



IDFC MUTUAL FUND

STATEMENT OF ADDITIONAL INFORMATION

SPONSOR	: IDFC LIMITED
INVESTMENT MANAGER	: IDFC ASSET MANAGEMENT COMPANY LIMITED
TRUSTEE	: IDFC AMC TRUSTEE COMPANY LIMITED

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

This SAI is dated June 30, 2022

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I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANIES

A. CONSTITUTION OF THE MUTUAL FUND

IDFC Mutual Fund (“the Mutual Fund” or “the Fund”) had been constituted as a Trust in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) vide a Trust Deed dated December 29, 1999. The office of the Sub-Registrar of Assurances at Mumbai had registered the Trust Deed establishing the Fund under the Registration Act, 1908. The Fund was registered with SEBI vide registration number MF/042/00/3 dated March 13, 2000. A deed of amendment to the Trust Deed has been executed and registered to recognize the change in sponsor of the Mutual Fund. The deed of variation to the Trust Deed, dated May 30, 2008, made IDFC Limited (IDFC) the sponsor of the Mutual Fund and IDFC AMC Trustee Company Limited, the Trustee. The Trust has been formed for the purpose of pooling of capital from the public for collective investment in securities / any other property for the purpose of providing facilities for participation by persons as beneficiaries in such properties/ investments and in the profits / income arising there from.

IDFC / its nominees acquired 100% equity shares of the Asset Management Company and the Trustee Company and further contributed an amount of Rs.10,000/- to the corpus of the Fund (the total contribution of the sponsors till date including this contribution, stands at Rs. 30,000). Post the change in shareholding of IDFC AMC Trustee Company Limited and IDFC Asset Management Company Limited, effective March 20, 2017, entire shareholding in the AMC and Trustee Company is held by IDFC Financial Holding Company Limited, a wholly owned subsidiary of IDFC Limited.

B. SPONSOR

IDFC Mutual Fund is sponsored by IDFC Limited. IDFC Limited is a Non-Banking Financial Company and was earlier a diversified financial institution providing a wide range of financing products and fee-based services with infrastructure as its focus area.

In April 2014, the Reserve Bank of India (RBI) granted an in-principle approval to IDFC Limited to set up a new bank in the private sector, as per the RBI Guidelines for Licensing of New Banks in the Private Sector. Subsequently, a Scheme of Arrangement was filed with the Madras High Court for Demerger of Financial Undertaking (the lending business of IDFC) to IDFC FIRST Bank Limited (formerly known as IDFC Bank Limited). All the requisite approvals were obtained and the Madras High Court approved this Demerger by its Order dated June 25, 2015. IDFC Limited received the banking license/ approval from the Reserve Bank of India to set a bank and has launched the IDFC FIRST Bank Limited on October 01, 2015. The equity shares of IDFC Limited and IDFC FIRST Bank Limited are listed on the National Stock Exchange of India Limited and BSE Limited. As on today, IDFC mainly holds 36.49% equity stake in IDFC FIRST Bank

Post demerger of Financing Undertaking of IDFC Limited into IDFC FIRST Bank Limited, IDFC Limited is registered as Non-Banking Financial Company - Investment Company (NBFC – IC) with the Reserve Bank of India.

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

Particulars	31.03.2022	31.03.2021	31.03.2020
Net Worth	9248.77	9261.10	9255.56
Total Income	57.81	42.92	164.10
Profit\ (Loss) after tax	21.86	8.87	64.22
Assets Under Management	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 held 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. The company has now been renamed as IDFC AMC Trustee Company Limited (which was earlier known as IDFC AMC Trustee Company Private Limited).

On December 9, 2011, the sponsor, IDFC Ltd which is also the shareholder of IDFC Asset Management Company Limited (AMC), sold 25% of the total issued and paid up equity share capital plus one equity share in IDFC AMC Trustee Company Limited to NGAM Asia, a Singapore Limited company, which is a 100% indirect subsidiary of NGAM.

After the sale, the sponsor/shareholder held 74.998% and NGAM through its wholly-owned subsidiary NGAM Asia held 25.002%, of the equity share capital of the Trustee Company.

IDFC Financial Holding Company Limited has acquired the entire shareholding of Natixis Global Asset Management Asia Pte. Limited, Singapore in the Trustee Company. IDFC Financial Holding Co. Ltd, a non-operative financial holding company is a wholly owned subsidiary of IDFC Limited, the Sponsor of IDFC Mutual Fund.

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

Shareholder	Percentage
IDFC Financial Holding Co. Ltd./its Nominees	100%

The company shall, through its Board of Directors, discharge its obligation as Trustee of IDFC 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.

Details of Trustee Directors:

Name	Age/Qualification	Brief Experience
Mr. Pradeep Kumar	72 years / Master's Degree in Economic and Social Studies from the University of Wales, United Kingdom and B.Tech in Electrical Engineering from Indian Institute of Technology, New Delhi.	Mr. Pradeep Kumar has been appointed as an Independent Director on the Board of the Trustee Company. Mr. Pradeep Kumar belongs to the 1972 batch of Indian Administrative Service of Haryana Cadre. He served in many senior positions in the Government of Haryana and Government of India. He has worked as Director of Industries, Secretary-Power, Irrigation, Technical Education, Science and Technology, Town and Country Planning and Urban Estates departments in the Government of Haryana. His last posting in Government of India was as Defence Secretary. After superannuation in July 2011, he was appointed

Name	Age/Qualification	Brief Experience
		<p>as Central Vigilance Commissioner (CVC). Mr. Kumar also has served in various committees constituted by RBI, C&AG and is presently member of certain committees formed by NHAI and ONGC.</p> <p>Other Directorships: Nil</p>
Dr. Jaimini Bhagwati	<p>69 years / MSc (Physics) – Delhi University,</p> <p>MS (Finance) - Massachusetts Institute of Technology, USA and PhD (Finance) from Tufts University, USA.</p>	<p>Dr. Jaimini Bhagwati has been appointed as an Associate Director on the Board of the Trustee Company.</p> <p>Dr. Bhagwati was Ambassador to Belgium, Luxembourg and the European Union. He has also served as Additional Secretary and Joint Secretary of Ministry of External Affairs. Prior to that, Dr. Bhagwati also held various positions in World Bank, the last position was as Chief of Corporate Finance.</p> <p>Other Directorships:</p> <ol style="list-style-type: none"> 1. IDFC First Bank Limited 2. IDFC Limited
Mr. Vishwavir Saran Das	<p>69 years / B.A. (Economics); MBA (Specialization in HRM); CAIIB Proficiency Certificate in Russian</p>	<p>Mr. Vishwavir Saran Das has been appointed as an Independent Director on the Board of the Trustee Company. Mr. Das has an experience spanning over 36 years in the Reserve Bank of India (RBI), across various functional areas including financial regulation and supervision, foreign exchange regulation, payment settlement systems, communications, human resource management and developmental banking.</p> <p>He retired as an Executive Director from Reserve Bank of India and has handled areas relating to Financial Stability, Corporate Governance and Board matters, Communication and Media Relations, Financial Education and Right to Information Act (Appellate Authority). During his long tenure he was in charge of various departments concerned with Payment Systems, Human Resources Management, Financial inclusion and Rural Banking. He had also served on several committees and Working Groups as a Chairman/member and as RBI's nominee Director on the Board of various financial institutions. Post retirement, he is serving as an Arbitrator on the panels of principal stock exchanges in the country and a consultant in management and financial services.</p> <p>Other Directorships:</p> <ol style="list-style-type: none"> 1. Gujarat Ambuja Exports Limited 2. Assets care and reconstruction enterprise limited 3. IDFC Financial Holding Company Limited

