

## **STATEMENT OF ADDITIONAL INFORMATION (SAI)**

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

This SAI is dated June 30, 2025.

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

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

Bandhan Mutual Fund (the “Mutual Fund”) has been constituted as a trust on December 29, 1999 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with Bandhan Financial Holdings Limited (“BFHL”), as the Sponsor and Bandhan Mutual Fund Trustee Limited as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI on March 13, 2000, under Registration Code MF- MF/042/00/3.

#### **b. Sponsor**

Bandhan Mutual Fund is sponsored by Bandhan Financial Holdings Limited (“BFHL”), a Non-Banking Finance Company – Core Investment Company. The Sponsor is the Settlor of the Mutual Fund Trust.

On January 31, 2023, Bandhan Financial Holdings Limited (“BFHL”) acquired the controlling stake in Bandhan AMC Limited and Bandhan Mutual Fund Trustee Limited from IDFC Financial Holding Company Limited. Post acquisition, the Sponsor has entrusted a sum of Rs. Rs.10,000/- to the Trustee as the initial contribution towards the corpus of the Mutual Fund (the total contribution of the sponsors till date including contribution made by BFHL, stands at Rs. 40,000).

BFHL was incorporated in 2014 and is the promoter of Bandhan Bank Limited (“Bandhan Bank”) and is registered with the Reserve Bank of India (“RBI”) under the Guidelines for Licensing of New Banks in the Private Sector dated 22 February 2013, as an NBFC categorized, as a Non Operative Financial Holding Company (“NOFHC”). Presently, BFHL holds ~40% stake in Bandhan Bank. Further information about BFHL can be found at: <https://www.bandhanholdings.com>.

#### **Financial Performance of the Sponsor (past three years) (Rs. In Crores):**

<b>Particulars</b>	<b>31.03.2022</b>	<b>31.03.2023</b>	<b>31.03.2024</b>
Net Worth	4,982.29	5093.28	5193.58
Total Income	224.86	154.01	150.67
Profit after tax	179.20	110.97	100.29
Assets Under Management (if applicable)	NIL	NIL	NIL

#### **c. The Trustee**

ANZ Trustee Company Private Limited, a company registered under the Companies Act, 1956, was established by Australia and New Zealand Banking Group (ANZ) and had been appointed as the Trustee of ANZ Grindlays Mutual Fund vide Trust Deed dated December 29, 1999, as amended from time to time. ANZ sold the mutual fund business to Standard Chartered Bank (SCB) in 2001, pursuant to which SCB was holding 100% stake in the equity share capital of the Trustee Company. SCB agreed to sell the business to IDFC Limited in 2008. Pursuant to the transaction, IDFC/ its nominees held 100% of the shares of the Trustee Company and the Company was renamed as IDFC AMC Trustee Company Limited (which was earlier known as IDFC AMC Trustee Company Private Limited).

On January 31, 2023, Bandhan Financial Holdings Limited acquired controlling stake in Bandhan AMC Limited (“AMC”) and Bandhan Mutual Fund Trustee Limited (“Trustee Company/ Trustee”). The name of IDFC AMC Trustee Company Limited was changed to Bandhan Mutual Fund Trustee Limited w.e.f April 19, 2023.

Consequent to the transfer of shares, the revised shareholding pattern of the Trustee Company stands as follows:

<b>Name of Shareholder</b>	<b>% of Shareholding</b>
Bandhan Financial Holdings Limited / its nominees	60.00
Lathe Investment Pte. Ltd.	20.00
Tangerine Investments Limited	16.67
Mr. Ashley Menezes and Mr. Sanjay Kukreja (Partners of M/s Infinity Partners)	1.48
Defati Investments Holding B V	1.85
<b>Total</b>	<b>100</b>

The Trustee Company shall, through its Board of Directors, discharge its obligation as Trustee of Bandhan Mutual Fund. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI Regulations and will also review the activities carried on by the AMC.

#### 1. Details of Trustee Directors:

<b>Name</b>	<b>Age</b>	<b>Qualification</b>	<b>Brief Experience</b>
Mr. Asit Pal  (Independent Director)	74 years	B. Sc., ACA, JAIIB	Mr. Asit Pal is an accomplished financial services expert with 33 years of experience in the financial services sector with track record of Corporate Credit, Risk management etc. Prior to being appointed as an Independent Director on the Board of Bandhan Mutual Fund Trustee Limited, he worked for more than 30 years with Bank of Baroda leading Corporate Credit and Risk Management and 2 years served as Executive Director at erstwhile Corporation Bank (merged with Union Bank of India). He also served as a Chairman and Independent Director with Bandhan Financial Services Limited and on the Board of various public companies as Independent Director. He also served as a member of the Advisory Board on Bank, Commercial & Financial Frauds appointed by Central Vigilance Commissioner (CVC) during 2012 – 2014.
Mr. Pradip Kumar Saha  (Independent Director)	71 years	BSc (Hons)	Mr. Pradip Kumar Saha brings nearly four decades of experience serving the banking industry, with special expertise in the area of project finance, asset recovery, human resources management, MSME credit, and microfinance.  Mr. Saha has formerly been a Chief General Manager at SIDBI, the apex financial institution for the promotion and development of the Micro, Small, and Medium Enterprise (MSME) sector. During his tenure with SIDBI, he has played a pivotal role in strengthening the financial institution and safeguarding the interests of all stakeholders. He has also been instrumental in the design and implementation of CDR packages for microfinance

Name	Age	Qualification	Brief Experience
			<p>institutions.</p> <p>As a development banker, Mr. Saha has formulated significant development programmes and policy-level interventions by SIDBI. He has also worked as a core member in various Committees formed by the Bank.</p> <p>He has represented the Boards of various microfinance institutions in the past. He also represented Credit Guarantee Trust for Micro &amp; Small Enterprises (CGTMSE) in the Eastern and North Eastern regions of the country. He is also a Director on the Board of various companies.</p>
Mr. Arvind Agrawal (Associate Director)	54 years	Cost Accountant from The Institute of Cost and Management Accountants of India; Bachelor's Degree in Commerce from University of Lucknow	<p>Mr. Arvind Agrawal joined Bandhan Financial Services Limited (BFSL) as Managing Director with effect from 8th April, 2022. He has work experience of more than 20 years in various roles and responsibilities in Strategic Investment, Finance Controlling, Treasury Management, Strategic Management, Investment Operations, Financial Accounting, Asset-Liability Management.</p> <p>Prior to joining BFSL, he held the position of Managing Director of Galaxy Cloud Kitchens Ltd. and CEO Foodhall a unit of FRL from 2018-2022. He was also the Business CFO &amp; Head Strategic Investments (West and South Divisions) of HT Media from 2012-18. He held key positions in Neo Sports, Star TV and Pepsico.</p>
Mr. N. S. Venkatesh (Independent Director)	68 years	B. Sc & Chartered Accountant, Diploma in Management & Financial Services. Certified Associate of Indian Institute of Bankers, Mumbai.	<p>Mr. N. S. Venkatesh is currently the Chief Executive Officer of Bharat InvITs Association since September 04, 2024.</p> <p>He has over three decades of experience in the banking sector including over two decades in managing Treasury and International Banking. Additionally, he has experience in matters relating to Finance, Risk Management, Information Technology, Accounting Standards, Audit &amp; Assurance as well as Bank Taxation. He is also an expert in Bank Strategy, Mergers &amp; Acquisitions and Turnaround of Banks.</p> <p>Prior to joining Bharat InvITs Association, he was the Chief Executive Officer of Association of Mutual Funds in India (AMFI) from October 2017 until December 2023. He has spearheaded the various activities of AMFI including the financial literacy and outreach program of the association. He has vast experience in managing the affairs of AMFI while contributing to the policy making, consultations with SEBI, Govt. of India and other national and international stakeholders in the Mutual Funds industry.</p> <p>Prior to joining AMFI, he was the Chief Financial</p>

Name	Age	Qualification	Brief Experience
			<p>Officer and Executive Director of Lakshmi Vilas Bank from July 2016 to October 2017. He was also associated Industrial Development Bank of India (IDBI) for over 19 years from November 1997 to June 2016, where he held several senior positions, including that of the Chief Financial Officer and the Executive Director.</p> <p>Mr. Venkatesh was a member of Technical Advisory Committee of Reserve Bank of India (RBI) on Money Market, Securities Market &amp; Foreign Exchange from 2011 to 2016. He was also the Chairman of Fixed Income, Money Markets &amp; Derivatives Association (FIMMDA) during the same period and Management Committee Member of Foreign Exchange Dealers' Association of India (FEDAI). He was a Member of the Government of Maharashtra Advisory Committee to advise Chief Minister of Maharashtra on Cash Management and Government borrowing. He was also a Member of the Hon. Chief Minister of Maharashtra Advisory Council on Fintech.</p> <p>Mr. Venkatesh is also a Director on the Board of several other companies.</p>

## II. Asset Management Company

Bandhan AMC Limited is a public limited company incorporated under the Companies Act 1956, having its Registered Office at One World Centre, 841 Senapati Bapat Marg, Jupiter Mills Compound, Mumbai 400013. Bandhan AMC Limited has been appointed as the Asset Management Company of Bandhan Mutual Fund, by Trustee vide a deed of variation to the Investment Management Agreement, dated May 30<sup>th</sup> 2008. The Deed of variation to the IMA was entered into between Bandhan AMC Limited and Bandhan Mutual Fund Trustee Limited.

The Company originally known as ANZ Grindlays Asset Management Company Private Limited was incorporated on December 20, 1999. The Company was established by Australia and New Zealand Banking Group (ANZ), and had been appointed by the Trustee to act as the Investment Manager of the ANZ Grindlays Mutual Fund vide the Investment Management Agreement dated January 3, 2000. Consequent to sale of business by ANZ to Standard Chartered Bank (SCB) in 2001, 75% stake in the equity share capital of the AMC and 100% stake in the Preference Share Capital of the AMC had been transferred to SCB. IDFC acquired the equity and preference shares held by SCB in the AMC on May 30<sup>th</sup> 2008. IDFC also acquired the equity shares held by minority shareholders in the AMC. On December 9, 2011, NGAM Asia, a Singapore Limited company, which is a 100% indirect subsidiary of NGAM, acquired 25% of the total issued and paid up equity share capital plus one equity share in each of IDFC Asset Management Co. Ltd and IDFC AMC Trustee Company Ltd respectively.

IDFC Financial Holding Company Limited had acquired the entire shareholding of Natixis Global Asset Management Asia Pte. Ltd., Singapore in IDFC AMC. IDFC Financial Holding Company Limited, a Non-Operative Financial Holding Company (NOFHC) is a wholly owned subsidiary of IDFC Ltd.

On January 31, 2023, Bandhan Financial Holdings Limited acquired controlling stake in Bandhan AMC Limited ("AMC") and Bandhan Mutual Fund Trustee Limited. The name of the AMC was changed to Bandhan AMC Limited w.e.f April 19, 2023.

Consequent to the transfer of shares, the revised shareholding pattern of the Company stands as follows:

**Shareholding pattern of the AMC:**

<b>Name of Shareholder</b>	<b>% of Shareholding</b>
Bandhan Financial Holdings Limited / its nominees	59.98
Lathe Investment Pte. Ltd.	19.99
Tangerine Investments Limited	16.66
Mr. Ashley Menezes and Mr. Sanjay Kukreja (Partners of M/s Infinity Partners)	1.48
Mr. Rajendra K Mishra	0.04
Defati Investments Holding B V	1.85
<b>Total</b>	<b>100</b>

**Details of AMC Directors:**

<b>Name</b>	<b>Age</b>	<b>Educational Qualification</b>	<b>Brief Experience</b>
Mr. Bhaskar Sen  (Independent Director)	72 years	B. Com (Hons), C.A.I.I.B.	<p>Mr. Bhaskar Sen is the former Chairman &amp; Managing Director of United Bank of India (since merged with Punjab National Bank). With a rich experience of over 45 years in the industry, Mr. Sen is considered to be a person having deep knowledge in the areas of banking and finance. His special expertise is in the areas of commercial banking, risk management, trade finance and treasury management.</p> <p>Mr. Sen served as Chairman &amp; Managing Director of the United Bank of India for a period of about three years before retiring from active service in December 2012. In his earlier postings in Dena Bank as Executive Director and as General Manager in his parent organisation Union Bank of India, he made significant contributions to treasury operations, overseas expansion, international business, merchant banking operations, risk management, and general banking. Mr. Sen also played a key role in launching the initial public offer and follow-on public offer of his parent bank, Union Bank of India. Post-retirement, Mr. Sen has served on the Boards of various prominent financial organisations. He was one of the first Directors to be appointed to the Board of Bandhan Bank, serving it for two consecutive terms, till March 2021. He has also worked as a Public Interest Director and Chairman of the Calcutta Stock Exchange, chaired the Expert Committee on Banking and Finance of the Indian Chamber of Commerce (ICC), and was also a nominated director on the Board of West Bengal Financial Corporation.</p> <p>He is also a Director on the Board of other Company.</p>

Name	Age	Educational Qualification	Brief Experience
Mr. S. Ravindran  (Independent Director)	63 years	B. Com, Chartered Accountant and Cost accountant	<p>Mr. S. Ravindran was the Executive Director of SEBI from August 2011 till May 2022, wherein he handled all major departments in SEBI and initiated /implemented various policy measures for development/ regulation of securities markets relating to Mutual Funds, Corporate Governance, Market Infrastructure Institutions and Market Intermediaries, Market Surveillance and Risk Management, IPOs, Accounting standers Disclosure and Transparency, Corporate restructuring, Takeovers, Buybacks, Delisting, Commodity Derivatives Market, etc. Prior to the above assignment, he was an advisor to the Central Bank of Bahrain on deputation from SEBI from January 2005 to January 2010 wherein he drafted and implemented Bahrain's Securities Market Regulatory Framework on par with International standards and enabled Bahrain to enter into Multilateral MOU with IOSCO.</p> <p>He also handled various assignments as Chief General Manager, General Manager and Deputy General Manager in SEBI from March 1993 to January 2005. During his association with SEBI he had set up Surveillance Department and developed Integrated Market Surveillance System, handled major investigation cases relating to 1999-2001 Market Manipulations, resulting in various enforcement actions, implemented Accounting Standards through Listing Requirements, cleared more than 200 IPOs as Dealing Division Chief, handled more than 100 investigation cases as Investigating Authority, functioned as quasi-judicial Enquiry /Adjudication Officer, registration of MFs/ Market Intermediaries and Inspection of stock exchanges / Market Intermediaries.</p> <p>He is also a director on the Board of various companies/ Institutions.</p>
Mr. Nitin Mittal  (Independent Director)	48 years	Electronics & Telecommunication engineer from Nagpur University and an executive MBA from IIM Bangalore	<p>Mr. Nitin Mittal is a seasoned specialist in the field of technology with an experience of over 26 years, in creating innovative and scalable digital platforms for retail, finance, e-commerce, FMCG, healthcare, insurance, and the e-governance sector.</p> <p>He was earlier leading the technology and data function wing for Zee Entertainment Enterprises as President and Group CTO. His executive responsibilities with the company were to carry out strategic initiatives to embed technology, automation, AI/ML in all parts of the organization.</p> <p>Mr. Mittal was also the founder (Apr 2018 - March 2021) of SOLV which is engaged in providing an open platform for B2B commerce, credit, payment, logistics, and skilled workforce for the SME segment in India.</p> <p>Prior to his entrepreneurial venture, Mr. Mittal played an instrumental role in bringing disruptive technology to the country. He was a technology adviser with NPCI (Aug 2014 - Jul 2017) and has closely worked with the organisation's</p>



Name	Age	Educational Qualification	Brief Experience
			<p>technology team to build the country's UPI framework.</p> <p>He has also served as the CTO of UIDAI (Oct 2012 - Oct 2014) and played a pivotal role in accelerating Aadhar coverage and launching direct benefit transfer (DBT) services. He has extensively worked with corporate majors like Standard Chartered, IBM, TESCO, BNY Mellon, Wipro and the Future Group.</p> <p>He is also a Director on the Board of various companies.</p>
<p>Mr. Karni Singh Arha</p> <p>(Associate Director)</p>	49 years	MBA from Marriott School of Management in US and is an Economic Graduate from Delhi University	<p>Mr. Karni S Arha is the Managing Director of BFHL. He is a seasoned financial services professional with over 22+ years of wide-ranging experience covering Finance, Operations and Distribution. Mr. Arha has significant experience in Financial Management, Corporate Strategy, Business Acquisitions and Investor Relations. and has held leadership roles within organizations of Bank of Baroda, Reliance Capital, Aviva, and Bharti Financial Services.</p> <p>He started his career in the US with Aetna Inc and Swiss Re in New York and moved to India to be amongst the founding members of Reliance Capital, where he led the launch of the Life Insurance business and Private Equity business. Subsequently, he became the CFO at IndiaFirst Life Insurance with additional responsibility as Head of Operations. Post which, Mr. Arha was CFO &amp; COO at Aviva India, leading their business transformation initiatives. More recently, before joining BFHL, Mr. Arha was the CFO at Bharti Axa General Insurance to drive its merger with ICICI Group.</p> <p>He is also a Director on the Board of various companies.</p>
<p>Mr. Atanu Sen</p> <p>(Associate Director)</p>	70 years	Master of Arts in Economics; Certified Associate of Indian Institute of Banking & Finance (CAIIB); Certificate in Wealth Management	<p>Mr. Atanu Sen is a trusted name in the banking industry with a significant experience of over 45 years with the country's leading financial institutions. He was serving as the non-executive Chairman of the National Pension System (NPS Trust) of PFRDA.</p> <p>Mr. Sen has held several key posts including that of Managing Director and CEO of SBI Life Insurance Company Limited. He has played an instrumental role as Deputy Managing Director and Chief Credit and Risk Officer of the State Bank of India.</p> <p>Post his retirement in 2014 from active service, he took up serving on the Boards of various companies. Mr. Sen has also engaged as a senior advisor for Deloitte Touche Tohmatsu LLP, and the post of non-official Director on behalf of the Ministry of Finance, Government of India for Punjab &amp; Sind Bank.</p> <p>He is also a Director on the Board of various companies.</p>
<p>Mr. Akash Kedia</p> <p>(Associate</p>	35 years	B.Com & Chartered Accountant	<p>Mr. Akash Kedia is a Vice President at GIC and leads the Asset Management and Technology Services businesses for GIC's Private Equity (PE) business in India.</p>

Name	Age	Educational Qualification	Brief Experience
Director)			<p>He has been an integral part of the firm for nearly a decade, during which he has successfully executed several investments and engaged closely with a variety of financial services companies in India.</p> <p>Prior to joining GIC, Mr. Kedia worked as an investment banker for 2 years at Macquarie and Deutsche Bank and spent 3 years in Deloitte's audit department.</p> <p>Mr. Kedia was ranked among the top 50 candidates across all three CA examination levels in India.</p>
Mr. Ankit Singhal (Associate Director)	40 years	B-Tech (Hons.) from IIT Kharagpur, MBA from IIM Bangalore. Cleared all levels of CFA (USA based) and CAIA examinations.	<p>Mr. Ankit Singhal is a seasoned financial services expert with over 14 years of experience majorly in Private Equity. He is a Managing Director at ChrysCapital, where his key responsibilities include leading strategic investment decisions in the financial services sector.</p> <p>Mr. Singhal is skilled in private equity deal-making, business and operational strategy.</p> <p>Prior to joining ChrysCapital, Mr. Singhal worked as an Investment Strategist for Whitetail Asia. He also served as Head of M&amp;A at AJ Capital in Singapore (Feb 2018 – May 2020). He led the group's plans for setting up an NBFC in India as well as helping scale its direct investment franchise.</p> <p>He has also worked as an investment professional with GIC Private Equity (Apr 2011 – Dec 2017), where he successfully concluded various investment deals in the financial services sector.</p>
Ms. Nandini Dias (Independent Director)	59 years	B.Sc, Post Graduate Diploma in Advertising and Media	<p>Ms. Nandini Dias was the CEO of Lodestar UM and has been ranked by Economic Times among the top 10 influential leaders (and the only woman leader) in the Indian advertising &amp; media industry for three years now.</p> <p>Marking a career close to three decades, she has had the distinction of launching over 400 brands while managing communication strategy and investments for over 250 marquee businesses across diverse sectors. She has piloted and developed several research-based tools that optimize robust media investments today.</p> <p>She also set up and honed specialized practices like Brand Experience, Content, and Celebrity Management, CRM and Data, Digital, which are now centres of excellence and has been a part of a core leadership team tasked with ideating, transforming and channelizing the FCB Group's forward journey under a program at Oxford University.</p> <p>She has been awarded 'Media CEO of the Year' in 2016, 2017, 2018, and 2021 and 'Gamechanger of the Year' in 2018 by different organizations.</p> <p>She also acts as a Director on the Board of other Company.</p>



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

The Regulations and the Investment Management Agreement shall govern the duties and responsibilities of the AMC. The AMC, in the course of managing the affairs of the Mutual Fund, has the power, inter-alia:

- a. to invest in, acquire, hold, manage or dispose of all or any securities and to deal with, engage in and carry out all other functions and to transact all business pertaining to the Fund;
- b. to keep the moneys belonging to the Trust with Scheduled Banks and Custodians as it may deem fit;
- c. to issue, sell and purchase Units under any Scheme;
- d. to repurchase the Units that are offered for repurchase and hold, reissue or cancel them;
- e. to formulate strategies, lay down policies for deployment of funds under various Schemes and set limits collectively or separately for privately placed debentures, unquoted debt instruments, securitised debts and other forms of variable securities which are to form part of the investments of the Trust Funds;
- f. to arrange for investments, deposits or other deployment as well as disinvestments or refund out of the Trust Funds as per the set strategies and policies;
- g. to make and give receipts, releases and other discharges for money payable to the Trust and for the claims and demands of the Trust;
- h. to get the Units under any Scheme listed on any one or more stock exchanges in India or abroad;
- i. to open one or more bank accounts for the purposes of the Fund, to deposit and withdraw money and fully operate the same;
- j. to pay for all costs, charges and expenses, incidental to the administration of the Trust and the management and maintenance of the Trust property, Custodian and/or any other entities entitled for the benefit of the Fund, audit fee, management fee and other fees;
- k. to provide or cause to provide information to SEBI and the Unitholders as may be specified by SEBI; to generally do all acts, deeds, matters and things, which are necessary for any object, purpose or in relation to the Bandhan Mutual Fund in any manner or in relation to any Scheme of the Bandhan Mutual Fund.

**Obligations of the AMC, as specified in the SEBI (Mutual Funds) Regulations 1996 are as under:**

- (1) The asset management company shall take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any scheme is not contrary to the provisions of these regulations and the trust deed.
- (2) The asset management company shall exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
- (3) The asset management company shall obtain wherever required under these regulations, prior in-principle approval from the recognized stock exchange(s) where units are proposed to be listed.
- (4) The asset management company shall be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the asset management company.
- (5) The asset management company shall submit to the trustees quarterly reports of each year on its activities and the compliance with these regulations
- (6) The trustees at the request of the asset management company may terminate the assignment of the asset management company at any time:  
Provided that such termination shall become effective only after the trustees have accepted the termination of assignment and communicated their decision in writing to the asset management company.
- (7) Notwithstanding anything contained in any contract or agreement or termination, the asset management company or its directors or other officers shall not be absolved of liability to the mutual fund for their acts of commission or omissions, while holding such position or office.
- (8) The Chief Executive Officer (whatever be the designation) of the asset management company shall ensure that the mutual fund complies with all the provisions of these regulations and the guidelines or circulars issued in relation thereto from time to time and that the investments made by the fund managers are in the interest of the unit holders and shall also be responsible for the overall risk management function of the mutual fund.

(8.a) Chief Executive Officer (whatever be the designation) shall also ensure that the AMC has adequate systems in place to ensure that the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of the Regulations are adhered to in letter and spirit. Any breach of the said Code of Conduct shall be brought to the attention of the Board of Directors of the AMC and Trustees.

(9) The fund managers (whatever be the designation) shall ensure that the funds of the schemes are invested to achieve the objectives of the scheme and in the interest of the unit holders.

(9.a) The Fund Managers (whatever be the designation) shall abide by the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of the Regulations and submit a quarterly self-certification to the Trustees that they have complied with the said code of conduct or list exceptions, if any.

For the purposes of this sub-regulation, the phrase “Fund Managers” shall include Chief Investment Officer (whatever be the designation)

(9.b) The Dealers (whatever be the designation) shall ensure that orders are executed on the best available terms, taking into account the relevant market at the time for transactions of the kind and size concerned to achieve the objectives of the scheme and in the best interest of all the unit holders.

(9.c) The Dealers (whatever be the designation) shall abide by the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of the Regulations and submit a quarterly self-certification to the Trustees that they have complied with the said code of conduct or list exceptions, if any.

(10) (a) An asset management company shall not through any broker associated with the sponsor, purchase or sell securities, which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes.

Provided that for the purpose of this sub-regulation, aggregate purchase and sale of securities shall exclude sale and distribution of units issued by the mutual fund.

Provided further that the aforesaid limit of 5% shall apply for a block of any three months.

(b) An asset management company shall not purchase or sell securities through any broker [other than a broker referred to in clause (a) of sub-regulation (7) of SEBI (MF) Regulations] which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes, unless the asset management company has recorded in writing the justification for exceeding the limit of 5% and reports of all such investments are sent to the trustees on a quarterly basis.

Provided that the aforesaid limit shall apply for a block of three months.

(11) An asset management company shall not utilize the services of the sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities:

Provided that an asset management company may utilise such services if disclosure to that effect is made to the unit holders and the brokerage or commission paid is also disclosed in the half yearly annual accounts of the mutual fund.

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

- any underwriting obligations undertaken by the schemes of the mutual funds with respect to issue of securities associate companies,
- devolvement, if any,
- subscription by the schemes in the issues lead managed by associate companies
- subscription to any issue of equity or debt on private placement basis where the sponsor or its associates have acted as arranger or manager.

(12) The asset management company shall file with the trustees the details of transactions in securities by the key personnel of the asset management company in their own name or on behalf of the asset management company and shall also report to SEBI, as and when required by SEBI.

- (13) In case the asset management company enters into any securities transactions with any of its associates a report to that effect shall be sent to the trustees at its next meeting
- (14) In case any company has invested more than 5 per cent of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the same mutual fund in that company or its subsidiaries shall be brought to the notice of the trustees by the asset management company and be disclosed in the half yearly and annual accounts of the respective schemes with justification for such investment provided the latter investment has been made within one year of the date of the former investment calculated on either side.
- (15) The asset management company shall file with the trustees and SEBI -
  - (a) detailed bio-data of all its directors alongwith their interest in other companies within fifteen days of their appointment;
  - (b) any change in the interests of directors every six months; and
  - (c) a quarterly report to the trustees giving details and adequate justification about the purchase and sale of the securities of the group companies of the sponsor or the asset management company as the case may be, by the mutual fund during the said quarter.
- (16) Each director of the Asset Management Company shall file the details of his transactions of dealing in securities with the trustees on a quarterly basis in accordance with guidelines issued by SEBI.
- (17) The asset management company shall not appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.
- (18) The asset management company shall appoint registrars and share transfer agents who are registered with the Board.  
Provided if the work relating to the transfer of units is processed in-house, the charges at competitive market rates may be debited to the scheme and for rates higher than the competitive market rates, prior approval of the trustees shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.
- (19) The asset management company shall abide by the Code of Conduct as specified in Part-A of the Fifth Schedule.
- (20) The asset management company shall not invest in any of its schemes, unless full disclosure of its intention to invest has been made in the Scheme Information Document of the schemes.  
Provided that the asset management company shall not be entitled to charge any fee on its investment in that scheme.
- (21) The asset management company shall not carry out its operations including trading desk, unitholder servicing and investment operations outside the territory of India.
- (22) The asset management company shall compute and carry out valuation of investments made by its scheme(s) in accordance with the investment valuation norms specified in Eighth Schedule, and shall publish the same.
- (23) The asset management company and the sponsor of the mutual fund shall be liable to compensate the affected investors and/or the scheme for any unfair treatment to any investor as a result of inappropriate valuation.
- (24) The asset management company shall report and disclose all the transactions in debt and money market securities, including inter scheme transfers, as may be specified by SEBI.

**Soft Dollar Arrangement:**

The AMC may, from time to time, have soft dollar arrangements with its brokers. Soft-dollar arrangement refers to an arrangement between the AMC and brokers in which the AMC executes trades through a particular broker and in turn the broker may provide benefits such as free research, hardware, software or even non-research-related services, etc., to the AMC. While entering into such arrangements, the AMC shall ensure that such arrangements are limited to only benefits (like free research report, etc.) that are in the interest of the investors. Such soft dollar arrangements would generally include receiving research reports or analysis from the broker(s), which are provided by them on mass distribution basis; and receiving support in arranging for meetings with corporates, analysts or investors where expenses attributable to the AMC are borne by the AMC. Any soft dollar arrangement of other nature will be reviewed by the Investment Committee to ensure that the same are in the interest of the invest.

**Information on Key Personnel:**

Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
Mr. Vishal Kapoor	53	Chief Executive Officer	M.B.A. (IIM, Ahmedabad), B.Com.	28	<p>He is associated with Bandhan AMC since September 2016 and is responsible for AMC's overall business.</p> <p><i>Prior experience:</i> Standard Chartered Bank (August 1999 - September 2016). In his last role at the bank, he served as the Managing Director &amp; Head of Wealth Management, India. Prior to that, he was involved in Consumer banking &amp; Private Banking. He served on several leadership committees including the Regional and Country Management Group of the Bank as well as the Global Wealth Management Leadership Team. He was also a Director on the Board of Standard Chartered Securities India Limited.</p>
Mr. Gaurab Parija	53	Head - Sales & Marketing	PGDBM (IIM - Bangalore)	32	<p>He is associated with Bandhan AMC since March 2017 and is responsible for leading the sales function of the AMC.</p> <p><i>Prior experience:</i> Franklin Templeton Services (India) Pvt. Ltd. as a Director, responsible for New Initiatives and Business Development, CEMEA/India (March 2014 to March 2017). Prior to that he was associated with Franklin Templeton Asset Management (India) Pvt. Ltd. as National Sales Director (April 2009 to February 2014), Head – Retail Advisory Services (January 2008 to March 2009) and Head – Alternate Distribution (June 2006 to December 2007).</p>

Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
Mr. Manish Gunwani	53	Head – Equities	Post Graduate Diploma in Management - IIM, Bangalore B-Tech - IIT, Madras	24	<p>Mr. Manish Gunwani joined Bandhan AMC in January 2023 as Head - Equities.</p> <p>He was earlier associated with Nippon Life India Asset Management Limited as Chief Investment Officer (Equities) from September 2017 to December 2022 and has the overall responsibility of all equity schemes of Nippon Mutual Fund.</p> <p>Prior to that, he was associated with ICICI Prudential Asset Management Company Limited from June 2010 to August 2017 as Deputy Chief Investment Officer (Equities) and was the Fund Manager of two flagship equity schemes of ICICI Prudential Mutual Fund.</p>
Mr. Suyash Choudhary	46	Head – Fixed Income	B.A. (Hons) - Economics (Delhi University), PGDM (IIM, Calcutta)	23	<p>He is associated with Bandhan AMC since October 2010 and is responsible for overall fixed income fund management.</p> <p><i>Prior experience:</i></p> <ul style="list-style-type: none"> <li>• HSBC Asset Management (India) Pvt. Ltd. as Head - Fund Management, Fixed Income; responsible for investments of all fixed income funds (December 2008 – October 2010). Prior to that, he was Fund Manager in Fixed Income Team.</li> <li>• Standard Chartered Asset Management Co. Pvt. Ltd. as Fund Manager in Fixed Income Team (November 2001 – January 2008)</li> <li>• Deutsche Bank AG (Mumbai), involved in treasury restructuring and credit &amp; market risk modelling as part of DB Consulting Group, Asia Pacific (May 2000 – October 2001).</li> </ul>
Mr. Hemant Agrawal	54	Head – Operations & Information Technology	C.A	26	<p>He is associated Bandhan AMC since November 2017 and is responsible for controlling Operations &amp; Customer Servicing for AMC Business.</p> <p><i>Prior experience:</i></p> <ul style="list-style-type: none"> <li>• IIFL Distribution Services Ltd. (IIFL Wealth) as Head Operations, responsible for overseeing operational activities of their distribution, asset management, NBFC and offshore business (November 2016 to October 2017).</li> </ul>

Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
					<ul style="list-style-type: none"> <li>ICICI Prudential AMC Ltd. as Head - Operations &amp; Customer Services, responsible for overseeing operations and customer service for both mutual fund and PMS business (February 2007 to October 2016).</li> </ul>
Ms. Vijayalaxmi Khatri	48	Head – Legal & Compliance	C.S. (Professional) B.Com.	25	<p>Ms. Vijayalaxmi Khatri has more than 24 years of experience in the compliance, legal, risk management and secretarial functions of Asset Management, Wealth Management and Alternative businesses. She joined Bandhan AMC Limited as Head - Legal &amp; Compliance in January 2024 and will be responsible for ensuring compliance with SEBI (Mutual Funds) Regulations, 1996 and other applicable regulations. Prior to Bandhan AMC Limited, she was associated with Kotak Alternate Asset Managers Limited as SVP &amp; Head-Compliance &amp; Secretarial from August 2021 to December 2023 where she was responsible for ensuring compliance with various Regulations as application to Alternative Investment Funds, Investment Advisory and others business of the Company. Her previous assignments include association with Edelweiss Group (Edelweiss Global Wealth Management and Edelweiss Asset Management) from June 2010 to July 2021, Daiwa Asset Management (India) Pvt. Ltd. from March 2007 to May 2010, Fidelity Fund Management Pvt. Ltd. from January 2006 to February 2007 and ICICI Prudential Asset Management Company Ltd. from November 1998 to April 2005 in their Compliance, Secretarial &amp; Legal Functions.</p>
Ms. Swati Singh	47	P.G.D.M (IIM Lucknow), M.M.S (BITS Pilani)	Head – Human Resource	21	<p>Ms. Swati Singh joined Bandhan AMC in February 2020. Previously, she was associated with Bombay Dyeing &amp; Mfg. Co. Ltd as General Manager (HR &amp; Retail Operations) from July 2015 to December 2019.</p>



Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
					Prior to this, she was associated with Reliance Mediaworks Ltd. from October 2013 to June 2015 and Future Value Retail Limited from July 2010 to October 2013, heading customer service & operations excellence PAN India and was involved in defining and executing standards, policies and processes for the same.
Ms. Neeta Singh	51	Master's in Applied Economics	Investor Relations Officer	26	Ms. Neeta Singh joined Bandhan AMC in April 2010 as Associate – Vice President and has been associated with Bandhan AMC till date and is managing Investor Relations.
Mr. Udit Jain	46	Chief Information Security Officer	M. Tech (Cyber Security), EPGDBM (Finance & Marketing), B.Tech. (IT & Telecom), B.Sc. (Computer Science)	23	Mr. Udit Jain has joined Bandhan AMC as Senior Vice President - Information Technology and has total experience of more than 22 years. He was earlier associated with Ministry of Defence (Army) from December 9, 2000 to September 6, 2023. His last designation was Colonel and he was the Head of Department and Chief Information Security Officer (CISO) with the MILIT, Ministry of Defence, where he was primarily responsible for IT functions, Cyber Security and Cyber Security Training. Further he also was responsible for Human Resource Management, Project Management, Administration, IT Operations.
Mr. Harshad Awalegaonkar	46	Chief Risk Officer	M.Com and CAIIB	21	Mr. Harshad Awalegaonkar has more than 20 years of total experience.  Mr. Awalegaonkar has been associated with Bandhan AMC Limited in the Fund Administration department since October 2008, wherein, he was responsible for managing Treasury Operations and Fund Accounting overseeing cashflow, banking operations, trade reporting and settlement, expenses administration, fund accounting and audit.  Prior to Bandhan AMC Limited, he was associated with Optimix Technologies Private Limited (division of ING Investment Management (India) Private Limited) from May 2006 to September 2008 as

Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
					<p>Sr. Manager in PMS Operations department wherein he was responsible for PMS trade settlement, portfolio valuation, performance calculations and investor level portfolio reporting and annual financial statements.</p> <p>Prior to this, he was associated with Standard Chartered Bank from June 2004 to April 2006 in Treasury Operations department as Officer – Fixed Income Operations.</p>
Mr. Ankur Maheshwari	44	Chief Financial Officer	B.Com, Chartered Accountant and Company Secretary	22	<p>Mr. Ankur has more than 21 years of experience in the financial services sector across finance, fund raise, treasury, compliance and audit functions.</p> <p>Prior to Bandhan AMC Limited, he was associated with MWYN Tech Pvt Ltd (Freo) as Chief Financial Officer (CFO) from March 2020 to April 2025 where he was responsible for Financial Reporting, Performance Management, Revenue growth, Capital Partnerships, Legal, Compliance and Secretarial deliverables along with anchoring Equity and Debt fund raising and managing and driving group NBFC operations. Further, from September 2018 to March 2020 in Incred Financial Services as Group Financial Controller, he was responsible for all financials deliverables, establishing strong internal controls, designing and ensuring implementation of strong policies and processes and managing regulatory compliances. From February 2014 to August 2018 as Deputy Vice President, in Piramal Capital and Housing Finance Limited he managed all finance related activities across Primal Financial Services vertical (Private Equity, NBFC, HFC and closely worked with key internal stakeholders for driving strategic growth of the platform.</p>

**Fund Management – Equity**

Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
Mr. Daylynn Pinto	44	Senior Fund Manager – Equity	PGDM, B.Com.	19	<p>He is associated with Bandhan AMC since October 2016 and is responsible for investments and equity fund management. He also undertakes equity research.</p> <p>Prior to joining Bandhan AMC, he was associated with UTI Asset Management Co. Ltd. as Fund Manager, responsible for fund management. He also undertook Equity research. (July 2006 to September 2016).</p>
Mr. Harsh Bhatia	29	Manager – Equity	CFA Institute, 2018 Bachelors in Accounting and Finance (B.A.F), Thakur College, 2016	8	<p>Mr. Harsh Bhatia joined the Equity Fund Management team of Bandhan AMC Limited as Manager - Equity in December 2021 and has total experience of 7 years. He was earlier associated with Emkay Global from November 2019 - November 2021 as Equity Associate wherein he was responsible for Equity Research and Fundamental Analysis. Prior to this, he was also associated with Takaful Emarat from January 2017 to March 2019 as Accountant in the Accounting and Finance department.</p>
Mr. Viraj Kulkarni	36	Vice President – Equity Fund Management	B.Tech. (Electronics), PGDM (Finance), CFA	12	<p>He is associated with Bandhan AMC since September 2015 and is the dedicated fund manager for foreign securities since March 2016. He also undertakes equity research.</p> <p>Prior experience:</p> <ul style="list-style-type: none"> <li>Franklin Templeton Asset Management (India) Pvt. Ltd. as Management Trainee (May 2014 – September 2015).</li> <li>Goldman Sachs Services India as an Analyst for Wealth Management Technology (June 2010 – May 2012).</li> </ul>
Ms. Ritu Modi	38	Vice President – Equity	MMS Finance, B.Com	14	<p>Ms. Ritu Modi joined the Equity - Fund Management team of Bandhan AMC on November 7, 2022 as Vice President – Equity.</p> <p>She was earlier associated with IIFL Asset Management Ltd. as Equity Research Analyst from October-21 to October-22 and was covering Consumption sector.</p> <p>Prior to this, she was also associated with LIC Mutual Fund Asset Management Company Ltd. as Fund Manager from November-19 to October-21 and was managing various schemes of LIC</p>

Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
					Mutual Fund. Further, from January-18 to October-19, she was an Equity Research Analyst covering Consumption and Automobile sectors. Her prior associations also include Ambit Capital Pvt Ltd where she was working as Research Associate (Equity) from March-11 to September-17.
Mr. Sunil Nair	51	Senior Vice President - Fund Management	BA	26	He is associated with Bandhan AMC since July 2005 and is handling Equity Dealing function. <i>Prior experience:</i> <ul style="list-style-type: none"> <li>Birla Sunlife AMC Ltd. (1995 – 2005) as Equity Dealer.</li> <li>Insec Shares &amp; Stock (1994 - 1995), involved in Equity research.</li> </ul>
Mr. Abhishek Jain	40	Associate Vice President - Equity	B.A. and Chartered Accountant	13	Mr. Abhishek Jain joined the equity fund management team of Bandhan AMC Limited on March 05, 2025. He has a total experience of 13 years.  He was earlier associated with Groww Asset Management Co Limited from January 01, 2024 to March 03, 2025 wherein he was fund manager for passive schemes and dealer for equity schemes. Prior to this, he was associated with Edelweiss Tokio Life Insurance Co. Limited as Equity Dealer for quant based active schemes from September 01, 2022 to December 27, 2023. He was associated with Acko General Insurance Co. Limited as Deputy General Manager – Investment from November 08, 2021 to August 30, 2022, where in he was responsible for dealing activity in equity segment. Prior to this, in Shriram Asset Management Co Limited as Manager – Equity from January 05, 2018 to November 06, 2021 he was responsible for equity research of certain sector like IT, Telcom and Life insurance sector etc. and in Edelweiss Tokio Life Insurance Co Limited as Equity Dealer from January 05, 2012 to January 03, 2018 he was a dealer for quant based equity schemes
Mr. Kirthi Jain	34	Vice President - Fund Management, Equities	The Institute of Chartered Accountants of India (2011)	10	Mr. Kirthi Jain joined Bandhan AMC Limited on May 2023 in Fund Management. He was earlier associated with Canara HSBC Life Insurance as Assistant Fund Manager from June 2021 to May 2023

Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
					and with Sundaram Mutual Fund from Sep 2016 to June 2021 as Research Analyst in Equity investment team. Prior to that, he was associated with B&K Securities from Sep 2014 to Sep 2016 as Equity Research Analyst.
Mr. Vishal Biraia	43	Vice President - Fund Management, Equities	Bachelor of Engineering, CFA (Level 2)	17	Mr. Vishal Biraia joined Bandhan AMC Limited in June, 2023 in Fund Management. He was earlier associated with Max Life Insurance (June 2021 to May 2023) and Aviva Life Insurance (July 2018 – November 2021) as Research analyst and assistant fund manager. Prior to that, he was associated with Antique Stock Broking (January 2015 to July 2018) with primary responsibility of research and marketing Indian equities to FII's and with Batlivala & Karani Securities (June 2007 to July 2014) as Research Analyst.
Mr. Rahul Agarwal	34	Vice President – Equity	PGDM – TAPMI B.COM (Hons) – Calcutta University	10	Mr. Rahul Agarwal joined the Equity – Fund Management team of Bandhan AMC Limited as Vice President – Equity and has total experience of 9 years. He was earlier associated with HSBC Asset Management from November 2022 – August 2023 and L&T Investment Management Ltd from August 2021 – November 2022 as Equity Research Analyst and was covering Oil & Gas, Industrials, Infrastructure, Logistics and Utilities sector. Prior to this, he was also associated with ICICI Prudential Life Insurance Ltd. from August 2015 – August 2021 as lead Analyst for research on Oil & Gas, Pharma & Healthcare, Building Materials and Aviation sector. His prior associations also include Copal Amba where he was responsible for Lead Generation to tap in prospective customers in hedge funds and global investment funds to sell research outsourcing services.
Ms. Ritika Behera	38	Vice President - Equities	MBA (Finance), Bcom	14	Ms. Ritika Behera has joined Bandhan AMC Limited as Vice President – Equities on August 10, 2023 in Equity Investments team. In her role she will be responsible for research and analysis. She has total experience of more than 13 years. Prior to Bandhan AMC Limited, she was

Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
					associated with Ocean Dial Asset management from April 2021 to July 2023 as Analyst. Earlier to this, she was associated with Elara Securities Pvt Limited from January 2017 to March 2021 and Batlivala & Karani Securities Pvt Ltd from August 2013 to January 2017.
Mr. Gaurav Satra	30	Assistant Manager – Fund Management – Equity	Chartered Accountant, B.Com	8.5	Mr. Gaurav Satra joined the Equity Fund Management team of Bandhan AMC in June 2022 and was designated as the Equity Dealer till May 26, 2024. He was also associated with various Consultancy Firms as a CA from December 2016 to May 2022. He has total experience of more than 7.5 years.
Mr. Prateek Poddar	35	Vice President - Equity	Chartered Accountant, CFA	12	Mr. Prateek Poddar joined Bandhan AMC Limited in May 2024 in the Equity Fund Management team. He was earlier associated with Nippon Life India Asset Management as Investment Analyst & Co- Fund Manager from Sept 2018 to April 2024 and with ICICI Prudential AMC from November 2012 to August 2018 as Investment Analyst.
Mr. Harshvardhan Agrawal	40	Associate Vice President - Equity	CFA, MBA, BE	16	Mr. Harshvardhan Agrawal joined Bandhan AMC Limited in October 2021 and is currently the Equity Research Analyst for the Banking and NBFC sectors. He was earlier associated with Infina Finance Private Limited from Nov 2017 to Oct 2021, iAlpha Enterprises from Feb 2016 to Nov 2017, Motilal Oswal Financial Services from Jan 2015 to Feb 2016 and with Aranca India Pvt Ltd. From May 2013 to Jan 2015 as Research Analyst.
Mr. Aditya Gupta	26	Senior Executive • Equity	B.Com (Mumbai University), Semi-Qualified CA, CFA Level 2 candidate (Cleared CFA L1)	3.5	Aditya Gupta joined the Equity Fund Management team of Bandhan AMC Limited as Senior Executive with effect from May 6, 2024 and has total experience of 2.5 years. He was earlier associated with HDFC Bank Limited from June 2023 – May 2024 in the Balance Sheet strategy and Asset Liability Management function wherein he was responsible for disclosure related to Advances and Deposits. Prior to this, he was also associated with InCred Asset Management Private Limited from December 2021 to May 2023 in



Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
					Investment Team, wherein he was Equity Dealer for AIF and a backup Equity Dealer for PMS.
Mr. Rishi Sharma	47	Vice President - Equities	B Com - MS University – Vadodara, PGDBA in Finance	20	<p>Mr. Rishi Sharma joined Bandhan AMC on February 27, 2023 and has total experience of more than 20 years. In his current role, he will be responsible for fund management activity under the mutual fund business of the AMC.</p> <p>Prior to this, he was responsible for equity research and dealing activities in the Portfolio Management Services (PMS) division of the AMC and subsequently with effect from September 7, 2023 he was responsible for managing the Vedartha Neo Equity Portfolio (erstwhile known as Bandhan Neo Equity Portfolio).</p> <p>Prior to joining Bandhan AMC, he was associated with NJ Asset Management from July 2020 – December 2022 as General Manager for Research &amp; Fund Management in Mutual Fund – equities.</p> <p>Prior to that, he was also associated with Ashvattha Advisors LLP from Aug 2014 – April 2020 as Managing Partner in Equity and derivative research and advisory. His prior associations also include IIFL where he was responsible for Investment and Trading in all asset classes.</p>
Mr. Kapil Kankonkar	45	Vice President - Equity	Bachelor of Engineering, Master of Management Studies	19	<p>Mr. Kapil Kankonkar joined the equity fund management team of Bandhan AMC Limited on June 09, 2025. In his current role, he will be responsible for equity investment function for the schemes of Bandhan Mutual Fund. He has a total work experience of 19 years.</p> <p>Prior to this, he was associated with Kotak Securities Limited from February 20, 2023 to June 07, 2025 and with JM Financial Services Limited from June 06, 2007 to February 18, 2023, where he was responsible for fund management of Arbitrage Funds.</p>

**Fund Management – Fixed Income**

Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
Mr. Gautam Kaul	47	Senior Fund Manager - Fixed Income	MBA, B.Com	22	<p>Mr. Gautam Kaul joined the Fixed Income Fund Management team of Bandhan AMC on November 24, 2021 as Senior Fund Manager – Fixed Income.</p> <p>He was earlier associated with Edelweiss Asset Management Company Ltd. as Fund Manager from December 2016 to November 2021 and was managing various schemes of Edelweiss Mutual Fund.</p> <p>Prior to this, he was also associated with IDBI Asset Management Company Ltd. as Fund Manager from March 2010 to November 2016 and was managing various schemes of IDBI Mutual Fund.</p> <p>His prior associations also include Religare Asset Management Company Ltd., Sahara Asset Management Company Ltd. and Mata Securities India Private Ltd.</p>
Mr Harshal Joshi	40	Senior Vice President - Fund Management	PGDBM	16	<p>He is associated with Bandhan AMC since December 2008 and is responsible for investments and fixed income fund management since May 2013.</p> <p>Prior to that, he was associated with ICAP India Pvt. Ltd. (2006 to 2007).</p>
Mr Brijesh Shah	39	Vice President– Fixed Income	Post Graduate Diploma in Finance	15	<p>Mr Shah is associated with Bandhan AMC since August 2015 as part of the Fixed Income Team and will now be handling investments and fixed income and Overseas fund management.</p> <p>Prior experience:</p> <ul style="list-style-type: none"> <li>• IDBI Asset Management Ltd. – Dealing in Fixed income (Jan.2013 to Aug.2015)</li> <li>• India Bulls Asset Management Ltd. – Dealing in Fixed income (Jun.2011 to Dec.2012)</li> <li>• Mata Securities - Relationship Manager, Wholesale Debt Market (Jun.2010 to Jun.2011)</li> <li>• Twenty First Century - Relationship Manager, Wholesale Debt Market (Jan.2009 to May2010)</li> </ul>
Mr. Shlok Khanna	27	Assistant Manager - Dealer - Fixed Income	Company Secretary and Bachelor of Commerce in Corporate Affairs & Administration	3.5	<p>Mr. Khanna joined the Fund Management team of Bandhan AMC on January 23, 2025 as a Dealer - Fixed Income. He has been associated with the AMC since November 2023 and was part of Compliance department of Bandhan AMC Limited. He has a total experience of 3.5 years.</p>

Name	Age	Designation	Educational Qualification	Total No. of years of Experience	Nature of past experience including assignments held during the last 10 years
					He was earlier associated with Axis Asset Management Company Limited from 10 <sup>th</sup> November 2021 to 04 <sup>th</sup> November 2023 wherein he was primarily responsible for investment limits monitoring and other related enhancements and functions.
Mr. Sreejith Balasubramanian	41	Vice President – Fixed Income	Master of Business Administration (2010) in Finance, IBS Hyderabad (ICFAI University) Bachelor of Engineering (2005) in Mechanical, Anna University	17	Mr. Sreejith Balasubramanian joined the Fixed Income team of Bandhan AMC on November 20, 2017. He is currently acting as a Vice President – Fixed Income with primary responsibility of economic research. He was earlier associated with Cognizant Technology Solutions Ltd. as Research Manager from March 2010 to November 2017 and his primary responsibility was Macroeconomic research.
Mr. Debraj Lahiri	39	Fund Manager and Vice President - Credit Research, Fixed Income	Post Graduate Diploma in Management (PGDM), IMT Ghaziabad (2009) Bachelor of Technology, Electronics and Instrumentation, Heritage Institute of Technology, Kolkata (2007)	14	Mr. Debraj Lahiri joined Bandhan AMC on April 03, 2023 as Fund Manager and Vice President - Credit Research, Fixed Income. He was earlier associated with ICICI Prudential Asset Management Company Limited as Credit Analyst from February 2018 to March 2023 and with Invesco Asset Management India Private Limited from August 2013 to February 2018 as Credit Analyst and was responsible for Credit appraisal of entities belonging to diverse sectors for the purpose of investments by fixed income and hybrid funds. Prior to that, he was associated with CARE Ratings from September 2010 to August 2013 as Credit Rating Analyst and handled credit rating of corporates belonging to diverse sectors.

