributions.

Dividends, if declared, will be paid out of the net surplus of the Scheme to those Unit holders whose names appear in the Register of Unitholders on the record date. The actual date for declaration of dividend will be notified suitably to the Registrar.

**Default option:** The investors must clearly indicate the Option/facility (Growth or Dividend / Reinvestment or Payout or Sweep) in the relevant space provided for in the Application Form. In case the investor does not select any Option, the default shall be considered as **Growth Option**. Within dividend Option if the investor does not select any frequency / facility, then default frequency / facility shall be **Daily Dividend reinvestment.**

Investors are requested to note that any change in dividend sub-option (Payout, Reinvestment and Sweep) due to additional investment done under Dividend option or on the basis of a request received from the investor, will be applicable to all existing units in the dividend option of the concerned scheme under respective folio. However, this provision shall not be applicable to transactions undertaken / units held in demat mode.

**ISSUE OF BONUS UNITS**

If permitted under the regulations, the AMC/ Trustee reserves the right to utilize any sum from reserves, unit premium or any other reserves/ amounts including the amount of distributable surplus available under the scheme(s)/ plan(s)/option(s) for the purpose of issuing bonus units, as may be decided from time to time. The bonus units (when issued), will be issued in proportion to the unit holding of the unit holder as on the record date fixed by the AMC/ Trustee for this purpose. The bonus units after allotment of the same will rank pari passu with the units in existence on the record date in respect of which they are allotted. For the purpose of declaration of bonus units, the AMC/ Trustees shall fix the ratio in which the bonus units will be allotted. All Investors whose names appear in the register of unit holders as on the record date will be entitled to receipt of bonus units. Pursuant to allotment of bonus units, NAV of the concerned scheme will fall in proportion to the bonus units allotted. Total value of units held by the unitholders would remain the same.

**Minimum Amount for Application**

| Particulars | Details |
|---|---|
| Initial Investment | Rs.100/- and any amount thereafter |
| Additional Purchases | Rs.100/- and any amount thereafter |
| Repurchase | Rs.500/- and any amount thereafter<br>If the balance in the Folio / Account available for redemption is less than the minimum amount prescribed above, the entire balance available for redemption will be redeemed. |
| SIP | Rs.100/- and in multiples of Rs.1 thereafter [minimum 6 installments] |
| SWP | Rs.500/- and in multiples of Re.1 thereafter |
| STP (in) | Rs.100/- and any amount thereafter |
| Minimum amount criteria shall not be applicable for purchase and redemption in the Unclaimed Amount Plan. Unclaimed Amount Plan is not available for investments by investors. Only Unclaimed redemption and dividend shall be invested in Unclaimed Amount Plan. | |

**Minimum balance to be maintained and consequences of non maintenance:** Rs. 100/-. The Fund may close a Unitholder's account if, as a consequence of redemption/ repurchase, the balance falls below the minimum balance stipulated hereabove. In such a case, entire Units to the Unitholder's account will be redeemed at the Applicable NAV with the applicable Load, if any, and the account will be closed

With respect to the redemption request received through Bombay Stock Exchange Limited (BSE) / National Stock Exchange India Limited (NSE) - Mutual Fund Service System (MFSS), after processing of redemption requirement, if the number of units/balance units falls below the minimum balance amount to be maintained, the residual units shall not be auto redeemed but shall continue to remain in the investors account. These residual units shall be redeemed only after receipt of redemption request from the investor.

**Subscription and Redemption for Unclaimed Amount Plan**

**Subscription:**

Only the unclaimed redemption and dividend amounts shall be invested under the Unclaimed Amount Plan by the AMC on behalf of the investors. This Plan shall not be available for investments by the investors.

**Redemption**:

Investors may claim the unclaimed amounts by submitting a redemption request at any of the CAMS or AMC Investor Service Centres. Normal redemption request form may be used for this purpose and the redemption shall be processed at the applicable NAV based on the date and time of receipt of the application. If the investor has unclaimed amount in more than one Option of the Unclaimed Amount Plan, then a redemption request received in any one of the Options will be treated as redemption request received in all the concerned Options of the Plan and accordingly, redemption will be processed in all the Options of the Plan for all units outstanding under each of the Options irrespective of the number of units or amount stated by the investor in the redemption request.

No switch-out request will be accepted in Unclaimed Amount Plan. The SWP and STP facilities will not be available under this Plan.

**Allotment:**

Full allotment will be made to all valid applications received as per the applicable cut-off timings.

**Allotment under Unclaimed Amount Plan**

Existing unclaimed redemption and dividend amounts which are beyond three years from the date the amount became unclaimed, will be directly invested in the options "Unclaimed Redemption More than Three Years" or "Unclaimed Dividend More than Three Years", as the case may be, along with interest accrued.

Other unclaimed redemption and dividend amounts, and on ongoing basis new unclaimed redemption and dividend amounts, will be invested in the options "Unclaimed Redemption Less than Three Years" or "Unclaimed Dividend Less than Three Years", as the case may be. Upon completion of three years from the date the amount becomes unclaimed, the relevant units will be automatically switched to the Options "Unclaimed Redemption More than Three Years" or "Unclaimed Dividend More than Three Years", as the case may be.

**Option to hold Units in dematerialized (demat) form**

Unit holder has an option to subscribe in dematerialized (demat) form the units of the Scheme in accordance with the provisions laid under the Scheme and in terms of the guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) from time to time.

In case, the Unit holder desires to hold the Units in a Dematerialized /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 their Depository Participants.
Units held in demat form will be transferable subject to the provisions laid under the scheme and in accordance with provisions of Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as may be amended from time to time.

**Special Products / facilities available**

**SWITCH FACILITY**

Unitholders under the Scheme have the option to switch part or all of their holdings in any scheme launched by the Mutual Fund, or within the Scheme from one Option to another, subject to conditions attached to that scheme, which is available for investment at that time. This Option will be useful to Unitholders who wish to alter the allocation of their investment among the scheme(s)/ plans of the Mutual Fund in order to meet their changed investment needs or risk profiles.

The switch will be effected by way of a redemption of Units from one Scheme / Plan/ Option and a reinvestment of the redemption proceeds in the other Scheme/ Plan/ sub plan/option and accordingly, to be effective, the switch must comply with the redemption rules of the Scheme and the issue rules of the other scheme (for e.g. as to the minimum number of Units that may be redeemed or issued). The price at which the Units will be switched out of the Scheme/options will be based on the Applicable NAV of the relevant Scheme/ Plan(s)/ sub plans/options and considering any exit loads if any that the AMC/ Trustee may have from time to time.

Switches of following kind within the Scheme will also not attract any exit load - (i) switch from Direct Plan to Regular Plan; (ii) switch from Regular Plan to Direct Plan where the investment in Regular Plan is without a Distributor (ARN) code; (iii) within different Options (dividend/growth) of the same Plan (Direct/Regular) of the Scheme.

Investors so desiring to switch may submit a switch request, already available with them along with an application form of the Scheme indicating therein the details of the scheme to which the switch is to be made. Applications for switch as above should specify the amount/Units to be switched from out of the Units held in any of the existing Schemes of the Fund. The switch request will be subject to the minimum application size and other terms and conditions of the SID of this Scheme and the scheme from which the amount is switched out.

The Applicable NAV for switching out of the existing open-ended funds will be the NAV of the Business Day on which the switch request, complete in all respects, is accepted by the AMC, subject to the cut-off time and other terms specified in the SID of the respective existing open ended Schemes. In close-ended scheme the applicable NAV for switching out of the existing close-ended funds will be the applicable NAV (after considering applicable loads) as on the date of its maturity.

**SYSTEMATIC INVESTMENT PLAN (SIP)**

Unitholders of the scheme/s can invest through Systematic Investment Plan. SIP allows the unitholder to invest a specified sum of money each month with a minimum amount of Rs.100 with minimum 6 instalments. Unitholders have an option to invest on monthly basis and choose any day of the month except 29th, 30th and 31st as the date of instalment.

The unitholder wish to opt for monthly SIP has to commit investment by providing the Registrar with at least six post dated cheques/debit mandate/mandate form for Electronic Clearing System (ECS)/ such other instrument as recognized by AMC from time to time for a block of 6 months in advance. SIP can commence on any date as desired and specified by the unitholder in SIP application form. Cheques/debit mandate/ mandate form for Electronic Clearing System (ECS)/ such other instrument as recognized by AMC from time to time should be drawn in favour of the Scheme.

The AMC reserves the right to introduce SIPs at such other frequencies such as weekly / quarterly / half-yearly etc. as the AMC may feel appropriate from time to time.

**OTHER SIP FACILITIES:**

- **Perpetual SIP:** Under this SIP facility the investor need not mention the maximum installment. The SIP shall end on December 31, 2099 automatically. In case there is no mention of the number of installments; the SIP shall be registered under the Perpetual SIP facility.
- **Differential SIP:** Under this facility the investor has a choice of registering the SIP in such a manner that the 1st SIP installment will be lower / higher than the subsequent installments.
- In case of existing folio's, there is no requirement of registering the 1st installment, all 6 installments shall be considered as SIP transactions.
- An Investor can register a SIP along with ECS mandate without providing the initial cheque. The SIP installment shall get activated/triggered in the scheme for the amount opted by the investor in the SIP form. The gap between the SIP registration date and the first installment shall be minimum 30 days.

- **SIP Top-up facility –**

- This facility is not available under Micro-SIP.
- Top-up facility has to be opted at the time of SIP registration. Existing SIPs cannot be converted into this facility;
- Minimum SIP amount for opting this facility is Rs.500/- and in multiples of Rs.500/- thereafter;
- Top up facility can be registered only for investments through ECS;
- Frequency for increasing the amount of instalment – Half-yearly and Annual. Default frequency – Annual;
- Once registered under this facility, for any modification to the details registered, Investors will have to cancel the existing SIP registration and re-register;
- All other terms & Conditions applicable for regular SIP will be applicable to this facility;
- Registration under this facility is subject to Investor's Bankers accepting the mandate for SIP Top- up.

For all the SIP facilities the minimum investment amounts/ minimum no of installments shall be applicable.

**SIP PAUSE FACILITY**

SIP Pause facility allows investors to pause their existing SIP for a temporary period, without discontinuing the existing SIP. Following are the terms and conditions of the facility.

**Terms and Conditions**:

1. The SIP Pause facility is available in all schemes where SIP is available.
2. The SIP Pause facility is available for SIPs registered using any mode (Physical / Online). This facility will not be available for mandates registered under Standing Instruction mode under Direct Debit arrangement.
3. Investors may write to investormf@idfc.com from their registered email id in the folio, to avail SIP Pause facility. The email subject line should clearly specify the words 'SIP Pause'. Further, the E-mail request should clearly provide below details:
    a. Folio Number
    b. Name of the Scheme – Plan – Option
    c. SIP Instalment Amount
    d. SIP Date
    e. SIP Pause Start Date (mm/yyyy)
    f. SIP Pause End Date (mm/yyyy)
4. Any request received from Email-ID other than registered Email-ID in the folio or requests received with incomplete / incorrect details are liable to be rejected.
5. SIP Pause facility can also be availed on BSE StAR MF Platform for all the SIPs registered through BSE StAR MF Platform.
6. SIP Instalments can be paused for a minimum period of one (1) month to maximum of three (3) months.
7. SIP shall restart immediately after completion of Pause period.
8. SIP Pause request should be received at least 15 calendar days prior to the instalment date for the concerned SIP, which is required to be paused.
9. Request for SIP Pause facility can be given upto six months in advance.
10. Modification of SIP Pause facility will not be accepted. However, investor may cancel his SIP Pause request by writing to investormf@idfc.com, provided such a request for cancellation shall be submitted at least 15 calendar days prior to the instalment date for the concerned SIP, which is required to be paused.
11. If SIP Pause period coincides with SIP Top Up trigger period, SIP instalment amount post completion of SIP Pause period would be inclusive of SIP Top Up amount. For eg: SIP Instalment amount prior to Pause period is Rs. 2,000/- and the Top-Up amount is Rs. 1,000/-. If the Pause period is completed after date of Top-Up, then the SIP instalment amount post-completion of Pause period shall be Rs. 3,000/-.
12. SIP Pause facility can be availed multiple times during the tenure of the SIP. However, there shall be a gap of at least one SIP instalment between two SIP Pause requests.
13. In case multiple SIPs are registered in a folio with the same amount, same instalment date and under the same scheme, then SIP Pause request shall be applied to the first SIP registered.
14. The AMC reserves the right to change / modify the terms and conditions of the facility or withdraw the facility at a later date.

**NATIONAL AUTOMATED CLEARING HOUSE FACILITY (NACH)**

Investors can enroll for investments in Systematic Investment Plan (SIP) through National Automated Clearing House (NACH) Platform. NACH is a centralised system,launched by National Payment Corporation of India (NPCI) for consolidation of multiple Electronic Clearing Service system. NACH facility can be availed only if the Investor's Bank is a participating Bank in NACH Platform and subject to Investors Bank accepting NACH Registration mandate. Registration Forms are available on www.idfcmf.com and at our Branch Offices. For registration under NACH, investors are required to submit registration form (mandatorily to be printed on 8 inches*3.75 inches paper size) and requisite documents atleast 31days prior to the first SIP installment date. Existing Investors, who wish to invest in SIP through NACH, will have to cancel th existing ECS/DD mandate and register under NACH. Once registered under this facility, for any modification to the mandate registered, Investors will have to cancel the existing SIP registration and re-register.

**Auto Termination of Systematic Investment Plan (SIP)Transactions:**

SIP transactions shall be auto terminated on account of six continuous failures including but not limited to below stated reasons :
i) Insufficient funds/payment stopped by Investor;
ii) Electronic Clearing Service (ECS) mandate not received;
iii) Bank Account provided by the investor does not exist;
iv) Bank Account closed or transferred by the investor;
v) Investors account description does not tally with the description maintained by RTA/Mutual Fund;
vi) In case of specific court order.

**SYSTEMATIC WITHDRAWAL PLAN (SWP)**

Unitholders of the Scheme have the benefit of enrolling themselves in the Systematic Withdrawal Plan. The SWP allows the Unitholder to withdraw a specified sum of money periodically from his investments in the Scheme. SWP is ideal for investors seeking a regular inflow of funds for their needs. It is also ideally suited to retirees or individuals who wish to invest lumpsums and withdraw from the investment over a period of time.

The Unitholder may avail of this plan by sending a written request to the Registrar. This facility is available in the growth and dividend option.

SWP is available in following options of withdrawal amount and frequencies:

**Fixed Amount SWP:**
A fixed amount specified by the investor will be redeemed on the SWP date.
Withdrawal amount - Minimum Rs.500/- and in multiple of Re.1/- thereafter.
Withdrawal frequency – Monthly, Quarterly, Half yearly and Annual
Dates - 1st, 10th & 20th day.

**Capital Appreciation SWP:**
The entire capital appreciation as on the date of withdrawal will be redeemed on the SWP date.
Withdrawal frequency – Monthly, Quarterly, Half yearly, Annual and March Payout
Dates - 1st, 10th & 20th day (except for March Payout option). In March Payout option, the redemption will be processed on the fourth last Business Day of the financial year (ending 31st March every year)

For the purpose of determining the month of processing redemption in monthly / quarterly / half yearly / annual payout option of the SWP, the same shall be calculated from the month of registration of the SWP.

**SYSTEMATIC TRANSFER PLAN (STP)**

Investors can opt for the Systematic Transfer Plan by investing a lumpsum amount in one scheme of the Mutual Fund and providing a standing instruction to transfer a pre-specified sum into any other scheme of IDFC Mutual Fund. Investors can also opt for STP from an existing account by quoting their account / folio number.

The Unitholder may avail of this plan by sending a written request to the Registrar. STP is available in following options of transfer amount and frequencies:
**Fixed Amount STP:**
A fixed amount specified by the investor will be transferred (switched) on the STP date.

- Eligibility – Fixed amount STP is available in the Growth and Dividend Options of the Source schemes.
- Transfer amount (per instalment)- Minimum Rs.100/- and any amount thereafter.
- No. of instalment – The Fixed Amount STP can be registered with minimum of 6 (six) instalments. There is no upper limit on the same.
- Transfer frequency – STP can be effected as per following frequencies chosen by Investor:

a) Monthly: any day of the month except 29th, 30th and 31st day of the month
b) Fortnightly: 1st & 16th
c) Weekly: Date option - 7th, 14th, 21st, 28th day of every month; or Day option - every Monday of the week
d) Daily: all business days

**PE STP FACILITY:**

This facility allows the investors to transfer amount from the source scheme to the target scheme based on the PE level on the date of respective transfer

**Salient features of the PE STP facility are as follows:**

- Frequency of transfer – The investors have option of Weekly, Fortnightly and Monthly frequency for transfer of funds from the eligible source schemes to eligible target schemes. The minimum amount and tenure of PE STP will be as applicable to normal Systematic Transfer Plan (STP) facility in the respective scheme

- Eligible source and target schemes will be:

- Source schemes – IDFC Cash Fund, IDFC Low Duration Fund, IDFC Money Manager Fund and IDFC Arbitrage Fund
- Target schemes – IDFC Multi Cap Fund, IDFC Sterling Value Fund, IDFC Core Equity Fund, IDFC Focused Equity Fund, IDFC Large Cap Fund, IDFC Infrastructure Fund, IDFC Dynamic Equity Fund, IDFC Nifty Fund, IDFC Hybrid Equity Fund and IDFC Tax Advantage (ELSS) Fund.

- The dates available for the transfer under PE STP would be:

- For Monthly Frequency: Investor can opt for "Any Day" of the month (except 29th, 30th & 31st) for the transfer under PE STP facility.
- For Weekly Frequency: - Day-wise – Investor can transfer on every Monday of the month. - Date-wise – Investor can transfer on 7th/ 14th/ 21st/ 28th of the month.
- For Fortnightly Frequency: Investor can transfer on 1st/ 16th of the month.

- In case the investor does not specify the options in the Application Form, the Defaults will be:

- STP Date – 5th
- Source scheme - IDFC Money Manager Fund
- Target scheme - IDFC Multi Cap Fund
- Plans/options – As per the default specified in the Scheme Information Document of respective Scheme(s).

- Other terms & conditions of the Systematic Transfer Plan (STP) facility being currently offered in the respective schemes will continue to apply.
- Amount to be transferred per STP instalment (to be specified at the time of STP registration in the application form) shall only be Fixed amount in Rupees (and not in number of units). The amount to be transferred on each STP date will be determined basis the PE level on the date of respective transfer as explained below.

- PE will be calculated as – Daily Closing Value of S&P BSE Sensex on the date of STP / Consolidated Earnings Per Share of S&P BSE sensex on the date of STP (as sourced from Bloomberg).
- On determination of PE levels on the STP date, the transfer will be carried out as follows as the default option:

| PE level | Amount Transferred* (X being the registered STP Instalment amount as stated by the Investor) |
|---|---|
| >19 | X |
| 16-19 | 2 times X |
| <16 | 5 times X |

* If the outstanding balance in the source scheme in investor's folio is less than the amount to be transferred on the date of STP, the amount so transferred will be restricted to the balance available.

Alternatively, the investors, at the time of registration of PE STP, will have an option to specify the amount to be transferred at the PE levels of 16-19 and <16. Such transfer amount can be specified in terms of multiples of the registered STP instalment amount (multiples in fraction not permitted) in lieu of the default option. Please note that the amount to be transferred at PE level >19 shall remain equal to the registered STP instalment amount and cannot be changed.

In case the investor does not specify the amount(s), the default amounts as mentioned in the table above shall apply.

Please note that the PE level bands are fixed and cannot be varied.

E.g., Assume that the STP instalment amount as specified by the investor in the STP Registration Form is Rs.1,000 per month and he has opted for the Default option for amount to be transferred. On a given STP date, if the PE level is 20, the amount transferred from source scheme to target scheme will be Rs.1,000. Similarly, on another STP date, if the PE level is 12, the amount transferred will be Rs.5,000

**Capital Appreciation STP:**

- Eligibility - The Capital Appreciation option under STP facility is available only under the Growth Options of the Source schemes.
- Transfer frequency - Monthly, Quarterly, Half yearly and Annual
- Transfer dates -
  a. Monthly: any day of the month except 29th, 30th and 31st day of the month
  b. Quarterly: any day of the first month of each quarter (3 months period) commencing from the month of registration of the STP) except 29th, 30th and 31st day of the month
  c. Half yearly: any day of the first month of each half year (6 months period) commencing from the month of registration of the STP) except 29th, 30th and 31st day of the month
  d. Annual: any day of the first month of each year (12 months period) commencing from the month of registration of the STP) except 29th, 30th and 31st day of the month
- Transfer amount (per instalment)- The entire capital appreciation in the Source scheme on the STP day, subject to a minimum of Rs.500/- will be transferred (switched) from the Source scheme to Target scheme.
  If the appreciation in the source scheme on the STP day falls below the minimum threshold of Rs.500/-, the relevant instalment will be skipped and no transfer will be processed.

- Minimum number of instalments - The Capital Appreciation STP can be registered with minimum of 6 (six) instalments. There is no upper limit on the same.

  If STP day falls on non-business day, the STP transaction shall be processed on the next business day.

  The AMC reserves the right to introduce STPs at such other frequencies such as quarterly / half-yearly etc. or on any dates as the AMC may feel appropriate from time to time.

  **Auto Termination of SWP and STP Transactions:**
  SWP and STP (including PE STP) transactions shall be auto terminated in case of
  i) Six continuous failures to process the instalment on account of insufficient balance maintained by the investor in the source scheme or any other reason attributable to the investor; or
  ii) Specific court order.

  **SET TRANSACTION ON AUTO REMINDER (STAR)**

  This facility provides the unitholders with an option to withdraw and / or switch out and / or reinvest the investments made in the Scheme:

  1) On the value of investments either reaching a particular/ amount or on the investments depreciating in value to a particular amount.
  2) On achieving capital appreciation / on depreciation in value of investments equal to or more than a specified amount or percentage
  3) On happening of a particular event or on a particular date (with or without lock in for a particular period)

  Certain illustrations have been given for clarification of STAR:

  1. **Value of investment depreciating to a particular amount**

  If the investor has opted for STAR for a redemption on the value of his investment reaching Rs. 10000 when his initial investment was Rs 11000, in such a case a redemption will be automatically triggered on the value of his investment reaching Rs 10000 based on the applicable NAV on the day the said condition is met.