Name	Age/Qualification	Brief Experience
Mr. Amitabh Verma	62 years / MA (Economics), MA (Political Science), BA(Hons.)(Political Science)	Mr. Amitabh Verma, retired IAS officer, has been appointed as an Independent Director on the Board of IDFC AMC Trustee Company Limited. Mr. Amitabh Verma, has held several senior positions for 37 years both in the Central Government and the Bihar Government, apart from heading several state and national level organisations like the Inland Waterways Authority of India. Mr. Amitabh Verma has also held the position of Joint Secretary (Banking) in the Ministry of Finance. Other Directorships: Nil

Rights, Obligations, Responsibilities and Duties of the Trustee under the Trust Deed and the Regulations:

Pursuant to the Trust Deed dated December 29, 1999 (as amended from time to time) constituting the Mutual Fund and in terms of the Regulations, the rights, obligations, responsibilities and duties of the Trustee are as follows:

1. The Trustee shall have a right to obtain from the AMC such information as is considered necessary by it.
2. The Trustee shall ensure before the launch of any Scheme that the Asset Management Company has:
 - a. Systems in place for its back office, dealing room and accounting;
 - b. Appointed all key personnel including Fund Manager(s) for the Scheme(s) and that the trustees are satisfied with the adequacy of number of key personnel considering the size of the mutual fund and the proposed Scheme;
 - c. Appointed auditors to audit the accounts of the Schemes;
 - d. Appointed a Compliance Officer who shall be responsible for monitoring the compliance of the act, rules and regulations, notification, Guidelines, instructions etc. issued by the Board or the Central Government and for redressal of investor's grievances.
 - e. Appointed registrars and laid down parameters for their supervision and periodical inspections;
 - f. Prepared a compliance manual which is updated by including all the provisions of regulations and guidelines issued by SEBI from time to time and designed internal control mechanisms including internal audit systems commensurate with the size of the mutual fund;
 - g. Specified norms for empanelment of brokers and marketing agents.
 - h. Obtained, wherever required under these regulations, prior in principle approval from the recognised stock exchange(s) where units are proposed to be listed.
3. The Trustee shall ensure that the AMC has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
4. The Trustee is required to ensure that the AMC has not given any undue or unfair advantage to any associate or dealt with any of the associates of the AMC in any manner detrimental to the interests of the Unitholders.
5. The Trustee is required to ensure that the transactions entered into by the AMC are in accordance with the Regulations and the Scheme.
6. The Trustee is required to ensure that the AMC has been managing the Scheme (s) independently of other activities and has taken adequate steps to ensure that the interest of investors of one Scheme are not compromised with those of any other Scheme or of other activities of the AMC.

7. The Trustee is required to ensure that all the activities of the AMC are in accordance with the provisions of the Regulations.
8. Where the Trustee has reason to believe that the conduct of the business of the Fund is not in accordance with these Regulations and the Scheme it is required to take such remedial steps as are necessary by it and to immediately inform SEBI of the violation and the action taken by it.
9. Each Director of the Trustee is required to file details of his/her transactions of dealings in securities on a quarterly basis.
10. The Trustee is accountable for and is required to be the custodian of the Fund's property of the respective Scheme and to hold the same in trust for the benefit of the Unitholders in accordance with the Regulations and the provisions of the Trust Deed.
11. The Trustee is required to take steps to ensure that the transactions of the Fund are in accordance with the provisions of the Trust Deed.
12. The Trustee is responsible for the calculation of any income due to be paid to the Fund and also of any income received in the Mutual Fund for the holders of the Units of any Scheme in accordance with the Regulations and the Trust Deed.
13. The Trustee is required to obtain the consent of the Unitholders of a Scheme:
 - a. When the Trustee is required to do so by SEBI in the interest of the Unitholders of that Scheme, or
 - b. Upon a requisition made by three-fourths of the Unitholders of any Scheme under the Fund for that Scheme, or
 - c. If a majority of the Trustees decide to wind up the Scheme or prematurely redeem the Units.
14. The Trustee is required to 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 affect the interest of Unitholders, shall be carried out unless,
 - a) a written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the mutual fund is situated; and
 - b) the Unitholders are given an option to exit at the prevailing net asset value without any exit load.
15. The Trustee is required to call for the details of transactions in securities by the directors and key personnel of the AMC in their own names or on behalf of the AMC and report the same to SEBI as and when called for.
16. The Trustee is required to review quarterly, all transactions carried out between the Fund, the AMC and its associates.
17. The Trustee is required to review on quarterly basis, the net worth of the AMC to ensure compliance with the threshold provided in clause (f) of sub regulation (1) of Regulation 21 of the Regulations on a continuous basis.
18. The Trustee is required to periodically review all service contracts such as custody arrangements and transfer agency, and satisfy itself that such contracts are executed in the interest of the Unitholders.
19. The Trustee is required to ensure that there is no conflict of interest between the manner of deployment of its net worth by the AMC and the interest of the Unitholders.
20. The Trustee is required to periodically review the investor complaints received and the redressal of the same by the AMC.
21. The Trustee is required to abide by the Code of Conduct as specified in Part A of the Fifth Schedule of the Regulations.
22. No amendment to the trust deed shall be carried out without the prior approval of SEBI and unitholders approval would be obtained where it affects the interest of the unitholders.
23. The Trustee has to furnish to SEBI on a half yearly basis:
 - a. a report on the activities of the Fund;

- b. a certificate stating that the Trustees have satisfied themselves that there have been no instances of self dealing or front running by any of the directors of the Trustee Company, directors and key personnel of the AMC;
 - c. a certificate to the effect that the AMC has been managing the Schemes independently of any other activities and in case any activities of the nature referred to in clause (b) of Regulations 24 of the Regulations have been undertaken, the AMC has taken adequate steps to ensure that the interest of the Unitholders is protected.
24. The independent Directors of the Trustee are required to give their comments on the report received from the AMC regarding the investments by the Mutual Fund in the securities of the group companies of the Sponsors.
25. The Trustees shall exercise due diligence as under:

A. General Due Diligence:

- 1. The Trustee shall be discerning in the appointment of the Directors of the Asset Management Company.
- 2. The Trustee shall review the desirability of continuance of the AMC if substantial irregularities are observed in any of the Schemes and shall not allow the AMC to float any new Schemes.
- 3. The Trustee shall ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of persons.
- 4. The Trustee shall ensure that all service providers are holding appropriate registrations from SEBI or the concerned regulatory authority.
- 5. The Trustee shall arrange for test checks of service contracts.
- 6. The Trustee shall immediately report to SEBI of any special developments in the mutual fund.

