kotak® Mutual Fund

Think Investments. Think Kotak®

# SCHEME INFORMATION DOCUMENT (SID)

## KOTAK FMP SERIES 156 - 370 DAYS

**(370 days close ended debt scheme)**

**Units at Rs. 10 each during the New Fund Offer**

**NFO Opens On: April 3, 2014** **NFO Closes On: April 10, 2014**

| Name | This product is suitable for investors who are seeking* |
|---|---|
| Kotak FMP Series 156 - 370 days | Income over a long investment horizon |
| | Investment in floating rate securities, debt & money market securities |
| | Low risk (Blue) |

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

**Note:** Risk may be represented as: Investors understand that their principal will be at Low Risk (Blue), Investors understand that their principal will be at Medium Risk (Yellow), Investors understands that their principal will be at High Risk (Brown).

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| Name of Mutual Fund | **Kotak Mahindra Mutual Fund** |
| Name of Asset Management Company | **Kotak Mahindra Asset Management Company Ltd** |
| Name of Trustee Company | **Kotak Mahindra Trustee Company Ltd** |
| Registered Address of the Companies | **36-38A Nariman Bhavan, 227, Nariman Point, Mumbai - 400 021** |
| Corporate Office of Asset Management Company | **6th Floor, Vinay Bhavya Complex, 159-A, C S T Road, Kalina, Santacruz (E), Mumbai - 400 098** |
| Website | **assetmanagement.kotak.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.**

**Bombay Stock Exchange Ltd. ("the Exchange") has given vide its letter no. DCS/IPO/PB/MF-IP/652/2013-14 dated February 10, 2014 permission to Kotak Mahindra Mutual Fund to use the Exchange's name in this SID as one of the Stock Exchanges on which this Mutual Fund's Unit are proposed be listed. The Exchange has scrutinised this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to Kotak Mahindra Mutual Fund. The Exchange does not in any manner:-**

**(i) warrant, certify or endorse the correctness or completeness of any of the contents of this SID; or**

**(ii) warrant that this scheme's unit will be listed or will continue to be listed on the Exchange; or**

**(iii) take any responsibility for the financial or other soundness of this Mutual Fund, its promoters, its management or any scheme or project of this Mutual Fund;**

**And it should not for any reason be deemed or construed that this SID has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any unit of Kotak FMP Series 156 - 370 days of this Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever".**

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 Kotak Mahindra Mutual Fund, Tax and Legal issues and general information on assetmanagement.kotak.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, assetmanagement.kotak.com.**

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

**This Scheme Information Document is dated March 24, 2014.**

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## I. HIGHLIGHTS/SUMMARY OF THE SCHEME

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| Name of the Scheme | Kotak FMP Series 156 – 370 days |
| Type of Scheme | Close ended debt scheme with maturity of 370 days. |
| Duration of the Scheme | The tenure of the scheme will 370 days after the date of allotment of units.<br><br>The Scheme will be fully redeemed / wound up at the end of the tenure of the scheme.<br><br>In case the Maturity date or payout date happens to be a non-business day then the applicable NAV for redemptions and switch out shall be calculated immediately on the next business day. |
| Investment Objective | The investment objective of the Scheme is to generate returns through investments in debt and money market instruments with a view to reduce the interest rate risk. The Scheme will invest in debt and money market securities, maturing on or before maturity of the scheme.<br><br>There is no assurance that the investment objective of the Scheme will be achieved. |
| Investment In | Debt / Money Market Instruments and Government Securities, maturing on or before maturity of the scheme. |
| Liquidity | Units of this scheme will be listed on Bombay Stock Exchange. Investors may sell their units in the stock exchange(s) on which these units are listed on all the trading days of the stock exchange. The units cannot be redeemed with KMMF until the maturity of the scheme.<br><br>An investor can buy/sell Units on BSE and/or any other Stock Exchange(s) on which the Units are listed during the trading hours like any other publicly traded stock, until the date of issue of notice by the AMC for fixing the record date for determining the Unit holders whose name(s) appear on the list of beneficial owners as per the Depository's (NSDL/CDSL) records for the purpose of redemption of Units on maturity/final redemption date. The trading of Units on BSE and/or any other Stock Exchange(s) on which the Units are listed will automatically get suspended from the date of issuance of the said notice and also no off-market trades shall be permitted by the Depositories. |
| Benchmark | The Benchmark index of the Scheme will be CRISIL Short Term Bond Fund Index. |
| NAV Information | The Mutual Fund shall update the Net asset value of the scheme on every Business day on AMFI's website www.amfiindia.com by 9.00 p.m.<br><br>The NAVs shall also be updated on the website of the Mutual Fund assetmanagement.kotak.com and will be published in two newspapers.<br><br>Delay in uploading of NAV beyond 9.00 p.m. on every business day shall be explained in writing to AMFI. In case the NAVs are not available before the commencement of business hours on the following business day due to any reason, a press release for revised NAV shall be issued.<br><br>The monthly portfolio of the Schemes shall be available in a user-friendly and downloadable format on the website viz. assetmanagement.kotak.com on or before the tenth day of succeeding month. |

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| Load Structure | **Entry Load:** In terms of SEBI Circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, no entry load will be charged on purchase / additional purchase / switch-in. The upfront commission, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor.<br><br>**Exit Load:** Nil.<br>Any exit load charged (net off Service Tax, if any) shall be credited back to the respective Scheme.<br><br>Bonus units and units issued on reinvestment of dividends shall not be subject to entry and exit load. |
| Plans available | **There will be two plans under the Scheme namely, Regular Plan and Direct Plan**<br><br>Regular Plan: This Plan is for investors who wish to route their investment through any distributor.<br><br>Direct Plan: This Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.<br><br>The portfolio of both plans will be unsegregated. |
| Options available | Each Plan under the Scheme will have two options namely Growth and Dividend Payout.<br><br>The NAVs of the above options under each plan of the scheme will be different and separately declared; the portfolio of the investments remaining the same. |
| Default Plan | • Investors subscribing under Direct Plan of the Scheme will have to indicate "Direct Plan" against the Scheme name in the application form e.g. "**Kotak FMP Series 156 - Direct Plan".**<br>• Investors should also indicate "Direct" in the ARN column of the application form.<br>• However, in case Distributor code is mentioned in the application form, but "Direct Plan" is indicated against the Scheme name, the application will be processed under Direct Plan.<br>• Further, where application is received for Regular Plan without Distributor code or "Direct" mentioned in the ARN Column, the application will be processed under Direct Plan.<br>• Further, where the application is received without Distributor code or "Direct" mentioned in the ARN Column the application will be processed under Direct Plan |
| Default Option | If the applicant does not indicate the choice of Option in the Application Form, the Fund accepts the application as being for the Growth Option under the respective Plan. |
| Minimum Application Amount (during NFO) | Rs. 5,000/- and in multiples of Rs 10 for purchase and switch-ins. This clause is applicable only for purchases and switch in during the NFO. |
| Listing | The units of the scheme will be listed on BSE on allotment.<br><br>The units of the scheme may also be listed on the other stock exchanges. |

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| Dematerialization | Unit holders are given an option to hold the units in demat form in addition to account statement as per current practice.<br><br>The Unitholders intending to hold/trade the units in Demat form are required to have a beneficiary account with the Depository Participant (DP) (registered with NSDL / CDSL) and will be required to indicate in the application the DP's name, DP ID Number and the beneficiary account number of the applicant with the DP.<br><br>In case Unit holders do not provide their Demat Account details, an Account Statement shall be sent to them. Such unitholders will not be able to trade on the stock exchange.<br><br>The Unitholders are requested to fill in their demat account details in the space provided for the same in Key Information Memorandum (KIM) and application forms. |
| Cost of trading on the stock exchange | Unitholders will have to bear the cost of brokerage and other applicable statutory levies when the units are bought or sold on the stock exchange. |
| Transfer of Units | Units held by way of an Account Statement cannot be transferred.<br><br>Units held in Demat form are transferable in accordance with the provisions of The Depositories Act, SEBI (Depositories and Participants) Regulations, and Bye laws and business rules of depositories. |
| Applications Supported by Blocked Amount (ASBA) | Investors may apply through the ASBA facility during the NFO period of the Scheme by filling in the ASBA form and submitting the same to selected Self Certified Syndicate Banks (SCSBs) which are registered with SEBI for offering the ASBA facility, which in turn will block the amount in the account as per the authority contained in the ASBA form, and undertake other tasks as per the procedure specified therein.<br><br>Investors are also requested to check with their respective Banks for details regarding application through ASBA mode. The list of SCSBs are available on SEBI website www.sebi.gov.in. and also on the website of the stock exchanges. |

## II. INTRODUCTION

### a. Risk Factors

**Standard Risk Factors:**

- 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. The value of investments may be affected, inter-alia, by changes in the market, interest rates, changes in credit rating, trading volumes, settlement periods and transfer procedures; the NAV is also exposed to Price/Interest-Rate Risk and Credit Risk and may be affected inter-alia, by government policy, volatility and liquidity in the money markets and pressure on the exchange rate of the rupee
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme.
- Kotak FMP Series 156, is only the name of the scheme does not in any manner indicate either the quality of the scheme or its future prospects and returns.
- The sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of Rs.2,50,000 made by it towards setting up the Fund.
- The present scheme is not a guaranteed or assured return scheme.

**Scheme Specific Risk Factors**

a) Kotak FMP Series 156, will comprise of securities issued by central and state government as also debt & money market instruments issued by corporates as mentioned under the paragraph 'How will the Scheme allocate its assets'. All such securities will mature on or before maturity of the scheme. As the securities are held to maturity, the interest rate risk is significantly mitigated. The debt securities issued by the corporates do carry a credit risk as also the liquidity risk.

b) The Scheme will invest entirely in Debt/ Money Market Instruments and Government securities. Liquidity in these investments may be affected by trading volumes, settlement periods and transfer procedures. These factors may also affect the Scheme's ability to make intended purchases/sales, cause potential losses to the Scheme and result in the Scheme missing certain investment opportunities.

c) Different types of securities in which the scheme would invest as given in the SID 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 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.

d) The Market Price of Kotak FMP Series 156, like any other listed security, is largely dependent on two factors, viz., (1) the intrinsic value of the unit (or NAV), and (2) demand and supply of units in the market. Sizeable demand or supply of the units in Exchange may lead to market price of the units to quote at premium or discount to NAV. Hence the price of the units is likely to hold significant variance (large premium or discount) from the latest declared NAV all the time.

**SPECIFIC RISKS IN DEBT MARKETS AND CAPITAL MARKETS**

Investments in Financial Instruments are faced with the following kinds of risks.

Risks associated with Debt / Money Markets (i.e. Markets in which Interest bearing Securities or Discounted Instruments are traded)

**a) Credit Risk:**

Securities carry a Credit risk of repayment of principal or interest by the borrower. This risk depends on micro-economic factors such as financial soundness and ability of the borrower as also macro-

economic factors such as Industry performance, Competition from Imports, Competitiveness of Exports, Input costs, Trade barriers, Favourability of Foreign Currency conversion rates, etc.

Credit risks of most issuers of Debt securities are rated by Independent and professionally run rating agencies. Ratings of Credit issued by these agencies typically range from "AAA" (read as "Triple A" denoting "Highest Safety") to "D" (denoting "Default"), with about 6 distinct ratings between the two extremes.

The highest credit rating (i.e. lowest credit risk) commands a low yield for the borrower. Conversely, the lowest credit rated borrower can raise funds at a relatively higher cost. On account of a higher credit risk for lower rated borrowers lenders prefer higher rated instruments further justifying the lower yields.

**b) Price-Risk or Interest-Rate Risk:**

From the perspective of coupon rates, Debt securities can be classified in two categories, i.e., Fixed Income bearing Securities and Floating Rate Securities. In Fixed Income Bearing Securities, the Coupon rate is determined at the time of investment and paid/received at the predetermined frequency. In the Floating Rate Securities, on the other hand, the coupon rate changes - 'floats' - with the underlying benchmark rate, e.g., MIBOR, 1 yr. Treasury Bill.

Fixed Income Securities (such as Government Securities, bonds, debentures and money market instruments) where a fixed return is offered, run price-risk. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, the payment-frequency of such coupon, days to maturity and the increase or decrease in the level of interest rates. The prices of Government Securities (existing and new) will be influenced only by movement in interest rates in the financial system. Whereas, in the case of corporate or institutional fixed income securities, such as bonds or debentures, prices are influenced not only by the change in interest rates but also by credit rating of the security and liquidity thereof.

Floating rate securities issued by a government (coupon linked to treasury bill benchmark or a real return inflation linked bond) have the least sensitivity to interest rate movements, as compared to other securities. The Government of India has already issued a few such securities and the Investment Manager believes that such securities may become available in future as well. These securities can play an important role in minimizing interest rate risk on a portfolio.

**c) Risk of Rating Migration:**

The following table illustrates the impact of change of rating (credit worthiness) on the price of a hypothetical AA rated security with a maturity period of 3 years, a coupon of 10.00% p.a. and a market value of Rs. 100. If it is downgraded to A category, which commands a market yield of, say, 11.00% p.a., its market value would drop to Rs. 97.53 (i.e. 2.47%) If the security is up-graded to AAA category which commands a market yield of, say, 9.00% p.a. its market value would increase to Rs. 102.51 (i.e. by 2.51%). The figures shown in the table are only indicative and are intended to demonstrate how the price of a security can be affected by change in credit rating.

| **Rating** | **Yield (% p.a.)** | **Market Value (Rs.)** |
|---|---|---|
| AA | 10.00 | 100.00 |
| If upgraded to AAA | 9.00 | 102.51 |
| If downgraded to A | 11.00 | 97.53 |

**d) Basis Risk:**

During the life of floating rate security or a swap the underlying benchmark index may become less active and may not capture the actual movement in the interest rates or at times the benchmark may cease to exist. These types of events may result in loss of value in the portfolio. Where swaps are used to hedge an underlying fixed income security, basis risk could arise when the fixed income yield curve moves differently from that of the swap benchmark curve.

**e) 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 favourably leading to fluctuation in NAV.

**f) Reinvestment Risk:**
Investments in fixed income securities may carry reinvestment 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.

**g) Liquidity Risk:**
The corporate debt market is relatively illiquid vis-a- vis the government securities market. There could therefore be difficulties in exiting from corporate bonds in times of uncertainties. Liquidity in a scheme therefore may suffer. Even though the Government Securities market is more liquid compared to that of other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through. In view of this, redemption may be limited or suspended after approval from the Boards of Directors of the AMC and the Trustee, under certain circumstances as described in the Statement of Additional Information (SAI).

**Risk Associated with Investment in Derivatives Market**

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

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

I. **Price Risk**: Despite the risk mitigation provided by various derivative instruments, there remains an inherent price risk which may result in losses exceeding actual underlying.
II. **Default Risk**: This is the risk that losses will be incurred due to default by counter party. This is also known as credit risk or counterparty risk.
III. **Basis Risk** – This risk arises when the derivative instrument used to hedge the underlying asset does not match the movement of the underlying being hedged for e.g. mismatch between the maturity date of the futures and the actual selling date of the asset
IV. **Limitations on upside:** Derivatives when used as hedging tool can also limit the profits from a genuine investment transaction.
**V.** **Liquidity risk** pertains to how saleable a security is in the market. All securities/instruments irrespective of whether they are equity, bonds or derivates may be exposed to liquidity risk (when the sellers outnumber buyers) which may impact returns while exiting opportunities.