  **2. Capital appreciation of a particular amount**

  If the investor has opted for STAR for redemption on achieving 30 % capital appreciation on an investment of Rs 1000, his redemption will be automatically triggered on the value of investment reaching Rs 1300 based on the applicable NAV on the day the said condition is met.

  **3. On the happening of an event or on a particular date**

  If the investor wants a particular amount on his birthday, he may opt for STAR and specify the date in such a manner that his redemption proceeds of a particular amount are made available to him on the specified date or as an instance, if the investor wants to switch his investments to certain other scheme of IDFC Mutual Fund on the first day of the next financial year, he may do so by providing such an instruction to the AMC. STAR is thus a financial tool which provides the investors with an opportunity to plan their redemptions / switch outs in accordance with their financial needs. STAR can also help an investor in minimizing losses and / or timely booking of profits. All redemptions/ switches/reinvestments etc. linked to STAR will be based on the applicable NAV of the day on which the condition

specified / event occurs. STAR is only an additional facility to the unitholders which provides them with a convenient method of switching out / reinvesting / redeeming their investments on happening of a particular predetermined condition / event. STAR is not an assurance of any return or gains on part of AMC / Fund to the investor. Nor is there any assurance of minimizing the loss of the investors. The Trustees / AMC reserve the right to add / modify / remove the conditions / events with respect to STAR for redemption / reinvestment / switch outs in the Scheme.

**INSTA REDEMPTION FACILITY**

In accordance with SEBI/HO/IMD/DF2/CIR/P/2017/39 dated May 8, 2017, a facility called **'Insta-redemption Facility'** is being introduced in IDFC Cash Fund effective August 24, 2017.

Under this facility, IDFC Mutual Fund shall endeavour to send the redemption proceeds to the registered bank account of the investor instantly upon receipt of Insta-redemption request using Immediate Payment Service (IMPS) provided by various banks. The facility shall be available on all days at all points of time.

Salient features of the Insta-redemption Facility are as follows:

| | |
|---|---|
| **Eligible Plans and Options** | The Insta-redemption facility is available only under Growth Option of Regular Plan and Direct Plan of IDFC Cash Fund. |
| **Eligible Investors** | This facility is available only to resident individual investors. |
| **Pre-requisites** | i) The registered bank account selected by the investor for redemption payout should be complete Core Banking System (CBS) account number along with the IFSC Code of the Bank branch.<br>ii) Investor's bank is enabled for Immediate Payment Service (IMPS) on the NPCI platform. |
| **Mode of transaction** | i) The transaction under this Facility needs to be submitted only through online transaction facility available on the Mutual Fund's website (www.idfcmf.com).<br>ii) The redemption payout under the Insta-redemption facility will be made to any of the registered bank accounts in the Folio as selected by the investor for redemption payout. |
| **Scenarios under which this Facility may be suspended** | If the conditions specified above are not fulfilled or if the IMPS facility provided by bank is not functional or if there is any technical issue with the transactional portal of the website, the Insta redemption facility may not be available/ availed. In certain cases, investors may be provided option to convert the insta-redemption to a normal redemption with T+1 business day payout at the discretion of the AMC. |
| **Minimum Redemption Amount** | Rs.500 and in multiple of Re.1/- thereafter.<br>The redemption request under this Facility can be submitted only in terms of amount. Redemption request in terms of no. of units will not be accepted. |
| **Maximum Redemption Amount** | Rs.50,000/- or 90% of latest available clear balance in the scheme, whichever is lower. This limit shall be applicable per day per investor (calculated basis First / Sole holder's PAN/PEKRN across folios).<br><br>Latest available clear balance is calculated as no. of clear |

| | |
|---|---|
| | redeemable units in the scheme multiplied by the latest available NAV in the Growth option of the respective Plan in the Scheme. For this purpose, available clear units are such units in the folio for which the investor can place a redemption request at any point of time after considering units which are un-cleared for funds realisation or reconciliation, or are under lien, or are in dematerialized mode and after considering any un-posted / un-processed transaction(s) pending for unit adjustments. The decision of the AMC in determining the redeemable / clear balance shall be final. |
| **NAV applicability** | The NAV applicable for processing redemptions under the Insta-redemption Facility shall be as follows:<br>i) where the application received up to 1.00 p.m. – the lower of (a) NAV of previous calendar day and (b) NAV of calendar day on which application is received.<br>ii) where the application received up to 1.00 p.m. – the lower of (a) NAV of calendar day on which such application is received, and (b) NAV of the next calendar day. |

The AMC reserves the right to reject any redemption /switch-out / systematic withdrawal or transfer request received through any other mode for any business day, i.e. physical, electronic, etc. if an Insta-redemption request has been received subsequently and such Insta-redemption is pending to be processed/posted.

For operational purpose, a temporary internal lien (Hold) will be marked on units of value equivalent to 105% of the insta-redemption amount till the time of posting of the insta-redemption transaction. During the period the Hold persists, the blocked units will not be available for transaction in the Folio. The Hold will be released upon final processing of the transaction at applicable NAV.

As an illustrative example, if an investor has placed an insta-redemption request of Rs.50,000/-, Hold will be marked on units of value equivalent to Rs.52,500/- (being 105% of Rs.50,000) based on last available NAV. At the time of posting the insta-redemption transaction (based on last available NAV), Hold to the extent of Rs.50,000/- will be removed and units of equivalent value will be redeemed. Hold will however continue on the balance units (of value equivalent to Rs.2,500/-) till receipt of the NAV applicable for the Insta-redemption transaction (refer the section "NAV applicability" in the table above) and re-processing of the transaction in case the applicable NAV is less than the NAV at which insta-redemption has been initially posted. The Hold on the balance units will be removed thereafter and the blocked units will be available in the folio for future transactions.

**Illustration of Maximum redemption amount**

| **Particulars** | **Amount (in Rs.)** | | |
|---|---|---|---|
| | **Scenario 1** | **Scenario 2** | **Scenario 3** |
| Latest value of investment in the scheme | 40,000/- | 50,000/- | 80,000/- |
| 90% of the latest value of investment | 36,000/- | 45,000/- | 72,000/- |
| Redeemable insta-redemption amount | 36,000/- | 45,000/- | 50,000/- |

The Trustee/ AMC reserve the right to modify/revise the features, terms & conditions of this Facility or withdraw/discontinue the same at any time in future, subject to the Regulations.

**Repurchase:**

The units of the Scheme can be repurchased (sold back to the Fund) on any business day. The repurchase request can be made on Application Form/Common Transaction form or by using the relevant tear off section of the Transaction Slip that may be enclosed with the Account Statement, which should be submitted at any of the Official Point of Acceptance of Transaction. Where the date of redemption is a non business day, the deemed date for such redemption will be the next business day.

The Fund shall dispatch redemption proceeds within 10 business day from the date of receipt of valid redemption request at the Official Points of Acceptance of Transactions. In the event of failure to dispatch the repurchase or repurchase proceeds within the statutory period specified above as per the SEBI Regulations, the AMC shall be liable to pay interest to the unit holders at such rate (currently 15% per annum) as may be specified by SEBI for the period of such delay.

**Redemption in Unclaimed Amount Plan**

Investors may claim the unclaimed amounts by submitting a redemption request at any of the CAMS or AMC Investor Service Centres. Normal redemption request form may be used for this purpose and the redemption shall be processed at the applicable NAV based on the date and time of receipt of the application.

If the investor has unclaimed amount in more than one Option of the Unclaimed Amount Plan, then a redemption request received in any one of the Options will be treated as redemption request received in all the concerned Options of the Plan and accordingly, redemption will be processed in all the Options of the Plan for all units outstanding under each of the Options irrespective of the number of units or amount stated by the investor in the redemption request.

**Dividend**

The dividend warrants shall be dispatched to the unitholders within 30 days of the date of declaration of the dividend or such stipulated period. In the event of delay, the AMC shall pay to the concerning investor interest @15% p.a. for delayed period beyond the specified period of 30 days.

**Redemption**

The redemption or repurchase proceeds shall be dispatched to the unitholders within 10 working days from the date of redemption or repurchase.

**Delay in payment of redemption / repurchase proceeds and dividend warrants**

The Asset Management Company shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).

**Treatment of unclaimed amounts**
The Treatment of unclaimed redemption and unclaimed dividend amounts shall be as per SEBI circular dated Feb 25, 2016.

**CUT OFF TIMING FOR SUBSCRIPTIONS/ REDEMPTIONS/ SWITCHES**

**Cut-off timing for Purchases including Switch-ins**

i) In respect of valid application received upto 12.30 p.m on a day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase a per the application are credited to the bank account of the respective Liquid Scheme/Plans before the cut-off time i.e available for utilization before the cut-off time- the closing NAV of the day immediately preceding the day of receipt of application shall be applicable.
ii) In respect of valid application received after 12.30 p.m on a day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase a per the application are credited to the bank account of the respective Liquid Scheme/Plans on the same day i.e available for utilization on the same day- the closing NAV of the day immediately preceding the next business day shall be applicable and
iii) Irrespective of the time of receipt of application at the official point of acceptance, where the funds for the entire amount of subscription/purchase as per the application are not credited to the bank account of the respective Liquid Scheme/Plans before the cut-off time i.e not available before the cut-off time- the closing NAV of the day immediately preceding the day on which the funds are available for utilization shall be applicable.

**Additional Provision for Switch-in to the Scheme**

i) Application for switch-in is received before the applicable cut-off time. (12.30 p.m)
ii) Funds for the entire amount of subscription/purchase as per the switch-in request are credited to the bank account of the respective switch-in liquid schemes before the cut-off time. (12.30 p.m)
iii) The funds are available for utilization before the cut-off time, 12.30 p.m) by the respective switch-in schemes.

**Cut-off timing for Redemption including Switch-outs:**

i) In respect of valid applications received upto 1.00 pm at the Official Points of Acceptance of Transactions, the closing NAV of the day immediately preceding the next business day shall be applicable;
ii) In respect of valid applications received after 1.00 pm at the Official Points of Acceptance of Transactions, the closing NAV of the next business day shall be applicable.

**Where can the applications for purchase/redemption switches be submitted?**

The redemption/ repurchase requests can be made on the transaction slip for redemption available at the Official point of acceptance of transactions or the office of the Registrar or the offices of the AMC on any business day (as per details given in the last few pages and the back cover page of this document).

In case the Units are standing in the names of more than one Unitholder, where mode of holding is specified as 'Jointly', redemption requests will 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 redemption requests, without it being necessary for all the Unitholders to sign. However, in all cases, the proceeds of the redemption will be paid only to the first-named holder.

The Unitholder may either request for mailing of the redemption proceeds to his/her address or the collection of the same from the Official point of acceptance of transactions.
With respect to the redemption request received through Bombay Stock Exchange Limited (BSE) / National Stock Exchange India Limited (NSE) - Mutual Fund Service System (MFSS), after processing of redemption requirement, if the number of units/balance units falls below the minimum balance amount to be maintained, the residual units shall not be auto redeemed but shall continue to remain in the investors account. These residual units shall be redeemed only after receipt of redemption request from the investor.

**Who can INVEST?**

The following persons may apply for subscription to the Units of the Scheme (subject, wherever relevant, to purchase of units of Mutual Funds being permitted under respective constitutions, relevant statutory regulations and with all applicable approvals):

- Resident adult individuals either singly or jointly
- Minor through parent/lawful guardian
- Companies, Bodies Corporate, Public Sector Undertakings, association of persons or bodies of individuals whether incorporated or not and societies registered under the Societies Registration Act, 1860 (so long as the purchase of units is permitted under the respective constitutions).
- Trustee(s) of Religious and Charitable and Private Trusts under the provision of Section 11(5) (xii) of the Income Tax Act, 1961 read with Rule 17C of Income Tax Rules, 1962 (subject to receipt of necessary approvals as "Public Securities" where required)
- The Trustee of Private Trusts authorised to invest in mutual fund Schemes under their trust deed.
- Partner(s) of Partnership Firms.
- Karta of Hindu Undivided Family (HUF).
- Banks (including Co-operative Banks and Regional Rural Banks), Financial Institutions and Investment Institutions.
- Non-resident Indians/Persons of Indian origin residing abroad (NRIs) on full repatriation basis or on non-repatriation basis.
- Army, Air Force, Navy and other para-military funds.
- Scientific and Industrial Research Organizations.
- Mutual fund Schemes.
- Provident/Pension/Gratuity and such other Funds as and when permitted to invest.
- International Multilateral Agencies approved by the Government of India.
- Others who are permitted to invest in the Scheme as per their respective constitutions
- Other Schemes of IDFC Mutual Fund subject to the conditions and limits prescribed in SEBI Regulations and/or by the Trustee, AMC or sponsor may subscribe to the units under this Scheme.

**Who can NOT INVEST**

The following persons are not eligible to subscribe to the Units of the Scheme:

1) Residents in Canada
2) United States Persons (U.S. Persons) shall not be eligible to invest in the schemes of IDFC Mutual Fund and the Mutual Fund / AMC shall not accept subscriptions from U.S. Persons, except for lump sum subscription 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/Mutual Fund 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/Mutual Fund. The investor shall be responsible for complying with all the applicable laws for such investments. The AMC/Mutual Fund reserves the right to put the transaction requests on hold/reject the transaction request/reverse allotted units, as the case may be, as and when identified by the AMC/Mutual Fund, which are not in compliance with the terms and conditions prescribed in this regard.
   The term "U.S. Person" shall mean any person that is a United States Person within the meaning of Regulation 'S' under the United States Securities Act of 1933 or as defined by the U.S. Commodity Futures Trading Commission for this purpose, as the definition of such term

may be changed from time to time by legislation, rules, regulations or judicial or administrative agency interpretations.

3) Any entity who is not permitted to invest in the Scheme as per their respective constitutions and applicable regulations
4) Foreign Portfolio Investors (FPI) registered under SEBI (Foreign portfolio Investors) Regulations, 2019

The Fund reserves the right to include / exclude new / existing categories of investors to invest in this Scheme from time to time, subject to regulatory requirements, if any. This is an indicative list and investors are requested to consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.

**How to apply?**

Please refer to the SAI and Application form for the instructions.

**Mode of Payment**

Investors may make payments for subscription to the Units of the Scheme at the bank collection centres by local Cheque/Pay Order/Bank Draft, drawn on any bank branch, which is a member of Bankers Clearing House located in the Official point of acceptance of transactions where the application is lodged or by giving necessary debit mandate to their account or by any other mode permitted by the AMC.

Cheques/Pay Orders/Demand Drafts should be drawn as follows:

1. The Cheque/DD/Payorder should be drawn in favour of "IDFC Cash Fund " as mentioned in the application form/addendum at the time of the launch.
Please note that all cheques/DDs/payorders should be crossed as "Account payee". In order to prevent frauds and misuse of payment instruments, the investors are mandated to make the payment instrument (cheque, demand draft, pay order, etc.) favouring either of the following (Investors are urged to follow the order of preference in making the payment instrument favouring as under):
   - "IDFC Cash Fund A/c Permanent Account Number"
   - "IDFC Cash Fund A/c First Investor Name" or
   - "IDFC Cash Fund A/c Folio number"

2. Centres other than the places where there are Official point of acceptance of transactions as designated by the AMC from time to time, are Outstation Centres. Investors residing at outstation centres should send demand drafts drawn on any bank branch which is a member of Bankers Clearing House payable at any of the places where an Official point of acceptance of transactions is located.

**One Time Mandate Facility of CAMS**

One Time Mandate Registration Facility (OTM facility) offered by Computer Age Management Services (Registrar / CAMS), is available for investment in the schemes of IDFC Mutual Fund (the Fund). OTM - One Time Mandate registration shall be registered against the PAN of the First Unitholder which authorizes his/her bank to debit their account up to a certain specified limit per day (subject to the current statutory limits of Rs. One Crore per transaction), 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 any open-ended Scheme of the Fund through various transaction modes i.e. physical transactions, Phone transact and M-Transact and/or such other modes which the Fund may activate for OTM facility from time to time. OTM facility can be availed

only if the Investor's Bank is a participating bank on the NACH Platform of NPCI and subject to investor's bank accepting ACH/ OTM Registration mandate.

Payments by cash, money orders, postal orders, stockinvests and out-station and/or post dated cheques will not be accepted.

At present, applications for investing in scheme through cash are not accepted by IDFC AMC. The AMC, at a later date, may decide to accept investment in cash subject to implementation of adequate systems and controls. Information in this regard will be provided to investors as and when the facility is made available.

**Treatment of applications under "Direct" / "Regular" Plans:**

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

In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.

**Treatment of business received through suspended distributors:**
Pursuant to AMFI Best Practices Guidelines Circular No. 81/2019-20 dated September 24, 2019 regarding provisions pertaining to treatment of purchase / switch / Systematic Investment Plan (SIP) / Systematic Transfer Plan (STP) transactions received through distributors whose AMFI Registration Number (ARN) has been suspended temporarily or terminated permanently by Association of Mutual Funds in India (AMFI):

1. All purchase and switch transactions, including SIP/ STP registered prior to the date of suspension and fresh SIP / STP registrations received under the ARN code of a suspended distributor during the period of suspension, shall be processed under "Direct Plan" and shall be continued under Direct Plan perpetually*.

   *Note: If the AMC receives a written request / instruction from the unit holder/s to shift back to Regular Plan under the ARN of the distributor post the revocation of ARN suspension, the same shall be honored.

2. All purchase and switch transactions including SIP/ STP transactions received through the stock exchange platforms through a distributor whose ARN is suspended shall be rejected.

3. In cases where the ARN of a distributor has been permanently terminated, the unitholders have the following options:

- switch their existing investments under the Regular Plan to Direct Plan (Investors may be liable to bear capital gains taxes and exit load, if any, which may arise at the time of switch from Regular Plan to Direct Plan); or
- continue their existing investments under the Regular Plan under ARN of another distributor of their choice.

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## MANDATORY QUOTING OF BANK MANDATE BY INVESTORS

As per the directives issued by SEBI, it is mandatory for applicants to mention their bank account numbers in their applications and therefore, investors are requested to fill-up the appropriate box in the application form failing which applications are liable to be rejected.

## PAN & KYC REQUIREMENTS

It is mandatory for all investors (including joint holders, NRIs, POA holders and guardians in the case of minors) to furnish such documents and information as may be required to comply with the Know Your Customers (KYC) policies under the AML Laws. Applications without such documents and information may be rejected.

In terms of SEBI circulars dated April 27, 2007, April 03, 2008 and June 30, 2008 read with SEBI letter dated June 25, 2007, Permanent Account Number (PAN) would be the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction, except (a) investors residing in the state of Sikkim; (b) Central Government, State Government, and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) and (c) investors participating only in micro-pension. SEBI, in its subsequent letters dated June 19, 2009 and July 24, 2012 has conveyed that systematic investment plans (SIP) and lumpsum investments (both put together) per mutual fund up to Rs.50,000/- per year per investor shall be exempted from the requirement of PAN.

Accordingly, investments in IDFC Mutual Fund (including SIP investment where the aggregate of SIP installments in a rolling 12 months period or in a financial year i.e April to March) of upto Rs 50,000/- per investor per year shall be exempt from the requirement of PAN.

However, eligible Investors (including joint holders) should comply with the KYC requirement through registered KRA by submitting Photo Identification documents as proof of identification and the Proof of Address [self-attested by the investor / attested by the ARN Holder/AMFI distributor]. These exempted investors will have to quote the "PEKRN (PAN exempt KYC Ref No) in the application form. This exemption of PAN will be applicable only to investments by individuals (including NRIs but not PIOs), joint holders, Minors and Sole proprietary firms. PIOs, HUFs and other categories of investors will not be eligible for this exemption.

Thus, submission of PAN is mandatory for all other investors existing as well as prospective investors (except the ones mentioned above) (including all joint applicants/holders, guardians in case of minors, POA holders and NRIs but except for the categories mentioned above) for investing with mutual funds from this date. Investors are required to register their PAN with the Mutual Fund by providing the PAN card copy (along with the original for verification which will be returned across the counter). All investments without PAN (for all holders, including Guardians and POA holders) are liable to be rejected.

Application Forms without quoting of PEKRN shall be considered incomplete and are liable to be rejected without any reference to the investors. The procedure implemented by the AMC and the decisions taken by the AMC in this regard shall be deemed final.

## LISTING AND TRANSFER OF UNITS

The Units of the Scheme are presently not proposed to be listed on any stock exchange and no transfer facility is provided. However, the Fund may at its sole discretion list the Units under the Scheme on one or more Stock Exchanges at a later date, and thereupon the Fund will make a suitable public announcement to that effect.

In accordance with SEBI circular number CIR/IMD/DF/10/2010 dated August 18, 2010 units of the Scheme which that are held in electronic (demat) form, will be transferable and will be subject to the transmission facility in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time.

If a person becomes a holder of the Units consequent to operation of law, or upon enforcement of a pledge, the Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place consequent to death, insolvency etc., the transferee's name will be recorded by the Fund subject to production of satisfactory evidence.

### Pledge of Units for loans

The Units can be pledged by the Unitholders as security for raising loans subject to the conditions of the lending institution. The Registrar will take note of such pledge (by marking a lien etc.) / charge in its records. Disbursement of such loans will be at the entire discretion of the lending institution and the fund assumes no responsibility thereof.

The pledgor will not be able to redeem Units that are pledged until the entity to which the Units are pledged provides written authorisation to the fund that the pledge/lien charge may be removed. As long as Units are pledged, the pledgee will have complete authority to redeem such Units. Decision of the AMC shall be final in all cases of lien marking.

## RIGHT TO RESTRICT REDEMPTION OR SUSPEND REDEMPTION IN THE SCHEME

The AMC/Trustee, at its sole discretion, reserves the right to impose restriction on redemption (including switches) or suspend redemption (including switches) from the Scheme in the general interest of the Unitholders of the Scheme and keeping in view the unforeseen circumstances/unusual market conditions.