B. Specific Due Diligence:

The Trustee shall:

- a. Obtain internal / concurrent audit reports at regular intervals from independent auditors appointed by the Trustee.
 - b. Obtain compliance certificates at regular intervals from the AMC.
 - c. Hold meeting of Trustees more frequently and at least six such meetings shall be held in every year.
 - d. Consider the reports of the independent auditor and compliance reports of the AMC at the meetings of the Trustee for appropriate action.
 - e. Maintain records of the decisions of the Trustees at their meetings and of the minutes of the meetings.
 - f. Prescribe and adhere to the code of ethics by the Trustees, AMC and its personnel.
 - g. Communicate in writing to the AMC of the deficiencies and checking on the rectification of deficiencies.
26. Notwithstanding anything contained in sub- regulation (1) to (25) of the Regulation, the trustees shall not be held liable for acts done in good faith if they have exercised adequate due diligence honestly.
27. The independent directors of the Trustee or AMC shall pay specific attention to the following, as may be applicable, namely:
- a. The Investment Management Agreement and the compensation paid under the agreement.
 - b. Service contracts with associates; whether the AMC has charged higher fees than most contractors for the same services.
 - c. Selection of the AMC's independent Directors.
 - d. Securities transactions involving associates to the extent such transactions are permitted.
 - e. Selecting and nominating individuals to fill independent directors' vacancies.

- f. Ensure that the Code of Ethics is designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.
- g. Ensure the reasonableness of fees paid to Sponsor, the AMC and any others for services provided.
- h. Review principal underwriting contracts and their renewals.
- i. Review any service contract with the associates of the AMC.

Supervisory role of the Trustee

During the FY 2021-22, Seven meetings of the Board of Directors of the Trustee Company were held. The Trustee's supervisory role is discharged inter alia by reviewing the activities of the Asset Management Company through perusal of the Half-Yearly and Annual Accounts of the Fund and the Quarterly compliance reports. Further, the Audit and Risk Management Committee of the Trustee has been set up which reviews reports being submitted by the Internal Auditors of the Fund.

D. ASSET MANAGEMENT COMPANY

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 Asset Management Company Private Limited (AMC) on May 30th 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 has 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., the Sponsor of IDFC Mutual Fund.

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

Shareholding pattern of the AMC:

Shareholder	Percentage
IDFC Financial Holding Company Limited/its nominees	99.956%
Mr. Rajendra Kumar Mishra	00.0384%
Mr. Anurag Mittal	0.006%

IDFC Asset Management Company Limited (which was earlier known as IDFC Asset Management Company Private Limited), having its Registered Office at One World Centre, 841 Senapati Bapat Marg, Jupiter Mills Compound, Mumbai 400013, is the Asset Management Company of IDFC Mutual Fund. It had been appointed as the investment manager of the Mutual Fund vide a deed of variation to the Investment Management Agreement, dated May 30th 2008. The Deed of variation to the IMA was entered into between IDFC Asset Management Company Limited and IDFC AMC Trustee Company Limited.

IDFC Asset Management Company Limited (IDFC AMC) had a wholly owned subsidiary – IDFC Investment Advisors Limited (IDFC IA). IDFC Investment Advisors Limited was registered with SEBI as a Portfolio Manager vide registration no. INP000002064.

Hon’ble High Court of Bombay has vide its order dated April 18, 2015, approved merger of IDFC IA into IDFC AMC. The order has been notified to Registrar of Companies on June 22, 2015 and accordingly effective June 23, 2015 IDFC IA stands merged into IDFC AMC.

Pursuant to such merger, Portfolio Management activities undertaken by IDFC IA is carried out by IDFC AMC. All these activities are not in conflict with the activities of the mutual fund.

Details of the AMC Directors:

Name	Age/Qualification	Brief Experience
Ms. Anita Belani (Non-Executive Associate Director)	58 years / Bachelor’s Degree in Economics, MBA from XLRI	<p>Ms. Anita Belani is a seasoned professional with over 30 years experience as a senior business & human capital leader. She is the Co Founder and Partner of Emotionally, a mental wellness company specializing in counseling, therapy & coaching.</p> <p>Ms. Belani is an ICF Accredited Executive Coach and has over 15 years of coaching experience under her belt having coached several C-suite level executives across various sectors.</p> <p>In her previous roles she has been the Operating Partner of the growth PE fund Gaja Capital, Managing Director India for Russell Reynolds Associates and has lead consulting businesses as Country Head India for Right Management and Watson Wyatt. Ms. Belani has previously worked with Sun Microsystems in San Francisco in a strategic global HR position, KPMG in the USA, Jardine Fleming and American Express TRS.</p> <p>Ms. Belani takes keen interest in mentoring startups and is a key member of several angel networks which focus on investing in early stage companies.</p> <p>Other Directorships:</p> <ol style="list-style-type: none"> 1. Foseco India Limited 2. Redington India Limited 3. Eternis Fine Chemicals Limited 4. IDFC Financial Holding Company Limited 5. Vivriti Capital Private Limited 6. IDFC Limited
Ms. Veena Mankar (Independent)	69 years/ BA in Economics from Lady Shree Ram	Ms. Veena Mankar is a Banking and Financial Services professional with expertise in trade and structured finance, financing for MSMEs and

Name	Age/Qualification	Brief Experience
Director)	College, Delhi and a post-graduation in Business Administration from the Indian Institute of Management, Ahmedabad.	<p>microfinance. She has over 35 years of experience in financial services with banks and financial institutions and as a strategic consultant. She was appointed on the Board of IDFC Bank as an Independent Director w.e.f July 27, 2015. She is the Founder of three entities under the Swadhaar brand, set up with the objective of promoting financial inclusion, including a non-profit that provides financial literacy training. She is the Chairperson of two of the entities, Swadhaar FinServe Pvt. Ltd, an NBFC-MFI and Swadhaar Information & Management Services Pvt. Ltd., a Business Correspondent. She is also a Director on the Board of Liberty Videocon General Insurance Co. Ltd. She started her career in 1975 with ICICI, the development finance institution in India, and precursor of the present day ICICI Bank, which was followed by commercial banking experience in Dubai. She set up and headed the Indian Representative Office of West LB, a German state-owned bank and thereafter was the founding MD of a Factoring Non-Banking Financial Company, a joint venture of the same Bank with two other financial institutions (including IFC, Washington).</p> <p>She later advised FIM Bank, Malta on their global factoring strategy and assisted in setting up specialised joint ventures in Dubai and Egypt, where she also served as FIM Bank's Nominee Director on the Boards of these joint ventures companies. In the past, she has been on the Governing Board of Sa-Dhan, the Association of Microfinance & Community Development Institutions in India. She is Independent Director on the Board of IDFC Foundation.</p> <p>Other Directorships:</p> <ol style="list-style-type: none"> 1. RBL Finserve Limited 2. Swadhar Finaccess 3. RBL Bank Limited 4. Alicon Castalloy Limited 5. Paisabazaar Marketing and Consulting Private Limited 6. PB Fintech Limited
Ms. Ritu Anand (Non-Executive Associate Director)	68 years / Masters degree in Economics from the London School of Economics and Bachelor degree in Arts from	Ms. Ritu Anand is an Independent Director on the Board of IDFC Limited. She has served as Group Head, Chief Economist and Principal Advisor at IDFC Limited. Ms. Anand has over 35 years of extensive experience in working with financial institutions, multilateral development agencies and government and regulatory authorities in the areas of