### **III. Service providers**

#### **1. Custodian**

Deutsche Bank AG, Mumbai (DB) has been appointed as Custodian and Fund Accountant for all the Schemes of Bandhan Mutual Fund.

The custodian has been registered with SEBI vide registration No. IN/CUS/003 dated March 20, 1998.

##### **Address of Custodian:**

Deutsche Bank AG  
Deutsche Bank House,  
Hazarimal Somani Marg,  
Fort, Mumbai – 400 001.

#### **2. Transfer agent**

Computer Age Management Services Limited, (CAMS) has been appointed as Registrar & Transfer Agent for the schemes of Bandhan Mutual Fund.

The Registrar is registered with SEBI under registration No: INR000002813 dated July 22, 1995.

##### **Address of Registrar & Transfer Agent:**

Computer Age Management Services Limited (CAMS)  
9th Floor | Tower II | Rayala Towers  
# 158 | Anna Salai | Chennai – 600 002  
contact number is +91- 44 2843 3303 / +91-44 6102 3303

As Registrar to the Scheme, CAMS inter alia handles communications with investors, perform data entry services and despatch Account Statements.

The Board of Directors of the AMC and the Trustee have ensured that the Registrar has adequate capacity to discharge responsibilities with regard to processing of applications within the time limit prescribed in the Regulations and also has sufficient capacity to handle investor complaints.

#### **3. Statutory auditor for Bandhan Mutual Fund**

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

12th Floor, The Ruby, Senapati Bapat Marg,  
Dadar (West), Mumbai – 400028

#### **4. Legal counsel**

Based on the matter involved, the AMC reserves the right to appoint appropriate legal counsel.

#### **5. Fund Accountant**

Deutsche Bank AG, Mumbai (DB) has been appointed as Custodian and Fund Accountant for all the Schemes of Bandhan Mutual Fund. The custodian has been registered with SEBI vide registration No. IN/CUS/003 dated March 20, 1998.

##### **Address of Custodian:**

Deutsche Bank AG  
Deutsche Bank House,

Hazarimal Somani Marg,  
Fort, Mumbai – 400 001.

## 6. Collecting Bankers

The collecting bankers of various schemes of Bandhan Mutual Fund include:

- a. HDFC Bank (SEBI registration no. INBI000000063)

**Address-** Motwane Chambers, Manekji Waida Bldg, Mumbai - Maharashtra - 400 001

- b. ICICI Bank (SEBI registration no. INBI000000004)

**Address-** Capital Market Division, 30 Mumbai Samachar Marg, Fort, Mumbai, Maharashtra, 400001  
The AMC reserves the right to appoint other qualified banks as collecting bankers from time to time.

## IV. Condensed financial information (CFI) for all the schemes launched by MF during the last three fiscal years (excluding redeemed schemes):

Particulars	Bandhan Midcap Fund					
	31-Mar-23		31-Mar-24		31-Mar-25	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
<b>NAV at the beginning of the year (as on April 1)</b>						
Dividend Option	NA	NA	9.6350	9.7370	14.0650	14.4430
Growth Option	NA	NA	9.6350	9.7390	14.0650	14.4510
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>Dividends*</b>						
Dividend Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Growth Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Periodic Dividend Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Quarterly Dividend Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Half Yearly Dividend Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>NAV at the end of the year (as on March 31)</b>						
Dividend Option	9.6350	9.7370	14.065	14.443	15.350	15.996
Growth Option	9.6350	9.7390	14.065	14.451	15.349	16.008
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA

Annualised return**						
Net Assets end of period (Rs. Crs.)	617.2041	18.5789	1,067.91	34.03	1,429.88	61.22
Ratio of Recurring Expenses to net assets	0.0247	0.0071	0.0216	0.0056	2.0900	0.6400
* Excluding dividend details of liquid scheme.						
** Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.						
'@ The Opening NAV is as of the Allotment date 18th Aug 2022						

Particulars	Bandhan Nifty200 Momentum 30 Index Fund					
	31-Mar-23		31-Mar-24		31-Mar-25	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
<b>NAV at the beginning of the year (as on April 1)</b>						
Dividend Option	NA	NA	9.3362	9.3676	15.6181	15.7618
Growth Option	NA	NA	9.3362	9.3675	15.6188	15.7650
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>Dividends*</b>						
Dividend Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Growth Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Periodic Dividend Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Quarterly Dividend Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Half Yearly Dividend Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>NAV at the end of the year (as on March 31)</b>						
Dividend Option	9.3362	9.3676	15.6181	15.7618	14.2039	14.4177
Growth Option	9.3362	9.3675	15.6188	15.7650	14.2044	14.4304
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	9.8136	9.3507	41.41	21.64	81.51	36.38



Ratio of Recurring Expenses to net assets	0.0100	0.0042	0.0107	0.0042	1.0700	0.4200
* Excluding dividend details of liquid scheme.						
** Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.						
'@ The Opening NAV is as of the Allotment date 02nd Sep 2022						

Particulars	Bandhan Nifty100 Low Volatility 30 Index Fund					
	31-Mar-23		31-Mar-24		31-Mar-25	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
NAV at the beginning of the year (as on April 1)						
Dividend Option	NA	NA	10.0645	10.0929	13.9187	14.0392
Growth Option	NA	NA	10.0645	10.0978	13.9191	14.0793
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>Dividends*</b>						
Dividend Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Growth Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Periodic Dividend Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Quarterly Dividend Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Half Yearly Dividend Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
NAV at the end of the year (as on March 31)						
Dividend Option	10.0645	10.0929	13.9187	14.0392	14.3917	14.6009
Growth Option	10.0645	10.0978	13.9191	14.0793	14.3920	14.6581
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	2.5110	3.9277	57.97	436.58	212.00	1,151.89
Ratio of Recurring	0.0100	0.0032	0.0102	0.0034	1.0400	0.3600

Expenses to net assets						
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\* *Excluding dividend details of liquid scheme.*

\*\* Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.

'@ The Opening NAV is as of the Allotment date 06th Oct 2022

Particulars	Bandhan Transportation and Logistics Fund					
	31-Mar-23		31-Mar-24		31-Mar-25	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
NAV at the beginning of the year (as on April 1)						
Dividend Option	NA	NA	9.6920	9.7610	15.2450	15.6000
Growth Option	NA	NA	9.6920	9.7640	15.2450	15.6120
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>Dividends*</b>						
Dividend Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Growth Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Periodic Dividend Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Quarterly Dividend Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Half Yearly Dividend Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
NAV at the end of the year (as on March 31)						
Dividend Option	9.6920	9.7610	15.245	15.600	15.214	15.803
Growth Option	9.6920	9.7640	15.245	15.612	15.214	15.819
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	238.1885	6.8983	418.37	17.78	468.10	28.02
Ratio of Recurring Expenses to net assets	0.0246	0.0076	0.0240	0.0074	2.4100	0.9100

\* *Excluding dividend details of liquid scheme.*



\*\* Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.

'@ The Opening NAV is as of the Allotment date 20th Oct 2022

Particulars	Bandhan CRISIL IBX 90:10 SDL Plus Gilt November 2026 Index Fund					
	31-Mar-23		31-Mar-24		31-Mar-25	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
<b>NAV at the beginning of the year (as on April 1)</b>						
Dividend Option	NA	NA	10.2561	10.2592	10.0636	10.1448
Growth Option	NA	NA	10.2559	10.2656	10.9756	11.0136
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>Dividends*</b>						
Dividend Option	0.0000	0.0000	0.8910	0.8561	0.6889	0.6472
Growth Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Periodic Dividend Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Quarterly Dividend Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Half Yearly Dividend Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>NAV at the end of the year (as on March 31)</b>						
Dividend Option	10.2561	10.2592	10.0636	10.1448	10.1605	10.3324
Growth Option	10.2559	10.2656	10.9756	11.0136	11.8473	11.9181
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	56.6266	57.5694	56.79	56.84	51.35	61.10
Ratio of Recurring Expenses to net assets	0.0040	0.0015	0.0042	0.0016	0.3300	0.0800

\* Excluding dividend details of liquid scheme.

\*\* Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.











<b>Particulars</b>	<b>Bandhan Financial Services Fund</b>					
	<b>31-Mar-23</b>		<b>31-Mar-24</b>		<b>31-Mar-25</b>	
	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>
<b>NAV at the beginning of the year (as on April 1)</b>						
Dividend Option	NA	NA	NA	NA	11.8050	11.9370
Growth Option	NA	NA	NA	NA	11.8040	11.9390
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>Dividends*</b>						
Dividend Option	NA	NA	NA	NA	0.9240	0.9490
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>NAV at the end of the year (as on March 31)</b>						
Dividend Option	NA	NA	11.8050	11.9370	12.6080	12.9550
Growth Option	NA	NA	11.8040	11.9390	13.5280	13.9080
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	725.37	23.37	923.49	43.65
Ratio of Recurring Expenses to net assets	NA	NA	0.0231	0.0063	2.2200	0.6500
<i>* Excluding dividend details of liquid scheme.</i>						
** Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.						
'@ The Opening NAV is as of the Allotment date 28th Jul 2023						

[illegible]

Particulars	Bandhan Retirement Fund					
	31-Mar-23		31-Mar-24		31-Mar-25	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
<b>NAV at the beginning of the year (as on April 1)</b>						
Dividend Option	NA	NA	NA	NA	11.2090	11.2960
Growth Option	NA	NA	NA	NA	11.2090	11.2970
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>Dividends*</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>NAV at the end of the year (as on March 31)</b>						
Dividend Option	NA	NA	11.2090	11.2960	11.8630	12.1500
Growth Option	NA	NA	11.2090	11.2970	11.8620	12.1550
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	149.15	6.35	161.35	10.38
Ratio of Recurring Expenses to net assets	NA	NA	0.0234	0.0069	2.3500	0.7400
<i>* Excluding dividend details of liquid scheme.</i>						
** Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.						
'@ The Opening NAV is as of the Allotment date 18th Oct 2023						
Particulars	Bandhan Nifty Alpha 50 Index Fund					
	31-Mar-23		31-Mar-24		31-Mar-25	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan

<b>NAV at the beginning of the year (as on April 1)</b>						
Dividend Option	NA	NA	NA	NA	12.6168	12.6491
Growth Option	NA	NA	NA	NA	12.6167	12.6503
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>Dividends*</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>NAV at the end of the year (as on March 31)</b>						
Dividend Option	NA	NA	12.6168	12.6491	12.0476	12.1575
Growth Option	NA	NA	12.6167	12.6503	12.0478	12.1616
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	14.83	23.59	130.46	231.76
Ratio of Recurring Expenses to net assets	NA	NA	0.0101	0.0033	1.0200	0.3400
<i>* Excluding dividend details of liquid scheme.</i>						
** Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.						
'@ The Opening NAV is as of the Allotment date 09th Nov 2023						

<b>Particulars</b>	<b>Bandhan Nifty Smallcap 250 Index Fund</b>					
	<b>31-Mar-23</b>		<b>31-Mar-24</b>		<b>31-Mar-25</b>	
	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>
<b>NAV at the beginning of the</b>						



year (as on April 1)						
Dividend Option	NA	NA	NA	NA	10.3876	10.4075
Growth Option	NA	NA	NA	NA	10.3872	10.4075
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>Dividends*</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>NAV at the end of the year (as on March 31)</b>						
Dividend Option	NA	NA	10.3876	10.4075	10.8620	10.9580
Growth Option	NA	NA	10.3872	10.4075	10.8616	10.9580
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	10.16	15.13	15.46	32.15
Ratio of Recurring Expenses to net assets	NA	NA	0.0086	0.0017	0.8900	0.1900
<i>* Excluding dividend details of liquid scheme.</i>						
** Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.						
'@ The Opening NAV is as of the Allotment date 22nd Dec 2023						

Particulars	Bandhan Multi Asset Allocation Fund					
	31-Mar-23		31-Mar-24		31-Mar-25	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
<b>NAV at the beginning of the year (as on April 1)</b>						
Dividend Option	NA	NA	NA	NA	10.2892	10.3185
Growth Option	NA	NA	NA	NA	10.2892	10.3185

Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>Dividends*</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>NAV at the end of the year (as on March 31)</b>						
Dividend Option	NA	NA	10.2892	10.3185	11.3079	11.5195
Growth Option	NA	NA	10.2892	10.3185	11.3079	11.5195
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	1,299.72	25.77	1,744.34	67.52
Ratio of Recurring Expenses to net assets	NA	NA	0.0207	0.0041	1.9900	0.4900
<i>* Excluding dividend details of liquid scheme.</i>						
** Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.						
'@ The Opening NAV is as of the Allotment date 31st Jan 2024						

Particulars	Bandhan Long Duration Fund					
	31-Mar-23		31-Mar-24		31-Mar-25	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
<b>NAV at the beginning of the year (as on April 1)</b>						
Dividend Option	NA	NA	NA	NA	10.0712	10.0726
Growth Option	NA	NA	NA	NA	10.0712	10.0726
Periodic Dividend Option	NA	NA	NA	NA	NA	NA

Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>Dividends*</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>NAV at the end of the year (as on March 31)</b>						
Dividend Option	NA	NA	10.0712	10.0726	10.9961	11.0416
Growth Option	NA	NA	10.0712	10.0726	10.9961	11.0426
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	34.34	18.61	118.09	66.81
Ratio of Recurring Expenses to net assets	NA	NA	0.0064	0.0023	0.6600	0.2600
<i>* Excluding dividend details of liquid scheme.</i>						
** Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.						
'@ The Opening NAV is as of the Allotment date 20th Mar 2024						

Particulars	Bandhan Innovation Fund					
	31-Mar-23		31-Mar-24		31-Mar-25	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
<b>NAV at the beginning of the year (as on April 1)</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly	NA	NA	NA	NA	NA	NA

Dividend Option						
<b>Dividends*</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>NAV at the end of the year (as on March 31)</b>						
Dividend Option	NA	NA	NA	NA	11.4050	11.5720
Growth Option	NA	NA	NA	NA	11.4050	11.5720
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	NA	NA	1,311.21	76.11
Ratio of Recurring Expenses to net assets	NA	NA	NA	NA	2.1100	0.6200
* Excluding dividend details of liquid scheme.						
** Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.						
'@ The Opening NAV is as of the Allotment date 30th Apr 2024						

Particulars	Bandhan Nifty Total Market Index Fund					
	31-Mar-23		31-Mar-24		31-Mar-25	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
<b>NAV at the beginning of the year (as on April 1)</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>Dividends*</b>						
Dividend Option	NA	NA	NA	NA	NA	NA

Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>NAV at the end of the year (as on March 31)</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	9.2405	9.2846
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	NA	NA	21.68	14.34
Ratio of Recurring Expenses to net assets	NA	NA	NA	NA	1.0500	0.4000
* <i>Excluding dividend details of liquid scheme.</i>						
** Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.						
'@ The Opening NAV is as of the Allotment date 10th Jul 2024						

<b>Particulars</b>	<b>Bandhan Nifty Bank Index Fund</b>					
	<b>31-Mar-23</b>		<b>31-Mar-24</b>		<b>31-Mar-25</b>	
	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>
<b>NAV at the beginning of the year (as on April 1)</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>Dividends*</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly	NA	NA	NA	NA	NA	NA

Dividend Option						
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>NAV at the end of the year (as on March 31)</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	9.9970	10.0445
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	NA	NA	8.46	6.78
Ratio of Recurring Expenses to net assets	NA	NA	NA	NA	1.0000	0.1900
<i>* Excluding dividend details of liquid scheme.</i>						
** Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.						
'@ The Opening NAV is as of the Allotment date 27th Aug 2024						

<b>Particulars</b>	<b>Bandhan BSE Healthcare Index Fund</b>					
	<b>31-Mar-23</b>		<b>31-Mar-24</b>		<b>31-Mar-25</b>	
	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>
<b>NAV at the beginning of the year (as on April 1)</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>Dividends*</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>NAV at the end</b>						

<b>of the year (as on March 31)</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	9.4873	9.5305
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	NA	NA	8.11	9.23
Ratio of Recurring Expenses to net assets	NA	NA	NA	NA	1.0100	0.2100
<i>* Excluding dividend details of liquid scheme.</i>						
** Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.						
'@ The Opening NAV is as of the Allotment date 06th Sep 2024						

<b>Particulars</b>	<b>Bandhan Nifty Midcap 150 Index Fund</b>					
	<b>31-Mar-23</b>		<b>31-Mar-24</b>		<b>31-Mar-25</b>	
	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>
<b>NAV at the beginning of the year (as on April 1)</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>Dividends*</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>NAV at the end of the year (as on March 31)</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	8.6793	8.7119



Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	NA	NA	8.99	13.18
Ratio of Recurring Expenses to net assets	NA	NA	NA	NA	0.9100	0.2100
* Excluding dividend details of liquid scheme.						
** Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.						
'@ The Opening NAV is as of the Allotment date 19th Sep 2024						

Particulars	Bandhan Business Cycle Fund					
	31-Mar-23		31-Mar-24		31-Mar-25	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
NAV at the beginning of the year (as on April 1)						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>Dividends*</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
NAV at the end of the year (as on March 31)						
Dividend Option	NA	NA	NA	NA	9.1490	9.2220
Growth Option	NA	NA	NA	NA	9.1490	9.2220
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA

Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	NA	NA	1,497.23	90.69
Ratio of Recurring Expenses to net assets	NA	NA	NA	NA	2.0700	0.5900
* <i>Excluding dividend details of liquid scheme.</i>						
** Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.						
'@ The Opening NAV is as of the Allotment date 30th Sep 2024						

Particulars	Bandhan Nifty 500 Value 50 Index Fund					
	31-Mar-23		31-Mar-24		31-Mar-25	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
NAV at the beginning of the year (as on April 1)						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>Dividends*</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
NAV at the end of the year (as on March 31)						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	9.2787	9.3042
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA

Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	NA	NA	7.85	4.25
Ratio of Recurring Expenses to net assets	NA	NA	NA	NA	1.0000	0.3500
* <i>Excluding dividend details of liquid scheme.</i>						
** Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.						
'@ The Opening NAV is as of the Allotment date 29th Oct 2024						

Particulars	Bandhan Nifty 500 Momentum 50 Index Fund					
	31-Mar-23		31-Mar-24		31-Mar-25	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
NAV at the beginning of the year (as on April 1)						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>Dividends*</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
NAV at the end of the year (as on March 31)						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	8.0051	8.0269
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	NA	NA	8.94	10.65

Ratio of Recurring Expenses to net assets	NA	NA	NA	NA	1.0000	0.3500
* <i>Excluding dividend details of liquid scheme.</i>						
** Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.						
'@ The Opening NAV is as of the Allotment date 29th Oct 2024						

Particulars	Bandhan Nifty 200 Quality 30 Index Fund					
	31-Mar-23		31-Mar-24		31-Mar-25	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
<b>NAV at the beginning of the year (as on April 1)</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>Dividends*</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>NAV at the end of the year (as on March 31)</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	8.9519	8.9705
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	NA	NA	6.10	3.83
Ratio of Recurring Expenses to net assets	NA	NA	NA	NA	0.9900	0.3300

\* Excluding dividend details of liquid scheme.

\*\* Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.

'@ The Opening NAV is as of the Allotment date 04th Dec 2024

Particulars	Bandhan Nifty Alpha Low Volatility 30 Index Fund					
	31-Mar-23		31-Mar-24		31-Mar-25	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
NAV at the beginning of the year (as on April 1)						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>Dividends*</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
NAV at the end of the year (as on March 31)						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	9.5649	9.5783
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	NA	NA	6.84	1.25
Ratio of Recurring Expenses to net assets	NA	NA	NA	NA	1.0000	0.2500

\* Excluding dividend details of liquid scheme.

\*\* Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.

'@ The Opening NAV is as of the Allotment date 23rd Jan 2025

<b>Particulars</b>	<b>Bandhan Fixed Maturity Plan Series 209 (93 Days)</b>					
	<b>31-Mar-23</b>		<b>31-Mar-24</b>		<b>31-Mar-25</b>	
	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>	<b>Regular Plan</b>	<b>Direct Plan</b>
<b>NAV at the beginning of the year (as on April 1)</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>Dividends*</b>						
Dividend Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
<b>NAV at the end of the year (as on March 31)</b>						
Dividend Option	NA	NA	NA	NA	10.1029	10.1044
Growth Option	NA	NA	NA	NA	10.1029	10.1044
Periodic Dividend Option	NA	NA	NA	NA	NA	NA
Quarterly Dividend Option	NA	NA	NA	NA	NA	NA
Half Yearly Dividend Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	NA	NA	6.39	66.13
Ratio of Recurring Expenses to net assets	NA	NA	NA	NA	0.1600	0.0500
* Excluding dividend details of liquid scheme.						
** Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.						
'@ The Opening NAV is as of the Allotment date 11th Feb 2025						

[illegible]



\*\* Only for growth option. Explanation to be given for not providing annualised return for options other than growth option. Absolute returns to be provided for schemes less than one year.

'@ The Opening NAV is as of the Allotment date 10th Mar 2025

[illegible]

## **V. RISK FACTORS**

### **a. Standard Risk Factors**

- Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Scheme/s will be achieved.
- As with any investment in securities, the NAV of the Units issued under the Scheme can go up or down depending on the factors and forces affecting the capital markets.
- Past performance of the Mutual Funds managed by the Sponsors and its affiliates is not necessarily indicative of the future performance of the Scheme.
- The Sponsor or any of its associates is not responsible or liable for any loss resulting from the operation of the Scheme/s, and the Sponsor's initial contribution towards setting up the Mutual Fund is limited to Rs.40,000/-
- Investors in the scheme/s are not being offered any guaranteed or assured rate of returns.
- The Scheme does not in any manner indicate either the quality of the Scheme or its future prospects and returns.
- The liquidity of the Scheme's investments is inherently restricted by trading volumes in the securities in which it invests.
- Changes in Government policy in general and changes in tax benefits applicable to mutual funds may impact the returns to Investors in the Scheme.
- Mutual Funds being vehicles of securities investments are subject to market and other risks and there can be no guarantee against loss resulting from investing in the schemes. The various factors which impact the value of scheme investments include but are not limited to fluctuations in the equity and bond markets, fluctuations in interest rates, prevailing political and economic environment, changes in government policy, factors specific to the issuer of securities, tax laws, liquidity of the underlying instruments, settlements periods, trading volumes etc. and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Scheme will be achieved.
- From time to time and subject to the Regulations, the Sponsors, the Mutual Funds and investment companies managed by them, their affiliates, their associate companies, subsidiaries of the Sponsors, and the AMC may invest either directly or indirectly in the Scheme. The funds managed by these affiliates, associates, the Sponsors, subsidiaries of the Sponsors and /or the AMC may acquire a substantial portion of the Scheme's Units and collectively constitute a major investor in the Scheme. Accordingly, redemption of Units held by such funds, affiliates/associates and Sponsors might have an adverse impact on the Units of the Scheme because the timing of such redemption may impact the ability of other Unitholders to redeem their Units. Further, as per the Regulation, in case the AMC invests in any of the schemes managed by it, it shall not be entitled to charge any fees on such investments.
- Different types of securities in which the scheme would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly the scheme's risk may increase or decrease depending upon its investment pattern. E.g. corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds which are AAA rated are comparatively less risky than bonds which are AA rated

### **b. Risk factors of not maintaining average AUM of Rs. 20 crores on half yearly rolling basis (Applicable only for open ended debt oriented schemes)**

In terms clause 6.12 of Master Circular dated June 27, 2024 for mutual fund, an average AUM of 20 crore on half yearly rolling basis shall be maintained for open ended debt oriented schemes

The AMC shall scale up the AUM of such scheme within a period of six months so as to comply with above point, failing which the provisions of Regulation 39 (2) (c) of SEBI (Mutual Funds) Regulations, 1996 would become applicable.

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

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

The risks associated with the use of derivatives are different from or possibly greater than the risks associated with investing directly in securities and other traditional investments

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

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

#### **Risk associated with Interest Rate Future (IRFs):**

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

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

#### **Risk associated with imperfect hedge using IRF:**

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

- (i) **Basis Risk:** Basis risk is the risk that arises when the instrument used as a hedge does not match the movement in the instrument/ underlying asset being hedged. This could result into potential gains or losses from the strategy, thus adding risk to the position.

- (ii) **Price Risk:** The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- (iii) **Risk of mismatch between the instruments:** The risk arises if there is a mismatch between the prices movements in derivative instrument used to hedge, compared to the price movement of the underlying assets being hedged. For example, when IRF which has government security as underlying is used to hedge a portfolio that contains corporate debt securities.
- (iv) **Correlation weakening and consequent risk of regulatory breach:** SEBI Regulation mandates minimum correlation criterion of 0.9 (calculated on a 90-day basis) between the portfolio being hedged and the derivative instrument used for hedging. In cases where the correlation falls below 0.9, a rebalancing period of 5 working days has been permitted. In ability to satisfy this requirement to restore the correlation level to the stipulated level, within the stipulated period, due to difficulties in rebalancing would lead to a lapse of the exemption in gross exposure computation. The entire derivative exposure would then need to be included in gross exposure, which may result in gross exposure in excess of 100% of net asset value.

#### **Risks associated with Arbitrage strategies**

- (i) **Liquidity Risk:** In case of Arbitrage trades, under abnormal circumstances it will be difficult to square off the transaction due to liquidity being poor in the underlying stock, stock futures or options market.
- (ii) **Execution Risk:** The prices which are seen on the screen need not be the same at which execution will take place.
- (iii) **Mark to Market Risk:** There could be a mark to market loss in derivatives leg of arbitrage and additional margin may need to be provided for the same.
- (iv) **Basis Risk:** In case of a large redemption, the scheme may need to reverse the spot-futures transaction before the date of futures' settlement. This eventuality may lead to the basis risk. In such extraordinary circumstances, the Fund Manager may have to unwind positions before the expiry at a basis which maybe higher than the initiation basis to meet redemptions. Premature unwinding of the position might result in the locked in profits not getting realized.

#### **d. Other risk factors (viz. Swing pricing, investment in CDMDF, LRM etc.)**

#### **Swing Pricing framework - Applicable to open-ended debt mutual fund schemes except Bandhan Overnight Fund, Bandhan Government Securities Fund-Constant Maturity Plan and Bandhan Government Securities Fund - Investment Plan**

Pursuant to Clause 4.10 of SEBI Master Circular dated June 27, 2024 swing pricing framework has been introduced for open-ended debt mutual fund schemes except Bandhan Overnight Fund, Bandhan Government Securities Fund-Constant Maturity Plan and Bandhan Government Securities Fund - Investment Plan.

SEBI has prescribed swing pricing for scenarios related to net outflows from the schemes. Accordingly, a mandatory full swing price framework, during market dislocation times (as and when declared by SEBI), for high or very high risk open-ended debt schemes has been introduced in the scheme.

**2. Swing Pricing:** Swing pricing refers to a process of adjusting a scheme's Net Asset Value (NAV) to effectively pass on transaction costs stemming from significant net capital activity (i.e., flows into or out of the fund) to the investors associated with that activity. Swing pricing is aimed at reducing the impact of large redemptions, particularly during market dislocation, on existing investors by reducing dilution of the value of units of a Mutual Fund scheme.

**3. Market Dislocation Period:** Market dislocation would be declared and notified by SEBI. Swing

pricing will be applicable for a specified period as notified by SEBI.

**4. Applicability of Swing Pricing Framework:** Subsequent to the announcement of market dislocation by SEBI, the swing pricing framework shall be mandated only for the Schemes which:

- have high or very high risk on the risk-o-meter in terms of Clause 17.4 of SEBI Master Circular (as of the most recent period at the time of declaration of market dislocation); and
- classify themselves in the cells A-III, B-II, B-III, C-I, C-II and C-III of Potential Risk Class (PRC) Matrix in terms of Clause 17.5 of SEBI Master Circular dated June 27, 2024.

**5. Swing Factor:** The swing factor as given below will be applicable. This shall be made applicable to the schemes meeting applicability requirements mentioned above. The NAV of eligible schemes will be adjusted downwards for both the incoming and outgoing investors.

<b>Swing factor for eligible schemes</b>			
Max Credit Risk of scheme →	Class A (Credit Risk Value $\geq 12$ )	Class B (Credit Risk Value $\geq 10$ )	Class C (Credit Risk Value $< 10$ )
Max Interest Rate Risk of the scheme ↓			
Class I: (Macaulay duration $\leq 1$ year)	-	-	1.5%
Class II: (Macaulay duration $\leq 3$ years)	-	1.25%	1.75%
Class III: Any Macaulay duration	1%	1.5%	2%

**6. Applicability of Swing Pricing to Investors:** When swing pricing mechanism is triggered and swing factor is made applicable during market dislocation, both the incoming and exiting investors shall get NAV adjusted for swing pricing. Swing pricing shall be made applicable to all unitholders at PAN level, with an exemption for redemptions up to Rs. 2 lakhs for each mutual fund scheme for market dislocation.

#### **7. Illustration:**

Effect on the NAV for incoming and outgoing investors in the scheme where swing pricing is made applicable:

Consider an Eligible Scheme which has a high risk-o-meter and the PRC Matrix of Class B-III during the declaration of 'market dislocation' period by SEBI.

As per the framework mandated, the swing factor applicable will be 1.5%.

The NAV adjustment for all subscriptions (including switch-ins) and redemptions (including switch-outs) will be as below:

Unswung NAV on a particular date	10.00
Swing Factor applied for the eligible scheme in Class B-III	1.5%
NAV adjusted for swing factor	9.85

If there is any exit load applicable as per scheme provisions, the same will be applied on swung NAV.

**8. Computation of NAV for purpose of scheme performance:** The scheme performance shall be computed based on unswung NAV.

**9. Disclosures pertaining to NAV adjusted for swing factor:** Disclosures pertaining to NAV adjusted for swing factor along with the performance impact (in the following format as prescribed by SEBI) shall be made in the SIDs of respective schemes and in scheme wise Annual Reports and Abridged summary and the same shall be disclosed on the website prominently only if swing pricing framework has been made applicable for the said mutual fund scheme.



**Swing Pricing in case of ‘Re-opening of the scheme after announcement of winding up for all open-ended debt Schemes of Bandhan Mutual Fund except Bandhan Overnight Fund, Bandhan Government Securities Fund-Constant Maturity Plan and Bandhan Government Securities Fund - Investment Plan:**

**nt Plan:**

There may be instances where the AMC, after making an announcement to wind up a scheme, decides to roll-back the decision to wind up the scheme. Such situations may trigger large scale redemptions. Thus, in such circumstances, as required by and in terms of AMFI Best Practice Guideline No. 135/BP/96-B/ 2024-25 dated November 04, 2024 (“AMFI Best Practice Circular”) as amended from time to time, the AMC shall mandatorily invoke swing pricing upon reopening any of the schemes for subscriptions and redemptions.

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1. The swing period should be higher of swing period suggested by the Board of AMC or a minimum period of 7 working days (as per AMFI Best Practice Circular), upon reopening a scheme for subscriptions and redemptions.
2. The minimum swing factor applied would be higher of the swing factor suggested by the Board of AMC or as per Swing factor during Normal Times suggested in the AMFI Best Practice Circular as shown below:

<b>Swing factor as per AMFI Best Practice Circular</b>			
<b>Max Credit Risk of scheme→</b>	<b>Class A (CRV* &gt;=12)</b>	<b>Class B (CRV* &gt;=10)</b>	<b>Class C (CRV* &lt;10)</b>
<b>Max Interest Rate Risk (CRV &lt;10) of the scheme ↓</b>			
Class I: (Macaulay duration <=1 year)	A-I: 0.00%	B-I: 0.05%	C-I: 0.20%
Class II: (Macaulay duration <=3 years)	A-II: 0.05%	B-II: 0.10%	C-II: 0.40%
Class III: Any Macaulay duration	A-III: 0.10%	B-III: 0.20%	C-III: 0.60%
*CRV: Credit Risk Value			

Note: The above are floor swing amounts and the Board of AMC may set higher limits, depending on the dynamics of the concerned schemes both on liability side and on asset side.

**Disclosure requirements:** Disclosures pertaining to NAV adjusted for swing factor along with the performance impact shall be made by the AMC in the manner prescribed by SEBI vide circular dated September 29, 2021, in case swing pricing framework has been made applicable for any scheme.

The Swing Pricing Framework is subject to the operational guidelines issued by SEBI/AMFI from time to time.

**Risk factor associated with Corporate Debt Market Development Fund (CDMDF) – Applicable to specified debt-oriented MF schemes:**

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

CDMDF is set up as a scheme of the Trust registered as an Alternative Investment Fund (‘AIF’) in accordance with the SEBI (Alternative Investment Funds) Regulations, 2012 (“AIF Regulations”). The objective of the CDMDF is to help to develop the corporate debt market by providing backstop facility to instill confidence amongst the market participants in the corporate debt/bond market during times of market dislocation and to enhance the secondary market liquidity. In times of market dislocation, CDMDF shall purchase and hold eligible corporate debt securities from the participating investors (i.e., specified debt-oriented MF schemes to begin with) and sell as markets recover. The CDMDF will thus act as a key enabler for facilitating liquidity in the corporate debt market and to respond quickly in times of market dislocation. The trigger and period for which the backstop facility will be open shall be as decided by SEBI. Thus this backstop facility will help fund managers of the aforementioned Schemes to better generate liquidity during market dislocation to help the schemes fulfill liquidity obligations under stress situation.



In accordance with the requirement of regulation 43A of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes in units of Corporate Debt Market Development Fund, the aforementioned schemes shall invest 25 bps of its AUM as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF'). An incremental contribution to CDMDF shall be made every six months to ensure 25 bps of scheme AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF. Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF.

We would further like to bring to the notice of the investors that investments in CDMDF units shall not be considered as violation while considering maturity restriction as applicable for various purposes (including applicable Investment limits) and the calculations of Potential Risk Class (PRC) Matrix, Risk-o-meter, Stress testing and Duration for various purposes shall be done after excluding investments in units of CDMDF.

#### **Liquidity Risk Management - Applicable to open ended debt MF schemes**

AMFI vide Best Practice Circular dated October 12, 2022 has provided the following liquidity management tools. The said tools have been incorporated in the Liquidity Risk Management Policy which has been approved by the Investment Committee of the AMC, the Board of Director AMC and Board of the Trustees of Mutual Fund.

<b>Liquidity Management Tool</b>	<b>Brief Description</b>
Potential Risk Matrix Circular & Risk-o-meter Circular	The maximum risk that a scheme will run as per design and a measurement of that risk on a regular basis. Remedial measures also in place in case any of the design boundaries are breached.
LRM Circular	Defines Liquidity Risk arising from the liability side and covers all potential liquidity risk scenarios upto 99% confidence interval. Has remedial measures both for managing this risk on an ongoing basis (LRaR & LCRaR) as well as action plan in case there is a difference between actual outcome and projected outcome.
Stress Testing Circular	Addresses the asset side risk from an Interest Rate, Credit and Liquidity Risk perspective at an aggregate portfolio level in terms of its impact on NAV.
RMC Circular	The RMC circular brings in ALM requirement which addresses potential Liquidity requirement over a 90-day period and required relevant asset side liquidity to be maintained.
Swing Pricing Circular	In case of severe liquidity stress at an AMC level or a severe dysfunction at market level, the Swing Pricing guidelines get triggered which offers the contingency plan in case all else fails.

#### **Risks associated with segregated portfolio:**

1. Liquidity risk – A segregated portfolio is created when a credit event / default occurs at an issuer level in the scheme. This may reduce the liquidity of the security issued by the said issuer, as demand for this security may reduce. This is also further accentuated by the lack of secondary market liquidity for corporate papers in India. As per SEBI norms, the scheme is to be closed for redemption and subscriptions until the segregated portfolio is created, running the risk of investors being unable to redeem their investments. However, it may be noted that, the proposed segregated portfolio is required to be formed within one day from the occurrence of the credit event.

Investors may note that no redemption and subscription shall be allowed in the segregated portfolio. However, in order to facilitate exit to unit holders in segregated portfolio, AMC shall list the units of the segregated portfolio on a recognized stock exchange within 10 working days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer

requests. For the units listed on the exchange, it is possible that the market price at which the units are traded may be at a discount to the NAV of such Units. There is no assurance that an active secondary market will develop for units of segregated portfolio listed on the stock exchange. This could limit the ability of the investors to resell them.

2. Valuation risk - The valuation of the securities in the segregated portfolio is required to be carried out in line with the applicable SEBI guidelines. However, it may be difficult to ascertain the fair value of the securities due to absence of an active secondary market and difficulty to price in qualitative factors.

## **2. Special Considerations**

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

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

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

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

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

The tax benefits described in this Scheme Information Document (SID) are as available under the present taxation laws and are available subject to conditions. The information given is included for general purpose only and is based on advice received by the AMC regarding the law and practice in force in India and the Unitholders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unitholder is advised to consult his/ her own professional tax advisor.

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

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

The AMC is also engaged in portfolio management services (PMS) under SEBI Registration No. INP000002064. The AMC is also providing investment management services to Alternative Investment Funds registered under SEBI (Alternative Investment Funds) Regulations, 2012.

The AMC has also received a no objection letter from SEBI for setting up of branch office of the AMC in International Financial Services Centre (“IFSC”) – Gujarat International Finance Tec-City (“GIFT City”) to act as an Investment Manager and to set up of Investment vehicle.

All these activities are not in conflict with the activities of the Mutual Fund.

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

- **User(s) to note that by signing the Registration form/s and OTM and/or availing any of the Facilities, the User(s) also give the following confirmations, declarations and authorizations set out below:**
- The responsibility of the information provided in this Registration cum Debit Mandate (only with Axis Bank) or any other application form for this facility solely rests with the User(s) and the AMC / Mutual Fund / Registrar will not be responsible or liable for any loss, claims, liability that may arise on account of any incorrect and / or erroneous data / information supplied by the User(s)
- The User(s) agree and confirm that they will promptly inform the AMC/Registrar in writing of any change in the bank account number, mobile number or email address provided in the Registration cum Debit Mandate.
- The User(s) agrees and acknowledges that any transaction, undertaken using the User’s mobile number shall be deemed to be that of the User(s).
- All correspondence/communication in respect of the folio(s) will be sent by the AMC / Registrar at the registered address/email address/ registered mobile number provided by the User(s).
- The User(s) hereby confirms, acknowledges and undertakes to make payments for the Purchase from their respective bank account(s) (and not by way of third party payments) and that the payment will be through legitimate sources only.
- Payment for the transaction request shall be through a payment gateway of the investor’s bank and the AMC / Mutual Fund / Registrar will not be liable for any failures in the link or for any fraud (either at the payment gateway's end and / or the bank’s end) that could take place at the time of making payment.
- The User(s) agree and confirm that if at any stage the information provided is found to be incorrect / false / erroneous, the AMC / Registrar reserves the right to, at its sole discretion and in the interest of investors, reject the Registration cum Mandate and refund the Purchase amount or if Units have been allotted, freeze the folio or Redeem the Units at Applicable NAV.
- Additionally, the User(s) confirm that the AMC, Registrar or their respective delegates, agents, representatives or service providers, shall under no circumstances be liable for any damages or losses whatsoever whether such damages or losses are direct, indirect, incidental, consequential and irrespective of whether any claim is based on loss of revenue, investment, production, goodwill, profit, interruption of business or any other loss or want character or nature whatsoever and whether sustained by the User(s) or any other person, due to:
- any negligence / mistake or misconduct by the User(s) and / or for any breach or non-compliance by the User(s) of the provisions of this SID or SAI or any other instructions provided by the AMC;

- not carrying out any such instructions where the AMC has reason to believe that the instructions given are not genuine or are otherwise improper, unclear, vague or raise a doubt;
- carrying out a Transaction after such reasonable verification as the AMC may deem fit regarding the identity of the User(s); and
- Non-compliance with the instructions, terms and conditions, confirmations, declarations or authorizations set out in the OTM and Registration form.
- any system failure of the concerned bank through which the User has availed this facility;
- Disclosing or failing to take all reasonable steps to prevent disclosure of the access Details to anyone and/or failing to advise the AMC of such disclosure within reasonable time; and
- Breach of any Instructions provided in the OTM.
- The User agrees and acknowledges that any transaction request sent by the User will not be considered as accepted by the AMC/Registrar until the User receives a confirmation SMS from the Registrar on the registered mobile number, displaying the date, time and the amount for which the request has been received or a rejection SMS informing the User rejection of his/her SMS request.

Application form for transaction execution (including subscription / redemption / switches) in the schemes of Bandhan Mutual Fund would be available at the offices of the Distributors, Official points of acceptance of transactions, at the corporate office of the AMC and / or the Investor Service Centres of the Registrar during business hours. The same can also be downloaded from the website of Mutual Fund, [www.bandhanmutual.com](http://www.bandhanmutual.com).

Applications complete in all aspects, may be submitted before closure of the New Fund Offer Period / once the scheme is available for continuous subscription, during business hours at any of the Official point of Acceptance of Transactions(OPAT), or may be sent by registered post to the Registrar - Computer Age Management Services Pvt. Ltd.(CAMS) at its office located at Rayala Towers, 7th Floor, Tower II, No.158, Anna Salai, Chennai 600002 or at Bandhan AMC Limited, 6<sup>th</sup> Floor, One World Centre, Jupiter Mills Compound, 841 Senapati Bapat Marg, Mumbai 400 013.

The AMC reserves the right to reject transaction requests which do not have adequate information.

**Kindly retain the acknowledgment slip initialed/time-stamped by the collecting entity.**

Investors may note and follow the below-mentioned directions while applying for the units of the schemes of Bandhan Mutual Fund:

- (1) In case of direct applications, the Investor should write in the space provided for the broker code "Direct Application" or "Not Applicable (N.A.)".
- (2) All Unitholders who have currently invested through channel distributors and intend to make their future investments through the Direct route, are advised to complete the procedural formalities prescribed by AMC from time to time.
- (3) List of Official Points of Acceptance is available on the website of the Mutual Fund- [www.bandhanmutual.com](http://www.bandhanmutual.com)

### **Mandatory Quoting of Bank Mandate by Investors**

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

The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques and delay/loss in transit.

### **PAN & KYC REQUIREMENTS FOR SUBSCRIPTION**

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

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

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

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

Thus, submission of PAN is mandatory for all other investors existing as well as prospective investors (except the ones mentioned above) (including all joint applicants/holders, guardians in case of minors, POA holders and NRIs but except for the categories mentioned above) for investing with mutual funds. All investments without valid KYC (for all holders, including Guardians and POA holders) are liable to be rejected.

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

### **Know your Customer (KYC) Procedure:**

All the prospective and existing investors / Unit holders of the Fund are requested to note that, pursuant to SEBI Master Circular on Know Your Client (KYC) norms for the securities market dated October 12, 2023 regarding uniformity in KYC process in the securities market and development of a mechanism for centralization of the KYC records, the following KYC procedure is being carried out:

### **Requirement of PAN:**

In order to strengthen the KYC norms and identify every participant in the securities market with their respective PAN thereby ensuring sound audit trail of all the transactions, PAN shall be the unique identification number for all participants transacting in the securities market, irrespective of the amount of transaction

The registered intermediaries shall verify the PAN of their clients online at the Income Tax website without insisting on the original or copy of PAN card. The e-PAN issued by Central Board of Direct Taxes (CBDT) can also be produced by client for KYC compliance. e-PAN is a digitally signed PAN card issued in electronic format by the Income-tax department. Permanent Account Number (PAN) is mandatory for all the purchases/additional purchases irrespective of the amount of investments for all the existing and prospective investors (including NRIs) including joint holders and guardians in case of investments by Minors.



The following are exempted from the mandatory requirement of PAN:

- a. Transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc. (under the category of Government) for transacting in the securities market.
- b. Investors residing in the state of Sikkim
- c. UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.
- d. SIP of Mutual Funds upto ₹50,000/- per year.

Exempted investors are required to provide alternate proof of identity in lieu of PAN for KYC purposes and are allotted PAN-exempt KYC Reference Number (PEKRN).

No investments (Systematic transaction, lumpsum, redemption) shall be permitted in such folios wherein PAN/ PEKRN details are not available.