**b. Requirement of Minimum Investors in the Scheme**

The Scheme and individual Plan(s) under the Scheme shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme/Plan(s). These conditions will be complied with immediately after the close of the NFO itself i.e. at the time of allotment. In case of non-fulfillment with the condition of minimum 20 investors, the Scheme/Plan(s) shall be wound up in accordance with Regulation 39 (2) (c) of SEBI (MF) Regulations automatically without any reference from SEBI. In case of non-fulfillment with the condition of 25% holding by a single investor on the date of allotment, the application to the extent of exposure in excess of the stipulated 25% limit would be liable to be rejected and the allotment would be effective only to the extent of 25% of the corpus collected. Consequently, such exposure over 25% limits will lead to refund within 5 business days of the date of closure of the New Fund Offer.

### c. Definitions

**In this SID, the following words and expressions shall have the meaning specified below, unless the context otherwise requires:**

| | |
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| **Applicable NAV** | Unless stated otherwise in the SID, 'Applicable NAV' is the Net Asset Value at the close of a Business Day as of which the purchase or redemption is sought by an investor and determined by the Fund. |
| **Application Supported by Blocked Amount (ASBA)** | An application containing an authorization given by the Investor to block the application money in his specified bank account towards the subscription of Units offered during the NFO of the Scheme. On intimation of allotment by CAMS to the banker the investors account shall be debited to the extent of the amount due thereon. |
| **Asset Management Company or AMC or Investment Manager** | Kotak Mahindra Asset Management Company Limited, the Asset Management Company incorporated under the Companies Act, 1956, and authorised by SEBI to act as Investment Manager to the Schemes of Kotak Mahindra Mutual Fund. |
| **Business Day** | A day other than:<br>a. Saturday and Sunday<br>b. A day on which the banks in Mumbai and RBI are closed for business/clearing<br>c. A day on which Purchase and Redemption is suspended by the AMC<br>d. A day on which the money markets are closed/not accessible.<br>e. A day on which the National Stock Exchange or Bombay Stock Exchange is closed.<br>f. A day on which NSDL or CDSL is closed for the purpose of transfer of securities between depository (demat) accounts.<br>Additionally,the days when the banks in any location where the AMC's Investor service center are located, are closed due to local holiday, such days will be treated as non Business days at such centers for the purpose of accepting subscriptions. However if the Investor service center in such location is open on such local holidays, only redemption and switch request will be accepted at those centers provided it is a Business day for the scheme.<br>The AMC reserves the right to change the definition of Business Day. The AMC reserves the right to declare any day as a Business or otherwise at any or all ISCs. |
| **Controlling Branches (CBs)** | Controlling Branches (CBs) of the SCSBs are the branches of the SCSBs acting as coordinating branch for the Registrar and Transfer Agent of Mutual Fund, AMC and the Stock Exchange(s) for the ASBA facility offered during the NFO period. |
| **Custodian** | Deutsche Bank AG, acting as Custodian to the Scheme, or any other Custodian appointed by the Trustee. |
| **Depository** | A depository as defined in the Depositories Act, 1996 (22 of 1996) and includes National Securities Depository Ltd (NSDL) and Central Depository Services Ltd (CDSL). |
| **Designated Branches (DBs)** | Designated Branches (DBs) of the SCSBs are the branches of the SCSBs which shall collect the ASBA Application Forms duly filled by the Investors towards the subscription to the Units of the Scheme offered during the NFO. The list of these Designated Branches shall be available at the websites of SEBI and the stock exchanges. |
| **Entry Load** | The charge that is paid by an Investor when he invests an amount in the Scheme. |

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| **Exit Load** | The charge that is paid by a Unitholder when he redeems Units from the Scheme. |
| **FII** | Foreign Institutional Investors, registered with SEBI under Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995. |
| **Gilts / Government Securities / G. Secs** | Securities created and issued by the Central Government and / or State Government. |
| **IMA** | Investment Management Agreement dated 20th May 1996, entered into between the Fund (acting through the Trustee) and the AMC and as amended up to date, or as may be amended from time to time. |
| **Investor Service Centres or ISCs** | Designated branches of the AMC / other offices as may be designated by the AMC from time to time. |
| **Kotak FMP Series 156** | Close-Ended Debt Scheme |
| **Kotak Bank / Sponsor** | Kotak Mahindra Bank Limited. |
| **KMMF / Fund / Mutual Fund** | Kotak Mahindra Mutual Fund, a trust set up under the provisions of The Indian Trusts Act, 1882. |
| **KMTCL / Trustee** | Kotak Mahindra Trustee Company Limited, a company set up under the Companies Act, 1956, and approved by SEBI to act as the Trustee for the Schemes of Kotak Mahindra Mutual Fund. |
| **Maturity Date** | The date on which all the units under the Scheme would be redeemed compulsorily and without any further act by the Unitholders at the Applicable NAV of that day. If this day is not a Business Day then the immediate following Business Day will be considered as the Maturity Date. |
| **Money Market Instruments** | Includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time. |
| **MIBOR** | The Mumbai Interbank Offered Rate published once every day by the National Stock Exchange and published twice every day by Reuters, as specifically applied to each contract. |
| **Mutual Fund Regulations / Regulations** | Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended up to date, and such other regulations as may be in force from time to time. |
| **NAV** | Net Asset Value of the Units of the Scheme (including the options thereunder) as calculated in the manner provided in this SID or as may be prescribed by Regulations from time to time. The NAV will be computed up to four decimal places. |
| **NRI** | Non-Resident Indian and Person of Indian Origin as defined in Foreign Exchange Management Act, 1999. |
| **Purchase Price** | Purchase Price, to an investor, of Units under the Scheme (including Options thereunder) computed in the manner indicated elsewhere in this SID. |
| **Redemption Price** | Redemption Price to an investor of Units under the Scheme (including Options thereunder) computed in the manner indicated elsewhere in this SID. |
| **Registrar** | Computer Age Management Services Private Limited ('CAMS'), acting as Registrar to the Scheme, or any other Registrar appointed by the AMC. |
| **Repo** | Sale of securities with simultaneous agreement to repurchase them at a later date. |
| **Reserve Bank of India / RBI** | Reserve Bank of India, established under the Reserve Bank of India Act, 1934. |
| **Reverse Repo** | Purchase of securities with a simultaneous agreement to sell them at a later date. |

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| **Scheme** | Kotak FMP Series 156 – 370 days.<br>All references to the Scheme would deem to include options thereunder unless specifically mentioned. |
| **Self Certified Syndicate Bank (SCSB)** | Self Certified Syndicate Bank (SCSB) meansa bank registered with SEBI to offer the facility of applying through the ASBA facility. ASBAs can be accepted only by SCSBs, whose names appear in the list of SCSBs as displayed by SEBI on its website at www.sebi.gov.in. |
| **Standard Information Document (SID)** | This document issued by Kotak Mahindra Mutual Fund, offering for subscription of Units of the Scheme. |
| **Statement of Additional Information (SAI)** | It contains details of Kotak Mahindra Mutual Fund, its constitution, and certain tax, legal and general information. It is incorporated by reference (is legally a part of the Scheme Information Document) |
| **SEBI** | The Securities and Exchange Board of India. |
| **Transaction Points** | Centres designated by the Registrar, to accept investor transactions and scan them for handling by the nearest ISC. |
| **Trust Deed** | The Trust Deed entered into on 20th May 1996 between the Sponsor and the Trustee, as amended up to date, or as may be amended from time to time. |
| **Trust Fund** | The corpus of the Trust, Unit capital and all property belonging to and/or vested in the Trustee. |
| **Unit** | The interest of the investors in the Scheme, which consists of each Unit representing one undivided share in the assets of the Scheme. |
| **Unitholder** | A person who holds Unit(s) of the Scheme |
| **Valuation Day** | For the Scheme, each Business Day and any other day when the Debt and/or money markets are open in Mumbai. |
| **Words and Expressions used in this SID and not defined** | Same meaning as in Trust Deed. |

### d. Special Considerations

- The Mutual Fund/ 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.
- Trustees shall ensure that before launch of the scheme, in-principle approval for listing has been obtained from the stock exchange(s) and appropriate disclosures are made in the Scheme Information Document
- Nomination: For Unit holders holding units in demat form: The units will be issued in demat form through depository system. The unitholder will be entitled to the nomination facility offered by the depository with whom the unitholder has an account.
- Transmission: The units will be issued in demat form through depository system. The unitholder will be entitled to and subject to the transmission facility and procedure of the depository with whom the unitholder has an account.
- Inter option transfer: Transfer of units from growth to dividend or vice-versa will not be allowed, in case of units held under demat mode.
- Prospective investors should review/study SAI along with SID carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial/investment matters and are advised to consult their own professional advisor(s) as to the legal or any other requirements or restrictions relating to the subscriptions, gifting, acquisition, holding, disposal (sale, transfer, switch or redemption or conversion into money) of units and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their subscription, acquisition, holding, capitalization, disposal (sale, transfer, switch or redemption or conversion into money)

of units within their jurisdiction/nationality, residence, domicile etc. or under the laws of any jurisdiction to which they or any managed Funds to be used to purchase/gift units are subject, and also to determine possible legal, tax, financial or other consequences of subscribing/gifting to, purchasing or holding units before making an application for units.

- Neither this SID and SAI, nor the units have been registered in any jurisdiction. The distribution of this SID in certain jurisdictions may be restricted or subject to registration and accordingly, any person who gets possession of this SID is required to inform themselves about, and to observe, any such restrictions. It is the responsibility of any persons in possession of this SID and any persons wishing to apply for units pursuant to this SID to inform themselves of and to observe, all applicable laws and Regulations of such relevant jurisdiction. Any changes in SEBI/RBI regulations and other applicable laws/regulations could have an effect on such investments and valuation thereof.
- Kotak Mahindra Mutual Fund/AMC has not authorised any person to give any information or make any representations, either oral or written, not stated in this SID in connection with issue of units under the Schemes. Prospective investors are advised not to rely upon any information or representations not incorporated in the SAI and SID as the same have not been authorised by the Fund or the AMC. Any purchase or redemption made by any person on the basis of statements or representations which are not contained in this SID or which are not consistent with the information contained herein shall be solely at the risk of the investor. The investor is requested to check the credentials of the individual, firm or other entity he/she is entrusting his/her application form and payment to, for any transaction with the Fund. The Fund shall not be responsible for any acts done by the intermediaries representing or purportedly representing such investor.
- If the units are held by any person in breach of the Regulations, law or requirements of any governmental, statutory authority including, without limitation, Exchange Control Regulations, the Fund may mandatorily redeem all the units of any Unit holder where the units are held by a Unit holder in breach of the same. The Trustee may further mandatorily redeem units of any Unit holder in the event it is found that the Unit holder has submitted information either in the application or otherwise that is false, misleading or incomplete.

### e. Due Diligence by the Asset Management Company

**DUE DILIGENCE CERTIFICATE**

It is confirmed that:

- 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.
- 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.
- 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 proposed scheme.
- 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 Kotak Mahindra Asset Management Company Limited**
Asset Management Company for Kotak Mahindra Mutual Fund

Place: Mumbai
Date: March 24, 2014

**Sandeep Kamath**
Compliance Officer

## III. INFORMATION ABOUT THE SCHEME

**Kotak FMP Series 156 – 370 days**

### A. Type of the scheme:

Close ended debt scheme with maturity of 370 days.

### B. What is the investment objective of the scheme?

The investment objective of the Scheme is to generate returns through investments in debt and money market instruments with a view to reduce the interest rate risk. The Scheme will invest in debt and money market securities, maturing on or before maturity of the scheme.

**There is no assurance that the investment objective of the Scheme will be achieved.**

### C. How will the scheme allocate its assets?

The asset allocation under the Scheme, under normal circumstances, will be as follows:

| Investments | Indicative Allocation (% to net assets) | | Risk Profile |
|---|---|---|---|
| | Minimum | Maximum | |
| Debt and Money Market instruments | 0% | 100% | Low to Medium |

Investment in Derivatives will be up to 50% of the net assets of the Scheme. The total gross exposure investment in debt + money market instruments + derivatives (fixed income) shall not exceed 100% of net assets of the Scheme.

The Scheme may take derivatives position (fixed income) based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time.

The scheme will not invest in securitised debt.

**Portfolio Rebalancing:**
Subject to SEBI (MF) Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute. These proportions may vary substantially depending upon the perception of the AMC, the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be for short term and only for defensive considerations. In case of any deviation, the AMC will achieve a normal asset allocation pattern within 30 days

Where the portfolio is not rebalanced within specified Business Days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objective of the Scheme.

**Intended Portfolio for Schemes**

The intended Portfolio for the Schemes will be as under. **The Scheme will ensure adherence to the floors and ceilings within a range of 5% of the intended allocation (in %) against each sub asset class/credit rating.**

| Instruments | | Credit Rating | | | | |
|---|---|---|---|---|---|---|
| | AAA | AA | A | A1+ | BBB | Not Applicable |
| CDs | 55%-60% | - | - | - | - | - |
| CPs | 30%-35% | - | - | - | - | - |
| NCDs | - | 10%-15% | - | - | - | - |
| CBLO / T- Bills/Repo/Gsecs | - | - | - | - | - | - |

Investment in Derivatives will be up to 50% of the net assets of the Scheme. The total gross exposure investment in debt + money market instruments + derivatives (fixed income) shall not exceed 100% of net assets of the Scheme.

The Scheme may take derivatives position (fixed income) based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time.

The scheme will not invest in securitised debt.

**Notes:-**

a. Securities with Rating AA will include AA+ and AA-. Similarly, securities with Rating A will include A+ and A- .
b. Positive variation in investment towards higher credit rating in the same instrument is allowed. In case of non availability of assets or taking into account the risk reward analysis of CPs/NCDs the scheme may invest in CDs having highest rating (A1+) & CBLOs/T Bills. Such deviation may exist till suitable NCD/CP of desired credit quality is not available. At the time of building of portfolio post NFO and just towards maturity, there may be higher allocation to cash and cash equivalents under each series of the scheme
c. The Fund Manager will endeavour to deploy the NFO proceeds in line with the above allocation within 30 days from the closure of the NFO.
d. All investments shall be made based on the ratings prevalent at the time of investments. However where there are dual ratings for a particular security, most conservative publicly available rating shall be considered.
e. In the event of any deviations below the minimum limits or beyond the maximum limits, rebalancing of the asset allocation will be called for by the Fund Manager within 30 days from the date of the said deviation. Such changes in the investment pattern will be for a short term and for defensive considerations and the intention being at all times to seek to protect the interests of the Unit Holders.
f. Investment Committee shall from time to time decide the negative list of sectors where the scheme shall not take exposure. The schemes shall not invest in any debt instruments/papers issued by Micro finance companies, Airlines Companies, Gems and Jewellery and unrated debt instruments
g. The schemes shall also not undertake securities lending, short selling and shall not invest in foreign securities and in Credit Default Swaps.

There will be no variation between intended portfolio allocation and the final portfolio allocation except to the exception as mentioned in point (b) and (e) above.

**Credit Evaluation Policy**

The AMC has appointed an Investment Committee which oversees matters relating to credit assessments and approvals. The Investment Committee comprises of Senior Executives of the Company including a Director. It oversees the risk management function and sets the framework for credit risk assessment and monitoring, sectoral exposure caps, sensitive sector limits, fund level limits and norms for investment decision-making. This investment policy which emphasizes on credit quality, liquidity and duration management lays down the process to be followed by the debt fund management team while making investments. The broad process followed can be enlisted as under:

- Detailed credit research is undertaken for each investment in the portfolio which includes qualitative and quantitative assessment of various issuers.
- Qualitative assessment involves analyzing the business profile of the issuer on several parameters including market share, competitive positioning, management quality, business diversification, regulatory environment, rating agency views and event risk if any.
- Quantitative assessment involves analyzing the financial profile of the issuer on parameters like balance sheet size, cash flow adequacy, debt servicing capability, working capital requirements, funding flexibility and capital adequacy.
- Typical ratios used in credit analysis are debt to equity (leverage), short term debt to total debt, interest coverage ratio, total debt to EBITDA, current ratio, EBITDA margin and net profit margin.
- To ascertain exposure limits on the issuer, we consider the total debt outstanding for the entity and apply a certain percentage based on our internal grading criteria. The same is also restricted to a certain percentage of our own debt net assets. The investment limits so derived are strictly adhered to.