Name	Age/Qualification	Brief Experience
	Wellesley College, Massachusetts and St. Xavier's College, Mumbai.	<p>economics and public policy.</p> <p>She served as Chief Economic Advisor and Deputy Managing Director of State Bank of India. Ms. Anand served as the Lead Economist at World Bank, Washington DC, U.S.A.</p> <p>Other Directorships:</p> <ol style="list-style-type: none"> 1. IDFC Limited 2. NIIF Infrastructure Finance Limited
Mr. Anand Krishna (Independent Director)	63 years / Chartered Accountant, B.Sc. (Physics, Mathematics)	<p>Mr. Anand Krishna has over 30 years of experience in financial services and IT sector. He has been adept at devising and executing strategies to mitigate risk, streamline work cultures, optimise costs and support growth with skills in ensuring compliance and managing audits. He has the expertise in overseeing set-up and restructuring of business, legal and finance functions consequent to merger / acquisitions. He is experienced in liaising with regulatory authorities and conversant with relevant statutory acts, rules and regulations. He also has good understanding of corporate tax structures. In past he was associated with Rabobank Group in India as Chief Financial Officer. He has served as consultant to UBS AG, Mumbai Branch. He was also appointed as Chief Operating Officer of Violet Arch Capital Advisors Private Limited. His association also includes Macquarie Capital Securities (India) Private Limited as the Head of Corporate Affairs Group and Chief Financial Officer. He was also associated with JPMorgan Asset Management India as Chief Operating Officer and Chief Financial Officer for the JPMorgan Group in India.</p> <p>Other Directorships: Nil</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 IDFC Mutual Fund in any manner or in relation to any Scheme of the IDFC 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 investors.

Information on Key Personnel of the AMC:

Name/Designation	Age/Qualification	Brief Experience (past 10 years)
Mr Vishal Kapoor Chief Executive Officer	50 years / M.B.A. (IIM, Ahmedabad), B.Com.	He is associated with IDFC AMC since September 2016 and is responsible for AMC's overall business. <i>Prior experience:</i> Standard Chartered Bank (August 1999 - September 2016). In his last role at the bank, he served as the Managing Director & Head of Wealth Management, India. Prior to that, he was involved in Consumer banking & 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. Mr Kapoor has over 26 years of rich experience in Financial Services.
Mr. Gaurab Parija Head - Sales & Marketing	50 years / PGDBM (IIM - Bangalore)	He is associated with IDFC AMC since March 2017 and is responsible for leading the sales function of the AMC. <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). Mr Parija has an experience spanning over 30 years in Retail Sales and Distribution.
Mr Anoop Bhaskar Head – Equity	54 years / M.B.A. (Finance), B.Com. (Hons)	He is associated with IDFC AMC since February 2016 and is responsible for overall equity fund management. <i>Prior experience:</i> <ul style="list-style-type: none"> • UTI Asset Management Company Ltd. as Head of Equity, responsible for overall domestic Equity fund management (April 2007 – January 2016). • Sundaram Asset Management Company Limited as Fund Manager, responsible for Fund Management (August 2003 – March 2007). Mr Bhaskar has an experience spanning over 32 years in the mutual fund industry.

Name/Designation	Age/Qualification	Brief Experience (past 10 years)
Mr Suyash Choudhary Head – Fixed Income	43 years / B.A. (Hons) - Economics (Delhi University), PGDM (IIM, Calcutta)	He is associated with IDFC AMC since October 2010 and is responsible for overall fixed income fund management. <i>Prior experience:</i> <ul style="list-style-type: none"> • 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. • Standard Chartered Asset Management Co. Pvt. Ltd. as Fund Manager in Fixed Income Team (November 2001 – January 2008) • Deutsche Bank AG (Mumbai), involved in treasury restructuring and credit & market risk modelling as part of DB Consulting Group, Asia Pacific (May 2000 – October 2001). Mr Choudhary has experience spanning of over 21 years in Fixed Income Investments.
Mr Hemant Agrawal Head – Operations	51 years / C.A.	He is associated IDFC AMC since November 2017 and is responsible for controlling Operations & Customer Servicing for AMC Business. <i>Prior experience:</i> <ul style="list-style-type: none"> • 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). • ICICI Prudential AMC Ltd. as Head - Operations & Customer Services, responsible for overseeing operations and customer service for both mutual fund and PMS business (February 2007 to October 2016). Mr Agrawal has an overall experience of over 24 years.

Name/Designation	Age/Qualification	Brief Experience (past 10 years)
<p>Mr Sanjay Lakra Head – Legal & Compliance</p>	<p>52 Years / PGDM, B. Com.</p>	<p>He is associated with IDFC AMC since March 2009 and is responsible for overseeing Legal & Compliance function.</p> <p><i>Prior experience:</i></p> <ul style="list-style-type: none"> • DSP Merrill Lynch, responsible for Branch Administration for the Wealth Management Business (November 2006 – February 2009). • Dawnay Day Financial Services as Head – Legal & Compliance (November 2005 - October 2006). • JM Financial Asset Management Private Limited as Head – Legal & Compliance (November 2001 - October 2005). • HCL Perot Systems as Business Analyst (March 2001 – November 2001). • Securities & Exchange Board of India (May 1994 – March 2001). <p>Mr. Lakra has experience spanning of over 28 years in Legal, Compliance & Secretarial function.</p>
<p>Mr. Piyush Anchliya (Chief Financial Officer)</p>	<p>37 Years / Post-Graduate Diploma in Management (IIM Ahmedabad), B.Tech in Civil Engineering (IIT Kharagpur)</p>	<p>Mr. Piyush joined IDFC AMC in January 2019 as Associate Director – Finance.</p> <p>He was earlier associated with IDFC FIRST Bank Limited from December 2016 to December 2018 overseeing business finance and strategic planning.</p> <p>Prior to this, he was associated with Oliver Wyman, New York from April 2016 to December 2016 as a Management Consultant and advised clients on corporate strategy, risk and operations. He was also associated with Barclays, USA as part of its Equity Linked Strategy Group from November 2008 to April 2016.</p> <p>(Total experience – 13 years)</p>

Name/Designation	Age/Qualification	Brief Experience (past 10 years)
Ms. Swati Singh (Head – Human Resource)	44 Years / P.G.D.M (IIM Lucknow), M.M.S (BITS Pilani)	Ms. Swati Singh joined IDFC AMC in February 2020. Previously, she was associated with Bombay Dyeing & Mfg. Co. Ltd as General Manager (HR & Retail Operations) from July 2015 to December 2019. 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. (Total experience – 19 years)
Mr Sibesh Kumar Director – Sales (Head – Key Accounts)	49 Years / MBA (Finance)	He is associated with IDFC AMC (erstwhile Standard Chartered AMC) since April 2001 with experience across Retail & Instructional Distribution, Offshore market in UAE, setting up Products & research desk & creating proposition for Family Office clients. <i>Prior experience:</i> <ul style="list-style-type: none"> • HDFC Bank Limited at New Delhi overlooking Investment advisory in North India (October 1990 – March 2001). • Sundaram Newton AMC (May 1998 - September 1999), looking after sales & distribution wing in Delhi • Bajaj Capital (April 1997 – May 1998), Sales & Marketing of investment products. Mr Kumar has experience spanning of over 24 years in Sales & Marketing / Product Research in Domestic & Offshore market.
Ms Vandana Trivedi Director – Sales (Head – Institutional Sales)	45 years / B.Com., MBA	She is associated with IDFC AMC since February 2011. <i>Prior experience:</i> HSBC Global asset Management - heading the Institutional Sales and prior to that managing the retail sales businesses in the South and Mumbai (2003-2011). Ms Trivedi has a total experience of 21 years