List of documents considered as Officially Valid Documents for Proof of Identity (POI) and Proof of Address (POA) as per Master circular on KYC: Following documents are officially Valid documents (OVDs). It may be also noted that Officially valid document (OVD) is defined as per Rule 2 (d) of Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 (PML Rules):

For Resident Investors:

Sr. No	OVD's for Proof of Identity (POI)	OVD's for Proof of Address (POA)
1	the passport;	the passport;
2	the driving license;	the driving license;
3	proof of possession of Aadhaar number	proof of possession of Aadhaar number
4	the Voter's Identity Card issued by Election Commission of India	the Voter's Identity Card issued by Election Commission of India
5	job card issued by NREGA duly signed by an officer of the State Government;	job card issued by NREGA duly signed by an officer of the State Government;
6	the letter issued by the National Population Register containing details of name address	the letter issued by the National Population Register containing details of name address
7	any other document as notified by the Central Government in consultation with the Regulator	any other document as notified by the Central Government in consultation with the Regulator

\* In case the officially valid document furnished by the client does not contain updated address, these documents (or their equivalent edocuments thereof) shall be as deemed to be officially valid document (Deemed OVDs) for the limited purpose of proof of address, provided that the client shall submit updated officially valid document (or their equivalent e-documents thereof) with current address within a period of three months of submitting the following documents:

Deemed OVD for POA:

- a. Identity card/ document with applicant's photo, issued by the Central/State Government Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks and Public Financial Institutions.
- b. Property or municipal tax receipt; Pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address;
- c. Utility bill which is not more than two months old of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill);

Deemed OVD for POI

- d. Letter of allotment of accommodation from employer issued by state or central government departments, statutory or regulatory bodies, public sector undertakings, scheduled commercial banks, financial institutions and listed companies and leave and licence agreements with such employers allotting official accommodation.
- e. Letter issued by a gazetted officer, with a duly attested photograph of the person

For Non- Resident Investors:

- For non-residents and foreign nationals, (allowed to trade subject to RBI and FEMA guidelines), copy of passport/Persons of Indian Origin (PIO) Card/Overseas Citizenship of India (OCI) Card and overseas address proof is mandatory.
- In case the officially valid document presented by a foreign national does not contain the details of address, the documents issued by the Government departments of foreign jurisdictions and letter issued by the Foreign Embassy or Mission in India shall be accepted as proof of address.
- If any proof of address is in a foreign language, then translation into English shall be required

Foreign Investors:

The Know Your Client (KYC) requirements in case of foreign investors viz. Foreign Portfolio Investors (FPIs), are as specified in 16.2.4.4 (b) of SEBI Master Circular dated June 27, 2024, shall be considered for the purpose of identification of beneficial ownership of the investor.

### **Restriction on Acceptance of Third-Party Payments for Subscription of Units**

The AMC/ Bandhan Mutual Fund ("Mutual Fund") shall not accept applications for subscriptions of units accompanied with Third Party Payments except in cases as enumerated here below.

"Third Party Payment" means payment made through an instrument issued from a bank account other than that of the beneficiary investor i.e first named applicant/investor mentioned in the application form. In case of payment instruments issued from a joint bank account, the first named applicant/investor must be one of the joint holders of the bank account from which the payment instrument is issued.

### **For example:**

Illustration 1: An Application submitted in joint names of A, B & C along with cheque issued from a bank account in names of C, A & B. This is a valid application.

Illustration 2: An Application submitted in joint names of A & B & C along with cheque issued from a bank account in names of B, C & Y. This is an invalid application.



Illustration 3: An Application submitted in joint names of A, B & C along with cheque issued from a bank account in name of A. This is a valid application.

Following are the **exceptional cases** where third party payments will be accepted subject to submission of requisite documentation/declarations:

- i) Payment by employer on behalf of employee under Systematic Investment Plan (SIP) facility or lumpsum payment/onetime subscription through payroll deductions or deductions out of expense reimbursements;
- ii) Custodian on behalf of an FPI or a Client.
- iii) Payment of AMC to a Distributor empaneled with it on account of commission/incentive etc. in the form of Mutual Fund Units of the Funds, managed by the AMC through SIP/lump sum/onetime subscription.
- iv) Payment by Corporate to its Agent / Distributor / Dealer (similar arrangement with Principal agent relationship) on account of commission / incentive payable for sale of its goods / services, in the form of the Mutual Fund through Systematic Investment Plan or lump sum / onetime subscription.

Investors submitting their applications under ‘**exceptional cases**’ are required to comply with the following requirements, without which applications for subscriptions for units will be rejected/not processed and refunded/returned. In case of rejection the money shall be refunded without interest from the date of submission of transaction.

- (i) Mandatory KYC for all investors (guardian in case of minor) and the person making the payment i.e. third party. In order for an application to be considered as valid, investors and the person making the payment should attach their valid KYC Acknowledgement Letter to the application form.
- (ii) The said Declaration Form shall, inter alia, contain the details of the bank account from which the payment is made and the relationship with the investor(s). Please contact the nearest Investor Service Centre of Bandhan Mutual Fund or visit our website - [www.bandhanmutual.com](http://www.bandhanmutual.com) for the said Declaration Form.

The Mutual Fund shall adopt the following procedures to ascertain whether payments are Third Party Payments and investors are therefore required to comply with the requirements specified herein below.

**(i) Source of funds - if paid by cheque**

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

Identification of third-party cheques by the AMC/Mutual Fund/Registrar & Transfer Agent (R&TA) will be on the basis of either matching of pay-in bank account details with pay-out bank account details or by matching the bank account number/name/signature of the first named applicant/ investor with the name/account number/signature available on the cheque. If the name is not pre-printed on the cheque, then the first named applicant/investor should submit any one of the following documents:

- (a) a copy<sup>#</sup> of the bank passbook or a statement of bank account having the name and address of the account holder and account number;
- (b) a letter\* (in original) from the bank on its letterhead certifying that the investor maintains an account with the bank, along with information like bank account number, bank branch, account type, the MICR code of the branch & IFSC Code (where available).

<sup>#</sup> Investors should also bring the original documents along with the documents mentioned in (a) above to the ISCs/OPAT. The copy of such documents will be verified with the original documents to the

satisfaction of the AMC/Mutual Fund/ R&TA. The original documents will be returned across the counter to the investor after due verification.

\* In respect of (b) above, it should be certified by the bank manager with his/her full signature, name, employee code, bank seal and contact number.

Investors should note that where the bank account numbers have changed on account of the implementation of core banking system at their banks, Proof of such change in bank details must be mandatorily submitted alongside the application form/ transaction form for subscription of units. Alternatively, they may be updated in the records by using the change of bank mandate form /registration of multiple bank details form as available on our website [www.bandhanmutual.com](http://www.bandhanmutual.com)

**(ii) Source of funds - if funded by pre-funded instruments such as Pay Order, Demand Draft, Banker's cheque etc.**

Investors should attach a Certificate (in original) from the issuing banker with the purchase application, stating the Account holder's name and the Account Number which has been debited for issue of the instrument. The said Certificate should be duly certified by the bank manager with his/her full signature, name, employee code, bank seal and contact number. The account number mentioned in the Certificate should be a registered bank account or the first named applicant/investor should be one of the account holders to the bank account debited for issue of such instruments.

**(a) Payments towards subscription of Units - DD issued against debit to investor's bank account:**

Where an investor subscribes for units vide a DD issued by way of debit to his / her bank account, the investor shall submit any one of the following additional documents along with the application form:

- A proof of debit to the investor's bank account in the form of a bank manager's certificate with details of account holder's Name, bank account number and PAN as per bank records, if available.
- A copy of the acknowledgement from the bank, wherein the instructions to debit carry the bank account details and name of the investor as an account holder are available.

A copy of the passbook/bank statement evidencing the debit for issuance of a DD

**(b) Source of funds – if paid by a pre-funded instrument issued by the Bank**

The AMC/Mutual Fund/R&TA will accept any purchase applications from investors if accompanied by a pre-funded instrument issued by a bank. The investor has to mandatorily submit a Certificate (in original) obtained from the bank giving name, address, Bank account number and PAN of the person who has requested for the payment instrument. The said Certificate should be duly certified by the bank manager with his/her full signature, name, employee code, bank seal and contact number. The AMC/Mutual Fund/R&TA will check that the name mentioned in the Certificate matches with the first named investor.

In both the instance mentioned above, the examples as shown above, that such bank account number of the investor is the same as the / one of the registered bank account mandate(s) with the fund or the bank details mentioned in the application form.

In case the application for subscription does not comply with the above provisions, the AMC/Trustee retains the sole and absolute discretion to reject/not process such application and refund the subscription money and shall not be liable for any such rejection.

**(iii) Source of funds - if paid by RTGS, Bank Account-to-Account Transfer, NEFT, OTM etc.**

Investors should attach a copy of the payment instruction issued in favor of scheme along with the purchase application form. The payment instruction should contain debit account details of the investor. The account number mentioned on the payment instruction copy should be a registered bank account or the first named applicant/ investor should be one of the account holders to the bank account debited for such electronic transfer of funds.

### Multiple Bank Accounts:

Unitholders shall have the facility to register multiple bank accounts at folio level - upto a maximum of 5 bank accounts, in case of Individual and HUF Investors and upto 10 bank accounts in case of Non-Individual Investors. Such facility can be availed by submitting duly filled in “Multiple Bank Account Registration form” at the Investor Service Centre closest to you, along with proofs of the following documents as per the table below:

1. Any one of the below mentioned documents has to be submitted as proof for both old and new bank mandate.

Old Bank Proof Documents	New Bank Proof Documents
Original Cancelled Cheque bearing account number and first unit holder name on the face of the cheque.	Original Cancelled Cheque bearing account number and first unit holder name on the face of the cheque.
Original bank account statement / Certified copy of the bank account statement.	Self-attested copy of bank account statement not older than 3 months.
Certified copy of the Bank passbook duly attested by branch manager/authorized personnel with his/her full signature, name, designation, employee code, and bank seal.	Self-attested copy of Bank passbook with current entries not older than 3 months.
Original Account closure confirmation letter given by the bank on their letter head.	Bank confirmation letter duly signed by branch manager/authorized personnel with his/her full signature, name, designation, employee code, and bank seal.
Bank Letter (in specified format) confirming bank account details, duly signed by branch manager/ authorized personnel with his/her full signature, name, designation, employee code, and bank seal.	-

2. The name printed on the cancelled cheque/bank passbook/bank account statement/bank’s letterhead should be same as per the folio.

3. In case, photocopies of the above stated documents are submitted without self-attestation, investor must produce original for verification to the AMC branch or official point of acceptance of transactions.

4. In absence of any of the old bank proofs as listed under point 1, unit holder is required to visit their nearest AMC/ CAMS Service center for In-Person Verification(IPV) along with valid identity proof.

5. Bandhan AMC Limited / Fund may call for any additional documents if required.

6. The new bank account mentioned in this form will be registered as the default account.

7. Unit holder(s) must sign on the change of bank request as per the holding pattern in the folio.

8. Non-Resident Individuals needs to mandatorily provide NRO or NRE Bank account details.

9. In case of receipt of Redemption request in next 10 days, we may hold the redemption pay-out for 7 calendar days, as cooling period. The pay-out will then be made on the 8th calendar day. If the 8th calendar day is a holiday / non-transaction day, then the redemption pay-out will be made on the next working day.

10. If the IMPS validation of the investor’s account fails, payment will be made through cheque and dispatched to the investors’registered address in the folio

### Transactions through Stock Exchange Mechanism

The Board of Bandhan AMC Limited (AMC) & Bandhan Mutual Fund Trustee Limited (Trustee) had introduced the facility for purchase / redemption of units of eligible schemes through the MFSS platform/ BSE star platform.

Pursuant to clause 16.2.4.6 of SEBI Master Circular dated June 27, 2024, the Board of Director of Bandhan AMC Limited (AMC) & Bandhan Mutual Fund Trustee Limited (Trustee) have decided that:

(i) units of mutual fund schemes shall be permitted to be transacted through clearing members of the registered Stock Exchanges.

(ii) to permit Depository participants of registered Depositories to process only redemption request of units held in demat form.

Open ended Schemes of Bandhan Mutual Fund have been admitted on NSE MFSS/BSE STAR MF Platform. Further, close ended schemes are listed on Bombay Stock Exchange/National Stock Exchange as may be stated in the scheme related documents.

Investors transacting through such NSE MFSS/ BSE STAR platform and such schemes which are listed on the Stock Exchanges will have to additionally comply with norms/rules as prescribed by Stock Exchange(s). In case the application for subscription does not comply with the above provisions, the AMC/Trustee retains the sole and absolute discretion to reject/not process such application and refund the subscription money and shall not be liable for any such rejection.

SEBI, vide its Circulars dated October 4, 2013 and December 9, 2014, has permitted Mutual Fund Distributors (MF Distributors) to use recognized Stock Exchange infrastructure to purchase/redeem units directly from Mutual Fund/AMC on behalf of their clients. Following guideline shall be applicable for transactions executed through MF Distributors through the Stock Exchange Mechanism:

1. MF Distributor registered with Association of Mutual Funds in India (AMFI) and permitted by the concerned recognized stock exchanges shall be eligible to use recognized stock exchanges' infrastructure to purchase and redeem mutual fund units (Demat / Non Demat) on behalf of their clients, directly from Bandhan Mutual Fund (Bandhan MF).
2. MF distributors shall not handle pay out/pay in of funds as well as units on behalf of investor.
3. Pay in will be directly received by recognized clearing corporation and payout will be directly made to investor account. In the same manner, units shall be credited and debited directly from the demat account/Folio of investors in case of Demat/Non-demat transactions respectively.

#### **I. Subscription / redemption of units**

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

- (i) Investors shall receive redemption amount (if units are redeemed) directly in investor's account and units (if units are purchased) shall be credited to the respective investor's demat account.
- (ii) The AMC / Mutual Fund shall be discharged its obligation of payment to the investors immediately on making payment of the redemption proceeds. In case of purchase of units, crediting units to individual investor.

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

Participant (Clearing members and Depository participants) intending to extend the transaction in eligible schemes of Bandhan Mutual Fund through stock exchange mechanism shall be required to comply with the requirements specified in Clause 16.2.4.8 of SEBI Master Circular dated June 27, 2024 for stock brokers viz. AMFI /NISM certification, code of conduct prescribed by SEBI for Intermediaries of Mutual Fund. All such participants will be eligible to be considered as Official Points of acceptance.

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

#### **Mutual Fund Distributors**

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

Following guideline shall be applicable for transactions executed through MF Distributors through the Stock Exchange Mechanism:

1. MF Distributor registered with Association of Mutual Funds in India (AMFI) and permitted by the

concerned recognized stock exchanges shall be eligible to use recognized stock exchanges' infrastructure to purchase and redeem mutual fund units (Demat / Non Demat) on behalf of their clients, directly from Bandhan Mutual Fund (BANDHAN MF).

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

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

#### **Transaction through MFU portal**

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

Investors / prospective investors can submit the applications / requests for all financial and non-financial transactions in the schemes of Bandhan Mutual Fund through MFU. Investors / prospective investors desirous to route their transactions through MFU can submit the physical applications / requests at any of the authorised Point of Service locations ("POS") designated by MFUI from time to time. In addition to the same, investors can also submit the transactions electronically on the online transaction portal of MFUI ([www.mfuonline.com](http://www.mfuonline.com)) as and when such a facility is made available by MFUI.

Bandhan AMC hereby declares all the authorised MFUI POS designated by MFUI from time to time as the Official Points of Acceptance of Transactions ("OPAT") of BANDHAN MF effective February 06, 2017 (Friday) in respect of the transactions in the schemes of BANDHAN MF routed through MFU by the investors / distributors. Additionally, the online transaction portal of MFUI ([www.mfuonline.com](http://www.mfuonline.com)) will also be an OPAT of BANDHAN MF from the date the transaction facility is made available by MFUI on the said portal.

All the authorized MFUI POS designated by MFUI from time to time shall be the Official Points of Acceptance of Transactions ("OPAT") of Bandhan MF in respect of the transactions in the schemes of Bandhan MF routed through MFU by the investors / distributors. Additionally, the online transaction portal of MFUI ([www.mfuonline.com](http://www.mfuonline.com)) will also be an OPAT of Bandhan MF from the date the transaction facility is made available by MFUI on the said portal.

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

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

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

Investors may contact the Customer Care of MFUI on 02271791111 (during the business hours on all days except Sunday and Public Holidays) or send an email to [clientservices@mfiindia.com](mailto:clientservices@mfiindia.com) for any



service required or for resolution of their grievances in respect of their transactions routed through MFU.

### **REPURCHASE**

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

The Fund shall dispatch redemption proceeds within 3 working days from the date of receipt of valid redemption request at the Official Points of Acceptance of Transactions. In the event of failure to dispatch the repurchase or repurchase proceeds within the statutory period specified above as per the SEBI Regulations, the AMC shall be liable to pay interest to the unit holders at such rate (currently 15% per annum) as may be specified by SEBI for the period of such delay.

### **Transaction through MF Central Platform**

MFCentral platform enables a user-friendly digital interface for investors for execution of mutual fund transactions for all Mutual Funds in an integrated manner subject to applicable terms and conditions of the Platform. MFCentral can be accessed using <https://mfcentral.com/>. Any registered user of MFCentral, requiring submission of physical document as per the requirements of MFCentral, may do so at any of the designated Investor Service centres or collection centres of Kfintech or CAMS.

Pursuant to paragraph 8.4.5.4 of SEBI Master Circular dated June 27, 2024, read with SEBI Circular no. SEBI/HO/IMD/PoD2/P/CIR/2025/56 dated April 22, 2025, with effect from June 1, 2025, the cut-off timing for valid redemption/ switch-out requests received through online mode in Bandhan Overnight Fund ('the Scheme') shall be 7:00 p.m. (instead of existing 3:00 p.m.

### **TRANSACTIONS THROUGH E-TRANSACT (EMAIL FACILITY)**

Transaction through e-mail ("the facility") is available for non-individual Investors intending to transact in the Schemes of Bandhan Mutual Fund, by sending scanned copies of transaction request through e-mail.

Below email ids are designated for acceptance of financial transactions:

- a) [etrxnahd@bandhanamc.com](mailto:etrxnahd@bandhanamc.com)
- b) [etrxnban@bandhanamc.com](mailto:etrxnban@bandhanamc.com)
- c) [etrxndel@bandhanamc.com](mailto:etrxndel@bandhanamc.com)
- d) [etrxnhyd@bandhanamc.com](mailto:etrxnhyd@bandhanamc.com)
- e) [etrxnkol@bandhanamc.com](mailto:etrxnkol@bandhanamc.com)
- f) [etrxnmum@bandhanamc.com](mailto:etrxnmum@bandhanamc.com)
- g) [etrxnpune@bandhanamc.com](mailto:etrxnpune@bandhanamc.com)
- h) [etrxnchn@bandhanamc.com](mailto:etrxnchn@bandhanamc.com)

Transaction requests will be deemed to be valid only if the applications along with the relevant supporting documents, are received on the above listed email ids.

Unitholders who wish to avail this facility may contact/visit our branch offices for more information.

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

- 1) The facility is available only for non-individual investors for the financial transactions i.e. purchase, redemptions and switches from the existing folio of the Investor.
- 2) For acceptance of financial transactions through email, the Unitholder shall submit the transaction along with a copy of the board resolution or an authority letter on the Unitholder's letterhead with wet signatures, granting appropriate authority to the designated officials of the Unitholder. The board resolution/ authority letter shall explicitly mention the following:
  - List of approved officials who are authorized to transact on behalf of non-individual investor along with their designation and email IDs.
  - An undertaking that the instructions for any financial transactions sent by email by the authorized officials shall be binding upon the Unitholder as if it were a written agreement.
- 3) In addition to the acceptance of financial transactions via email, scanned copy of transaction form/request letter bearing wet signatures of the authorized signatories of the Unitholder, received from -
  - (i) some other official / employee of the Unitholder may also be accepted, and shall be binding on the Unitholder provided -
    - The email is also CC'd (copied) to the registered email ID of the authorized officials / signatory of the Unitholder and
    - the domain name of the email ID of the sender of the email is from the same Unitholder organization's official domain name.
  - (ii) a registered mutual fund distributor of the Unitholder or a third party duly authorized by the Unitholder may also be accepted subject to:
    - submission of a letter from the Unitholder authorizing the MFD/ any third party to send the scanned copies of signed transaction form/request letter on behalf the Unitholder.
    - the Unitholder's registered email ID is also CC'd (copied) in the email sent by the MFD/third party sending the scanned copies of the duly signed transaction form/request letter.
- 4) In case the transaction is executed electronically with a valid DSC or through Aadhaar based e-signatures of the authorized official/s, shall be considered valid, and the same shall be binding on the Unitholder even if the same is not received from the registered email ID of authorized officials. However, the domain name of the email ID through which such email is received should be the same as the Unitholder's official domain name.
- 5) No change in /addition to the bank mandate shall be allowed via email. Change in bank details or addition of bank account of the Unitholder shall be permitted only via the prescribed service request form duly signed by the Unitholder's authorized signatories with wet signature of the designated authorized officials.
- 6) Documents or forms shall be accepted only if they are in PDF or JPG or JPEG format. The AMC may not acknowledge the receipt of the application/requests over mail.
- 7) In the event of any change in authorized persons/signatories / registered email address/contact details of the Unitholder and/or its authorized persons/signatories, the Unitholder shall immediately inform Bandhan AMC about the change only through a physical letter (including scan copy thereof) with wet signature of the designated authorised officials of the Unitholder, duly supported by copy of Board resolution /authority letter on the Unitholder's letter head.
- 8) The Unitholder confirms that particulars provided are correct and that the officials have the necessary power and authority to transact in the Schemes of Bandhan Mutual Fund. If the transactions are delayed or not effected for reasons such as incomplete or incorrect or inaccurate

information, the Unitholder agrees not to hold Bandhan AMC responsible for any consequences arising thereof.

- 9) Bandhan AMC would not be responsible for errors or omissions in processing application for financial transactions received over mail including non-allotment of units. Unitholders are responsible for ensuring the accuracy and completeness of the application for financial transactions.
- 10) The Unitholder agrees that allotment of units will be effected as per the terms and conditions mentioned in the Statement of Additional Information / Key Information Memorandum of eligible schemes.
- 11) The Unitholder agrees that Bandhan AMC/RTA shall not be liable for, nor be in default by reason of, any failure or delay in execution of a transaction request, where such failure or delay is caused by force majeure events, or any other cause of peril which is beyond Bandhan AMC's reasonable control and which has the effect of preventing Bandhan AMC to perform the services contemplated under this facility.
- 12) Bandhan AMC /RTA shall not be liable for, nor be in default in case the application for financial transaction sent or purported to be sent over mail by the Unitholder is not received or received with a delay where reasons for such delay is beyond Bandhan AMC/ RTA's reasonable control.
- 13) The Unitholder further agrees that Bandhan AMC shall not be liable for any loss suffered by the Unitholder by reason of Bandhan AMC and its officials in good faith accepting and acting on email transaction requests including relying upon such transaction requests purporting to come from the Unitholder.
- 14) The Unitholder agrees to ensure that the standing instruction to Bandhan AMC remains valid at all times and may be revoked only through a written letter signed by authorized signatories and after giving prior notice of 30 days to Bandhan AMC to effect such withdrawal.
- 15) The Unitholder agrees that Bandhan AMC will not be liable to the Unitholder for any damages whether direct or indirect, consequential or special, exemplary or punitive losses, costs or injury suffered, by the Unitholder, or by others, related to the use or cancellation of this facility.
- 16) The Unitholder confirms that the scan copy of transaction provided by e-mail will be held on records by Bandhan AMC and the same shall be conclusive proof and binding for all the purposes and may be used as evidence in any proceeding.
- 17) The Unitholder agrees that it shall be its sole responsibility to ensure protection, access control and confidentiality of e-mail inbox of the authorized person and any breach / compromise thereof shall be entirely at the Unitholder's risk. Further,
  - (i) the Unitholder agrees and acknowledges that any transaction, undertaken using the authorized person's e-mail ID shall be deemed to be that of the Unit holder.
  - (ii) the Unitholder shall ensure necessary safeguards/measures are in place to ensure the security of email communication.
  - (iii) the Unitholder availing the facility for submitting the financial transactions via email shall retain records of such transactions in line with the applicable laws/regulations.
- 18) The Unitholder agrees and acknowledges that the transaction transmitted or submitted through email/scan copy carries risk. Bandhan AMC may act upon the instruction received under this facility and shall not be held responsible if the transaction is unauthorised, fraudulent or mistakenly sent. The Unitholder acknowledges that sending of transactions requests through e-mail is not a secure means of giving transactions requests and may be subject to tampering and unauthorised access, fraudulently or mistakenly written, altered or sent, not be received in whole or in part by the intended recipient, may reach Bandhan AMC in a jumbled state or in a manner or



shape that it may be misunderstood. The Unitholder acknowledges that Bandhan AMC shall not be responsible in any manner whatsoever including but not limited to breach of confidentiality.

- 19) On receipt of an Instruction/transaction request that purports to have been properly transmitted or authorized by the Unitholder, the Unitholder acknowledges that Bandhan AMC may rely on that Instruction/transaction request on an 'as is' basis and shall not be obliged to make any further enquiries and verification as to the identity of the person giving Instructions or make any independent investigation of the authority given to such person, or to verify the genuineness of any signature(s) which in Bandhan AMC's opinion appears to be that of the person(s) authorized by the Unitholder to submit such email instructions/transactions.
- 20) The Unit holder agrees and confirms that Bandhan AMC may, in its sole discretion, not process the transaction requests if Bandhan AMC has the reason to believe that (a) such request(s) are unclear and/or ambiguous and/or (b) processing the requests is not in the interest of the Unitholder or (c) is contrary to Regulation/SIDs/amendments to the SID. The decision of Bandhan AMC in this regard and all actions pursuant thereto shall be conclusive and binding on the Unitholder. The Unitholder further agrees, undertakes and acknowledges that it shall be bound by Bandhan AMC's interpretation of any transaction request and the actions undertaken by the AMC pursuant thereto.
- 21) Bandhan AMC further reserves the right to accept / reject any transaction after carrying out the necessary validations. Bandhan AMC reserves the right to request additional information or verification before processing a transaction.
- 22) The Unitholder shall be responsible for all the transactions conducted through the Facility and will abide by the record of transactions generated by the AMC. The Unitholder hereby confirms, acknowledges and undertakes to make payments for Subscription of Units of the Scheme from its registered bank account(s) in compliance with applicable provisions relating to third party payments detailed in the SID / SAI and that the payment will be through legitimate sources only.
- 23) The financial transactions received by Bandhan AMC through email would be auto time-stamped. The Unitholder understands and acknowledges that the time of receipt of the transaction request recorded through email ID of Bandhan AMC and audit trail maintained by Bandhan AMC in respect thereof shall be considered as final and binding to determine the applicability of NAV. For purchase transactions, the applicability of NAV shall also be subject to receipt of funds into the Mutual Fund's Collection Bank Account in addition to the time of receipt of the transaction request recorded through aforesaid email ID. The Unitholder further acknowledges that Bandhan AMC shall not be liable for any loss to the Unitholder on account of missing of cut off time due to transmission delay.
- 24) On receipt of the transaction request, an acknowledgement of receipt of the request shall be sent to the sender of the email. The Unitholder understands that Bandhan AMC may adopt additional security measures like signature verification, telephone call backs or a combination of the same, which may be recorded and the Unitholder consents to such recording and agrees to co-operate with Bandhan AMC to enable confirmation of such transaction requests.
- 25) This facility is only a mode of submission of application. The Unitholder shall ensure that, for purchase requests, the funds are transferred to the Mutual Fund's Collection Bank Account before cut-off timelines to determine the applicability of NAV. The AMC shall not be obligated to instruct or otherwise liaise with the investor's bank for the same.
- 26) The Unitholder agrees that use of the Facility will be deemed acceptance of the Terms and Conditions mentioned herein.
- 27) Bandhan AMC reserves the right to delete or purge the mail containing application for financial transaction if the uploaded files contain viruses, malwares, cancel bots, corrupted files, or any

other similar software or programs that may damage the network, systems or any other digital infrastructure including interfaces of Bandhan AMC / RTA.

- 28) The Unitholder by using this facility represents and warrants that it agrees to ensure that no junk emails, spamming or any duplicative or unsolicited messages (commercial or otherwise) is being sent or solicited to the above listed email ids. Further, Unitholder confirms that the content of email is not unlawful, offensive, upsetting, intended to disgust, threatening, libelous, defamatory, obscene or otherwise objectionable.
- 29) The Unitholder agrees and confirms that the AMC may at its sole discretion suspend the Facility with intimation to investors.

**Indemnities in favour of Bandhan AMC :**

Subject to the investor fulfilling certain terms and conditions as stipulated by Bandhan AMC from time to time, the AMC, Mutual Fund, Registrar or any other agent or representative of Bandhan AMC, Mutual Fund, the Registrar (“Recipient”) may accept transactions through any electronic mode /web//mobileapp/electronic transactions) (“Electronic Transactions”).

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

The investor acknowledges that Electronic Transactions is not a secure means of giving instructions / transactions requests and that the investor is aware of the risks involved including those arising out of such transmission being inaccurate, imperfect, ineffective, illegible, having a lack of quality or clarity, garbled, altered, distorted, not timely etc. The investor’s request to Bandhan AMC to act on Electronic Transactions is for the investor’s convenience and Bandhan AMC is not obliged or bound to act on the same. The investor authorizes Bandhan AMC to accept and act on any Electronic Transactions which the recipient believes in good faith to be given by the investor and Bandhan AMC may at its discretion treat any such transaction as if the same was given to Bandhan AMC under the investor’s original signature.

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

The investor agrees that Bandhan AMC may adopt additional security measures including signature verification, telephone call backs or a combination of the same, which may be recorded and the investor consents to such recording and agrees to co-operate with Bandhan AMC to enable confirmation of such transaction requests. In consideration of Bandhan AMC from time to time accepting and at its sole discretion (including but not limited to the AMC extending/ discontinuing such facilities from time to time) acting on any Electronic Transactions request received / purporting to be received from the investor, the investor agrees to indemnify and keep indemnified Bandhan AMC, Directors, employees, agents, representatives of Bandhan AMC, Mutual Fund and Trustees (“Indemnified Parties”) from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred, sustained by or threatened against the indemnified parties whatsoever arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on Electronic Transactions requests including relying upon such transaction requests purporting to come from the investor. The AMC reserves the right to modify the terms and conditions or to discontinue the facility at any point of time.

**WEB TRANSACTIONS:****Facility of investing through the Bandhan AMC website and mobile application:**

Bandhan Mutual Fund facilitates direct transactions by investors through its official website ([www.bandhanmutual.com](http://www.bandhanmutual.com)) and mobile application. This digital platform enables investors to transact in the Scheme(s) of the Fund in a convenient, paperless, and secure manner.

Investors can undertake the following transactions through the website and mobile app:

- Purchase, redemption, and switch of units
- Registration for Systematic Investment Plan (SIP), Systematic Transfer Plan (STP), and Systematic Withdrawal Plan (SWP)
- Access to account statements, portfolio holdings, and transaction history

- Modification of personal and bank details (subject to applicable KYC norms)

All transactions are subject to verification, successful KYC compliance, and acceptance by the AMC/Registrar. The applicable Net Asset Value (NAV) will be determined based on the time of receipt and realisation of funds, as per SEBI regulations and the terms of the Scheme Information Document (SID) and Statement of Additional Information (SAI).

Investors are encouraged to use this facility for a seamless and real-time mutual fund experience. For more information and detailed transaction guidelines, investors may visit the Bandhan Mutual Fund website or download the official Bandhan Mutual Fund mobile app from the respective app stores.

Website address : [www.bandhanmutual.com](http://www.bandhanmutual.com)

Mobile app : Bandhan Mutual Fund investor app

The Mutual Fund, the AMC, the Trustee, alongwith its directors, employees and representatives shall not be liable for any damages or injuries arising out of or in connection with the use of the web-site or its non-use including non-availability or failure of performance, loss or corruption of data, loss of or damage to property (including profit and goodwill), work stoppage, computer failure or malfunctioning or interruption of business; error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communication line failure, unauthorised access or use of information. The Mutual Fund may introduce a facility for distributors to transact on the web / App based transaction on behalf of their clients, provided the client has provided requisite authorisation to the distributors.

## **ELECTRONIC SERVICES**

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

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

### **Communication via Electronic Mail (e-mail)**

It is hereby notified that wherever the investor(s) has/have provided his/their e-mail address in the application form or any subsequent communication in any of the folio belonging to the investor(s), the Fund/Asset Management Company reserves the right to use Electronic Mail (email) as a default mode to send various communication which include account statements for transactions done by the investor(s).

Investors are requested to update their own email address and mobile number for speed and ease of communication in a convenient and cost-effective manner, and to help prevent fraudulent transactions.

The investor(s) may request for a physical account statement by contacting the Fund's Investor Service Centre / Registrar & Transfer Agent. In case of specific request received from investor(s), the Fund shall provide the account statement to the investor(s) within 5 business days from the receipt of such request.

The Fund shall comply with provisions on "Dispatch of Statement of Accounts" mentioned in paragraph 14.4 of the SEBI Master Circular.

## **SUBSCRIPTION OF UNITS THROUGH ELECTRONIC MODE**

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

The transmitter acknowledges that fax/web/electronic transactions is not a secure means of giving instructions / transactions requests and that the transmitter is aware of the risks involved including those arising out of such transmission being inaccurate, imperfect, ineffective, illegible, having a lack of quality or clarity, garbled, altered, distorted, not timely etc. The transmitter's request to the Recipient to act on any fax / web / electronic transmission is for the transmitter's convenience and the Recipient is not obliged or bound to act on the same.

The transmitter authorizes the recipient to accept and act on any fax / web / electronic transmission which the recipient believes in good faith to be given by the transmitter and the recipient shall be entitled to treat any such fax / web / electronic transaction as if the same was given to the recipient under the transmitter's original signature. The transmitter agrees that security procedures adopted by the recipient may include signature verification, telephone call backs or a combination of the same, which may be recorded by tape recording device and the transmitter consents to such recording and agrees to co-operate with the recipient to enable confirmation of such fax/web/ electronic transaction requests. The transmitter accepts that the fax / web / electronic transactions shall not be considered until time stamped as a valid transaction request in the Scheme in line with SEBI (MF) regulations. In consideration of the Recipient from time to time accepting and at its sole discretion (including but not limited to the AMC extending / discontinuing such facilities from time to time) acting on any fax / web / electronic transaction request received / purporting to be received from the transmitter, the transmitter agrees to indemnify and keep indemnified the AMC, Directors, employees, agents, representatives of the AMC, Mutual Fund and Trustees from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred, sustained by or threatened against the indemnified parties whatsoever arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on fax / web / electronic transaction requests including relying upon such fax / electronic transaction requests purporting to come from the Transmitter even though it may not come from the Transmitter. The AMC reserves the right to modify the terms and conditions or to discontinue the facility at any point of time.

## **SUBSCRIPTION BY:**

### **(I) RESIDENT INDIVIDUAL**

Investors may make payments for subscription to the Units of the Scheme, by a local cheque/bank draft drawn on any bank branch or RTGS/fund transfer in favour of Cheques should be drawn in favour of "Bandhan Mutual Fund - <Scheme name>" as provided in the Scheme Information Document (SID) of respective schemes and must be crossed "Account Payee Only". The cheque/demand draft should be payable at par at the Centre where the application is lodged.

The cheque/demand draft should be drawn on any Bank which is situated at and is a member/sub-member of the Banker's Clearing House. Cheques/demand drafts drawn on a Bank not participating in the Clearing House will not be accepted

The Cheque/ DD/ Payorder should be drawn in favour of the relevant scheme / plan as per the instructions provided in the Scheme Information Document (SID) of respective schemes and must be crossed as —Account Payee Only.

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

### **One Time Mandate Facility**

One Time Mandate Registration Facility (OTM facility) is available for investment in the schemes of Bandhan Mutual Fund (the Fund). OTM - One Time Mandate registration shall be registered against the PAN of the First Unitholder which authorizes his/her bank to debit their account up to a specified limit mentioned there in. (subject to the current statutory limits of Rs. One Crore per transaction), as and when they wish to transact with the Fund, without the need of submitting cheque or fund transfer letter with every transaction thereafter. This Facility currently enables Unit holder(s) of the Fund to start Systematic Investment Plan (SIP) or invest lump sum amounts in any open-ended Scheme of the Fund through various transaction modes i.e. physical transactions, or such other modes which the Fund may activate for OTM facility from time to time. OTM facility can be availed only if the Investor's Bank is a participating bank on the NACH Platform of NPCI and subject to investor's bank accepting ACH/ OTM Registration mandates.

Centers other than the locations where Official Points of Acceptance of Transactions (OPAT) are present, are classified as Outstation centers. (The AMC from time to time declares the list of current and active OPATs). Investors residing at outstation centers should send demand drafts drawn on any bank branch which is a member of Bankers Clearing House, **and** payable on any of the locations where an Official Points of Acceptance of Transactions is located.

For payments through net banking, investors shall provide details of the bank account debited from the payment gateway service provider and the AMC shall match the same with the registered pay-in accounts. In case it is found that the payment is not made from a registered bank account or from an account not belonging to the first named unit holder, the AMC/R&TA shall reject the transaction with due intimation to the investor and refund the amount.

### **Mode of Payment for SIP:**

In case of SIP transaction where, the mode of payment is through / Direct Debit facility (offered by select banks) /NACH or OTM, investors are not required to do an initial purchase transaction for the minimum amount as applicable.

However, investors are required to submit SIP request at least 15 days prior to the date of first instalment.

Investors shall be required to submit a cancelled cheque or a photocopy of a cheque of the bank account for which the NACH mandate is provided for third party validation.

SIP facility shall be available on any date of the month for SIP registrations, i.e. any date from 1st to 31<sup>st</sup> of each month. In case the chosen SIP date is not available in a particular month, the SIP instalment will be processed on the last available calendar day of the month. If last available calendar day falls on a non-business day, then the SIP instalment will be processed on the next available business day.



In addition, investors are requested to peruse and understand the instructions mentioned on specific application forms and scheme specific Scheme Information Documents (SID).

**Separate Plan for Direct Investors:**

Individual and corporate investors who intend to avail online facility are requested to read and understand the terms and conditions applicable for availing of such facilities.

Pursuant to paragraph 2.5 of SEBI Master Circular mutual funds/AMCs are required to provide a separate plan for direct investments, i.e., investments not routed through a distributor, in existing as well as new schemes. In this regard, there will be two plans available under each open ended schemes (except Exchange traded funds), viz.

In this regards, There are here are two plans available under each open ended Scheme, (except Exchange traded funds),viz.

- a) Where the investment is routed through the distributor, levying additional distribution expenses, and
- b) Where the investor approaches the mutual fund directly and hence distribution expenses are not levied, named as – ‘Direct Plan’.

Portfolio of the Scheme under both Plans will be common.

Investors subscribing under Direct Plan of any of the Schemes of the Fund will have to indicate the Scheme / Plan name in the application form as "Bandhan <<Scheme Name>>- Direct Plan". If the Purchase/ Switch application does not specifically state, the details of the plan then the same shall be processed under the Direct Plan. If no distributor code is mentioned in the application then it shall be processed under the Direct Plan.

**Scheme characteristics:** Scheme characteristics such as Investment Objective, Asset Allocation Pattern, Investment Strategy, risk factors, facilities offered and terms and conditions including load structure will be the same for the Regular Plan and the Direct Plan except that:

- a. No Exit Load shall be charged in case of switch transactions from Regular Plan to Direct Plan and vice-versa of the same scheme.
- b. Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under Direct Plan.

**Investments through systematic routes:** In case of registration requests for Systematic Investment Plan (SIP)/ Systematic Transfer Plan (STP)/ IDCW Transfer Plans (Dividend Sweep), are received without any distributor code, the same shall be by default registered under the "Direct Plan". Similarly, in case of existing SIP/ STP/ Dividend Sweep registrations without distributor code, all future instalments shall be processed under the Direct Plan.

**Redemption requests:** Where Units under a Scheme are held under both Regular and Direct Plans, the investor must clearly state the Plan in which the redemption/switch request has to be processed.

**(II) NRIs, FPIs**

**i) NRIs:**

**The Reserve Bank of India, has granted general permission to mutual funds referred to in clause (23D) of Section 10 of Income Tax Act, 1961:**

1.(a) to issue, to Non-Residents of Indian nationality or origin (NRIs), units or similar other instruments of the Scheme approved by Securities and Exchange Board of India subject to conditions stated in para 2 below,

(b) to send such units/instruments out of India to their place of residence or location as the case may be and

(c) to make payment to non-resident investors, on repurchase of units or other instruments subject to conditions specified below.

2. The general permission granted herein to issue units, is subject to the following conditions:

(a) the Mutual Fund complies with terms and conditions stipulated by Securities and Exchange Board of India. Currently, a person who falls within the definition of the term —U.S. Person under the Securities Act of 1933 of the United States, and corporations or other entities organised under the laws of the U.S.

(b) United States Persons (U.S. Persons) shall not be eligible to invest in the schemes of Bandhan Mutual Fund and the Mutual Fund / AMC shall not accept subscriptions from U.S. Persons, except for lump sum subscription, switch transactions requests and registration of systematic transactions received from Non-resident Indians/Persons of Indian origin who at the time of such investment, are present in India and submit a transaction request along with such documents as may be prescribed by the AMC/Mutual Fund from time to time. In case of systematic transaction facility, the decision for such investment in the Scheme will be deemed to have been taken by the investor on the date of execution of the SIP/STP enrolment forms while present in India, though the investments will trigger on periodical basis at the predetermined dates in the month at the prevailing NAV and of specified amount as detailed in the SIP/STP enrolments form(s) executed by the investor. The AMC shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the AMC/Mutual Fund. The investor shall be responsible for complying with all the applicable laws for such investments. The AMC/Mutual Fund reserves the right to put the transaction requests on hold/reject the transaction request/reverse allotted units, as the case may be, as and when identified by the AMC/Mutual Fund, which are not in compliance with the terms and conditions prescribed in this regard. The term “U.S. Person” shall mean any person that is a United States Person within the meaning of Regulation ‘S’ under the United States Securities Act of 1933 or as defined by the U.S. Commodity Futures Trading Commission for this purpose, as the definition of such term may be changed from time to time by legislation, rules, regulations or judicial or administrative agency interpretations.

A U.S. person can do lumpsum purchase provided he is in India and submit the declaration along with Fresh/Additional purchase, SIP or switch transaction. US person can also do lumpsum additional purchase or switch transaction through Bandhan AMC portal. Persons of Canada will not be permitted to make any fresh purchases/additional purchases/switches/SIPs in any Schemes of Bandhan Mutual Fund (via internet or otherwise) with or without declaration. However, existing investments will be allowed to be redeemed.

#### **ii) FPIs:**

Foreign Portfolio Investors (FPIs) duly registered under SEBI (Foreign Portfolio Investors) Regulation 4, 2014 and qualifying to the terms of Schedule 5 of Notification no. FEMA 20/2000 dated May 3, 2000 shall be eligible to invest in the schemes of Bandhan Mutual Fund, except Bandhan Liquid Fund subject to the provisions of their respective constitutions and applicable statutory provisions. Any foreign institutional investor or qualified foreign investor who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.

Application from NRI, FPI and PIOs NRIs and PIOs may purchase units on a repatriation and non-repatriation basis, while FIIs may purchase units only on a repatriation basis. They shall enclose along with the application form a copy of the payment cheque / FIRC / Debit Certificate to enable the AMC to ascertain the repatriation status of the amount invested. The account type shall be clearly ticked as NRE or NRO or FCNR, to enable the AMC determine the repatriation status of the investment



amount. The AMC and the Registrar may ascertain the repatriation status purely based on the details provided in the application form. Repatriation basis NRIs and PIOs may pay their subscription amounts by way of cheques drawn on NRE or FCNR accounts in Indian currency. FPIs may pay their subscription amounts either by way of inward remittance through normal banking channels or out of funds held in Foreign Currency Accounts or Non-Resident Rupee Accounts maintained with a designated branch of an authorised dealer with the approval of RBI. In case Indian Rupee drafts are purchased abroad or from FCNR/NRE accounts, an account debit certificate from the bank issuing the draft confirming the debit shall also be enclosed. NRIs shall also be required to furnish such other documents as may be necessary and as desired by the AMC/ Mutual Fund/Registrar, in connection with the investment in the schemes. Where redemption is received for units held by NRI and requiring credit of redemption proceeds to a NRE account, the fund may reject the redemption if the necessary documents like FIRC evidencing payment of subscription of units through NRE account are not provided by the investor. b. Non-Repatriation basis NRIs and PIOs may pay their subscription amounts by cheques/demand drafts drawn out of Non-Resident Ordinary (NRO) accounts/Non-Resident Special Rupee (NRSR) accounts and Non Resident Non-Repatriable (NRNR) accounts payable at the city where the application form is accepted.

Payments received will be subject to fulfillment of conditions and/or submission of documents as per the operational procedure/guidelines as may be issued by the AMC from time to time.

The AMC reserves the right to reject applications received by any mode of payment other than mentioned above.

**Transaction charges for investments through distributors/agents:**

In terms of notice-cum-addendum no. 54 of 2024 dated August 26, 2024, Bandhan AMC Limited has decided to discontinue the payment of transaction charges to distributors of the schemes of Bandhan Mutual Fund with effect from September 01, 2024 ('the Effective Date'). Accordingly, from the Effective Date, for transactions/applications received through distributors (i.e. in Regular Plan) no transaction charges will be deducted from the subscription/investment amount given by the investor, and full subscription/investment amount (subject to deduction of statutory charges, if any) will be invested in the scheme(s) of Bandhan Mutual Fund.

**III) APPLICATION UNDER POWER OF ATTORNEY/BODY CORPORATE/REGISTERED SOCIETY/ TRUST/ PARTNERSHIP**

In case of an application under a Power of Attorney or by a limited company, body corporate, registered society, trust or partnership, etc., the relevant Power of Attorney or the relevant resolution or authority to make the application as the case may be, or duly certified copy thereof, along with the memorandum and articles of association/ bye-laws must be lodged at the Registrar's Office/

In case an investor has issued Power of Attorney (POA) for making investments, switches, redemptions etc. under his folio, both the signature of the investor and the POA holder have to be clearly captured in the POA document to be accepted as a valid document. At the time of making redemption / switches the fund would not be in a position to process the transaction unless, POA holder's signature is available in the POA.

Original or certified true copies of the following documents should be submitted by Companies/Bodies Corporate/PSUs/Banks and Financial Institutions along-with the application form:

- Board resolution authorizing the investment
- List of authorized officials to make such investment along with the specimen signature of such authorized officials
- KNOW YOUR CLIENT(KYC), FATCA, CRS, Ultimate Beneficial Ownership (UBO) Self Certification & NPO declaration
- Duly authorized Memorandum and Articles of Association. OR Partnership Deed. OR Society Agreement.

The onus of authentication of the documents shall be on the Investors and the AMC/Fund will accept and act on these in good faith wherever the documents are not expressly authenticated. Submission of these documents by such Investors shall be full and final proof of the corporate investors' authority to invest and the AMC/Fund shall not be liable under any circumstances for any defects in the documents so submitted.

#### **IV) APPLICATION BY SOLE PROPRIETORSHIP/HUF**

In case of fresh/additional purchases from the sole proprietorship account, Bandhan AMC Limited (the AMC) shall process the application after matching the name and signature of the applicant on the application form/transaction slip and the payment instrument/cheque.

Original or certified true copies of the following documents should be submitted at time of initial Application:

- Instrument of application should be from Sole Proprietorship Firm's/HUF A/c
- KYC/FATCA/UBO (For HUF)

In case the name of an applicant mentioned in the application form/transaction slip differs from the name on payment instrument/cheque, then the AMC may process the application and allot units at the applicable Net Asset Value, after obtaining proof of proprietorship from the applicant, as prescribed by the AMC. In case the proof is not furnished by the applicant, the AMC reserves the right to process/reject the application form without any reference to the applicant after carrying out necessary diligence, as deemed appropriate by the AMC.

#### **(IV) JOINT APPLICANTS**

In the event an Account has more than one registered owner, the first-named holder (as determined by reference to the original Application Form) shall receive the Account Statement, all notices and correspondence with respect to the Account, as well as the proceeds of any redemption requests or IDCW or other distributions. In addition, such Unitholders shall have the voting rights, as permitted, associated with such Units, as per the applicable guidelines.

Applicants can specify the 'mode of holding' in the Application Form. An applicant can hold units either 'Singly' or 'Jointly' or on the basis of 'Anyone or Survivor'. In the case of holding specified as 'Jointly', redemptions and all other requests relating to monetary transactions would have to be signed by all joint holders. However, in cases of holding specified as 'Anyone or Survivor', any one of the Unitholders will have the power to make redemption requests, without it being necessary for all the Unitholders to sign. In case of valid application received without indicating "Mode of holding", it will be considered on "Anyone or Survivor" & processed accordingly. However, in all cases, the proceeds of the redemption will be paid to the first-named holder.