**Overview of Debt Market and Money Markets**

The Indian Debt Market has grown in size substantially over the years. The Reserve Bank of India has been taking steps to make the Indian Debt Market efficient and vibrant. Broadly, the debt market is divided in two parts viz. the Money Market and the Debt market. Money market instruments have a tenor of less than one year while debt market instruments have a tenor of more than one year. Money market instruments are typically commercial paper, certificates of deposit, treasury bills, trade bills, repos, interbank call deposit receipts etc. Debt market comprises typically of securities issued by Governments (Central and State), Banks, Financial Institutions, and Companies in the private and public sector, Corporations, Statutory Bodies etc.

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 (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. In money market, activity levels of the Government and nongovernment debt vary from time to time. Instruments that comprise a major portion of money market activity include but not limited to:

- Overnight Call
- Collateralised Borrowing & Lending Obligations (CBLO)
- Repo/Reverse Repo Agreement
- Treasury Bills
- Government securities with a residual maturity of < 1 year.
- Commercial Paper
- Certificate of Deposit

The debt securities are mainly traded over the telephone directly or through brokers. The National Stock Exchange of India has a separate trading platform called the Wholesale Debt Market segment where trades put through member brokers are reported.

RBI has introduced the Negotiated Dealing System (NDS) platform for screen-based trading in Government Securities and Money Market instruments. Most of the market participants are now operating through NDS.

Promoted by major banks and financial institutions, The Clearing Corporation of India Ltd. (CCIL) was incorporated on April 30, 2001. The CCIL guarantees the settlement of all trades executed through NDS. The clearing and settlement risks viz., Counter party Credit Risk and Operational Risk are mitigated by CCIL thereby facilitating a smooth settlement process.

The following table gives approximate yields prevailing as on March 3, 2014 on some of the money and debt market instruments. These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing.

| Instrument | Yield Range (% per annum) |
|---|---|
| Inter bank Call Money | 8.00-8.25 |
| 91 Day Treasury Bill | 8.95-9.10 |
| 364 Day Treasury Bill | 8.85-9.00 |
| P1+ Commercial Paper 90 Days | 10.25-10.50 |
| 3-Year Government of India Security | 8.65-8.75 |
| 5-Year Government of India Security | 8.90-8.95 |
| 10-Year Government of India Security | 8.70-8.90 |

Generally, for instruments issued by a non-Government entity, the yield is higher than the yield on a Government Security with corresponding maturity. The difference, known as credit spread, depends on the credit rating of the entity. Investors must note that the yields shown above are the yields prevailing on March 3, 2014 and they are likely to change consequent to changes in economic conditions and RBI policy.

### D. Where will the scheme invest?

The amount collected under the scheme will be invested only in debt and money market instruments and government securities. Subject to the Regulations, the amount collected under this scheme can be invested in any (but not exclusively) of the following securities/ debt instruments:

a) Securities created and issued by the Central and State Governments and repo/or reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
b) Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
c) Debt securities of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee
d) Corporate debt (of both public and private sector undertakings).
e) Securities/ Term Deposits of banks (both public and private sector) and development financial institutions
f) Money market instruments permitted by SEBI/RBI, having maturities of up to one year or in alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements.
g) Certificate of Deposits (CDs).
h) Commercial Paper (CPs). A part of the net assets may be invested in the Collateralised Borrowing & Lending Obligations (CBLO) or in an alternative investment as may be provided by RBI to meet the liquidity requirements.
i) Repo of corporate debt securities
j) The non-convertible part of convertible securities.
k) Any other domestic fixed income securities as permitted by SEBI / RBI from time to time.
l) Derivative instruments like Interest Rate Swaps, Interest Rate Futures, Forward Rate Agreements and such other derivative instruments permitted by SEBI/RBI.

The securities/debt instruments mentioned above could be listed or unlisted, secured or unsecured, rated and of varying maturities and other terms of issue. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offer or

negotiated deals. The Schemes may also enter into repurchase and reverse repurchase obligations in government securities held by it as per guidelines/regulations applicable to such transactions.

**Interest Rate Swap (IRS)**
IRS is a widely used derivative product in the financial markets to manage interest rate risk. A typical transaction is a contract to exchange streams of interest rate obligation/income on a notional principle amount with a counter party, usually a bank. The two interest streams are, fixed rate on one side and floating rate on the other.

Example: Suppose the Fund holds a fixed rate bond of maturity 5 years carrying a fixed interest rate (coupon) of 6% p.a. payable half yearly. Such an investment runs the risk of depreciation if interest rates rise. To manage this risk, the Fund can enter into an IRS with another market participant, here the Fund contracts to pay fixed rate, say 5.25% p.a., and receive a floating rate (say overnight MIBOR). This transaction is done for a notional principal amount equal to the value of the investment. By such a contract a fixed rate income is offset by a fixed rate payment obligation leaving only a floating rate income stream. Thus, without actually investing in a floating rate asset, the Fund starts earning a floating rate income, reducing the risk of depreciation associated with the fixed rate investment. Following table summarises the cash flow streams:

| | |
|---|---|
| Original investment | 6% p.a. |
| Pay (Fixed rate) | 5.25% p.a. (IRS) |
| Receive (Floating rate) | MIBOR |
| Net Flow | MIBOR + 0.75% p.a. (*) |

* (6% p.a. – 5.25 % p.a.)

The floating rate reference is defined in the swap agreement. The above example illustrates a case of fixed to floating rate swap. A swap could be done to move from floating rate to fixed rate in a similar fashion.

Please note that the above example is hypothetical in nature and the interest rates are assumed. The actual return may vary based on actual and depends on the interest rate prevailing at the time the swap agreement is entered into.

**Interest Rate Futures (IRFs)**
Interest Rate Futures (IRF) contract is an agreement to buy or to sell a debt instrument at a specified future date at a price that is fixed today. Exchange traded IRFs are standardised contracts based on a notional coupon bearing Government of India (GOI) security. National Securities Clearing Corporation Limited (NSCCL) is the clearing and settlement agency for all deals executed in Interest Rate Futures. NSCCL acts as legal counter-party to all deals on Interest Rate Futures contract and guarantees settlement.

**Using IRFs**

- **Directional trading**

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

Example:
A trader expects long-term interest rate to rise. He decides to sell Interest Rate Futures contracts as he shall benefit from falling future prices.

| Expectation | Position |
|---|---|
| Interest Rates going up | Short Futures |
| Interest Rates going down | Long Futures |

• Trade Date- 1st November 2012
• Futures Delivery date – 1st December 2012
• Current Futures Price- Rs. 97.50
• Futures Bond Yield- 8.21%
• Trader sell 250 contracts of the December 2012 - 10 Year futures contract on NSE on 1st November 2012 at Rs. 97.50

Assuming the price moves to Rs. 97.15 on November 9, 2012, net MTM gain would be Rs. 1,75,000 (250*2000*97.50-97.15) (I)

Closing out the Position
• 10th November 2012 - Futures market Price – Rs. 96.70
• Trader buys 250 contracts of December 2012 at Rs. 96.70 and squares off his position
• Therefore total profit for trader 250*2000*(97.15-96.70) is Rs.2,25,000 (II)
• Total Profit on the trade = INR 4,00,000 (I & II)

**Hedging**
Holders of the GOI securities are exposed to the risk of rising interest rates, which in turn results in the reduction in the value of their portfolio. So in order to protect against a fall in the value of their portfolio due to falling bond prices, they can take short position in IRF contracts.

Example:
Date: 01-November-2012
Spot price of GOI Security: Rs 105.05
Futures price of IRF Contract: Rs 105.12

On 01-November-2012 XYZ bought 2000 GOI securities from spot market at Rs 105.07. He anticipates that the interest rate will rise in near future. Therefore to hedge the exposure in underlying market he may sell December 2012 Interest Rate Futures contracts at Rs 105.12

On 16-December-2012 due to increase in interest rate:
Spot price of GOI Security: Rs 104.24
Futures Price of IRF Contract: Rs 104.28
Loss in underlying market will be (104.24 - 105.05)*2000 = Rs 1620
Profit in the Futures market will be (104.28 – 105.12)*2000 = Rs 1680

**Arbitrage**
Arbitrage is the price difference between the bonds prices in underlying bond market and IRF contract without any view about the interest rate movement. One can earn the risk-less profit from realizing arbitrage opportunity and entering into the IRF contract.

Example:
On 18th November, 2012 buy 6.35% GOI '20 at the current market price of Rs. 97.2485

Step 1 - Short the futures at the current futures price of Rs. 100.00 (9.00% Yield)
Step 2 - Fund the bond by borrowing up to the delivery period (assuming borrowing rate is 8.00%)
Step 3 - On 10th December 2012, give a notice of delivery to the exchange
Assuming the futures settlement price of Rs. 100.00, the invoice price would be
= 100 * 0.9780
= Rs. 97.8000

Under the strategy, the trader has earned a return of
= (97.800 – 97.2485) / 97.2485 * 365 / 23
= 9.00 % (implied repo rate)
(Note: For simplicity accrued interest is not considered for calculation)
Against its funding cost of 8.00% (borrowing rate), thereby earning risk free arbitrage.

As per SEBI circular no. Cir / IMD / DF / 11 / 2010 dated August 18, 2010 on "Review of norms for investment and disclosure by Mutual Funds in derivatives", the limits for exposure towards derivatives are as under:

1. The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.
2. Mutual Funds shall not write options or purchase instruments with embedded written options.
3. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
4. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
5. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following :-
    a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
    b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
    c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
    d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
6. 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.
7. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.

### E. What are the investment strategies?

For the purpose of achieving the investment objective, the Scheme will invest in a portfolio of Debt and Money Market securities, maturing on or before maturity of the Scheme.

The AMC has an internal policy for selection of assets of the portfolio. The portfolio is constructed taking into account ratings from different rating agencies, rating migration, credit premium over the price of a sovereign security, general economic conditions and such other criteria. Such an internal policy from time to time lays down maximum/minimum exposure for different ratings, liquidity norms, and so on. Through such norms, the Scheme is expected to maintain a high quality portfolio and manage credit risk well.

Investments may be made in instruments, which, in the opinion of the Fund Manager, are of an acceptable credit risk and chance of default is minimum. The Fund Manager will generally be guided by, but not restrained by, the ratings announced by various rating agencies on the assets in the portfolio.

**Risk Control Measures for investment strategy**

Investments made from the scheme would be in accordance with the investment objective of the Scheme and the provisions of the SEBI (MF) Regulations / circulars. The AMC will strive to achieve the investment objective by way of a judicious portfolio mix comprising of debt, money market instruments and government securities, within the asset allocation pattern indicated in the SID. Every investment opportunity would be assessed with regard to credit risk, interest rate risk and liquidity risk.

The internal systems have all the SEBI limits incorporated. This ensures that all limits are tracked at the entry stage itself. The system has the capability to alert certain deals that require special

attention in case they are beyond certain prescribed parameters. The deals then cannot proceed further without the approval of the appropriate authority. Thus checks are in place to ensure no breach of limit occurs.

**Portfolio Turnover:**
Since the schemes are close-ended schemes, the portfolio turnover ratio is expected to be low.

### F. Fundamental attributes

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

1. Type of the scheme: As mentioned under the heading "Type of Scheme"
2. Investment Objective: As mentioned under the heading "Investment Objective"
3. Investment Pattern: As mentioned under the heading "How will the scheme allocate its assets"
4. Terms of Issue:
    a. Liquidity provisions such as listing, repurchase, redemption. Investors may refer Chapter IV for detailed information on listing, repurchase and redemption.
    b. Aggregate fees and expenses charged to the scheme. Investors may refer Chapter V on fees and expenses charged to the scheme.
    c. Any safety net or guarantee provided.- Not Applicable

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 and the Plan / Option thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme and the Plan / Option thereunder and affect the interests of Unitholders is carried out unless:

- 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
- 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?

The Benchmark index of the Scheme will be CRISIL Short Term Bond Fund Index.

The Trustee reserves right to change benchmark in future for measuring performance of the scheme.

### H. Who manages the scheme?

Mr. Mayank Prakash and Mr. Abhishek Bisen will be the fund managers for the scheme.

| NAME | AGE | QUALIFICATION | BUSINESS EXPERIENCE | OTHER SCHEMES MANAGED |
|---|---|---|---|---|
| Mr. Mayank Prakash | 33 years | Chartered Accountant, and MBA (Finance) | Mr. Mayank Prakash has been associated with the company since September 2005. He has 4 years of experience in fund management related areas. | a. All Fixed Maturity Plans (FMPs)<br>b. All Quarterly Interval Plans (QIPs) |
| Mr. Abhishek Bisen | 34 Years | B.A. and MBA (Finance) | Mr. Abhishek Bisen has been associated with the company since October 2006 and his key responsibilities include fund management of debt | a. Kotak Bond<br>b. Kotak Bond Short Term<br>c. Kotak Gilt – Investment<br>d. Kotak Banking and PSU Debt Fund<br>e. Kotak Gold ETF |

| | | | | |
|---|---|---|---|---|
| | | | schemes. Prior to joining Kotak AMC, Abhishek was working with Securities Trading Corporation Of India Ltd where he was looking at Sales & Trading of Fixed Income Products apart from doing Portfolio Advisory. His earlier assignments also include 2 years of merchant banking experience with a leading merchant banking firm. | f. Kotak Multi Asset Allocation Fund<br>g. Kotak Flexi Debt<br>h. Kotak Floater Long Term<br>i. Kotak Liquid<br>j. Kotak Floater Short Term<br>k. Kotak Income Opportunities Fund<br>l. Kotak Balance<br>m. Kotak Monthly Income Plan<br>n. Kotak Gold fund<br>o. Kotak Global Emerging Market Fund<br>p. All Fixed Maturity Plans (FMPs)<br>q. All Quarterly Interval Plans (QIPs)<br>r. Kotak Hybrid Fixed Term Plan Series 2 |

**I. What are the investment restrictions?**

As per the Trust Deed read with the SEBI (MF) Regulations, the following investment restrictions apply in respect of the Scheme at the time of making investments.

1. The Scheme shall not invest more that 15% of its NAV in debt instruments, issued by a single issuer, which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the SEBI Act. Such investment limit may be extended to 20% of the NAV of the Scheme with the prior approval of the Trustee and the Board of the AMC. Provided that such limit shall not be applicable for investments in government securities.

2. The Scheme shall not invest more than 30% of its net assets in money market instruments of an issuer. Provided that such limit shall not be applicable for investments in Government securities, treasury bills and collateralized borrowing and lending obligations.

3. Debentures irrespective of any residual maturity period (above or below 1 year) shall attract the investment restrictions as applicable for debt instruments as specified under Clause 1 and 1 A of Seventh Schedule to the Regulations.

4. The Scheme may invest in another scheme under the same AMC or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the same AMC or in schemes under the management of any other asset management shall not exceed 5% of the net asset value of the Mutual Fund.

5. The Scheme shall not make any investments in:
    a. any unlisted security of an associate or group company of the Sponsors; or
    b. any security issued by way of private placement by an associate or group company of the Sponsors; or
    c. the listed securities of group companies of the Sponsors which is in excess of 25% of the net assets.

6. The Scheme shall not invest in any Fund of Funds Scheme.

7. Transfer of investments from one scheme to another scheme in the same Mutual Fund, shall be allowed only if:-
   a. such transfers are made at the prevailing market price for quoted Securities on spot basis (spot basis shall have the same meaning as specified by Stock Exchange for spot transactions.)
   b. the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

8. The Mutual Fund 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:
   a. Provided further that the Mutual Fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by SEBI.
   b. 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.