Imposition of such restriction will be subject to following conditions:

a) Restriction on redemption 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 market at large becomes illiquid affecting almost all securities rather than any issuer specific security;
   ii. Market failures, exchange closures;
   iii. Operational issues – when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures.

b) Restriction on redemption may be imposed for a period not exceeding 10 working days in any 90 days period.

c) When restriction on redemption is so imposed, the following procedure shall be applied:
   i. No redemption requests of value up to Rs.2 lakhs shall be subject to such restriction.

ii. For redemption request of value above Rs.2 lakhs, the first Rs.2 lakhs shall be redeemed without such restriction and the restriction shall apply for the redemption amount exceeding Rs.2 lakhs.

Any restriction on Redemption or suspension of redemption (including switches) of the Units in the Scheme shall be made applicable only after specific approval of the Board of Directors of the AMC and the Trustee Company and thereafter, immediately informing the same to SEBI.

It is clarified that since the occurrence of the abovementioned eventualities have the ability to impact the overall market and liquidity situation, the same may result in exceptionally large number of Redemption requests being made and in such a situation the indicative timelines (i.e. within 3 Business Days for schemes other than interval funds and within 1 Business Day for interval funds) mentioned by the Fund in the scheme offering documents, for processing of requests for Redemption may not be applicable.

The AMC / Trustee reserves the right to change / modify the provisions of right to restrict or suspend redemption of Units in the Scheme, subject to the applicable regulatory provisions from time to time.

## 18 ACCOUNT STATEMENTS

**For NFO allotment and fresh purchase during ongoing sales with creation of a new Folio:**

- The AMC shall allot the units to the applicant whose application has been accepted and also send confirmation specifying the number of units allotted to the applicant by way of email and/or SMS's to the applicant's registered email address and/or mobile number within five working days from the date of closure of the NFO / transaction.
- The AMC shall issue to the investor whose application has been accepted, an account statement specifying the number of units allotted within five business days of closure of NFO/transaction. For allotment in demat form the account statement shall be sent by the depository / depository participant, and not by the AMC.
- For NFO allotment in demat form, the AMC shall issue an intimation of allotment.
- For those unitholders who have provided an e-mail address, the AMC will send the account statement by e-mail instead of physical statement.
- The unitholder may request for an account statement by writing / calling us at any of the ISC and the AMC shall provide the account statement to the investor within 5 business days from the receipt of such request.

Pursuant to sub regulation (1), (2) and (4) of Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circulars no. Cir/ IMD/DF/16/ 2011 dated September 08, 2011, no. Cir/MRD/D9/31/2014 dated November 12, 2014, no. SEBI/HO/IMD/DF2/CIR/P/2016/42dated March 18, 2016 and no. SEBI/HO/IMD/DF2/CIR/P/2016/89 dated September 20, 2016, investors are requested to note the following regarding dispatch of account statements:

**A) <u>Consolidated Account Statement (CAS) - for Unitholders who have registered their PAN / PEKRN with the Mutual Fund:</u>**

**<u>Investors who hold demat account and have registered their PAN with the mutual fund</u>:**

For transactions in the schemes of IDFC Mutual Fund, a Consolidated Account Statement, based on PAN of the holders, shall be sent by Depositories to investors holding demat

account, for each calendar month within 10th day of the succeeding month to the investors in whose folios transactions have taken place during that month.

Due to this regulatory change, AMC has now ceased sending account statement (physical / e-mail) to the investors after every financial transaction including systematic transactions.

The CAS shall be generated on a monthly basis. AMCs/ RTAs shall share the requisite information with the Depositories on monthly basis to enable generation of CAS. Consolidation of account statement shall be done on the basis of PAN. In case of multiple holding, it shall be the PAN of the first holder and pattern of holding. Based on the PANs provided by the AMCs/MF-RTAs, the Depositories shall match their PAN database to determine the common PANs and allocate the PANs among themselves for the purpose of sending CAS. For PANs which are common between depositories and AMCs, the Depositories shall send the CAS.

In case investors have multiple accounts across the two depositories, the depository having the demat account which has been opened earlier shall be the default depository which will consolidate details across depositories and MF investments and dispatch the CAS to the investor. However, option shall be given to the demat account holder by the default depository to choose the depository through which the investor wishes to receive the CAS.

In case of demat accounts with nil balance and no transactions in securities and in mutual fund folios, the depository shall send the account statement to the investor as specified under the regulations applicable to the depositories.

Consolidated account statement sent by Depositories is a statement containing details relating to all financial transactions made by an investor across all mutual funds viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan, bonus etc. (including transaction charges paid to the distributor) and transaction in dematerialised securities across demat accounts of the investors and holding at the end of the month. The CAS shall also provide the total purchase value / cost of investment in each scheme.

Further, a consolidated account statement shall be sent by Depositories every half yearly (September/March), on or before 10th day of succeeding month, providing the following information:

- holding at the end of the six month
- The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as Goods & Services Tax (wherever applicable, as per existing rates), operating expenses, etc.
- The scheme's average Total Expense Ratio (in percentage terms) along with the break up between investment and advisory fees, commission paid to the distributor and other expenses for the period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in.

Such half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.

Investors whose folio(s)/demat account(s) are not updated with PAN shall not receive CAS. Investors are therefore requested to ensure that their folio(s)/demat account(s) are updated

with PAN.

For Unit Holders who have provided an e-mail address to the Mutual Fund or in KYC records, the CAS will be sent by e-mail. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered in the Depository system.

Investors who do not wish to receive CAS sent by depositories have an option to indicate their negative consent. Such investors may contact the depositories to opt out.

**Other investors**:

The Consolidated Account Statement (CAS) for each calendar month shall be issued on or before tenth day of succeeding month to the investors who have provided valid Permanent Account Number (PAN) / PAN Exempt KYC Registration Number (PEKRN).

Due to this regulatory change, AMC has now ceased sending physical account statement to the investors after every financial transaction including systematic transactions.

The CAS shall be generated on a monthly basis. The Consolidated Account Statement issued is a statement containing details relating to all financial transactions made by an investor across all mutual funds viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan, bonus etc. (including transaction charges paid to the distributor) and holding at the end of the month. The CAS shall also provide the total purchase value / cost of investment in each scheme.

Further, a consolidated account statement shall be issued every half yearly (September/March), on or before 10th day of succeeding month, providing the following information:

- holding at the end of the six month
- The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as Goods & Services Tax (wherever applicable, as per existing rates), operating expenses, etc.
- - The scheme's average Total Expense Ratio (in percentage terms) along with the break up between investment and advisory fees, commission paid to the distributor and other expenses for the period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in.

Such half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.

The CAS will be sent via email (instead of physical statement) where any of the folios consolidated has an email id or to the email id of the first unit holder as per KYC records.

**B) For Unitholders who have not registered their PAN / PEKRN with the Mutual Fund:**

For folios not included in the Consolidated Account Statement (CAS):

- The AMC shall allot the units to the applicant whose application has been accepted and also send confirmation specifying the number of units allotted to the applicant by way of email

and/or SMS's to the applicant's registered email address and/or mobile number within five working days from the date of transaction.

- The AMC shall issue account statement to the investors on a monthly basis, pursuant to any financial transaction in such folios on or before tenth day of succeeding month. The account statement shall contain the details relating to all financial transactions made by an investor during the month, the holding as at the end of the month and shall also provide the total purchase value / cost of investment in each scheme.
- For those unitholders who have provided an e-mail address, the AMC will send the account statement by e-mail instead of physical statement.
- The unitholder may request for an account statement by writing / calling us at any of the ISC and the AMC shall provide the account statement to the investor within 5 business days from the receipt of such request.

Further, an account statement shall be sent by the AMC every half yearly (September/March), on or before 10th day of succeeding month, providing the following information:

- holding at the end of the six month
- The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as Goods & Services Tax (wherever applicable, as per existing rates), operating expenses, etc.
- - The scheme's average Total Expense Ratio (in percentage terms) along with the break up between investment and advisory fees, commission paid to the distributor and other expenses for the period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in.

Such half-yearly account statement shall be issued to all investors, excluding those investors who do not have any holdings in IDFC MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.

**C) For all Unitholders**

In case of a specific request received from the unit holder, the AMC shall provide the account statement to the investor within 5 business days from the receipt of such request.

**Unit Certificates**

Normally no Unit Certificates will be issued. However, if the applicant so desires, the AMC shall issue a non-transfer able Unit Certificate to the applicant within five working days of the receipt of request for the certificate. A Unit Certificate if issued must be duly discharged by the Unitholder(s) and surrendered along with the request for redemption/switch or any other transaction of Units covered therein.

**Where can you submit the filled up applications.**

Filled up applications can be submitted at the Offices of the CAMS Transaction points and ISC's as per the details given on the last few pages of this document including the back cover page.

**Underwriting**

Subject to the Regulations, the Scheme may only enter into underwriting agreements after the Fund obtains a certificate of registration in terms of the Securities and Exchange Board of India (Underwriters) Rules and Securities and Exchange Board of India (Underwriters) Regulations, 1993, authorizing it to carry on activities as underwriters. The capital adequacy norms for the purpose of underwriting shall be the net assets of the Scheme and the

underwriting obligation of the Scheme shall not at any time exceed the total net asset value of the Scheme.

**PHONE TRANSACT & M-TRANSACT**

The Facility 'Phone Transact' has been introduced by the AMC which enables the investors to subscribe and/or redeem units by calling from their registered phone number on a dedicated phone number identified by the AMC.

The Facility "M-Transact" has been introduced by the AMC which enables investors to subscribe and/or redeem units, by sending instructions through short messaging service ("SMS") from their registered mobile phone number on a dedicated number identified by the AMC.

These facilities are currently available to all existing Individual investors in the schemes of IDFC Mutual Fund. Individual investors applying on "Sole" or "Anyone or Survivor" basis in their own capacity shall be eligible to avail of these facilities for permitted transactions; inter alia, on the terms and conditions specified by the AMC for use of this facility from time to time. All such investors also need to have completed the KYC process and bank mandate registration as specified by the AMC from time to time. This facility is currently not available to a first time investor in the schemes of IDFC Mutual Fund.

Currently, only purchase, switch and redemption transactions are accepted through this facility. Eligible investors can make additional purchase in the scheme in which they are currently invested or make fresh purchase in any other scheme of IDFC Mutual Fund. Additionally, in case of open-ended schemes offering SIP facility, investors can register a SIP using Phone Transact. Requests like change in bank mandate, change of nomination, change in mode of holding, change of address or such other requests as the AMC may decide from time to time will not be permitted using the phone transact facility.

The AMC may, if deemed fit, extend this facility to other categories of investors at a future date. The AMC/Mutual Fund reserves the right to modify the terms and conditions of this Facility from time to time as may be deemed expedient or necessary.

"Terms and Conditions" mean the terms and conditions set out below by which the Facility shall be used/availed by the Unit holder and shall include all modifications and supplements made by AMC thereto from time to time.

It is clarified that the Facility is only with a view to accommodate /facilitate the Unit holder and offered at the sole discretion of the AMC. Further, the AMC may refuse access to this Facility to any investor for reasons such as attempt to mis-use this facility, attempt to place unauthorised transaction etc.

AMC may periodically provide the Unit holder with a written statement of all the transactions made by the Unit holder on a regular/as & when basis, as is being currently done.

The Unit holder shall check his/her account records carefully and promptly. If the Unit holder believes that there has been a mistake in any transaction using the Facility, or that un authorised transaction has been effected, the Unit holder shall notify AMC immediately.

By opting for the facility the Unit holder authorises and instructs the AMC to carry out the transactions as per the instruction given by the investor.

The Unit holder shall at all times be bound by any modifications and/or variations made to these Terms and Conditions by the AMC.

The Unit holder agrees and confirms that the AMC may at its sole discretion suspend the Facility in whole or in part at any time without prior notice if (i) the Unit holder does not comply with any of the Terms and Conditions or any modifications thereof, (ii) the AMC has the reason to believe that such processing is not in the interest of the Unit holder or is contrary to Regulation/SIDs/amendments to the SID and (iii) otherwise at the sole discretion of the AMC in cases amongst when the markets are volatile or when there are major disturbances in the market, economy, country, etc.

**1. INSTRUCTIONS / TERMS AND CONDITIONS FOR PHONE TRANSACT & M-TRANSACT FACILITIES**

a) Prospective investor(s) / Unitholder(s) are requested to read the Scheme Information Document ("SID"), Key Information Memorandum ("KIM") (collectively the "Offering Documents") and instructions and terms and conditions ("Instructions") carefully before filling the Registration Form and the One Time Debit Mandate Form ("Registration cum Debit Mandate").

b) Prospective investor(s) / Unitholder(s) proposing to avail the M-Transact Facility ("User") are deemed to have read and accepted the terms and conditions as stated in the Offering Documents, the Know Your Customer (KYC) norms, the Privacy and Security Policy on the website of the Mutual Fund and these Instructions, and bind themselves to the terms thereof upon signing the Registration cum Debit Mandate.

c) The AMC is offering the M-Transact facility with a view to accommodate / facilitate the User and is as such offered at the sole discretion of the AMC.

d) Once registered under the Facilities, the User would be registered for all schemes of IDFC Mutual Fund and all services covered respectively under each of the Facilities. Users do not have an option to selectively choose the Scheme(s) or the services they would like to be registered under the Facilities. The Users should note that separate SMS confirmations will be sent on their registered mobile number confirming successful registration and activation of the Facilities. In addition, User(s) will also receive a letter from the AMC confirming activation of the Facilities. The User will be able to transact for each of the Facilities only after receiving the relevant registration confirmation SMS.

e) User(s) to take note that in line with guidelines by SEBI vide its Circular No. Cir/IMD/DF/13/2011 dated August 22, 2011, Mutual Fund shall deduct Transaction Charges from the subscription amount, as applicable.

f) The distributor code (ARN) and the distributor sales person code (EUIN) as mentioned on the SMS transact Registration Form would be applicable for all transactions done using the Facility. Any change in the ARN and/or EUIN for Facilities would be required to be intimated, in writing, to IDFC Mutual Fund/ IDFC AMC and would be effected on a prospective basis.

g) The following rules will apply for processing of purchase (lump sum and SIP) transactions using SMS Transact/ M Transact Facility:

**A. Distributor ARN code and EUIN mentioned during filling the registration form for the Facilities:**

- If the investment is requested in a scheme under a 'Direct Plan', the Distributor/ARN code will be excluded for that transaction and units will be allotted under the 'Direct Plan' as requested.
- If the investment is requested in a scheme under a 'Regular Plan', the registered ARN code and EUIN will be considered for that transaction and units will be allotted under the 'Regular Plan' as requested.

**B. Distributor/ ARN code not mentioned (left blank or 'Direct' mentioned) during filling the registration form for the Facilities:**

- If the investment is requested in a scheme under a 'Direct Plan', the units will be allotted under the 'Direct Plan' as requested.
- If the investment is requested in a scheme under a 'Regular Plan', the units will, by default, be allotted under the 'Direct Plan' of the respective scheme.

h) The Unit holder desirous to make purchase and SIP registration over this facility shall register to avail the Phone Purchase facility by submitting the "Registration - Cum - One Time Mandate Form" and submit the same to the AMC/ISC. The form can be downloaded from www.idfcmf.com. The terms and conditions for Phone Purchase are mentioned on the reverse of the Application Form.

**2. UNITHOLDER INFORMATION**

a) M-Transact facility is only available to User(s) having a folio (which would include any zero balance folio) with the Mutual Fund, and who are either Resident Individuals (with mode of holding of the folio as 'single' or 'anyone or survivor' or 'either or survivor'), Hindu Undivided Family, sole proprietors or minors (through guardians). This facility is not available to User(s) who are non-residents (NRIs), Corporates, Partnership Firms and Resident Individuals (with mode of holding of the folio as 'joint'). Further, User(s) transacting through the online platforms of distributors (channel investors) or holding Units in demat form cannot be registered for the M-Transact facility.

b) In case the User is a 'minor', the parents or legal guardian appointed by a court of competent jurisdiction shall be eligible to avail of the facilities till the minor attains majority. The legal guardian of the minor hereby agrees to submit such details as may be specified by the AMC, from time to time. Upon the minor attaining majority, the right of the parent / legal guardian to operate the said User(s) account / folio(s), shall cease and the 'major' User would be required to register himself afresh for availing the M-Transact facility. The parent / legal guardian of the minor agree to indemnify the AMC against any claim made by the above minor for any transactions made by him/her on behalf of the minor.

c) In case of 'single' holding folio, M-Transact facility will be offered to the sole User. In case the mode of holding of the folio is 'Anyone or Survivor', the AMC shall offer the facility in favour of the 'Anyone or Survivor' in the folio.

d) User(s) should specify their full name, PAN details, folio no, mobile number and email address in the 'Unitholders Information' section in the Registration cum Debit Mandate. User's name should match with the details in the existing folio, failing which the Registration cum Debit Mandate is liable to be rejected.

e) User(s) are required to specify whether they are KYC compliant and enclose a photocopy of their PAN card duly self-certified along with the original PAN card along with a proof of KYC Compliance (viz. KYC Acknowledgement Letter issued by KYC Registration Agency ("KRA") or printout of KYC Compliance status downloaded from the KRA website using the PAN Number or KYC acknowledgment letter issued by any KYC Registration Agency registered with SEBI), if not provided earlier, along with the Registration cum Debit Mandate. Only KYC compliant users shall be permitted to use the facility. KYC failed cases or KYC pending or under-process cases are currently not eligible to be registered for this facility. Decisions of the AMC with regards permitting the User(s) to avail M-Transact shall be final and binding upon them. Registration cum Debit Mandate not complying with the above requirement will not be accepted/ processed.

f) The mobile number and email address specified in the Registration Cum Debit Mandate will be registered for availing this M-Transact facility and such details will supersede corresponding existing details (if any) for the User(s) folio. A user can undertake transactions under the M-Transact facility only through the registered mobile no. Only one folio can be tagged to one mobile number and once a mobile number is registered for one folio, the same mobile number cannot be re-registered against another folio in the Mutual Fund. Further, only one mobile number can be registered against one folio.

## 3. TRANSACTION AND FUND OPTION

Currently, the following types of transactions are permitted under each of the Facilities:

- SMS Transact – Lump sum Purchase, SIP registration, Redemption
- Phone Transact - Lump sum Purchase, SIP/STP/SWP registration, switch, Redemption
- Investors can use the Facilities for all the eligible and live open-ended schemes (currently available and launched in future) of IDFC Mutual Fund.

If the User has existing units in the same folio under the Scheme(s) covered under the Facilities under the Dividend Option with a different sub-option selected (i.e. payout or reinvest), the existing sub-option would be substituted with the sub-option selected during the phone transaction, for that folio. In a subsequent Purchase transaction through a mode other than a SMS or phone transaction, if the User selects a different sub-option under the folio, such new sub-option will substitute the earlier selected sub-option, including the one registered for the Phone Transact facility.

The User(s) understands that the AMC may, at its sole discretion decide to make available additional Schemes under the Facilities. The User(s) acknowledges and agrees to be bound by the terms and conditions of these Facilities for such additional Schemes that the AMC may make available from time to time.

## 4. BANK DETAILS

a) User(s) proposing to undertake purchase transactions through the Facilities must have a bank account with any one of the eligible banks on the NACH Platform. The Mutual Fund / AMC reserves the right to remove or add any bank as an eligible bank at any time without giving any prior notice to the User(s). User(s) will have to register a single bank mandate which will be debited towards subscription of unit(s) of Scheme(s) ("Purchase") undertaken through the SMS Transact facility. Relevant information in the 'Bank Details' section should be filled in and an original cancelled cheque or a self attested copy of the cheque of such a bank account should be provided along with the OTM for verification and registration of bank mandate. The bank mandate mentioned in the OTM is limited/ applicable only for Purchases through the Facilities and will not be added to the bank master for transactions through other modes, in the folio. User(s) can make payments for Purchases under the Facilities only from their respective bank account(s). In case of minor account, the bank account has to be either of the minor only or a joint account of the minor with the guardian only. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new account. No further transactions shall be allowed till the status of the minor is changed to major. Third party payments are not permitted.

   Eligible Banks for Purchases through the Facilities: All banks / bank branches participating in NACH Platform of NPCI

b) User(s) not providing information in the 'Bank Details' section or not having an account with any of the eligible banks can still be eligible to avail the Redemption facility through M-Transact with the existing default bank mandate registered in the folio. The Redemption proceeds will continue to get credited/ paid out to the existing default bank mandate registered in the folio as per the Registrars records and is independent of the bank mandate registered for Purchases under the M-Transact facility. In such cases, the

'Bank Details' section and the 'Authorisation of the Bank Account Holder' section are not required to be filled-in and must be kept blank.

c) Any change of bank mandate in the folio submitted subsequently, will not impact/ alter the bank mandate, default or otherwise, registered for Purchases under the M-Transact facility. In case the User(s) desire to change their bank mandate for Purchases under M-Transact facility, they will have to de-register the existing M-Transact registration and re-register with the new bank mandate by filling up a fresh Registration cum Debit Mandate. A notification of such change should also be separately sent to the old bank by the User(s) for necessary action.

**DECLARATION AND AUTHORISATION OF THE USER**

a) All signatures should be in English or in any Indian language. Thumb impressions should be from the left hand for males and the right hand for females and in all cases must be attested by a magistrate, notary public or special executive magistrate under his / her official seal. Applications by minors should be signed by their guardians. If you are investing through your constituted attorney, please ensure that the Power of Attorney (POA) document is signed by you and your constituted attorney. The signature in the Registration cum Debit Mandate, then, needs to clearly indicate that the signature is on your behalf by the constituted attorney.

b) User(s)entering relevant details in the 'Bank Details' section are also required to sign in the 'Authorisation of the Bank Account' section in the order in which the bank account is held and the manner in which their signatures appear on bank records.

c) User(s) who have not provided information in the 'Bank Details' section and are only availing the Redemption facility through the Facilities, will be only bound by the declarations and authorizations set out in the second paragraph of this section upon signing the signature block in this section.