#### **(V) APPLICATION OF MINORS AND ACCOUNT STATUS CHANGE:**

##### **1. On Behalf of Minor**

- a. The minor shall be the first and the sole holder in a folio. There shall not be any joint accounts with minor as the first or joint holder.
- b. Guardian in the folio(s) on behalf of the minor should either be a natural guardian (i.e. father or mother) or a court appointed legal guardian.
- c. The information on the relationship/status of the guardian as father, mother or legal guardian will be mandatory.
- d. In case of natural guardian, the documents evidencing the relationship will have to be submitted (if the same is not available as part of the documents submitted for proof of DOB).
- e. In case of court appointed legal guardian- a notarised photo copy of the court order should be submitted along with the application.
- f. Date of birth of the minor along with photocopy of supporting documents as enumerated below shall be mandatory while opening the account on behalf of minor:
  1. Birth certificate of the minor, or

2. School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., or
3. Passport of the minor, or
4. Any other suitable proof evidencing the date of birth of the minor.

## **2. Investments of the minor investor on attaining majority:**

On minor attaining majority, the unit holder shall submit a letter along with the documents as mentioned below:

- a. A signed request form to change account status from minor to major duly filled containing details like name, folio no. etc.
- b. New Bank Mandate.
- c. Signature of the minor who has turned major, duly attested by –
  - i) the parent/guardian whose signature is registered in the records of the Fund/Registrar and Transfer Agent (RTA) against the folio of the minor unitholder; OR
  - ii) the manager of a scheduled bank (signature attestation by way of Banker's certificate or letter)
  - iii) KYC, PAN and AADHAAR number of the major.
  - iv) Additional KYC, FATCA & CRS - Self Certification

Depending upon the appropriateness, Bandhan AMC Limited (the AMC) may consider seeking additional/alternative documents for necessary diligence of each case.

For the units held on behalf of the minor, the ownership of the unit shall be rest with the minor. A guardian operates the account until minor attain the age of majority. Hence, the guardian cannot undertake any financial and non-financial transactions including fresh registration of Systematic Transfer Plan (STP), Systematic Investment Plan (SIP), Systematic Withdrawal Plan (SWP), etc. after the date of the minor attaining majority. The major can operate the account on receipt of the application form along with the above prescribed documents are received by the mutual fund.

Vide AMFI letter dated 135/BP/22/10-11 dated March 31, 2011, it was clarified that the existing standing instructions including STP, SIP and SWP registered prior to the minor attaining the age of majority.

For existing standing instructions including STP, SIP and SWP registered prior to the minor attaining the age of majority, the standing instruction shall be suspended when the minor attains majority, till the status is changed to major (an application in this regard has to be submitted to the AMC).

However, for fresh registrations, SIPs will be registered in a folio held by a minor only till the date of the minor attaining majority, even though the instructions may be for a period beyond that date. The facility will automatically stand terminated upon the Unit Holder attaining 18 years of age.

## **3. Change in Guardian:**

When there is a change in guardian either due to mutual consent or demise of existing guardian, the following documents should be submitted for registration of the new guardian:

- a. Request letter from the new guardian,
- b. No Objection Letter (NOC) or Consent Letter from existing guardian or Court Order for new guardian, in case the existing guardian is alive.
- c. Notarized copy or attested copy of the Death Certificate of the deceased guardian, where applicable. The attestation may also be done by a special executive magistrate, Bandhan AMC Limited (the AMC) authorised official or manager of a scheduled bank.
- d. Bank attestation attesting the signature of the new guardian in a bank account of the minor where the new guardian is registered as the guardian.
- e. KYC of the new guardian.
- f. Additional KYC, FATCA & CRS - Self CertificationThe new guardian should be a natural guardian (i.e. father or mother) or a court appointed legal guardian. The relationship status of

the guardian as father, mother or legal guardian should be specified in the request letter and supporting documentary evidence should be submitted along with the request letter.

### **Permanent Account Number and Know Your Customer Requirement**

In terms of SEBI directives issued from time to time, Permanent Account Number (PAN) is the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction, except

- (a) investors residing in the state of Sikkim;
- (b) Central Government, State Government, and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government); and
- (c) investors participating only in micro- SIP.
- (d) SEBI, in its subsequent letters dated June 19, 2009 and July 24, 2012 has conveyed that systematic investment plans (SIP) and lumpsum investments (both put together) per mutual fund up to Rs.50,000/- per year per investor.

Further, to bring uniformity in KYC process, effective January 1, 2012, SEBI has introduced a common KYC procedure across all the SEBI registered intermediaries viz. Mutual Funds, Portfolio Managers, Depository Participants, Stock Brokers, Venture Capital Funds, Collective Investment Schemes etc.

Investors shall mean to include (i) their constituted Power of Attorney (PoA) holder, in case of investments through a PoA (both issuer of PoA & PoA holder must attach KYC Acknowledgement) and (ii) each of the applicants, in case of application in joint names (iii) Guardian in case of minor. Investors exempted from PAN requirement also required to undergo KYC process.

All new Investors are required to use the Common KYC Application Form to apply for KYC process and are also required to mandatorily undergo In Person Verification (IPV) with any of SEBI registered Intermediaries including Mutual Funds. Common KYC Application form is available on AMFI website - [www.amfiindia.com](http://www.amfiindia.com), our website - [www.bandhanmutual.com](http://www.bandhanmutual.com) and/or at any of our Official Points of Acceptance of Transactions (OPAT).

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

Pursuant to the SEBI circulars dated October 05, 2011 and April 13, 2012 and AMFI Best practice guidelines issued in order to bring uniformity in the KYC requirements, investors/prospective investors are required to ensure the following: -

It shall be mandatory for the investors to furnish additional KYC information such as income details, occupation, association (if any) with politically exposed persons etc. as may be specified by the AMC / Mutual Fund from time to time for all new folios / accounts opened.

- Further, non-individual investors shall also be required to furnish the details of beneficial ownership as part of the account opening / KYC formalities.

- In case the investors fail to furnish the additional KYC and beneficial ownership information as mentioned above for the new folio / account opened, the AMC shall not accept any subscription application (including switches) from the investor.

- In respect of existing investor whose KYC application is “On Hold” at the KYC Registration Agency (KRA), the AMC shall not accept any subscription (fresh or additional) or switch application from the investor unless the investor has submitted the missing documents / information required to complete the KYC validation/registration process.

- It shall be mandatory for all existing investors to furnish additional KYC information such as income details, occupation, association (if any) with politically exposed persons etc. and details of beneficial ownership (applicable to non-individual investors) as may be specified by the AMC / Mutual Fund from time to time.

- In respect of existing investors who have not completed the KYC formalities as specified under the SEBI (KRA) Regulations, it shall be mandatory to complete the In-Person Verification (IPV) and submit the missing information / documents.

- In case the investors fail to furnish the missing KYC information and/or complete the IPV as specified above, the AMC shall not accept any subscription (fresh or additional) or switch application from the investor unless the investor has completed the KYC formalities.

The above requirements are applicable for all investors including joint holders, POA holders and guardian (in case of minor).

In case of any change in the KYC and / or beneficial ownership information, the investor should immediately intimate the AMC / its Registrar / KRA, as may be applicable, about such changes.

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

All investments in Bandhan Mutual Fund need to comply with the PAN/PERN and KYC (including UBO stated here below) requirements as stated above, failing which the AMC/Trustee reserve the right to reject the application.

Application Forms received from Investors exempted from PAN requirement, without quoting of PERN shall be considered incomplete and are liable to be rejected without any reference to the investors. The procedure implemented by the AMC and the decisions taken by the AMC in this regard shall be deemed final.

#### **Ultimate Beneficial Owners(s) –**

SEBI Master Circular SEBI/HO/MIRSD/MIRSD-SEC-5/P/CIR/2023/022 dated February 03, 2023 on Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under has prescribed the approach to be followed towards identification of beneficial ownership of Non-individual entities. Accordingly, all non-individual investors are required to provide additional documents of its beneficial owners.

It is mandatory for existing investors: -

- To update the beneficiary ownership details in order to continue to make additional subscriptions including switches in their existing folio.
- To provide / update additional KYC details as prescribed in Part-II of the Account Opening Forms of the Mutual Funds (Where such information was not provided earlier, to be able to



continue to make additional subscription (including switches) in their existing folios with the respective schemes.

- To provide the missing information and complete IPV in order to continue to make additional subscriptions, including switches in their existing folios with the respective schemes.

#### Applicability:

1. Providing information about beneficial ownership will be applicable to the subscriptions received from all categories of investors except Individuals and a Company listed on a stock exchange or is a majority owned subsidiary of such a Company.
2. Proof of Identity of the UBO such as Name/s, Address & PAN/Passport together with self-attested copy\* along with the declaration form for 'Ultimate Beneficial Ownership are required submitted to the AMC/its RTA. (\*Original to be shown for verification and immediate return.)
3. In case of any change in the beneficial ownership, the investor should immediately intimate the AMC / its Registrar / KRA, as may be applicable, about such changes.
4. Wherever the UBO cannot be identified, the details of Senior managing official of the company needs to be provided.

#### Non- Profit Organization

As per Prevention of Money-laundering (Maintenance of Records) Amendment Rules, 2023 dated 7th March 2023, definition of Non-Profit Organization (NPO) has been revised. "Non-profit organization" means any entity or organization constituted for religious or charitable purposes referred to in clause (15) of section 2 of the Income-tax Act, 1961 (43 of 1961), that is registered as a trust or a society under the Societies Registration Act, 1860 (21 of 1860) or any similar State legislation or a Company registered under the section 8 of the Companies Act, 2013 (18 of 2013)".

#### Identification Process:

##### (A) For Investors other than Individuals or Trusts:

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

(ii) Controlling ownership interest means ownership of /entitlement to:

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

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

(iv) Where no natural person is identified under any of the above criteria, the person who holds the position of senior managing official shall be provided.

(B) For Investor which is a Trust: In case of a Trust, the settler of the trust, the trustee, the protector and the beneficiaries with 10% or more interest in the trust or any other natural person

exercising ultimate effective control over the trust through a chain of control or ownership shall be considered as beneficial owner.

(C) For Foreign Investors: The Know Your Client (KYC) requirements in case of foreign investors viz. Foreign Portfolio Investors (FPIs), are as specified in 16.2.4.4 (b) of SEBI Master Circular dated June 27, 2024, shall be considered for the purpose of identification of beneficial ownership of the investor.

### **MANNER OF SUBMITTING TRANSACTION REQUESTS**

For any financial and non-financial transactions, investors shall use the standard request form(s) prescribed by the AMC, which are also available on its website/OPATs. Any request received in non-standard formats (other than one prescribed by AMC) are liable to be rejected and the AMC reserves the right to process such requests subject to completeness and unambiguity.

Investors are requested to provide details/instructions only in the space provided in the request form. In case, information/noting's/instruction provided at a non-designated area of the standard form being used or any additional details for which space is not specified in the standard form, the AMC reserves the right to process such request.

Further, post processing of any financial or non-financial request, the AMC endeavours to inform the investor either through letter or email or SMS the information provided in the request form. Investors are requested to review the accuracy and completeness of such requests before start/effective date and contact the AMC/RTA in case of any discrepancy.

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

#### **SWITCH FACILITY**

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

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

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

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

The Applicable NAV for switching out of the existing open-ended funds will be the NAV of the Business Day on which the switch request, complete in all respects, is accepted by the AMC, subject

to the cut-off time and other terms specified in the SID of the respective existing open ended Schemes. In close-ended scheme the applicable NAV for switching out of the existing close-ended funds will be the applicable NAV (after considering applicable loads) as on the date of its maturity.

### **SYSTEMATIC INVESTMENT PLAN (SIP)**

Unitholders of the scheme/s can invest through Systematic Investment Plan. SIP allows the unitholder to invest a specified sum of money each Week / Month / Quarter with a minimum amount of Rs. 100 for all other schemes and Rs. 500 for Bandhan Tax Advantage (ELSS) Fund; and minimum 6 instalments. Unitholders have an option to invest on weekly basis on the default dates i.e. 7, 14, 21 and 28. For investment on monthly & quarterly basis, unit holders can choose any day of the month from 1<sup>st</sup> to 31<sup>st</sup> as the date of instalment.

The unitholder who wishes to opt for Weekly SIP / Monthly SIP / Quarterly SIP, has to commit investment by providing the Registrar with debit mandate/OTM mandate such other instrument as recognized by AMC from time to time for a block of 6 weeks/months/quarters in advance. SIP can commence on any date as mentioned above and specified by the unitholder in SIP application form. Cheques/debit mandate/ OTM mandate such other instrument as recognized by AMC from time to time should be drawn in favour of the Scheme.

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

### **OTHER SIP FACILITIES:**

- **Differential SIP:** Under this facility the investor has a choice of registering the SIP in such a manner that the 1<sup>st</sup> SIP installment will be lower / higher than the subsequent installments.
- In case of existing folios, there is no requirement of registering the 1<sup>st</sup> installment, all 6 installments shall be considered as SIP transactions.
- An Investor can register a SIP along with OTM mandate without providing the initial cheque. The SIP installment shall get activated/triggered in the scheme for the amount opted by the investor in the SIP form. The gap between the SIP registration date and the first installment shall be minimum 30 days.
- **SIP Top-up facility –**
  - This facility is not available for investors who are exempt from the requirements of PAN i.e. who falls under PERN (PAN exempt KYC Ref No) requirement.
  - Top-up facility has to be opted at the time of SIP registration. Existing SIPs cannot be converted into this facility;
  - Minimum - SIP amount for opting this facility is Rs.500/- and in multiples of Rs.500/- thereafter;
  - Top up facility can be registered only for investments through - OTM;
  - Frequency for increasing the amount of installment – Half-yearly and Yearly. Default frequency – Yearly;
  - Once registered under this facility, for any modification to the details registered, Investors will have to cancel the existing SIP registration and re-register;
  - All other terms & Conditions applicable for regular SIP will be applicable to this facility;
  - Registration under this facility is subject to Investor's Bankers accepting the mandate for SIP Top- up.

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

### **Booster SIP facility:**

Booster SIP” is a facility wherein an investor under a designated open-ended scheme can opt to invest variable amounts, at pre-determined intervals to take advantage of movements in the market by investing higher when the markets are low.



1. Booster SIP facility is offered for SIPs at Monthly and Quarterly intervals. Unitholders can select the frequency of such transactions. If the investor does not select any particular frequency, the default frequency shall be monthly frequency.
2. The minimum SIP amount shall be as follows:

Frequency	Minimum SIP amount
Monthly	1000
Quarterly	3000

3. Calculation of Booster SIP Installment:

(i) Fixed amount as per installment; or

(ii) The amount determined by the formula: Fixed amount to be transferred per installment (x)

Number of Installments (Installments already paid along with the current installment payable) – Market value of the investments through Booster SIP.

Whichever is higher. In case the amount determined by the formula falls short of the minimum SIP amount then the fixed amount shall be the instalment amount.

The debit amount cannot be more than two times of installment amount based on the above calculation.

4. SIP Dates Frequency: For investment on a monthly & quarterly basis, unit holders can choose any day of the month as the date of the installment.
5. On the Booster SIP due date, the installment value of Booster SIP shall be determined based on Net Asset Value (NAV) on the 10th day (T-10) before the installment date. If T-10th falls on a Non-Business day or falls during a book closure period, then valuation will be done based on the last NAV. E.g., if an investor opts Booster SIP cycle on the 15th of each month, NAV as per process shall be considered as of 4th day (T-10). If the 4th day is falling on a non-business day, we consider the previous latest NAV i.e., if the 4th is a Sunday, we consider Friday's NAV as the latest NAV.
6. The first Booster SIP installment will be processed for the fixed installment amount specified by the unit holder at the time of enrolment. From the second Booster SIP installment onwards, the investment amount shall be computed as per the formula.
7. In case the Booster SIP transaction is rejected with the reason “Insufficient funds” or any other valid rejection reason (including installment defaults), the Booster SIP will be stopped immediately, however, the SIP facility will continue for the fixed amount specified by the investor.
8. Once the Booster SIP has been stopped the unit holder needs to provide a new request to start Booster SIP. In case the unit holder wants to discontinue the Booster SIP, the normal SIP cancellation process shall be applicable.

The AMC/ Trustee reserves the right to change/modify the terms and conditions of the Booster SIP facility.

### **SIP PAUSE FACILITY**

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

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

1. The SIP Pause facility is available in all schemes where SIP is available.
2. The SIP Pause facility is available for SIPs registered using any mode (Physical / Online). This facility will not be available for mandates registered under Standing Instruction mode under Direct Debit arrangement.

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

#### **National Automated Clearing House Facility (NACH)**

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

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

Investor may note that in line with SEBI letter dated January 03, 2024, on "Uniformity in cancellation of SIPs across Mutual Fund", the number of failed debit attempts for auto cancellation/closure of the SIPs registered under the schemes of Bandhan Mutual Fund shall be as follows with effect from April 1, 2024 ("Effective Date"):

SIP Interval/frequency	Revised number of failed debit attempts prior to cancellation of SIP
Bi-monthly, Quarterly or Longer Interval SIPs	2
Weekly and Monthly	3

## SYSTEMATIC WITHDRAWAL PLAN (SWP)

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

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

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

Weekly Systematic Withdrawal Plan (“SWP”) facility in Bandhan Liquid Fund:

- The investor can choose the withdrawal frequency under weekly SWP on any day of the week i.e. from Monday to Friday or on the scheduled dates viz 1st, 8th, 15th, and 22nd of the month.
- In case the withdrawal frequency for the Facility is not indicated by the investor then “Wednesday” shall be treated as the default day.
- Load Structure shall be applicable as specified in the SID and KIM of the Scheme.

### Fixed Amount SWP:

A fixed amount specified by the investor will be redeemed on the SWP date.

Withdrawal amount - Minimum Rs. 200/- and any amount thereafter.

Withdrawal frequency – Monthly, Quarterly, Half yearly and Annual

Dates - Any date\*.

### Capital Appreciation SWP:

The entire capital appreciation as on the date of withdrawal will be redeemed on the SWP date.

Withdrawal frequency – Monthly, Quarterly, Half yearly, Annual and March Payout

Dates - Any date\*.

### Fixed Percentage SWP:

Terms and conditions of the facility are as below:

1. The unitholder should register for the facility at least 10 days before the first withdrawal date.
2. Facility is provided to investors for withdrawal of an amount, as a percentage of the specified amount, at Monthly / Quarterly / Half Yearly / Yearly frequencies.
3. Investors can choose any date\* as date of withdrawal.
4. Withdrawals will be made / effected on the date chosen for the selected frequency and would be treated as redemptions.
5. The percentage opted by the unitholder has to be for minimum 5% p.a. and in multiples of 1% thereafter. Minimum SWP amount should be Rs. 200 and above.
6. In case percentage of withdrawal from specified amount is not opted by the investor, 7% would be considered as default percentage of withdrawal.
7. All requests for discontinuing Fixed Percentage Withdrawal Facility shall be subject to advance notice of 10 days prior to the next withdrawal date.

\* If the date chosen by the investor falls on a non-business day or on a date which is not available in a particular month, then the SWP will be triggered on immediately next business day.

For the purpose of determining the month of processing redemption in monthly / quarterly / half yearly / annual Payout of Income Distribution cum capital withdrawal option of the SWP, the same

shall be calculated from the month of registration of the SWP.

#### **Top up facility under Systematic Withdrawal Plan (SWP):**

Terms and conditions of the facility are as below:

1. The Top up Withdrawal Facility will be available in all open ended schemes where SWP is available.
2. The unitholder should register for the facility at least 10 days before the first withdrawal date.
3. Facility is provided to investors for withdrawal of an amount, as a Top up of the specified amount, at Monthly / Quarterly / Half Yearly / Yearly frequencies.
4. Investors can choose any date as date of withdrawal. In case the date of withdrawal falls on a nonbusiness day or on a date which is not available in a particular month, the SWP will be processed on the immediate next business day.
5. Top up Withdrawals will be made / effected on the date chosen for the selected frequency and would be treated as redemptions.
6. The SWP Top Up frequency will be annual. Investors will have an option to opt either for fixed amount top-up or fixed percentage (%) top-up.
7. In case of amount top up, the investor can increase SWP amount at annual interval with fixed amount. Minimum top-up amount has to be 500 and in multiples of INR 500 thereof. In case the Top-up amount is not selected/not legible/not clear/if multiple options are opted, then 500 shall be the default option.
8. In case of % top-up, investor can increase SWP amount at annual interval based on the percentage (%) opted. The minimum top-up percentage (%) would be 3% and in multiples of 1%. In case the Top-up % is not selected/not legible/not clear/if multiple options are opted, then 3% shall be the default option.
9. All requests for discontinuing Top-up Facility shall be subject to advance notice of 10 days prior to the next withdrawal date.

\* If the date chosen by the investor falls on a non-business day or on a date which is not available in a particular month, then the SWP will be triggered on immediately next business day.

#### **SYSTEMATIC TRANSFER PLAN (STP)**

Investors can opt for the Systematic Transfer Plan by investing a lumpsum amount in one scheme of the fund and providing a standing instruction to transfer sums with a minimum amount of Rs.1000/- and any amount thereafter, at monthly intervals (for a minimum period of 6 months) into any other scheme of Bandhan Mutual Fund. Investors could also opt for STP from an existing account by quoting their account / folio number. Investors could choose to specify a fixed sum to be transferred every month. Alternatively, in the Growth Option(s) / sub-options under the Scheme(s) of Bandhan Mutual Fund, investors could opt to automatically transfer the capital appreciation (between the immediately preceding STP date and the present STP date) in the value of their investments to the Scheme(s) of Bandhan Mutual Fund. In the event that such a day is a holiday, the transfer would be effected on the next business day.

#### **Fixed Amount STP:**

A fixed amount specified by the investor will be transferred (switched) on the STP date.

- Eligibility – Fixed amount STP is available in the Growth and IDCW Options of the Source schemes.
- Transfer amount (per instalment)-  
For Bandhan Liquid Fund, Bandhan Money Manager Fund, Bandhan Nifty 50 Index Fund, Bandhan Ultra Short Term Fund, Bandhan Nifty 100 Index Fund, Bandhan Nifty200 Momentum 30 Index Fund, Bandhan Nifty100 Low Volatility 30 Index Fund, Bandhan Arbitrage Fund, Bandhan Large Cap Fund and Bandhan Low Duration Fund - Minimum Rs. 100/- and any amount thereafter.

For all other schemes - Minimum Rs. 500/- and any amount thereafter.

- No. of instalment – The Fixed Amount STP can be registered with minimum of 6 (six) instalments. There is no upper limit on the same.

- Transfer frequency – STP can be effected as per following frequencies chosen by Investor:
  - a) Monthly: any day of the month except 29th, 30th and 31st day of the month
  - b) Fortnightly: 1st & 16th
  - c) Weekly: Any day of the week i.e. from Monday to Friday (with effect from July 31, 2024)
  - d) Daily: all business days

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

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

### **Capital Appreciation STP:**

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

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

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

### **Auto Termination of STP and SWP**

The STP and SWP shall be auto terminated in case of -

- six consecutive failures to process the instalment on account of insufficient balance maintained by the investor in the source scheme or
- any other reason attributable to the investor; or
- specific court order.

### **Booster Systematic Transfer Plan (“Booster STP”) facility:**

It is decided to introduce a new facility namely, the Booster Systematic Transfer Plan (Booster STP) facility, in all the schemes of Bandhan Mutual Fund having STP facility w.e.f. July 31, 2024.

Booster STP is a facility wherein an investor under a designated open-ended scheme can opt to transfer variable amount(s) linked to the value of investment under Booster STP on the date of transfer at pre-determined intervals from designated scheme of Bandhan Mutual Fund (hereinafter referred to as “Source Scheme”) to the Growth Option of designated scheme of Bandhan Mutual Fund (hereinafter referred to as “Target Scheme”), subject to the enabling provision of the Scheme Information Document of the Target Scheme. Booster STP facilitates taking advantage of movements

in the market by transferring a higher amount from the Source Scheme to the Target Scheme when the markets are low.

The facility will apply to all the open ended schemes of Bandhan Mutual Fund having an STP facility (except for Bandhan ELSS Tax Saver Fund). The above-mentioned scheme(s) are subject to change from time to time.

This facility is offered for STPs with Weekly, Monthly and Quarterly intervals. Unitholders can select the frequency of such transactions. The default frequency shall be monthly if the investor does not select any frequency.

Calculation of Booster STP Installment:

(i) Fixed amount as per installment or

(ii) The amount determined by the formula: {Fixed amount to be transferred per installment (x) Number of Installments (Installments already paid along with the current installment payable)} – the market value of the investments through Booster STP, whichever is higher. In case the amount determined by the formula falls short of the minimum STP amount, then the fixed amount shall be the instalment amount.

Transfer dates and frequency–

a. Weekly:

i. Date option - 7th, 14th, 21st, 28th day of every month; OR

ii. Day option - Any day i.e. Monday, Tuesday, Wednesday, Thursday or Friday of the week.

b. Monthly: any day of the month except 29th, 30th and 31st day of the month.

c. Quarterly: any day of the first month of each quarter (3 months period) commencing from the month of registration of the STP) except the 29th, 30th and 31st day of the month.

The first Booster STP installment will be processed for the fixed installment amount specified by the unit holder at the time of enrolment. From the second Booster STP installment onwards, the investment amount shall be computed as per formula.

With respect to units allotted in the Source scheme due to Booster STP instalments, the exit load structure prevalent at the time of Booster STP enrolment will be applicable on such units.

In case the Booster STP transaction is rejected with the reason “Insufficient funds” or any other valid rejection reason (including installment defaults), the Booster STP will be stopped immediately; however, the STP facility will continue for the fixed amount specified by the investor.

Once the Booster STP has been stopped, the unit holder must provide a new request to start Booster STP. The normal STP cancellation process shall apply if the unit holder wants to discontinue the Booster STP.

Unitholders are advised to read the Statement of Additional Information of Bandhan Mutual Fund and Scheme Information Document and Key Information Memorandum of the concerned Scheme carefully. They will be bound by the terms and conditions of this facility and provisions of the concerned Scheme(s).

Bandhan AMC Limited / Bandhan Mutual Fund Trustee Limited reserves the right to change/modify the terms and conditions of the STP and Booster STP facility, subject to applicable SEBI Regulations and circular issued from time to time.



## PLANS AND OPTIONS OFFERED

Based on the enabling provision in the scheme information document (SID) of the scheme, investors may choose either the following plans or option:

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

**Direct Plan:** Direct Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.

Investors subscribing under Direct Plan of a Scheme will have to indicate “Direct Plan” in the application form e.g. “*Scheme name* - Direct Plan”. Investors should also indicate “Direct” in the ARN column of the application form. However, in case Distributor code is mentioned in the application form, but “Direct Plan” is indicated against the Scheme name, the Distributor code will be ignored and the application will be processed under Direct Plan and no commission will be paid to the distributor. 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.

Both the Plans will have a common portfolio. The face value of the Units is Rs.10 per unit.

Both the plans shall have the following options:

- Growth Option
- Income Distribution cum Capital Withdrawal Option

### (i) Growth Option

The scheme will not declare any Income Distribution cum Capital Withdrawal under this option. The income attributable to units under this option will continue to remain invested in the scheme and will be reflected in the Net Asset Value of units under this option

### (ii) Income Distribution cum Capital Withdrawal Option<sup>^</sup>

Under this option, the Fund will endeavour to declare Income Distribution cum Capital Withdrawal as and when deemed fit by the Fund and/or on &/or before the closure of the scheme. In case no Income Distribution cum capital withdrawal is declared during the tenure of the scheme or at closure, the net surplus, if any, will remain invested and be reflected in the NAV.

Income Distribution cum capital withdrawals, if declared, will be paid out of the net surplus of the Scheme to those Unitholders whose names appear in the Register of Unitholders on the record date. The actual date for declaration of Income Distribution cum capital withdrawal will be notified suitably to the Registrar. Unitholders are entitled to receive Income Distribution cum capital withdrawal within 7 working days from the record date. However, the Mutual Fund will endeavour to make Income Distribution cum capital withdrawal payments sooner to Unitholders. There is no assurance or guarantee to Unitholders as to the rate of Income Distribution cum capital withdrawal distribution nor that Income Distribution cum capital withdrawal will be paid, though it is the intention of the Mutual Fund to make Income Distribution cum capital withdrawal distributions.

In accordance with Clause 14.2.1.b of SEBI Master Circular dated June 27, 2024, the Income Distribution cum capital withdrawal warrants shall be dispatched to the unitholders within 7 working days from the record date. In the event of delay, the AMC shall pay to the investor interest @15% p.a. for delayed period beyond the specified period of 7 working days from the record date.

Income Distribution cum capital withdrawal will be paid net of taxes as may be applicable, and payments will be in favour of the Unit holder's registered name or, if there is more than one registered holder, of the first named registered holder on the original application form. The Trustees



may not declare a Income Distribution cum capital withdrawal at all in the event of inadequacy of distributable surplus. There is no assurance or guarantee to unit holders as to the periodicity of Income Distribution cum capital withdrawal and rate of Income Distribution cum capital withdrawal distribution.

All benefits accruing/earned/received under the Scheme in respect of income (not included in NAV), capital reserves and surpluses, if any, at the time of its/their declaration or otherwise under the Scheme shall be available only to the Unit holders who hold units at the time of its/their declaration.

Since distribution of Income Distribution cum capital withdrawal and shall be paid from the distributable surplus, the NAV of the Scheme shall be adjusted to the extent of Income Distribution cum capital withdrawal paid.

^The amounts can be distributed out of investors capital (Equalization Reserve), which is part of sale price that represents realized gains.

The Income Distribution cum capital withdrawal Options may also offers choice of following Income Distribution cum capital withdrawal frequencies – **Daily (Reinvestment), Fortnightly (Reinvestment), Monthly (Reinvestment), Quarterly (Payout), Annual (Payout) and Periodic (Payout & Reinvestment).**

**Re investment of Income Distribution cum capital withdrawal option:**

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

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

**Payout of Income Distribution cum capital withdrawal option:**

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

**Transfer of Income Distribution cum capital withdrawal option:**

The investor has the option to Transfer of declared in the Scheme into any other open-ended scheme of Bandhan Mutual Fund. The transfer shall be effected at the applicable NAV of the next business day.

If the amount of Income Distribution cum capital withdrawal is less than the amount specified in the SID, the Income Distribution cum capital withdrawal shall be re-invested in the same scheme and not transferred to the desired other scheme.

**Income Distribution cum capital withdrawal Policy**

Income Distribution cum capital withdrawal declaration and distribution shall be in accordance with SEBI Regulations as applicable from time to time. The AMC reserves the right to declare Income Distribution cum capital withdrawal from time to time, depending on availability of distributable

surplus. There is no assurance or guarantee to Unitholders as to the rate of Income Distribution cum capital withdrawal distribution nor will that Income Distribution cum capital withdrawal s be paid, though it is the intention of the Mutual Fund to make Income Distribution cum capital withdrawal distributions.

Income Distribution cum capital withdrawal s, if declared, will be paid out of the net surplus of the Scheme to those Unit holders whose names appear in the Register of Unitholders on the record date. The actual date for declaration of Income Distribution cum capital withdrawal will be notified suitably to the Registrar. Generally, the record date for the Weekly Income Distribution cum capital withdrawal option will be Friday (in the relevant week) and that for the Monthly Income Distribution cum capital withdrawal option will be second last business day of the relevant calendar month. In case the record date falls on a non-business day, then preceding business day will be the record date.

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

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

AMC shall ensure that before accepting any business from any MFD, such a MFD is duly empaneled with the AMC. Transactions received, if any, from / under the ARN of a non-empaneled MFD may be processed under Direct Plan, with prompt intimation to the non-empaneled MFD, and the investor.

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

#### **Processing of the transaction in case of transactions received from Invalid ARN:**

#### **AMFI Best Practices Guidelines Circular related to Guidelines for Processing of transactions received under Regular Plan with invalid ARN dated February 2, 2024**

The following guidelines shall be uniformly followed / adopted by all AMC as well as the RTAs w.r.t. treatment of applications received with invalid ARN codes.

“Invalid ARNs” shall include the following situations –

- 1) ARN validity period expired.
- 2) ARN cancelled /terminated.
- 3) ARN suspended.
- 4) ARN Holder deceased
- 5) Nomenclature change, as required pursuant to IA Regulations, not complied by the MFD.
- 6) MFD is debarred by SEBI.
- 7) ARN not present in AMFI ARN database.
- 8) ARN not empanelled with an AMC.

Transactions received in Regular Plan with Invalid ARN to be processed in Direct Plan of the same Scheme (even if reported in Regular Plan), applying the below logic:

Transaction Type	Primary ARN			Sub Distributor ARN		EUIN*	Execution Only Mentioned	Regular Plan / Direct Plan
	Valid	Invalid	Empanelled	Valid	Invalid	Valid	Yes	
Lump Sum/ Registration	Y		Y				Y	Regular
	Y		N	Not applicable				Direct
	Y		Y	N.A.	N.A.	N.A.	N	Regular*
	Y		Y	Y		Y		Regular
		Y						Direct
	Y		Y	Y			Y	Regular
	Y		Y		Y			Direct
Trigger	Y			Not applicable				Regular
		Y		Not applicable				Direct

**Note:**

1) \*If the EUIN is invalid/missing, the transactions shall be processed in Regular plan, and the distributor/investor shall be given 30 day period from the date of the transaction for remediation of the EUIN. In such cases, the investor to be advised to either provide a different EUIN linked to the ARN who would be engaged in servicing the investor OR switch to Direct Plan. The commission shall not be paid to the ARN holder if the Switch transaction does not happen, or fresh EUIN is not provided within 30 days. The commission may be paid if the fresh EUIN is provided by client within 30 days.

2) For SIP & STP facilities, the ARN validity shall be verified / validated at the time of registration. For instances where the registration details not available in RTA records the transaction shall be treated as lumpsum purchase for validations. Distributors must reconcile the active / inactive SIPs with RTA's at regular intervals.

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

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

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

6) Transactions other than the physical mode which are found to be not in order basis above matrix, will be rejected at the time of upload / submission for following reasons:

- To give opportunity for the intermediary / platform to rectify details before submitting transactions or to report transactions as DIRECT.
- If these transactions are accepted and processed as DIRECT, the intermediary placing the transaction will not be receiving reverse feeds and hence will not be able to reconcile.

Since the validation cannot be carried out at the time of acceptance for transactions received in physical form, the same will be done at the time of processing the transaction, and if found to be invalid, the transaction will be processed under DIRECT.

7) Transactions received from the stock exchange platforms in Demat mode with invalid ARN shall be rejected instead of processing in Direct Plan for following reasons –

- Settlement of units will fail at clearing corporation due to mismatch of ISIN.
- If the RTA processes the transaction in DIRECT Plan, the AMC will face issues with corporate action wherein the clearing corporation will not be able to reconcile and credit the units.
- The distributor/broker will not be able to download the reverse feed/mail back report for the transactions reported by the respective distributor in case if we process under Direct Plan.

8) Dividend reinvestment transactions, being a corporate action, will be excluded from the above validation.

**Treatment of business received through suspended distributors:**

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

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

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

2. All purchase and switch transactions including SIP/ STP transactions received through the stock exchange platforms through a distributor whose ARN is suspended shall be rejected.
3. In cases where the ARN of a distributor has been permanently terminated, the unitholders have the following options:
  - switch their existing investments under the Regular Plan to Direct Plan (Investors may be liable to bear capital gains taxes and exit load, if any, which may arise at the time of switch from Regular Plan to Direct Plan); or
  - continue their existing investments under the Regular Plan under ARN of another distributor of their choice.

**Treatment of business received through distributors where ARN is expired/not renewed:**

Business procured during the ARN expired period or invalid ARN period will be shifted to direct plans. This means the SIP business of MFDs will process under Direct Plan during the expired period.

**B. Details of the default Plans and option under each scheme is as follows -**

The investors must clearly indicate the Option/Facility (Growth or IDCW / Reinvestment of IDCW or Payout of IDCW or transfer of IDCW) in the relevant space provided for in the Application Form. In case the investor does not select any Option, the default shall be considered as Growth Option for all the plans of the scheme. Within IDCW if the investor does not select any facility, then default facility shall be Reinvestment of IDCW for all schemes except Bandhan Retirement Fund Regular Plan and Bandhan ELSS Tax saver Fund, where the default option shall be payout of IDCW.

**VII. RIGHTS OF UNITHOLDERS OF THE SCHEME**

1. Unit holders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme.
2. When the Mutual Fund declares an Income Distribution cum Capital Withdrawal (IDCW)/dividend under a scheme, IDCW/ dividend warrants shall be dispatched to the Unit Holders within 7 working days from the record date of IDCW/dividend. Consolidated Account Statement (‘CAS’) at mutual fund industry level for each calendar month will be issued on or before 15th day of succeeding month to all unit holders having financial transactions and who have provided valid Permanent Account Number (PAN). For folios not included in the CAS, the AMC shall issue a monthly account statement to the unit holders,

pursuant to any financial transaction done in such folios; the monthly statement will be send on or before 15th day of succeeding month. In case of a specific request received from the unit holders, the AMC shall provide the account statement to the unit holder within 5 business days from the receipt of such request. If a Unit holder so desires the Mutual Fund shall issue a Unit certificate (non- transferable) within 5 Business Days of the receipt of request for the certificate.

3. With effect from May 14, 2025 for half yearly CAS, it has been decided that the AMCs/MF-RTAs shall provide the data with respect to the common PANs to the depositories on or before 8<sup>th</sup> day of April and October every year. The depositories shall then consolidate and dispatch the CAS to investors that have opted for e-CAS on or before the 18th day of April and October and to investors that have opted for delivery via physical mode by the 21st day of April and October. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered with the Depositories and the AMCs/MF-RTAs.
4. The Mutual Fund shall dispatch redemption or repurchase proceeds within 3 working days of accepting the valid redemption or repurchase request. For schemes investing at least 80% of total assets in such permissible overseas investments, 5 Working Days of accepting the valid redemption or repurchase request. Further, in case of exceptional scenarios as prescribed by AMFI vide its communication no. AMFI/ 35P/ MEM-COR/74/2022-23 dated January 16, 2023, read with clause 14.1.3 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/ CIR/2023/74 dated June 27, 2024 (SEBI Master Circular), the AMC may not be able to adhere with the timelines prescribed above.
5. The Trustee is bound to make such disclosures to the Unit holders as are essential in order to keep the unitholders informed about any information known to the Trustee which may have a material adverse bearing on their investments.
6. The appointment of the AMC for the Mutual Fund can be terminated by majority of the Directors of the Trustee Board or by 75% of the Unit holders of the Scheme.
7. 75% of the Unit holders of a Scheme can pass a resolution to wind- up a Scheme.
8. The Trustee shall obtain the consent of the Unit holders:
  - whenever required to do so by SEBI, in the interest of the Unit holders.
  - whenever required to do so if a requisition is made by three- fourths of the Unit holders of the Scheme.
  - when the majority of the trustees decide to wind up a scheme in terms of clause (a) of sub regulation (2) of regulation 39 of SEBI (Mutual Funds) Regulations, 1996 or prematurely redeem the units of a close ended scheme.
9. The trustees shall ensure that no change in the fundamental attributes of any scheme, the fees and expenses payable or any other change which would modify the scheme and affect the interest of the unit holders is carried out by the asset management company, unless it complies with sub-regulation (26) of regulation 25 of SEBI (Mutual Funds) Regulations, 1996.
10. In specific circumstances, where the approval of unitholders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.
11. Unit holders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme.
12. On acceptance of a valid application/transaction request for subscription, an allotment confirmation specifying the number of units allotted by way of email and/or SMS within 5 Business Days from the date of receipt of valid application /transaction request/ closure of New Fund Offer shall be sent to the Unit holders registered e-mail / mobile no.

For unitholders having any security in dematerialized form and having Mutual Fund (MF) folios, the depositories shall dispatch the Consolidated Account Statement (CAS) within fifteen days from the month end where there are transactions either in MF or Demat account based on the data provided by MF Registrar & Transfer Agent (RTA) in respect of MF units.

In case of no transactions in either MF or demat accounts, SCAS shall be sent on a Half-yearly basis showing the holding details by the Depositories.



For investors having only mutual fund folios and no demat account, a Consolidated Account Statement (CAS) shall be sent on or before fifteenth day of the succeeding month where there are transactions by mail/e-mail by the AMC/RTA. CAS shall be sent at the end of every six months (i.e. September/ March) on or before twenty first day of the succeeding month to all such Unit holders in whose folio no transactions have taken place during that period in MF units.

With Effect from May 14, 2025, the depositories shall then consolidate and dispatch the CAS to investors that have opted for e-CAS on or before the 18th day of April and October and to investors that have opted for delivery via physical mode by the 21st day of April and October. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered with the Depositories and the AMCs/MF-RTAs.

13. The Trustee is bound to make such disclosures to the Unit holders as are essential in order to keep the unitholders informed about any information known to the Trustee which may have a material adverse bearing on their investments.
14. The appointment of the AMC for the Mutual Fund can be terminated by majority of the Directors of the Trustee Board or by 75% of the Unit holders of the Scheme.
15. 75% of the Unit holders of a Scheme can pass a resolution to wind- up a Scheme.
16. The Trustee shall obtain the consent of the Unit holders:
  - whenever required to do so by SEBI, in the interest of the Unit holders.
  - whenever required to do so if a requisition is made by three- fourths of the Unit holders of the Scheme.
  - when the Trustee decides to wind up the Scheme or prematurely redeem the Units.
17. The Trustee shall ensure that no change in the fundamental attributes of any Scheme or the trust or fees and expenses payable or any other change which would modify the Scheme and affects the interest of Unit holders, shall be carried out unless:

(i) a written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and

(ii) the Unit holders are given an option to exit at the prevailing Net Asset Value without any Exit Load.

18. In specific circumstances, where the approval of unitholders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.

#### **Foreign Account Tax Compliance Act (“FATCA”) and Common Reporting Standard (CRS)**

Pursuant to the applicable provisions of the Income Tax Act read with the Rules made thereunder, SEBI circular dated August 26, 2015 and the Best practice guidelines issued by AMFI, investors / prospective investors are required to ensure that Investors shall be required to mandatorily furnish the details and declarations as per the FATCA / CRS provisions for all new accounts / folios opened, failing which the application shall be liable to be rejected. - For all new folios / accounts opened from July 01, 2014 to October 31, 2015 and certain preexisting folios / accounts satisfying the criteria specified in the applicable regulations / guidelines, the investors need to submit the details and declarations as per the FATCA / CRS provisions on or before December 31, 2015. In case the required details and declaration is not submitted by December 31, 2015, the folio / account may be treated as reportable. The above requirements are applicable for all investors including joint holders, POA holders and guardian (in case of minor).

In case of any change in the FATCA, CRS related information; the investor should immediately intimate the AMC / its Registrar, about such changes.

Ministry of Finance vide its Press Release dated April 11, 2017, extended the deadline for remediation of FATCA status till April 30, 2017 for those investors who opened their folios between July 1, 2014 - August 31, 2015 and further stated that non-remediated folios would be blocked for further transactions.

The AMC/Trustee reserve the right to reject the application in case the investor / applicant fails to furnish the necessary information and/or documentation.

However, given the complexity of the FATCA requirements, there is no assurance or guarantee that the Scheme will be able to comply, fully or partially, with the requirements of FATCA. Prospective investors are advised to consult their own advisors regarding the possible implications of FATCA on their investment in the Scheme(s).

### **Restriction on investment by U.S. Persons in the schemes of Bandhan Mutual Fund**

United States Persons (U.S. Persons) shall not be eligible to invest in the schemes of Bandhan Mutual Fund and the Mutual Fund / AMC shall not accept subscriptions from U.S. Persons, except for lump sum subscription, switch transactions requests and registration of systematic transactions received from Non-resident Indians/Persons of Indian origin who at the time of such investment, are present in India and submit a physical transaction request along with such documents as may be prescribed by the AMC/Mutual Fund from time to time. In case of systematic transaction facility, the decision for such investment in the Scheme will be deemed to have been taken by the investor on the date of execution of the SIP/STP enrolment forms while present in India, though the investments will trigger on periodical basis at the predetermined dates in the month at the prevailing NAV and of specified amount as detailed in the SIP/STP enrolments form(s) executed by the investor.

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

The term “U.S. Person” shall mean any person that is a United States Person within the meaning of Regulation ‘S’ under the United States Securities Act of 1933 or as defined by the U.S. Commodity Futures Trading Commission for this purpose, as the definition of such term may be changed from time to time by legislation, rules, regulations or judicial or administrative agency interpretations.

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

The NAV of the Units of the Scheme will be computed by dividing the net assets of the Scheme by the number of Units outstanding on the valuation date. The Fund shall value its investments according to the valuation norms, as specified in Schedule VIII of the Regulations, or such norms as may be prescribed by SEBI from time to time. The broad valuation policy was placed and approved by the Board of AMC and Trustee Company. The policy is as under:

### **1. Background and Rationale**

This policy has been formulated in accordance with SEBI notification dated February 21, 2012 amending the SEBI (Mutual Funds) Regulations, 1996 which mandates Asset Management Companies (AMC's) to put in place a policy framework for valuing each type of security/asset on the principles of fair valuation with the objective of ensuring fair treatment to all investors, i.e., existing investors and investors seeking to subscribe or redeem units. Further, this policy has been updated based on the SEBI Circular no. SEBI/HO/IMD/DF4/CIR/P/2019/41 dated March 22, 2019, SEBI Circular no. SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019, AMFI Best Practices Guidelines Circular no. 83/2019-20 dated November 18, 2019 and



SEBI/HO/IMD/DF4/P/CIR/2021/593 dated July 9, 2021 read with SEBI Master Circular as amended from time to time.

This policy shall be based on the principles of fair valuation and the principles of fair valuation will have an overarching effect on the valuation guidelines prescribed under the SEBI (MF) guidelines. Prior to this amendment, the valuation of securities was being done as per the guidelines stated in the Eight Schedule of the SEBI (MF) Regulations and circulars issued by SEBI from time to time.

## **2. Objective**

To ensure fair treatment to all investors, i.e., existing investors and investors seeking to subscribe or redeem units. The valuation shall be done in good faith and in a true and fair manner through appropriate valuation policies and procedures.

## **3. Scope**

The valuation policy shall cover the following:

- Valuation methodologies for all security types
- Inter-scheme transfers
- Periodicity of review
- Record Keeping
- Exceptional circumstances / Deviation from valuation guidelines
- Waterfall approach for valuation of money market and debt securities

## **4. Policy Owner**

Valuation Committee of Bandhan AMC Limited (Bandhan AMC/the AMC/the Company)

## **5. Composition of Valuation Committee**

Valuation Committee shall comprise of the following members:

- a. Chief Executive Officer (CEO)
- b. Head – Fixed Income
- c. Head – Equity
- d. Head – Operations and Information Technology
- e. Head - Legal & Compliance

The quorum of the Committee shall be a simple majority of the members who will constitute the Committee. The meetings may be convened at periodic/shorter frequencies subject to business requirements.

## **6. Roles and Responsibilities of Valuation Committee**

The Valuation Committee shall function under the following framework laid down by the Board of Directors of AMC & Trustee.

The Valuation Committee is entrusted with the following responsibilities:

Reviewing the systems, policies and practices of valuation of securities and exception if any, shall be reported to the Board of AMC & Trustee Company at its periodic meetings.

Monitoring of exceptional events and recommending appropriate valuation methods with due guidance from Board of AMC and Trustee Company.

## **7. Valuation Methodologies**

The methodologies for valuing each type of security held by the schemes is as per **Annexure A**.

Investment in any new security shall be made only after determining an appropriate valuation methodology approved by the Valuation Committee and to be ratified post facto by the Board of AMC and Trustee Company.

## **8. Periodicity of Review**

The valuation policy shall be reviewed annually by the Valuation Committee and independent auditors and the same shall be noted by the Board of AMC and Trustee. Any new circular/guideline which leads to any modification to any process/limits set out herein shall be deemed to form part of this process. The policy will be amended as required and the amended policy will be placed in the forthcoming Board meeting for the approval of the Boards.