Name/Designation	Age/Qualification	Brief Experience (past 10 years)
Mr. Sunil Aryamane Associate Director – Customer Service & Brokerage	57 years / B.Com.	<p>He is associated with IDFC AMC (erstwhile Standard Chartered AMC) since October 2001 and is responsible for various aspects of Customer Services.</p> <p>Prior to joining IDFC AMC, he was associated with ANZ Grindlays Bank and also with Standard Chartered Bank.</p> <p>Mr. Aryamane has experience spanning over 36 years in Banking and AMC Operations, which includes Retail Banking, Information Technology, Custodial Services, Depository Services, Operations and Customer Services.</p>
Ms. Neeta Singh Investor Relation Officer	48 Years Master's in Applied Economics	<p>Ms. Neeta Singh joined IDFC AMC in April 2010 as Associate – Vice President and has been associated with IDFC AMC till date and is managing Investor Relations.</p> <p>(Total experience – 24 years)</p>
Mr. Vijay Gupta, Chief Information Security Officer	33 Years / Bachelors of Engineering (BE)	<p>Mr. Vijay Gupta joined IDFC AMC in September 2020 as Senior Manager – Information Technology handling Firewall, IPS, CyberArk, AV, VAPT, SOC Monitoring, Information Security (IS) awareness training, IS Audits related matters.</p> <p>He was earlier associated with TresVista Financial Services from February 2015 to September 2020 handling SOC Monitoring, Risk Management, Information Security (IS) awareness training, IS Audits.</p> <p>Prior to this, he was also associated with Pentagon System and Services as Customer Support - Engineer from October 2013 to February 2015 and Omnitech Infosolutions Ltd as Service Delivery - Engineer from March 2013 to September 2013.</p> <p>(Total experience – 9 years)</p>

Name/Designation	Age/Qualification	Brief Experience (past 10 years)
Ms. Namrata Shah (Senior Vice President – Legal & Compliance)	40 Years / Chartered Accountant, B.com	<p>Ms. Namrata Shah is a Senior Vice President working in the Legal & Compliance team of IDFC Asset Management Company Limited. She is Chartered Accountant with over 16 years of experience in Financial Services. Ms. Namrata Shah has worked with IDFC Asset Management Company Limited in the past for a period of 3 years as part of the Legal & Compliance team managing the Mid-Office function. She has worked with SBI Funds Management Pvt. Ltd in the Internal Audit department and in Invesco Asset Management (India) Pvt. Ltd. in the Compliance department managing the Mid-Office function.</p> <p>Ms. Namrata Shah has worked with Big Four Audit firms namely Deloitte Touche Tohmatsu India LLP and KPMG India in the Risk Advisory practices. Her core experience is in the areas of Internal Audit, operational risk, regulatory compliance and process reviews across multiple engagements done for Mutual Funds and Life Insurance companies in India.</p> <p>(Total experience – Over 16 years)</p>

Fund Management – Equity

Name/Designation	Age/Qualification	Brief Experience (past 10 years)
Mr Daylynn Pinto Senior Fund Manager - Equity	41 years / PGDM, B.Com.	<p>He is associated with IDFC AMC since October 2016 and is responsible for investments and equity fund management. He also undertakes equity research.</p> <p>Prior to joining IDFC 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> <p>Mr Pinto has an experience spanning over 17 years in the mutual fund industry.</p>

Name/Designation	Age/Qualification	Brief Experience (past 10 years)
<p>Mr. Sachin Anandrao Relekar</p> <p>Senior Fund Manager - Equity</p>	<p>48 Years /</p> <p>Master of Management Studies (Finance), Mumbai University</p> <p>BE (Mechanical), Shivaji University, Kolhapur</p>	<p>Mr. Sachin joined IDFC AMC in December 2020 as Senior Fund Manager - Equity.</p> <p>He was earlier associated with LIC Mutual Fund Asset Management Limited as Chief Investment Officer (Equity) and Fund Manager from December 2012 to December 2020 and was managing various schemes of LIC Mutual Fund.</p> <p>Prior to this, he was associated with Tata Asset Management Company Limited from September 2007 to November 2012 as a Research Analyst, tracking sectors such as Infrastructure, Automotive, Mining and Metals sectors.</p> <p>(Total experience – 22 years)</p>
<p>Mr Sumit Agrawal</p> <p>Senior Vice President – Fund Management</p>	<p>39 years / PGDM (Finance), CFA (USA), ACS, B.Com.</p>	<p>He is associated with IDFC AMC since October 2016 and is responsible for investments and equity fund management. He also undertakes equity research.</p> <p><i>Prior experience:</i></p> <ul style="list-style-type: none"> • Mirae Asset Mutual Fund, as Fund Manager – Equities (November 2010 – September 2016). • Axis Capital (Erstwhile ENAM Securities) as Vice President – Research Analyst (February 2008 - November 2010) • JP Morgan India Services Pvt. Ltd. as Team Leader & Research Analyst – Investment Banking (June 2006 - February 2008). <p>Mr Agarwal has an experience spanning over 17 years in Finance industry.</p>
<p>Mr Viraj Kulkarni</p> <p>Associate Vice President – Equity Fund Management</p>	<p>33 Years / B.Tech. (Electronics), PGDM (Finance), CFA</p>	<p>He is associated with IDFC AMC since September 2015 and is the dedicated fund manager for foreign securities since March 2016. He also undertakes equity research.</p> <p><i>Prior experience:</i></p> <ul style="list-style-type: none"> • Franklin Templeton Asset Management (India) Pvt. Ltd. as Management Trainee (May 2014 – September 2015). • Goldman Sachs Services India as an Analyst for Wealth Management Technology (June 2010 – May 2012). <p>Mr Kulkarni has an experience spanning of over 10 years in Finance Industry.</p>

Name/Designation	Age/Qualification	Brief Experience (past 10 years)
Mr Sunil Nair Senior Vice President - Fund Management	48 Years / B.A.	He is associated with IDFC AMC since July 2005 and is handling Equity Dealing function. <i>Prior experience:</i> <ul style="list-style-type: none"> • Birla Sunlife AMC Ltd. (1995 – 2005) as Equity Dealer. • Insec Shares & Stock (1994 - 1995), involved in Equity research. Mr Nair has experience spanning over 24 years in Equity Dealing.
Mr. Nemish Sheth Associate Vice President - Equity	37 Years Post Graduate Diploma in Management studies – Finance, B.Com	Mr. Nemish Sheth joined the Equity Fund Management team of IDFC AMC on November 01, 2021 as Dealer – Equity and Fund Manager He was earlier associated with Nippon Life India Asset Management Ltd as Dealer from December 2018 to August 2021 handling execution of Equity, Arbitrage and ETF trades. Prior to this, he was also associated with ICICI Prudential Asset Management Company Ltd as Dealer from August 2011 to December 2018 handling execution of Equity, Arbitrage and ETF trades. (Total experience – 13 years)
Ms. Nishita Doshi (Manager – Fund Management - Equity)	26 Years / Chartered Accountant (ICAI), CFA Level III cleared (CFA Institute), B.Com from Mumbai University	Ms. Nishita Doshi joined IDFC Asset Management Company Limited in December 2019 in Equity Investments team. In her role she will be responsible for analyzing various sectors. Prior to joining IDFC AMC, Ms. Nishita was associated with Prabhudas Lilladher Pvt Ltd as a Research Associate from Dec 2017 to Dec 2019. (Total experience – 4 years)