**OTHER TERMS AND CONDITIONS**

a) Currently, each Purchase transaction under the Facilities is restricted up to a monetary limit as mentioned below:
SMS Transact facility – up to Rs. 99,99,999 per transaction
Phone Transact facility – up to Rs. 1,99,999 per transaction.
However, with further system developments, the AMC would endeavour to enhance such limit over a period of time. Notification of such enhanced limits would be informed in accordance with the requirements under the Regulations. The minimum Purchase amount criteria (lump sum and SIP) specified in the respective Option of the Scheme would be applicable.
Further, the restriction on number of transactions which a user can do in one folio on a single day is as given below:
SMS Transact - No restriction, the User can make multiple Purchases if required in a single day.
Phone Transact - At present, only five (5) transactions per folio per scheme per day are accepted towards purchases in all eligible open ended schemes.
Redemption can be submitted in all eligible open ended schemes, subject to maximum limit of only five (5) transactions per folio per scheme per day.
Users submitting multiple requests in any of the eligible open ended schemes, which aggregates to Rs. 2 lakhs or above, and in Liquid Schemes irrespective of the amount, from various modes of application, are requested to read the Applicable NAV section in the SID of the relevant Scheme(s). The Redemption requests shall be subject to the

minimum Redemption amount criteria and such other requirements (as applicable), details of which are provided in the SID of the relevant Scheme(s).

b) SIP (available only for investors who have successfully registered for Purchases under the Facilities): Users who are have received the SIP Purchase registration confirmation SMS from IDFC/ Registrars can initiate SIP Purchases in any of the Schemes offered under the Facilities by sending the prescribed SMS with the relevant SIP amount and scheme code to 56767267.Users are requested to refer to the SID of the Scheme for details on the minimum initial lumpsum investment amount to commence the SIP and the minimum instalment amount. The default date for SIP instalment would be on the 10th of every month, or the subsequent Business Day if the 10th is a non-Business Day. On receipt of the SMS for starting SIP, the first SIP will be triggered on the 10th of the month immediately following the date of receipt of the SMS. Thereafter, it will automatically be triggered on every 10th of the subsequent month. The SIP would be open-ended (i.e. a perpetual SIP – till Dec 2099) which can be discontinued by the User at any time by sending a written request to the Registrar/AMC.

   User(s) to note that SIP registration will be cancelled and SIP will be discontinued in case of 3 consecutive reversals for non-receipt of funds by the Scheme (including offline SIPs). The default syntax would be SIP space <amount> space <scheme code>. SIP can also be registered using phone transact facility.

c) Applicable NAV: Investments in the Scheme would be aggregated at a Portfolio level based upon the PAN of the User, irrespective of the time or mode of receipt on the application on any given business day. In case such investments aggregate to Rs. 2 lakhs or above, the closing NAV of the day on which the funds for the entire amount of subscription/Purchase (including switch ins) as per the application(s) are credited to the bank account of the respective Scheme before the cut-off time i.e. available for utilization before the cut off time, shall be applicable.

   User(s) may note that the transactions submitted through Phone Transact facility will be processed at the Applicable NAV basis the time of receipt of final confirmation from the User by the Registrar. Electronic time stamping of such instruction by the Registrar shall be deemed to be in accordance with the requirements under the Regulations. The time and date recorded by the server of the Registrar will be treated as the time and date for the submission of such transaction request.

   User(s) to note that Redemption transactions under the SMS Transact facility will be processed at the Applicable NAV at the time of receipt of the SMS instruction by the Registrar. Users are requested to refer the SID of the Scheme for further details on the Applicable NAV for Purchase transactions (lumpsum and SIP). Users to note that each Purchase and Redemption request is however subject to acceptance of the transaction request by the AMC/Registrar. Electronic time stamping of such SMS instruction by the Registrar shall be deemed to be in accordance with the requirements under the Regulations. The time and date recorded by the server of the Registrar will be treated as the time and date for the submission of the Purchase/Redemption request.

d) At the time of requesting a Purchase transaction (lumpsum and SIP) under the Facilities, availability of clear funds should be ensured in the bank account specified in the OTM as non-availability of funds in the bank account of the User(s) may lead to unsuccessful transaction. The AMC / Registrar shall attempt to settle the transaction by requesting the registered bank for release of funds. However, in case of non-receipt of funds, the transaction shall stand cancelled and the units allotted, if any, would be reversed.

e) All allotments of Units will be provisional, subject to realization of payment and other information as required by the AMC in a form satisfactory to the AMC, failing which the Mutual Fund / AMC reserve the right to reject the application and refund the Purchase amount or if Units have been allotted, freeze the folio or reverse the units or Redeem the Units at Applicable NAV and in such a case the Mutual Fund / AMC will not be responsible for any consequence there from.

f) Any Transaction request on a non-Business Day will be processed on the next Business Day in accordance with the provisions provided in the SID of the Scheme and/or SAI.

g) If any transaction under the Facilities is delayed or not effected at all for reasons of incomplete or incorrect information/entry or due to non-receipt of SMS by the service provider or the Registrar, the User(s) will not hold the AMC, the Mutual Fund, its agents or service providers responsible.

h) While the AMC shall aim to provide security to prevent any unauthorized access, there cannot be any guarantee from frauds, hacking and other actions, which could affect the electronic instructions to the AMC.

i) The User has to immediately notify the AMC/Mutual Fund on toll-free number 180030066688 / 18002666688 followed by email to investormf@idfc.com from his registered email address informing of the loss or change in mobile number, to enable the AMC/Mutual Fund to de-register the folio mapped to the mobile number for SMS Transact facility.

j) Upon receipt of request from User, the AMC / the Mutual Fund may restrict SMS transact facility to prevent any unauthorized access.

k) Requests like change in bank account details/mandates (other than under this facility), change of nomination, change in mode of holding, change of address or such other requests as the AMC may decide from time to time will not be permitted by using the Facilities. User(s) should submit relevant request forms available with the ISCs / our website www.idfcmf.com for such requests.

l) In order to avail the Facilities, the User(s) are required to provide certain data in the Registration form/OTM or otherwise. The AMC may in its absolute discretion and in the User's interest, request the User(s) for an oral, fax or written confirmation of any transaction request and/or any additional information with respect to the User(s). The AMC shall not be bound to act on any SMS instructions received until such oral, fax or written confirmation and/or any additional information in a form and manner acceptable to the AMC is received.

   However, the AMC shall rely on the fax confirmations purporting to have been sent by the User(s) and may act thereon as if the same had been duly given. If for any reason, the AMC is not satisfied with the replies of the User(s), the AMC has, at its sole discretion and in the interest of the investor, the right to refuse to suspend SMS Transact facility.

   The User(s) shall ensure that the details provided to the AMC are complete, true, accurate and as at the date of submission. The AMC shall be notified immediately if the User is aware or suspects another person knows or has used his/her/their data without authority, and the AMC/Mutual Fund will not be liable for any loss caused to the User on account of any mis-use of the data by such other person.

m) The User(s) understands that the data / information provided by him / her / them pursuant to dealing with the AMC / Mutual Fund could be dealt/shared by the AMC with the

Sponsor, Trustee Company, Registrar, banks and / or authorized external third parties who are involved in transaction processing, dispatches, etc. of the Scheme or who have been appointed by the Trustees/AMC to provide services to the Scheme, distributors or sub-brokers or any other persons for compliance with any legal or regulatory requirements or directives or to verify the identity of User(s) for complying with anti-money laundering requirements or for prevention of fraud purposes in accordance with the Privacy and Security Policy of the Mutual Fund which is available on its website www.idfcmf.com.

n) The AMC / Mutual Fund may at its sole discretion modify / vary or suspend any of the Facilities in whole or in part, at any time with requisite intimation to the User(s), as may be deemed expedient or necessary.

o) Providing the Facilities shall not be considered as solicitation to buy or an offer to sell or recommendation for a security or any other product or service, to any person in any jurisdiction where such solicitation, offer, recommendation, purchase or sale would be unlawful under the laws of that jurisdiction.

p) The AMC accepts no liability whatsoever, direct or indirect, for non-compliance with the laws of any country other than the Republic of India. The mere fact that the Facilities may be accessed by a User(s) by sending a SMS from a country other than India, shall not be interpreted to imply that the laws of the said country supersede the Instructions and/or the use of the Facilities. The Facilities shall be expressly governed by these Instructions at all times.

q) The AMC will not be liable to the User(s) for any damages whether direct or indirect, on account of any unauthorized access or misuse of the Facilities by the User(s).

r) The grant of the Facilities is not transferable / assignable under any circumstances.

s) The Facilities are provided only with a view to accommodate/facilitate the Unit holder(s) and offered at the sole discretion of the AMC.

**User(s) to note that by signing the Registration form/s and OTM and/or availing any of the Facilities, the User(s) also give the following confirmations, declarations and authorizations set out below:**

1. The responsibility of the information provided in this Registration cum Debit Mandate or any other application form for this facility solely rests with the User(s) and the AMC / Mutual Fund / Registrar will not be responsible or liable for any loss, claims, liability that may arise on account of any incorrect and / or erroneous data / information supplied by the User(s).
2. The User(s) agree and confirm that they will promptly inform the AMC/Registrar in writing of any change in the bank account number, mobile number or email address provided in the Registration cum Debit Mandate.
3. The User(s) agrees and acknowledges that any transaction, undertaken using the User's mobile number shall be deemed to be that of the User(s).
4. The User(s) confirms that he/she is aware that the Transaction can be effected only through the use of mobile number registered with the AMC.
5. All correspondence/communication in respect of the folio(s) will be sent by the AMC / Registrar at the registered address/email address/ registered mobile number provided by the User(s).
6. The User(s) hereby confirms, acknowledges and undertakes to make payments for the Purchase from their respective bank account(s) (and not by way of third party payments) and that the payment will be through legitimate sources only.

7. Payment for the transaction request shall be through a payment gateway of the investor's bank and the AMC / Mutual Fund / Registrar will not be liable for any failures in the link or for any fraud (either at the payment gateway's end and / or the bank's end) that could take place at the time of making payment.
8. The User(s) shall not assign any right or interest or delegate any obligation arising from availing M–Transact facility.
9. The User(s) agree and confirm that if at any stage the information provided is found to be incorrect / false / erroneous, the AMC / Registrar reserves the right to, at its sole discretion and in the interest of investors, reject the Registration cum Mandate and refund the Purchase amount or if Units have been allotted, freeze the folio or Redeem the Units at Applicable NAV.
10. The User(s) shall take responsibility for all the transactions conducted by using M-Transact facility unless it has been found to be fraudulent without information of the investor.
11. The User(s) understand that there will be no obligation on the AMC to ensure support all versions of softwares if the same is required availing the M-Transact facility.
12. The Registration cum Debit Mandate shall be governed by and construed in accordance with Laws of India and the User hereby irrevocably consents to the exclusive jurisdiction and venue of Courts in Mumbai, Maharashtra, India in all disputes arising out of or relating to the use of M-Transact facility. The AMC accepts no liability whatsoever, direct or indirect, for non-compliance with the laws of any country other than the Republic of India.
13. Additionally, the User(s)confirm that the AMC, Registrar or their respective delegates, agents, representatives or service providers, shall under no circumstances be liable for any damages or losses whatsoever whether such damages or losses are direct, indirect, incidental, consequential and irrespective of whether any claim is based on loss of revenue, investment, production, goodwill, profit, interruption of business or any other loss or want character or nature whatsoever and whether sustained by the User(s)or any other person, due to:
    a. Error, defect, failure, interruption, disruption or non-availability of M-Transact facility in the desired manner for reasons including but not limited to cancellation of the M-Transact facility, natural calamity, floods, fire and other natural disasters, legal restraints, period maintenance of servers, technical fault/error or virus, any failure of the service provider, loss or corruption of data, mobile device failure or malfunctioning, faults or failures in telecommunication network, software or hardware error or any other reason beyond the control of the AMC;
    b. any transaction carried out in good faith by the AMC using M-Transact based on instructions of the User(s);
    c. any unauthorized usage / unauthorized transactions concluded by using M-Transact
    d. any error, defect, failure or interruption in the provision of M-Transact;
    e. any negligence / mistake or misconduct by the User(s) and / or for any breach or non-compliance by the User(s) of the provisions of this SID or SAI or any other instructions provided by the AMC;
    f. not carrying out any such instructions where the AMC has reason to believe that the instructions given are not genuine or are otherwise improper, unclear, vague or raise a doubt;
    g. carrying out a Transaction after such reasonable verification as the AMC may deem fit regarding the identity of the User(s); and
    h. Non-compliance with the instructions, terms and conditions, confirmations, declarations or authorizations set out in the OTM and Registration form.
    i. any system failure of the concerned bank through which the User has availed this facility;
    j. Disclosing or failing to take all reasonable steps to prevent disclosure of the access Details to anyone and/or failing to advise the AMC of such disclosure within reasonable time; and

k. Breach of any Instructions provided in the OTM.

The User agrees and acknowledges that any transaction request sent by the User will not be considered as accepted by the AMC/Registrar until the User receives a confirmation SMS from the Registrar on the registered mobile number, displaying the date, time and the amount for which the request has been received or a rejection SMS informing the User rejection of his/her SMS request.

**TRANSACTION THROUGH E-MAIL FACILITY**

Transaction through e-mail (the facility) is available only to Corporate Investors intending to transact in the Schemes of IDFC Mutual Fund, by sending scan copies of transaction request through e-mail. Operational procedure and requirement specific to this facility is stated in the Application Form. Unitholder will have to mandatorily register mail-ids of authorised signatories, as approved by its Board of Directors/Trustees/partners registered under the Folio. E-mails sent for transaction under this facility have to be sent to amc.etransact@idfc.com, and should be sent only from any of the e-mail ids of the authorised signatories ("Users") registered under this facility. Unitholder who wish to avail this facility has to submit a duly filled in Application Form at AMC branches.The Application Form is available on our website – www.idfcmf.com and also at our branch offices.

**Terms & Conditions for availing Transaction through e-mail facility:-**

- The Unit holder authorizes IDFC AMC to honour all requests received from the email address(s). In the event of any change in authorized persons/signatories for any reasons whatsoever, the Unit Holder agrees to intimate IDFC AMC about the change.
- Unit holder confirms that particulars provided are correct and confirm that the officials have the necessary power and authority to transact in the Schemes of IDFC Mutual Fund. If the transactions are delayed or not effected for reasons such as incomplete or incorrect or inaccurate information, the Unit holder agrees not to hold IDFC AMC responsible for any consequences arising thereof.
- In the event of delay in processing of transaction(s) for reason not attributable to AMC, the Unit holder agrees not to hold IDFC AMC responsible for non-creation of units or for any consequences arising thereof.
- The Unit holder agrees that allotment of units will be effected as per the terms and conditions mentioned in the Statement of Additional Information / Key Information Memorandum of eligible schemes.
- The Unit holder agrees that IDFC AMC shall not be liable for, nor be in default by reason of, any failure or delay in execution of a transaction request, where such failure or delay is caused by force majeure events, or any other cause of peril which is beyond IDFC AMC's reasonable control and which has the effect of preventing IDFC AMC to perform the services contemplated by this facility.
- The Unit holder agrees to ensure that the standing instruction to IDFC AMC remains valid at all times and may be revoked only through a written letter signed by authorized signatories and after giving prior notice of 30 days to IDFC AMC to effect such withdrawal.
- The Unit Holder agrees that IDFC AMC will not be liable to the Unit holder for any damages whether direct or indirect, consequential or special, exemplary or punitive losses, costs or injury suffered, by the Unit holder, or by others, related to the use or cancellation of this facility.
- Unit holder confirms that the scan copy of transaction provided by e-mail will be held on records by IDFC AMC and the same shall be conclusive proof and binding for all the purposes and may be used as evidence in any proceeding.

- Unit holder agrees that it shall be its sole responsibility to ensure protection, access control and confidentiality of e-mailbox of the user and any breach / compromise thereof shall be entirely at the Unit holder's risk :-
  (a) The Unit holder agrees and acknowledges that any transaction, undertaken using the User's e-mailbox shall be deemed to be that of the Unit holder.
- Unit holder agrees and acknowledges that the transaction submitted through scan copy carries risk. IDFC AMC may act upon the instruction received under this facility and shall not be held responsible if the transaction is unauthorised, fraudulent or mistakenly sent.
- The Unit holder agrees and confirms that the AMC may at its sole discretion suspend the Facility with intimation to investors if (i) the Unit holder does not comply with any of the Terms and Conditions or any modifications thereof, (ii) the AMC has the reason to believe that such processing is not in the interest of the Unit holder or is contrary to Regulation/SIDs/amendments to the SID
- The Unit holder shall take responsibility for all the transactions conducted by using the Facility and will abide by the record of transactions generated by the AMC. The Unit holder hereby confirms, acknowledges and undertakes to make payments for Subscription of Units of the Scheme from their respective bank account(s) in Compliance with applicable provisions relating to third party payments detailed in the SID / SAI and that the payment will be will be through legitimate sources only.
- The transaction received at IDFC AMC through the transaction through email platform would be printed and time stamped at IDFC AMC. Applicable NAV for the transactions will be dependent upon the scan copy of the application being time stamped and receipt of funds into the IDFC Collection Account whichever is later, and will be subject to applicable cutoff time for acceptance of transaction.
- IDFC AMC shall endeavor to make a confirmation call to the registered number for confirming the transaction.
- This facility is only a mode of submission of application. The investor needs to instruct its banker separately and appropriately for transfer of funds to the Mutual Fund's account.
- The AMC shall not be obligated to instruct or other liaise with the investor's bank for the same.
- The Unit holder agrees that use of the Facility will be deemed acceptance of the Terms and Conditions.

**Indemnities in favour of IDFC AMC** :

Subject to the investor fulfilling certain terms and conditions as stipulated by AMC from time to time, the AMC, Mutual Fund, Registrar or any other agent or representative of the AMC, Mutual Fund, the Registrar ("Recipient") may accept transactions through any electronic mode (fax/web/telephonic/mobile/SMS texts/electronic transactions) ("Electronic Transactions").

The acceptance of Electronic Transactions will be solely at the risk of the investor and the Recipient shall not in any way be liable or responsible for any loss, damage caused to the investor directly or indirectly, as a result of the investor sending or purporting to send such transactions including where such transaction sent / purported to be sent is not processed on account of the fact that it was not received by the Recipient.

The investor acknowledges that Electronic Transactions is not a secure means of giving instructions / transactions requests and that the investor 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. The investor's request to the Recipient to act on Electronic Transactions is for the investor's convenience and the Recipient is not obliged or bound to act on the same. The investor

authorizes the recipient to accept and act on any Electronic Transactions which the recipient believes in good faith to be given by the investor and the recipient may at its discretion treat any such transaction as if the same was given to the recipient under the investor's original signature.

In case there is any difference between the particulars mentioned in the fax/ web/ electronic transmission received as against the original document which may be received thereafter, the Recipient shall not be liable for any consequences arising therefrom.

The investor agrees that the recipient may adopt additional security measures including signature verification, telephone call backs or a combination of the same, which may be recorded and the investor consents to such recording and agrees to co-operate with the recipient to enable confirmation of such transaction requests. In consideration of the Recipient from time to time accepting and at its sole discretion (including but not limited to the AMC extending/ discontinuing such facilities from time to time) acting on any Electronic Transactions request received / purporting to be received from the investor, the investor agrees to indemnify and keep indemnified the AMC, Directors, employees, agents, representatives of the AMC, Mutual Fund and Trustees from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs 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 Electronic Transactions requests including relying upon such transaction requests purporting to come from the investor. The AMC reserves the right to modify the terms and conditions or to discontinue the facility at any point of time.

**ADDITIONAL FACILITY FOR PURCHASE / REDEMPTION OF UNITS THROUGH STOCK EXCHANGE(S)**

The Board of IDFC Asset Management Co. Ltd (AMC) & IDFC AMC Trustee Co. Ltd (Trustee) had introduced the facility for purchase / redemption of units of eligible schemes through the MFSS platform/ BSE star platform.

Pursuant to the requirement of SEBI Circular No. CIR/IMD/DF/17/2010 dated November 9, 2010, the Board of Director of IDFC Asset Management Co. Ltd (AMC) & IDFC AMC Trustee Co. Ltd (Trustee) have decided that:
(i) units of mutual fund schemes shall be permitted to be transacted through clearing members of the registered Stock Exchanges.
(ii) to permit Depository participants of registered Depositories to process only redemption request of units held in demat form.

**I. Subscription / redemption of units**

The following provisions shall be applicable with respect to investors having demat account and purchasing/redeeming mutual fund units through stock exchange brokers and Clearing members:

(i) Investors shall receive redemption amount (if units are redeemed) and units (if units are purchased) through broker/ clearing member's pool account. IDFC Mutual Fund / IDFC Asset Management Co. Ltd. shall pay proceeds to the broker/clearing member (in case of redemption) and broker/clearing member shall make payment to the investor. The units shall be credited by the AMC/ Mutual Fund into broker/ clearing member's pool account (in case of purchase) and broker/clearing member shall credit the units to the respective investor's demat account.

(ii) The AMC / Mutual Fund shall be discharged of its obligation of payment to the investors immediately on making payment of the redemption proceeds to the broker/clearing members. In case of purchase of units, crediting units into broker/clearing member pool account shall discharge AMC/Mutual Fund of its obligation to allot units to individual investor.

**II. Participants to be Official Points of Transaction**

Participant (Clearing members and Depository participants) intending to extend the transaction in eligible schemes of IDFC Mutual Fund through stock exchange mechanism shall be required to comply with the requirements specified in SEBI circular No. SEBI /IMD / CIR No.11/183204/2009 dated November 13, 2009 for stock brokers viz. AMFI /NISM certification, code of conduct prescribed by SEBI for Intermediaries of Mutual Fund. All such participants will be eligible to be considered as Official Points of acceptance as per SEBI Circular No. SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006 for limited purposes of subscription and redemption transactions.

The transactions carried out on the above platform shall be subject to SEBI (Mutual Funds) Regulations, 1996 and circulars / guidelines issued hereunder from time to time.

**Mutual Fund Distributors**

Mutual Fund Distributors (MF Distributors) are permitted to use recognised StockExchange infrastructure to purchase/redeem units directly from Mutual Fund/AMC on behalf of their clients.