## **9. Record Keeping**

This policy shall be updated in the SAI, website and other documents as prescribed by the SEBI (MF) Regulations. These records shall be preserved in accordance with the SEBI (MF) Regulations.

## **10. Exceptional circumstances / Deviation from Valuation guidelines**

The details in case of deviation from valuation guidelines and the practice adopted for arriving at the valuation in case of exceptional circumstances are detailed in **Annexure B**.

Any deviation from the disclosed valuation policy and procedures may be allowed with appropriate reporting to Board of AMC and Trustees respectively and appropriate disclosures to investors.

## **11. Waterfall approach for valuation of money market and debt securities**

The practice adopted for Waterfall approach for valuation of money market and debt securities is detailed in **Annexure C**.

## **12. Annexure A**

### **Valuation of Equity and Equity related instruments:**

<b>Asset Class</b>	<b>Traded / Non-traded Securities</b>	<b>Methodology for valuation</b>
<b>Equity Shares / Preference Shares / Equity Warrants/ Equity rights/rights entitlement/partly paid up rights shares</b>	<b>Traded Securities</b>	<ul style="list-style-type: none"> <li>National Stock Exchange (NSE) shall be the primary exchange for valuation except in case of schemes passively tracking an index published by Bombay Stock Exchange (BSE). For schemes passively tracking a BSE Index, the primary stock exchange for valuation shall be BSE. If a particular security is not traded on the primary stock exchange used for valuation (NSE or BSE) but if it is traded on the other stock exchange (BSE or NSE) then price of the other stock exchange shall be considered.</li> <li>If the security is not traded either on NSE or BSE, the earliest previous day's close price shall be used, provided</li> </ul>

Asset Class	Traded / Non-traded Securities	Methodology for valuation
		<p>such day is not more than thirty days prior to the valuation date. If it is beyond 30 calendar days, it will be valued like a non-traded security.</p>
	<b>Non-Traded Securities</b>	<ul style="list-style-type: none"> <li>• When a security is not traded on any stock exchange, on the date of valuation, then the previous closing price on NSE /BSE/ any other Stock Exchange will be used provided such closing price is not exceeding a period of 30 calendar days.</li> <li>• In all other cases:             <ol style="list-style-type: none"> <li>a) Equity shares: Non-Traded equity shares of a company shall be valued "in good faith" and as per valuation principles laid down by SEBI. Based on the latest available Balance Sheet, net worth shall be calculated. Net Worth per share = [share capital+ reserves (excluding revaluation reserves) – Misc. expenditure and Debit Balance in P&amp;L A/c] Divided by No. of Paid up Shares. Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose. The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for ill-liquidity so as to arrive at the fair value per share. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning. In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero. In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security.</li> <li>b) Preference shares:                 <p>Preference shares can be convertible or non-convertible.</p> <p>Convertible Preference shares shall be valued as:</p> <ol style="list-style-type: none"> <li>i) Convertible debentures considering the conversion ratio as adjusted for illiquidity discount or other relevant factors as applicable as on the valuation date with the approval of Valuation Committee.</li> </ol> </li> </ol> </li> </ul>

Asset Class	Traded / Non-traded Securities	Methodology for valuation
		<p>OR</p> <p>ii) Based on the below formula</p> $\frac{\text{Price of Convertible Preference share} = \frac{\text{Preference shares dividend}}{\text{Face Value} + \text{Expected Return on Preference Shares}} \times \text{X}}$ <p>Non-Convertible Preference shares shall be valued as Non-convertible debentures.</p> <p>c) Equity rights /Equity Warrants/ Rights Entitlement / Partly paid up Rights shares: Valuation price shall be arrived, after reducing the exercise price / issuance price from the closing price of the underlying cash equity security. In case the rights offer/exercise/issuance price is greater than the ex-rights/closing price of the underlying cash security, the value of the rights share will be considered as zero.</p> <p>d) Merger/Demerger: Valuation of merged entity shall be arrived at based on the previous day's last closing price of the respective companies prior to merger as approved by the Valuation Committee.</p> <p>In case the demerged company is not immediately listed, valuation price shall be worked out by using previous day's last closing price before demerger reduced for last quoted closing price of the listed company.</p> <p>In case none of demerged companies are immediately listed, the shares of new companies shall be valued by allocating combined valuation existing as on date of the corporate action to the new companies after taking into consideration the pro-rata shares allotted and other relevant factors.</p> <p>If in an exceptional situation, the value of the share of demerged company is equal or in excess of the value of the pre-demerger share, then the non-traded share shall be referred to Valuation Committee.</p> <p>Illiquidity discount shall be applied as approved by the Valuation Committee on case to case basis.</p>

Asset Class	Traded / Non-traded Securities	Methodology for valuation
		<p>In case of any other scenario/(s) the same shall be fair valued as approved by the Valuation Committee.</p> <p>e) Securities under the process of delisting: Securities, whose traded prices are not available pending completion of delisting process, shall be valued at the last available closing price or the offer price whichever is lower.</p> <p>f) Securities under lock-in period/pending listing: Securities, whose traded prices are not available either due to shares being under lock in or pending listing the valuation shall be done on the last available closing price of security, after applying suitable discount for illiquidity, as approved by the Valuation Committee.</p> <p>g) Securities under suspension: In case trading of a security is suspended up to 30 days, then the last quoted closing price of the security shall be considered for valuation of the security for a period of next 30 days. If an equity security is suspended for more than 30 days, then after 30 days the said security shall be valued as per the norms stipulated for Thinly traded/ Non-traded equity shares. The Valuation Committee shall decide on the illiquidity discount to be applied, on a case to case basis.</p> <p>In case of any scenario/(s) not covered above, the valuation of such security shall be arrived as per the principles of fair valuation as approved by the Valuation Committee and shall be ratified post facto by the Board of AMC and Trustee Company.</p>
	<b>Unlisted Securities</b>	<p>Unlisted equity shares of a company shall be valued "in good faith" and as per valuation principles laid down below:</p> <p>a) Based on the latest available audited balance sheet, net worth shall be calculated as lower of (i) and (ii) below:</p> <p>i. Net worth per share = [share capital plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by Number of Paid up Shares.</p> <p>ii. After taking into account the outstanding warrants and options, Net worth per share shall again be calculated and shall be = [share capital plus consideration on exercise of Option/Warrants received/receivable by the Company plus free reserves(excluding revaluation reserves) minus</p>

Asset Class	Traded / Non-traded Securities	Methodology for valuation
		<p>Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by {Number of Paid up Shares plus Number of Shares that would be obtained on conversion/exercise of Outstanding Warrants and Options}</p> <p>The lower of (i) and (ii) above shall be used for calculation of net worth per share and for further calculation in (c) below.</p> <p>(b) Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which shall be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry Average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts shall be considered for this purpose.</p> <p>(c) The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 15% for illiquidity to arrive at the fair value per share.</p> <p>The above methodology for valuation shall be subject to the following conditions:</p> <ol style="list-style-type: none"> <li>All calculations as aforesaid shall be based on audited accounts.</li> <li>In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.</li> <li>If the net worth of the company is negative, the share would be marked down to zero.</li> <li>In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning.</li> <li>In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5% of the total assets of the scheme, it shall be valued in accordance with the procedure as mentioned above on the date of valuation.</li> </ol> <p>An unlisted equity security may be valued at a price lower than the value derived using the aforesaid methodology if considered appropriate by the Valuation Committee. Such exception shall be reported to the Board of AMC &amp; Trustees at its periodical meetings.</p>
	<b>Thinly traded securities [as defined under the SEBI (Mutual Fund)</b>	Thinly-Traded equity securities of a company shall be valued "in good faith" and as per valuation principles laid down by SEBI. Based on the latest available Balance Sheet, net worth shall be calculated. Net Worth per share = [share capital+ reserves (excluding revaluation reserves) – Misc.

Asset Class	Traded / Non-traded Securities	Methodology for valuation
	<b>Regulations]</b>	expenditure and Debit Balance in P&L A/c] Divided by No. of Paid up Shares. Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose. The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for ill-liquidity so as to arrive at the fair value per share. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning. In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero. In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security.
	<b>Follow-on Public Offer purchase</b>	The security shall be valued at listed price.
	<b>Initial Public Offer purchase</b>	The security shall be valued at cost, till the date of listing.
<b>Futures &amp; Options (F&amp;O)</b>	<b>Traded</b>	<ul style="list-style-type: none"> <li>On the valuation day, traded F&amp;O are valued at the settlement price provided by the respective stock exchanges.</li> <li></li> </ul>
	<b>Non-Traded</b>	<ul style="list-style-type: none"> <li>Non-Traded F&amp;O are valued based on settlement price / any other equivalent price (if settlement price is not available) provided by the respective stock exchanges.</li> </ul>

**Valuation of Debt and Debt related (including Money Market) instruments:**

Asset Class	Security type	Methodology for valuation
<b>Debt &amp; Money Market Securities (including floating rate securities and Repo transactions [(Exclusion: Overnight repos) (Inclusion: Tri-party repo i.e. TREPS and Corporate Bond Repo)] (irrespective of the residual maturity)</b>		<p>All Debt and Money Market securities shall be valued at the average of Valuation prices provided for individual securities by CRISIL &amp; ICRA, or any other external independent agency(ies) as prescribed by AMFI.</p> <p>New securities purchased for which Valuation price is not provided by the external agencies on the date of purchase/allotment, would be valued at the purchase yield on the date of purchase/allotment (weighted average yield in case of multiple of trades).</p>
<b>Government Securities</b>		Government Securities shall mean and include such securities issued by Central government or State



Asset Class	Security type	Methodology for valuation
(irrespective of the residual maturity)		<p>Government, Cash Management bills, Treasury bills, State Development Loans, etc.</p> <p>Government Securities (including Treasury Bills) shall be valued at the average of Valuation prices provided for individual securities by CRISIL &amp; ICRA, or any other external independent agency(ies) as prescribed by AMFI.</p>
<b>Other Money market / Debt securities</b>	<b>Short-term deposits with banks (pending deployment), Overnight Repurchase (Repo) Transaction (incl. TREPS and Corporate Bond Repo)</b>	Investments in short-term deposits with banks (pending deployment) and Overnight repurchase (repo) transactions (including tri-party repo i.e. TREPS and Corporate Bond Repo), shall be valued on cost plus accrual basis.
	<b>Traded and Non-traded money market / debt security</b>	<p><b>Traded Money Market / Debt Security</b> A money market or debt security shall be considered as traded if, on the date of valuation, there are trades in marketable lots in that security on any recognized stock exchange (RSE) or trade reporting platform of RSE or Clearing Corporation of India Limited (CCIL).</p> <p><b>Non- Traded Money Market / Debt Security</b> A money market or debt security shall be considered non-traded if, on the date of valuation, there are no trades in marketable lots in such security on any RSE or on trade reporting platform of RSE or CCIL</p> <p>The term ‘marketable lot’ as defined by AMFI vide its Best Practices Guidelines Circular No.83/2019-20 dated November 18, 2019 shall be followed.</p>
<b>Securities with Put / Call Options</b>		<p><b>Securities with call option:</b> The securities with call option shall be valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option. In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instrument.</p> <p><b>Securities with Put option:</b> The securities with put option shall be valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option. In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instruments.</p> <p><b>Securities with both Put and Call option:</b> Only securities with put / call options on the same day and having the same put and call option price, shall be deemed to mature on such put / call date and shall be</p>

Asset Class	Security type	Methodology for valuation
		<p>valued accordingly. In all other cases, the cash flow of each put / call option shall be evaluated and the security shall be valued on the following basis:</p> <ol style="list-style-type: none"> <li>Identify a 'Put Trigger Date', a date on which 'price to put option' is the highest when compared with price to other put options and maturity price.</li> <li>Identify a 'Call Trigger Date', a date on which 'price to call option' is the lowest when compared with price to other call options and maturity price.</li> <li>In case no Put Trigger Date or Call Trigger Date ('Trigger Date') is available, then valuation would be done to maturity price. In case one Trigger Date is available, then valuation would be done as to the said Trigger Date. In case both Trigger Dates are available, then valuation would be done to the earliest date.</li> </ol> <p><b>Securities with multiple Put Options present ab-initio effective October 1, 2021:</b></p> <p>If a put option is not exercised when exercising such put option would have been in favor of the scheme, in such cases the justification for not exercising the put option shall be provided to the Valuation Agencies, Board of AMC and Trustees on or before the last date of the notice period.</p> <p>The Valuation Agencies shall not take into account the remaining put options for the purpose of valuation of the security.</p> <p>The put option shall be considered as 'in favour of the scheme' if the yield of the valuation price ignoring the put option under evaluation is more than the contractual yield/coupon rate by 30 basis points.</p>
	<b>AT-1 Bonds and Tier 2 Bonds</b>	<p>SEBI vide its Circular No. SEBI/HO/IMD/DF4/CIR/P/2021/034 dated March 22, 2021 read with point 8 of its Circular No. SEBI/HO/IMD/DF/CIR/P/2021/032 dated March 10, 2021 has laid down norms for valuation of existing as well as new bonds issued under Basel III framework.</p> <p>In accordance with the above SEBI Circulars, the AT-1 Bonds and Tier 2 Bonds issued under Basel III framework shall be valued as per the valuation methodology stipulated by AMFI Best Practice Guidelines Circular No. 135/BP/91/2020-21 dated March 24, 2021 effective April 1, 2021 as detailed in Appendix 1.</p>
<b>Debt Derivatives</b>	<b>Interest Rate Futures (IRF)</b>	The exchange traded Interest Rate Futures would be valued based on the Daily Settlement Price of the exchange.
	<b>Interest Rate Swaps (IRS) and</b>	IRS and OTC derivatives shall be valued at the average of valuation prices provided for individual securities by

Asset Class	Security type	Methodology for valuation
	<b>other Debt Over the Counter (OTC) Derivatives</b>	CRISIL & ICRA, or any other external independent agency(ies) as prescribed by AMFI.
<b>Inter scheme – Transfers</b>	<b>Debt &amp; Money Market Securities</b>	<p>Revised Norms for Inter scheme pricing effective December 23, 2019:</p> <p>Prices for Inter Scheme Transfer of money market and debt securities are being obtained from valuation agencies (appointed by AMFI), irrespective of maturity of security.</p> <p>AMFI vide its email dated December 23, 2019 has decided a turn-around-time (TAT) within which IST prices are provided by valuation agencies. If prices are received from valuation agencies within this TAT, average of prices so received shall be used for IST pricing. If price is received only from one agency within the TAT, then that price may be used for IST pricing.</p> <p>If prices are not received from any valuation agency within the TAT, the following methodology shall be adopted:</p> <p>Inter scheme transfers shall be effected at the current market prices. For this purpose, quotes in same or similar securities shall be obtained from 2 brokers at the time of executing the inter-scheme transfer. Such inter-scheme transfers shall be executed within the bid-ask range obtained from brokers.</p> <p>In case no quotes are available, inter-scheme shall be effected at the fair value based on justification from the Fund Manager.</p> <p>Under abnormal market condition inter-scheme may be effected at previous day valuation price, for this purpose the process laid out for determination of abnormal Situations &amp; Market Disruptions mentioned below in this policy needs to be adhered to.</p>
	<b>Valuation of money market and debt securities which are rated below investment grade or default</b>	<p>A money market or debt security shall be classified as “below investment grade” if the long term rating of the security issued by a SEBI registered Credit Rating Agency (CRA) is below BBB- or if the short term rating of the security is below A3.</p> <p>A money market or debt security shall be classified as “Default” if the interest and / or principal amount has not been received, on the day such amount was due or when such security has been downgraded to “Default” grade by a CRA. In this respect, Bandhan Mutual Fund would promptly inform to the valuation agencies and the CRAs, any instance of non-receipt of payment of interest and / or principal amount (part or full) in any security.</p> <p><b>Treatment of Principal:</b></p>

Asset Class	Security type	Methodology for valuation
		<p>All money market and debt securities which are rated below investment grade shall be valued at the price provided by valuation agencies.</p> <p>Till such time the valuation agencies compute the valuation of money market and debt securities classified as below investment grade, such securities shall be valued on the basis of indicative haircuts provided by AMFI. These indicative haircuts shall be applied on the date of credit event i.e. migration of the security to sub-investment grade and shall continue till the valuation agencies compute the valuation price of such securities.</p> <p>In case of trades during the interim period between date of credit event and receipt of valuation price from valuation agencies, the AMC shall consider such traded price for valuation if it is lower than the price post standard haircut.</p> <p>In case of trades after the valuation price is computed by the valuation agencies as referred above and where the traded price is lower than such computed price, such traded price shall be considered for the purpose of valuation and the valuation price may be revised accordingly.</p> <p>In case of any deviation from the indicative haircuts and/or the valuation price provided by the valuation agencies, a detailed rationale along with the details of the trade and impact of deviation shall be recorded in the Valuation Committee and reported to the Board of AMC and Trustees.</p> <p>The rationale for deviation along-with details as mentioned in the SEBI circular shall be disclosed to investors under a separate head on their website. Further, the total number of such instances shall also be disclosed in the monthly and half-yearly portfolio statements for the relevant period along-with an exact link to the website wherein the details of all such instances of deviation are available.</p> <p><b>Treatment of accrued interest, future interest accrual and future recovery:</b></p> <p>The indicative haircut that has been applied to the principal should be applied to any accrued interest.</p> <p>In case of securities classified as below investment grade but not default, interest accrual may continue with the same haircut applied to the principal. In case of securities classified as default, no further interest accrual shall be made.</p>

Asset Class	Security type	Methodology for valuation
		<p><b>The following shall be the treatment of how any future recovery should be accounted for in terms of principal or interest:</b></p> <p>Any recovery shall first be adjusted against the outstanding interest recognized in the NAV and any balance shall be adjusted against the value of principal recognized in the NAV.</p> <p>Any recovery in excess of the carried value (i.e. the value recognized in NAV) shall then be applied first towards amount of interest written off and then towards amount of principal written off.</p>
	<b>Changes in terms of investment</b>	<p>Any changes to the terms of investment, including extension in the maturity of a money market or debt security, shall be reported to valuation agencies and SEBI registered Credit Rating Agencies (CRAs) immediately, along-with reasons for such changes.</p> <ul style="list-style-type: none"> <li>Any extension in maturity of money market or debt security shall result in the security being treated as 'Default' for purpose of valuation.</li> <li>If maturity date of a money market and debt security is shortened and then subsequently extended, the security shall be treated as 'Default' for valuation purposes.</li> <li>Any put option inserted subsequent to the issuance of security shall not be considered for valuation and original terms of issue only shall be considered.</li> </ul>
	<b>Upfront Fees on trades</b>	<ul style="list-style-type: none"> <li>Upfront fees on all trades, by whatever name and manner called, would be considered by the valuation agencies for the purpose of valuation of the security.</li> <li>Details of such upfront fees should be shared by the AMC on the trade date to the valuation agencies as a part of trade reporting.</li> <li>For the purpose of accounting, such upfront fees should be reduced from the cost of the investment in the scheme that has made the investment</li> <li>In case upfront fees are received across multiple schemes, then such upfront fees should be shared on a pro-rata basis across such schemes.</li> </ul>

**Valuation of other instruments:**

Asset Class	Security type	Methodology for valuation
<b>Valuation policy for Foreign Securities</b>	<b>Listed Foreign Security (including ADR/GDR/ETF)</b>	Foreign securities will be valued at the last available traded or quoted price on the overseas stock exchange where such security is listed. However, if the security is listed on more than one stock exchange, an appropriate stock exchange will be selected from which the price will be sourced. Bandhan AMC shall select the Primary stock exchange prior to transacting in any scheme in case a security is listed on more

Asset Class	Security type	Methodology for valuation
		<p>than one stock exchange and the reasons for the selection will be recorded in writing. Any subsequent change in the reference stock exchange used for valuation will be necessarily backed by reasons for such change being recorded in writing by the Bandhan AMC and approved by the Valuation Committee.</p> <p>If the security is not traded on a particular valuation day on the primary stock exchange, the value at which it is traded on another stock exchange shall be used. If the security is not traded on any stock exchange on the particular day then, last quoted closing price of the primary stock exchange shall be used, provided such date is not more than thirty calendar days prior to the valuation date.</p> <p>If it is determined that market quotations (last traded/quoted prices) are not readily available or reliable for a particular security the valuation committee may apply fair value, as determined by the Valuation Committee.</p> <p>Additionally, if it is determined that a significant market changes have occurred after security prices were established for a particular market or exchange but prior to Net Asset Value (NAV) computation, Bandhan AMC reserves the right to apply fair valuation as determined by the Valuation Committee.</p>
	<b>Unlisted Foreign Securities (including ADR/GDR)</b>	<p>Unlisted American Depository Receipts (ADRs)/ Global Depository Receipts (GDRs) shall be valued after considering prices/issue terms of underlying security.</p> <p>Unlisted and Non-traded foreign securities shall be valued by Bandhan AMC at fair value as determined by the Valuation Committee after considering relevant factors on case to case basis.</p> <p>Valuation committee shall decide the appropriate discount for illiquidity.</p>
	<b>Mutual Fund Units</b>	Units of Mutual Funds will be valued at latest published NAV.
	<b>Exchange Traded Funds (ETF's)</b>	<p>Units of overseas Exchange Traded Funds will be valued at the latest available closing price on the stock exchange on which the respective overseas ETF is listed.</p> <p>In case the closing price of the overseas ETF is not available on the stock exchange on any particular valuation date, then the ETF's will be valued at the last available closing price of another stock exchange on which the security is listed. Where no traded prices are available on any stock exchange where the overseas ETF is listed then the previous day's closing price would be used provided the same is not more than 30 calendar days prior to the valuation date.</p> <p>In case the last available closing price is not available for more than 30 calendar days the ETF/security will be valued as per the latest published Net Asset Value (NAV).</p>

Asset Class	Security type	Methodology for valuation
		In case of any other scenario/(s) the same shall be fair valued as approved by the Valuation Committee.
	<b>Foreign Exchange Conversion</b>	<p>The Financial Benchmark India Private Ltd (FBIL)/Reserve Bank of India (RBI) reference rate at the time of closing of banking hours on the relevant business day in India would be used for available currencies and where the FBIL/RBI reference rate is not available; the rate available in Reuters at the time of closing of banking hours on the relevant business day in India (at 5:00 PM IST) shall be used.</p> <p>In case the direct exchange rates are not available on Reuters, then cross currency rate with United States Dollars (USD) would be considered and converted as per the Indian Rupees (INR)/USD FBIL/RBI reference rate.</p> <p>The Trustee/AMC reserves the right to change the source of determining the exchange rate.</p>
<b>Mutual Fund Units and Exchange Traded Funds (Domestic)</b>	<b>Mutual Fund Units</b>	Units of Mutual Funds will be valued at latest published NAV.
	<b>Exchange Traded Funds</b>	<p>The closing price of the units of ETFs on the Stock Exchange/(s) shall be used for valuation of investment in ETFs.</p> <p>In case of ETF's passively tracking an underlying index of Bombay Stock Exchange (BSE) and listed on the same exchange, the closing price of units on BSE shall be considered for valuation, whereas in case of ETF's passively tracking an underlying index of National Stock Exchange (NSE) and listed on the same exchange, the closing price of units on NSE shall be considered for valuation.</p> <p>If units are not traded on respective listed stock exchange/(s) on a valuation day, then the latest published NAV per unit will be considered for valuation.</p>
<b>Securities Lending</b>		The valuation of the securities lent shall be done in accordance with the norms laid down in the valuation policy. The lending fees received through the securities lending contract shall be valued at amortised cost and shall be accrued in a proportionate manner till maturity of the contract.
<b>Units held in Corporate Debt Market Development Fund (CDMDF)</b>	<b>CDMDF Units</b>	Units held in the schemes of Corporate Debt Market Development Fund (CDMDF) would be valued at the last declared /published NAV on the website of AMFI and the Investment Manager of the CDMDF as on the valuation date.
<b>Units of Infrastructure Investment Trust (InvITs) &amp; Real Estate Investment Trust (REITs)</b>	<b>Units of InvITs / REITs</b>	<p>(a) Allotted but Listing awaited</p> <p>Valuation of units of InvITs/REITs post allotment but awaiting listing shall be carried out as per allotment price.</p> <p>(b) Listed (Traded and Non-Traded)</p>



Asset Class	Security type	Methodology for valuation
		<p>On a valuation day, traded units of InvITs/ReITs are to be valued at the last quoted closing price on the principal stock exchange.</p> <p>The AMC has selected NSE as principal stock exchange, for all schemes other than Index based Funds/ETF. If no trade is reported on the principal stock exchange on a particular valuation date, units of InvITs and ReITs shall be valued at the last quoted closing price on other recognised stock exchange. For this purpose, only NSE and BSE shall be considered as the recognized stock exchanges.</p> <p>When units of InvITs/ReITs is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the principal stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than 30 days prior to valuation date.</p> <p>Where units of InvITs and ReITs are not traded on any stock exchange for a continuous period of 30 days then the valuation for such units of InvITs and ReITs will be determined by the Valuation Committee based on the principles of fair valuation.</p>

### 13. Annexure B

#### **Deviation from valuation guidelines / Abnormal Situations & Market Disruptions:**

As per the Principles of Fair Valuation specified in Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996, the valuation of securities shall be true and fair. Considering the same, in case of any deviation from the valuation price given by the valuation agencies, the detailed rationale for each instance of deviation shall be recorded.

The rationale for deviation along-with details such as information about the security (International Security Identification Number (ISIN), Issuer name, Rating etc.), price at which the security was valued vis-a-vis the price as per the valuation agencies and the impact of such deviation on scheme NAV (in amount and percentage terms) shall be reported to the Board of AMC and Trustees.

The rationale for deviation along-with details as mentioned above shall be disclosed immediately and prominently, under a separate head on the Bandhan Mutual Fund's website.

Further, while disclosing the total number of instances of deviation in the monthly and half-yearly portfolio statements, the exact link to the website for accessing the above information shall be provided.

In normal situations the above methods will be used for valuation. However, in abnormal market conditions, due to lack of market trading or otherwise it may not be possible to obtain fair valuation using "normal" means. In such situations, the realizable value may be substantially different from the benchmark-based prices obtained. Such events may comprise (list indicative and not exhaustive) monetary policy or other regulatory related events, large redemptions, or other external factors could constitute abnormal events.

Fund manager will explain in writing why a day of valuations should qualify as an abnormal market condition and what will qualify as situation returning to normal. Valuation committee will discuss and approve recognition of abnormal market condition and decide basis for valuation during the period of continuation of abnormal market condition. This period upto ceasure of abnormal market condition (also to be detailed by fund manager and approved by valuation committee) will be documented. The Board of the AMC and Trustee Company will review the valuation methodology adopted and offer direction if any, to the Valuation Committee within a period of 3 days from the occurrence of the abnormal event.

#### **14. Annexure C**

##### **Waterfall approach for valuation of money market and debt securities:**

The broad principles that shall be adopted as part of the waterfall approach for arriving at the security level prices as per SEBI Circular dated September 24, 2019 are as follows:

- All traded securities shall be valued on the basis of traded yields, subject to identification of outlier trades by the valuation agencies.
- Volume Weighted Average Yield (VWAY) for trades in the last one hour of trading shall be used as the basis for valuation of Government Securities (including T-bills). Valuation of all other money market and debt securities (including Government securities not traded in last one hour) shall be done on the basis of VWAY of all trades during the day.
- In case of any exceptional events on a day, only VWAY of trades post such event may be considered for valuation. Further, all exceptional events along-with valuation carried out on such dates shall be documented with adequate justification.
- All trades on stock exchanges and trades reported on trade reporting platforms till end of the trade reporting time (excluding Inter-scheme transfers), should be considered for valuation on that day.
- Considering the importance of polling in valuation process, detailed guidelines has also been issued by AMFI on polling by valuation agencies and on the responsibilities of Mutual Funds in polling process, as part of the aforesaid waterfall approach. The AMC has put in place a Policy on Polling for Valuation of money market and debt instruments in line with the AMFI Guidelines as amended from time to time, which approved by the Board of AMC and Trustees respectively.

##### **Appendix 1:**

##### **Guidelines for Valuation of Bonds (AT 1 Bonds and Tier 2 Bonds) issued under Basel III framework**

1. Currently a bond is considered traded, if there is at least one trade in market lot in that particular ISIN. If the bond does not get traded there is a defined waterfall mechanism for valuation of that bond as per AMFI Best Practice Guideline circular no. NO.83 / 2019-20 dated November 18, 2019.
2. The said waterfall requires grouping of same issuer with similar maturity and similar issuers with similar maturity. However, in case any ISIN of issuer has not traded, the valuation of AT-1 Bonds is currently done based on adjusting spread directly to the benchmark security.
3. In order to improve existing valuation of these bonds and implement the defined waterfall, following is proposed to be done:
  - i. Form two types of ISINs:

- a) Benchmark ISINs (a non-benchmark ISIN can be linked to only one benchmark ISIN. Currently, SBI ISINs happens to be the benchmark ISINs across all maturities for AT-1 Bonds.)
  - b) Non-benchmark ISINs (Will be divided into multiple groups based on similar issuer and similar maturity).
  - c) The groups will be decided in consultation with valuation agencies. The two main criteria envisaged to be used here would be Tier 1 / Tier 2 ratings of the ISINs / Issuers, and the spread range in which the group of ISINs / Issuer's trade over the benchmark.
- ii. Take a look back period for trade recognition as under:
- a) 15 working days for benchmark ISINs
  - b) 30 working days for non-benchmark ISINs
  - c) This will be revised to 7 working days for benchmark ISIN and 15 working days for non-benchmark ISINs from October 01, 2021.
4. If the ISIN gets traded, the traded YTM will be taken for the purpose of valuation. Further, if 1 ISIN of the issuer trades all other ISINs of issuers will be considered as traded but with necessary adjustment of spread to YTM. If none of the ISIN of the issuer gets traded, the trade of similar issuer in the group will be taken to valuation however with necessary adjustment of spread to YTM of similar issuer similar maturity. If none of the ISIN in a group gets traded on any particular day, an actual trade in a look back period will be seen. If there is an actual trade in look back period the security will be considered as traded and valued with necessary adjustment of spread to YTM. According to this valuation will be done based on the trade of issuer, trade of similar issuer and as an additional layer a look back period of is requested. It is confirmed that spread over YTM will be taken without any adjustment of modified duration to call.
  5. Further, as the valuation is based on trade during the look back period, it is confirmed that a spread will be adjusted to reflect adverse news, change in credit rating, interest rate etc., which has bearing on the yield of ISIN being valued.
  6. However, if there is no actual trade of any ISIN of the issuer as well as similar issuer during look back period also then valuation will be done by taking spread over matrix and/or polling in line with the waterfall mechanism prescribed by AMFI.

Points 4, 5 & 6 have been further elaborated in the detailed Appendix 1.0 attached hereto.

7. AMCs shall adopt maturity of 100 years for perpetual bond issued by banks. There will be a glide path for smooth implementation. The Deemed Residual Maturity for the Purpose of Calculation of valuation as well as Macaulay Duration for existing as well as new perpetual bonds issued:

<b>Time Period</b>	<b>Deemed Residual Maturity (Years)</b>
Till March 31, 2022	10
April 01, 2022 – September 30, 2022	20
October 01, 2022 – March 31, 2023	30
March 31, 2023 onwards	100

# the residual maturity will always remain above the deemed residual maturity proposed above.

8. Hitherto, Mutual Fund industry used to value Tier II bonds considering first call date as a deemed maturity date. Therefore, a glide path is required for valuation as well as calculation of Macaulay Duration for tier II bonds also. Accordingly, valuation methodology, as mentioned above, for AT-1 Bonds is to be followed for the valuation of tier II bonds also. Further, the Macaulay Duration is proposed to be calculated as under for Tier II bonds:

<b>Time Period</b>	<b>Deemed Residual Maturity for all securities (Years)</b>
April 01, 2021 – March 31, 2022	10 years or contractual maturity whichever is

	earlier
April 01, 2022 onwards	Actual Maturity

9. Besides, AT-1 bonds and Tier 2 bonds being different categories of bonds, the valuation of these bonds will be done separately (i.e.) ISIN of AT-1 bond traded will not mean that ISIN of Tier-2 bonds of the same issuer have also traded. However, if any issuer does not exercise call option for any ISIN, then the valuation and calculation of Macaulay Duration should be done considering maturity of 100 years from the date of issuance for AT-1 Bonds and Contractual Maturity for Tier 2 bonds, for all ISINs of the issuer.
10. It is confirmed that the Macaulay Duration of ISINs will be calculated based on the deemed residual maturity proposed in para 7 and 8 above to reflect the duration risk.
11. Further, henceforth mutual funds will disclose both Yield to Call and Yield to Maturity.

Appendix 1.0: Illustration for point 4 to 6

**ABC and XYZ are similar issuer and similar maturity:**

**Maturity of ISIN 1 of ABC is near to maturity of ISIN 1 of XYZ & Maturity of ISIN 2 of ABC is near to maturity to ISIN 2 of XYZ**

Issuers	ABC		XYZ		Valuation of ABC ISIN 1
Trade	ISIN 1	ISIN 2	ISIN 1	ISIN 2	
Traded Today	Y	-	-	-	Take price and arrive at YTM
Traded Today	N	Y	-	-	Take price of ISIN 2 of ABC and compute YTM of ISIN 2. Then adjust the YTM spread of ISIN 1 and ISIN 2 and compute value of ISIN 1 of ABC.
Traded Today	N	N	Y	N	From the price of ISIN 1 of XYZ compute YTM. The spread between YTM of ABC ISIN 1 and XYZ ISIN 1 is to be adjusted to derive YTM of ABC ISIN 1. The spread should further be adjusted to reflect adverse news, change in credit rating, interest rate etc., which has bearing on the yield of ISIN being valued and final YTM and price of the security should be computed.
Traded Today	N	N	N	Y	From the price of ISIN 2 of XYZ compute YTM of ISIN 2 of XYZ. Then derive YTM of ISIN 1 of XYZ by adjusting spread of YTM. Then by adjusting difference in spread between ISIN 1 of XYZ and ISIN 1 of ABC trade (which happens to be nearest maturity) arrive at YTM of ISIN 1 of ABC. The spread should be adjusted to reflect adverse news, change in credit rating, interest rate etc., which has bearing on the yield of ISIN being valued.
No trade today. Check for actual trade during look back	Y	-	-	-	Take YTM of traded day and adjust spread to the movement of benchmark ISIN over the period. Also adjust to reflect adverse news, change in credit rating, interest rate etc., which has bearing on the yield of ISIN being valued.
No trade today. Check for actual trade during look	N	Y	-	-	Arrive at YTM of ISIN 2 by adjusting spread to the movement of benchmark ISIN over the period. Derive YTM of ISIN 1 of ABC from ISIN 2 of ABC by adjusting spread over YTM. Also, adjustment should be done to reflect adverse

back					news, change in credit rating, interest rate etc., which has bearing on the yield of ISIN being valued.
No trade today. Check for actual trade during look back	N	N	Y	N	Arrive at YTM of ISIN 1 of XYZ by adjusting spread to the movement of benchmark ISIN over the period. Then the spread of YTM of XYZ ISIN 1 and ABC ISIN 1 is to be adjusted to arrive at YTM of ISIN 1 of ABC. Also, adjustment will be done to reflect adverse news, change in credit rating, interest rate etc., which has bearing on the yield of ISIN being valued.
No trade today. Check for actual trade during look back	N	N	N	Y	Take YTM of ISIN 2 of XYZ by adjusting spread to the movement of benchmark ISIN over the period. Adjust the spread of YTM of ISIN 1 of XYZ and ISIN 2 of XYZ to arrive at YTM of ISIN 1 of XYZ. YTM of ISIN I of ABC will be derived by adjusting spread of YTM of ISIN 1 of XYZ to ISIN 1 of ABC (which appears to be a nearest maturity to ABC ISIN 1). Further, YTM will be adjusted to reflect adverse news, change in credit rating, interest rate etc., which has bearing on the yield of ISIN being valued.
Not Traded During look back	N	N	N	N	Valuation will be done considering spread over matrix and/or polling in line with the waterfall mechanism prescribed by AMFI.

*Note: The duration to call shall not be considered/adjusted to spread over YTM. Yield to Call and Yield to Maturity shall be disclosed to investors.*

## COMPUTATION OF NAV

### A. Policy of computation of NAV

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

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

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

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

- (i) If the investors are allotted units at a price higher than Net Asset Value or are given a price lower than Net Asset Value at the time of sale of their units, they shall be paid the difference in amount by the scheme.
- (ii) If the investors are charged lower Net Asset Value at the time of purchase of their units or are given higher Net Asset Value at the time of sale of their units, asset management company shall pay the difference in amount to the scheme.

The asset management company may recover the difference from the investors.

NAV of units under the Scheme shall be calculated as shown below: **NAV (Rs.) =**

Market or Fair Value of Scheme's investments	+	Current Assets including Accrued Income	-	Current Liabilities and Provisions including accrued expenses
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No. of Units outstanding under Scheme

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

### B. Policy for computation of NAV in foreign securities

The AMC shall follow the Valuation Policy for computation of the NAV of the schemes investing in foreign securities

### C. Procedure in case of delay in disclosure of NAV

In case the NAV is not uploaded by stipulated time line it shall be explained in writing to AMFI for non adherence of time limit for uploading NAV on AMFI's website. If the NAVs are not available before the commencement of business hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAV.

release giving reasons and explaining when the Mutual Fund would be able to publish the NAV.

## IX. TAX & LEGAL & GENERAL INFORMATION

### A. TAXATION ON INVESTING IN MUTUAL FUNDS

#### I) Taxation on investing in Mutual Funds

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

The information stated below is only for the purposes of providing general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. As the tax consequences are specific to each investor and in view of the changing tax laws, each investor is advised to consult his or her or its own tax consultant with respect to the specific tax implications arising out of his or her or its participation in the various schemes of the Fund.

***Income-tax implications including amendments made by the Finance Act, 2025; wherever applicable***

#### (i) To the Mutual Fund

The Fund is a Mutual Fund registered with the Securities and Exchange Board of India (SEBI) and hence, is eligible for the benefits of section 10(23D) of the Income-tax Act, 1961 ('the Act'). Accordingly, the income of the Fund is exempt from income-tax.

The Fund will receive all its income without any deduction of tax at source under the provisions of Section 196(iv) of the Act.

From AY 2015-16 onwards, the Mutual Fund is required to furnish an income-tax return in form ITR-7, if the total income, without giving effect to section 10 of the Act, exceeds the maximum amount which is not chargeable to income-tax.

#### Securities Transaction Tax ('STT')

The mutual funds are liable to pay STT at prescribed rates on the value of transactions of purchase or sale of specified securities. The rates of STT are as under:

Sr. No.	Taxable Securities Transaction	STT rate	Payable by
1.	Purchase / sale of equity shares (delivery based) or a units of business trust.d	0.1%	Purchaser / Seller
2.	Sale of units of an Equity Oriented Mutual Fund (delivery based)	0.001%	Seller
3.	Sale of equity shares, units of business trusts, units of an Equity Oriented Mutual Fund (non-delivery based)	0.025%	Seller
4.	Sale of unit of an Equity Oriented Fund to the Mutual Fund	0.001%	Seller
5	Purchase of unit of an Equity Oriented Fund to the Mutual Fund	NIL	NA
6.	Sale of Option in securities	0.1%	Seller
7.	Sale of Option in securities, where option is exercised	0.125%	Purchaser
8.	Sale of futures in securities	0.02%	Seller
9.	Sale of unlisted equity shares under an initial offer (offer for sale)	0.2%	Seller



### Deduction on account of STT

STT paid is allowable in the computation of business income but disallowed in cost of acquisition while computing Capital Gains. This is subject to the condition that such income from taxable securities transaction is included in computing such business income.

## **(ii) To the Unit holders**

The guidance to unit holders on taxation aspects arising out of investments in mutual fund is set out in the following paragraphs under the following topics:

1. Tax on income from mutual fund (like dividend income)
2. Tax on gain/ loss from sale of units of mutual fund
3. Tax rates
4. Slab wise tax rates
5. Surcharge and cess
6. Tax deducted at source ('TDS')
7. Other relevant provisions (like non PAN, non filers of return, wealth tax, FPI, MAT, AMT, GAAR, MLI)

## **1. Tax on income from mutual funds**

From 1 April 2020, there has been a paradigm shift in taxation of income from units such that the taxability of said income would now occur in the hands of the unitholders. (as against levy of distribution tax in the hands of the fund, as has explained in the previous section).

Income from mutual funds is regarded as "income from other sources" for tax purposes and taxed under section 56 of the Act

The broad modalities of taxation on income from mutual fund units are explained below:

### a) Taxability for Residents

- As per section 57 of the Act, the unitholders can claim a deduction of interest expense if any incurred towards earning such income to the extent of 20 per cent of dividend income.
- Tax rates as per paragraph c would apply.
- No deduction under section 80M of the Act (i.e., set off of dividend income against income further distributed by the unitholder) is available to unitholders.

### b) Taxability for Non-residents

- There are two categories of unitholders, i.e., Foreign Portfolio Investors ('FPIs') and others.
- For FPIs, the applicable domestic tax rate on income from units is 20%, plus surcharge as applicable and cess, as per provisions of section 115AD of the Act.
- As per section 115A of the Act, in the specific case of investment made in units by non resident in foreign currency, income from such units is taxable at the flat rate of 20%. Conversely, for investments made in Indian currency, normal slab rates will apply.

## **2. Tax implications on gains/loss from sale of units of mutual funds**

The characterization of gains or losses arising from sale / transfer of units as "capital gains" or "business income" would depend on whether the unit holder holds such units as "capital assets" or as "stock in trade".

Investors may refer to CBDT instruction no. 1827 dated August 31, 1989 read with CBDT Circular no. 4 dated June 15, 2007 and the CBDT Circular No. 6 dated 29 February 2016 for further guidance on the matter.

With effect from 1 April 2014, any security held by a Foreign Institutional Investor (“FII”), invested in accordance with the regulations under the SEBI Act, 1992, will be classified as a capital asset under section 2(14) of the Act.

The following paragraphs outline the key tax implications under the Act arising in the hands of the investors from transfer of units in the following scenarios:

- A. Tax implication when securities held as business asset
- B. Tax implication when securities held as capital asset

## **2.1 Tax implication when securities are held as business asset**

If the securities are classified as business or trading assets, any gain or loss from their sale will be taxed under the head "Profits and Gains of Business or Profession" as per Section 28 of the Act. The gain or loss should be calculated after accounting for normal business expenses, including those incurred on the transfer.

STT paid on securities held as business assets is an allowable deduction when computing business income.

Losses under the head "Profits and Gains of Business or Profession" can be set off against income from any other source under the same head or against income under any other head (subject to certain exceptions) in the same assessment year. If such loss cannot be set off in the same assessment year, it will be carried forward and set off against the profits and gains of the business within the next eight assessment years.

## **2.2 Tax implication of gains from transfer of securities held as capital asset**

### **2.2.1. Classification of capital asset**

All capital assets [other than Specified Mutual Fund (‘SMF’)] which are not short-term capital assets are treated as long-term capital assets – the concept of SMF is discussed in a separate paragraph below.

As per section 2(42A) of the Act, capital asset (other than listed securities in a recognised stock exchange, equity-oriented funds<sup>1</sup> and SMF) shall be considered as a short-term capital asset where such asset is held for upto 24 months immediately preceeding the date of redemption.

In the specific case of SMF, the holding period is not relevant, as explained in paragraph 1 below. For other listed mutual funds and equity oriented funds, the holding period is more than 12 months, as explained in paragraph 2 below.

### **1. Section 50AA of the Act (SMF and MLD) – assets which are always regarded as short terms capital assets.**

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<sup>1</sup> “Equity oriented fund” is defined under 112A of the Act, to mean a fund set up under a scheme of a mutual fund specified under clause (23D) of section 10 of the Act and,—

- (i) in a case where the fund invests in the units of another fund which is traded on a recognised stock exchange (this refers to fund of fund schemes),—
  - (A) a minimum of ninety per cent of the total proceeds of such fund is invested in the units of such other fund; and
  - (B) such other fund also invests a minimum of ninety per cent of its total proceeds in the equity shares of domestic companies listed on a recognised stock exchange; and
- (ii) in any other case, a minimum of sixty-five per cent of the total proceeds of such fund is invested in the equity shares of domestic companies listed on a recognised stock exchange.

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

Section 50AA of the Act provides that units in SMF acquired on or after 1 April 2023 or MLD as a capital asset shall be deemed to be considered as short-term capital asset irrespective of its period of holding. Further, no deduction of STT and no indexation benefit is allowed in case of SMF.

*Specified Mutual Fund – Concept as introduced in 2023 and changes made under the Finance (No. 2) Act, 2024.*

*Category 1 – definition prior to 1 April 2025*

- For this purpose, SMF acquired on or after 1 April 2023, means a mutual fund where not more than 35% of its total proceeds is invested in equity shares of domestic companies.

*Further, for this purpose, the percentage of equity shareholding by a SMF shall be computed by taking annual average of the daily closing figures.*

*Category 2 – definition post 1 April 2025*

- With effect from 1 April 2025 SMF means a mutual fund:
  - (a) which invests more than 65% of its total proceeds in debt and money market instruments as regulated by Securities and Exchange Board of India ('SEBI'); or
  - (b) which invests 65% or more of its total proceeds in units of a fund referred to in sub-clause (a) above.

*Further, for this purpose, percentage of investment in debt and money market instruments or in units of a fund shall be computed by taking annual average of the daily closing figures.*

*Taxability of gains on redemption*

- For Category 2, gains from investments made post 1 April 2023 and redeemed anytime shall be deemed to be short-term gains taxable at normal rates of tax mentioned in paragraph 3.
- For schemes that fall under in Category 1 but not in Category 2, gains from investments redeemed post 1 April 2025 after being held for more than 24 months shall be regarded as long- term capital gains.

**2. Equity oriented mutual fund –**

Equity Oriented Fund as defined in Section 112A of the Act means a fund set up under a scheme of a Mutual Fund specified under section 10(23D) and:

- i. in a case where the fund invests in the units of another fund which is traded on a recognized stock exchange-
  - a minimum of 90% of the total proceeds of such fund is invested in the units of such other fund; and
  - such other fund also invests a minimum of 90% of its total proceeds in the equity shares of domestic companies listed on a recognized stock exchange; and

- ii. in any other case, a minimum of 65% of the total proceeds of such fund is invested in the equity shares of domestic companies listed on a recognized stock exchange

Further, for this purpose, percentage of equity shareholding or unit of the fund shall be computed by taking annual average of the monthly averages of the opening and closing figures.

The abovementioned equity oriented fund should be regarded as short term capital asset if it is held upto period of 12 months (otherwise, it would be treated as long term capital asset).

### **3. *Residual category MF- for categories outside SMF or equity oriented mutual funds***

Purely for the ease of reference, we have referred the funds that do not fall within the meaning of ‘equity-oriented mutual funds’ or ‘SMF’ as residual category mutual funds.

*Type of funds covered:*

This should cover, especially the following (other than equity-oriented funds):

- a) For Debt Mutual Funds acquired before 1 April 2023 (these have been kept outside “SMF” class)
- b) Hybrid Mutual Fund (Investment of more than 35% and less than 65% in Indian Equities – by nature, these are outside “SMF” class)
- c) Funds with equity less than equal to 35% and debt less than 65% (these are moving out of “SMF” category effective 1 April 2025)

*For this purpose, investments in equity funds and debt and money market instruments shall be computed based on annual average of daily closing figures.*

## **2.2.2. Computation of capital gains**

Capital gains on transfer of units will be computed after taking into account the cost of their acquisition. In certain cases, while calculating long-term capital gains, such cost will be indexed by using the cost inflation index notified by the Government of India.

**Capital gains tax on sale transaction on which STT is chargeable.**

### *Long-term capital gains*

As per section 112A of the Act, long term capital gains, exceeding Rs. 125,000 shall be taxable at the rate of 12.5%.

The said tax rates would be increased by applicable surcharge and cess as mentioned in Paragraph 5.

In case of an equity-oriented fund or a unit of a business trust, STT has been paid on transfer of such capital asset.

The long-term capital gains are required to be computed without giving effect to the first and second provisos to section 48 of the Act, i.e., benefit of computation of capital gains in foreign currency and indexation in respect of cost of acquisition and improvement.