Name/Designation	Age/Qualification	Brief Experience (past 10 years)
<p>Mr. Gaurav Satra</p> <p>Assistant Manager – Fund Management – Equity</p>	<p>27 Years</p> <p>Chartered Accountant, B.Com</p>	<p>Mr. Gaurav Satra has joined the Fund Management team of IDFC AMC on June 16, 2022 as a Dealer – Equity.</p> <p>He was earlier Proprietor of Gaurav Satra Chartered Accountant from June 2021 to May 2022 and was handling various activities like Individual Tax Planning, Tax Audit, Internal Audit, Rera Audit etc.</p> <p>Prior to this, he was working as Chartered Accountant with Puneet Singhvi & Associates from January 2018 to June 2021 and handling various activities like Individual Tax Planning, Tax Audit, Internal Audit, GST Audit etc.</p> <p>Prior to this, he was earlier Manager of M-Tej Consultancy from December 2016 to January 2018 and was handling various activities like Advisory Services to HNI, Tax Planning, Investment Assistance, etc.</p> <p>(Total experience – 5 years)</p>

Fund Management – Fixed Income

Name/Designation	Age/Qualification	Brief Experience (past 10 years)
<p>Mr. Gautam Kaul Senior Fund Manager - Fixed Income</p>	<p>43 Years MBA, B.Com</p>	<p>Mr. Gautam Kaul joined the Fixed Income Fund Management team of IDFC 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> <p>(Total experience – 20 years)</p>
<p>Mr Harshal Joshi Senior Vice President - Fund Management</p>	<p>37 Years / PGDBM</p>	<p>He is associated with IDFC 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> <p>Mr Joshi has experience spanning over 14 years in Mutual Fund.</p>
<p>Mr Arvind Subramanian Senior Vice President - Fund Management</p>	<p>36 years / MBA (PGDM) and B.E. (Electrical & Electronics)</p>	<p>He is associated with IDFC AMC since August 2011 and is responsible for investments and fixed income fund management since November 2015. He is also handling credit analysis of new/existing issuers.</p> <p>Prior to that, he worked as a Senior Analyst at ICRA Limited (April 2009 – August 2011).</p> <p>Mr Subramanian has an experience spanning of over 13 years.</p>

Name/Designation	Age/Qualification	Brief Experience (past 10 years)
Mr Brijesh Shah Vice President– Fixed Income	36 years / Post Graduate Diploma in Finance	Mr Shah is associated with IDFC AMC since August 2015 as part of the Fixed Income Team and will now be handling investments and fixed income fund management. Prior experience: <ul style="list-style-type: none"> • IDBI Asset Management Ltd. – Dealing in Fixed income (Jan.2013 to Aug.2015) • India Bulls Asset Management Ltd. – Dealing in Fixed income (Jun.2011 to Dec.2012) • Mata Securities - Relationship Manager, Wholesale Debt Market (Jun.2010 to Jun.2011) • Twenty First Century - Relationship Manager, Wholesale Debt Market (Jan.2009 to May2010) (Total experience - 13 years)
Ms. Rucha Amdekar Senior Manager – Fixed Income	27 Years / Chartered Accountant from ICAI	Ms. Rucha joined IDFC Asset Management Company Limited in May 2019 as a Debt Credit Analyst. In her role she will be responsible for analyzing credit of debt exposures of mutual fund schemes. Prior to joining IDFC AMC, Ms. Rucha was associated with IDFC First Bank and was involved in Direct sales of Debt Capital Market exposures. (Total experience – over 4 years)

Name/Designation	Age/Qualification	Brief Experience (past 10 years)
<p>Mr. Ravi Anand (Associate Vice President – Fixed Income)</p>	<p>36 Years / MBA - Faculty of Management Studies (University of Delhi); B.Tech in Chemical Engineering and M.Tech in Process Engineering & Design – IIT Delhi</p>	<p>Mr. Ravi Anand joined IDFC Asset Management Company Limited in July 2019 in the Fixed Income Investments team. In his role he will be responsible for analyzing credit of debt exposures of mutual fund schemes.</p> <p>Prior to joining IDFC AMC, Mr. Ravi Anand was associated with following organizations:</p> <ul style="list-style-type: none"> • Standard Chartered Bank – Credit Analyst (Sep 2017 to Jun 2019) • Axis Bank Limited – Origination & Structuring of NCDs (June 2014 to Sep 2017) • PepsiCo India Holdings Pvt Ltd – Consultant Design & Research Engineer (Sep 2010 to Jun 2011) • Flipkart Online Services Pvt Ltd – Operations (Jun 2010 to Aug 2010) <p>(Total experience – 9 years)</p>
<p>Ms. Rohini Narayanan Iyer Dealer – Fixed Income</p>	<p>28 Years Bachelors in Accounting & Finance from Mumbai University</p>	<p>Ms. Rohini Narayanan Iyer joined the Fund Management team of IDFC AMC on June 01, 2021 as a Dealer – Fixed Income.</p> <p>She has been associated with the AMC since January 2019, handling and resolving investment compliance monitoring queries, maintaining and computing limits available as per investment mandates and communicate the same to Fund Managers from January 2019 to May 2021.</p> <p>(Total experience – over 4 years)</p>

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

E. SERVICE PROVIDERS

Custodian & Fund Accountant

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

The important services provided by DB are:

- a. Provide post-trading and custodial services to the Mutual Fund.
- b. Ensure benefits due on the holdings are received.
- c. Provide detailed management information and other reports as required by the AMC.
- d. Maintain confidentiality of the transactions.
- e. Be responsible for the loss or damage to the assets belonging to the Scheme due to negligence on its part or on the part of its approved agents.
- f. Segregate assets of each Scheme.
- g. To ensure that it does not assign, transfer, hypothecate, pledge, lend, use or otherwise dispose any assets or property, except pursuant to instruction from the Trustee/AMC or under the express provisions of the Custodian Agreement.
- h. Maintain financial accounts, prepare financial statements, compute NAV, etc.

The service provider will be entitled to remuneration for its services in accordance with the terms of the relevant agreements.

Registrar & Transfer agent

Computer Age Management Services Limited, (CAMS) has been appointed as Registrar & Transfer Agent and IDCW paying agent for schemes of IDFC 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)
7th Floor, Tower II, Rayala Towers,
No.158, Anna Salai,
Chennai 600 002

As Registrar to the Scheme, CAMS interalia handles communications with investors, perform data entry services and despatch Account Statements. The Board of Directors of the AMC and the Trustee have satisfied themselves that the Registrar can provide the service required and has adequate facilities to discharge responsibilities with regard to processing of applications and dispatching unit certificates to unitholders within the time limit prescribed in the Regulations and also has sufficient capacity to handle investor complaints.

Statutory Auditor

S.R.Batliboi & Co. LLP

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

Legal counsel

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

Collecting Bankers

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

1. HDFC Bank (SEBI registration no. INBI00000063)

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

2. ICICI Bank (SEBI registration no. INBI00000004)

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.