Following guideline shall be applicable for transactions executed through MF Distributors through the Stock Exchange Mechanism:
1. MF Distributor registered with Association of Mutual Funds in India (AMFI) and permitted by the concerned recognized stock exchanges shall be eligible to use recognized stock exchanges' infrastructure to purchase and redeem mutual fund units (Demat / Non Demat) on behalf of their clients, directly from IDFC Mutual Fund (IDFC MF).

2. MF distributors shall not handle pay out/pay in of funds as well as units on behalf of investor.

3. Pay in will be directly received by recognized clearing corporation and payout will be directly made to investor account. In the same manner, units shall be credited and debited directly from the demat account/Folio of investors in case of Demat/Non-demat transactions respectively.

**Facility to transact in the schemes of IDFC Mutual Fund through MF Utility infrastructure:**

IDFC Asset Management Company Limited ("IDFC AMC") has entered into an Agreement with MF Utilities India Private Limited ("MFUI"), a SEBI registered Category II Registrar to an Issue, for usage of MF Utility ("MFU") - a shared services initiative of various asset management companies of mutual funds in India, which acts as a transaction aggregation portal for transacting in multiple schemes of various mutual funds in India with a single form and a single payment instrument.

Investors / prospective investors can submit the applications / requests for all financial and non-financial transactions in the schemes of IDFC Mutual Fund ("IDFC MF") through MFU. Investors / prospective investors desirous to route their transactions through MFU can submit the physical applications / requests at any of the authorised Point of Service locations ("POS") designated by MFUI from time to time. In addition to the same, investors can also

submit the transactions electronically on the online transaction portal of MFUI (www.mfuonline.com) as and when such a facility is made available by MFUI.

IDFC AMC hereby declares all the authorised MFUI POS designated by MFUI from time to time as the Official Points of Acceptance of Transactions ("OPAT") of IDFC MF effective February 06, 2015 (Friday) in respect of the transactions in the schemes of IDFC MF routed through MFU by the investors / distributors. Additionally, the online transaction portal of MFUI (www.mfuonline.com) will also be an OPAT of IDFC MF from the date the transaction facility is made available by MFUI on the said portal.

The "cut off time" as mentioned in the respective Scheme Information Documents shall be reckoned at the above OPATs also.

For facilitating investors to transact through MFU, 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 andto map existing folios, if any. Investors can create a CAN by submitting the CAN Registration Form and other necessary documents at any of the MFUI POS. IDFC 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.

For facilitating transactions through MFU, IDFC MF / IDFC AMC will be required to furnish and disclose certain information / details about the investor(s), which may include certain personal information including financial information, with MFUI and / or its authorised service providers. Investors transacting through MFU shall be deemed to have consented and authorised IDFC MF / IDFC AMC to furnish and disclose all such information to MFUI and/or its authorised service providers as may be required by MFUI from time to time.

The transactions routed through the MFU shall be subject to the terms & conditions as may be stipulated by MFUI / IDFC AMC / IDFC MF from time to time. Further, investments in the schemes of IDFC MF routed through MFU shall continue to be governed by the terms and conditions stated in the Scheme Information Document of the respective scheme(s).

**Investor Servicing**
Investors may contact the Customer Care of MFUI on 1800-266-1415 (during the business hours on all days except Sunday and Public Holidays) or send an email to clientservices@mfuindia.com for any service required or for resolution of their grievances in respect of their transactions routed through MFU.

For any escalations and post-transaction queries pertaining to the schemes of IDFC MF, the investors should contact IDFC AMC.

**About MFU**
To know more about MFU and the list of authorised MFUI POS, please visit the MFUI website (www.mfuindia.com). For any queries or clarifications related to MFU, please contact the Customer Care of MFUI on 1800-266-1415 (during the business hours on all days except Sunday and Public Holidays) or send an email to clientservices@mfuindia.com.

**WEB TRANSACTIONS:**

The Mutual Fund may allow subscriptions of Units by electronic mode through the various web sites with whom the AMC would have an arrangement from time to time. Normally, the subscription proceeds, when invested through this mode, are by way of direct credits to the designated bank collection account of the Scheme. In the case of subscription transactions

through the aggregator platforms, the amount is credited to the pool account of the Mutual Fund. The intermediary will aggregate the data and forward the same to the AMC / ISC for processing. Unit holders may request for change of address/ bank account etc. through this mode provided, such website(s) provide for this facility. The investor is required to send the signature card with the specimen signatures of all the applicants, to the AMC / ISC. In the case of signatures not being made available, any request received, whether financial / nonfinancial, including request for Redemption of Units, shall not be processed till such time that the specimen signature cards duly signed by the applicants are received by the AMC / ISC. The Applicable NAV for subscriptions / redemptions of Units through Electronic Mode will be in accordance with the SEBI (MF) guidelines for Time Stamping and Cut-off Timings for subscriptions / redemptions made on ongoing basis. The Mutual Fund, the AMC, the Trustee, alongwith 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 web-site or its non-use including 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 Mutual Fund may introduce a facility for distributors to transact on the web / App based transaction on behalf of their clients, provided the client has provided requisite authorisation to the distributors.

**ELECTRONIC SERVICES**

This facility enables investors to transact online on www.idfcmf.com, Unitholders can execute transactions online for purchase*, switch and also register for Systematic Investment Plan (SIP) / Systematic Transfer Plan (STP) of units of schemes of IDFC Mutual Fund and other services as may be introduced by IDFC Mutual Fund from time to time. Unitholders can also view account details and portfolio valuation online, download account statements and request for documents via email, besides other options.

*facility available with select banks and subject to submission of Permanent Account Number (PAN) and Know Your Customer (KYC) compliance proof as applicable under the Regulations.

**SUBSCRIPTION OF UNITS THROUGH ELECTRONIC MODE**

Subject to the investor fulfilling certain terms and conditions as stipulated by AMC from time to time, the AMC, Mutual Fund, Registrar or any other agent or representative of the AMC, Mutual Fund, the Registrar ("Recipient") may accept transactions through any electronic mode ("fax/web/electronic transactions") as permitted by SEBI or other regulatory authorities. The acceptance of the fax / web /electronic transactions will be solely at the risk of the transmitter of the fax / web / electronic transactions 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 transactions including where a fax / web /electronic transactions sent / purported to be sent is not processed on account of the fact that it was not received by the Recipient. Facility of online transactions is available on the official website of IDFC Mutual Fund i.e. www.idfcmf.com. Consequently the said website is declared to be an “official point of acceptance” for applications for subscriptions, switches and other facilities. The Uniform Cut -off time as prescribed by SEBI and as mentioned in the Scheme Information Documents of the Scheme shall be applicable for applications received on the website.

The transmitter acknowledges that fax/web/electronic transactions is not a secure means of giving instructions / transactions 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. The transmitter's request to the Recipient to act on any fax / web / electronic transmission is for the transmitter's convenience and the Recipient is not obliged or bound to act on the same.

The transmitter authorizes the recipient to accept and act on any fax / web / electronic transmission which the recipient believes in good faith to be given by the transmitter and the recipient shall be entitled to treat any such fax / web / 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 call backs or a combination of the same, which 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/web/ electronic transaction requests. The transmitter accepts that the fax / web / electronic transactions shall not be considered until time stamped as a valid transaction request in the Scheme in line with SEBI (MF) regulations. In consideration of the Recipient from time to time 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 / web / 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 from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs 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 / web / 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 modify the terms and conditions or to discontinue the facility at any point of time.

**AUTO CORPORATE SWEEP FACILITY**

"Auto Corporate Sweep Facility" (the facility) is available to Corporate Investors intending to subscribe and/or redeem units of IDFC Cash Fund by using e-mail facility under one time standing instruction.

Corporate Investors registered under this facility can pursuant to one time standing instruction, submit purchase transaction in IDFC Cash Fund, by confirming the amount to be invested in the Scheme through e-mail. For all valid purchase transactions, redemption of all units will be automatically processed on the same day.

Operational procedure and requirements specific to this facility is stated in the Application Form. Unitholder will have to mandatorily register mail-ids of user and approver (as approved by its Board of Directors/Trustees/partners) as registered under the Folio for availing this facility.

E-mails sent for transaction under this facility have to be sent to only a designated e-mail id of IDFC AMC as may be specified from time to time and should be sent only from any of the e-mail ids of the authorised signatories ("Users") registered under this facility.

Unitholder who wish to avail this facility has to submit a duly filled in Application Form at AMC branches. The Application Form is available on our website – www.idfcmf.com and also at our branch offices.

Terms & Conditions for availing Auto Corporate Sweep facility:-

• Unit holder should confirm that User(s) and Approver(s) have the necessary power and authority to transact in units of IDFC Cash Fund.
• Unit holder should confirm that all the mails sent by the User will be marked a copy to the authorized signatories stated in "Approver Details". In absence of the approver's email id being marked in e-mail as cc, the transaction would be rejected.
• The Unit holder agrees to ensure that the standing instruction to IDFC AMC remains valid at all times and may be revoked only through a written letter signed by authorized signatories and after giving prior notice of 30 days to IDFC AMC to effect such withdrawal
• The Unit holder agrees that processing of transaction under "Auto Corporate Sweep" facility shall be subject to the terms and conditions mentioned in the Statement of Additional Information, Scheme Information Document& Key Information Memorandum of IDFC Cash Fund.
• The Unit holder agrees that IDFC AMC shall not be liable for, nor be in default by reason of, any failure or delay in execution of a transaction request, where such failure or delay is caused by force majeure events, or any other cause of peril which is beyond IDFC AMC's reasonable control and which has the effect of preventing IDFC AMC to perform the services contemplated by this facility.
• The Unit Holder agrees that IDFC AMC will not be liable to the Unit holder for any damages whether direct or indirect, consequential or special, exemplary or punitive losses, costs or injury suffered, by the Unit holder, or by others, related to the use or cancellation of this facility, not attributable to IDFC AMC.
• The Unit holder agrees, at all times, to be bound by any modifications and/or variations made to these Terms and Conditions by IDFC AMC as considered appropriate at their sole discretion and
without notice to them.
• The Unit holder agrees and confirms that IDFC AMC has the right to ask the Unit holder for any additional oral or written confirmation regarding the Account/transaction of the Unit holder.
• The Unit holder agrees and confirms that the AMC may at its sole discretion suspend the Facility in whole or in part at any time without prior notice if (i) the Unit holder does not comply with any of the Terms and Conditions or any modifications thereof, (ii) the AMC has the reason to believe that such processing is not in the interest of the Unit holder or is contrary to Regulation/SIDs/amendments to the SID and (iii) otherwise at the sole discretion of the AMC in cases amongst when the markets are volatile or when there are major disturbances in the market, economy, country, etc.
• The Unit holder shall take responsibility for all the transactions conducted by using the Facility and will abide by the record of transactions generated by the AMC. Further, the Unit Holder confirms that such records generated by the AMC shall be conclusive proof and binding for all purposes and may be used as evidence in any proceedings and unconditionally waives all objections in this behalf.
The Unit holder shall not assign any right or interest or delegate any obligation arising herein.
• The Unit holder agrees that it shall be its sole responsibility to ensure protection, access control and confidentiality of e-mail box of the user and any breach / compromise thereof shall be entirely at the Unit holder's risk.
• The Unit holder agrees and acknowledges that any transaction, undertaken using the User's emailbox shall be deemed to be that of the Unit holder. If any third party gains access to the Facility, the Unit holder agrees to indemnify the AMC and its directors, employees, agents and representatives against any liability, costs, or damages arising out of claims or suits by such other third parties based upon or related to such access or use.
• The Unit holder agrees that use of the Facility will be deemed acceptance of the Terms and Conditions and the Unit holder will unequivocally be bound by these Terms and Conditions.

**Indemnities in favour of IDFC AMC:**

The Unit holder shall not hold IDFC AMC liable for the following:

1. For any transactions carried out in good faith by IDFC AMC on the instructions of the Unit holder's authorized signatories.
2. For the unauthorized usage/unauthorised transactions conducted by using the Facility.
3. For any loss or damage incurred or suffered by the Unit holder due to any error, delay, defect, failure or interruption in the provision of the Facility arising from or caused by technical reasons such as issues in functioning of computer and other systems at investor's end, issues in functioning of computer and other systems at investor's bank, issues with e-mail transmission, loss/limitations of internet connectivity etc., or for any reason(s) beyond the reasonable control of the AMC.
4. For transaction being delayed or not effected for reasons such as incomplete or incorrect or inaccurate information.
5. For transaction sent or purported to be sent is not processed on account of the fact that it is not received by IDFC AMC.
6. For any negligence, error, mistake or misconduct by the Unit holder and/or for any breach, non-adherence or non-compliance by the Unit holder of the procedures and rules/terms and conditions stated in the Application Form in submitting the transaction or sending the e-mail.
7. For not carrying out any such instructions where IDFC AMC has reason to believe (which decision of the AMC the Unit holder shall not question or dispute) that the instructions given are not genuine or are otherwise improper, unclear, vague or raise a doubt.

## C. PERIODIC DISCLOSURES

17(a)

**Net Asset Value**

The NAV shall be calculated and announced / and released on each calendar day. The NAVs of Growth Option and Dividend Option will be different. NAV of the Scheme shall be made available on the website of AMFI (www. amfiindia.com) and the Mutual Fund (www.idfcmf.com) by11.00 p.m. on all business days. In case the NAV is not uploaded by 11.00 p.m it shall be explained in writing to AMFI for non adherence of time limit for uploading NAV on AMFI's website. If the NAVs are not available before the commencement of business hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAV. The NAV shall also be available on the call free number 1800 26666 88 and on the website of the Registrar CAMS (www.camsonline.com).

In case of Unclaimed Amount Plan, accretion in the NAV over the face value under the Options 'Unclaimed Redemption More than Three Years' and 'Unclaimed Dividend More than Three Years' shall be utilised for investor education and awareness purposes.

**Monthly / Half yearly Portfolio Disclosures:**

The Mutual fund shall disclose portfolio (along with ISIN) as on the last day of the month / half year for this scheme on website of the AMC (www.idfcmf.com) and AMFI (www.amfiindia.com) within 10 days from the close of each month / half year. In case of unitholder whose email addresses are registered with the Fund, the portfolios disclosed as above shall be sent to the unitholders via email. The unitholders whose e-mail address are not registered with the Fund are requested to update / provide their email address to the Fund for updating the database. An advertisement shall be published in at least one English daily newspaper and Hindi daily newspaper disclosing the hosting of scheme's half yearly portfolio on the website of AMC and AMFI.

Physical copy of statement of scheme's portfolio shall be provided without charging any cost, on specific request received from the unitholder.

**Half Yearly Results:**

The Mutual Fund shall within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited financial results on their website and shall publish an advertisement disclosing the hosting of such financial results on their website, in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the mutual fund is situated. The unaudited financial results will be displayed on the website of the Mutual Fund (www.idfcmf.com) and that of AMFI (www.amfiindia.com).

**Annual Report:**

Scheme wise Annual Report or an abridged summary thereof shall be mailed to all unitholders within four months from the date of closure of the relevant accounts year i.e. 31st March each year as under:

(i) by e-mail to the Unit holders whose e-mail address is available with the Fund,

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

An advertisement shall also be published in all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the scheme wise annual report on the website of the AMC.

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

annual report or abridged summary shall be displayed prominently on the website of the Fund.

The AMC shall also provide a physical copy of abridged summary of the annual report, without charging any cost, on specific request received from the unitholder. A copy of scheme wise annual report shall also be made available to unitholder(s) on payment of nominal fees.

**Associate Transactions:**
Please refer to Statement of Additional Information (SAI).

**TAXATION**

As per the taxation laws in force as at the date of this document, some broad income tax implications of investing in the units of the various schemes of the Fund are stated below. The information so stated is based on the Fund's understanding of the tax laws in force as of the date of this document.

The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.

| **Particulars** | **Investors** | **Mutual Fund** |
|---|---|---|
| Tax on Dividend/ Income | Applicable slab/tax rates*<br>For FPI - 20% | NIL |
| Capital Gains:<br>Long Term | 20 % / 10%<br>For FPI - 10%<br>*(Please refer paragraph 1 below)* | N.A. |
| Short Term | Applicable slab/tax rates*<br>For FPI - 30% | N.A. |

*For tax rates, please refer paragraph 5.

For further details on taxation please refer to the clause on Taxation in the SAI

**Note:** Surcharge and Health & Education cess will be payable in addition to the applicable taxes, wherever applicable. Further, the TDS rates on dividend income are mentioned in paragraph 7.

As per section 2(42A) of the Income-tax Act, 1961 ('the Act), mutual fund units (other than equity oriented funds) held by the investor as a capital asset is considered as short term capital asset if it is held for a period of up to 36 months. Accordingly, if such unit is held for a period of more than 36 months, it is treated as a long-term capital asset.

**1) Long-term capital gains**

For resident, as per section 112 of the Act, long-term capital gains on transfer of units, are liable to tax at the rate of 20% (with indexation benefits). Base year for indexation for computing long term capital gains shall be 1 April 2001 or the year in which the asset was first held by the assessee, whichever is later.

Further, in case of individuals/HUF's, being residents, where the total income excluding long-term capital gains is below the maximum amount not chargeable to tax[1] [refer paragraph 5], then the difference between the maximum amount not chargeable to tax and total income excluding long term capital gains, shall be adjusted from long term capital gains. Therefore, only the balance long term capital gains will be liable to income tax at the rate of 20%.

In case of non-residents, under section 112 of the Act, long-term capital gains would be taxable at the rate of 10% on the transfer of capital assets, being unlisted securities, without giving effect to the first and the second proviso to section 48 i.e. without taking the benefit of foreign currency fluctuation and indexation benefit. Long-term capital gains on transfer of listed units of other than equity oriented mutual fund would be taxable at the rate of 20% (plus the applicable surcharge and cess), with indexation benefit.

In case of FPIs, the long-term capital gains from the redemption or transfer of units shall be taxed at the rate of 10% without taking the benefit of foreign currency fluctuation and indexation benefit.

**2) Short-term capital gains**

Short-term capital gains arising on redemption or transfer of units are subject to tax at normal tax rates (Refer paragraph 5 below) and 30% in case of FPIs.

**3) Taxability of dividends**

With effect from 1 April 2020, income distribution tax has been abolished and now the dividend income will be taxed in the hands of the unitholder at normal tax rates as mentioned in paragraph 5 and 20% in case of FPIs.

Further, as per section 57, the resident unitholders can claim deduction of interest expense to the extent of 20 per cent of dividend income.

4) Any income, including gains from redemption of units of scheme of Mutual Fund, received by any person for, or on behalf of, the New Pension System Trust[2], is exempt in the hands of such person under section 10(44) of the Act.

**5) The tax rates applicable to different categories of tax-payers for FY 2020-21:**
**(***Rates of TDS are highlighted in paragraph 7*)

***A. Individuals (including NRs)/ HUFs/ Association of Persons/ Body of Individuals***

- Under the ***ongoing*** regime:

[1] Basic exemption limit

[2] As established under the provisions of Indian Trust Act, 1882, on 27 February 2008.

| | |
|---|---|
| Where total income for a tax year (April to March) is less than or equal to Rs 250,000* (the basic exemption limit) | Nil |
| Where such total income is more than Rs 250,000* but is less than or equal to Rs 500,000 | 5% of the amount by which the total income exceeds Rs 250,000* |
| Where such total income is more than Rs 500,000 but is less than or equal to Rs 1,000,000 | Rs 12,500 plus 20% of the amount by which the total income exceeds Rs 500,000 |
| Where such total income is more than Rs 1,000,000 | Rs 112,500 plus 30% of the amount by which the total income exceeds Rs 1,000,000 |

*The basic exemption limit in case of a resident senior citizen (with age of sixty years or more but less than eighty years) is Rs 300,000, in case of resident in India, who is of the age of eighty years or more at any time during the previous year is Rs 500,000.

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

- Under the alternate new regime[3] for individuals and HUF w.e.f. FY2020-21:

| | |
|---|---|
| Where total income for a tax year (April to March) is less than or equal to Rs 250,000 (the basic exemption limit) | Nil |
| Where such total income is more than Rs 250,000 but is less than or equal to Rs 500,000 | 5% of the amount by which the total income exceeds Rs 250,000 |
| Where such total income is more than Rs 500,000 but is less than or equal to Rs 750,000 | Rs 12,500 plus 10% of the amount by which the total income exceeds Rs 500,000 |
| Where such total income is more than Rs 750,000 but is less than or equal to Rs 1,000,000 | Rs 37,500 plus 15% of the amount by which the total income exceeds Rs 750,000 |
| Where such total income is more than Rs 1,000,000 but is less than or equal to Rs 1,250,000 | Rs 75,000 plus 20% of the amount by which the total income exceeds Rs 1,000,000 |
| Where such total income is more than Rs 1,250,000 but is less than or equal to Rs 1,500,000 | Rs 125,000 plus 25% of the amount by which the total income exceeds Rs 1,250,000 |
| Where such total income is more than Rs 1,500,000 | Rs 187,500 plus 30% of the amount by which the total income exceeds Rs 1,000,000 |

***B. Other categories of investors***

Tax rates for other categories are given below:

| **Type of tax-payer** | **Tax rate** |
|---|---|
| Partnership firms (including limited liability | 30% |

[3] Section 115BAC. For adopting the new tax regime, most of the deductions/exemptions such as section 80C, 80D, etc. are to be foregone. The aforesaid regime is optional. Accordingly, individuals and HUFs have the option to be taxed under either of the options. The option under new regime once exercised can be changed in subsequent years (not applicable for business income).

| | |
|---|---|
| partnership)/ domestic company* | |
| Company other than a domestic company | 40% |

*Finance Act ('FA 2020') provides that in case of a domestic company, where the total turnover or gross receipts of such company for financial year 2018-19 does not exceed Rs 400 crores, the rate of tax shall be 25% plus applicable surcharge and cess.

The Taxation Laws (Amendment) Act, 2019 has introduced two new sections i.e. section 115BAA and section 115BAB effective from financial year commencing 1 April 2019:

- *Section 115BAA*

As per section 115BAA, a domestic company can opt for paying tax at a lower rate of 22%, plus applicable surcharge and cess, subject to prescribed conditions especially such that certain deductions [such as section 80G (w.e.f. FY2020-21)] and exemptions need to be foregone. Further, the provisions of Minimum Alternate Tax ('MAT') will not apply to such companies. The option has to be exercised before the due date of filing the income-tax return. Once the option is exercised, it cannot be withdrawn subsequently.