9. No loans for any purpose may be advanced by the Mutual Fund and the Mutual Fund shall not borrow except to meet temporary liquidity needs of the Schemes for the purpose of payment of interest or dividends to Unit Holders, provided that the Mutual Fund shall not borrow more than 20% of the net assets of each of the Schemes and the duration of such borrowing shall not exceed a period of six months.

10. The Mutual Fund shall enter into transactions relating to Government Securities only in dematerialised form.

11. The mutual fund shall get the securities purchased / transferred in the name of the fund on account of the concerned scheme, where investments are intended to be of long term nature.

12. Pending deployment of funds of a scheme in terms of investment objectives of the scheme, a mutual fund may invest them in short term deposits of schedule commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as may be amended from time to time. The AMC shall not charge any Investment management and advisory fees for parking of funds in such short term deposits of scheduled commercial banks, for the Scheme.

13. The Scheme shall invest only in such securities which mature on or before the date of the maturity of the Scheme in accordance to SEBI Circular No. SEBI/IMD/ CIR No. 12/147132/08 dated December 11, 2008.

14. Investments in Fixed Income Derivatives shall be in accordance with the guidelines as stated under SEBI circular no Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010, as may be amended from time to time.

15. In accordance with SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 and SEBI Circular no. CIR/IMD/DF/24/2012 dated November 19, 2012, in case of debt schemes, the total exposure to single sector shall not exceed 30% of the net assets of the scheme. However this limit is not applicable for investments in Bank CDs, CBLO, G-Secs, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks.

    Provided that an additional exposure to financial services sector (over and above the limit of 30%) 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;

    Provided further 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 30% of the net assets of the scheme

The AMC may alter these above stated restrictions from time to time to the extent the SEBI (MF) Regulations change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for mutual funds to achieve its respective investment objective. The Trustee may from time to time alter these restrictions in conformity with the SEBI (MF) Regulations.

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

Apart from the above investment restrictions, the Fund follows certain internal norms vis-à-vis limiting exposure to scrips, sectors etc, within the above mentioned restrictions, and these are subject to review from time to time

Modifications, if any, in the Investment Restrictions on account of amendments to the Regulations shall supercede/override the provisions of the Trust Deed.

**Participation of schemes of Kotak Mahindra Mutual Fund in repo of corporate debt securities:**

In accordance with SEBI circular no. CIR / IMD / DF / 19 / 2011 dated November 11, 2011 and CIR/IMD/DF/23/2012 dated November 15, 2012; schemes of Kotak Mahindra Mutual Fund (KMMF) shall participate in the corporate bond repo transactions w.e.f. June 21, 2013 as per the guidelines issued by Reserve Bank of India (RBI) from time to time. Currently the applicable guidelines are as under:

- The gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10 % of the net assets of the concerned scheme.
- 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 concerned scheme.
- Mutual Funds shall participate in repo transactions only in AA and above rated corporate debt securities.
- In terms of Regulation 44 (2) mutual funds shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months

The investment restrictions applicable to the Scheme's participation in the corporate bond repos will also be as prescribed or varied by SEBI or by the Board of Kotak Mahindra Trustee Company Limited (subject to SEBI requirements) from time to time.

The following guidelines shall be followed by Kotak Mutual Fund for participating in repo in corporate debt securities, which have been approved by the Board of AMC and Trustee Company.

**(i) Category of counterparty to be considered for making investment:**

All entities eligible for transacting in corporate bond repos as defined by SEBI and RBI shall be considered for repo transactions.

**(ii) Credit rating of counterparty to be considered for making investment**

The schemes shall participate in corporate bond repo transactions with only those counterparties who have a credit rating of AA- and higher. In case there is no rating available, the Investment Committee will decide the rating of the counterparty and report the same to the Board from time to time.

**(iii) Tenor of Repo and collateral**

As a repo seller, the schemes will borrow cash for a period not exceeding 6 months or as per extant regulations.

As a repo buyer, the Schemes are allowed to undertake the transactions for maximum maturity upto one year or such other terms as may be approved by the Investment Committee.

There shall be no restriction / limitation on the tenor of collateral.

**(iv) Applicable haircuts**

As per RBI circular RBI/2012-13/365 IDMD.PCD. 09 /14.03.02/2012-13 dated 07/01/2013, all corporate bond repo transaction will be subject to a minimum haircut given as given below:

(1) AAA : 07.50%
(2) AA+ : 08.50%
(3) AA : 10.00%

The haircut will be applicable on the prevailing market value of the said security on the prevailing on the date of trade. However, the fund manager may ask for a higher haircut (while lending) or give a higher haircut (while borrowing) depending on the market prevailing liquidity situation.

**Risk envisaged and mitigation measures for repo transactions:**

Credit risks could arise if the counterparty does not return the security as contracted or interest received by the counter party on due date. This risk is largely mitigated, as the choice of counterparties is largely restricted and their credit rating is taken into account before entering into such transactions. Also operational risks are lower as such trades are settled on a DVP basis.

In the event of the scheme being unable to pay back the money to the counterparty as contracted, the counter party may dispose of the assets (as they have sufficient margin) and the net proceeds may be refunded to us. Thus the scheme may in remote cases suffer losses. This risk is normally mitigated by better cash flow planning to take care of such repayments.

**Investments by the AMC in the Fund**

The AMC reserves the right to invest its own funds in the Scheme as may be decided by the AMC from time to time. Under the Regulations, the AMC is not permitted to charge any investment management and advisory services fee on its own investment in the Scheme.

## J. How has the scheme performed?

This is new scheme and do not have any performance track records.

## IV. UNITS AND OFFER

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

### A. New Fund Offer (NFO)

<table>
<tr><td>New Fund Offer:<br><br>This is the period during which a new Scheme sells its units to the investors</td><td>
<table>
<tr><th>Scheme Name</th><th>NFO Opens On:</th><th>NFO Closes On:</th></tr>
<tr><td>Kotak FMP Series 156</td><td>April 3, 2014</td><td>April 10, 2014</td></tr>
</table>
<br>The subscription list may be closed earlier by giving at least one day's notice in one daily newspaper.<br><br>The AMC reserves the right to extend the closing date, subject to the condition that the New Fund Offer shall not be kept open beyond 15 days as permissible under Regulations. Any such extension shall be announced by way of a notice in one national newspaper.</td></tr>
<tr><td>New Fund Offer Price:<br><br>This is the price per unit that the investors have to pay to invest during the NFO.</td><td>Rs. 10 per Unit.</td></tr>
<tr><td>Minimum Amount for Application in the NFO of scheme</td><td>Rs. 5, 000/- and in multiples of Rs 10 for purchase and switch-ins</td></tr>
<tr><td>Minimum Target amount<br><br>This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return. However, if AMC fails to refund the amount within 5 business days, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of 5 business days from the date of closure of the subscription period.</td><td>The Fund seeks to collect a minimum subscription amount of Rs. 20,00,00,000/- (Rupees Twenty crore only)under the scheme.</td></tr>
<tr><td>Maximum Amount to be raised (if any)<br><br>This is the maximum amount which can be collected during the NFO period, as decided by the AMC.</td><td>There is no upper limit on the total amount that may be collected. After the minimum subscription amount has been collected, allotment will be made to all valid applications.</td></tr>
<tr><td>Plans available</td><td>There will be two plans under the Scheme namely, Regular Plan and Direct Plan</td></tr>
</table>

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| | The portfolio of both the plans will be unsegregated. |
| Options offered | Each Plan under the Scheme will have two options namely Growth and Dividend Payout.<br><br>The NAVs of the above options under each plan of the scheme will be different and separately declared; the portfolio of the investments remaining the same. |
| Allotment | Subject to the receipt of the specified Minimum Subscription Amount for the Scheme, full allotment will be made to all valid applications received during the New Fund Offer.<br><br>The Trustee reserves the right, at their discretion without assigning any reason thereof, to reject any application. Allotment will be completed within 5 business days after the closure of the New Fund Offer. Allotment of units and dispatch of allotment advice to FIIs will be subject to RBI approval if required. Investors who have applied in non depository mode will be entitled to receive the account statement of units within 5 Business Days of the closure of the NFO Period.<br><br>For applicants applying through the ASBA mode, On intimation of allotment by CAMS to the banker the investors account shall be debited to the extent of the amount due thereon. On allotment, units will be credited to the Investor's demat account as specified in the ASBA application form. |
| Refund | If application is rejected, full amount will be refunded within 5 business days from the date of closure of NFO. If refunded later than 5 business days, interest @ 15% p.a. for delay period will be paid and charged to the AMC. |
| Dividend Policy | **Growth Option:**<br>Under the Growth option, there will be no distribution of income and the return to investors will be only by way of capital gains, if any, through redemption at applicable NAV of Units held by them.<br><br>**Dividend Option**<br>Under the Dividend option, the Trustee may at any time decide to distribute by way of dividend, the surplus by way of realised profit and interest, net of losses, expenses and taxes, if any, to Unitholders if, in the opinion of the Trustee, such surplus is available and adequate for distribution. The Trustee's decision with regard to such availability and adequacy of surplus, rate, timing and frequency of distribution shall be final. The Trustee may or may not distribute surplus, even if available, by way of dividend.<br><br>Dividend will be paid on the number of units held by the unit holder on the record date as per the records of CAMS (the Registrar) and /or as per the records maintained by depositories. The record date shall be announced 5 calendar days before the record date.<br><br>*Dividend Payout Option:* Unitholders will have the option to receive payout of their dividend by way of dividend warrant or any other means which can be encashedor by way of direct credit into their account.<br><br>However, the Trustees reserve the right to introduce new options and / or alter the dividend payout intervals, frequency, including the day of payout. |
| Who can invest<br><br>This is an indicative list and you are requested to consult your financial advisor to ascertain whether the scheme is | The following are eligible to apply for purchase of the Units:<br>• Resident Indian Adult Individuals, either singly or jointly (not exceeding three).<br>• Parents/Lawful guardians on behalf of Minors.<br>• Companies, corporate bodies, registered in India.<br>• Registered Societies and Co-operative Societies authorised to invest in such Units. |

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| suitable to your risk profile. | • Religious and Charitable Trusts under the provisions of 11(5) of the Income Tax Act, 1961 read with Rule 17C of the Income Tax Rules, 1962.<br>• Trustees of private trusts authorised to invest in mutual fund schemes under their trust deeds.<br>• Partner(s) of Partnership Firms.<br>• Association of Persons or Body of Individuals, whether incorporated or not.<br>• Hindu Undivided Families (HUFs).<br>• Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions and Investment Institutions.<br>• Non-Resident Indians/Persons of Indian origin resident abroad (NRIs) on full repatriation or non-repatriation basis.<br>• Other Mutual Funds registered with SEBI.<br>• Foreign Institutional Investors (FIIs) registered with SEBI.<br>• International Multilateral Agencies approved by the Government of India.<br>• Army/Navy/Air Force, Para-Military Units and other eligible institutions.<br>• Scientific and Industrial Research Organizations.<br>• Provident/Pension/Gratuity and such other Funds as and when permitted to invest.<br>• Universities and Educational Institutions.<br>• Other schemes of Kotak Mahindra Mutual Fund may, subject to the conditions and limits prescribed in the SEBI Regulations and/or by the Trustee, AMC or Sponsor, subscribe to the Units under the Scheme.<br>• Qualified Foreign Investor (QFI)<br><br>The following investors cannot invest in the Scheme:-<br><br>• Pursuant to RBI A.P. (DIR Series) Circular No. 14 dated September 16, 2003, Overseas Corporate Bodies (OCBs) can not invest in Mutual Funds<br>• United States Person (US Person) as defined under the extant laws of the United States of America;<br>• Residents of Canada;<br>• Qualified Foreign Investors (QFIs) registered in USA and Canada;<br>• NRIs residing in any Financial Action Task Force (FATF) declared non-compliant country or territory<br><br>Prospective investors are advised to satisfy themselves that they are not prohibited by any law governing such entity and any Indian law from investing in the Scheme(s) and are authorized to purchase units of mutual funds as per their respective constitutions, charter documents, corporate / other authorizations and relevant statutory provisions.<br><br>The list given above is indicative and the applicable law, if any, shall supersede the list. |
| Provisions pertaining to Qualified Foreign Investor (QFI) | SEBI vide its circular no.CIR/IMD/DF/14/2011 dated August 9, 2011, CIR/ IMD/ FII&C/ 13/ 2012 dated June 7, 2012 and CIR/ IMD/ FII&C/ 18/ 2012 dated July 20, 2012 have allowed Qualified Foreign Investors (QFIs) to invest in equity and debt schemes of Indian mutual funds subject to meeting the KYC requirements, the eligibility norms of the jurisdictions where the QFIs are originating, and as per the extant regulatory provisions, applicable from time to time.<br><br>**QFI shall mean a person who fulfils the following criteria:**<br>(i) Resident in a country that is a member of Financial Action Task Force (FATF) or a member of a group which is a member of FATF; |

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| | and<br>(ii) Resident in a country that is a signatory to IOSCO's (International Organisation of Securities Commission') MMOU (Multilateral Memorandum of Understanding) (Appendix A Signatories) or a signatory of a bilateral MOU with SEBI:<br>• Provided that the person is not resident in a country listed in the public statements issued by FATF from time to time on- (i) jurisdictions having a strategic Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) deficiencies to which counter measures apply, (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies:<br>• Provided such person is not resident in India:<br>• Provided that such person is not registered with SEBI as Foreign Institutional Investor or Sub-account or Foreign Venture Capital Investor.<br><br>*Explanation*.-For the purposes of this clause:<br>(1) The term "Person" shall carry the same meaning under section and 2(31) of the Income Tax Act, 1961;<br>(2) The phrase "resident in India" shall carry the same meaning as in Income Tax Act, 1961;<br>(3) "Resident" in a country, other than India, shall mean resident as per the direct tax laws of that country.<br>(4) "Bilateral MoU with SEBI" shall mean a bilateral MoU between SEBI and the overseas regulator that *inter alia* provides for information sharing arrangements.<br>(5) Member of FATF shall not mean an Associate member of FATF.<br><br>Investment by QFI's in mutual fund schemes may be done through the following two routes:<br>**1. Direct route** - Holding MF units in demat account through a SEBI registered Qualified Depository Participant (QDP).<br>**2. Indirect route**- Holding MF units via Unit Confirmation Receipt (UCR).<br><br>**KMMF at present will accept investment in its schemes through 'Direct Route' only.**<br><br>**Important Provisions applicable to QFIs:**<br><br>1. QFI needs to open a single non-interest bearing Rupee Account with an AD Category- I bank in India, for routing the receipt and payment for transactions relating to purchase and sale of MF units subject to the conditions as may be prescribed under FEMA 1999 and RBI from time to time.<br>2. All subscription /redemption and dividend proceeds will be transferred from/ to in the same overseas bank account which QFI's has designated to QDP for subscription/redemption.<br>3. QFIs can open only one demat account with any one of the QDP's and shall subscribe and redeem through that QDP only.<br>4. The units held by QFIs by way of demat holding are non transferable and non tradable.<br>5. Units held by QFIs shall be free from all encumbrances i.e. pledge or lien cannot be created for such units.<br>6. QFIs are allowed only to subscribe or redeem the units of the Schemes. Systematic Investments Plan/ Systematic Transfer Plan/ Systematic |