In case of individuals and Hindu Undivided Family ('HUFs'), where the taxable income as reduced by long-term capital gains is below the maximum amount not chargeable to tax<sup>2</sup>, the long-term capital gains is reduced to the extent of the amount which falls short of the maximum amount not chargeable to tax and only the balance long-term capital gains will be charged at the applicable rate plus cess.

Further, for the purpose of computing capital gains in relation to a long-term capital asset, being specified asset, acquired before 1 February 2018, the cost of acquisition is deemed to be the higher of:

- The cost of acquisition of such asset; and
- The lower of –
  - a. the fair market value of the asset; and
  - b. the full value of consideration received or accruing as a result of the transfer / redemption of the asset.

Fair market value has been defined to mean –

- (a) in a case where the capital asset is listed on any recognized stock exchange, the highest price of the capital asset quoted on such exchange on 31 January 2018. However, where there is no trading in such unit on such exchange on 31 January 2018, the highest price of such capital asset on such exchange on a date immediately preceding the 31 January 2018 when such capital asset was traded on such exchange shall be the fair market value.
- (b) in a case where the capital asset is a unit and is not listed on recognized stock exchange, the net asset value of such unit as on 31 January 2018.
- (c) ed stock exchange, the net asset value of such unit as on 31 January 2018.

#### Short-term capital gains

Section 111A of the Act provides that short-term capital gains arising on redemption of units of equity-oriented fund on which STT is chargeable are liable to income-tax at the rate of 20%.(subject to payment of STT) .

The said tax rates would be increased by applicable surcharge and cess as mentioned in Paragraph 5.

In case of individuals and HUFs, where the taxable income as reduced by short-term capital gains is below the maximum amount not chargeable to tax, the short-term capital gains is reduced to the extent of the amount which falls short of the maximum amount not chargeable to tax and only the balance short-term capital gains will be charged at the applicable rate plus surcharge as applicable and cess.

#### ***Capital gains tax on sale transaction on which STT is not chargeable.***

##### ***For resident investors***

#### Long-term capital gains

The long-term capital gains earned in respect of a long-term capital asset, is chargeable to tax under section 112 of the Act at the rate of 12.5%.

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<sup>2</sup> Basic Exemption Limit

The said tax rates would be increased by applicable surcharge and cess as mentioned in Paragraph 5.

Further, in case of individuals and HUFs, where taxable income as reduced by long-term capital gains is below the maximum amount not chargeable to tax<sup>3</sup> (refer Paragraph c), the long-term capital gains is reduced to the extent of the amount which falls short of the maximum amount not chargeable to tax and only the balance long-term capital gains will be charged at the rate of 12.5%.

The said tax rates would be increased by applicable surcharge and cess as mentioned in Paragraph 5.

#### Short-term capital gains

Short-term capital gains earned is chargeable to tax as per the normal rates applicable to the taxpayer (refer below Paragraph 3).

The tax rates would then be increased by applicable surcharge and cess as mentioned in Paragraph 5.

#### ***For non-residents other than FPIs***

#### Long-term capital gains

Under section 112 of the Act, long-term capital gains arising from the transfer of a capital asset, other than, unlisted securities<sup>4</sup> or shares of a company not being a company in which the public is substantially interested, are chargeable to tax at the rate of 12.5%

The said tax rates would be increased by applicable surcharge and cess as mentioned in Paragraph 5.,

The long-term capital gains arising from transfer of a capital asset, being unlisted securities or shares of a company not being a company in which public are substantially interested are chargeable to tax at the rate of 12.5%

The said tax rates would be increased by applicable surcharge and cess as mentioned in Paragraph 5. Such long-term capital gains would be calculated without indexation of cost of acquisition.

#### Short-term capital gains

Short-term capital gains earned is chargeable to tax as per the normal rates applicable to the taxpayer (refer below Paragraph 3).

The tax rates would then be increased by applicable surcharge and cess as mentioned in Paragraph 5 .

#### ***FPIs***

#### Long-term capital gains

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<sup>3</sup> Basic Exemption Limit

<sup>4</sup> The expression "securities" shall have the meaning assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956

Under section 115AD of the Act, long-term capital gains (not covered under section 112A) from the redemption or transfer of units, without taking the benefit of foreign currency fluctuation and indexation benefit will be taxed at the rate of:

- a) 10% for redemption of transfer before 1 April 2025
  - b) 12.5% for redemption of transfer on or after 1 April 2025<sup>5</sup>
- plus surcharge as applicable and cess.

Further, tax on capital gains exceeding Rs. 125,000, under section 112A will be at the rate of 12.5%.

The said tax rates would be increased by applicable surcharge and cess as mentioned in Paragraph 5.

#### Short-term capital gains

Under section 115AD of the Act, short-term capital gains (not covered under section 111A) earned will be chargeable to tax at the rate of 30% plus surcharge as applicable and cess.

However, capital gains mentioned under section 111A will be at the rate of 20%.

The said tax rates would be increased by applicable surcharge and cess as mentioned in Paragraph 5.

### **2.2.3 Other Capital gain implication**

#### ➤ ***Investment by Minors***

Where sale / repurchase is made during the minority of the child, tax will be levied on either of the parents, whose income is greater, where the said income is not covered by the exception in the proviso to section 64(1A) of the Act. When the child attains majority, such tax liability will be on the child.

#### ➤ ***Losses arising from sale of units***

- As per section 94(8) of the Act, where any units (“original units”) are acquired within a period of three months prior to the record date (date fixed by the Fund for the purposes of entitlement of the unit holder to receive bonus units) and any bonus units are allotted (free of cost) based on the holding of the original units, the loss, if any, on sale of the original units within a period of nine months after the record date, shall be ignored in the computation of the unit holder’s taxable income. Such loss will, however, be deemed to be the cost of acquisition of the bonus units.
- s will, however, be deemed to be the cost of acquisition of the bonus units.
- The long-term capital loss suffered on sale / repurchase of any units shall be available for set off against long-term capital gains arising on sale of other assets and balance long-term capital loss shall be carried forward separately for set off only against long-term capital gains in subsequent years.
- Short-term capital loss suffered on sale / repurchase of any units shall be available for set off against both long-term and short-term capital gains arising on sale of other assets and balance short-term capital loss shall be carried forward for set off against capital gains in subsequent years.

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<sup>5</sup> As amended in the Finance Act, 2025



- Given the nuances involved in the computation of capital gains and the losses allowed to be computed or set-off, each unit holder is advised to consult his / her or its own professional tax advisor in the matter.
- Carry forward of losses is admissible maximum up to eight subsequent AYs.

➤ **Switching between the schemes and / merger of schemes**

- Switching between plans or options within a scheme involves redeeming units from the current plan or option and reinvesting the redemption proceeds into the newly selected plan or option. Consequently, this switch results in the transfer of units resulting in capital gains from transfer of the units in the scheme earlier held.
- The consolidation/ merger of different plans in a mutual fund scheme or different schemes of a fund, in accordance with the process of consolidation of mutual fund schemes under the SEBI (Mutual Fund) Regulations, 1996, is tax neutral to the investors. Accordingly, in terms of section 47(xix) of the Act, such consolidation/ merger does not result in any transfer so as to attract capital gains tax.
- Further, according to Section 49 read with section 2 (42A) of the Act, the acquisition cost of units in a consolidated plan of a Mutual Fund scheme will be the same as the cost of units in the consolidating plan of the Mutual Fund scheme. Additionally, the holding period for the units in the consolidated plan will include the duration for which the units in the consolidating plan were held by the assessee.

➤ **Dividend / Bonus Stripping**

As per section 94(8) of the Act, where any units (“original units”) are acquired within a period of three months prior to the record date (date fixed by the Fund for the purposes of entitlement of the unit holder to receive bonus units) and any bonus units are allotted (free of cost) based on the holding of the original units, the loss, if any, on sale of the original units within a period of nine months after the record date, shall be ignored in the computation of the unit holder’s taxable income. Such loss will, however, be deemed to be the cost of acquisition of the bonus units.

s will, however, be deemed to be the cost of acquisition of the bonus units.

In cases which do not fall under the aforesaid circumstances, the cost of acquisition of bonus units for the investors would be NIL, as provided by Section 55(2) of the Act.

Similarly, if any person buys securities or units within a period of 3 months prior to the date of declaration of dividend and subsequently such securities are sold within 3 months (9 months in case of units) from the date of declaration of dividend, any loss on the purchase / sale transaction up to the amount of dividend shall be ignored for the purposes of computing income chargeable to tax.

➤ ***Exemption from long term capital gains under section 54F of the Act***

Criteria	Eligibility
Assessee	Individuals / HUF
Sale of which security	Any long-term capital asset (not being residential house)
Asset to be purchased or constructed to claim exemption	A residential house property in India
Time-limit for purchase or	Purchase: 1 year back / 2 years forward and Construction: 3 years forward

Criteria	Eligibility
construction from the date of transfer	
Amount Exempt	<p><b>Case-1:-</b> If cost of the new residential house property is less than the net sale proceeds from the transfer of the original asset; then the amount exempt will be capital gains proportionate to the investment made.</p> <p><b>Case 2:-</b> If cost of the new residential house property is not less than the net sale consideration arising from the transfer of the original asset, then the entire capital gains will be exempt.</p> <p>With effect from 1 April 2024, if the cost of the new asset purchased is more than rupees ten crore, the cost of such asset shall be deemed to be ten crores. This will limit the amount exempt under the section to ten crore rupees.</p>
Lock-in Period	3 years

➤ **Deduction under Chapter VI-A of the Act**

Section 80C(2)(xiii) of the Act allows an individual or a HUF to claim a deduction for investments made in mutual fund schemes which satisfy conditions of Equity linked savings schemes, 2005<sup>6</sup> (ELSS), up to a maximum of Rs. 150,000.

Deductions under Chapter VI-A of the Act cannot be claimed against short-term capital gains and long-term capital gains covered under Sections 111A, 112, or 112A of the Act.

Additionally, deductions under Chapter VI-A cannot be claimed if an individual or HUF opts to pay tax under the new regime as per Section 115BAC.

➤ **New pension scheme**

Any income, including gains from redemption of units of scheme of Mutual Fund, received by any person for, or on behalf of, the New Pension System Trust<sup>7</sup>, is exempt in the hands of such person under section 10(44) of the Act.

### 3. Tax Rates

The general tax rates for the financial year 2025-26 are as under:

Sr. No.	Assessee	% of Income Tax
1	Individuals, HUF, Association of Persons ('AOP'), Body of Individuals ('BOI'), whether incorporated or not, and Artificial Juridical Person ('AJP')	Applicable slab rates (as per para 4)
2	Co-operative Society	Applicable slab rates (as per para 4)
3	Domestic company (if the company resorts to the new taxation regime provided under Section 115BAA <sup>8</sup> of the Act	22%

<sup>6</sup> Notified by government Notification No. 226/2005, dated 3-11-2005 – based on powers conferred as per section 80C(2)(xiii) of the Act.

<sup>8</sup> As established under the provisions of Indian Trust Act, 1882 on 27 February 2008

Sr. No.	Assessee	% of Income Tax
4	Domestic company (if the company resorts to the new taxation regime provided under– Section 115BAB <sup>9</sup> of the Act	15%
5	Domestic company having turnover/ gross receipt not exceeding INR 400 crore in financial year 2022-23 [if the company does not exercise to adopt the new taxation regime which has the basic tax rate of 22% /15% (as mentioned in sr. no. 3 and 4 above)]	25%
6	Partnership Firms, including Limited Liability Partnerships ('LLPs')	30%
7	Domestic Company (having turnover/gross receipt exceeding INR 400 crore in financial year 2022-23) [if the company does not exercise to adopt the new taxation regime which has the basic tax rate of 22% / 15% (as mentioned in sr. no. 3 and 4 above)]	30%
8	Foreign Company	35%

For rate of surcharge and cess, please refer paragraph 5.

#### 4. Slab-wise tax rates

- i. Under the **default tax regime, being the new regime**<sup>10</sup> for individuals, HUF and others<sup>11</sup> taking into account changes in the slabs rate by the Finance Act, 2025:

<sup>8</sup> Subject to prescribed conditions especially such that certain deductions such as section 80G of the Act (w.e.f. FY20-21) and exemptions need to be foregone. Further, the provisions of Minimum Alternate Tax will not apply to such companies. The option has to be exercised before the due date of filing the income-tax return. Once exercised, it cannot be withdrawn subsequently.

<sup>9</sup> One of the conditions to adopt new taxation regime under section 115BAB of the Act is to commence manufacturing on or before 31 March 2023. The last date to commence manufacturing is extended to 31 March 2024. The provisions of MAT will not apply to such companies. Further, the option has to be exercised before the due date of filing the income-tax return. Once the option is exercised, it cannot be withdrawn subsequently.

<sup>10</sup> The aforesaid new tax regime under section 115BAC of the Act is optional. Accordingly, individuals and HUFs have the option to be taxed under either of the options. The option under new regime once exercised can be changed in subsequent years (not applicable for business income).

Under the new tax regime, most of the deductions/exemptions such as section 80C, 80D of the Act, etc. have to be foregone. However, section 115BAC of the Act provides benefit of clause (ia) of section 16 of the Act (standard deduction), clause (iia) of section 57 of the Act (family pension deduction) and sub-section (2) of section 80CCH of the Act (contribution to Agniveer Corpus Fund) to the assessee.

<sup>11</sup> Section 115BAC of the Act is also available to association of persons (other than co-operative society), body of individual, whether incorporated or not, and artificial juridical person.

Income	Tax
Where total income for a tax year (April to March) is less than or equal to Rs 4,00,000 (the basic exemption limit)	Nil
Where such total income is more than Rs 4,00,000 but is less than or equal to Rs 8,00,000	5% of the amount by which the total income exceeds Rs 4,00,000
Where such total income is more than Rs 8,00,000 but is less than or equal to Rs 12,00,000	Rs 20,000 plus 10% of the amount by which the total income exceeds Rs 8,00,000
Where such total income is more than Rs 12,00,000 but is less than or equal to Rs 16,00,000	Rs 60,000 plus 15% of the amount by which the total income exceeds Rs 12,00,000
Where such total income is more than Rs 16,00,000 but is less than or equal to Rs 20,00,000	Rs 1,20,000 plus 20% of the amount by which the total income exceeds Rs 16,00,000
Where such total income is more than Rs 20,00,000 but is less than or equal to Rs 24,00,000	Rs 2,00,000 plus 25% of the amount by which the total income exceeds Rs 20,00,000
Where such total income is more than Rs 24,00,000	Rs 3,00,000 plus 30% of the amount by which the total income exceeds Rs 24,00,000

For rate of surcharge and cess, please refer paragraph 5.

Section 87A of the Act provides rebate from tax upto Rs. 60,000 is available for a resident individual, opting for alternate new tax regime under section 115BAC of the Act, having total income below Rs. 12,00,000. Further, the concept of marginal rebate has been introduced under section 87A of the Act, if the total income marginally exceeds Rs. 12,00,000.

- ii. Under the alternate **old** tax regime, the slab rates for individuals / HUF / AOP / BOI / AJP are as follows:

Income	Tax
Where total income for a tax year (April to March) is less than or equal to Rs 250,000* (the basic exemption limit / maximum amount not chargeable to tax)	Nil
Where such total income is more than Rs 250,000* but is less than or equal to Rs 500,000	5% of the amount by which the total income exceeds Rs 250,000*
Where such total income is more than Rs 500,000 but is less than or equal to Rs 1,00,000	Rs 12,500 plus 20% of the amount by which the total income exceeds Rs 500,000
Where such total income is more than Rs 1,00,000	Rs 112,500 plus 30% of the amount by which the total income exceeds Rs 1,00,000

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

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

- iii. For Co-operative Societies

Income	Tax
Where the total income does not exceed Rs. 10,000	10%
Where such total income is more than Rs	Rs. 1,000 plus 20% of amount exceeding Rs.

10,000 but is less than or equal to Rs 20,000	10,000
Where such total income exceeds Rs. 20,000	Rs. 3,000 plus 30% of amount exceeding Rs. 20,000

Co-operative societies have an option to pay tax at the reduced rate of 22% plus applicable surcharge and cess as per section 115BAD of the Act.

Section 115BAE of the Act provides that new manufacturing co-operative society set up and registered on or after 1 April 2023 and, which commences manufacturing or production on or before 31 March 2024 and does not avail any specified incentives or deductions, may opt to pay tax at concessional rate of 15% plus applicable surcharge and cess.

**i. Surcharge and cess**

The rates of tax mentioned above would be increased by a surcharge of:

i. For Individuals, HUF, Artificial Juridical Person, AOP<sup>12</sup> or BOI:

Nature of Income	Up to Rs. 50 lakhs	More than Rs. 50 lakhs but upto Rs. 1 crore	More than Rs. 1 crore but less than Rs. 2 crores	More than Rs. 2 crores but up to Rs. 5 crores	More than Rs. 5 crores
1. Short-term capital gain under section 111A of the Act; 2. Long-term capital gains under section 112A and section 112 <sup>13</sup> of the Act; 3. Short term or Long-term capital gains under section 115AD(1)(b) of the Act	NIL	10%	15%	15%	15%
4. Income from units of MF <sup>14</sup> Residents and Non-residents	NIL	10%	15%	25%	37%*
5. Any other Income	NIL	10%	15%	25%	37%*

\* Surcharge is capped at 25% where the income of person is chargeable to tax under section 115BAC(1A) of the Act.

ii. For Firms and LLPs:

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

<sup>12</sup> The surcharge is capped at 15% in case of AOP consisting of only companies.

<sup>13</sup> The capping of surcharge (currently applicable on capital gain under section 112A and 111A of the Act) has been extended on long term capital gain under section 112 of the Act as well.

<sup>14</sup> The surcharge is capped on "dividend". It appears for this purpose that dividend would mean dividend from equity shares and may not cover dividend from mutual fund schemes/income distributed by mutual funds. This is because the Income-tax Act in several places refers to dividend from equity as "dividend" and dividend from mutual fund as "income distributed by mutual fund". Based on such approach, "mutual fund dividend" is subject to super-rich surcharge.

iii. For Companies

Company	Total income upto Rs. 1 crore	Total income exceeds Rs. 1 crore but not Rs. 10 crores	Total income exceeds Rs. 10 crores
Domestic company	NIL	7%	12%
Domestic Company opting for section 115BAA and 115BAB of the Act	10%		
Foreign company	NIL	2%	5%

iv. For Co-operative Society

Income	Surcharge
Rs. 1,00,00,000 or less	Nil
Income exceeding Rs. 1,00,00,000 but not exceeding Rs 10,00,00,000	7%
Income exceeding Rs 10,00,00,000	12%

For co-operative society which opts to pay tax under section 115BAD and section 115BAE of the Act, as referred above, the rate shall be increased by surcharge @ 10%.

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

## 6. Tax deduction at source ('TDS')

### a) Dividend income and income from mutual funds

From 1 April 2020 onwards, the concept of Dividend Distribution Tax ('DDT') has been abolished and accordingly, dividend income is taxable in the hands of the recipient. The TDS rates in this regard are as under:

Category	Income from Mutual Funds
Resident	10% (new section 194K of the Act <sup>15</sup> )
Non-residents including corporates	20% (section 196A of the Act)
FPI (corporate)	20% (section 196D of the Act)*
FPI (non-corporate)	20% (section 196D of the Act)*

\*A non-resident investor including FPIs, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial. Accordingly, tax should be withheld as per the provisions of the Act or the provisions of the relevant Double Taxation Avoidance Agreement ('DTAA'), whichever is more beneficial. However, the shareholder will be required to provide appropriate documents to the Companies in order to be entitled to a beneficial rate under such DTAA. The implications of the provisions of General Anti-avoidance Rules ('GAAR') and Multilateral instrument ('MLI') will also need to be evaluated.

<sup>15</sup> Threshold of Rs. 10,000 is applicable under section 194K as amended in the Finance Act, 2025



***b) Income other than dividend and income from mutual funds:***

*Non-residents*

Any person responsible for paying to a non-resident other than FPIs, any income, which is chargeable to tax under the Act, is required to withhold income-tax thereon under section 195 of the Act, at the prescribed rates, at the time of credit of such income to the account of the payee or at the time of payment, whichever is earlier.

Withholding obligations on certain fixed incomes are mentioned in above paragraph.

With respect to FPIs, section 196D(2) of the Act provides that income-tax is not required to be withheld from any income by way of capital gains, arising from the transfer of units referred to in section 115AD of the Act, payable to the FPIs.

In case of TDS on payments made to non-residents (other than FPI), please applicable tax rate/ flat rate plus surcharge and cess (as per paragraph 5 mentioned above):

*Residents*

The applicable rates of TDS are as under:

<b>Income</b>	<b>TDS Rate (%)</b>
Dividend from companies (Section 194 of the Act)	10%
Dividend from mutual funds (Section 194K of the Act)	
Interest on securities (Section 193 of the Act) <sup>16</sup>	
Capital Gains	NIL

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

*Foreign Institutional Investors ('FIIs') / FPIs*

As per the provisions of section 196D of the Act, no deduction of tax shall be made on any income from capital gains payable to FIIs arising on transfer of securities referred to in section 115AD of the Act.

*DTAA provisions*

A non-resident investor (including FPI) eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial. Please note that the non-resident claiming such treaty benefit is liable to obtain Tax Resident Certificate ('TRC') from their resident's country authorities and required to furnish additional information in electronically file Form 10F on the Indian income-tax portal. DTAA. The implications of the provisions of GAAR and MLI will also need to be evaluated.  
o be evaluated.

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<sup>16</sup> Exemption from TDS available on interest payable on any securities issued by a company, where such security is in dematerialized form and is listed on recognized stock exchanges in India is withdrawn. The said withdrawal is w.e.f. from 1 April 2023.

## 7. Other Relevant Provision

### ➤ Failure to furnish Permanent Account Number ('PAN')

As per section 206AA of the Act, if any deductee (investor) fails to furnish or furnishes incorrect PAN to deductor (mutual fund), tax shall be deducted at higher of the following rates, namely: -

- i. at the rates specified in the relevant provision of this Act; or
- ii. at the rate or rates in force; or
- iii. at the rate of twenty per cent

Further, where the PAN of a resident becomes inoperative due to non-linking of PAN with Aadhaar, it shall be deemed that PAN has not been furnished.

The Central Board of Direct Taxes ('CBDT') *vide* notification no. 53/2016 dated June 24, 2016, relaxed the applicability of higher rate of TDS under section 206AA of the Act to non-residents on certain payments (payment in the nature of interest, dividend, payment on transfer of any capital asset etc.,) subject to furnishing the following details and documents to the deductor (Rule 37BC of the Income-tax Rules, 1962):

- i. Basic details: Name, e-mail id, contact number;
- ii. Address of non-resident outside India in the country in which the deductee is a resident;
- iii. TRC issued by the Government of country of which the deductee is a resident
- iv. Tax Identification Number or unique number on the basis of which the deductee is identified by the Government of country of which the deductee claims to be a resident

### ➤ Wealth Tax

The levy of wealth tax under the Wealth-tax Act, 1957 has been abolished with effect from 1 April 2016.

### ➤ Higher TDS on failure to file return of income (omitted vide Finance Act, 2025 – w.e.f. 1 April 2025)

- Section 206AB of the Act requires tax to be deducted at source on any sum payable to a “specified person”, at the higher of the following rates:
  - i. at twice the rate in force specified in the relevant provisions of the Act; or
  - ii. at twice the rate or rates in force; or
  - iii. at the rate of 5%
- This proposed section applies to the provisions of Chapter XVII-B (that is, TDS), other than sections<sup>17</sup> 192, 192A, 194B, 194BA, 194BB, 194-IA, 194-IB, 194M, 194LBC or 194N of the Act.
- If the provisions of section 206AA of the Act are also applicable to a “specified person”<sup>18</sup>, then the tax shall be deducted at higher of the two rates provided in this section and in section 206AA of the Act.

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<sup>18</sup> Specified persons” (excluding a non-resident who does not have a permanent establishment in India or a person not required to furnish return of income and is notified by the Central Government) means any person who has not filed the return for the previous year immediately preceding the previous year in which tax is required to be deducted; whose time

- As per the Finance Act, 2025, the abovementioned provision of higher TDS is not applicable with effect from 1 April 2025.

➤ **FPIs**

Hitherto, FPIs were making investments in India under the provisions of the SEBI Foreign Institutional Investors Regulations. Vide circular dated 7 June 2012, SEBI – the capital market regulator, sought to widen the stream of foreign portfolio investors by introducing the concept of Qualified Foreign Investors “QFI” to make investments in India. On 7 January 2014, the SEBI issued the SEBI (Foreign Portfolio Investors) Regulations 2014 (“FPI Regulations”), effective from 1 June 2014. Through these regulations, the SEBI seeks to harmonize FIIs, sub accounts and QFIs into a single investor class with a view to ensure uniform guidelines and provide a single window registration for different categories of foreign investors. On 23 September 2019, the SEBI issued the SEBI (Foreign Portfolio Investors) Regulations 2019 and regulations issued in 2014 stand repealed. The Central Government has since also notified that the tax regime prevailing for erstwhile FII will apply to FPI as well.

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FPI has been defined as a person not resident in India, not being Non-resident Indian or an overseas citizen of India. FPI should be a resident of a country whose securities market regulator is a signatory to the International Organisation of Securities Commission (IOSCO) Multilateral Memorandum of Understanding or Bilateral Memorandum of Understanding. The person should not be the person(s) mentioned in the Sanctions list notified from time to time by the United Nations Security Council and is not a resident in a country identified in the public statement of Financial Action Task Force.

In case of Bank applicants, the bank is a resident of a country whose central bank is a member of Bank for International Settlements.

➤ ***Minimum Alternate Tax (‘MAT’) applicability to FPIs***

MAT may apply where the income-tax payable by a company under the regular tax provisions is less than 15% of the “book profit” (calculated as per the provisions of section 115JB). In such cases, there would be an obligation to pay MAT at the rate of 15% of such book profit in lieu of regular income tax. Provisions allow the credit for such MAT against taxes payable in subsequent 15 years.

MAT provisions are not applicable to domestic companies exercising the option for lower rate of tax under section 115BAA or 115BAB.

MAT provisions exclude from the chargeability of MAT, the income arising to foreign companies by way of capital gains from transactions in securities, dividend and interest chargeable to tax at the rates specified in chapter XII if:-

- a) The person is a resident of a country or a specified territory with which India has an agreement as per section 90(1) and 90A(1) of the Act and the person does not have a permanent establishment in India in accordance with the provisions of the Agreement;
- b) The person is a resident of a country with which India does not have an agreement as stated in above clause and the assessee is not required to seek registration under any law for the time being in force relating to companies.

MAT credit may be carried forward for a period of 15 years.

➤ ***Alternate Minimum Tax ('AMT')***

All unit holders (other than companies) are subject to tax under AMT at the rate of 18.5 percent<sup>19</sup> on the adjusted total income. In a situation where the income-tax computed as per normal provisions of the Act is less than the AMT on “adjusted total income”, the unit holder shall be liable to pay tax as per AMT. “Adjusted total income” for this purpose is the total income before giving effect to the following deductions:

- claim, if any, as per any section under the heading C, ‘Deduction in respect of certain incomes’ of chapter VI-A (other than section 80P of the Act);
- claim, if any, under section 10AA of the Act; and
- claim, if any, under section 35AD of the Act (in respect of capital expenditure) as reduced by the amount of depreciation allowable in accordance with the provision of section 32 of the Act as if no deduction under section 35AD of the Act was allowed in respect of the assets on which the deduction under that section is claimed.

AMT will not apply to an Individual, HUF, AOP, BOI or an Artificial Juridical Person if the adjusted total income of such person does not exceed INR 20 lakhs. Credit of AMT is allowed which can be further carried forward to fifteen subsequent years and set off in the years(s) where regular income tax exceeds the AMT. Further, credit of AMT paid in a given year can be claimed in any subsequent year even if the adjusted total income does not exceed INR 20 lakhs or where no deduction has been claimed under chapter VI-A or section 10AA or section 35AD of the Act.

chapter VI-A or section 10AA or section 35AD of the Act.

➤ ***GAAR***

GAAR empowers the tax authorities to treat any transaction or arrangement entered into for the primary purpose of tax avoidance as an impermissible avoidance arrangement. The GAAR provisions seek to confer on the tax officer extensive powers, to disregard/ combine/ recharacterise transactions/ persons in situations where there is a tax avoidance motive or where such motive is presumed to exist in law. The CBDT has issued clarifications on GAAR (Circular No. 7/2017 dated 27 January 2017). The provisions of GAAR are effective from the financial year commencing April 1, 2017.

➤ ***MLI***

The Organisation of Economic Co-operation and Development (‘OECD’) released the Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting (‘MLI’). The MLI, amongst others, includes a “principal purpose test”, wherein Tax Treaty benefits can be denied if one of the principal purpose of an arrangement or a transaction was to, directly or indirectly, obtain tax benefit. The MLI has also expanded the scope of permanent establishment to include agent (excluding an independent agent) playing principal role, leading to routine conclusion of contracts without material modification. For this purpose, an agent is not considered independent if it acts exclusively or almost exclusively on behalf of one or more closely related enterprises. India has been an

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<sup>19</sup> The rate of AMT is reduced to 15% in case of co-operative society.

active participant in the entire discussion and its involvement in the BEPS project has been intensive. Over 95 countries including India have signed the MLIs.

## II) Stamp duty implications

The Indian Stamp Act, 1899 provides levy and collection of stamp duty on the issue and transfer of financial instruments through stock exchanges, clearing corporation and depositories.

Stamp duty is chargeable to:

- The unit holder, for transactions in the units of the fund; and
- The fund, for transactions by the fund.

Rate of stamp duty for securities other than debentures as applicable from July 1, 2020 is:

### A. For securities other than debentures:-

Transaction/ Instruments	Rates in %
Issuance of units of mutual fund and unlisted shares	0.005
Transfer of securities on delivery basis (including transfer of mutual fund units)	0.015
Transfer of securities on non-delivery basis	0.003
Derivatives: Futures (Equity and commodity)	0.002
Derivatives: Options (Equity and commodity)	0.003
Derivatives: Currency and Interest rates derivatives	0.0001
Other derivatives	0.002
Government securities	0
Repo on corporate bonds	0.00001

### B. For debentures:-

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

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

Key points:

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

The mechanics of stamp duty collection are as under:

Nature of transaction	Duty to be collected from	Responsibility to collect stamp duty
Sale of securities made through stock exchange	Buyer	Stock exchange or clearing corporation

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

Redemption of mutual fund units is not liable to stamp duty as it is neither a transfer nor an issue nor a sale.

Stamp duty collected is to be transferred within 3 weeks of collection to the State Government where the residence of the buyer is located in India and in case the buyer is located outside India then the State in which the trading member/broker of the buyer is located.

## A. LEGAL INFORMATION

### Nomination Facility:

Pursuant to Regulation 29A of the SEBI (MF) Regulations, the AMC is providing an option to the Unit holder to nominate (in the manner prescribed under the SEBI (MF) Regulations), a person(s) in whom the Units held by him shall vest in the event of his death. The Unit Holder/s can at the time an application is made or by subsequently writing to OPAT, request for a Nomination Form in order to nominate one/more person/s (multiple nominations) to receive the Units upon his/ her death subject to the completion of the necessary formalities eg. Proof of the death of the Unit Holder, signature of the nominee/s, furnishing proof of guardianship in case the nominee is/are minor/s, execution of Indemnity Bond of or such other documents as may be required from the nominee in favour of and to the satisfaction of the Fund, the AMC, or the Trustee.

SEBI vide its circular dated June 10, 2024, specified that all new investors/unitholders shall mandatorily provide the 'Choice of Nomination' for demat accounts/ MF Folios in the prescribed format.

Where the Units are held by more than one person jointly, the joint Unit holders may together nominate a person(s) in whom all the rights in the Units shall vest in the event of death of all the joint Unit holders. By provision of this facility the AMC is not in any way attempting to grant any rights other than those granted by law to the nominee(s). A nomination in respect of the Units does not create an interest in the property after the death of the Unit holder. The nominee(s) shall receive the Units only as an agent and trustee for the legal heirs or legatees as the case may be. It is hereby clarified that the nominees(s) under the nomination facility provided herein shall not necessarily acquire any title or beneficial interest in the property by virtue of this nomination. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney and/or Guardian of Minor unitholder cannot nominate. The Nominee shall not be a trust other than a religious or charitable trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a Power of Attorney holder. A non-resident Indian can be a Nominee subject to the exchange controls in force from time to time. Minor(s) can be nominated and in that event, the name and address of the guardian of the minor nominee shall be provided by the Unit holder. Nomination can also be in favour of the Central Government, State Government, a local authority, any person designated by virtue of his office or a religious or charitable trust.



Nomination can be made for maximum of three nominees. In case of multiple nominees, the percentage of allocation / share in favour of each of the nominees should be indicated against their name and such allocation / share should be in whole numbers without any decimals making a total of 100 percent. In the event of Unitholders not indicating the percentage of allocation / share for each of the nominees, Bandhan Mutual Fund / Bandhan AMC Limited (AMC), by invoking default option shall settle the claim equally amongst all the nominees. Nomination in respect of the Units stands rescinded upon the Redemption of Units. Cancellation of nomination can be made only by those individuals who hold Units on their own behalf singly or jointly and who made the original nomination. On cancellation of the nomination the nomination shall stand rescinded and the Mutual Fund / AMC shall not be under any obligation to transfer the Units in favour of the nominee(s). The nomination facility extended under the Scheme is subject to existing laws. The AMC shall, subject to production of such evidence which in their opinion is sufficient, proceed to effect the payment to the Nominee(s). Transfer of Units / payment to the nominee(s) of the sums shall discharge the Mutual Fund / AMC of all liability towards the estate of the deceased Unit holder and his/her/their successors/legal heirs. X`

Existing Investors, having a folio number and who wish to get units allotted in non-demat mode, in the existing folio number, should mention their folio number. If existing folio number is mentioned, investors should only fill the section on Investment Details. Investors should skip and should not mention joint applicants, bank account, nomination and unit holding option. If an existing folio is mentioned, the investment will be in same folio, even if the joint holders are different. Further, other details like bank account, nomination etc will not be considered, even if mentioned differently from existing folio details. Investors should use separate designated forms for updating bank account details, nomination etc.

In the event of death of the Unitholder and in the event a nominee has been named, the nominee shall stand transposed in respect of the Units held by the Unit holder. Such nominee (new Unit holder) will hold the Units in trust for and on behalf of the estate of the original Unit holder and his / her legal heirs. All payments and settlements made to such nominee shall be a full and valid discharge of obligation by the AMC / Mutual Fund / Trustees.

Pursuant to AMFI Best Practice Guidelines Circular No.20/2010-11 & SEBI circular SEBI/HO/OIAE/OIAE\_IAD-3/P/ON/2025/01650 dt January 10, 2025 & SEBI circular: SEBI/HO/OIAE/OIAE\_IAD-3/P/ON/2025/0027 dated February 28, 2025, the following additional Operational guidelines has to be followed for cases of nomination:

- a) Nomination shall be mandatory for new folios/accounts opened by individual especially with sole holding and no new folios/accounts for individuals in single holding should be opened without nomination.
- b) Even those investors who do not wish to nominate must sign separately confirming their non-intention to nominate.
- c) The mode of operation (of the joint account), namely that of the first named holder or anyone or survivor or either or survivor basis or joint, etc. shall be unaffected by the rule of survivorship.
- d) Nomination is mandatory for single-holding accounts but optional for jointly held folios. However, investors are encouraged to nominate.
- e) In the event if there are more than one holders in the folio, the form needs to be signed as per the mode of holding.
- f) Investor shall mandatorily provide the personal identifier information of respective nominee's in the prescribed form.
- g) Nomination can be made for maximum number of three nominees. In case of multiple nominees, the percentage of the allocation/share should be in whole numbers without any decimals making a total of 100%. In the event of the unit holder(s) not indicating the



percentage of allocation/share for each of the nominees, the AMC, by invoking default option shall settle the claims equally amongst all the nominees.

- h) Nomination form cannot be signed by Power of attorney (POA) holders and in the folio of a Minor unitholder.

Nomination form cannot be signed by Power of attorney (POA) holders and in the folio of a Minor unitholder.

- i) Every new nomination for a folio/account will overwrite the existing nomination.
- j) Investor shall also submit the nomination online. For digital submissions, the identity of the investor will be validated using e-sign or two-factor authentication.

“On Behalf of Minor” Accounts:

- a) The minor shall be the first and the sole holder in the folio.
- b) Guardian, being a natural guardian (i.e. father or mother) or a court appointed legal guardian should submit requisite documentary evidence to AMC/Registrar of fund to ascertain relationship/status of guardian.
- c) Date of birth of the minor along with supporting documents (i.e. Birth certificate, School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE, Passport, PAN card etc., or other prescribed documents) should be provided while opening the folio.

Minor Attaining Majority

- a) The AMC/Registrar will send an advance notice advising the guardian and the minor to submit an application form along with prescribed documents, in order to effect change the status from ‘minor’ to ‘major’.
- b) The guardian cannot undertake any financial and non-financial transactions including fresh registration of Systematic Transfer Plan (STP), Systematic Investment Plan (SIP) and Systematic Withdrawal Plan (SWP) after the date of the minor attaining majority till the time the above application form along with the prescribed documents are received by the AMC/RTA. The AMC/RTA shall freeze the folio for operation by the guardian on the day the minor attains majority and no transactions shall be permitted till documents for status change are received.
- c) In case of existing standing instructions for STP, SIP and SWP have already been registered for a period beyond the minor’s date of attaining majority, the AMC/RTA shall send an advance notice advising the guardian and the minor that all existing standing instructions like SIP, SWP & STP, if registered for a period beyond the date on which the minor attains majority will cease to be executed from the date of the minor attaining majority. However, for fresh SIP, STP or SWP registered post April 01, 2011, the AMC shall register standing instructions only till the date of minor attaining majority.

Change in Guardian

In the event of change in guardian of a minor, the new guardian must be a natural guardian (Father or Mother) or court appointed guardian and such guardian will be required to submit various documents including KYC, Bank attestation of his signature from a bank account of the minor where he is the registered guardian etc.

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

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

For units of the Scheme(s) held in electronic (demat) form with the Depository, the nomination details provided by the Unit holder to the depository will be applicable to the Units of the Scheme. Such nomination including any variation, cancellation or substitution of Nominee(s) shall be governed by the rules and bye-laws of the Depository. Payment to the nominee of the sums shall discharge the Mutual Fund of all liability towards the estate of the deceased Unit holder and his/her legal successors/legal heirs. In case nomination has been made for DP account with joint holders, in case of

death of any of the joint holder(s), the securities will be transmitted to the surviving holder(s). Only in the event of death of all the joint holders, the securities will be transmitted to the nominee. In case nomination is not made by the sole holder of DP account, the securities would be transmitted to the account of legal heir(s), as may be determined by an order of the competent.

## **KYC REQUIREMENTS**

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

In line with clause 14.11 of SEBI Master Circulars, Permanent Account Number (PAN) would be the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction, except (a) investors residing in the state of Sikkim; (b) Central Government, State Government, and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) and (c) investors participating only in micro-pension. SEBI, in its subsequent letters dated June 19, 2009 and July 24, 2012 has conveyed that systematic investment plans (SIP) and lumpsum investments (both put together) per mutual fund up to Rs.50,000/- per year per investor shall be exempted from the requirement of PAN.

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

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

Thus, submission of PAN is mandatory for all other investors existing as well as prospective investors (except the ones mentioned above) (including all joint applicants/holders, guardians in case of minors, POA holders and NRIs but except for the categories mentioned above) for investing with mutual funds from this date. Investors are required to register their PAN with the Mutual Fund by providing the PAN card copy (along with the original for verification which will be returned across the counter). All investments without PAN (for all holders, including Guardians and POA holders) are liable to be rejected. which will be returned across the counter). All investments without PAN (for all holders, including Guardians and POA holders) are liable to be rejected. Application Forms without quoting of PEKRN shall be considered incomplete and are liable to be rejected without any reference to the investors. The procedure implemented by the AMC and the decisions taken by the AMC in this regard shall be deemed final.

## **Prevention of Money Laundering**

The Prevention of Money Laundering Act, 2002, the Rules issued there under and the guidelines / circulars pertaining to Anti Money Laundering, released by SEBI (AML Laws), require intermediaries, including Mutual Funds, to interalia formulate and implement Client Identification Programme, verify and maintain the record of identity and address(es) of investors etc. To facilitate uniform implementation of these guidelines, AMFI had circulated Client Identification implementation procedure to all the Mutual Funds.

In order to ensure appropriate compliance with the AML Laws, to facilitate data capture and ensure easy and convenient submission of documents by investors, the mutual fund industry has collectively

entrusted this responsibility of collection of documents relating to identity and address and record keeping to an independent agency that will act as central record keeping agency (KYC Registration Agency/Central Agency). As a token of having verified the identity and address and for efficient retrieval of records, the Central Agency will issue appropriate acknowledgement to each investor who submits an application and the prescribed documents to the Central Agency.

Investors who have obtained the acknowledgement from KYC Registration Agency, for having completed the Know Your Client (KYC) requirements can invest in the schemes of the mutual fund. Such evidence of having completed KYC needs to be submitted by Investors to the Mutual Funds.

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

With effect from January 01, 2012, all investors other than KYC compliant investors are required to follow the new KYC compliance procedure as mentioned below while making any investments with Bandhan Mutual Fund (“the Fund”):

- Fill up and sign the KYC application form (for individual investors or non-individual investors as appropriate) available on the Fund’s website i.e. [www.bandhanmutual.com](http://www.bandhanmutual.com) ;
- At the time of transacting with the Fund, submit, in person, the completed KYC application form along with all the necessary documents as mentioned in the KYC application form with any of the offices of the distributors (qualified as per the following note), Registrar and Transfer Agent of the Fund and the Fund; and
- Obtain a temporary acknowledgement for submission of all the documents and completion of IPV;

Note: As per the SEBI circular MIRSD/Cir-26/2011 dated December 23, 2011, it is mandatory for SEBI registered intermediaries to carry out “In-Person Verification” (“IPV”) of any investor dealing with a SEBI registered intermediary.

For investments in a mutual fund, the Asset Management Companies, Registrar and Transfer Agents of mutual funds and distributors which comply with the certification process of National Institute of Securities Market or Association of Mutual Funds in India and have undergone the process of “Know Your Distributors” are authorised to carry out the IPV. Unless the IPV process is completed, the investor will not be considered as KYC compliant under the new KYC compliance procedure and hence will not be permitted to make any investment in the Fund;

For investors proposing to invest with the Fund directly (i.e. without being routed through any distributor), IPV done by a scheduled commercial bank may also be relied upon by the Fund.

Once all the documents are verified by a KRA, they will send the investor a letter within 10 working days from the date of receipt of necessary documents by them from the Fund or its Registrar and Transfer Agent informing the investor either about compliance by the investor of the new KYC compliance procedure (“final acknowledgement”) or any deficiency in submission of details or documents.

On the basis of the temporary acknowledgement or the final acknowledgement the investor would be eligible to deal with any of the SEBI registered intermediaries as mentioned in the above mentioned SEBI circulars.

In line with SEBI circular No. MIRSD/Cir-5/2012 dated April 13, 2012 and various other guidelines issued by SEBI on the procedural matters for KYC Compliances, the Investors are requested to note the following additional provisions shall be applicable for “KYC Compliances” with effect from December 1, 2012:

- 1) Investors will have to remediate the KYC status by providing incremental information. CVL MF status implies that the customer is not compliant with current KYC norms.

- 2) In case of existing investor of Bandhan Mutual Fund and who is not KYC Compliant as per our records, the investor will have to submit the standard KYC Application forms or CKYC along with supporting documents at any of the SEBI registered intermediaries at the time of purchase / additional purchase/ new registration of SIP/STP etc. In Person Verification (IPV) will be mandatory at the time of KYC Submission. This uniform KYC submission would be a onetime submission of documentation.
- 3) Investors who have complied with KYC process before December 31, 2011 and not invested in the schemes of Bandhan Mutual Fund i.e not opened a folio earlier, and wish to invest on or after December 01, 2012, such investors will be required to submit 'missing/not available' KYC information and complete the IPV requirements.

Updation of 'missing / not available' KYC information along with IPV is currently a one-time requirement and needs to be completed with any one of the mutual funds i.e. need not be done with all the mutual funds where investors have existing investments. Once the same is done investors need not submit the 'missing/not available' KYC information to mutual funds again.

Pursuant to the SEBI circulars dated October 05, 2011 and April 13, 2012 and AMFI Best practice guidelines issued in order to bring uniformity in the KYC requirements, investors/prospective investors are required to ensure the following: -

It shall be mandatory for the investors to furnish additional KYC information such as income details, occupation, association (if any) with politically exposed persons etc. as may be specified by the AMC / Mutual Fund from time to time for all new folios / accounts opened.

- Further, non-individual investors shall also be required to furnish the details of beneficial ownership as part of the account opening / KYC formalities.

- In case the investors fail to furnish the additional KYC and beneficial ownership information as mentioned above for the new folio / account opened, the AMC shall not accept any subscription application (including switches) from the investor.

- In respect of existing investor whose KYC application is "On Hold" at the KYC Registration Agency (KRA), the AMC shall not accept any subscription (fresh or additional) or switch application from the investor unless the investor has submitted the missing documents / information required to complete the KYC process.

- The above requirements shall not apply to SIP, STP and IDCW Sweep applications registered prior to November 01, 2015.

It shall be mandatory for all existing investors to furnish additional KYC information such as income details, occupation, association (if any) with politically exposed persons etc. and details of beneficial ownership (applicable to non-individual investors) as may be specified by the AMC / Mutual Fund from time to time.

- In respect of existing investors who have not completed the KYC formalities as specified under the SEBI (KRA) Regulations, it shall be mandatory to complete the In-Person Verification (IPV) and submit the missing information / documents.

- In case the investors fail to furnish the missing KYC information and/or complete the IPV as specified above, the AMC shall not accept any subscription (fresh or additional) or switch application from the investor unless the investor has completed the KYC formalities.

- It is clarified that the additional KYC requirements shall not apply to SIP, STP and IDCW Sweep applications registered prior to January 01, 2016. The above requirements are applicable for all investors including joint holders, POA holders and guardian (in case of minor).

## **TRANSFER AND TRANSMISSION**

**(applicable for all schemes except Close ended Schemes launched after December 12, 2008)**

Units of all open ended Schemes of Bandhan Mutual Fund are presently not listed on any stock exchange and no transfer facility is provided. However, the AMC may at its sole discretion list the Units under any one or more Schemes on one or more Stock Exchanges. On deciding to list, the AMC will make a suitable public announcement to that effect.

If a person becomes a holder of the Units consequent to operation of law, or upon enforcement of a pledge, the Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place consequent to death, insolvency etc., the transferee's name will be recorded by the Fund subject to production of satisfactory evidence. All such changes shall be carried out in line with the applicable laws and the decision of the AMC shall be considered final.

The following lists of documents are required to be submitted by investor for transmission under various situations:

Transmission to surviving unit holders in case of death of one or more unit holders:

- Letter from surviving unit holders to the Fund / AMC requesting for transmission of units;
- Death Certificate in original or photocopy duly notarized or attested by gazette officer or a bank manager
- Bank Account Details of the new first unit holder as per the format as mentioned on our website - [www.bandhanmutual.com](http://www.bandhanmutual.com) , along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name;
- KYC of the surviving unit holders, if not already available.

Transmission of Units to surviving unit holder(s) in case of death of the 1st holder

- i Transmission Request Form (Form T2) for Transmission of Units to the surviving unitholder/s.
- ii Death Certificate of the deceased unitholder(s) in original OR photocopy of the death certificate self-attested and attested by a notary public/gazette officer in original Self-attested copy of PAN Card of the Surviving Joint Holder(s) (if PAN is not provided already)
- iii Cancelled cheque of the new first unitholder, with the claimant's name pre-printed OR

Recent Bank Statement/Passbook (not more than 3 months old) of the new first holder.

- i KYC Acknowledgment OR KYC Form of the surviving unit holder(s), if not KYC compliant.
- ii Transmission will be completed only once the status of the KYC is "KYC complied".