- *Section 115BAB*

As per s.115BAB new domestic manufacturing companies, which have been set up and registered on or after 1 October 2019 and commenced manufacturing on or before 31 March 2023, can opt for a lower tax rate of 15% plus applicable surcharge and cess subject to prescribed conditions especially such that certain deductions [such as section 80G (w.e.f. FY2020-21)] and exemptions need to be foregone.

Further, the provisions of MAT will not apply to such companies. The option has to be exercised before the due date of filing the income-tax return. Once the option is exercised, it cannot be withdrawn subsequently.

**6) Surcharge and Cess**

The tax rates mentioned in paragraph 1 and 5 above would be increased by a surcharge of:

**a) For Individuals, HUF, Artificial Juridical Person, AOP or BOI:**

| **Nature of Income** | **Up to Rs. 50 lakhs** | **More than Rs. 50 lakhs but upto Rs. 1 crore** | **More than Rs. 1 crore but less than Rs. 2 crores** | **More than Rs. 2 crores but up to Rs. 5 crores** | **More than Rs. 5 crores** |
|---|---|---|---|---|---|
| 1. Short term or Long-term capital gains under section 115AD(1)(b) | NIL | 10% | 15% | 15% | 15% |
| 2. Dividend Income[4] – Residents and Non-residents | NIL | 10% | 15% | 25% | 37% |
| 3. Any other Income | NIL | 10% | 15% | 25% | 37% |

**b) <u>For Firms and LLPs</u>**

[4] The FA 2020 caps the surcharge on "dividend". It appears for this purpose that dividend would mean dividend from equity shares and may not cover dividend from mutual fund schemes/income distributed by mutual funds. This is because the Income-tax Act in several places refers to dividend from equity as "dividend" and dividend from mutual fund as "income distributed by mutual fund". Based on such approach, "mutual fund dividend" is subject to super-rich surcharge.

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

**c) For Companies**

| Company | Total income upto Rs. 1 crore | Total income exceeds Rs. 1 crore but not Rs. 10 crores | Total income exceeds Rs. 10 crores |
|---|---|---|---|
| Domestic company | NIL | 7% | 12% |
| Domestic Company opting for section 115BAA and 115BAB - on income other than capital gains | 10% | | |
| Domestic Company opting for section 115BAA and 115BAB - on capital gains | NIL | 7% | 12% |
| Foreign company | NIL | 2% | 5% |

A health and education cess of 4% by way of would be charged on amount of tax inclusive of the applicable surcharge for all taxpayers.

**7) TDS on income from mutual funds**

*a) Dividend income*

| Category | TDS rate | Reduced TDS rates from 14/05/2020 to 31/03/2021 |
|---|---|---|
| Resident | 10% (new section 194K[5]) | 7.5% |
| FPI (corporate) | 20% (section 196D) | No change |
| FPI (non-corporate) | 20% (section 196D) | No change |
| Non-residents including corporates | 20% (section 196A) | No change |

*b) Capital gains*

| Category | TDS rate |
|---|---|
| Resident | NIL (new section 194K[6]) |
| FPI (corporate) | NIL (section 196D[7]) |
| FPI (non-corporate) | NIL (section 196D[10]) |
| Other non-residents | 20% (section 196A) |

**8) Surcharge on TDS**

[5] Threshold of Rs. 5,000 is applicable under section 194K.

[6] As per section 194K, TDS is not required to be withheld on income in the nature of capital gains.

[7] As per section 196D(2) of the Act, income-tax is not required to be withheld from any income arising to FPIs by way of capital gains on transfer of shares and units referred to in section 115AD.

- In case of TDS on payments made to residents, the tax rates would not be increased by surcharge and cess.

- In case of TDS on payments made to non-residents, the tax rates would be increased by surcharge and cess. The surcharge rates are as under:

| **Nature of Income** | **Up to Rs. 50 lakhs** | **More than Rs. 50 lakhs but upto Rs. 1 crore** | **More than Rs. 1 crore but less than Rs. 2 crores** | **More than Rs. 2 crores but up to Rs. 5 crores** | **More than Rs. 5 crores** | **More Than Rs.10 crores** |
|---|---|---|---|---|---|---|
| a) Non-corporates | | | | | | |
| • Capital Gains | NIL | 10% | 15% | 25% | 37% | |
| • Dividend income[8] – FPIs and other non-residents | NIL | 10% | 15% | 25% | 37% | |
| • Any other Income | NIL | 10% | 15% | 25% | 37% | |
| b) Corporates | NIL | | 2% (More than Rs. 1 crore but up to Rs. 10 crores) | | | 5% |

The rate of health and education cess is 4%. (applicable on tax plus surcharge).

**Stamp duty implications**

The Finance Act, 2019 has amended the Indian Stamp Act, 1899 to introduce the levy and collection of stamp duty on the issue and transfer of financial instruments at one place through stock exchanges, clearing corporation and depositories.

State Governments will discontinue to charge/collect stamp duty on securities once amendments are effective. Stock exchange/clearing corporation/depository will transfer the stamp duty to respective state governments.

Based on the present language, there will be incidence of stamp duty on:

a) The unit holder, for transactions in the units of the fund; and
b) The fund, for transactions by the fund.

Rate of stamp duty applicable from July 1, 2020 is:

**A. <u>For securities other than debentures:-</u>**

| **Transaction/ Instruments** | **Rates in %** |
|---|---|
| **Issuance of units of mutual fund and unlisted shares** | 0.005 |
| **Transfer of securities on delivery basis *(including transfer of mutual fund units)*** | 0.015 |
| **Transfer of securities on non-delivery basis** | 0.003 |

[8] The FA 2020 caps the surcharge on "dividend". It appears for this purpose that dividend would mean dividend from equity shares and may not cover dividend from mutual fund schemes/income distributed by mutual funds. This is because the Income-tax Act in several places refers to dividend from equity as "dividend" and dividend from mutual fund as "income distributed by mutual fund". Based on such approach, "mutual fund dividend" is subject to super-rich surcharge.

| | |
|---|---|
| **Derivatives: Futures ( Equity and commodity)** | 0.002 |
| **Derivatives: Options ( Equity and commodity)** | 0.003 |
| **Derivatives: Currency and Interest rates derivatives** | 0.0001 |
| **Other derivatives** | 0.002 |
| **Government securities** | 0 |
| **Repo on corporate bonds** | 0.00001 |

**B. <u>For debentures:-</u>**

| **Transaction/ Instruments** | **Rates in %** |
|---|---|
| **Issuance of debentures** | 0.005 |
| **Transfer and reissue debentures** | 0.0001 |

The collection of stamp duty is subject to the *Indian Stamp (Collection of Stamp-duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019.*

Key points:

- The rules prescribe the collection and payment mechanism of stamp duty by stock exchanges, clearing corporations and depositories (collectively known as 'collecting agent').
- Collecting agent may deduct 0.2 percent of the stamp duty collected as facilitation charges before transferring the same to concerned State Government.
- As per notification issued by Ministry of Finance dated 8 January 2020, a Registrar and Share Transfer Agent will be treated as a "depository" for the limited purpose of acting as a "Collecting Agent" only in case of instruments of transactions otherwise than through a stock exchange, i.e., issue of mutual fund units.

The mechanics of stamp duty collection are as under:

| **Nature of transaction** | **Duty to be collected from** | **Responsibility to collect stamp duty** |
|---|---|---|
| Sale of securities made through stock exchange | Buyer | Stock exchange or clearing corporation |
| Off market transfer of securities made through depository (from one demat account to another) | Transferor | Depository |
| Issue of securities resulting in creation/change in records of Depository | Issuer | Depository |
| Sale or transfer or issue/reissue of unlisted securities not made through depositories | Seller or transferor or issuer as case may be | |
| In case of any other instrument | Person making, drawing or executing such instrument | |
| Transfer of securities pursuant to invocation of pledge | Pledgee | Depository |

Redemption of mutual fund units is not liable to stamp duty as it is neither a transfer nor an issue nor a sale. Stamp duty collected is to be transferred within 3 weeks of collection to the State Government where the residence of the buyer is located and in case the buyer is located outside India then the State in which the trading member/broker of the buyer is located.

**INVESTOR SERVICES**

**Investor Relations Officers:**

| Name | Address and Contact Number | E-Mail |
|---|---|---|
| Ms. Neeta Singh | IDFC Asset Management Company Limited, 1 India Bulls Centre, Jupiter Mills Compound, 841 Senapati Bapat Marg, Elphinstone, Mumbai 400013. Contact number #022 66289999 | INVESTORMF@IDFC.COM |

## D. COMPUTATION OF NAV

The NAV of the Units of the Scheme will be computed by dividing the net assets of the Scheme by the number of Units outstanding on the valuation date. The Fund shall value its investments according to the valuation norms, as specified in Schedule VIII of the Regulations, or such norms as may be prescribed by SEBI from time to time.

All expenses and incomes accrued up to the valuation date shall be considered for computation of NAV. For this purpose, major expenses like management fees and other periodic expenses would be accrued on a day to day basis. The minor expenses and income will be accrued on a periodic basis, provided the non-daily accrual does not affect the NAV calculations by more than 1%.

Any changes in securities and in the number of units be recorded in the books not later than the first valuation date following the date of transaction. If this is not possible given the frequency of the Net Asset Value disclosure, the recording may be delayed upto a period of seven days following the date of the transaction, provided that as a result of the non-recording, the Net Asset Value calculations shall not be affected by more than 1%.

In case the Net Asset Value of a scheme differs by more than 1%, due to non - recording of the transactions, the investors or scheme/s as the case may be, shall be paid the difference in amount as follows:-

(i) If the investors are allotted units at a price higher than Net Asset Value or are given a price lower than Net Asset Value at the time of sale of their units, they shall be paid the difference in amount by the scheme.

(ii) If the investors are charged lower Net Asset Value at the time of purchase of their units or are given higher Net Asset Value at the time of sale of their units, asset management company shall pay the difference in amount to the scheme. The asset management company may recover the difference from the investors

NAV of units under the Scheme shall be calculated as shown below:

**NAV (Rs.) =**

| | | | | |
|---|---|---|---|---|
| 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 Scheme**

The NAV of the Scheme will be calculated on a daily basis. The valuation of the Scheme's assets and calculation of the Scheme's NAV shall be subject to audit on an annual basis and shall be subject to such regulations as may be prescribed by SEBI from time to time.

## IV. FEES AND EXPENSES

This section outlines the expenses that will be charged to the scheme:

As per the provisions of the Regulations, read with the amendments thereto, the following fee and expenses will be charged to the Scheme:

### A. NEW FUND OFFER EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc)

New fund offer expenses will be borne by the AMC.

### B. ANNUAL SCHEME RECURRING EXPENSES

As per SEBI (MF) Regulations, 1996, recurring expenses will not exceed the following limits per annum:

1. on the first Rs. 500 crore of the Scheme's daily net assets, will not exceed 2.00%
2. on the next Rs. 250 crore of the Scheme's daily net assets, will not exceed 1.75%
3. on the next Rs. 1,250 crore of the Scheme's daily net assets, will not exceed 1.50%
4. on the next Rs. 3,000 crore of the Scheme's daily net assets, will not exceed 1.35%
5. on the next Rs. 5,000 crore of the Scheme's daily net assets, will not exceed 1.25%
6. on the next Rs. 40,000 crore of the Scheme's daily net assets, total expense ratio reduction of 0.05% for every increase of Rs. 5,000 crores of daily net assets or part thereof.
7. on the balance of the Scheme's daily net assets, will not exceed 0.80%.

The fees and expenses for operating the scheme is mentioned hereunder. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc.:

**Estimated Recurring Expenses:**

| **Expense Head** | **% of daily Net Assets** |
|---|---|
| Investment Management and Advisory Fees | Upto 2.00% |
| Trustee fee | |
| Audit fees | |
| Custodian fees | |
| RTA Fees | |
| Marketing & Selling expense incl. agent commission | |
| Cost related to investor communications | |
| Cost of fund transfer from location to location | |
| Cost of providing account statements and dividend redemption cheques and warrants | |
| Costs of statutory Advertisements | |
| Cost towards investor education & awareness (at least 2 bps) | |
| Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp. | |
| Goods and services tax on expenses other than investment and advisory fees | |
| Goods and services tax on brokerage and transaction cost | |
| Other Expenses | |
| **Maximum total expense ratio (TER) permissible under Regulation 52 (6)** | **Upto 2.00%** |

| **(c) (i) and (6) (a)** | |
|---|---|
| Additional expenses for gross new inflows from specified cities | Upto 0.30% |

^ In terms of SEBI Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012, the AMC / Mutual Fund shall annually set apart at least 2 basis points (i.e. 0.02%) on daily net assets of the scheme within the maximum limit of Total Expense Ratio as per Regulation 52 of the SEBI (MF) Regulations for investor education and awareness initiatives.

@ Brokerage and transaction costs incurred for the execution of trades and included in the cost of investment, not exceeding 0.12 per cent of the value of trades of cash market transactions and 0.05 per cent for derivative transactions. Thus, in terms of SEBI circular CIR/IMD/DF/24/2012 dated November 19, 2012, it is hereby clarified that the brokerage and transaction costs incurred for the execution of trades may be capitalized to the extent of 0.12 per cent of the value of trades of cash market transactions and 0.05 per cent for derivative transactions. Any payment towards brokerage and transaction costs (including Goods & Services Tax, if any) incurred for the execution of trades, over and above the said 0.12 per cent for cash market transactions and 0.05 per cent for derivative transactions may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52 of the SEBI (MF) Regulations.

The expense of 30 bps shall be charged if the new inflows from retail investors from B30 cities as specified from time to time are at least-
(i) 30 per cent of gross new inflows in the scheme, or; (ii) 15 per cent of the average assets under management (year to date) of the scheme, whichever is higher:
Provided that if inflows from retail investors from B30 cities is less than the higher of sub-clause (i) or sub- clause (ii), such expenses on daily net assets of the scheme shall be charged on proportionate basis.

Provided further that expenses charged under this clause shall be utilized for distribution expenses incurred for bringing inflows from retail investors from B30 cities. Provided further that amount incurred as expense on account of inflows from retail investors from B30 cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment.

In case inflows from beyond top 30 cities is less than the higher of (i) or (ii) above, additional TER on daily net assets of the scheme shall be charged as follows:

$$\frac{\text{Daily net assets} \times 30 \text{ basis points} \times \text{New inflows from individuals beyond top 30 cities}}{365^{*} \times \text{Higher of (i) or (ii) above}}$$

* 366, wherever applicable.

For the above purposes, 'B30 cities' shall be beyond Top 30 cities as at the end of previous financial year as communicated by AMFI. Retail investors would mean individual investors from whom inflows into the Scheme would amount upto Rs. 2,00,000/- per transaction.

Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under Direct Plan. All fees and expenses charged in a direct plan (in percentage terms) under various heads including the nvestment and advisory fee shall not exceed the fees and expenses charged under such heads in a regular plan.
Total annual recurring expenses in case of under Unclaimed Amount Plan shall not exceed 0.50% of daily net assets.

The AMC shall adhere provisions of SEBI Circular dated October 22, 2018 and various guidelines specified by SEBI as amended from time to time, with reference to charging of fees and expenses. Accordingly:

a. All scheme related expenses including commission paid to distributors, shall be paid from the Scheme only within the regulatory limits and not from the books of the AMC, its associates, sponsor, trustee or any other entity through any route.
   Provided that, such expenses that are not specifically covered in terms of Regulation 52 (4) can be paid out of AMC books at actual or not exceeding 2 bps of the Scheme AUM, whichever is lower.
b. The Fund / the AMC shall adopt full trail model of commission in the Scheme, without payment of any upfront commission or upfronting of any trail commission, directly or indirectly, in cash or kind, through sponsorships, or any other route.
c. All fees and expenses charged in a Direct Plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in Regular Plan.
d. No pass back, either directly or indirectly, shall be given by the Fund / the AMC / Distributors to the investors.

**Disclosure on Goods & Services Tax :**

Goods & Services Tax on investment management and advisory fees shall be in addition to the above expense.

Further, with respect to Goods & Services Tax on other than management and advisory fees:

- Goods & Services Tax on other than investment and advisory fees, if any, shall be borne by the scheme within the maximum limit of TER as per regulation 52 of the Regulations.
- Goods & Services Tax on exit load, if any, shall be paid out of the exit load proceeds and exit load net of Goods & Services Tax, if any, shall be credited to the scheme.
- Goods & Services Tax on brokerage and transaction cost paid for asset purchases, if any, shall be within the limit prescribed under regulation 52 of the Regulations.

For the actual current expenses being charged to the Scheme, the investor should refer to the website of the mutual fund at www.idfcmf.com (Home> Total Expense Ratio of Mutual Fund Schemes). Any change proposed to the current expense ratio will be updated on the website at least three working days prior to the change.

As per the Regulations, the total recurring expenses that can be charged to the Scheme in this Scheme information document shall be subject to the applicable guidelines. Expenses over and above the permitted limits will be borne as per the Regulations. The total recurring expenses of the Scheme, will, however, be limited to the ceilings as prescribed under Regulation 52(6) of the Regulations.

**Impact of Expense on the performance of the Scheme**

| **Particulars** | | **Dates** | |
|---|---|---|---|
| | | **1-Apr-18** | **2-Apr-18** |
| Opening Net Assets | a | 100,000.00 | 100,119.62 |
| Income earned during the day | b | 25.00 | 20.00 |
| Incremental Portfolio gain | c | 100.00 | -80 |
| Net Assets before expenses | a+b+c | 100,125.00 | 100,059.62 |
| Units Balance | d | 1,000.00 | 1,000.00 |
| NAV before charging expenses | (a+b+c)/d | 100.125 | 100.0596 |
| Expenses charged @ 2% p a | e | 5.38 | 5.38 |

| | | | |
|---|---|---|---|
| Net Assets after expenses | a+b+c-e | 100,119.62 | 100,054.25 |
| NAV after charging expenses | (a+b+c-e)/d | 100.1196 | 100.0542 |
| i.e. final NAV | | | |
| | | | |
| Returns before expenses | | 46% | -22% |
| Returns after expenses | | 44% | -24% |
| | | | |
| expenses charged =e =(a+b+c)*expense ratio/(100+ expense ratio)/365 days | | | |

**C. LOAD STRUCTURE** 16

*Load is an amount which is paid by the investor to redeem the units from the scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC (www.idfcmf.com) or may call at (toll free no.1-800-26666 88) or your distributor.*

Entry load: Nil
Exit Load: Please refer to HIGHLIGHTS / SUMMARY OF THE SCHEME

All switches will be treated as redemption in the source scheme and subscription in the destination scheme, with the entry and exit load as may be applicable.

In accordance with the requirements specified by the SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009 no entry load will be charged for purchase/additional purchase/switches accepted by the Mutual Fund. Similarly, no entry load will be charged with respect to applications for registrations under the Systematic Investment Plan (SIP)/Systematic Transfer Plan (STP) accepted by the Mutual Fund.

The upfront commission on investment made by the investor, if any, shall be paid to the ARN Holder (AMFI registered distributor) directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder.

Exit load (if any) charged to the unit holders by the Mutual Fund on redemption (including switch-out) of units shall be credited to the respective scheme net of Goods & Services Tax. Goods & Services Tax on exit load, if any, shall be paid out of the exit load proceeds.

Switches of following kind within the Scheme will also not attract any exit load - (i) switch from Direct Plan to Regular Plan; (ii) switch from Regular Plan to Direct Plan where the investment in Regular Plan is without a Distributor (ARN) code; (iii) within different Options (dividend/growth) of the same Plan (Direct/Regular) of the Scheme.

Load on bonus/dividend re-investment units: In terms of SEBI circular SEBI/IMD/CIR No.14/120784/08 dated March 18, 2008, no entry and exit load shall be charged on bonus units or units allotted on reinvestment of dividend.

The Trustee / AMC reserves the right to introduce a Load and change the Load structure any time in future if they so deem fit on a prospective basis. The investor is requested to check the prevailing load structure of the scheme before investing.

In case of changes/modifications of load, the AMC will endeavour to do the following:
1. An addendum will be attached to the Scheme Information Documents and Key Information Memorandum. The same may be circulated to brokers/distributors so that the

same can be attached to all SIDs and abridged SID in stock. Further the addendum will be sent along with a newsletter to unitholders immediately after the changes.

2. Arrangement will be made to display the changes/modifications in the SID in the form of a notice in all the official point of acceptance of transactions and distributor's/broker's office.
3. The introduction of the exit load alongwith the details may be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load .
4. A public notice shall be given in respect of such changes 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.

**Transaction charges**

**In accordance with SEBI circular no. CIR/ IMD/ DF/ 13/ 2011 dated August 22, 2011, Transaction Charge per subscription of Rs.10, 000/ – and above shall be charged from the investors and shall be payable to the distributors/ brokers (who have opted in for charging the transaction charge for this scheme) in respect of applications routed through distributor/ broker relating to Purchases / subscription / new inflows only (lump sum and SIP), subject to the following:**

- **For Existing / New investors: Rs.100 / Rs.150 as applicable per subscription of Rs. 10,000/ – and above**
- **Transaction charge for SIP shall be applicable only if the total commitment through SIP amounts to Rs.10,000/ – and above. In such cases the transaction charge would be recovered in maximum 4 successful installments.**
- **There shall be no transaction charge on subscription below Rs.10,000/-.**
- **There shall be no transaction charges on direct investments.**

**The Transaction Charge as mentioned above shall be deducted by the AMC from the subscription amount of the Unit Holder and paid to the distributor and the balance shall be invested in the Scheme. The statement of account shall clearly state that the net investment as gross subscription less transaction charge and give the number of units allotted against the net investment.**

**The requirement of minimum application amount shall not be applicable if the investment amount falls below the minimum amount required due to deduction of transaction charges from the subscription amount.**

**The AMCs shall be responsible for any malpractice/mis-selling by the distributor while charging transaction costs.**

**D. WAIVER OF LOAD FOR DIRECT APPLICATIONS**

Not applicable

## V. RIGHTS OF THE UNITHOLDERS

Please refer to SAI for details.