F. CONDENSED FINANCIAL INFORMATION OF ALL THE SCHEMES LAUNCHED BY IDFC MUTUAL FUND DURING THE LAST THREE FISCAL YEARS, EXCLUDING THE REDEEMED SCHEMES

Particulars	IDFC Emerging Businesses Fund					
	31-Mar-20		31-Mar-21		31-Mar-22	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
NAV at the beginning of the year (as on April 1)						
IDCW Option	NA	NA	8.7600	8.7800	16.1600	16.5100
Growth Option	NA	NA	8.7600	8.7800	16.1600	16.5100
Periodic IDCW Option	NA	NA	NA	NA	NA	NA
Quarterly IDCW Option	NA	NA	NA	NA	NA	NA
Half Yearly IDCW Option	NA	NA	NA	NA	NA	NA
Annual IDCW Option	NA	NA	NA	NA	NA	NA
IDCW*						
IDCW Option	0.0000	0.0000	0.0000	0.0000	0.97	1.00
Growth Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Periodic IDCW Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Quarterly IDCW Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Half Yearly IDCW Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Annual IDCW Option	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
NAV at the end of the year (as on March 31)						
IDCW Option	8.7600	8.7800	16.1600	16.5100	20.3100	21.1100
Growth Option	8.7600	8.7800	16.1600	16.5100	21.3500	22.1900
Periodic IDCW Option	NA	NA	NA	NA	NA	NA
Quarterly IDCW Option	NA	NA	NA	NA	NA	NA
Half Yearly IDCW Option	NA	NA	NA	NA	NA	NA
Annual IDCW Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	452.42	22.18	882.81	68.22	1,314.50	95.53

Ratio of Recurring Expenses to net assets	0.0244	0.0046	0.0234	0.0038	0.0224	0.0048
* Excluding IDCW 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 25th Feb 2020						

Particulars	IDFC Floating Rate Fund					
	31-Mar-20		31-Mar-21		31-Mar-22	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
NAV at the beginning of the year (as on April 1)						
IDCW Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	10.0328	10.0383
Periodic IDCW Option	NA	NA	NA	NA	10.0323	0.0000
Quarterly IDCW Option	NA	NA	NA	NA	10.0321	10.0339
Annual IDCW Option	NA	NA	NA	NA	10.0321	10.0339
Daily IDCW Option	NA	NA	NA	NA	10.0138	10.0138
Weekly IDCW Option	NA	NA	NA	NA	10.0198	10.0203
Monthly IDCW Option	NA	NA	NA	NA	10.0197	10.0203
IDCW*						
IDCW Option	NA	NA	0.0000	0.0000	0.0000	0.0000
Growth Option	NA	NA	0.0000	0.0000	0.0000	0.0000
Periodic IDCW Option	NA	NA	0.0000	0.0000	0.0000	0.0000
Quarterly IDCW Option	NA	NA	0.0007	0.0040	0.3536	0.3945
Annual IDCW Option	NA	NA	0.0007	0.0040	0.3750	0.4223
Daily IDCW Option	NA	NA	0.0179	0.0240	0.3629	0.4085
Weekly IDCW Option	NA	NA	0.0190	0.0240	0.3639	0.4095
Monthly IDCW Option	NA	NA	0.0130	0.0176	0.3688	0.3974
NAV at the end of the year (as on March 31)						
IDCW Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	10.0328	10.0383	10.4147	10.4714
Periodic IDCW Option	NA	NA	10.0323	0.0000	10.4147	0.0000
Quarterly IDCW Option	NA	NA	10.0321	10.0339	10.0555	10.0627
Annual IDCW Option	NA	NA	10.0321	10.0339	10.0391	10.0423
Daily IDCW Option	NA	NA	10.0138	10.0138	10.0258	10.0258
Weekly IDCW Option	NA	NA	10.0198		10.0323	10.0332
Monthly IDCW Option	NA	NA	10.0197	10.0203	10.0263	10.0450

Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	259.46	325.49	305.59	524.18
Ratio of Recurring Expenses to net assets	NA	NA	0.0074	0.0027	0.0076	0.0027
<i>* Excluding IDCW 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 Feb 2021						

Particulars	IDFC Gilt 2027 Index Fund					
	31-Mar-20		31-Mar-21		31-Mar-22	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Pla	Direct Plan
NAV at the beginning of the year (as on April 1)						
IDCW Option	NA	NA	NA	NA	10.0256	10.0262
Growth Option	NA	NA	NA	NA	10.0256	10.0262
Periodic IDCW Option	NA	NA	NA	NA	NA	NA
Quarterly IDCW Option	NA	NA	NA	NA	NA	NA
Half Yearly IDCW Option	NA	NA	NA	NA	NA	NA
IDCW*						
IDCW Option	NA	NA	NA	NA	0.0000	0.0000
Growth Option	NA	NA	NA	NA	0.0000	0.0000
Periodic IDCW Option	NA	NA	NA	NA	0.0000	0.0000
Quarterly IDCW Option	NA	NA	NA	NA	0.0000	0.0000
Half Yearly IDCW Option	NA	NA	NA	NA	0.0000	0.0000
NAV at the end of the year (as on March 31)						
IDCW Option	NA	NA	10.0256	10.0262	10.5389	10.5644
Growth Option	NA	NA	10.0256	10.0262	10.5374	10.5640
Periodic IDCW Option	NA	NA	NA	NA	NA	NA
Quarterly IDCW Option	NA	NA	NA	NA	NA	NA
Half Yearly IDCW Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	60.08	91.45	363.4271	1,981.19
Ratio of Recurring Expenses to net assets	NA	NA	0.0038	0.0015	0.0040	0.0015
<i>* Excluding IDCW 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 23rd Mar 2021

Particulars	IDFC Gilt 2028 Index Fund					
	31-Mar-20		31-Mar-21		31-Mar-22	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
NAV at the beginning of the year (as on April 1)						
IDCW Option	NA	NA	NA	NA	10.0212	10.0219
Growth Option	NA	NA	NA	NA	10.0212	10.0218
Periodic IDCW Option	NA	NA	NA	NA	NA	NA
Quarterly IDCW Option	NA	NA	NA	NA	NA	NA
Half Yearly IDCW Option	NA	NA	NA	NA	NA	NA
IDCW*						
IDCW Option	NA	NA	NA	NA	0.0000	0.0000
Growth Option	NA	NA	NA	NA	0.0000	0.0000
Periodic IDCW Option	NA	NA	NA	NA	0.0000	0.0000
Quarterly IDCW Option	NA	NA	NA	NA	0.0000	0.0000
Half Yearly IDCW Option	NA	NA	NA	NA	0.0000	0.0000
NAV at the end of the year (as on March 31)						
IDCW Option	NA	NA	10.0212	10.0219	10.5071	10.5348
Growth Option	NA	NA	10.0212	10.0218	10.5066	10.5338
Periodic IDCW Option	NA	NA	NA	NA	NA	NA
Quarterly IDCW Option	NA	NA	NA	NA	NA	NA
Half Yearly IDCW Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	15.79	41.39	197.57	457.04
Ratio of Recurring Expenses to net assets	NA	NA	0.0039	0.0015	0.0040	0.0015
<i>* Excluding IDCW 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 23rd Mar 2021						