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| | Withdrawal Plan and Switches, are not available to the QFIs.<br>7. QFIs can invest only in the Growth Option or Dividend Payout options under the Schemes.<br>8. QDP will ensure KYC of the QFIs as per the norms prescribed by SEBI from time to tim**e.**<br>9. QFI has to obtain Permanent Account Number (PAN) before investing in the schemes.<br>10. The cut of time for applicability of NAV shall be applicable as per the respective schemes where the QFI's are eligible to invest.<br>11. All payments by KMMF/AMC to the QFIs shall be made ne**t** of applicable taxes.<br>12. The AMC reserves the right to temporarily suspend subscriptions to the Schemes, if the limits prescribed by SEBI / RBI for QFIs investments for the MF are exceeded/expected to be exceeded.<br>13. QFIs investment in mutual fund schemes are also subject to KYC requirements as per the FATF standards, Prevention of Money Laundering Act, 2002 (PMLA) rules and regulations and SEBI circulars/guidelines issued in this regard on an ongoing basis.<br>14. The investment by the QFIs in MF schemes shall also be subject to the relevant and extant FEMA regulations and guidelines issued by the Reserve Bank of India under FEMA, 1999 from time to time.<br>15. The AMC reserves the right to introduce/modify any terms and conditions for processing the transactions of QFIs in line with applicable regulations and amendments from time to time. |
| Where can you submit the filled up applications. | Applications can be made either by way of a "Regular Application" along with a cheque/DD or fund transfer instruction. The Fund may introduce other newer methods of application which will be notified as and when introduced. Investors should complete the Application Form and deliver it along with a cheque/draft (i.e. in case of "Regular Application") or fund transfer instructions, at any of the official points of acceptance of transactions as given on the back cover of this document.<br><br>For investments through switch transactions, transaction slip with application forms can be submitted at the AMC branches, CAMS Investor Service Centres and branches, given in the last page.<br><br>All trading Member of Bombay Stock Exchange (BSE) and National Stock Exchange (NSE), who are registered with AMFI as Mutual Fund Advisors offering the facility of purchase and redemption of units of Kotak Mahindra Mutual Funds thorough Exchanges (MFSS / BStAR) are the official Acceptance points for fresh applications as the NFO of the scheme is offered through the NSE-MFSS and BSE-BStAR platforms.<br><br>Further, Investors may also apply through ASBA facility, during the NFO period of the Scheme. |
| Applications Supported by Blocked Amount (ASBA) | As per SEBI vide its circular no. SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15, 2010 an investor can subscribe to the New Fund Offer (NFO) through ASBA facility. The ASBA facility is offered by selected Self Certified Syndicate Banks (SCSBs) which are registered with SEBI for offering the facility, and whose names appear in the list of SCSBs as displayed by SEBI on its website at www.sebi.gov.in.<br><br>ASBA is an application containing an authorization given by the Investor to block the application money in his specified bank account towards the subscription of Units offered during the NFO of the Schemes. On intimation of allotment by CAMS to the banker the investors account shall be debited to the extent of the amount due thereon. On allotment, units will be credited to the Investor's demat account as specified in the ASBA application form. |

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| | **Grounds for rejection of ASBA applications**<br>ASBA application forms can be rejected by the AMC/Registrar/ SCSBs, on the following technical grounds: -<br>a. Applications by persons not competent to contract under the Indian Contract Act, 1872, including but not limited to minors, insane persons etc.<br>b. Mode of ASBA i.e. either Physical ASBA or Electronic ASBA, not selected or ticked.<br>c. ASBA Application Form without the stamp of the SCSB.<br>d. Application by any person outside India if not in compliance with applicable foreign and Indian laws.<br>e. Bank account details not given/incorrect details given.<br>f. Duly certified Power of Attorney, if applicable, not submitted alongwith the ASBA application form.<br>g. No corresponding records available with the Depositories matching the parameters namely (a) Names of the ASBA applicants (including the order of names of joint holders) (b) DP ID (c) Beneficiary account number or any other relevant details pertaining to the Depository Account.<br>h. Insufficient funds in the investor's account<br><br>Application accepted by SCSB and not uploaded on/with the Exchange / Registrar |
| Mechanism for Redressal of Investor Grievances under ASBA Facility | All grievances relating to the ASBA facility may be addressed to the respective SCSBs, giving full details such as name, address of the applicant, number of Units applied for, counterfoil or the application reference given by the SCSBs, DBs or CBs, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Investor. |
| How to Apply | Application form and Key Information Memorandum may be obtained from the offices of AMC or Investor Services Centers of the Registrar or distributors or downloaded from assetmanagement.kotak.com. Investors are also advised to refer to Statement of Additional Information before submitting the application form.<br><br>All cheques and drafts should be crossed **"Account Payee Only"** and drawn in favour of the concerned scheme. All payment instruments for Investments into Kotak FMP Series 156 shall be drawn in favour of **"Kotak FMP Series 156."**<br><br>Please refer to the SAI and Application form for the instructions. |
| Non acceptance of Third Party Cheques | Third Party Cheques will not be accepted by the Scheme.<br><br>**Definition of Third Party Cheques**<br>• Where payment is made through instruments issued from an account other than that of the beneficiary investor, the same is referred to as Third-Party payment.<br>• In case of a payment from a joint bank account, the first holder of the mutual fund folio has to be one of the joint holders of the bank account from which payment is made. If this criterion is not fulfilled, then this is also construed to be a third party payment.<br><br>However, afore-mentioned clause of investment with Third-Party Payment shall not be applicable for the below mentioned exceptional cases.<br>1. Payment by Parents/Grand-Parents/related persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs.50,000/- (each regular purchase or per SIP installment). However this restriction will not be applicable for payment |

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| | made by a guardian whose name is registered in the records of Mutual Fund in that folio.<br>2. Payment by Employer on behalf of employee under Systematic Investment Plans or lump sum / one-time subscription, through Payroll deductions. AMC shall exercise extra due diligence in terms of ensuring the authenticity of such arrangements from a fraud prevention and KYC perspectives.<br>3. Custodian on behalf of an FII or a client.<br><br>For pre funded instruments such as DD/Pay order it is the onus of the investor to provided adequate supporting documents to prove that such instruments are issued by debiting the first holders account.<br><br>Kotak Mahindra Asset Management Co. Ltd. / Trustee retains the sole and absolute discretion to reject/ not process application and refund subscription money if the subscription does not comply with the specified provisions of Payment Instruments. |
| Listing | The units of the scheme will be listed on BSE on allotment.<br>The units of the scheme may also be listed on the other stock exchanges.<br><br>An investor can buy/sell Units on a continuous basis on BSE and/or any other Stock Exchange(s) on which the Units are listed during the trading hours like any other publicly traded stock, until the date of issue of notice by the AMC for fixing the record date for determining the Unit holders whose name(s) appear on the list of beneficial owners as per the Depository's (NSDL/CDSL) records for the purpose of redemption of Units on maturity/final redemption date. The trading of Units on BSE and/or any other Stock Exchange(s) on which the Units are listed will automatically get suspended from the date of issuance of the said notice and also no off-market trades shall be permitted by the Depositories. |
| Special Products / facilities available during the NFO | Systematic Investment Plan, Systematic Transfer Plan, Systematic Withdrawal Plan are not available under the scheme. |
| The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same. | Not Applicable |
| Restrictions, if any, on the right to freely retain or dispose of units being offered. | Units held by way of an Account Statement cannot be transferred. However, units which are held in demat form shall be freely transferable under the depository system. |

**B. Ongoing Offer Details**

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| **Ongoing Offer Period**<br><br>This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period. | The scheme is a close ended scheme. Investors can only invest during NFO. After listing of the scheme, units of the scheme can be traded on stock exchange |
| **Ongoing price for subscription (purchase)/switch-in** | Not Applicable |

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| **Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors.**<br><br>This is the price you will receive for redemptions/switch outs.<br><br>*Example: If the applicable NAV is Rs. 10, exit load is 2% then redemption price will be:*<br>*Rs. 10* (1-0.02) = Rs. 9.80* | The units of the scheme can be traded on the stock exchange, post listing. On maturity the redemption will be at the applicable NAV. |
| **Cut off timing for subscriptions/ redemptions/ switches**<br><br>This is the time before which your application (complete in all respects) should reach the official points of acceptance. | Not Applicable. All units of the scheme shall be redeemed only on maturity. |
| **Where can the applications for purchase/redemption switches be submitted?** | Not Applicable |
| **Minimum amount for purchase / redemption / switches** | Not Applicable |
| **Transaction Charges** | Pursuant to SEBI Circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, transaction charge per subscription of Rs. 10,000/- and above be allowed to be paid to the distributors of the Kotak Mahindra Mutual Fund products. The transaction charge shall be subject to the following:<br><br>a. For existing investors (across mutual funds), the distributor shall be paid Rs. 100/- as transaction charge per subscription of Rs.10,000/- & above.<br><br>b. For first time investors, (across Mutual Funds), the distributor may be paid Rs. 150/- as transaction charge for subscription of Rs.10,000/- & above.<br><br>c. The transaction charge shall be deducted by Kotak AMC from the subscription amount & paid to the distributor (will be subject to statutory levies, as applicable) & the balance amount shall be invested.<br><br>Identification of investors as "first time" or "existing" will be based on Permanent Account Number (PAN) at the First/ Sole Applicant/ Guardian level. Hence, Unit holders are urged to ensure that their PAN / KYC is updated with the Fund. Unit holders may approach any of the Official Points of Acceptances of the Fund i.e. Investor Service Centres (ISCs) of the Fund/ offices of our Registrar and Transfer Agent, M/s. Computer Age Management Services Pvt. Ltd in this regard.<br><br>The statement of accounts shall clearly state that the net investment as |

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| | gross subscription less transaction charge and give the number of units allotted against the net investment.<br><br>**Transaction charges shall not be deducted/applicable for:**<br><br>1) Transaction other than purchases/subscriptions such as Switch/Systematic Transfer Plan (STP)/ Dividend Transfer Plan (DTP),etc.;<br>2) Purchases/Subscriptions made directly with the Fund without any ARN code.<br>3) Transactions carried out through the stock exchange platforms.<br><br>In accordance with the SEBI circular no. SEBI/IMD/CIR No. 4/ 168230/09, dated June 30, 2009, upfront commission to distributors shall be paid by the investor directly to the distributor by a separate cheque based on his assessment of various factors including the service rendered by the distributor. Further as per circular dated September 13, 2012, distributors shall now have the option to either opt in or opt out of charging transaction charge based on the type of product. |
| **Special Products available** | Systematic Investment Plan, Systematic Transfer Plan, Systematic Withdrawal Plan are not available under the scheme |
| **Account Statements** | **For normal transactions (other than SIP/STP/SWP) during NFO and repurchase:**<br><br>Pursuant to Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 and amendments thereto, read with SEBI Circular No. Cir/IMD/DF/16/ 2011 dated September 8, 2011; the investor whose transaction has been accepted by Kotak Mahindra Asset Management Company Ltd. / Kotak Mahindra Mutual Fund on or after October 1, 2011 shall receive the following:<br><br>1. An allotment confirmation specifying the units allotted shall be sent by way of email and/or SMS within 5 Business Days of the closure of the NFO Period to the Unit holder's registered e-mail address and/or mobile number.<br><br>2. A consolidated account statement (CAS) for each calendar month on or before 10th of the succeeding month shall be sent by email (wherever investor has provided email id) or physical account statement where investor has not provided email id., across the schemes of the mutual funds, to all the investors in whose folio(s) transaction(s) has/have taken place during the month.<br><br>3. For the purpose of sending CAS, common investors across mutual funds shall be identified by their Permanent Account Number (PAN).<br><br>4. In case of a specific request is received from the investors, Kotak Mahindra Asset Management Company Ltd. / Kotak Mahindra Mutual Fund will provide the physical account statement to the investors, within 5 business days.<br><br>5. The CAS will not be received by the investors for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN and email id. Such investors will get monthly account statement from Kotak Mutual Fund in respect of transactions carried out in the schemes of Kotak Mutual Fund during the month. |

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| | 6. In case of units held in demat, on allotment, confirmation specifying the units allotted shall be sent by way of email and/or SMS within 5 Business Days of the closure of the NFO Period to the Unit holders registered e-mail address and/or mobile number. The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective DPs periodically.<br><br>7. An Account Statement may be sent to a Unitholder using e-mail. Account Statements to be issued in lieu of Unit Certificates under the Scheme are non-transferable. These Account Statements shall not be construed as proof of title and are only computer printed statements, indicating the details of transactions under the Scheme concerned.<br><br>8. Any discrepancy in the Account Statement / Unit Certificate should be brought to the notice of the Fund/AMC immediately. Contents of the Account Statement / Unit Certificate will be deemed to be correct if no error is reported within 30 days from the date of Account Statement / Unit Certificate.<br><br>**Annual Account Statement:**<br>• Asset management company will send consolidated account statement every half yearly (September/ March), on or before tenth day of succeeding month, detailing holding at the end of the six month, across all schemes of all mutual funds, to all such investors in whose folios no transaction has taken place during that period. The Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement.<br>• The account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme.<br>• Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so mandated.<br><br>'Transaction' shall include purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions. |
| **Dividend** | The dividend warrants shall be dispatched to the unitholders within 30 days of the date of declaration of the dividend.<br><br>Dividend may also be paid to the Unitholder in any other manner viz., through ECS, Direct Credit or NEFT in to Bank account, RTGS facility offered RBI or through Banker's cheque, etc as the AMC may decide, from time to time for the smooth and efficient functioning of the Scheme. |
| **Redemption** | Investors will not be able to redeem their units during the tenor of the Scheme directly from the fund and there will be redemption by the fund only on the maturity of the Scheme. The redemption proceeds shall be dispatched to the unit holders within 10 Business days from the date of maturity of the Scheme.<br><br>Redemption proceeds will be paid by cheques, marked "Account Payee only" and drawn in the name of the sole holder/first-named holder (as determine by the records of the Registrar/Depositories). The Bank Name and No., as specified in the Registrar's records, will be mentioned in the cheque, which will be payable at the city of the bank branch of the Unitholder. If the Unitholder resides in any other city, he will be paid by a Demand Draft payable at the city of his bank branch. |

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| | Redemption cheques will generally be sent to the Unitholder's address, (or, if there is more than one joint holder, the address of the first-named holder) as per the Registrar's/Depositories records, by courier. The payments to unitholders as per the Depository Records will be sufficient discharge of its obligations by the AMC. Any further claims shall not be entertained by the AMC.<br><br>Redemption proceeds may also be paid to the Unitholder in any other manner viz., through ECS, Direct Credit or NEFT in to Bank account, RTGS facility offered RBI or through Banker's cheque, etc as the AMC may decide, from time to time for the smooth and efficient functioning of the Scheme. |
| **Delay in payment of redemption / repurchase/dividend proceeds** | 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). |
| **Bank A/c Details** | As per the directives issued by SEBI it is mandatory for an investor to declare his/her bank account number. To safeguard the interest of Unitholders from loss or theft of their refund orders/redemption cheques, investors are requested to provide their bank details in the Application Form.<br><br>In case an existing Unitholder is submitting a request for Change in his Bank Details, he needs to submit a copy of cancelled cheque leaf of the new bank account or Bank statement of the new bank account attested by his banker with seal & signature of banker or letter from the Banker of the investor. In absence of the same, the request for Change in Bank Mandate is liable to be rejected.<br><br>Investors have an option of registering their bank accounts, by submitting the necessary forms & documents. At the time of redemption, investors can select the bank account to receive the amount. |