## VI. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY

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1. *Penalties and action(s) taken against foreign Sponsor(s) limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are*

*carried out or where the headquarters of the Sponsor(s) is situated. Also, top 10 monetary penalties of foreign sponsor(s) during the last three years.:*

None

2. *In case of Indian Sponsor(s), details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed.*

- The National Securities Clearing Corporation Ltd. informed that IDFC Enterprise Equity Fund had an open interest in stock futures segment in one of the securities where the exposure quantity which was in excess of 1% of the free float market capitalization (in terms of shares) and that the exposure was also in excess of 5% of open interest (in terms of number of shares) in all futures and option contracts in the underlying security. In accordance with the NSCCL circular dated June 17, 2003, the MF was levied a penalty of Rs. 1 Lakh, which was paid.
- In case of IDFC Ltd., sponsor of IDFC Mutual Fund, there was one instance of SGL bounce for which the RBI has imposed penalty of Rs.500,000/- during the year ended March 31, 2013. The Sponsor has paid the penalty to the RBI.

3. *Details of all enforcement actions(Including the details of violation, if any) taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party.*

None

4. *Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party.*

None

5. *Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or notified by any other regulatory agency.*

The Clearing Corporation of India Limited, Mumbai imposed a penalty on the AMC under CCIL's Bye – Laws, Rules & Regulation on account of short fall in CCIL securities segment margin. The penalty charged to the AMC amounted to approx. Rs 49,000, which was paid. The AMC has taken adequate steps to ensue that no further breach shall take place.

22 **Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.**

**Note: The Trustees have ensured that the Scheme approved by them is a new product offered by IDFC Mutual Fund and is not a minor modification of an existing scheme /**

**fund / product.**

**For IDFC Asset Management Company Limited**

Sd/-
**Vishal Kapoor**
**CEO**

Place: Mumbai
Date: June 30, 2020.

***Name, address and contact no. of Registrar and Transfer Agent (R&T), email id of R&T, website address of R&T, official points of acceptance, collecting banker details etc.***

**REGISTRAR:**

Computer Age Management Services Limited (CAMS)
7th Floor, Tower II, Rayala Towers,
No.158, Anna Salai,
Chennai 600 002
Tel. + 91 – 44 – 30407263/7262

E-Mail ID: enq_g@camsonline.com
Website: www.camsonline.com

**Official Points of Acceptance of Transactions, CAMS**

• Agartala: Advisor Chowmuhani (Ground Floor),Krishnanagar,Agartala,Tripura,799001 • Agra: CAMS SERVICE CENTER,No. 8, II Floor Maruti Tower, Sanjay Place,Agra ,Uttarpradesh-282002 • Ahmedabad: CAMS SERVICE CENTER,No.111- 113,1 st Floor,Devpath Building, Off C G Road,Behind Lal Bungalow,Ellis Bridge, Ahmedabad Gujarat 380006 • Ahmednagar: CAMS SERVICE CENTER,Office No.3.1st Floor,Shree Parvati,Plot No.1/175,Opp. Mauli Sabhagruh,Zopadi Canteen,Savedi,Ahmednagar-414003 • Ajmer: CAMS SERVICE CENTER,AMC No. 423/30, Near Church,Opp T B Hospital,Jaipur Road,Ajmer,Rajasthan,305001 • Akola: Opp. RLT Science College,Civil Lines,Akola,Maharashtra,444001 • Aligarh: City Enclave, Opp. Kumar Nursing Home, Ramghat Road, Aligarh, Uttarpradesh-202001 • Allahabad: CAMS SERVICE CENTER,30/2, A&B, Civil Lines Station,Besides Vishal Mega Mart,Strachey Road, Allahabad ,Uttarpradesh-211001 • Alleppey: Doctor's Tower Building,Door No. 14/2562, 1st floor,North of Iorn Bridge, Near Hotel Arcadia Regency, AlleppeyKerala,688001 • Alwar: CAMS SERVICE CENTER,256A, Scheme No:1,Arya Nagar,Alwar,Rajasthan,301001 • Amaravati: CAMS SERVICE CENTER,No.81,Gulsham Tower,2nd Floor,Near Panchsheel Talkies,Amaravati,Maharashtra,444601 • Ambala: CAMS SERVICE CENTRE, shop no 48, Opposite PEER, Bal Bhawan Road, Ground Floor, Ambala City, Haryana • Amritsar: CAMS SERVICE CENTER,SCO - 18J, 'C' Block,Ranjit Avenue,Amritsar,Punjab,143001 • Anand: CAMS SERVICE CENTER,No.101, A.P. Tower,B/H, Sardhar Gunj,Next to Nathwani Chambers,AnandGujarat388001 • Anantapur: 15-570-33, I Floor,Pallavi Towers,Subash Road,Opp:Canara Bank,Anantapur,AndhraPradesh,515001 • Andheri: CAMS Pvt Ltd,No.351,Icon,501,5th Floor,Western Express Highway,Andheri East,Mumbai-400069 • Ankleshwar: Shop No - F -56,First Floor,Omkar Complex,Opp Old Colony,Nr Valia Char Rasta,GIDC,Ankleshwar,Gujarat,393002 • Asansol: CAMS SERVICE CENTER,Block – G,1st Floor,P C Chatterjee Market Complex,Rambandhu Talab PO, Ushagram,Asansol,Westbengal Pin No 713303 • Aurangabad: CAMS SERVICE CENTER,2nd Floor,Block No.D-21-D-22,Motiwala Trade CENTER,Nirala Bazar,New Samarth Nagar,Opp.HDFC Bank,Aurangabad-431001 • Balasore: B C Sen Road,Balasore,Orissa,756001 • Ballari: CAMS SERVICE CENTER,No.18/47/A,Govind Nilaya,Ward No.20,Sangankal Moka Road,Gandhinagar,Ballari-583102 • Bangalore: CAMS SERVICE CENTER,Trade CENTER,1st Floor45, Dikensen Road ( Next to Manipal CENTER ),Bangalore,Karnataka,560042 • Bangalore(Wilson Garden): CAMS SERVICE CENTER,First Floor,No.17/1,-(272) 12Th Cross Road,Wilson Garden,Bangalore-560027 • Bankura: Cinema Road, Nutanganj, Beside Mondal Bakery, PO & District Bankura, West Bengal - 722101 • Bareilly: CAMS SERVICE CENTER,F-62-63, Second Floor, ,Butler Plaza Commercial Complex Civil Lines Bareilly Uttarpradesh-243001 • Basti: CAMS C/O RAJESH MAHADEV & CO SHOP NO 3,1st Floor JAMIA COMLEX STATION ROAD BASTI PIN 272002 • Belgaum: CAMS SERVICE CENTER,Classic Complex,Block

No.104,1st Floor,Saraf Colony,Khanapur Road,Tilakwadi,Belgaum-590006 • Berhampur: CAMS SERVICE CENTER, Kalika Temple Street, Ground Floor, Beside SBI Bazar Branch, Berhampur - 760 002. Tel. No. : 0680-2250401 • Bhagalpur: Krishna, I Floor,Near Mahadev Cinema,Dr.R.P.Road,Bhagalpur,Bihar,812002 • Bharuch: CAMS SERVICE CENTRE,A-111,First Floor,R K Casta,Behind Patel Super Market,Station Road,Bharuch-392001 • Bhatinda: 2907 GH,GT Road,Near Zila Parishad,Bhatinda,Punjab,151001 • Bhavnagar: CAMS SERVICE CENTER,No.305-306, Sterling Point,Waghawadi RoadOpp. HDFC BANK,BhavnagarGujarat364002 • Bhilai: CAMS SERVICE CENTER,1st Floor,Plot No.3,Block No.1,Priyadarshini Pariswar west,Behind IDBI Bank,Nehru Nagar,Bhilai-490020 • Bhilwara: CAMS SERVICE CENTER,C/o Kodwani Associtates,Shope No.211-213, 2nd floor,Indra Prasth Tower,syam Ki Sabji Mandi,Near Mukerjee Garden,Bhilwara-311001 (Rajasthan) • Bhopal: CAMS SERVICE CENTER,Plot no.10,2nd Floor,Alankar Complex,Near ICICI Bank,MP Nagar, Zone II,Bhopal,MadhyaPradesh462011 • Bhubaneswar: CAMS SERVICE CENTER,Plot No -111,Varaha Complex Building,3rd Floor,Station Square,Kharvel Nagar,Unit 3-Bhubaneswar-Orissa-751001 • Bhuj: CAMS SERVICE CENTRE,Office No.4-5,First Floor,RTO Relocation Commercial Complex-B,Opp.Fire Station,Near RTO Circle,Bhuj-Kutch-370001 • Bhusawal (Parent: Jalgaon TP): 3, Adelade Apartment,Christain Mohala, Behind Gulshan-E-Iran Hotel,Amardeep Talkies Road,Bhusawal,Maharashtra,425201 • Biharsharif: R-C Palace, Amber Station Road, Opp Mamta Cpmplex,Biharsharif-803101 • Bikaner: Behind rajasthan patrika In front of vijaya bank 1404,amar singh pura Bikaner.334001 • Bilaspur: CAMS SERVICE CENTER,Shop No.B-104, First Floor,Narayan Plaza,Link Road,Bilaspur(C.G)-495001 • Bokaro: CAMS SERVICE CENTER,Mazzanine Floor,F-4, City Centre,Sector 4, Bokaro Steel City,Bokaro,Jharkhand,827004 • Borivali: CAMS PVT LTD,Hirji Heritage,4th Floor,Office No.402,L.T.Road,Borivali,Mumbai-400092 • Burdwan: CAMS SERVICE CENTER,No.399, G T Road, Basement of Talk of the Town, ,Burdwan, Westbangal713101 • Calicut: CAMS SERVICE CENTER,No.29/97G,2nd Floor,S A Arcade,Mavoor Road,Arayidathupalam,CalicutKerala-673016 • Chandigarh: CAMS SERVICE CENTER,Deepak Tower,SCO 154-155,1st Floor-Sector 17-Chandigarh-Punjab-160017 • Chennai: CAMS SERVICE CENTER,Ground Floor No.178/10,Kodambakkam High RoadOpp. Hotel Palmgrove,Nungambakkam-Chennai-Tamilnadu-600034 • Chennai-Satelite ISC: No.158,Rayala Tower-1,Anna salai,Chennai-600002 • Chhindwara: 2nd Floor, Parasia Road, Near Surya Lodge, Sood Complex, Above Nagpur CT Scan, Chhindwara - 480001. Madhya Pradesh • Chittorgarh: 3, Ashok Nagar, Near Heera Vatika,Chittorgarh, Rajasthan 312001 • Cochin: CAMS SERVICE CENTER,Building Name Modayil,Door No. 39/2638 DJ,2nd Floor 2A M.G. Road,Cochin - 682 016 • Coimbatore: CAMS SERVICE CENTER,No.1334,Thadagam Road,Thirumurthy Layout,R.S.Puram,Behind Venketeswara Bakery,Coimbatore-641002 • Cuttack: CAMS SERVICE CENTER,Near Indian Overseas Bank,Cantonment Road,Mata Math,Cuttack,Orissa,753001 • Darbhanga: Ground Floor , Belbhadrapur, Near Sahara Office, Laheriasarai Tower Chowk, Laheriasarai, Darbhanga-846001. • Davangere: CAMS SERVICE CENTER,No.13, Ist Floor,Akkamahadevi Samaj Complex,Church Road,P.J.Extension,Davangere,Karnataka,577002 • Dehradun: CAMS SERVICE CENTER,No.204/121 Nari Shilp Mandir Marg(Ist Floor) Old Connaught Place,Chakrata Road,Dehradun,Uttarakhand,248001 • Deoghar: S S M Jalan RoadGround floorOpp. Hotel Ashoke,Caster Town,Deoghar,Jharkhand,814112 • Dhanbad: CAMS SERVICE CENTER,Urmila Towers,Room No: 111(1st Floor) Bank More,Dhanbad,Jharkhand,826001 • Dharmapuri: 16A/63A, Pidamaneri Road, Near Indoor Stadium,Dharmapuri,Tamilnadu 636701 • Dhule: House No 3140, Opp Liberty Furniture,Jamnalal Bajaj Road, Near Tower Garden,Dhule,Maharashtra 424001 • Durgapur: CAMS SERVICE CENTER,Plot No.3601,Nazrul Sarani,City CENTER,Durgapur-713216 • Erode: CAMS SERVICE CENTER,171-E,Seshaiyer Complex,Agraharam Street,Erode,Tamilnadu,638001 • Faizabad: CAMS SERVICE CENTER,1/13/196,A,Civil Lines,Behind Tripati Hotel,Faizabad,Uttarpradesh-224001 • Faridabad: CAMS SERVICE CENTER,No.B-49, 1st Floor,Nehru Ground,Behind Anupam,Sweet House NIT,Faridabad,Haryana,121001 • Firozabad: 53,1st Floor ,Shastri Market, Sadar Bazar,

Firozabad, Uttarpradesh-283203 • Gandhidham: CAMS SERVICE CENTER,Office No.4,Ground Floor,Ratnakala Arcade,Plot No.231,Ward-12B,Gandhidham-370201 • Gaya: CAMS SERVICE CENTER,North Bisar Tank,Upper Ground Floor,Near-I.M.A. Hall,Gaya-823001 • Ghatkopar: CAMS SERVICE CENTER,Platinum Mall,Office No.307,3rd Floor,Jawahar Road,Ghatkopar East,Mumbai-400077 • Ghaziabad: CAMS SERVICE CENTER,B-11,LGF RDC,Rajnagar,Opp Kacheri Gate No.2,Ghaziabad-201002 • Goa: CAMS SERVICE CENTER,Office No.103,1st Floor,Unitech City Centre,M.G.Road,Panaji Goa,Goa-403001 • Gondal (Parent Rajkot): A/177, Kailash Complex Opp. Khedut Decor Gondal,Gujarat,360311 • Gorakhpur: CAMS SERVICE CENTRE,Shop No.5 & 6,3Rd Floor,Cross Road The Mall,A D Tiraha,bank Road,Gorakhpur-273001 • Gulbarga: Pal Complex, Ist Floor,Opp. City Bus Stop,SuperMarket,Gulbarga,Karnataka 585101 • Guntur: CAMS SERVICE CENTER,Door No.6-4-28,1st Floor,Above prestige Showroom,4/2,Arundalpet,Guntur-522002 • Gurgaon: CAMS SERVICE CENTER,SCO - 16, Sector - 14, First floor,Gurgaon,Haryana,122001 • Guwahati: CAMS SERVICE CENTER,Piyali Phukan Road,K.C.Path,House No.1,Rehabari,Guwahati-781008 • Gwalior: CAMS SERVICE CENTER,G-6 Global Apartment,Kailash Vihar Colony, Opp. Income Tax Office, City CENTER,Gwalior Madhya Pradesh-474002 • Haldia: 1st Floor, New Market Complex,Durgachak Post Office,, Durgachak, Haldia,Westbangal 721602 • Haldwani: Durga City CENTER, Nainital Road, Haldwani, Uttarakhand-263139 • Hazaribag: Municipal MarketAnnanda Chowk,Hazaribag,Jharkhand,825301 • Himmatnagar: D-78, First Floor,New Durga Bazar,Near Railway Crossing,Himmatnagar,Gujarat 383001 • Hisar: CAMS SERVICE CENTRE,No-12, Opp. HDFC Bank,Red Square Market,Hisar,Haryana,125001 • Hoshiarpur: Near Archies Gallery,Shimla Pahari Chowk,Hoshiarpur ,Punjab 146001 • Hosur: CAMS SERVICE CENTER,Survey No.25/204,Attibele Road,HCF Post,Mathigiri,Above Time Kids School,Oppsite To Kuttys Frozen Foods,Hosur-635110 • Hubli: CAMS SERVICE CENTER,No.204 - 205,1st Floor' B ' Block, Kundagol Complex,Opp. Court, Club Road,Hubli,Karnataka,580029 • Hyderabad: CAMS SERVICE CENTER,No.208, II Floor,Jade Arcade Paradise Circle,Hyderabad,Telangana,500003 • Indore: CAM SERVICE CENTER,No.101, Shalimar Corporate CENTER,8-B, South Tukogunj,Opp.Greenpark, Indore,MadhyaPradesh,452001 • Jabalpur: CAMS SERVICE CENTER,No.8, Ground Floor, Datt Towers,Behind Commercial Automobiles,Napier Town,Jabalpur,MadhyaPradesh,482001 • Jaipur: CAMS SERVICE CENTER,R-7, Yudhisthir Marg, C-Scheme,Behind Ashok Nagar Police Station,Jaipur,Rajasthan,302001 • Jalandhar: CAMS SERVICE CENTER,No.367/8, Central TownOpp.Gurudwara, Diwan Asthan,Jalandhar,Punjab-144001 • Jalgaon: CAMS SERVICE CENTER,Rustomji Infotech Services70, NavipethOpp. Old Bus Stand,Jalgaon,Maharashtra,425001 • Jalna: Shop No 6, Ground Floor,Anand Plaza Complex,Bharat Nagar,Shivaji Putla Road,Jalna,Maharashtra,431203 • Jalpaiguri: Babu Para, Beside Meenaar Apartment ,Ward No VIII, Kotwali Police Station,Jalpaiguri-735101 West Bengal • Jammu: JRDS Heights,Lane Opp. S&S Computers Near RBI Building, Sector 14, Nanak Nagar Jammu,Jammu &Kashmir,180004 • Jamnagar: CAMS SERVICE CENTER,No.207,Manek CENTER,P N Marg,Jamnagar,Gujarat,361001 • Jamshedpur: CAMS SERVICE CENTER,Millennium Tower, "R" RoadRoom No:15, First Floor, Bistupur,Jamshedpur,Jharkhand,831001 • Janakpuri: CAMS SERVICE CENTER,No.306,3Rd Floor,DDA-2 Building,District Center,Janakpuri,New Delhi-110058 • Jaunpur: 248, Fort Road Near Amber Hotel, Jaunpur Uttarpradesh-222001 • Jhansi: No.372/18D,1st Floor Above IDBI Bank,Beside V-Mart,Near RAKSHAN,Gwalior Road,Jhansi-284001 • Jodhpur: CAMS SERVICE CENTER,No.1/5, Nirmal Tower,1st Chopasani Road,Jodhpur,Rajasthan,342003 • Junagadh: "Aastha Plus", 202-A, 2nd FloorSardarbag Road, Nr. AlkapuriOpp. Zansi Rani Statue Junagadh Gujarat-362001 • Kadapa: Bandi Subbaramaiah Complex,D.No:3/1718, Shop No: 8, Raja Reddy Street,Kadapa,AndhraPradesh,516001 • Kakinada: CAMS SERVICE CENTER,D No.25-4-29,1St floor,Kommireddy vari street,Beside Warf Road,Opp swathi medicals,Kakinada-533001 • Kalyani: CAMS SERVICE CENTRE,A-1/50,Block A,Kalyani,Dist Nadia,Westbengal-741235 • Kannur: Room No.PP.14/435Casa Marina Shopping