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- i Additional documentation required:

ID proof [PAN/Redacted Aadhaar/Voter ID / Passport or any other OVD as per PMLA guidelines] of the deceased person attested by the claimant(s), duly notarized or originals can be shown at the AMC branches and OSV seal attested by them.

Transmission to registered nominee/s in case of death of Sole or All unit holders:

- Letter from claimant nominee/s to the Fund / AMC requesting for transmission of units;
- Death Certificate/s in original or photocopy duly notarized or attested by gazette officer or a bank manager;
- Bank Account Details of the new first unit holder as per the format as mentioned on our website [www.bandhanmutual.com](http://www.bandhanmutual.com) along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name;
- KYC of the claimant/s;

Transmission Request Form (Form T3) for Transmission of Units in favour of the Nominee(s).



- Death Certificate of the deceased unitholder(s) in original OR photocopy of the death certificate self-attested and attested by a notary public/gazette officer in original Copy of Birth Certificate, in case the Nominee is a minor.
- Self-attested copy of PAN Card of the Nominee(s) / Guardian (in case the Nominee is a minor)
- KYC Acknowledgment OR KYC Form of the Nominee(s) / Guardian (where Nominee is a Minor). Transmission will be completed only once the status of the KYC is “KYC complied”. cancelled cheque with the Nominee’s name pre-printed OR copy of the Nominee’s recent Bank Statement/Passbook (which is not more than 3 months old).
- i If the transmission amount is up to ₹5 Lakh, Nominee’s signature attested by the Bank Manager as per Annexure-I(a). In case the Nominee is a minor, signature of the guardian (as per the bank account of the Minor or the joint account of the minor with the guardian) shall be attested.
- ii If the transmission amount is for more than ₹ 5 Lakh, as an operational risk mitigation measure, signature of the Nominee shall be attested by a Notary Public or a Judicial Magistrate First Class (JMFC) with seal and date in the space provided for signature attestation in the TRF itself below the signature of the claimant.
- iii Additional documentation required:  
ID proof [PAN/Redacted Aadhaar/Voter ID / Passport or any other valid OVD as per PMLA guidelines] of the deceased person attested by the claimant(s), duly notarized or originals can be shown at the AMC branches and OSV seal attested by them.

Transmission to claimant/s, where nominee is not registered, in case of death of Sole or All unit holders:

- Letter from claimant/s to the Fund / AMC requesting for transmission of units;
- Death Certificate/s in original or photocopy duly notarized or attested by gazette officer or a bank manager;
- Bank Account Details of the new first unit holder as per the format as mentioned on our website - [www.bandhanmutual.com](http://www.bandhanmutual.com) along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name;
- KYC of the claimant/s;
- Indemnity Bond from legal heir/s as per the format as mentioned on our website - [www.bandhanmutual.com](http://www.bandhanmutual.com) ;
- Individual affidavits from legal heir/s as per the format as mentioned on our website - [www.bandhanmutual.com](http://www.bandhanmutual.com) ;
- If the transmission amount is below Rupees Two Lakh: any appropriate document evidencing relationship of the claimant/s with the deceased unit holder/s;
- If the transmission amount is Rs Two Lakh or more: Any one of the documents mentioned below:
- Legal Heir Certificate or Succession Certificate or Claimant’s Certificate issued by a Competent court, or
- Letter of Administration, in case of Intestate Succession

Transmission of Units to the claimant/s on death of the Sole unitholder or ALL unitholders, where there is NO nomination has been registered.

- Transmission Request Form (Form T3) for Transmission of Units to the claimant.
- Death Certificate of the deceased unitholder(s) in original OR photocopy of the death certificate self-attested and attested by a notary public/gazette officer in original copy of Birth Certificate in case the claimant is a minor.
- Self-attested copy of PAN card of the claimant / guardian (in case the claimant is a minor).
- KYC Acknowledgment OR KYC Form of the claimant / guardian (in case the claimant is a minor). Transmission will be completed only after the KYC status is updated as “KYC complied”.
- Cancelled cheque with the claimant’s name pre-printed OR copy of the claimant’s recent Bank Statement/Passbook (which is not more than 3 months old).
- Additional documentation required:

ID proof [PAN/Redacted Aadhaar/Voter ID / Passport or any other valid OVD as per PMLA guidelines] of the deceased person attested by the claimant(s), duly notarized or originals can be shown at the AMC branches and OSV seal attested by them.

**A. If the transmission amount is up to ₹ 5 Lakh:**

- a. Bank Attestation of signature of the claimant by the Bank Manager as per Annexure-I(a). In case the claimant is a minor, the signature of the guardian (as per the bank account of the minor or the joint account of the minor with the Guardian) shall be attested.
- b. Any appropriate document evidencing relationship of the claimant/s with the deceased unitholder/s.
- c. Bond of Indemnity as per Annexure-II --to be furnished by Legal Heirs for Transmission of Units without production of Legal Representation.  
Provided that in case the legal heir(s)/claimant(s) is submitting the Succession Certificate or Probate of Will or Letter of Administration or appropriate Court order wherein the claimant is named as a beneficiary, an affidavit as per Annexure-III from such legal heir/claimant(s) alone would be sufficient, i.e., Bond of Indemnity is not required.
- d. Individual Affidavit to be given by **each** legal heir as per Annexure-III
- e. NOC from other legal heirs as per Annexure – IV, where applicable

**B. If the transmission amount is more than ₹ 5 Lakh :**

- a. Signature of the claimant duly attested by a Notary Public or a JMFC with seal and date in the space provided for signature attestation in the Form T3 itself below the signature of the claimant. In case the claimant is a minor, the signature of the guardian (as per the bank account of the minor or the joint account of the minor with the guardian) shall be attested.
- b. Individual affidavits to be given **each** legal heir as per Annexure-III
- c. (i) Where transmission value at the PAN-level is more than ₹5 lakh, but less than ₹10 lakhs, any one of the documents mentioned below:  
Notarised copy of Registered Will along with a Notarized indemnity bond from the claimant (appropriate beneficiary of the will) to whom the securities are to be transmitted, as per the format specified;

OR

Legal Heirship Certificate or its equivalent, along with :

- (i) a Notarized indemnity bond from the legal heir(s) / claimant(s) to whom the securities are to be transmitted, as per the format specified provided and
- (ii) No Objection Certificate from all the non-claimants (i.e., remaining legal-heirs), duly attested by a Notary Public, JFMC or by a Gazetted Officer as per the format specified .
- (ii) Where transmission value at the PAN-level is more than ₹10 lakhs, any one of the documents mentioned below:

Notarised copy of Probated Will; OR

Succession Certificate issued by a competent court, **OR**

Letter of Administration or court decree, in case of Intestate Succession.

- d. Identity proof (e.g., copy of PAN card, redacted Aadhaar card, passport) of all legal heirs signing the NOC/affidavit other than claimant/s (i.e., legal heirs other than the claimant mentioned in Probate or Letters of Administration or Succession Certificate).

Transmission in case of HUF, due to death of Karta:

HUF, being a Hindu Undivided Family, the property of the family is managed by the Karta and HUF does not come to an end in the event of death of the Karta. In such a case, the members of the HUF will appoint the new Karta who needs to submit following documents for transmission:

- Letter requesting for change of Karta;
- Death Certificate in original or photocopy duly notarized or attested by gazette officer or a bank manager;



- Duly certified Bank certificate stating that the signature and details of new Karta have been appended in the bank account of the HUF as per the format as mentioned on our website - [www.bandhanmutual.com](http://www.bandhanmutual.com) ;
- KYC of the new Karta and KYC of HUF, if not already available;
- Indemnity bond signed by all the surviving coparceners and new Karta as per the format as mentioned on our website - [www.bandhanmutual.com](http://www.bandhanmutual.com) ;
- In case of no surviving co-parceners OR the transmission amount is Rs Two Lakh or more OR where there is an objection from any surviving members of the HUF, transmission should be effected only on the basis of any of the following mandatory documents:
- Notarized copy of Settlement Deed, or
- Notarized copy of Deed of Partition, or
- Notarized copy of Decree of the relevant competent Court

### **Change of Karta upon death of the Karta of Hindu Undivided Family (HUF)**

If the case of a HUF, the property of the HUF is managed by the Karta and the HUF does not come to an end in the event of death of the Karta. In such a case, the members of the HUF will need to appoint a new Karta, who needs to submit following documents for transmission:

- i Request Form (Form T4) for change of Karta upon demise of the registered Karta. Death Certificate of the deceased Karta in original OR photocopy of the death certificate self-attested and attested by a notary public/gazette officer in original.
- ii Bank's letter certifying that the signature and details of the new Karta have been updated in the bank account of the HUF & attesting the signature of the new Karta as per Annexure-1(b).

KYC acknowledgment OR KYC form of the new Karta and the HUF, if not KYC-compliant. Transmission will be completed only after the KYC status is updated as "KYC complied".

- i Indemnity Bond as per Annexure V signed by all surviving coparceners (including the new Karta).
- ii Any appropriate document evidencing relationship of the new Karta and the other coparceners with the deceased Karta.

Additional documentation required:

- ID proof [PAN/Redacted Aadhaar/Voter ID / Passport or any other valid OVD as per PMLA guidelines] of the deceased Karta attested by the new Karta , duly notarized or originals to be shown at the AMC branches.
- If the transmission amount is for more than ₹ 5 lakh, the signature of the new Karta shall be attested by a Notary Public or a JMFC in the space provided for signature attestation in the TRF itself below the signature of the claimant.

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

### **FREEZING OF ACCOUNT:**

The AMC shall have the right to freeze/lock/restrict the folio(s) of investor(s)/Unitholder(s) for further transactions or reject any applications including for subscription, redemption of units or transmission of units pursuant to receipt of instructions/ directions/orders issued by any Governmental, judicial, quasi-judicial, regulatory or other similar authority ("Authority"), including orders restricting the investor(s)/Unitholder(s) from dealing in securities or for attachment of units held by the investor(s)/Unitholder(s). Additionally, the AMC shall be entitled to freeze/lock/restrict the folio(s) of investor(s)/Unitholder(s) for further transactions or reject any applications including for subscription, redemption of units or transmission of units at its sole and absolute discretion upon the AMC becoming aware of initiation of any investigation/action/litigation relating to the investments or transactions of the Unitholder by any Authority, upon receipt of any complaints (including fraud or forgery), or upon commencement of any disputes /litigations among unitholders/nominees/legal heir/ other claimants to

the units relating to the investments or transactions of the Unitholder, including disputes/litigations where AMC or Mutual Fund or Trustee has been impleaded as a party or is a necessary party. The freeze/lock/rejection/restriction so imposed by the AMC as hereinabove mentioned may continue till receipt of a specific written instruction/direction/order from such Authority or NOC from all concerned Parties or such other documents as may be deemed necessary by the AMC authorizing the removal of such freeze/lock/rejection/restriction and/ or completion of the investigation by AMC as the case may be. It is hereby clarified that the AMC / Mutual Fund /Trustee shall not be liable for any loss or damage suffered by Unitholder, either directly or indirectly, on account of such freeze/lock/rejection/restriction as the case may be.

## **LISTING AND TRANSFER OF UNITS**

**(applicable for Close ended Schemes launched on or after December 12, 2008 except close ended Equity Linked saving scheme)**

### **LISTING**

The units of the close ended schemes shall be listed. The units are proposed to be listed on the NSE or BSE. The In – principle approval from NSE or BSE shall be taken from NSE or BSE, for listing of units of the scheme. Buying or selling of Units by investors can be made from the secondary market on the NSE or BSE. Units can be bought or sold like any other listed stock on the Exchange at market prices. The minimum number of Units that can be bought or sold on the Exchange is 1 (one) unit. Investors can purchase Units at market prices, which may be at a premium/discount to the NAV of the Scheme depending upon the demand and supply of Units at NSE or BSE. Unitholders who wish to trade in units would be required to hold units in demat mode. All investors may buy/sell Units on NSE or BSE, on all the trading days of NSE or BSE as per the settlement cycle of the Stock Exchange.

Since the close ended Schemes are proposed to be listed, for declaration of IDCW, the Scheme shall follow the requirements stipulated in the listing agreement.

Although Units of close ended schemes are proposed to be listed on NSE or BSE, there can be no assurance that an active secondary market will develop or be maintained. Trading on NSE or BSE may be halted because of market conditions or for reasons that in the view of the market authorities or SEBI, trading in the Units is not advisable.

There can be no assurance that the requirements of the market necessary to maintain the listing of the Units will continue to be met or will remain unchanged. The AMC and the Trustees will not be liable for delay in trading of Units on NSE due to the occurrence of any event beyond their control.

### **TRANSFER**

On listing, the units of close ended scheme / plan would be transferable. Transfers should be only in favour of transferees who are eligible for holding Units under the close ended Scheme. The AMC shall not be bound to recognise any other transfer. For effecting the transfer of Units held in electronic form, the Unitholders would be required to lodge delivery instructions for transfer of Units with the DP in the requisite form as may be required from time to time and the transfer will be effected in accordance with such rules/regulations as may be in force governing transfer of securities in dematerialised mode.

In accordance with SEBI circular number CIR/IMD/DF/10/2010 dated August 18, 2010 units of all the schemes of the Bandhan Mutual Fund which are held in electronic (demat) form, will be transferable and will be subject to the transmission facility in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018 as may be amended from time to time. However, restrictions on transfer of ELSS Schemes during the lock-in period shall continue to be applicable as per the ELSS Guidelines.

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

As per the AMFI Best Practices Guidelines Circular No.116 /2024-25 dated August 14, 2024 read with AMFI Best Practices Guidelines Circular No. 119/2025-26 dated May 08, 2025, on 'Standard Process for Transfer of Units held in Non-Demat (SoA) mode' ('AMFI Guidelines'), the aforesaid facility would be available to 'individual unitholders' falling under the following three categories:

- (i) Surviving joint unitholder, who wants to add new joint holder(s) in the folio upon demise of one or more joint unitholder(s).
- (ii) A nominee of a deceased unitholder, who wants to transfer the units to the legal heirs of the deceased unitholder, post the transmission of units in the name of the nominee.
- (iii) A minor unitholder who has turned a major and has changed his/her status from minor to major, wants to add the name of the parent / guardian, sibling, spouse etc. in the folio as joint holder(s)

**Further, in terms of AMFI Best Practices Guidelines Circular No. 119/2025-26 dated May 08, 2025, the transfer of units held by individual unitholders in SOA mode is also extended for the following category of transfers under Resident/non-resident Individual category:**

- (a) transfer to siblings
- (b) Gifting of units
- (c) Transfer of units to third party
- (d) addition/deletion of unit holder
  - The facility for transfer of units held in SoA mode shall be made available under all mutual fund schemes, except ETFs.
  - Partial transfer of units held in a folio shall be allowed
  - There should be no "lien" or freeze on the units being transferred for any reason whatsoever. Also, the Units should not be under any lock-in period.
  - The transferee(s) should mandatorily –
    - a) be an individual / individual(s).
    - b) have a valid folio\* in the mutual fund in which the transferor wishes to transfer the units except for addition/deletion of unit holders
    - c) be KYC compliant with "KYC validated" status.
    - d) have valid PAN, email id, mobile number, valid CBS Bank account, duly completed Nomination form or Opt-out declaration

\*If the transferee(s) does not / do not have an existing folio in the concerned mutual fund, the transferee(s) shall be required to first open a 'Zero Balance Folio' with the concerned mutual fund.

- The facility for transfer of units held in SoA mode shall be available only through online mode via the transaction portals of the RTAs and the MF Central, i.e., the transfer of units held in SoA mode shall not be allowed through physical/ paper-based mode or via the stock exchange platforms, MFU, channel partners and EOPs etc
- The primary holder, Plan, Option, and the ARN (in case of Regular Plan) in the transferor's Folio shall remain unchanged upon transfer of units in the transferee folio.
- The Stamp duty for transfer of units, if/where applicable, shall be payable by the transferor
- As a risk mitigation measure, redemption under the transferred units shall not be allowed for 10 days from the date of transfer.

As is the case with off-market transfer of demat units, transfer of units in SoA mode will also be considered for reporting in Statement of Specified Financial Transactions (SFT) in the Income Tax portal. RTA shall report these transfers based on date of processing transfer with gain computed based on the consideration amount.

## **PLEDGE OF UNITS FOR LOANS**

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

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

In case of Units held in electronic form, the rules of Depository applicable for pledge will be applicable for Pledge/Assignment of the Units of the Scheme. Units held in electronic form can be pledged by completing the requisite forms/formalities as may be required by the Depository

## **PAYMENT OF MATURITY PROCEEDS**

On maturity of the Scheme/respective Plan, the outstanding Units shall be redeemed at the NAV of the maturity date and proceeds will be paid to the Unitholders, without any further reference from the Unitholders. For the units held in electronic form, the units will be extinguished with the depository and the redemption amount will be paid on the maturity date, at the prevailing NAV on that date. The maturity amount will be paid to the Unitholders whose names appear on the Register of Unitholders on the respective maturity dates, at the prevailing NAV on that date.

## **DURATION AND WINDING UP OF SCHEME**

The duration of the open ended / interval schemes of the Fund are perpetual while the close ended schemes have defined durations. The AMC, the Fund and the Trustee reserve the right to make such changes/ alterations to the Scheme (including the charging of fees and expenses) offered under its scheme information documents / offer documents to the extent permitted by the applicable Regulations. In case of close ended schemes, the Fund reserves the right to extend the Scheme / Plan(s) beyond its redemption date in accordance with Regulations. In such an event the Unitholder shall be given an option to either sell back the Units to the Fund or to continue in the Scheme / Plan(s). The Fund could also give the investor the option to switch the repurchase proceeds into any other eligible Scheme of the Mutual Fund launched or in operation at that time. The extension of the period of the Plan(s) / Scheme beyond final redemption date/s or roll over of the Plan(s) / Scheme shall be in accordance with Regulations. The Fund may also convert the Scheme after the final Redemption date into an open-end Scheme and this shall be in accordance with the Regulations.

However, in terms of the Regulations, a Scheme may be wound up after repaying the amount due to the Unitholders:

- 1) On completion of the Scheme or on expiry of such date beyond final redemption date as may be decided by the Trustee;
- 2) On happening of any event, which in the opinion of the Trustee, requires the Scheme to be wound up, or
- 3) If seventy five percent (75%) of the Unitholders of the Scheme pass a resolution that the Scheme be wound up, or
- 4) If SEBI so directs in the interest of the Unitholders.

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

- 1) SEBI; and
- 2) in two daily newspapers with circulation all over India and in one vernacular newspaper with circulation where the office of the Mutual Fund is situated.

On and from the date of the publication of notice of winding up, the Trustee or the Investment Manager, as the case may be, shall:

- 1) cease to carry on any business activities in respect of the Scheme so wound up;
- 2) cease to create or cancel Units in the Scheme;
- 3) cease to issue or redeem Units in the Scheme.

#### **Procedure and manner of Winding up**

- The Trustee shall call a meeting of the Unitholders to approve by simple majority of the Unitholders present and voting at the meeting for authorising the Trustee or any other person to take steps for the winding up of the Scheme. Provided that a meeting shall not be necessary if the Scheme is wound up at the end of the maturity period.
- The Trustee or the person authorised above, shall dispose of the assets of the Scheme concerned in the best interest of the Unitholders of the Scheme.
- The proceeds of sale realised in pursuance of the above, shall be first utilised towards discharge of such liabilities as are due and payable under the Scheme, and after meeting the expenses connected with such winding up, the balance shall be paid to Unitholders in proportion to their respective interest in the assets of the Scheme, as on the date the decision for winding up was taken.
- On completion of the winding up, the Trustee shall forward to SEBI and the Unitholders a report on the winding up, detailing the circumstances leading to the winding up, the steps taken for disposal of the assets of the Scheme before winding up, net assets available for distribution to the Unitholders and a certificate from the auditors of the Fund.
- Notwithstanding anything contained hereinabove, the application of the provisions of SEBI (Mutual Funds) Regulations, 1996 in respect of disclosures of half yearly reports and annual report shall continue until winding up is completed or the Scheme ceases to exist.
- After the receipt of the report referred to in item (vii) above, if SEBI is satisfied that all measures for winding up of the Scheme have been completed, the Scheme shall cease to exist.

#### **Listing of Mutual Fund Schemes which are in process of Winding-Up**

Pursuant to clause 7.2 of SEBI Master Circular dated June 27, 2024, units of mutual fund schemes which are in the process of winding up in terms of Regulation 39(2)(a) of SEBI (Mutual Funds) Regulations, 1996, shall be listed on recognized stock exchanges. Trading on stock exchange mechanism will not be mandatory for investors, rather, if they so desire, may avail an optional channel to exit provided to them. Initially, trading in units of such a listed scheme that is under the process of winding up, shall be in dematerialised form. AMCs shall enable transfer of such units which are held in form of Statement of Account (SoA) / unit certificates. The AMC, its sponsor, employees of AMC and Trustee shall not be permitted to transact (buy or sell) in the units of such schemes that are under the process of being wound up. The compliance of the same shall be monitored both by the Board of AMC and Trustee.

#### **Right to restrict redemption or suspend redemption in the Scheme:**

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

Imposition of such restriction will be subject to following conditions:

- a) Restriction on redemption may be imposed when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:
  - i. Liquidity issues - when market at large becomes illiquid affecting almost all securities rather than any issuer specific security;
  - ii. Market failures, exchange closures;
  - iii. Operational issues – when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures.



- b) Restriction on redemption may be imposed for a period not exceeding 10 working days in any 90 days period.
- c) When restriction on redemption is so imposed, the following procedure shall be applied:
  - i. No redemption requests of value up to Rs.2 lakhs shall be subject to such restriction.
  - ii. For redemption request of value above Rs.2 lakhs, the first Rs.2 lakhs shall be redeemed without such restriction and the restriction shall apply for the redemption amount exceeding Rs.2 lakhs.

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

It is clarified that since the occurrence of the abovementioned eventualities have the ability to impact the overall market and liquidity situation, the same may result in exceptionally large number of Redemption requests being made and in such a situation the indicative timelines mentioned by the Fund in the scheme offering documents, for processing of requests for Redemption may not be applicable.

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

#### **Treatment of Unclaimed Income Distribution cum capital withdrawal and redemption amounts**

In accordance with clause 14.3 of SEBI Master Circular, the unclaimed Redemption amount and IDCW amount that are currently allowed to be deployed by the Mutual Fund only in call money market or money market Instruments, shall also be allowed to be invested in a separate plan of only Overnight scheme / Liquid scheme / Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts.

Provided that such schemes where the unclaimed redemption and dividend amounts are deployed shall be only those Overnight scheme/ Liquid scheme / Money Market Mutual Fund schemes which are placed in A-1 cell (Relatively Low Interest Rate Risk and Relatively Low Credit Risk) of Potential Risk Class matrix.

AMCs shall not be permitted to charge any exit load in this plan and TER (Total Expense Ratio) of such plan shall be capped as per the TER of direct plan of such scheme or at 50 bps, whichever is lower.

Further, for the Unclaimed redemption and dividend amounts deployed by Mutual Funds in Call Money Market or Money Market instruments, the investment management and advisory fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points.

Investors who claim the unclaimed amounts during a period of three years from the due date shall be paid initial unclaimed amount along-with the income earned on its deployment. Investors, who claim these amounts after 3 years, shall be paid initial unclaimed amount along-with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education.

Investors can submit a separate request for redemption. Investors' request will be treated as 'All units' only and the amount as available in all the plans shall be redeemed. No partial redemption will be allowed for investors.

Upon updation of the bank details against the investment, units available in unclaimed schemes shall be redeemed automatically.

The investors can visit the website of the AMC to check the unclaimed amount in their folios.

### C. General Information

#### 1. Inter-Scheme Transfer of Investments:

Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if -

- (a) such transfers are done at the prevailing market price for quoted instruments on spot basis.

*Explanation : “spot basis” shall have 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.

#### 2. Aggregate investment in the Scheme under the following categories:

In accordance with Paragraph on ‘Scheme Related Disclosures’ of SEBI Master Circular for Mutual Funds dated June 27, 2024, please find below the aggregate investment in the respective Scheme(s) by Board of Directors of Bandhan AMC Limited) and key personnel as on May 31, 2025:

Scheme Name	Aggregate amount invested in the Scheme as on May 31, 2025 (market value in Rs.)		
	AMC’s Board of Directors	Key personnel (excluding Fund Manager)	Fund Manager
Bandhan Aggressive Hybrid Fund	-	57,61,980.97	5,08,437.82
Bandhan Arbitrage Fund	-	24,30,05,145.58	26,28,621.03
Bandhan Asset Allocation Fund of Fund- Aggressive Plan	-	-	25,623.72
Bandhan Asset Allocation Fund of Fund- Conservative Plan	-	-	10,191.21
Bandhan Asset Allocation Fund of Fund- Moderate Plan	-	-	27,365.49
Bandhan Balanced Advantage Fund	-	4,48,11,271.36	5,98,96,964.77
Bandhan Banking & PSU Debt Fund	-	4,35,31,802.26	9,38,38,182.90
Bandhan Bond Fund - Income Plan	-	4,24,475.92	2,57,171.81
Bandhan Bond Fund - Medium Term Plan	-	16,55,050.53	9,74,416.24
Bandhan Bond Fund - Short Term Plan	-	1,01,27,463.16	48,94,879.05
Bandhan BSE Healthcare Index Fund	-	-	-
Bandhan BSE Sensex ETF	-	-	-
Bandhan Business Cycle Fund	2458127.097	62,10,346.04	3,92,305.29
Bandhan Conservative Hybrid Fund	-	2,52,878.77	2,49,511.08



Bandhan Large & Mid Cap Fund* (Formerly Bandhan Core Equity Fund)	188062.8744	7,85,96,693.23	24,91,585.61
Bandhan Corporate Bond Fund	-	3,29,52,831.72	1,08,74,823.69
Bandhan Credit Risk Fund	-	6,40,007.28	16,31,213.50
Bandhan CRISIL IBX 90:10 SDL Plus Gilt April 2032 Index Fund	-	12,60,626.97	-
Bandhan CRISIL IBX 90:10 SDL Plus Gilt Nov 2026 Index Fund	-	-	-
Bandhan CRISIL IBX 90:10 SDL Plus Gilt Sep 2027 Index Fund	-	-	-
Bandhan CRISIL IBX Gilt April 2026 Index Fund	-	-	-
Bandhan CRISIL IBX Gilt April 2028 Index Fund	12051.57503	31,95,937.42	-
Bandhan CRISIL IBX Gilt April 2032 Index Fund	-	-	68,48,680.49
Bandhan CRISIL IBX Gilt June 2027 Index Fund	-	1,10,13,885.17	-
Bandhan CRISIL-IBX 10:90 Gilt + SDL Index Dec 2029 Fund	-	-	-
Bandhan CRISIL-IBX Financial Services 3-6 Months Debt Index Fund	-	-	-
Bandhan Dynamic Bond Fund	-	1,15,68,245.49	25,27,102.15
Bandhan ELSS Tax saver Fund	-	99,89,141.26	44,60,137.21
Bandhan Equity Savings Fund	-	1,07,94,112.40	30,24,701.28
Bandhan Financial Services Fund	-	45,96,840.78	5,09,415.83
Bandhan Fixed Term Plan Series 179	-	-	-
Bandhan Flexi Cap Fund	-	3,49,47,863.80	40,26,106.20
Bandhan FLOATING RATE FUND	-	4,96,738.54	6,60,511.45
Bandhan Focused Fund* (Formerly Bandhan Focused Equity Fund)	-	3,65,85,547.83	7,82,747.47
Bandhan Government Securities Fund - Investment Plan	-	53,54,697.95	16,12,41,244.49
Bandhan Government Securities Fund-Constant Maturity Plan	-	3,86,980.59	65,610.13

Bandhan Income Plus Arbitrage Fund of Funds (Formerly Known as Bandhan All Seasons Bond Fund)	-	12,15,315.80	32,503.61
Bandhan Infrastructure Fund	136020.9745	27,44,760.94	7,04,728.85
Bandhan Innovation Fund	-	1,13,57,031.34	7,44,632.57
Bandhan Large Cap Fund	-	1,26,38,852.97	9,70,724.35
Bandhan Liquid Fund	-	1,53,27,360.56	43,06,179.29
Bandhan Long Duration Fund	-	25,83,424.89	16,033.38
Bandhan Low Duration Fund	-	85,80,198.83	10,95,245.88
Bandhan Midcap Fund	-	48,35,058.50	12,35,114.44
Bandhan Money Manager Fund	-	54,70,096.14	15,32,132.35
Bandhan Multi Asset Allocation Fund	-	46,91,132.77	27,25,269.41
Bandhan Multi Cap Fund	-	2,91,86,915.16	42,36,297.46
Bandhan Nifty 100 Index Fund	-	47,50,757.70	-
Bandhan Nifty 200 Quality 30 Index Fund	-	-	-
Bandhan Nifty 50 ETF	-	-	-
Bandhan Nifty 50 Index Fund	-	67,54,980.62	-
Bandhan Nifty 500 Momentum 50 Index Fund	-	-	-
Bandhan Nifty 500 Value 50 Index Fund	-	-	-
Bandhan Nifty Alpha 50 Index Fund	-	1,00,82,144.81	-
Bandhan Nifty Alpha Low Volatility 30 Index Fund	-	-	-
Bandhan Nifty Bank Index Fund	-	-	-
Bandhan Nifty IT Index Fund	-	12,46,277.68	-
Bandhan Nifty Midcap 150 Index Fund	-	-	-
Bandhan Nifty Next 50 Index Fund	-	-	-
Bandhan Nifty Smallcap 250 Index Fund	-	-	-
Bandhan Nifty Total Market Index Fund	-	-	-
Bandhan Nifty100 Low Volatility 30 Index Fund	2505404.373	93,74,601.49	-
Bandhan Nifty200	-	-	-

Momentum 30 Index Fund		1,40,04,034.31	
Bandhan Overnight Fund	-	6,15,13,566.53	-
Bandhan Retirement Fund	-	18,68,456.57	-
Bandhan Small Cap Fund	283175.5813	8,18,70,854.50	48,45,296.83
Bandhan Value Fund* (Formerly Bandhan Sterling Value Fund)	7755671.514	12,80,79,110.05	2,80,88,275.96
Bandhan Transportation and Logistics Fund	-	77,18,346.26	3,01,546.36
Bandhan Ultra Short Term Fund	-	59,14,279.96	7,56,939.01
Bandhan US Equity Fund of Fund	-	1,38,20,632.97	-
Bandhan US Treasury Bond 0-1 year Fund of Fund	-	43,097.75	6,273.71

\*Note: name of the schemes changed with effect from June 13, 2025.

### 3. Dematerialisation and Rematerialisation procedures

If the Unit holder desires to hold the Units in a Dematerialized/ Rematerialized form at a later date, the request for conversion of units held in Account Statement (non demat) form into Demat (electronic) form or vice versa should be submitted alongwith a Demat/Remat Request Form to their Depository Participants. Dematerialization/Rematerialization of Units will be in accordance with the provisions of SEBI (Depositories & Participants) Regulations, 1996 as may be amended from time. Units held in demat form will be transferable subject to the provisions laid under the respective Scheme(s)/Plan(s) and in accordance with provisions of Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as may be amended from time to time. However, the Trustee / AMC reserves the right to change the dematerialization / rematerialization process in accordance with the procedural requirements laid down by the Depositories, viz. NSDL/ CDSL and/or in accordance with the provisions laid under the Depositories Act, 1996 and the Regulations thereunder.

### 4. Additional Mode of Payment through Applications Supported by Blocked Amount (ASBA) Facility During New Fund Offer (NFO) Of Schemes

Investors will be provided ASBA facility for all New Fund Offer (NFO). ASBA means “Application Supported by Blocked Amount”. ASBA is an application containing an authorization to block the application money in the bank account, for applying during the NFO. An ASBA investor shall submit an ASBA application physically or electronically through the internet banking facility, to a Self-Certified Syndicate Bank (SCSB) with whom, the bank account to be blocked, is maintained. Self-Certified Syndicate Bank has the same meaning as given to it in clause (zi) of sub regulation (1) of regulation 2 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009; which states – “**SCSB is a bank which is recognized as a bank capable of providing ASBA services to its customers**”. Names of such banks would appear in the list available on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)).

The SCSB shall then block the application money in the bank account specified in the ASBA, on the basis of an authorisation to this effect given by the account holder in the ASBA. The application money shall remain blocked in the bank account till the allotment of the issue or till withdrawal/ rejection of the application, as the case may be. ASBA facility will be available to all the category of investors mentioned under “Who can invest” section of the respective SID. An investor, who is

eligible for ASBA facility, has the option of making application through ASBA or through the existing facility of applying with cheque / demand draft as mentioned in the SID

Mutual Fund, AMC and Trustees shall not be liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this document. Further, the Mutual Fund, AMC and Trustees shall not be responsible for any acts, mistakes, errors, omissions and commissions etc. in relation to the ASBA accepted by SCSBs. On receipt of applications through SCSBs, the allotment will be carried out with the presumption that the application Amount has been blocked in the relevant ASBA Account.

**Investors should note that ASBA facility shall be made available to investors only for subscribing to the units of scheme during the New Fund Offer period.**

## **5. Portfolio Turnover Details**

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

## **6. Non applicability of Minimum Application Amount (Lump-sum) and Minimum Redemption amount**

SEBI vide Clause 6.10 of SEBI Master Circular dated June 27, 2024 has, inter alia mandated that upto 20% of gross annual CTC net of income tax and any statutory contributions of the Designated Employees of the AMCs shall be invested in units of the scheme(s) of the Fund in which they have a role/oversight The said guidelines came into effect from the October 1, 2021.

In accordance with the regulatory requirement, the minimum application amount and minimum redemption amount specified in the SID / KIM will not be applicable for investment made in scheme in compliance with the aforesaid circular(s).

## **7. Exceptional situations and additional timelines for making redemption payment**

In accordance with Clause 14.2 of SEBI Master Circular dated June 27, 2024, the redemption or repurchase proceeds shall be dispatched to the unitholders within 3 working days from the date of redemption or repurchase.

As per the list provided by AMFI following are the exceptional situations and additional timelines for making redemption payment:

<b>Exceptional Situations</b>	<b>Additional Timelines allowed</b>
Payment of redemption proceeds through physical instruments (Cheque/DD) where electronic fund transfer is not possible	Additional 2 working days
Redemption in case of funds where payout schedule of underlying instruments / funds is different	Additional 1 working day after receiving proceeds from underlying instruments/ schemes for electronic payouts. For physical payouts, i.e., issuance and dispatch of cheque/ DD, additional days as per above would also be allowed, after receiving proceeds from underlying instruments/ schemes.
On such days, where it is a bank holiday in some or all the states, but a business day for the stock	Additional 1 working day following the bank holiday(s) in the State where the

exchanges.	investor has bank account.
Exceptional circumstances such a sudden declaration of a business day as a holiday or as a non-business day due to any unexpected reason/Force Majeure events	In all such exceptional situations, the timelines prescribed shall be counted from the date the situation becomes normal
In all such cases where a request for Change of Bank account has been received just prior to (upto 10 days prior) OR simultaneously with redemption request	In all such cases, the AMCs/RTAs can make the redemption payment after the cooling off period of 10 days from the date of receipt of change of bank mandate ("COBM"). The redemption transaction shall be processed as per the applicable NAV on the basis time stamp. The credit may either be given in the existing bank account or the new bank account post due diligence within 1 working day after cooling off period.
Need for additional due diligence in instances such as Transmission reported in one fund, but not in the current fund, proceedings by Income Tax authorities, Folio under lock/bank lien etc	Additional 3 working days.

## 8. LOAD STRUCTURE

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

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

In accordance with the requirements specified under Clause 10.4 of SEBI Master Circular no entry load will be charged for purchase/additional purchase/switches accepted by the Mutual Fund. Similarly, no entry load will be charged with respect to applications for registrations under the Systematic Investment Plan (SIP)/Systematic Transfer Plan (STP) accepted by the Mutual Fund.

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

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

No Exit load will be charged in case of switches made between different Plans and Options within the scheme.

Load on Income Distribution cum capital withdrawal re-investment units: In terms of clause 10.6.1. of SEBI Master Circular dated June 27, 2024 , no exit load shall be charged on units or units allotted on reinvestment of Income Distribution cum capital withdrawal.

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

At the time of changing the load structure, the AMC shall take the following steps:

1. An addendum will be attached to the Scheme Information Documents and Key Information Memorandum. The same may be circulated to brokers/distributors so that the same can be attached to all SIDs and abridged SID in stock.
2. ddendum will be attached to the Scheme Information Documents and Key Information Memorandum. The same may be circulated to brokers/distributors so that the same can be attached to all SIDs and abridged SID in stock.
3. Arrangement will be made to display the changes/modifications in the SID in the form of a addendum in all the official point of acceptance of transactions and distributor's/broker's office.
4. The introduction of the exit load alongwith the details may be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load .
5. Any other measures which the mutual funds may feel necessary.

#### **D. Associate Transactions**

##### **1. Investment in Group Companies/ Associates:**

**Market value of investments in group companies/Associates of the Sponsor and Asset Management Company by all the schemes of the Mutual Fund and its percentage of the aggregate net asset value of the Mutual Fund as on March 31, 2025.**

<b>Scheme Name</b>	<b>Issuer</b>	<b>Market Value</b>	<b>Net Assets</b>	<b>% to Net assets</b>
Bandhan Large & Mid Cap Fund* (Formerly Bandhan Core Equity Fund)	Bandhan Bank Limited	292,560,000.00	79,667,925,654.28	0.37%
Bandhan Flexi Cap Fund	Bandhan Bank Limited	731,400,000.00	68,862,817,001.68	1.06%
Bandhan Value Fund* (Formerly Bandhan Sterling Value Fund)	Bandhan Bank Limited	950,820,000.00	94,295,534,004.48	1.01%
Bandhan Multi Cap Fund	Bandhan Bank Limited	270,618,000.00	23,892,866,071.79	1.13%
Bandhan Multi Asset Allocation Fund	Bandhan Bank Limited	102,396,000.00	18,118,598,542.96	0.57%
Bandhan Nifty Total Market Index Fund	Bandhan Bank Limited	238,290.12	360,198,910.03	0.07%
Bandhan Nifty Midcap 150 Index Fund	Bandhan Bank Limited	854,860.32	221,707,764.08	0.39%
Bandhan Nifty 500 Value 50 Index Fund	Bandhan Bank Limited	460,343.16	121,035,303.32	0.38%

\*Note: name of the schemes changed with effect from June 13, 2025.

**Market value of investments in group companies/Associates of the Sponsor and Asset Management Company by all the schemes of the Mutual Fund and its percentage of the aggregate net asset value of the Mutual Fund as on March 31, 2024.**

<b>Scheme Name</b>	<b>Issuer</b>	<b>Market Value</b>	<b>Net Assets</b>	<b>% to Net assets</b>
Bandhan Large & Mid Cap Fund* (Formerly Bandhan Core Equity Fund)	Bandhan Bank Limited	90,000,000.00	40,229,204,826.76	0.22%

Bandhan Hybrid Equity Fund	Bandhan Bank Limited	26,100,000.00	6,910,331,273.48	0.38%
Bandhan Multi Cap Fund	Bandhan Bank Limited	162,000,000.00	19,724,753,600.57	0.82%

\*Note: name of the schemes changed with effect from June 13, 2025.

**Market value of investments in group companies/Associates of the Sponsor and Asset Management Company by all the schemes of the Mutual Fund and its percentage of the aggregate net asset value of the Mutual Fund as on March 31, 2023.**

Scheme Name	Issuer	Market Value	Net Assets	% to Net assets
Bandhan Arbitrage Fund	RBL Bank Limited	243,397,500.00	28,557,806,767.39	0.85%
Bandhan Arbitrage Fund	Aditya Birla Fashion and Retail Limited	112,019,310.00	28,557,806,767.39	0.39%
Bandhan Large & Mid Cap Fund* (Formerly Bandhan Core Equity Fund)	Mphasis Ltd	404,043,750.00	23,784,743,459.73	1.70%
Bandhan Large & Mid Cap Fund* (Formerly Bandhan Core Equity Fund)	Aditya Birla Fashion and Retail Limited	320,340,716.25	23,784,743,459.73	1.35%
Bandhan Value Fund* (Formerly Bandhan Sterling Value Fund)	Mphasis Ltd	48,993,447.25	52,203,722,131.88	0.09%
Bandhan Hybrid Equity Fund	Mphasis Ltd	21,549,000.00	5,579,621,399.84	0.39%
Bandhan Multi Cap Fund	Mphasis Ltd	35,915,000.00	12,060,469,588.24	0.30%
Bandhan Midcap Fund	Mphasis Ltd	42,183,963.25	6,357,829,713.40	0.66%
Bandhan Nifty200 Momentum 30 Index Fund	IDFC First Bank Limited	3,545,660.40	191,643,474.16	1.85%

\*Note: name of the schemes changed with effect from June 13, 2025.

Note: There is a Derivative position in Bandhan Arbitrage Fund, Issuer - RBL Bank Limited with a Market value of Rs. (244950000), Net assets Rs. 28,557,806,767.39 & % to net assets (0.86%) and in Aditya Birla Fashion and Retail Limited with Market value of Rs. (112724820), Net assets Rs. 28,557,806,767.39 & % to net assets (0.39%).

## **2. Underwriting obligations with respect to issues of Associate Companies:**

The Mutual Fund schemes have, till date, not entered into any underwriting contracts in respect of any public issue made by any of its associate companies.

## **3. Subscription in issues lead managed by the Sponsor or any of its associates:**

Bandhan AMC limited may subscribe to issues lead managed by the Sponsor or any of its associates. Such subscriptions shall be in accordance with the applicable regulatory requirements. Disclosures pertaining to such subscriptions, wherever required, shall be disclosed appropriately to interalia, the unitholders and trustees.

Investments made by schemes of Bandhan Mutual Fund into the Securities in which associates of Bandhan Mutual Fund acted as Lead Managers is as follows:-



Year	Scheme	Amount (Rs. in Cr.)
2022-2023	-	Nil
2023-2024	-	Nil
2024-2025	-	Nil

#### 4. Transaction with Associate Broker and details of brokerage paid:

Name of associate/related parties/group companies of Sponsor/AMC	Nature of Association/Nature of relation	Period covered	Value of transaction (in Rs. Cr. & % of value of transaction of the fund)		Brokerage (Rs Cr & % of brokerage paid by the fund)	
			Rs. Cr.	%	Rs. Cr.	%
Nil	-	2022-2023	0	0	0	0
Nil	-	2023-2024	0	0	0	0
Nil	-	2024-2025	0	0	0	0

\*Ceased to be associate with effect from June 10, 2020

#### 5. Details of distribution of units by associate entities and Commission paid:

Commission paid to associates/related parties/group companies of sponsor/AMC FY 24-25						
Name of associate/related parties/group companies of Sponsor/AMC	Nature of Association/Nature of relation	Period covered	Business given (Rs. Cr. & % of total business received by the fund)		Commission paid (Rs & % of total commission paid by the fund)	
			Rs. Cr.	%	Rs.	%
BANDHAN BANK LTD (ARN-121232)	Associate	Apr24 to Mar25	631.1	0.21%	5,08,14,338.29	0.78%
Manoj Kumar Mishra (ARN-17180)	Employee relative	Apr24 to Mar25	0.04	0.00%	58,241.91	0.00%
Tapasi Kumir (ARN-218096)	Employee relative	Apr24 to Mar25	0.91	0.00%	55,122.05	0.00%
Alpesh Dhirendra Kapadia (ARN-19934)	Employee relative	Apr24 to Mar25	0.79	0.00%	75,631.66	0.00%
Adroit Prime Wealth (ARN-132633)	Employee relative	Apr24 to Mar25	0	0.00%	0	0.00%
Anupama Rai (ARN-201001)	Employee relative	Apr24 to Mar25	0	0.00%	0.00	0.00%
PROSPERITY PARTNERS (ARN-304843)	Employee relative	Apr24 to Mar25	0	0.00%	0.00	0.00%
ANKITHA VAIBHAV JAIN (ARN-306303)	Employee relative	Apr24 to Mar25	0	0.00%	236.58	0.00%
ERONIMOS KASHMIR LEELA (ARN-267170)	Employee relative	Apr24 to Mar25	0	0.00%	0.00	0.00%

NEHA SHARAD RUIA(ARN-288024)	Employee relative	Apr24 to Mar25	0	0.00%	0	0.00%
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#### 6. Dealings with Associate Companies:

Bandhan AMC may, from time to time, for the purpose of conducting its normal business, use the services of the subsidiaries / group companies of its Sponsors and /or enter into transaction with sponsor and other associates of AMC or sponsor. The AMC may utilise the services of these group companies and any other subsidiary or associate company of the Sponsors or the AMC established or to be established at a later date in case such an associate company is in a position to provide the requisite services to the AMC. The AMC will conduct its business with the aforesaid companies on commercial terms and on arm's length basis and at the then prevailing market prices to the extent permitted under the applicable laws including the Regulations, after an evaluation of the competitiveness of the pricing offered by the associate companies and the services to be provided by them. The AMC will, before investing in the securities of the group companies of the Sponsor, evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Scheme. Investments under the Scheme in the securities of the group companies will be subject to the limits under the Regulations. Services of the group /associate companies may be used for broking, investment and other advice, outsourcing of operational activities etc. (not an exhaustive list of activities).

Transactions with associates / group companies / any services availed from them, if carried out, will be as per the Applicable Regulations and the limits prescribed there under the Applicable Regulations. Appropriate disclosures, wherever required, shall be made by Bandhan AMC.

#### 7. List of Group Companies / Associates of Bandhan AMC as on May 31, 2025

Sr No.	Particulars	Associate*	Group Co's (of Sponsors)**
1)	Association of Mutual Fund in India	Y	-
2)	Bandhan AMC Limited	Y	Y
3)	Bandhan Bank Limited	Y	Y
4)	Bandhan Financial Holdings Limited	Y	-
5)	Bandhan Financial Services Limited	Y	Y
6)	Bandhan Investment Managers (Mauritus) Ltd.	Y	Y
7)	Bandhan Konnagar	Y	Y
8)	Bandhan Life Insurance Company Limited	Y	Y
9)	Bandhan Mutual Fund Trustee Limited	Y	Y
10)	Carolina Investments Limited	Y	-
11)	ChrysCapital Advisors LLP	Y	-
12)	ChrysCapital IX, LLC	Y	-
13)	Constellation Trust	Y	-
14)	Couldiplall Basanta Lala	Y	-
15)	Credila Financial Services Limited	Y	-
16)	Defati Investments Holding B V	Y	-
17)	Financial Inclusion Trust	Y	Y
18)	Gamma Spect – Imaging & Diagnostic Centre Pvt. Ltd.	Y	Y
19)	Genisys Information Systems (India) Private Limited	Y	Y
20)	Genisys Software Limited, UK	Y	Y
21)	Genisys Software Limited, US	Y	Y
22)	GIC (Ventures Private Limited)	Y	-
23)	India Chapter of International Advertising Association	Y	-

24)	Infinity Partners	Y	-
25)	Kunal Shroff (as trustee of Constellation Trust)	Y	-
26)	Lathe Investment Pte. Ltd.	Y	-
27)	MF Utilities India Private Limited	Y	-
28)	North East Financial Inclusion Trust	Y	Y
29)	Quadra Hospital and Medical Services Private Ltd.	Y	Y
30)	Quadra Medical Research & Foundation Pvt. Ltd.	Y	Y
31)	Quadra Medical Services Pvt. Ltd.	Y	Y
32)	Tangerine Investments Limited	Y	-
33)	Varnm Global Advisors LLP	Y	-
34)	Varnm Ventures LLP	Y	-
35)	Varthana Finance Private Limited	Y	-
36)	Virtusa Superholdco, Inc.	Y	-
37)	Plano SuperHoldco Inc. (holding co. of US IT Services company Perficient Inc.).	Y	-

None of the Schemes have invested more than 25% of its net assets in Group Companies during last 3 financial years.

**8. Associates with whom the Fund may undertake distribution related activities for quarter ended March 31, 2025:**

<b>Name</b>	<b>Relation</b>
Bandhan Bank Ltd.	Associate company
Manoj Kumar Mishra	Relative of employee
Tapasi Kumir	Relative of employee
Ankita Vaibhav Jain	Relative of employee

Commission to these entities / personnel shall be as per applicable market rates.