**C. Periodic Disclosures**

| | |
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| **Net Asset Value**<br><br>This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance. | The Mutual Fund shall update the Net asset value of the scheme on every Business day on AMFI's website www.amfiindia.com by 9.00 p.m. The NAVs shall also be updated on the website of the Mutual Fund assetmanagement.kotak.com and will be published in two newspapers.<br><br>Delay in uploading of NAV beyond 9.00 p.m. on every business day shall be explained in writing to AMFI. In case the NAVs are not available before the commencement of business hours on the following business day due to any reason, a press release for revised NAV shall be issued. |
| **Half yearly Disclosures: Portfolio / Financial Results**<br><br>This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures. | A complete statement of the portfolio of the Scheme will either be sent to all Unitholders, or published by way of an advertisement, before the expiry of one month from the close of each half year, that is the 31st of March and the 30th of September, in one English daily newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated. The same will also be posted on the website assetmanagement.kotak.com. |
| **Half Yearly Results** | The soft copy of unaudited financial results shall within one month from the close of each half year i.e. 31st of March and the 30th of September, be |

<table>
<tr><td></td><td>hosted on the website assetmanagement.kotak.com and will be sent to AMFI for posting on its website www.amfiindia.com .<br><br>Also an advertisement of hosting of the unaudited results shall be published in one English daily newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated.</td></tr>
<tr><td>Annual Report</td><td>Pursuant to SEBI Circular No. Cir/IMD/DF/16/2011 dated September 8, 2011, Annual report or Abridged Summary will be available on mutualfund.kotak.com and shall be sent only by way of email to the investor's registered email address or Physical copies (If investor's email address is not registered), not later than four months after the close of each financial year (March 31). The unit holders may request for a physical copy of scheme annual reports or abridged summary by writing to the Kotak Mahindra Asset Management Company Ltd. / Investor Service Centre / Registrar & Transfer Agents. The unit holder can get physical copies of the above mentioned reports at the registered offices at all time. The annual report shall be displayed on assetmanagement.kotak.com</td></tr>
<tr><td>Associate Transactions</td><td>Please refer to Statement of Additional Information (SAI).</td></tr>
<tr><td>Taxation:<br>The information is provided for general information purposes only. However, in view of the individual nature of tax implications, each investor is advised to consult his or her own tax adviser with respect to the specific tax implications arising out of his or her participation in the scheme.<br><br>(For Debt Scheme other than Money Market Mutual Fund or a Liquid Fund)</td><td>
Applicable tax rates based on prevailing tax laws
<table>
<tr><td rowspan="2"></td><td colspan="2">Unit holder</td><td rowspan="2">Mutual Fund</td></tr>
<tr><td>Resident</td><td>FII</td></tr>
<tr><td>Tax on Dividend</td><td>Nil</td><td>Nil</td><td>Dividend Distribution Tax (DDT) on the dividend distributed under this scheme:<br><br>a) On dividend distributed to individual and HUF:<br>-14.1625% (including surcharge and education cess) from 1 April 2013 to 31 May 2013<br>-28.325% (including surcharge and education cess ) from 1 June 2013 to 31 Mar 2014.<br><br>b) 33.99% (including surcharge and education cess) on dividend distributed to persons other than individual and HUF.<br><br>C) 5.665% (including surcharge and education cess) on dividend distributed to</td></tr>
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| | | | | |
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| | | | | a non-resident by an Infrastructure Debt Fund (refer note 2) from 1 June 2013 to 31 Mar 2014 |
| | Short Term Capital Gain (Refer note 1 below) | 10%-30% as per the normal tax rates applicable to the assessee | 30% | NIL |
| | Long Term Capital Gain (Refer note 1 below) | 10% without indexation or 20% with indexation | 10% | NIL |

Note (1) : The above rates would be increased by a surcharge of:

- In case of resident domestic corporate unitholders;
- 5% where the total income exceeds Rs. 10,000,000 but less than Rs. 100,000,000 or
- 10% where the total income exceeds Rs. 100,000,000
- Incase of FII being a corporate unitholder;
- 2% where the total income exceeds Rs. 10,000,000
- 5% where the total income exceeds Rs. 100,000,000
- Incase of FII being a non corporate and resident non-corporate unit holders;
- 10% where the total income exceeds of Rs. 100,000,000

Further, an additional surcharge of 3% (Education cess of 2% and Secondary & Higher education cess of 1%) would be charged on the amount of tax inclusive of surcharge as applicable, for all unit holders.

Note (2) ; The expression ''Infrastructure debt fund' has been defined in clause 1 of thr regulation 49 L of the Securities and Exchange Board of India (Mutual Fund) regulations 1996. As per clause 1 of Regulation 49 L, an infrastructure debt fund scheme, which invests primarily (minimum 90% of scheme assets) in debt securities or securitized debt instrument of infrastructure companies or infrastructure capital companies or infrastructure projects or special purpose vehicles, etc or other permissible assets in accordance with these regulations or bank loans in respect of completed and revenue generating projects of infrastructure companies or projects or special purpose vehicles.

Note 3) : Long-term capital gains in case of non-residents (other than FII) would be taxable @ 10% on transfer of capital assets, being unlisted securities, commuted without giving effect to first and second proviso to section 48 i.e. without taking benefit of foreign currency fluctuation and indexation benefit.

Under section 10(23D) of the Income tax Act, 1961, income earned by a Mutual Fund registered with SEBI is exempt from income tax.

Since the aforesaid schemes do not qualify as an equity oriented fund, no Securities Transaction tax is payable by the unit holders on redemption / repurchase of units by the Fund.

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

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| **Investor services** | Mr. R. Chandrasekaran<br>Kotak Mahindra Asset Management Company Limited |

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|---|---|
| | 6th Floor, Kotak Towers, Building No.21,<br>Infinity Park, Off: Western Express Highway<br>Goregaon - Mulund Link Road, Malad (East), Mumbai 400097<br>Phone Number: 66056825 Fax: 6638 4455<br>e-mail: mutual@kotak.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 the Eighth Schedule of the Regulations, or such guidelines / recommendations as may be specified by SEBI/AMFI from time to time. The broad valuation norms are detailed in the Statement of Additional Information.

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

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

NAV for the Scheme and the repurchase prices of the Units will be calculated and announced at the close of each Business Day. The NAV shall be computed upto four decimals.

Computation of NAV will be done after taking into account dividends declared, if any, and the distribution tax thereon, if applicable. The income earned and the profits realized in respect of the Units remain invested and are reflected in the NAV of the Units.

## I. FEES AND EXPENSES

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

**New Fund Offer (NFO) expenses**

These expenses are incurred for the purpose of various activities related to the NFO like marketing and advertising, Brokerage, registrar expenses, printing and stationary, bank charges etc.

The New Fund Offer expenses of the scheme will be borne by the AMC.

**Total Expense Ratio (TER)**
Total Expense Ratio is the total of ongoing fees and operating expenses charged to the scheme, expressed as a percentage of the scheme's daily net assets.

These fees and expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, brokerage/commission, marketing and selling costs etc.

The maximum total expenses of the schemes under Regulation 52(6)(c) shall be subject to the following limits:

| **Daily Net Assets (Rs.)** | **%** |
|---|---|
| First 100 crores | 2.25% |
| Next 300 crores | 2.00% |
| Next 300 crores | 1.75% |
| Balance assets | 1.50% |

**Additional expenses which may be charged to the Scheme:**
The following additional expenses may be charged to the Scheme under Regulation 52 (6A), namely-

- Brokerage and transaction costs (including service tax) which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions. Any payment towards brokerage and transaction cost, over and above the said 12 bps and 5bps for cash market transactions and derivatives transactions respectively may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under regulation 52. Any expenditure in excess of the said prescribed limit (including brokerage and transaction cost, if any) shall be borne by the AMC.
- Expenses not exceeding of 0.30 % of daily net assets, if the new inflows from beyond top 15 cities are at least:
  (i) 30 % of gross new inflows in the scheme; or
  (ii) 15 % of the average assets under management (year to date) of the scheme; whichever is higher.

  Provided that if inflows from such 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 utilised for distribution expenses incurred for bringing inflows from such cities.

  Provided further that amount incurred as expense on account of inflows from such 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.
- Additional expenses upto 0.20% of daily net assets of the schemes, incurred towards different heads mentioned under Regulation 52 (2) and 52 (4).

**Total Expense Ratio for the scheme**

The AMC has estimated following recurring expenses, as summarized in the below table for the scheme. Total expense ratio of the Scheme (including investment and advisory fees) will be subject to the maximum limits (as a percentage of Daily Net Assets of the Scheme) as per Regulation 52(6) & (6A), as amended from time to time, with no sub-limit on investment and advisory fees.

| Expenses Structure | % of daily Net Assets |
|---|---|
| Investment Management and Advisory Fees | Upto 2.25% |
| 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. | |
| Service tax on expenses other than investment and advisory fees | |
| Service tax on brokerage and transaction cost | |
| **Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)** | **Upto 2.25%** |
| Additional expenses under regulation 52 (6A) (c) | Upto 0.20% |
| Additional expenses for gross new inflows from specified cities | Upto 0.30% |

**Expense Structure for Direct Plan** - The annual recurring expenses will be within the limits specified under the SEBI (Mutual Funds) Regulations, 1996.

Commission/ Distribution expenses will not be charged In case of Direct Plan. The TER of Direct Plan will be lower by at least 15% vis-à-vis Regular Plan.

**Service Tax:**

Service Tax on investment and advisory fees may be charged to the scheme in addition to the maximum limit of TER as prescribed in Regulation 52(6)(c). Service 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.

The estimates are based on an amount of Rs. 100 crores for the Scheme and will change to the extent assets are lower or higher.

The aforesaid estimates are made in good faith by the Investment Manager and are subject to change inter se among the various heads of expenses and between the Plans. It may also be noted that the total expenses of the Plans will also be subject to change within the overall limits of expenses under Regulation 52. Actual expenses under any head and / or the total expenses may be more or less than the estimates. The Investment Manager retains the right to charge the actual expenses to the Fund, however the expenses charged will not exceed the statutory limit prescribed by the Regulations. Any expenditure in excess of the limits specified in Regulation 52 shall be borne by the AMC. There will be no sub limit on management fee, and it shall be within the overall TER specified above.

For the actual current expenses being charged, the investor may refer to the website of the mutual fund.

### A. Load structure

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of assetmanagement.kotak.com or may call at 1800-22-2626 or your distributor.

**Entry Load:** In terms of SEBI Circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, no entry load will be charged on purchase / additional purchase / switch-in. The upfront commission, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor.

**Exit Load: Nil**

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.

Investors may obtain information on loads on any Business Day by calling the office of the AMC or any of the Investor Service Centers. Information on applicability of loads will also be provided in the Account Statement.

The investor is requested to check the prevailing load structure of the scheme before investing.

## II. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

## III. 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

| SEBI Requirements | Response |
|---|---|
| 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. | RBI has imposed a penalty of Rs. 15 lakhs in April 2011, in respect of foreign exchange derivative transactions done by KMBL with certain corporate during the period 2007-08<br><br>RBI on the basis of the scrutiny carried out, had levied a penalty on KMBL a sum of Rs. 1.501 crores on account of non-adherence to certain aspects of KYC and AML guidelines. KMBL has taken necessary corrective steps in this respect. |
| Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules | NIL |

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| 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 | |
| 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 | NIL |
| 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 which has been notified by any other regulatory agency | NIL |

**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 Scheme under this Scheme Information Document was approved by the Trustee through resolution passed by circulation on February 6, 2014.