CENTERTalap,Kannur,Kerala,670004 • Kanpur: CAMS SERVICE CENTER, I Floor, 106 to 108,City Center,Phase II,63/ 2, The Mall Kanpur Uttarpradesh-208001 • Karimnagar: HNo.7-1-257, Upstairs S B H mangammathota,Karimnagar,Telangana,505001 • Karnal (Parent :Panipat TP): No.29,Avtar Colony,Behind vishal mega mart,Karnal-132001 • Karur: 126 G, V.P.Towers, Kovai Road,Basement of Axis Bank,Karur,Tamilnadu,639002 • Katni: 1st Floor,Gurunanak dharmakanta,Jabalpur Road,Bargawan,Katni,MadhyaPradesh 483501 • Khammam: Shop No: 11 - 2 - 31/3, 1st floor,Philips Complex,Balajinagar, Wyra Road,Near Baburao Petrol Bunk,Khammam,Telangana 507001 • Kharagpur: CAMS SERVICE CENTER,"Silver Palace" OT Road,Inda-Kharagpur,G-P-Barakola,P.S.Kharagpur Local,Dist West Midnapore-721305 • Kolhapur: CAMS SERVICE CENTER,No.2 B, 3rd Floor,Ayodhya Towers,Station Road,Kolhapur,Maharashtra,416001 • Kolkata: CAMS SERVICE CENTER, Kolkata: Kankaria Centre, 2/1, Russell Street, 2nd Floor, Kolkata - 700071 • Kolkata-CC (Kolkata Central): 2A,Ganesh Chandra AvenueRoom ,No.3A, Commerce House"(4th Floor),Kolkata,Westbangal 700013 • Kollam: Uthram Chambers (Ground Floor) Thamarakulam Kollam - 691006. • Korba: Shop No 6, Shriram Commercial ComplexInfront of Hotel Blue DiamondGround Floor, T.P. Nagar,Korba,Westbangal,495677 • Kota: CAMS SERVICE CENTER,No.B-33 'Kalyan Bhawan,Triangle Part,Vallabh Nagar,Kota,Rajasthan,324007 • Kottayam: CAMS SERVICE CENTER,THAMARAPALLIL Building,Door No-XIII/658,M L Road,Near KSRTC Bus Stand Road,Kottayam-686001 • Kukatpally: CAMS SERVICE CENTER,No.15-31-2M-1/4,1st floor,14-A,MIG,KPHB colony,Kutkapally,Hyderabad-500072 • Kumbakonam: Jailani Complex47, Mutt Street,Kumbakonam,Tamilnadu,612001 • Kurnool: CAMS SERVICE CENTER,Shop No.26 and 27,Door No.39/265A and 39/265B,Second Floor,Skanda Shopping Mall,Old Chad Talkies,Vaddageri,39th Ward,Kurnool-518001 • Lucknow: CAMS SERVICE CENTER,No. 4,1st Floor,Center, Court Building,3/c, 5 - Park Road, Hazratganj Lucknow, Uttarpradesh-226001 • Ludhiana: CAMS SERVICE CENTER,U/ GF, Prince Market, Green Field,Near Traffic Lights,Sarabha Nagar Pulli,Pakhowal Road,Ludhiana,Punjab,141002 • Madurai: CAMS SERVICE CENTER,Ist Floor,278, North Perumal Maistry street(Nadar Lane),Madurai,Tamilnadu,625001 • Malda: Daxhinapan Abasan,Opp Lane of Hotel Kalinga,SM Pally,Malda,Westbangal 732101 • Mangalore: CAMS SERVICE CENTER,No.G 4 & G 5,Inland MonarchOpp. Karnataka Bank Kadri Main Road, Kadri,Mangalore,Karnataka,575003 • Manipal: CAMS SERVICE CENTER,Shop No-A2,Basement floor, Academy Tower,Opposite Corporation Bank,Manipal,Karnataka 576104 • Mapusa (Parent ISC : Goa): office No. 503, Buildmore Business Park, New Canca By Pass Road, Ximer, Mapusa, Goa - 403 507. • Margao: CAMS SERVICE CENTER,F4-Classic Heritage,Near Axis Bank,Opp.BPS Club,Pajifond,Margao,Goa-403601 • Mathura: 159/160 Vikas Bazar Mathura Uttarpradesh-281001 • Meerut: CAMS SERVICE CENTER,No.108 Ist Floor,Shivam Plaza,Opp: Eves Cinema, Hapur Road,Meerut,Uttarpradesh,250002 • Mehsana: 1st Floor,Subhadra ComplexUrban Bank RoadMehsana,Gujarat,384002 • Moga: Gandhi Road,Opp Union Bank of India,Moga,Punjab 142001 • Moradabad: CAMS SERVICE CENTER,No.H 21-22, Ist Floor,Ram Ganga Vihar,Shopping Complex,Opposite Sale Tax Office, Moradabad-244001 • Mumbai: CAMS SERVICE CENTER,Rajabahdur Compound,Ground Floor,Opp Allahabad Bank, Behind ICICI Bank30, Mumbai Samachar Marg, FortMumbai,Maharashtra,400023 • Muzaffarpur: CAMS SERVICE CENTER,Brahman Toli,Durgasthan Gola Road,Muzaffarpur,Bihar,842001 • Mysore: CAMS SERVICE CENTER,No.1,1st Floor,CH.26 7th Main, 5th Cross (Above Trishakthi Medicals),Saraswati Puram,Mysore,Karnataka,570009 • Nadiad: F 134, First Floor,Ghantakarna Complex Gunj Bazar,Nadiad,Gujarat,387001 • Nagpur: CAMS SERVICE CENTER,145 ,Lendra,New Ramdaspeth,Nagpur,Maharashtra,440010 • Namakkal: 156A / 1, First Floor, Lakshmi Vilas BuildingOpp. To District Registrar Office, Trichy Road,Namakkal,Tamilnadu 637001 • Nasik: CAMS SERVICE CENTER,1st Floor,"Shraddha Niketan",Tilak Wadi,Opp Hotel City Pride,Sharanpur Road,Nasik-422002 • Navsari: 214-215, 2nd Floor, Shivani Park, Opp. Shankheswar Complex, Kaliawadi, Navsari - 396445, Gujarat • Nellore: CAMS SERVICE CENTER,No.9/756, I Floor, Immadisetty Towers,Ranganayakulapet Road, Santhapet,Nellore,AndhraPradesh,524001 • New Delhi:

CAMS SERVICE CENTER,7-E, 4th Floor,Deen Dayaal Research Institute,Building Swami Ram,Tirath Nagar,Near Videocon Tower Jhandewalan Extension,New Delhi,NewDelhi,110055 • New Delhi-CC: Flat no.512, Narian Manzil, 23 Barakhamba Road Connaught Place,NewDelhi,110001 • Noida: CAMS SERVICE CENTER,E-3,Ground Floor,Sector 3,Near Fresh Food factory,Noida-201301 • Palakkad: 10 / 688, Sreedevi Residency,Mettupalayam Street,Palakkad,Kerala,678001 • Palanpur: CAMS SERVICE CENTER,Gopal Trade center,Shop No.13-14,3Rd Floor,Nr.BK Mercantile bank,Opp.Old Gunj,Palanpur-385001 • Panipat: CAMS SERVICE CENTER,SCO 83-84, First Floor, Devi Lal Shopping Complex, Opp RBL Bank, G.T.Road , Panipat, Haryana, 132103 • Patiala: CAMS SERVICE CENTRE,No.35 New Lal Bagh,Opp.Polo Ground,Patiala-147001 • Patna: CAMS SERVICE CENTER,G-3, Ground Floor,OM Complex,Near Saket Tower, SP Verma Road,Patna,Bihar,800001 • Pitampura: CAMS SERVICE CENTER,Aggarwal Cyber Plaza-II,Commercial Unit No-371,3rd Floor,Plot No C-7,Netaji Subhash Palace,Pitampura-110034 • Pondicherry: CAMS SERVICE CENTER,No.S-8, 100,Jawaharlal Nehru Street(New Complex, Opp. Indian Coffee House),Pondicherry,Pondicherry,605001 • Pune: CAMS SERVICE CENTER,Vartak Pride,1st Floor,Survey No.46,City Survey No.1477,Hingne budruk,D.P.Road,Behind Dinanath mangeshkar Hospital,Karvenagar,Pune-411052 • Rae Bareli: 17, Anand Nagar Complex Opposite Moti Lal Nehru Stadium SAI Hostel Jail Road Rae Bareilly Uttar pradesh -229001 • Raipur: CAMS SERVICE CENTER,HIG,C-23 Sector - 1Devendra Nagar,Raipur,Chattisgarh,492004 • Rajahmundry: CAMS SERVICE CENTER,Door No: 6-2-12, 1st Floor,Rajeswari Nilayam,Near Vamsikrishna Hospital,Nyapathi Vari Street, T Nagar,Rajahmundry,AndhraPradesh,533101 • Rajapalayam: No 59 A/1, Railway Feeder Road(Near Railway Station)RajapalayamTamilnadu626117 • Rajkot: CAMS SERVICE CENTER,Office 207 - 210, Everest BuildingHarihar ChowkOpp Shastri Maidan,Limda Chowk,Rajkot,Gujarat,360001 • Ranchi: CAMS SERVICE CENTER,No.4,HB RoadNo: 206,2nd Floor Shri Lok ComplexH B Road Near Firayalal,Ranchi,Jharkhand,834001 • Ratlam: Dafria & Co,No.18, Ram Bagh, Near Scholar's School,Ratlam, MadhyaPradesh 457001 • Ratnagiri: Orchid Tower, Ground Floor, Gala No 06, S.V.No.301/Paiki 1/2, Nachane Munciple Aat, ArogyaMandir, Nachane Link Road, Ratnagiri, Maharashtra - 415 612 • Rohtak: CAMS SERVICE CENTRE,SCO 06,Ground Floor,MR Complex,Near Sonipat Stand Delhi Road,Rohtak-124001 • Roorkee: 22, Civil Lines, Ground Floor,Hotel Krish Residency,Roorkee,Uttarakhand 247667 • Rourkela: CAMS SERVICE CENTRE,2nd Floor,J B S Market Complex,Udit Nagar,Rourkela-769012 • Sagar: Opp. Somani Automobile,s Bhagwanganj Sagar, MadhyaPradesh 470002 • Saharanpur: I Floor, Krishna ComplexOpp. Hathi GateCourt Road,Saharanpur,Uttarpradesh,247001 • Salem: No.2, I Floor Vivekananda Street,New Fairlands,Salem,Tamilnadu,636016 • Sambalpur: C/o Raj Tibrewal & AssociatesOpp.Town High School,Sansarak Sambalpur,Orissa,768001 • Sangli: Jiveshwar Krupa BldgShop. NO.2, Ground Floor,Tilak ChowkHarbhat Road,Sangli,Maharashtra-416416 • Satara: 117 / A / 3 / 22, Shukrawar Peth,Sargam Apartment,Satara,Maharashtra,415002 • Shahjahanpur: Bijlipura, Near Old Distt Hospital, Jail Road ,Shahjahanpur Uttarpradesh-242001 • Shillong: 3rd FloorRPG Complex,Keating Road,Shillong,Meghalaya,793001 • Shimla: I Floor, Opp. Panchayat Bhawan Main gateBus stand,Shimla,HimachalPradesh,171001 • Shimoga: No.65 1st FloorKishnappa Compound1st Cross, Hosmane Extn,Shimoga,Karnataka,577201 • Siliguri: CAMS SERVICE CENTER,No.78,Haren Mukherjee Road,1st Floor,Beside SBI Hakimpara,Siliguri-734001 • Sirsa: Ground floor of CA Deepak Gupta, M G Complex, Bhawna marg , Beside Over Bridge,bansal Cinerma Market, Sirsa Haryana,125055 • Sitapur: Arya Nagar Near Arya Kanya School Sitapur Uttarpradesh-261001 • Solan: 1st Floor, Above Sharma General Store,Near Sanki Rest house,The Mall,Solan, HimachalPradesh 173212 • Solapur: Flat No 109, 1st FloorA Wing, Kalyani Tower126 Siddheshwar Peth,Near Pangal High SchoolSolapur,Maharashtra,413001 • Sri Ganganagar: 18 L BlockSri Ganganagar,Rajasthan,335001 • Srikakulam: Door No 4—4-96,First Floor.Vijaya Ganapathi Temple Back Side,Nanubala Street ,Srikakulam, AndhraPradesh 532001 • Sultanpur: 967, Civil Lines Near Pant Stadium Sultanpur Uttarpradesh-228001 • Surat: CAMS SERVICE CENTRE,Shop No.G-5,International Commerce Center,Nr.Kadiwala School,Majura

Gate,Ring Road,Surat-395002 • Surendranagar: 2 M I Park, Near Commerce College, Wadhwan City,Surendranagar Gujarat 363035 • Tambaram: CAMS SERVICE CENTER,3rd Floor, B R Complex,No.66,Door No.11A,Ramakrishna Iyer Street,Opp.National Cinema Theatre,West Tambaram,Chennai-600045 • Thane: CAMS SERVICE CENTER,Dev Corpora,1st Floor,Office No.102,Cadbury Junction,Eastern Express Way,Thane-400601 • Tinsukia: CAMS Transaction Point, Bhowal Complex Ground Floor, Near Dena Bank, Rongagora Road PO / Dist - Tinsukia Assam PIN -786 125 • Tirunelveli: CAMS SERVICE CENTRE,No.F4,Magnam Suraksaa Apatments,Tiruvananthapuram Road,Tirunelveli-627002 • Tirupati: Shop No : 6,Door No: 19-10-8,(Opp to Passport Office),AIR Bypass Road,Tirupati-517501,AndhraPradesh • Tirupur: 1(1), Binny Compound,II Street,Kumaran Road,Tirupur,Tamilnadu,641601 • Tiruvalla: 1st Floor, Room No - 61(63), International Shopping Mall, Opp St. Thomas Evangelical Church, Above Thomson Bakery, Manjady, Tiruvalla, Kerala – 689105 • Trichur: Room No. 26 & 27Dee Pee Plaza,Kokkalai,Trichur,Kerala,680001 • Trichy: No 8, I Floor, 8th Cross West Extn,Thillainagar,Trichy,Tamilnadu,620018 • Trivandrum: R S Complex,Opp of LIC Building,Pattom PO,Trivandrum,Kerala,695004 • Tuticorin: 4B/A16, Mangal Mall Complex,Ground Floor,Mani Nagar,TuticorinTamilnadu628003 • Udaipur: CAMS SERVICE CENTRE,No.32,Ahinsapuri,Fatehpura Circle,Udaipur-313001 • Ujjain: 123, 1st Floor, Siddhi Vinanyaka Trade CENTER,Saheed Park,UjjainMadhyaPradesh456010 • Vadodara: CAMS SERVICE CENTER,No.103, Aries Complex,Bpc Road, Off R.C.Dutt Road,Alkapuri,Vadodara,Gujarat,390007 • Valsad: 3rd floor,Gita Nivas, opp Head Post Office,Halar Cross LaneValsad,Gujarat,396001 • Vapi: 208, 2nd Floor HEENA ARCADE,Opp. Tirupati TowerNear G.I.D.C. Char Rasta,Vapi,Gujarat,396195 • Varanasi: Office no 1, Second floor, Bhawani Market, Building No. D-58/2-A1, Rathyatra Beside Kuber Complex, Varanasi, Uttarpradesh-221010 • Vasco(Parent Goa): No DU 8, Upper Ground Floor, Behind Techoclean Clinic, Suvidha Complex Near ICICI Bank,Vasco,Goa,403802 • Vashi: CAMS SERVICE CENTER,BSEL Tech Park,B-505,Plot No.39/5 & 39/5A,Sector 30A,Opp.Vashi Railway StationmVashi,Navi Mumbai-400705 • Vellore: CAMS SERVICE CENTRE,AKT Complex,2nd Floor,No.1,3,New Sankaranpalayam Road Tolgate,Vellore-632001 • Vijayawada: CAMS SERVICE CENTER,40-1-68, Rao & Ratnam Complex,Near Chennupati Petrol Pump,M.G Road, Labbipet,Vijayawada,AndhraPradesh,520010 • Visakhapatnam: CAMS SERVICE CENTER,Door No 48-3-2,Flat No 2, 1st Floor, Sidhi Plaza,Near Visakha Library, Srinagar, Visakhapatnam- 530 016 • Warangal: F-7, 1st Floor, A.B.K Mall, Old Bus Depot Road, Ramnagar, Hanamkonda, Warangal.Telangana- 506001 • Yamuna Nagar: 124-B/R,Model TownYamunanagar,Yamuna Nagar,Haryana,135001 • Yavatmal: Pushpam, Tilakwadi,Opp. Dr. Shrotri Hospital,Yavatmal,Maharashtra 445001

IDFC AMC OFFICES:

- Agra: IDFC Asset Management Company Limited, Office No. 307A, 3rd Floor, Block # 38/4A Sumriddhi Business Suites, Sanjay Place, Agra – 282002 Tel.:+91 562 4064889.
- *Allahabad: S. N. Tower, 2nd Floor, 4 C, Maharshi Dayanand Marg, Opp. Radio Station, Civil Lines, Allahabad - 211 001.
- Ahmedabad: B Wing, 3rd Floor, Chandan House, Opp Gruh Finance, Mithakhali Six Roads, Law Garden, Ahmedabad 380006.Tel.:+9179-26460923 -26460925, 64505881 , 64505857.
- Amritsar: 6-FUF, 4th Floor, Central Mall,32, Mall Road, Amritsar - 143 001. Mobile: 09356126222, Tel.: +91-183-5030393.
- Bangalore: 6th Floor, East Wing, Raheja Towers, #26 & 27, M. G. Road, Bangalore - 560 001. Tel.: +91-80-43079000.
- Bhilai: 26, Commercial Complex, Nehru Nagar (E), Bhilai, Chhattisgarh- 490020. Tel.: 0788 4060065

- Bhopal: Plot No. 49, 1st floor, Above Tata Capital Ltd., Zone - II, M.P Nagar, Bhopal (M.P.) - 462011 Tel.: +91- 0755 - 428 1896.
- Bhubaneswar: Rajdhani House, 1st Floor, 77 Kharvel Nagar, Janpath, Bhubaneswar - 751001. Tel.: 0674 6444252 /0674 2531048 / 0674 2531148.
- Chandigarh: SCO No. 2469-70, 1st Floor, Sector - 22C, Chandigarh - 160 022. Chandigarh - 160 022. Tel.: +91-172-5071918/19/21/22, Fax: +91-172-5071918.
- Chennai: 4 Floor, Capitale Tower, 555 Anna Salai, Thiru Vi Ka Kudiyiruppu, Teynampet , Chennai - 600018,Tamil Nadu. Tel.: +91-44-45644201/202.
- Cochin:39/3993 B2, Gr. Floor, Vantage Point, VRM Rd, Ravipuram, Cochin - 682 016. Tel: +91- 484-3012639/4029291, Fax: +91-484-2358639.
- Coimbatore: A2 Complex , No. 49, Father Randy Street, Azad Road, R. S. Puram, Coimbatore - 641 002. Tel.: +91-422-2542645, 2542678.
- Dehradun: G-12 B NCR Plaza, Ground Floor, 24 A, 112/28, Ravindranath Tagore Marg, New Cantt Road, Dehradun - 248 001. Tel.: +91-9897934555, 8171872220
- *Durgapur: 6/2A, Suhatta, 6th Floor, City Centre, Durgapur - 713216. Tel.: +91 8537867746.
- Goa: F-27 & F-28, 1st Floor, Alfran Plaza, M.G Road, Opp.Don Bosco High School, Panjim, Goa - 403 001. Tel.: 0832-2231603.
- Guwahati: 4E, 4th Floor, Ganapati Enclave, G. S. Road, Ulubari, Opp. Bora Service Station, Guwahati - 781 007. Tel.: 0361-2132178/88.
- Hyderabad: 3rd floor, SB towers, Banjara Hills Road no. 1, Nearby Nagarjuna circle, Hyderabad - 500034. Tel.: +91- 40 - 23350744.
- Indore: 405, 4th Floor, 21/ 1, D. M. Tower, Race Course Road, Indore - 452 001. Tel.: +91-731-4206927/ 4208048. Fax: +91-731-4206923.
- Jaipur: 301-A, 3rd Floor, Ambition Tower, Agersen Circle, Malan Ka Chaurah, Subash Marg, C-Scheme, Jaipur-302001. Tel.: +91-0141-2360945, 0141-2360947, 0141-2360948.
- Jalandhar: 1st Floor, Satnam Complex, BMC Chowk, G.T.Road, Jalandhar-144001. Punjab-India. Tel. : 01815018264 / 01815061378/88.
- Jamshedpur: Room No - 111,1st Floor, Yash Kamal Complex, Main Road, Bistupur, Jamshepdur – 831 001. Tel.: 0657-2230112/111/222.
- Kanpur: Office No. 214-215, IInd Floor, KAN Chambers, 14/113, Civil Lines, Kanpur - 208 001. Tel.: +91 512-2331071, 2331119.
- Kolkata: Oswal Chambers, 1st Floor, 2 Church Lane, Kolkata - 700 001. Tel.: +91-33-40171000/1/2/3/4/5.
- Lucknow: 1st Floor, Aryan Business Park, Exchange cottage, 90MG Marg, Park Road, Lucknow-226 001. Tel.:+915224928100/106.
- Ludhiana: SCO 124, 1st Floor, Feroze Gandhi Market, Ludhiana - 141 001. Tel.: +91-161-5022155/56/57.
- *Madurai: No.278, 1st Floor, Nadar Lane, North Perumal Maistry Street, Madurai-625 001. Tel. No. : 0452 -6455530.
- Mangalore: 1st Floor, Crystal Arcade, Balmatta Road, Hampankatta, Mangalore - 575001. Tel.: +91 8242980769.
- Mumbai: 2nd Floor, Ramon House, H. T. Parekh Marg, 169, Backbay Reclamation, Opp. Aakash Wani, Churchgate, Mumbai - 400 020. Tel.: +91-22-22021413/22020748.
- Mumbai: Office No. 308, Zest Business Spaces, M. G. Road, Ghatkopar (East), Mumbai- 400077.
- •Mumbai: Ground Floor, Kapoor Apartment CHS, Near Punjabi Lane, Chandavarkar Road, Borivali (West) Mumbai - 400092. Tel.: 022 48794555.
- *Mysore: CH 26, 2nd Floor, Veta Building, 7th Main, 5th Cross, Saraswathipuram, Mysore – 570009. Tel no.: (0821) 4262509
- Nagpur: P. N. 6, First Floor, Vasant Vihar, West High Court Road, Shankar Nagar, Nagpur-440010. Tel.: +91-712-6451428/ 2525657.
- Nashik: Shop No - 6, Rajvee Enclave, New Pandit Colony, Off. Sharanpur Road, Nashik - 422002. Tel. No. : 0253-2314611 / 9823456183.

- New Delhi: 4th Floor, Narain Manzil, 23, Barakhamba Road, New Delhi - 110 001. Tel.: +91-11-47311301/ 02/ 03/ 04/ 05.
- Pitampura Delhi: Shop No. 01 and 02, Ground Floor, Pearls Best Heights-II, Plot No. C-9, Pitampura, Delhi. Tel.: +7065551661
- Patna: 406, Ashiana Hariniwas, New Dakbanglow Road, Patna - 800 001. Tel.: +91-612-6510353.
- Pune: 1st Floor, Dr. Herekar Park Building, Next to Kamala Nehru Park, Off. Bhandarkar Road, Pune - 411 004. Tel.: +91-20-66020965/ 4.
- Raipur: Office No:T-19, III Floor, Raheja Tower, Near Hotel Celebration, Jail Road, Raipur (C.G.) - 492 001.Tel: +91-0771-4218890.
- Rajkot: "Star Plaza", 2nd Floor, Office No. 201, Phulchab Chowk, Rajkot - 360 001. Tel.: +91-281-6626012.
- Ranchi: Shop No. 104 and 105, 1st Floor, Satya Ganga Arcade, Vinod Ashram Road, Ranchi - 834001. Tel.: 0651-2212591/92.
- Surat: HG-12, Higher Ground Floor,International Trade Centre, Majura Gate Crossing, Ring Road, Surat- 395002.Tel.: +91-261-2475060, 2475070.
- Thane: Shop No. 1, Konark Towers, Ghantali Devi Road, Thane (West) 400602.
- Vadodara: 301 2nd Floor, Earth Complex, opposite Vaccine Ground, Above Indian Overseas Bank, Old Padra Road, Vadodara – 390015. Tel.: +91-0265-2339623/2339624/2339325.
- Varanasi: 3rd Floor, Premise No. D-64/127, CH, Arihant Complex, Sigra Varanasi - 221010 (U.P) Phone No. 05422226527.

Please note that the IDFC Branch offices at • Allahabad • Durgapur • Madurai and • Mysore will not be an Official Point of Acceptance of transactions. Accordingly, no transaction applications / investor service requests shall be accepted at these branch offices and the same will continue to be accepted at Investor Service Centre (ISC) of Computer Age Management Services Pvt. Ltd. (CAMS), the Registrar of IDFC Mutual Fund.

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