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

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. In case the Scheme does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25% limit. Failure on the part of the said investor to redeem his exposure over the 25% limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

**INVESTMENT PROCESS**

The domestic debt markets are maturing rapidly with liquidity emerging in various debt segments through the introduction of new instruments and investors. The aim of the Investment Manager will be to allocate the assets of the Scheme between various fixed income and money market securities with the objective of achieving optimal returns. The actual percentage of investment in various fixed income securities will be decided after considering the prevailing political conditions, the economic

environment (including interest rates and inflation) the performance of the corporate sector and general liquidity and other considerations in the economy and markets.

The Fund has put in place detailed Investment manual defining the prudential and concentration limits for the portfolio limits. The investment management team is allowed full discretion to make sale and purchase decisions within the limits established. All investment decisions are recorded by the fund manager.

Investment Management Committee (IMC) in its periodic meetings will track portfolio investment rationale, portfolio composition, performance etc. Any modification to the Investment manual is made by the IMC and is duly informed to the board. The performance of the fund will be monitored against its peer group in the industry and presented and reviewed at every Board meeting.

The AMC may approach rating agencies such as CRISIL, ICRA, etc for ratings of the scheme. Bandhan Mutual Fund shall follow two-way approach towards debt evaluation by an underlying issuer

1. Financial statement analysis
  - Balance sheet analysis (Debt equity ratios, Net worth, etc)
  - Profit & Loss statement analysis (Interest coverage ratios, ROA, Gross and net margins)
  - Cash flow analysis
2. Qualitative analysis by meeting the key officials of the company on a periodic basis to get a better understanding.

### **Risk Control**

Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks through portfolio diversification, taking care however not to dilute returns in the process. The AMC believes that this diversification would help achieve the desired level of consistency in returns. The AMC may also implement certain internal control procedures / risk & exposure limits etc., which may be varied from time to time  
ay be varied from time to time  
y be varied from time to time

The AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, rigorous in-depth credit evaluation of the securities proposed to be invested in will be carried out by the investment team of the AMC.

### **Credit Evaluation Policy**

The credit evaluation policy of the AMC entails evaluation of credit fundamentals of each underlying exposure. Some of the major factors that are evaluated are:

- (a) Outlook on the sector
- (b) look on the sector
- (c) Strength & Support of the Parent
- (d) Quality of management
- (e) Overall financial strength of the credit as determined by key financial ratios.

Ratings of recognized rating agencies are taken as a reference point in the credit evaluation process. Investments in bonds and debenture are made usually in instruments that have high investment grade ratings by a recognized rating agency.

## **F. Documents Available for Inspection**

The following documents will be available for inspection at the office of Bandhan Mutual Fund at One World Centre, 841, Jupiter Mills Compound, Senapati Bapat Marg, Prabhadevi, Mumbai 400 013 during business hours on any day (excluding Saturdays, Sundays and public holidays):

- Memorandum and Articles of Association of the AMC
- Investment Management Agreement
- Trust Deed and amendments thereto, if any
- Mutual Fund Registration Certificate
- Agreement between the Mutual Fund and the Custodian
- Agreement with Registrar and Share Transfer Agents
- Consent of Auditors to act in the said capacity
- Consent of Legal Advisors to act in the said capacity
- Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments from time to time thereto.
- Indian Trusts Act, 1882.

## **G. Investor Grievances Redressal Mechanism**

Investor grievances are normally received at the Corporate Office of the AMC or at the official point of acceptance of transactions or directly by the Registrar. All grievances will be forwarded to the Registrar for their necessary action. These grievances will be closely followed up with the Registrar to ensure timely redressal and prompt investor service.

**The status of complaints received is as follows -**

<b>Period</b>	<b>Complaints received</b>	<b>Complaints redressed</b>	<b>Complaints pending</b>
2021-2022	121	122	0
2022 - 2023	74	74	0
2023 – 2024	67	67	0
2024 – 2025	15	15	0
April 2025- May 2025	4	3	1

## **H. Information pertaining to Investments by the Schemes of the Fund**

### **1. Derivative strategies**

#### **Debt Derivative**

The Schemes may use derivatives instruments like Interest Rate Swaps, Forward Rate Agreements or such other derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing. The cumulative gross exposure through repo transactions in corporate debt securities and credit default swaps along with debt & money market instruments and derivatives shall not exceed the limit specified in the SID of each scheme.

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

#### **Advantages of Derivatives:**

Derivatives provide unique flexibility to the Scheme to hedge part of its portfolio. Some of the advantages of specific derivatives are as under:

#### **Derivatives Strategy:**

In terms of Circular No. MFD.BC.191/07.01.279/1999-2000 and MPD.BC.187/07.01.279/1999-2000

dated November 1, 1999 and July 7, 1999 respectively issued by Reserve Bank of India permitting participation by Mutual Funds in Interest Rate Swaps and Forward Rate Agreements, the Fund will use derivative instruments for the purpose of hedging and portfolio balancing. The AMC would undertake the same for similar purposes only.

### **Interest Rate Swaps (IRS)**

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

In terms of Clause 12.25 of SEBI Master Circular dated June 27, 2024, 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. In case of participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty scheme in such transactions should not exceed 10% of the net assets of the scheme. However, if mutual funds are transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable. .

#### *Basic Structure Of A Swap*

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

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

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

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

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

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

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

### **Forward Rate Agreement (FRA)**

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

**Interest Rate Future (IRF)**

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

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

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

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

**Example:**

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

- Trade Date – January 1, 2022
- Futures Delivery date – April 1, 2022
- Current Futures Price - Rs. 102.00
- Futures Bond Yield- 8.85%
- Trader buys 200 contracts of the April 2021 10 Year futures contract of face value of Rs.1000 on NSE on January 1, 2012 at Rs. 102.00

**Closing out the Position**

- Date: January 7, 2022
- Futures market Price – Rs. 105.00
- Trader sells 200 contracts of April 2022 10 year futures contract of face value of Rs.1000 at Rs. 105 and squares off his position
- Therefore, profit for trader  $200 \times 1000 \times (105 - 102)$  is Rs.6,00,000

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

**Hedging**

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

**Example:**

Date: January 01, 2022

Spot price of Security: Rs 101.80

Futures price of IRF Contract: Rs 102.00

On January 01, 2022, the Fund Manager bought 2000 GOI securities from spot market at Rs 101.80. The Fund Manager anticipates that the interest rate will rise in near future, therefore to hedge the exposure in underlying security the Fund Manager sells March 2022, Interest Rate Futures contracts at Rs 102.00.

On February 01, 2022 due to increase in interest rate:



Spot price of Security: Rs 100.80

Futures Price of IRF Contract: Rs 101.10

Loss in underlying market will be  $(101.80 - 100.80) \times 2000 = \text{Rs } 2000$

Profit in the Futures market will be  $(101.10 - 102.00) \times 2000 = \text{Rs } 1800$

### **Imperfect hedging:**

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

#### Example of imperfect hedge due to use of IRF:

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

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

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

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

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

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

### **Equity Derivative**

The Scheme may take an exposure to equity derivatives of constituents of the Underlying Index when securities of the Index are unavailable, insufficient or for rebalancing at the time of change in Index or in case of corporate actions, for a short period of time. The exposure to derivatives would be restricted to 20% of the equity exposure of the Scheme. The Scheme may use derivative instruments such as stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments that are permissible or may be permissible in future under applicable regulations and such investments shall be in accordance with the investment objective of the Scheme.

#### **(i) Trading in Derivatives**

The Scheme may use derivatives instruments like Stock/ Index Futures & Options, or such other derivative instruments as may be introduced from time to time and in the manner permitted by SEBI/RBI from time to time.

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

**Features of Derivatives:** Derivatives provide unique flexibility to the Scheme to hedge part of its portfolio. Some of the features of specific derivatives are as under:

#### **ii) Derivatives Strategy**

### **Equity Derivative**

The Scheme intends to use derivatives for purposes that may be permitted by SEBI Mutual Fund regulations from time to time. Derivatives instruments may take the form of Futures, Options, Swaps or any other instrument, as may be permitted from time to time. SEBI has vide its Master Circular dated June 27, 2024 under Clause 7.5 specified the guidelines pertaining to trading by Mutual Fund

in Exchange trades derivatives. All Derivative positions taken in the portfolio would be guided by the following principles:

- i. Position limit for the Fund in index options contracts
- ii. tracts
  - a. The Fund position limit in all index options contracts on a particular underlying index shall be Rs. 500 crore or 15% of the open interest of the market in index options, whichever is higher per Stock Exchange.
  - b. This limit would be applicable on open positions in all options contracts on a particular underlying index.
- iii. Position limit for the Fund in index futures contracts:
  - a. The Fund position limit in all index futures contracts on a particular underlying index shall be Rs. 500 crore or 15% of the open interest of the market in index futures, whichever is higher, per Stock Exchange.
  - b. This limit would be applicable on open positions in all futures contracts on a particular underlying index.
- iv. Additional position limit for hedging

In addition to the position limits at point (i) and (ii) above, Fund may take exposure in equity index derivatives subject to the following limits:

  - a. Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Fund's holding of stocks.
  - b. Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Fund's holding of cash, government securities, T-Bills and similar instruments.
- v. Position limit for the Fund for stock based derivative contracts :

The Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts, :-

  - a. The combined futures and options position limit shall be 20% of the applicable MWPL.
  - b. The MWPL and client level position limits however would remain the same as prescribed.
- vi. Position limit for the Scheme

The position limits for the Scheme and disclosure requirements are as follows—

  - a. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a Fund shall not exceed the higher of:
    - 1% of the free float market capitalisation (in terms of number of shares) Or
    - 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
  - b. This position limit shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
  - c. For index based contracts, the Fund shall disclose the open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.”

The Scheme will comply with provisions specified in Clause 12.25 of SEBI Master Circular related to overall exposure limits applicable for derivative transactions.

The following section describes some of the more common equity derivatives transactions along with their benefits:

## **1. Basic Structure of a Stock & Index Future**

The Stock Index futures are instruments designed to give exposure to the equity markets indices. The stock Exchange, Mumbai (BSE) and The National Stock Exchange (NSE) provide futures in select stocks and indices with maturities of 1, 2 and 3 months. The pricing of a stock/index future is the function of the underlying stock/index and short term interest rates.

Example using hypothetical figures:

1 month NIFTY 50 Index Future

Say, Fund buys 1,000 futures contracts; each contract value is 50 times futures index price

Purchase Date : February 24, 2021

Spot Index : 6000

Future Price : 6150

Say, Date of Expiry : March 24, 2021

Say, Margin : 20%

Assuming the exchange imposes margin of 20%, the Investment Manager will be required to provide margin of approx. Rs. 6.15 Cr (i.e.  $20\% * 6150 * 1000 * 50$ ) through eligible securities and cash.

Date of Expiry:

Assuming on the date of expiry, i.e. March 24, 2021, Nifty 50 Index closes at 6200, the net impact will be a profit of Rs 25,00,000 for the fund i.e.  $(6200 - 6150) * 1000 * 50$

Futures price = Closing spot price = 6200.00

Profits for the Fund =  $(6200 - 6150) * 1000 * 50 = \text{Rs. } 25,00,000/-$

Please note that the above example is given for illustration purposes only. Some assumptions have been made for the sake of simplicity.

The net impact for the Fund will be in terms of the difference of the closing price of the index and cost price. Thus, it is clear from the example that the profit or loss for the Fund will be the difference of the closing price (which can be higher or lower than the purchase price) and the purchase price.

The risks associated with index futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis-pricing of the futures.

## **2. Basic Structure of an Equity Option:**

An option gives a buyer the right but does not cast the obligation to buy or sell the underlying. An option is a contract between two parties wherein the buyer receives a privilege for which he pays a fee (premium) and the seller accepts an obligation for which he receives a fee. The premium is the price negotiated and set when the option is bought or sold. A person who buys an option is said to be long in the option. A person who sells (or writes) an option is said to be short in the option.

In India, National Stock Exchange (NSE) became the first exchange to launch trading in options on individual securities. Trading in options on individual securities commenced from July 2, 2001. All stock/index Option contracts are European style and cash settled and are currently available on 5 Indices and 223 securities as stipulated by the Securities and Exchange Board of India (SEBI).

Example using hypothetical figures on Index Options:

Market type : N

Instrument Type : OPTIDX

Underlying : Nifty 50

Purchase date : February 24, 2021

Expiry date : March 24, 2021

Option Type : Put Option (Purchased)

Strike Price : Rs. 6,100.00

Spot Price : Rs. 6,136.00

Premium : Rs. 84.00

Lot Size : 50

No. of Contracts : 100

Say, the Fund purchases on February 24, 2021, 1 month Put Options on Nifty 50 on the NSE i.e. put

options on 5000 shares (100 contracts of 50 shares each) of Nifty 50.

Date of Exercise:

As these are European style options, they can be exercised only on the expiry date i.e. March 24, 2021. If the share price of Nifty 50 falls to Rs.5,500 on expiry day, the net impact will be as follows:

Premium expense = Rs.84\*100\* 50 =Rs. 4,20,000/-

Option Exercised at = Rs. 5,500/-

Profits for the Fund = (6100.00–5,500.00) \* 100\*50 = Rs. 30,00,000/-

Net Profit = Rs. 30,00,000 – Rs. 4,20,000 = Rs. 25,80,000/-

In the above example, the Investment Manager hedged the market risk on 5,000 shares of Nifty 50 Index by purchasing Put Options.

Please note that the above example is given for illustration purposes only. Some assumptions have been made for the sake of simplicity. Certain factors like margins have been ignored. The purchase of Put Options does not increase the market risk in the fund as the risk is already in the fund's portfolio on account of the underlying asset position. The premium paid for the option is treated as an expense. Additional risks could be on account of illiquidity and potential mis-pricing of the options.

## **2. INVESTMENT IN REPO IN CORPORATE DEBT SECURITIES**

SEBI vide clause 12.28 & 12.18.1.3 of Master Circular, enabled mutual funds to participate in repos in corporate debt securities as per the guidelines issued by RBI from time to time and subject to few conditions listed in the circular.

The circular requires the Trustees and the Asset Management Companies to frame guidelines about, inter alia, the following in context of these transactions, keeping in mind the interest of investors in the scheme:

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

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

- a) The gross exposure of any mutual fund scheme to repo transactions in corporate debt securities shall not be more than 10 % of the net assets of the concerned scheme.
- b) The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the Scheme.
- c) The Mutual Funds can participate in repos on following corporate debt securities:
  - i. Listed AA and above rated corporate debt securities
  - ii. Commercial Papers (CPs) and Certificate of Deposits (CDs) In terms of Regulation 44 (2) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, mutual funds shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.
- d) Mutual funds shall ensure compliance with the Seventh Schedule of the Mutual Funds Regulations about restrictions on investments, wherever applicable, with respect to repo transactions in corporate debt securities.
- e) The details of repo transactions of the scheme in corporate debt securities, including details of counterparties, amount involved and percentage of NAV shall be disclosed to investors in the half yearly portfolio statements and to SEBI in the half yearly trustee report.
- f) To enable the investors in the mutual fund schemes to take an informed decision, the concerned Scheme Information Document shall disclose the following:
  - i. The intention to participate in repo transactions in corporate debt securities in accordance

- with directions issued by RBI and SEBI from time to time;
- ii. The exposure limit for the scheme; and
- iii. The risk factors associated with repo transactions in corporate bonds.

#### **Guidelines to be followed by Bandhan Mutual Fund:**

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

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

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

##### **ii. Tenor of Repo**

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

##### **iii. Applicable haircut**

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

##### **iv. Additional internal investment limit:**

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

### **3. INVESTMENT IN OVERSEAS FINANCIAL ASSETS/FOREIGN SECURITIES:**

In terms of Clause 12.19 of SEBI Master Circulars dated June 27, 2024 each mutual fund is permitted to invest up to maximum of US\$ 1 billion. The overall cap for the entire mutual funds industry to invest in foreign securities is US\$ 7 billion. The Scheme can invest in:

- i. Foreign debt securities in the countries with fully convertible currencies, short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies
- ii. Countries with fully convertible currencies, short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies
- iii. Money market instruments rated not below investment grade
- iv. Repos in the form of investment, where the counterparty is rated not below investment grade; repos should not however, involve any borrowing of funds by mutual funds
- v. Government securities where the countries are rated not below investment grade
- vi. Derivatives traded on recognized stock exchanges overseas only for hedging and portfolio balancing with underlying as securities
- vii. Short term deposits with banks overseas where the issuer is rated not below investment grade
- viii. Units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in (a) aforesaid securities, (b) Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or (c) unlisted overseas securities (not exceeding 10% of their net assets).

The overall ceiling for investment in overseas ETFs that invest in securities is US \$ 1 billion subject to a maximum of US \$ 300 million per mutual fund.

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

#### **4. INVESTMENT IN SECURITISED DEBT**

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

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

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

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

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

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

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

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



Also, assessment of business risk would be carried out which includes -

- Outlook for the economy (both domestic and global); and
- Outlook for the industry

In addition, the fund analyses the specific pool and the broad evaluation parameters are as follows:

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

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

- Credit risk at the asset/originator/portfolio/pool level

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

- Counterparty risk

This includes Servicer Risk, co-mingling risk etc. The rating agencies generally mitigate such risks though the usage of stringent counterparty selection and replacement criteria to reduce the risk of failure.

- Bankruptcy risk

- Of the Originator –

- Normally, specific care is taken in structuring the securitization transaction so as to minimize the risk of the sale to the trust not being construed as a 'true sale'.

It is also in the Interest of the originator to demonstrate the transaction as a true sell to get the necessary revenue recognition and tax benefits.

- Of the Investors' agent

- All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by Investor's Agent is held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor's Agent.

- Legal risks

The rating agency normally conducts a detailed study of the legal documents to ensure that the investors' interest is not compromised and relevant protection and safeguards are built into the transaction.

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



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

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

A) Asset backed securities issued by banks or nonbanking finance companies.

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

A) Mortgage backed securities issued by banks or housing finance companies, where underlying assets are comprised of mortgages/home loan.

The various factors which will be usually considered while making investments in such type of securities include issuer profile of the issuer, quality of underlying portfolio, seasoning of loans, coverage provided by credit-cum-liquidity enhancements and prepayment risks.

B) Single loan securitization, where the underlying asset comprises of loans issued by a bank/non-banking finance company.

The factors which will be usually considered while making investments in such type of securities include assessment of credit risk associated with the underlying borrower as well as the originator. The Fixed Income team will adhere to the AMC's internal credit process and perform a detailed review of the underlying borrower prior to making investments. This analysis is no different from the analysis undertaken by Fund when it invests in Debentures or Commercial papers issued by the same borrower.

#### Critical Evaluation Criteria

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

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

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

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

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

Characteristics/Type of Pool	Mortgage Loan	Single Down <sup>\$</sup>	Sell	Others <sup>\$</sup>
Approximate Average Maturity (in Months)	Up to 10 years	Case by case basis	Case by case	As and when new asset classes of securitized debt are introduced, the investments in such
Collateral margin (including cash, guarantees, excess interest spread, subordinate tranche)	In excess of 3%	Case by case basis	Case by case	

Characteristics/Type of Pool	Mortgage Loan	Single Down <sup>\$</sup>	Sell	Others <sup>\$</sup>
Average Loan to Value Ratio	95% or lower	Case by case basis		instruments will be evaluated on a case by case basis
Average seasoning of the Pool	Minimum 2 months	Case by case basis		
Maximum single exposure range *	< 5%	Not applicable		
Average single exposure applicable range % *	< 5%	Not applicable		

\* denotes % of a single ticket/loan size to the overall assets in the securitized pool.

\$ Broad evaluation criteria as per point 3 above

#### Notes:

- Retail pools are the loan pools relating to Car, 2 wheeler, micro finance and personal loans, wherein the average loan size is relatively small and spread over large number of borrowers.
- is relatively small and spread over large number of borrowers.
- The information illustrated in the table above is based on current scenario relating to securitized debt market and is subject to change depending upon the change in the related factors. In addition to the framework stated in the table above, in order to mitigate the risks associated with the underlying assets where the diversification is less, at the time of investment the Fixed Income team could consider various factors including but not limited to -
- ed to -
  - Size of the loan - the size of each loan is generally analyzed on a sample basis and an analysis of the static pool of the originator is undertaken to ensure that the same matches with the static pool characteristics. It also indicates whether there is high reliance on very small ticket size borrower which could result in delayed and expensive recoveries.
  - Average original maturity of the pool of underlying assets
  - The analysis of average maturity of the pool is undertaken to evaluate whether the tenor of the loans are generally in line with the average loans in the respective industry and repayment capacity of the borrower.
  - Loan to value ratio, average seasoning of the pool of underlying assets - these parameters would be evaluated based on the asset class as mentioned in the table above.
  - Default rate distribution - the Fixed Income team generally ensures that all the contracts in the pool are current to ensure zero default rate distribution.
  - Geographical distribution - the analysis of geographical distribution of the pool is undertaken to ensure prevention of concentration risk.
  - Credit enhancement facility - credit enhancement facilities in the form of cash collateral, such as fixed deposits, bank guarantee etc could be obtained as a risk mitigation measure.
  - Liquidity facility - these parameters will be evaluated based on the asset class as mentioned in the table above.
  - Structure of the pool of underlying assets – The structure of the pool of underlying assets would be either single asset class or combination of various asset classes as mentioned in the table above. We could add new asset class depending upon the securitization structure and changes in market acceptability of asset classes.

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

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

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

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

Same as point 5 above.

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

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

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

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

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

#### **5. Investment by the AMC in the Scheme**

AMC shall invest in the scheme based on the risk associated with the scheme as specified in Clause 6.9 of SEBI Master Circular dated June 27, 2024 read with AMFI Best Practice Guidelines Circular 135/BP/100/2022-23 dated April 26, 2022 and any other circulars issued there under, from time to time.

In addition to investments as mandated above, the AMC may invest in the Scheme subject to the SEBI (MF) Regulations. Under the Regulations, the AMC is not permitted to charge any investment management and advisory services fee on its own investment in the Scheme.

Pursuant to regulation 43A of SEBI (Mutual Funds) Regulations, 1996 and SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, AMC shall make a one-time contribution equivalent to 2 bps of the AUM of the specified debt oriented schemes as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF') within 10 working days of request from CDMDF. Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF.

In case of delay in contribution by the Scheme and AMC, the AMC shall be liable to pay interest at fifteen percent (15%) per annum for the period of delay

#### **6. Swing Pricing framework:**

Pursuant to Clause 4.10 of SEBI Master Circular dated June 27, 2024 swing pricing framework has been introduced for open-ended debt mutual fund schemes.

SEBI has prescribed swing pricing for scenarios related to net outflows from the schemes. Accordingly, a mandatory full swing price framework, during market dislocation times (as and when declared by SEBI), for high or very high risk open-ended debt schemes has been introduced in the scheme.

**Swing Pricing:** Swing pricing refers to a process of adjusting a scheme's Net Asset Value (NAV) to effectively pass on transaction costs stemming from significant net capital activity

(i.e., flows into or out of the fund) to the investors associated with that activity. Swing pricing is aimed at reducing the impact of large redemptions, particularly during market dislocation, on existing investors by reducing dilution of the value of units of a Mutual Fund scheme.

**Market Dislocation Period:** Market dislocation would be declared and notified by SEBI. Swing pricing will be applicable for a specified period as notified by SEBI.

**Applicability of Swing Pricing Framework:** Subsequent to the announcement of market dislocation by SEBI, the swing pricing framework shall be mandated only for the Schemes which:

- have high or very high risk on the risk-o-meter in terms of Clause 17.4 of SEBI Master Circular (as of the most recent period at the time of declaration of market dislocation)); and
- classify themselves in the cells A-III, B-II, B-III, C-I, C-II and C-III of Potential Risk Class (PRC) Matrix in terms of Clause 17.5 of SEBI Master Circular dated June 27, 2024.

- Swing Factor:** The swing factor as given below will be applicable. This shall be made applicable to the schemes meeting applicability requirements mentioned above. The NAV of eligible schemes will be adjusted downwards for both the incoming and outgoing investors.

2.

<b>Swing factor for eligible schemes</b>			
Max Credit Risk of scheme→	Class A (Credit Risk Value >=12)	Class B (Credit Risk Value >=10)	Class C (Credit Risk Value <10)
Max Interest Rate Risk of the scheme ↓			
Class I: (Macaulay duration <=1 year)	-	-	1.5%
Class II: (Macaulay duration <=3 years)	-	1.25%	1.75%
Class III: Any Macaulay duration	1%	1.5%	2%

**Applicability of Swing Pricing to Investors:** When swing pricing mechanism is triggered and swing factor is made applicable during market dislocation, both the incoming and exiting investors shall get NAV adjusted for swing pricing. Swing pricing shall be made applicable to all unitholders at PAN level, with an exemption for redemptions up to Rs. 2 lakhs for each mutual fund scheme for market dislocation.

#### **Illustration:**

Effect on the NAV for incoming and outgoing investors in the scheme where swing pricing is made applicable:

Consider an Eligible Scheme which has a high risk-o-meter and the PRC Matrix of Class B-III during the declaration of 'market dislocation' period by SEBI.

As per the framework mandated, the swing factor applicable will be 1.5%.

The NAV adjustment for all subscriptions (including switch-ins) and redemptions (including switch-outs) will be as below:

Unswung NAV on a particular date	10.00
Swing Factor applied for the eligible scheme in Class B-III	1.5%
NAV adjusted for swing factor	9.85

If there is any exit load applicable as per scheme provisions, the same will be applied on swung NAV.

**Computation of NAV for purpose of scheme performance:** The scheme performance shall be computed based on unswung NAV.

**Swing Pricing in case of ‘Re-opening of the scheme after announcement of winding up for all open-ended debt Schemes of Bandhan Mutual Fund except Bandhan Overnight Fund, Bandhan Government Securities Fund-Constant Maturity Plan and Bandhan Government Securities Fund - Investment Plan**

There may be instances where the AMC, after making an announcement to wind up a scheme, decides to roll-back the decision to wind up the scheme. Such situations may trigger large scale redemptions. Thus, in such circumstances, as required by and in terms of AMFI Best Practice Guideline No. 135/BP/96-B/ 2024-25 dated November 04, 2024 (“AMFI Best Practice Circular”) as amended from time to time, the AMC shall mandatorily invoke swing pricing upon reopening any of the schemes for subscriptions and redemptions.

s.

1. The swing period should be higher of swing period suggested by the Board of AMC or a minimum period of 7 working days (as per AMFI Best Practice Circular), upon reopening a scheme for subscriptions and redemptions.
2. The minimum swing factor applied would be higher of the swing factor suggested by the Board of AMC or as per Swing factor during Normal Times suggested in the AMFI Best Practice Circular as shown below:

<b>Swing factor as per AMFI Best Practice Circular</b>			
<b>Max Credit Risk of scheme→</b>	<b>Class A (CRV* &gt;=12)</b>	<b>Class B (CRV* &gt;=10)</b>	<b>Class C (CRV* &lt;10)</b>
<b>Max Interest Rate Risk (CRV &lt;10) of the scheme ↓</b>			
Class I: (Macaulay duration <=1 year)	A-I : 0.00%	B-I : 0.05%	C-I : 0.20%
Class II: (Macaulay duration <=3 years)	A-II : 0.05%	B-II : 0.10%	C-II : 0.40%
Class III: Any Macaulay duration	A-III : 0.10%	B-III : 0.20%	C-III : 0.60%
*CRV: Credit Risk Value			

Note: The above are floor swing amounts and the Board of AMC may set higher limits, depending on the dynamics of the concerned schemes both on liability side and on asset side.

**Disclosure requirements:** Disclosures pertaining to NAV adjusted for swing factor along with the performance impact shall be made by the AMC in the manner prescribed by SEBI vide circular dated September 29, 2021, in case swing pricing framework has been made applicable for any scheme.

## 7. Provisions on creation of Segregated portfolio/Side pocketing

### CREATION OF SEGREGATION OF PORTFOLIOS

Pursuant to provisions of SEBI Circulars no. SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018 and SEBI/HO/IMD/DF2/CIR/P/2019/127 dated November 07, 2019, the Trustees of Bandhan Mutual Fund have approved creation of segregated portfolio of debt and money market instruments in case of a credit event in all the debt oriented schemes of Bandhan Mutual Fund (the Scheme).

The AMC may create segregated portfolio of debt and money market instruments in a mutual fund scheme in case of a credit event and to deal with liquidity risk.

In this regard, the term ‘segregated portfolio’ shall mean a portfolio comprising of debt or money market instrument affected by a credit event that has been segregated in a mutual fund scheme and the term ‘main portfolio’ shall mean the scheme portfolio excluding the segregated portfolio. The term ‘ portfolio’ shall mean the scheme portfolio including the securities affected by the credit

event.

A segregated portfolio may be created in a mutual fund scheme in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:

- a. Downgrade of a debt or money market instrument to 'below investment grade', or
- b. Subsequent downgrades of the said instruments from 'below investment grade', or
- c. Similar such downgrades of a loan rating.

In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of segregated portfolio shall be based on issuer level credit events as detailed above and implemented at ISIN level.

Further, segregated portfolio of unrated debt or money market instruments may also be created in case of actual default of either the interest or principal amount.

### **Process for creation of segregated portfolio**

1. The AMC shall decide on creation of segregated portfolio on the day of credit event / default, as applicable, as per the process laid down below:
  - a. The AMC shall seek approval of Trustees, prior to creation of the segregated portfolio.
  - b. The AMC shall immediately issue a press release disclosing its intention to segregate such debt and money market instrument and its impact on the investors. It shall also be disclosed that the segregation shall be subject to trustee approval. Additionally, the said press release shall be prominently disclosed on the website of the AMC.
  - c. The AMC shall ensure that till the time the Trustee approval is received, the subscription and redemption in the scheme shall be suspended for processing with respect to creation of units and payment on redemptions.
2. Upon receipt of approval from Trustees:
  - a. The segregated portfolio shall be effective from the day of credit event / default.
  - b. The AMC shall issue a press release immediately with all relevant information pertaining to the segregated portfolio. The said information shall also be submitted to SEBI.
  - c. An e-mail or SMS shall be sent to all unit holders of the concerned scheme.
  - d. The NAV of both segregated and main portfolio shall be disclosed from the day of the credit event / default.
  - e. All existing investors in the scheme as on the day of the credit event / default shall be allotted equal number of units in the segregated portfolio as held in the main portfolio.
  - f. No redemption and subscription shall be allowed in the segregated portfolio. However, in order to facilitate exit to unit holders in segregated portfolio, AMC shall enable listing of units of segregated portfolio on the recognized stock exchange within 10 working days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer requests.
3. If the trustees do not approve the proposal to segregate portfolio, the AMC shall issue a press release immediately informing investors of the same.
4. Notwithstanding the decision to segregate the debt and money market instrument, the valuation shall take into account the credit event / default and the portfolio shall be valued based on the principles of fair valuation (i.e. realizable value of the assets) in terms of the relevant provisions of SEBI (Mutual Funds) Regulations, 1996 and Circular(s) issued thereunder.
5. All subscription and redemption requests for which NAV of the day of credit event / default or subsequent day is applicable will be processed as per the existing circular on applicability of NAV as under:
  - a. Upon trustees' approval to create a segregated portfolio –



- i. Investors redeeming their units will get redemption proceeds based on the NAV of main portfolio and will continue to hold the units of segregated portfolio.
    - ii. Investors subscribing to the scheme will be allotted units only in the main portfolio based on its NAV.
  - b. In case trustees do not approve the proposal of segregated portfolio, subscription and redemption applications will be processed based on the NAV of portfolio.
6. In order to enable the existing as well as the prospective investors to take informed decision, the following shall be adhered to:
  - a. A statement of holding indicating the units held by the investors in the segregated portfolio along with the NAV of both segregated portfolio and main portfolio as on the day of the credit event / default shall be communicated to the investors within 5 working days of creation of the segregated portfolio.
  - b. Adequate disclosure of the segregated portfolio shall appear in all scheme related documents, in monthly and half-yearly portfolio disclosures and in the annual report of the mutual fund and the scheme.
  - c. The Net Asset Value (NAV) of the segregated portfolio shall be declared on daily basis.
  - d. The information regarding number of segregated portfolios created in a scheme shall appear prominently under the name of the scheme at all relevant places such as SID, KIM-cum-Application Form, advertisement, AMC and AMFI websites, etc.
  - e. The scheme performance required to be disclosed at various places shall include the impact of creation of segregated portfolio. The scheme performance should clearly reflect the fall in NAV to the extent of the portfolio segregated due to the credit event / default and the said fall in NAV along with recovery(ies), if any, shall be disclosed as a footnote to the scheme performance.
  - f. The disclosures at paragraph (d) and (e) above regarding the segregated portfolio shall be carried out for a period of at least 3 years after the investments in segregated portfolio are fully recovered/ written-off.
  - g. The investors of the segregated portfolio shall be duly informed of the recovery proceedings of the investments of the segregated portfolio. Status update may be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.
7. In order to ensure timely recovery of investments of the segregated portfolio, the Trustees to the fund would continuously monitor the progress and take suitable action as may be required.
8. TER for the Segregated Portfolio:
  - a. AMC shall not charge investment and advisory fees on the segregated portfolio. However, TER (excluding the investment and advisory fees) can be charged, on a prorata basis only upon recovery of the investments in segregated portfolio.
  - b. The TER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on daily basis on the main portfolio (in % terms) during the period for which the segregated portfolio was in existence.
  - c. The legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER limit as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, shall be borne by the AMC.
  - d. The costs related to segregated portfolio shall in no case be charged to the main portfolio.

Investors may also note that the process followed by the AMC/Trustees regarding creation of segregated portfolios shall be in accordance with the provisions laid down by SEBI in this regard, from time to time.



### Monitoring by Trustees:

In order to ensure timely recovery of investments of the segregated portfolio, trustees will ensure that:

- The AMC puts in sincere efforts to recover the investments of the segregated portfolio.
- Upon recovery of money, whether partial or full, it shall be immediately distributed to the investors in proportion to their holding in the segregated portfolio. Any recovery of amount of the security in the segregated portfolio even after the write off shall be distributed to the investors of the segregated portfolio.
- An action taken report on the efforts made by the AMC to recover the investments of the segregated portfolio shall be placed in every trustee meeting till the investments are fully recovered / written-off.
- The trustees shall monitor the compliance of guidelines prescribed by SEBI in this regard and disclose in the half-yearly trustee reports filed with SEBI, the compliance in respect to every segregated portfolio created.

In order to avoid misuse of the segregated portfolio facility, the Trustees have ensured that the AMC has a mechanism in place to negatively impact the performance incentives of the Fund Manager, Chief Investment Officer (CIO), etc involved in investment process of securities under the segregated portfolio, mirroring the existing mechanism for performance incentives of the AMC, including claw back of such amount to the segregated portfolio of the Scheme.

### Numerical Illustration explaining how segregated portfolios will work:

#### A. Before Segregation:

<b>Debt Portfolio</b>					
investors in the Scheme: 2	Units	Amount		Portfolio	Value
Investor A	30,000	3,75,000		Debt A	5,00,000
Investor B	50,000	6,25,000		Debt B	3,00,000
				Debt C	2,00,000
	<b>80,000</b>	<b>10,00,000</b>			<b>10,00,000</b>
<b>NAV (Full Portfolio): Rs. 12.5</b>					

#### B. 'Debt B' instrument is downgraded. Value of the security falls from 3,00,000 to 2,80,000 and portfolio is segregated

<b>Main Portfolio</b>					
Investors	Units	Amount		Portfolio	Value
Investor A	30,000	2,62,500		Debt A	5,00,000
Investor B	50,000	4,37,500		Debt C	2,00,000
	<b>80,000</b>	<b>7,00,000</b>			<b>7,00,000</b>
<b>NAV (Main Portfolio): Rs. 8.75</b>					

<b>Segregated Portfolio</b>					
Investors	Units	Amount		Portfolio	Value
Investor A	30,000	1,05,000		Debt B	2,80,000
Investor B	50,000	1,75,000			
	<b>80,000</b>	<b>2,80,000</b>			<b>2,80,000</b>
<b>NAV (Segregated Portfolio): Rs. 3.5</b>					

<b>Holdings</b>				
<b>Investors</b>	<b>Portfolio</b>	<b>Units</b>	<b>Amount</b>	
<b>Investor A</b>	Main	30,000	2,62,500	<b>3,67,500</b>
	Segregated	30,000	1,05,000	
<b>Investor B</b>	Main	50,000	4,37,500	<b>6,12,500</b>
	Segregated	50,000	1,75,000	

**Notes:**

- Investors who invest / subscribe to the units of the Scheme post creation of segregated portfolio shall be allotted units in the Main portfolio only.
- Investors redeeming their units post creation of segregated portfolio will get redemption proceeds based on NAV of main portfolio and will continue to hold units in Segregated Portfolio
- No redemption and / or subscription shall be allowed in the segregated portfolio
- Units of segregated portfolio shall be listed on a recognized stock exchange.

## **8. Procedure & Recording of Investment Decisions and Risk Control**

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

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

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

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

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

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

## **9. Underwriting**

Subject to the Regulations, the Scheme may only enter into underwriting agreements after the Fund obtains a certificate of registration in terms of the Securities and Exchange Board of India (Underwriters) Rules and Securities and Exchange Board of India (Underwriters) Regulations, 1993, authorizing it to carry on activities as underwriters. The capital adequacy norms for the purpose of underwriting shall be the net assets of the Scheme and the underwriting obligation of the Scheme shall not at any time exceed the net asset value of the Scheme.

## **10. SECURITIES LENDING**

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

Such investments shall be made when in view of the Fund Manager, such investments could provide reasonable returns commensurate with risks associated with such investments and shall be made in accordance with the investment objective of the Scheme. Securities Lending means the lending of Securities to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio. The securities lent will be returned by the borrower on the expiry of the stipulated period. The lending transactions may require procurement of collateral which would exceed in value, the value of the securities lent. The collateral can be in the form of cash, bank guarantee, government securities or certificate of deposits or other securities as may be agreed. As with other modes of extensions of credit, there are risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary.

ies i.e. the scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary.

The Mutual Fund may not be able to sell such lent out securities and this can lead to temporary illiquidity. The AMC with a view to protecting the interests of the investors, may increase exposure in stock lending activities as deemed fit from time to time.

If permitted by SEBI under extant regulations/guidelines, the scheme may also engage in stock borrowing. The Scheme may also enter into 'Repo/Reverse Repo' transactions, as may be permitted from time to time. Stock borrowing means the borrowing of stock from another person or entity for a fixed period of time, at a negotiated compensation. The securities borrowed will be returned to the lender on expiry of the stipulated period.

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

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

## **11. BORROWING BY THE MUTUAL FUND**

Under the Regulations, the Fund is allowed to borrow to meet its temporary liquidity needs of the Fund for the purpose of repurchase, redemption of Units or payment of interest or IDCW to the Unitholders. Further, as per the Regulations, the Fund shall not borrow more than 20% of the Net

Assets of the Scheme and the duration of such borrowing shall not exceed a period of six months. The Fund may raise such borrowings after approval by the Trustee from any of its Sponsors/Associate/Group companies/Commercial Banks in India or any other entity at market related rates prevailing at the time and applicable to similar borrowings. The security for such borrowings, if required, will be as determined by the Trustee. Such borrowings, if raised, may result in a cost, which would be dealt with in consultation with the Trustees.

Banks in India or any other entity at market related rates prevailing at the time and applicable to similar borrowings. The security for such borrowings, if required, will be as determined by the Trustee. Such borrowings, if raised, may result in a cost, which would be dealt with in consultation with the Trustees.

## 12. SHORT SELLING OF SECURITIES

If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines / regulations issued by SEBI. Short sale of securities means selling of securities without owning them.

Engaging in short sale of securities is subject to risks related to fluctuations in market price, and settlement/ liquidity risks.

### I. Stamp Duty

#### Stamp duty implications

The Indian Stamp Act, 1899 provides levy and collection of stamp duty on the issue and transfer of financial instruments through stock exchanges, clearing corporation and depositories. changes, clearing corporation and depositories.

Stamp duty is chargeable to:

- c) The unit holder, for transactions in the units of the fund; and
- d) The fund, for transactions by the fund.

Rate of stamp duty for securities other than debentures as applicable from July 1, 2020 is:

#### C. For securities other than debentures:-

Transaction/ Instruments	Rates in %
Issuance of units of mutual fund and unlisted shares	0.005
Transfer of securities on delivery basis (including transfer of mutual fund units)	0.015
Transfer of securities on non-delivery basis	0.003
Derivatives: Futures (Equity and commodity)	0.002
Derivatives: Options (Equity and commodity)	0.003
Derivatives: Currency and Interest rates derivatives	0.0001
Other derivatives	0.002
Government securities	0
Repo on corporate bonds	0.00001

#### D. For debentures:-

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

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

**Key points:**

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

The mechanics of stamp duty collection are as under:

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

Redemption of mutual fund units is not liable to stamp duty as it is neither a transfer nor an issue nor a sale.

Stamp duty collected is to be transferred within 3 weeks of collection to the State Government where the residence of the buyer is located in India and in case the buyer is located outside India then the State in which the trading member/broker of the buyer is located.

## **X. DISCLOSURES AND REPORTS BY THE FUND**

### **1. Account Statement/Consolidated Account Statement (CAS)**

#### **a) For Unitholders who have registered their PAN / PEKRN with the Mutual Fund:**

Investors who hold demat account and have registered their PAN with the mutual fund:

For transactions in the schemes of Bandhan Mutual Fund, a Consolidated Account Statement, based on PAN of the holders, shall be sent by Depositories to investors holding demat account, for each calendar month on or before fifteenth day of the succeeding month to the investors in whose folios transactions have taken place during that month.

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

The CAS shall be generated on a monthly basis. AMCs/ RTAs shall share the requisite information with the Depositories on monthly basis to enable generation of CAS. Consolidation of account statement shall be done on the basis of PAN. In case of multiple holding, it shall be the PAN of the first holder and pattern of holding. Based on the PANs provided by the AMCs/MF-RTAs, the

Depositories shall match their PAN database to determine the common PANs and allocate the PANs among themselves for the purpose of sending CAS. For PANs which are common between depositories and AMCs, the Depositories shall send the CAS.

With effect from May 14, 2025, the CAS shall be generated on a monthly basis. AMCs/ RTAs shall provide the data with respect to the common PANs to the depositories within five (5) days from the month end. The depositories shall then consolidate and dispatch the CAS to investors that have opted for delivery via electronic mode, within twelve (12) days from the month end and to investors that have opted for delivery via physical mode, within fifteen (15) days from the month end.

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

With effect from May 14, 2025, if there is any transaction in any of the demat accounts of the investor or in any of his mutual fund folios, then CAS shall be sent to that investor through email on monthly basis. In case there is no transaction in any of the mutual fund and demat accounts then CAS with holding details shall be sent to the investors by email on half yearly basis. In respect of half-yearly CAS, the AMCs/MF-RTAs shall provide the data with respect to the common PANs to the depositories on or before eighth(8th) day of April and October every year. The depositories shall then consolidate and dispatch the CAS to investors that have opted for delivery via electronic mode, on or before the eighteenth (18th) day of April and October and to investors that have opted for delivery via physical mode, on or before the twenty-first (21st) day of April and October. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered with the Depositories and the AMCs/RTAs.

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

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

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

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



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

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

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

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

Other investors:

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

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

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

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

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

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

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

**b) For all Unitholders**

In case of a specific request received from the unit holder, the AMC shall provide the account



statement to the investor within 5 business days from the receipt of such request.

## **2) Monthly / Half yearly Portfolio Disclosures:**

The Mutual fund shall disclose portfolio (along with ISIN) as on the last day of the month / half year for this scheme on website of the AMC (<https://bandhanmutual.com/downloads/disclosures>) and AMFI ([www.amfiindia.com](http://www.amfiindia.com)) within 10 days from the close of each month / half year in a user-friendly and downloadable spreadsheet format. In case of unitholder whose email addresses are registered with the Fund, the portfolios disclosed as above shall be sent to the unitholders via email. The unitholders whose e-mail address are not registered with the Fund are requested to update / provide their email address to the Fund for updating the database. An advertisement shall be published in at least one English daily newspaper and Hindi daily newspaper disclosing the hosting of scheme's half yearly portfolio on the website of AMC and AMFI. Investors may also place a specific request to the Mutual Fund for sending the half yearly portfolio through email.

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

## **3) Fortnightly Portfolio Disclosures:**

Pursuant to Clause 5.1.1 of SEBI Master Circular dated June 27, 2024, the AMC shall also disclose portfolios of debt schemes on fortnightly basis within 5 days of every fortnight. These shall also be displayed on the website of the AMC (<https://bandhanmutual.com/downloads/disclosures>) and AMFI ([www.amfiindia.com](http://www.amfiindia.com)) in a user-friendly and downloadable spreadsheet format.

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

## **3) Half Yearly Financial Results**

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

## **4) Annual Report**

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

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

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

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

The AMC shall also provide a physical copy of abridged summary of the annual report, without charging any cost, on specific request received from the unitholder. A copy of scheme wise annual

report shall also be made available to unitholder(s) on payment of nominal fees.

### **Risk-o-meter**

In accordance with Clause 5.16 of SEBI Master Circular dated June 27, 2024, Mutual Fund shall disclose, to the investors in which the unit holders are invested:

- (a) risk-o-meter of the scheme and benchmark while disclosing the performance of scheme vis-à-vis benchmark and
- (b) details of the scheme portfolio including the scheme risk-o-meter, name of benchmark and risk-o-meter of benchmark while communicating the fortnightly, monthly and half-yearly statement of scheme portfolio via email.

Further, pursuant to clause 17.4.1.h of SEBI Master Circular, any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular scheme.

Risk-o-meter shall be evaluated on a monthly basis and Mutual Funds/AMCs shall disclose the Risk-o-meter along with portfolio disclosure for all their schemes on the website of the Mutual Fund ([www.bandhanmutual.com](http://www.bandhanmutual.com)) and that of AMFI ([www.amfiindia.com](http://www.amfiindia.com)) within 10 days from the close of each month.

Mutual Funds shall also disclose the risk level of schemes as on March 31 of every year, along with number of times the risk level has changed over the year, on its website and AMFI website.

Investors may please note that the Risk-o-meter disclosed is basis internal assessment of the scheme portfolio as on the date of disclosure.

### **Scheme Summary Document**

Pursuant to SEBI advisory dated December 28, 2021, a standalone scheme document called 'Scheme Summary Document' for all the Schemes of Bandhan Mutual Fund has been hosted on its website ([www.bandhanmutual.com](http://www.bandhanmutual.com)) which contains all the details of the Schemes including but not limited to Scheme features, Fund Manager details, investment details, investment objective, expense ratios, portfolio details, etc. The Scheme Summary Document is uploaded on the website of the Mutual Fund, AMFI and stock exchanges in 3 data formats i.e. PDF, Spreadsheet and a machine readable format (either JSON or XML).

### **Potential Risk Class (PRC) Matrix**

Pursuant to the Clause 17.5 of SEBI Master Circular dated June 27, 2024, all debt schemes are required to be classified in terms of a Potential Risk Class matrix consisting of parameters based on maximum interest rate risk (measured by Macaulay Duration (MD) of the scheme) and maximum credit risk (measured by Credit Risk Value (CRV) of the scheme). Mutual Funds are required to disclose the PRC matrix (i.e. maximum risk that a fund manager can take in a Scheme) along with the mark for the cell in which the Scheme resides on the front page of initial offering application form, SID, KIM, common application form and scheme advertisements in the manner as prescribed in the said circular. The scheme would have the flexibility to take interest rate risk and credit risk below the maximum risk as stated in the PRC matrix. Subsequently, once a PRC cell selection is done by the Scheme, any change in the positioning of the Scheme into a cell resulting in a risk (in terms of credit risk or duration risk) which is higher than the maximum risk specified for the chosen PRC cell, shall be considered as a fundamental attribute change of the Scheme in terms of Regulation 18(15A) of SEBI (Mutual Fund) Regulations, 1996.

**Notwithstanding anything contained in this Statement of Additional Information, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines thereunder shall be applicable.**

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