## OFFICIAL COLLECTION CENTRES (For New Fund Offer)

### KMAMC AUTHORISED COLLECTION CENTRES

**Agra:** S-8, 2nd Floor, Maruti Plaza, Agra – 282002. **Ahmedabad:** 9,10,11- 2nd Floor, Siddhi Vinayak complex, Shivranjani Cross Roads, Satellite, Ahmedabad - 380015. **Ajmer:** 1st Floor, India Heights, Kutchary Road, India Motor Circle, Ajmer – 305001. **Aligarh:** 1st Floor, C1, Omeshwar Plaza, Plot No.3/243, Laxmi Bai Marg, Marris Road, Aligarh - 202001. **Allahabad:** Upper Ground Floor, Vashistha Vinayak Tower, 38/1 Tashkant Marg, Civil Lines, Allahabad - 211003. **Ambala:** 5397-5398, First Floor, Punjabi Mohalla, Nicholson Road, Above Haryana Beauty Parlour Ambala Cantt – 133001 **Amritsar:** 2nd Floor, SCO-32, Pal Plaza, Distt. Shopping Complex, Block-B, Ranjit Avenue, Amritsar – 143001 **Anand**: 302, Madhav Complex, Anand Grid Road, B/S Sanket Complex, Anand - 388001. **Aurangabad:** 3rd Floor, Kandi Towers, CTS No. 12995, Above Kotak Mahindra Bank, Jalna Road, Aurangabad - 431001. **Bangalore**: 2nd Floor, Umiya Landmark, 10/7, Lavelle Road, Bangalore - 560001. **Bareilly:** 1st Floor,167-A, Civil Lines, Station Road, Above Syndicate Bank, Bareilly - 243001. **Bathinda**: VD Complex 2928, E/45, Bibiwala Road, Bathinda - 151005. **Bhavnagar:** 303, 3rd Floor, "Krushna Darshan", Parimal Chock, Waghawadi Road, Bhavnagar - 364002 **Bhopal:** 2nd Floor, Office No.SB-21, Mansarovar Complex, Hoshangabad Road, Bhopal - 462011. **Bhubaneshwar:** 2nd Floor, Building No.24, SCR Janpath, Bapujinagar, Bhubaneswar - 751001. **Bhuj:** Ramyakala Shop no 4, Ground Floor, Nr Dr.Mahadev Patel Hospital, Hospital Road, Bhuj Kutch - 370001. **Calicut:** PARCO Complex, 5th Floor, Near ICICI Bank Ltd, Kallai Road, Calicut - 673012. **Chandigarh:** Sco No 2475-2476, 1st Floor, Sector 22 C, Chandigarh -160022. **Chennai:** No. 1-E, 1st Floor, Eldorado Building, 112, Nungambakkam High Road, Chennai - 600034. **Cochin:** Shop No: 56 & 57. 2nd Floor, Jacob DD Mall. M G Road, Shenoy's Junction, Cochin - 682035. **Coimbatore:** S. S. Complex, 554B/1, 2nd Floor, D.B. Road, R S Puram, Coimbatore - 641002. **Cuttack:** Mahaveer Apts, Gr. Floor, Room No G-4, Link Road, PO Arunudaya Nagar, Cuttack - 753012. **Dehradun:** 9A & B, 1st Floor, India Trade Centre, 97 Rajpur Road, Dehradun - 248001. **Dhanbad:** Room No-418, Sriram Plaza, Bank More, Dhanbad - 826001. **Durgapur:** 2nd Floor, Amantran, Urbashi Commercial Place, Bengal Ambuja, City Centre, Durgapur - 713216. **Goa:** 3rd Floor, Mathias Plaza,18th June Road, Panjim, Goa - 403001. **Gorakpur:** Office no 4, 2nd Floor, Cross Road, A. D. Chowk, Bank Road, Gorakhpur - 273001. **Guntur:** 2nd Floor, Platini Plaza, 8th Line Main Road, Arundalpet, Guntur - 522002. **Gurgaon:** 2nd Floor, SCO-14, Sector No 14, Gurgaon - 122001. **Guwahati:** 5th Floor, Amaze Shopping Mall (Above Vishal Mega Mart) A.T.Road, Guwahati - 781001. **Hubli:** 1st Floor, Kundgol Complex, Court Circle, Hubli - 580029. **Hyderabad:** No.304, 3rd Floor, Jade Arcade, Paradise Circle, M.G. Road, Hyderabad - 500003. **Indore:** 2nd Floor, Starlite Tower, 29/1, Y.N. Road, Indore – 452001. **Jaipur:** 202, Mall-21, Opp. Raj Mandir Cinema, Bhagwandas Road, Jaipur - 302001. **Jalandhar:** Office No.9, 3rd Floor, City Square Building, Eh-197, Civil Lines, Jalandhar - 144001 **Jalgaon:** Ground Floor Panna House Jai Nagar opp. Omkareshvar Jalgaon- 425002. **Jammu:** Shop No.21, Ground Floor, A-2 South Block, Bahu Plaza, Jammu - 180001. **Jamnagar:** 107, 1st Floor, Madhav Darshan, Opp. Cricket Bungalow, Jamnagar - 361001. **Jamshedpur:** 1st Floor, Sanghi Mansion, Main Road, Sakchi Boulevard Road, Ram Mandir Area, Biustupur, Jamshedpur - 831001. **Jodhpur:** 117, 1st Floor, Modi Arcade, Near Bombay Motor Circle, Chopasani Road, Jodhpur - 342001. **Kanpur:** Room No. 107, 1st Floor, Ratan Squire, 14/144 Chunni Ganj, Kanpur - 208001. **Kolhapur:** Office No 59, Upper Ground Floor, Raobahadur Dajirao Vichare Complex, Gemstone, 517 A/2, New Shahupuri, Near Central Bus Stand, Kolhapur - 416 002. **Kolkata:** 1st Floor, Horizon, 57 Chowranghee Road, Kolkata - 700 071. **Kottayam:** 3rd Floor, Pulimoottil Arcade, K K Road, Kanjikuzhy, Kottayam – 686004. **Lucknow:** Aryans Business Park, 90 MG Marg, Lucknow - 226 001. **Ludhiana:** 1st Floor, SCO 20, Feroze Gandhi Market, Ludhiana - 141001. **Mangalore:** 2nd Floor, Manasa Towers, Near PVS Circle, M.G. Road, Kodialbail, Mangalore - 575003.**Meerut:** Shop No. G-5, Ground Floor, Star Palace Bacchapark, Opp Rama Plaza Meerut - 250001 **Moradabad:** Above Krishna Investment Consultant, Near Raj Mahal Hotel, Near Civil Lines, Moradabad - 244001. **Mumbai:** 6th Floor, Kotak Infinity, Building No. 21, Infinity Park, Off Western Express Highway, Gen. A K Vaidya Marg, Malad (E), Mumbai - 400097. **Mumbai (Nariman Point):**36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai - 400021. **Mumbai (Thane):** Ground Floor, Shop No.2, Ram Rao Sahani Sadan, Kaka Sohni Path, Thane (W)- 400602. **Mysore:** Prashanth Plaza, 5th Cross, 4th Main Road, Saraswathipuram, Mysore - 570009. **Nagpur:** 302, 3rd Floor, Shalwak Manor, East High Court Road, Opposite Dr. Jay Deshmukh's Hospital, Ramdaspeth, Nagpur - 440011. **Nashik:** Shop no.6, Ground Floor, Krishnaratna, Opp. Hotel Potoba, New Pandit Colony, Nashik - 422002. **New Delhi:** Kotak Mahindra Asset Management Co. Ltd., Unit No. 9A & 9C, 9th Floor, Vandana Building, Tolstoy Marg, Connaught Place, New Delhi – 110001. **Panipat:** Jawa Complex, Lower Ground Floor, Near Vijaya Bank, Opp: Bathak Chowk, G.T. Road, Panipat – 132103. **Patiala:** B-17/423, Opp. Polo Ground, Near Modi College, Lower Mall, Patiala - 147001. **Patna:** 204 Shyam Center, Besides Republic Hotel,Exhibition Road, Patna - 800001. **Pondicherry:** 1st Floor, No.114-116, Jayalakshmi Complex, Thiruvalluvar Salai, Pillaithottam, Pondicherry - 605013. **Pune:** Yeshwant, Office no 31, 3rd Floor, Plot No 37/10 B, Opp Lane no 9, Prabhat Road, Pune 411004. **Raipur:** GF-04, Millennium Plaza, Banstal Road, Near Indian Coffee House, Raipur - 492001. **Rajkot:** 1st Floor, 124 Star Plaza, Phulchhab Chowk, Rajkot - 360001. **Ranchi:** 3rd Floor, Satya Ganga, Lalji Hirji Road, Main Road, Ranchi – 834001. **Rourkela:** 2nd Floor, Plot No 304, Holding No 72, Opp Old Court, Main Road, Uditnagar, Above Yes Bank & Corporation Bank, Rourkela - 769012. **Salem:** 213, 2nd Floor, Kandaswarna Shopping Mall, Saradha Collage Main Road, Salem - 636016. **Shimla:** Bhagra Nivas, Near Lift Road, The Mall Shimla - 171001. **Siliguri:** Lower Ground Floor, Nanak Complex, Sevoke Road, Siliguri - 734001. **Srinagar:** C/O Cureinm Medicate, Zaindar Mohalla, Habba Kadal, Srinagar - 190001. **Surat:** M-7, Mezzanine floor, Jolly Plaza, Near Athwa Arcade, Athwa Gate, Surat - 395001. **Trichy:** 1st Floor, Vignesh Aradhana, No.16, Shop no.4, Shastri Road, Thennur, Trichy - 620017. **Trichur:** 2nd Floor, Trichur Trade Center, Kuruppam Road, Trichur – 680001. **Trivandrum:** S.1. White Heaven, Vellayambalam, Trivandrum - 695010. **Udaipur:** C/o. Kotak Securities, 1st Floor, Moomal Tower, Above IDBI Bank, 222/16, Saheli Marg, Saheli Nagar, Udaipur - 313001. **Vadodara:** 202, Gold Croft, Opp. Only Parathas Restaurant, Jetalpur Road, Vadodara - 390007. **Vapi:** Office No.10, 1st Floor, Sahara Market, Vapi-Silvassa Road, Vapi - 396191. **Varanasi:** D-58/53-54, Shiva Complex, Shop No 9, Rathyatra Crossing, Varanasi - 221010. **Vijayawada:** 2nd Floor, Soma shankar Nilayam, 40-1-29, Above Kuttons Show Room, Near Fortune Murali Park, M G Road, Vijayawada - 520010. **Vishakapatnam:** 1st floor, Door No. 47-10-10, Rednam Regency, 2nd lane Dwaraka Nagar, Visakhapatnam - 530016.

## OFFICIAL COLLECTION POINTS (For Switch-ins)

### I. KOTAK MAHINDRA ASSET MANAGEMENT COMPANY LIMITED

The list of Kotak Mahindra Assets Management Company Limited offices as mentioned above.

### II. COMPUTER AGE MANAGEMENT SERVICES PRIVATE LIMITED (CAMS) - INVESTOR SERVICE CENTRES

**Ahmedabad:** 111-113, 1st Floor, Devpath Building, Off C G Road, Behind Lal Bungalow, Ellis Bridge, Ahmedabad - 380006. **Bangalore:** Trade Centre, 1st Floor, 45, Dikensen Road, ( Next to Manipal Centre ), Bangalore - 560042. **Bhubaneswar:** 3rd Floor, Plot No - 111, Varaha Complex Building, Station Square, Kharvel Nagar, Unit 3, Bhubaneswar - 751001. **Chandigarh:** Deepak Tower, SCO 154-155, 1st Floor, Sector 17-C, Chandigarh - 160017. **Chennai:** Ground Floor No.178/10, Kodambakkam High Road, Opp. Hotel Palmgrove, Nungambakkam, Chennai - 600034. **Cochin:** Ittoop's Imperial Trade Center, Door No. 64/5871 – D, 3rd Floor, M. G. Road (North), Cochin – 682035. **Coimbatore:** Ground Floor, Old No. 66 New No. 86, Lokamanya Street (West), R.S.Puram, Coimbatore - 641002. **Durgapur:** 3rd Floor, City Plaza Building, City Centre, Durgapur - 713 216. **Goa:** No.108, 1st Floor, Gurudutta Bldg, Above Weekender, M G Road, Panaji, Goa - 403001. **Hyderabad:** 208, 2nd Floor, Jade Arcade, Paradise Circle, Secunderabad - 500003. **Indore:** 101, Shalimar Corporate Centre, 8-B, South tukogunj, Opp.Greenpark, Indore - 452001. **Jaipur:** R-7, Yudhisthir Marg ,C-Scheme, Behind Ashok Nagar Police Station, 63/2, The Mall, Jaipur - 302001. **Kanpur:** 1st Floor 106 to 108, CITY CENTRE Phase - II, Kanpur - 208001. **Kolkata:** Saket Building, 44 Park Street, 2nd Floor, Kolkata – 700016. **Lucknow:** Off No 4,1st Floor,Centre Court Building, 3/c, 5 - Park Road, Hazratganj, Lucknow - 226001. **Ludhiana:** U/ GF, Prince Market, Green Field, Near Traffic Lights, Sarabha Nagar Pulli, Pakhowal Road, Ludhiana - 141002. **Madurai:** 86/71A, Tamilsangam Road, Madurai - 625001. **Mangalore:** No. G 4 & G 5, Inland Monarch, Opp. Karnataka Bank, Kadri Main Road, Kadri, Mangalore - 575003. **Mumbai:** Rajabahdur Compound, Ground Floor, Opp Allahabad Bank, Behind ICICI Bank, 30, Mumbai Samachar Marg, Fort, Mumbai - 400023. **Nagpur:** 145 Lendra, New Ramdaspeth, Nagpur - 440010. **New Delhi:** 7-E, 4th Floor, Deen Dayaal Research Institute Building, Swami Ram Tirath Nagar, Near Videocon Tower, Jhandewalan Extension, New Delhi – 110055. **Patna:** G-3, Ground Floor, Om Vihar Complex, SP Verma Road, Patna - 800001. **Pune:** Nirmiti Eminence, Off No. 6, 1st Floor, Opp Abhishek Hotel Mehandale Garage Road, Erandawane, Pune - 411004. **Surat:** Plot No.629, 2nd Floor, Office No.2-C/2-D, Mansukhlal Tower, Beside Seventh Day Hospital, Opp.Dhiraj Sons, Athwalines, Surat - 395001. **Vadodara:** 103 Aries Complex, BPC Road, Off R.C. Dutt Road, Alkapuri, Vadodara - 390007. **Vijayawada:** 40-1-68, Rao & Ratnam Complex, Near Chennupati Petrol Pump, M.G Road, Labbipet, Vijayawada - 520010. **Visakhapatnam:** 47/ 9 / 17, 1st Floor, 3rd Lane , Dwaraka Nagar, Visakhapatnam - 530016.

## III. COMPUTER AGE MANAGEMENT SERVICES PRIVATE LIMITED (CAMS) - TRANSACTION POINT

**Agartala :** Advisor Chowmuhani, (Ground Floor), Krishnanagar, Agartala - 799001. **Agra :** No.8, 2nd Floor, Maruti Tower, Sanjay Place, Agra - 282002. **Ahmednagar :** B, 1+3, Krishna Encloave Complex, Near Hotel Natraj, Nagar-Aurangabad Road, Ahmednagar - 414001. **Ajmer :** AMC No. 423/30, New Church Brahampuri, Opp T B Hospital, Jaipur Road, Ajmer - 305001. **Akola :** Opp. RLT Science College, Civil Lines, Akola - 444001. **Aligarh :** City Enclave, Opp. Kumar Nursing Home, Ramghat Road, Aligarh - 202001. **Allahabad :** 30/2, A&B, Civil Lines Station, Besides Vishal Mega Mart, Strachey Road, Allahabad - 211001. **Alleppey :** Doctor's Tower Building, Door No. 14/2562, 1st floor, North of Iorn Bridge, Near Hotel Arcadia Regency, Allppey - 688 001. **Alwar :** 256A, Scheme No 1, Arya Nagar, Alwar - 301001. **Amaravati :** 81, Gulsham Tower, 2nd Floor, Near Panchsheel Talkies, Amaravati - 444601. **Ambala :** Opposite PEER, Bal Bhavan Road, Ambala - 134003. **Amritsar :** SCO - 18J, 'C' BLOCK RANJIT AVENUE, Amritsar - 140001. **Anand :** 101, A P Tower, Behind Sardhar Gunj, Next to Nathwani Chambers, Anand - 388001. **Anantapur :** 15-570-33, 1st Floor, Pallavi Towers, Anantpur - 515001. **Ankleshwar :** G-34, Ravi Complex, Valia Char Rasta, G I D C, Bharuch, Ankleshwar - 393002. **Asansol :** Block - G, 1st Floor, P C Chatterjee Market Complex, Rambandhu Talab, P O Ushagram, Asansol - 713303. **Aurangabad :** Office No. 1, 1st Floor, Amodi Complex, Juna Bazar, Aurangabad - 431001. **Balasore:** B C Sen Road, Balasore - 756001. **Bareilly :** F-62-63, Butler Plaza, Civil Lines, Bareilly - 243001. **Basti:** Office No. 3, 1st Floor, Jamia Shopping Complex, (Opposite Pandey School), Station Road, (Uttar Pradesh), Basti - 272002. **Belgaum :** 1st Floor, 221/2A/1B, Vaccine Depot Road, Near 2nd Railway gate, Tilakwadi, Belgaum - 590006. **Bellary :** No 60/5 Mullangi Compound, Gandhinagar Main Road (Old Gopalswamy Road), Bellary - 583101. **Berhampur :** 1st Floor, Upstairs of Aaroon Printers, Gandhi Nagar Main Road, Ganjam Dt Orissa, Berhampur - 760001. **Bhagalpur :** Krishna, 1st Floor, Near Mahadev Cinema, Dr R P Road, Bhagalpur - 812002. **Bharuch** (Parent: Ankleshwar TP) **:** F -108, Rangoli Complex, Station Road Bharuch - 392001. **Bhatinda :** 2907 GH, GT Road, Near Zila Parishad, Bhatinda - 151001. **Bhavnagar:** 305-306, Sterling Point, Waghawadi Road, OPP. HDFC Bank, Bhavnagar - 364002. **Bhilai :** Shop No. 117,Ground Floor, Khicharia Complex, Opposite IDBI Bank, Nehru Nagar Square, Bhilai - 490020. **Bhilwara :** Indraprastha Tower, 2nd Floor, Shyam Ki Sabji Mandi Near Mukulji Garden, Bhilwara - 311001. **Bhopal :** Plot No.13, Major Shopping Center, Zone-I, M P Nagar, Bhopal - 462011. **Bhuj :** Data Solution, Office No. 17, 1st Floor, Municipal Building, Opp Hotel Prince, Station Road, Bhuj-Kutch - 370001. **Bhusawal** (Parent: Jalgaon TP) **:** 3, Adelade Apartment, Christain Mohala, Behind Gulshan-E-Iran Hotel, Amardeep Talkies Road, Bhusawal - 425201. **Bikaner :** F 4/5, Bothra Complex, Modern Market, Bikaner - 334001. **Bilaspur :** Beside HDFC Bank, Link Road, Bilaspur - 495001. **Bokaro :** Mazzanine Floor, F-4, City Centre, Sector-4, Bokaro Steel City Bokaro - 827004. **Burdwan :** 399, G T Road, Basement of Talk of the Town, Burdwan - 713101. **C.R.Avenue** (Parent: Kolkata ISC) **:** 33,C R Avenue, 2nd Floor, Room No.13, Kolkata - 700012. **Calicut :** 29/97G, 2nd Floor, Gulf Air Building, Mavoor Road, Arayidathupalam, Calicut - 673016. **Chennai:** Ground Floor, 148 Old Mahabalipuram Road, Okkiyam, Thuraipakkam, Chennai - 600097. **Chhindwara :** Office No - 1, Parasia Road, Near Mehta Colony, (Madhya Pradesh), Chhindwara - 480001. **Chittorgarh :** 3 Ashok Nagar, Near Heera Vatika, Chittorgarh - 312001. **Cuttack :** Near Indian Overseas Bank, Cantonment Road, Mata Math, Cuttack - 753001. **Darbhanga :** Shahi Complex, 1st Floor, Near R B Memorial Hospital, V I P Road, Benta, Laheriasarai, Darbhanga 846001. **Davenegere :** 13, 1st Floor, Akkamahadevi Samaj Complex, Church Road, P J Extension, Devengere - 577002. **Dehradun :** 204/121, Nari Shilp Mandir Marg, Old Connaught Place, Dehradun - 248001. **Deoghar :** S S M Jalan Road, Ground Floor, Opp Hotel Ashoke, Caster Town, Deoghar - 814112. **Dhanbad :** Urmila Towers, Room No. 111, 1st Floor, Bank More, Dhanbad - 826001. **Dharmapuri :** 16A/63A, Pidamaneri Road, Near Indoor Stadium, Dharmapuri - 636701. **Dhule :** H No. 1793 / A, J B Road, Near Tower Garden, Dhule - 424001. **Erode :** 197, Seshaiyer Complex, Agraharam Street, Erode - 638001. **Faizabad :** 64 Cantonment, Near GPO, Faizabad - 224001**. Faridabad :** B-49, 1st Floor, Nehru Ground, Behind Anupam Sweet House, NIT, Faridabad - 121001. **Gandhidham :** S-7, Ratnakala Arcade, Plot No. 231, Ward – 12/B, Gandhidham – 370201. **Ghaziabad :** 113/6, 1st Floor, Navyug Market, Ghaziabad - 201001. **Gondal :** A/177 Kailash Complex Opp. Khedut Decor GONDAL - 360311. **Gorakhpur :** Shop No. 3, 2nd Floor, Cross Road, A.D. Chowk, Bank Road, Gorakhpur - 273001. **Gulbarga :** Pal Complex, 1st Floor, Opp City Bus Stop, Super Market, Gulbarga - 585101. **Guntur** : Door No 5-38-44, 5/1 BRODIPET, Near Ravi Sankar Hotel, Guntur - 522002. **Gurgaon :** SCO - 17, 3rd Floor, Sector-14, Gurgoan - 122001. **Guwahati :** A K Azad Road, Rehabari, Guwahati - 781008. **Gwalior :** G-6, Global Apartment Phase - II, Opposite Income Tax Office, Kailash Vihar City Centre, Gwalior - 474011. **Haldia :** 2nd Floor, New Market Complex, Durgachak Post Office, Purba Medinipur District, Haldia - 721602. **Haldwani :** Durga City Centre, Nainital Road, Haldwani - 263139. **Hazaribagh :** Muncipal Market, Annada Chowk, Hazaribagh - 825301. **Himmatnagar :** D-78, 1st Floor, New Durga Bazar, Near Railway Crossing, Himmatnagar - 383001. **Hisar :** 12, Opp Bank of Baroda, Red Square Market, Hisar - 125001. **Hoshiarpur :** Near Archies Gallery, Shimla Pahari Chowk, Hoshiarpur - 146001. **Hosur :** No.303, SIPCOT Staff Housing Colony, Hosur – 635126. **Hubli :** 206 & 207, 1st Floor, A-Block, Kundagol Complex, Opp Court, Club road, Hubli - 580029. **Jabalpur:** 8, Ground Floor, Datt Towers, Behind Commercial Automobiles, Napier Town, Jabalpur - 482001. **Jalandhar :** 367/8, Central Town, Opp. Gurudwara Diwan Asthan, Jalandhar - 144001. **Jalgoan :** Rustomji Infotech Services, 70, Navipeth, Opp old Bus Stand, Jalgoan - 425001. **Jalna:** (Parent ISC – Aurangabad) : Shop No. 11, 1st Floor, Ashoka Plaza, Opp Magistic Talkies, Subhash Road, Jalna - 431203. **Jamnagar :** 217/218, Manek Centre, P N Marg, Jamnagar - 361008. **Jamshedpur :** Millennium Tower, Room No. 15, 1st Floor, R - Road, Bistupur, Jamshedpur - 831001. **Jhansi :** Babu Lal Karkhana Compound, Opp SBI Credit Branch, Gwalior Road, Jhansi - 284001. **Jodhpur :** 1/5, Nirmal Tower, 1st Chopasani Road, Jodhpur - 342003. **Jammu:** JRDS Heights, Lane Opp. S&S Computers,Near RBI Building, Sector 14, Nanak Nagar Jammu - 180004. **Junagadh :** Circle Chowk, Near Choksi Bazar Kaman, Gujarat Junagadh - 362001. **Kadapa:** Door No.: 21/ 598, Palempapaiah Street, Near Ganjikunta Pandurangaiah Dental Clinic, 7 Road Circcle, Kadapa - 516001. **Kakinada :** No.33-1, 44 Sri Sathya Complex, Main Road, Kakinada - 533 001. **Kalyani :** A - 1/50, Block - A, Dist Nadia Kalyani - 741235. **Kannur :** Room No.14/435, Casa Marina Shopping Centre, Talap, Kannur - 670004. **Karimnagar :** H No. 7-1-257, Upstairs S B H, Mangammthota, Karimnagar - 505001. **Karnal** (Parent :Panipat TP) **:** 7, 1st Floor, Opp Bata Showroom, Kunjapura Road, Karnal - 132001. **Karur :** 126 GVP Towers, Kovai Road, Basement of Axis Bank, Karur - 639002. **Katni:** NH 7, Near LIC, Jabalpur Road, Bargawan, Katni - 483501. **Kestopur :** 148 Jessore Road, 2nd Floor, Block-B, Kestopur - 700101. **Khammam:** 1st Floor, Shop No 11 - 2 - 31/3, Philips Complex, Balajinagar, Wyra Road, Near Baburao Petrol Bunk, Khammam – 507001. **Kharagpur :** Shivhare Niketan, H No 291/1, Ward No 15, Opposite UCO Bank, Kharagpur - 721301. **Kolhapur :** AMD Sofex Office No.7, 3rd Floor, Ayodhya Towers, Station Road, Kolhapur - 416001. **Kollam :** Kochupilamoodu Junction, Near VLC, Beach Road, Kollam - 691001. **Kota :** B-33, Kalyan Bhawan, Triangle Part, Vallabh Nagar, Kota - 324007. **Kottayam :** 3rd Floor, Pulimoottil Arcade, K K Road, Kanjikuzhy, Kottayam – 686004 (Kerala). **Kumbakonam :** Jailani Complex, 47, Mutt Street, Kumbakonam - 612001. **Kurnool :** H.No.43/8, Upstairs, Uppini Arcade, N R Peta, Kurnool - 518004. **Malda :** Daxhinapan Abasan, Opp Lane of Hotel Kalinga, S M Pally, Malda - 732101. **Manipal:** Basement floor, Academy Tower, Opposite Corporation Bank, Manipal - 576104. **Mapusa** (Parent ISC : Goa) **:** Office No.CF-8, 1st Floor, Business Point, Above Bicholim Urban Co-op Bank, Angod, Mapusa - 403507. **Margao :** Virginkar Chambers, 1st Floor, Near Kamath Milan Hotel, New Market, Near Lily Garments, Old Station Road, Margao - 403601. **Mathura :** 159/160, Vikas Bazar, Mathura - 281001. **Meerut :** 108, 1st Floor, Shivam Plaza, Opp Eves Cinema, Hapur Road, Meerut - 250002. **Mehsana :** 1st Floor, Subhadra Complex, Urban Bank Road, Mehsana - 384002. **Moga :** Gandhi Road, Opp Union Bank of India, Moga - 142001. **Moradabad :** B-612, Sudhakar, Lajpat Nagar, Moradabad - 244001. **Mumbai (Andheri):** CTS No 411, Citipoint, Gundivali, Teli Gali, Above C.T. Chatwani Hall, Andheri (East) Mumbai - 400 069. **Muzzafarpur :** Brahman Toli, Durga Asthan Gola Road, Muzaffarpur - 842001. **Mysore :** No.1, 1st Floor, CH.26 7th Main, 5th Cross, (Above Trishakthi Medicals), Saraswati Puram, Mysore - 570009. **Nadiad:** S/OB 2nd Floor, Ghantakarna Complex, Gunj Bazar, Nadiad - 387001. **Nalgonda :** Adj. to Maisaiah Statue , Clock Tower Center, Bus Stand Road , Nalgonda - 508001. **Nashik :** Ruturang Bungalow, 2 Godavari Colony, Behind Big Bazar, Near Boys Town School, Off College Road, Nashik - 422005. **Navsari :** Dinesh Vasani & Associates, 103 - Harekrishna Complex, above IDBI Bank, Near Vasant Talkies, Chimnabai Road, Navasari - 396445. **Nellore :** 97/56, 1st Floor, Immadisetty Towers, Ranganayakulapet Road, Santhapet, Nellore - 524001. **Noida :** C-81,1st Floor, Sector No 2, Noida - 201301. **Palakkad :** 10 / 688, Sreedevi Residency, Mettupalayam Street, Palakkad - 678001. **Palanpur :** Jyotindra Industries Compound, Near Vinayak Party Plot, Deesa Road, Palanpur - 385001. **Panipat :** 83, Devi Lal Shopping Complex, Opp ABN Amro Bank, G T Road, Panipat 132103. **Patiala :** 35, New lal Bagh Colony, Patiala - 147001. **Pondicherry :** S-8, 100, Jawaharlal Nehru Street, (New Complex, Opp. Indian Coffee House), Pondicherry - 605001. **Raibareli :** 17, Anand Nagar Complex, Raibareli - 229001. **Raipur :** HIG, C-23, Sector – 1, Devendra Nagar, Raipur - 492004. **Rajahmundry :** Cabin 101, D No. 7-27-4, 1st Floor, Krishna Complex, Baruvari Street, T Nagar, Rajahmundry - 533101. **Rajkot :** Office 207 - 210, Everest Building, Harihar Chowk, Opp Shastri Maidan Limda Chowk Rajkot - 360001. **Ranchi :** 4, HB Road, No: 206, 2nd Floor Shri Lok Complex, Ranchi - 834 001. **Ratlam :** Dafria & Co.,18, Ram Bagh, Near Scholar's Schoo, Ratlam – 457001. **Ratnagiri :** Kohinoor Complex, Near Natya Theatre, Nachane Road, Ratnagiri - 415639. **Rohtak :** 205, 2nd Floor, Bldg. No. 2, Munjal Complex, Delhi Road, Rohtak - 124001. **Roorkee :** 22 Civil Lines, Ground Floor, Hotel Krish Residence Roorkee - 247667. **Rourkela :** 1st Floor, Mangal Bhawan, Phase II, Power House Road, Rourkela - 769001. **Sagar :** Opp. Somani Automoblies, Bhagwanganj, Sagar - 470002. **Saharanpur :** 1st Floor, Krishna Complex, Opp. Hathi Gate, Court Road, Saharanpur - 247001. **Salem :** No. 2, 1st Floor, Vivekananda Street, New Fairlands, Salem - 636016. **Sambalpur :** C/o Raj Tibrewal & Associates, Opp.Town High School, Sansarak,

## III. COMPUTER AGE MANAGEMENT SERVICES PRIVATE LIMITED (CAMS) - TRANSACTION POINT (Cont.)

Sambalpur - 768001. **Sangli** (Parent: Kohlapur) **:** Diwan Niketan, 313, Radhakrishna Vasahat, Opp Hotel Suruchi, Near S.T. Stand, Sangli - 416416. **Satara :** 117 / A / 3 / 22, Shukrawar Peth, Sargam Apartment, Satara - 415002. **Shahjahanpur :** Bijlipura, Near Old Distt Hospital , Shahjahanpur - 242001. **Shimla :** 1st Floor, Opp Panchayat Bhawan Main Gate, Bus Stand, Shimla - 171001. **Shimoga :** Nethravathi, Near Gutti Nursing Home, Kuvempu Road, Shimoga - 577201. **Siliguri :** No 7, Swamiji Sarani, Ground Floor, Hakimpara, Siliguri - 734401. **Sirsa:** Gali No1, Old Court Road, Near Railway Station Crossing, Sirsa - 125055. **Solan :** 1st Floor, Above Sharma General Store, Near Sanki Rest house, The Mall, Solan - 173212. **Solapur :** Flat No 109, 1st Floor, A Wing, Kalyani Tower, 126 Siddheshwar Peth, Near Pangal High School, Solapur - 413001. **Sriganganagar :** 18 L Block, Sri Ganganagar - 335001. **Srikakulam :** Door No 4-4-96, First Floor, Vijaya Ganapathi Temple Back Side, Nanubala Street, Srikakulam - 532001. **Sultanpur :** 967, Civil Lines, Near Pant Stadium, Sultanpur - 228001. **Surat :** Plot No.629,2nd Floor, Office No.2-C/2-D, Mansukhlal Tower, Beside Seventh Day Hospital, Opp.Dhiraj Sons, Athwalines, Surat - 395001.**Surendranagar :** 2 M I Park, Near Commerce College, Wadhwan City, Surendranagar - 363035. **Thane:** 3rd Floor, Nalanda Chambers, "B" Wing, Gokhale Road, Near Hanuman Temple, Naupada, Thane (West) - 400 602.**Thiruppur :** 1(1), Binny Compound, 2nd Street, Kumaran Road, Thiruppur - 641601. **Thiruvalla :** Central Tower, Above Indian Bank, Cross Junction, Thiruvalla - 689101. **Tinsukia :** Sanairan Lohia Road,1st Floor, Tinsukia - 786125. **Tirunelveli :** 1st Floor, Mano Prema Complex, 182 / 6, S N High Road, Tirunelveli - 627001. **Tirupathi :** Door No : 18-1-597, Near Chandana Ramesh Showroom, Bhavani Nagar, Tirupathi - 517501. **Trichur :** Room No. 26 & 27, Dee Pee Plaza, Kokkalai, Trichur - 680001. **Trichy :** No 8, 1st Floor, 8th Cross West Extn, Thillainagar, Trichy - 620018. **Trivandrum :** R S Complex, Opposite of LIC Building, Pattom PO, Trivandrum - 695004. **Tuticorn :** 1 - A / 25, 1st Floor, Eagle Book Centre Complex, Chidambaram Nagar Main, Palayamkottai Road, Tuticorn **-** 628008. **Udaipur :** 32 Ahinsapuri, Fatehpura Circle, Udaipur - 313004. **Ujjain :** 123, 1st Floor, Siddhi Vinanyaka Trade Centre, Saheed Park, (Madhya Pradesh), Ujjain - 456010. **Unjha** (Parent: Mehsana) **:** 10/11, Maruti Complex, Opp. B R Marbles, Highway Road, Mehsana, Unjha - 384170. **Valsad :** Gita Niwas, 3rd Floor, Opp. Head Post Office, Halar Cross Lane, Valsad - 396001. **Vapi :** 215-216, Heena Arcade, Opp. Tirupati Tower, Near G I D C, Char Rasta, Vapi - 396195. **Varanasi :** C-28/142-2A, Near Teliya Bagh Crossing, Teliya Bagh, Varanasi - 221002. **Vellore :** No.1, Officer's Line, 2nd Floor, MNR Arcade, Opp. ICICI Bank, Krishna Nagar, Vellore - 632001. **Warangal :** A.B.K Mall, Near Old Bus Depot road, F-7, Ist Floor, Ramnagar, Hanamkonda, Warangal - 506001. **Yamuna Nagar :** 124-B/R Model Town, Yamunanagar - 135001. **Yavatmal :** Pushpam, Tilakwadi, Opp Dr Shrotri Hospital, Yavatmal - 445001.

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**CAMS, Registrar and Transfer Agent to Kotak Mutual Fund will be the official point of acceptance for electronic transaction received through specified banks, Financial Institutions with whom Kotak Mahindra Mutual Fund has entered or may enter into specific arrangement for purchase/sale/switch of units and secured internet site operated by Kotak Mahindra Mutual Fund.**

**All ASBA Participating Bank.**