Particulars	IDFC US EQUITY FUND OF FUND					
	31-Mar-20		31-Mar-21		31-Mar-22	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
NAV at the beginning of the year (as on April 1)						
IDCW Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic IDCW Option	NA	NA	NA	NA	NA	NA
Quarterly IDCW Option	NA	NA	NA	NA	NA	NA
Half Yearly IDCW Option	NA	NA	NA	NA	NA	NA
IDCW*						
IDCW Option	NA	NA	NA	NA	0.0000	0.0000
Growth Option	NA	NA	NA	NA	0.0000	0.0000
Periodic IDCW Option	NA	NA	NA	NA	0.0000	0.0000
Quarterly IDCW Option	NA	NA	NA	NA	0.0000	0.0000
Half Yearly IDCW Option	NA	NA	NA	NA	0.0000	0.0000
NAV at the end of the year (as on March 31)						
IDCW Option	NA	NA	NA	NA	9.63	9.7000
Growth Option	NA	NA	NA	NA	9.63	9.7000
Periodic IDCW Option	NA	NA	NA	NA	NA	NA
Quarterly IDCW Option	NA	NA	NA	NA	NA	NA
Half Yearly IDCW Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	NA	NA	314.83	43.95
Ratio of Recurring Expenses to net assets	NA	NA	NA	NA	0.0155	0.0035
<i>* Excluding IDCW 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 Aug 2021						

Particulars	IDFC MULTI CAP FUND					
	31-Mar-20		31-Mar-21		31-Mar-22	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
NAV at the beginning of the year (as on April 1)						
IDCW Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic IDCW Option	NA	NA	NA	NA	NA	NA
Quarterly IDCW Option	NA	NA	NA	NA	NA	NA

Half Yearly IDCW Option	NA	NA	NA	NA	NA	NA
IDCW*						
IDCW Option	NA	NA	NA	NA	0.0000	0.0000
Growth Option	NA	NA	NA	NA	0.0000	0.0000
Periodic IDCW Option	NA	NA	NA	NA	0.0000	0.0000
Quarterly IDCW Option	NA	NA	NA	NA	0.0000	0.0000
Half Yearly IDCW Option	NA	NA	NA	NA	0.0000	0.0000
NAV at the end of the year (as on March 31)						
IDCW Option	NA	NA	NA	NA	10.1800	10.2300
Growth Option	NA	NA	NA	NA	10.1800	10.2400
Periodic IDCW Option	NA	NA	NA	NA	NA	NA
Quarterly IDCW Option	NA	NA	NA	NA	NA	NA
Half Yearly IDCW Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	NA	NA	886.19	30.29
Ratio of Recurring Expenses to net assets	NA	NA	NA	NA	0.0236	0.0062
<i>* Excluding IDCW 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 2nd Dec 2021						

Particulars	IDFC Nifty 100 Index Fund					
	31-Mar-20		31-Mar-21		31-Mar-22	
	Regular Plan	Direct Plan	Regular Plan	Direct Plan	Regular Plan	Direct Plan
NAV at the beginning of the year (as on April 1)						
IDCW Option	NA	NA	NA	NA	NA	NA
Growth Option	NA	NA	NA	NA	NA	NA
Periodic IDCW Option	NA	NA	NA	NA	NA	NA
Quarterly IDCW Option	NA	NA	NA	NA	NA	NA
Half Yearly IDCW Option	NA	NA	NA	NA	NA	NA
IDCW*						
IDCW Option	NA	NA	NA	NA	0.0000	0.0000
Growth Option	NA	NA	NA	NA	0.0000	0.0000
Periodic IDCW Option	NA	NA	NA	NA	0.0000	0.0000
Quarterly IDCW Option	NA	NA	NA	NA	0.0000	0.0000
Half Yearly IDCW Option	NA	NA	NA	NA	0.0000	0.0000
NAV at the end of the year (as on March 31)						
IDCW Option	NA	NA	NA	NA	10.1642	10.1693

Growth Option	NA	NA	NA	NA	10.1643	10.1693
Periodic IDCW Option	NA	NA	NA	NA	NA	NA
Quarterly IDCW Option	NA	NA	NA	NA	NA	NA
Half Yearly IDCW Option	NA	NA	NA	NA	NA	NA
Annualised return**						
Net Assets end of period (Rs. Crs.)	NA	NA	NA	NA	21.35	8.19
Ratio of Recurring Expenses to net assets	NA	NA	NA	NA	0.0060	0.0010
<i>* Excluding IDCW details of liquid scheme.</i>						
<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.</i>						
<i>'@ The Opening NAV is as of the Allotment date 24th Feb 2022</i>						

IDCW - Income Distribution cum capital withdrawal

II. HOW TO APPLY?

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

Application form (for New Investors) and Common Transaction Form (for existing unitholders), for transaction execution (including subscription / redemption / switches) in the schemes of IDFC Mutual Fund would be available at the offices of the Distributors, Official point 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.idfcmf.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 IDFC Asset Management Co. Ltd., 6th 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 IDFC 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) In case of change in broker, the investor will be required to strike off the old broker code and countersign the same along with the new broker code, before submitting the application form / transaction form / at the specified collection centres / OPA (Official points of Acceptance).

- (3) The Registrar and the AMC shall effect the received changes in the broker code within the reasonable period of time from the time of receipt of written request from the investor at the designated collection centres / OPT. Decision of the Registrar/AMC in this regard shall be final and binding.
- (4) 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.
- (5) List of Official Points of Acceptance is available on the website of the Mutual Fund- www.idcmf.com

The Mutual Fund may use intermediaries such as post office, local and international couriers, banks and other intermediaries for correspondence with the investor and for making payment to the investor by cheque, drafts, warrants, through NEFT etc. The investor expressly agrees and authorizes the Mutual Fund to correspond with the investor or make payments to the investors through intermediaries including but not limited to post office, local and international couriers and banks.

FAX INDEMNITY FOR APPLICATIONS RECEIVED THROUGH FAX

The Registrar, AMC, MF or any other agent or representative of any of these entities ('Mutual Fund') may accept certain transactions via facsimile or through any electronic mode ('fax/electronic transactions'), subject to the investor fulfilling the terms and conditions as stipulated by the AMC from time to time. Subsequently the Investor may from time to time submit applications, supporting documents and instructions with respect to financial transactions by facsimile, or similar method of transmission in the manner specified herein or in such other manner as may be expressly communicated by the AMC from time to time.

Acceptance of fax/electronic transactions will be as per processes / methodologies permitted by SEBI or other regulatory authorities from time to time and will be solely at the risk of the investor using the fax/electronic transaction ('Investor') and the Mutual Fund shall not be in any way liable or responsible for any loss, damage, caused to the Investor directly or indirectly, as a result of the Investor sending such fax, whether or not received by the Mutual Fund.

The investor acknowledges that fax / electronic transaction is not a secure means of giving instructions / transaction requests and that the investor is aware of the risk involved including those arising out of such transmission being inaccurate, illegible, having a lack of quality or clarity, garbled, distorted, not timely etc. The Investor's request to the Mutual Fund to act on any fax / electronic transaction is for the investor's convenience and the AMC/Trustee/Mutual Fund shall not be obliged or bound to act on the same. It is agreed by the parties that the AMC need not confirm (whether orally in writing or otherwise) any Fax Submission or verify the Identity of the person making or giving or purporting to make or give any Fax Submission of the signature appearing on the Fax Submission. The AMC shall be under no duty to prescribe or adopt any procedures for the purpose of such confirmations or verification and any such procedure prescribed or adopted by AMC shall not impose upon the AMC any obligation to adopt or comply with the same in any or every instance.

The Investor authorizes the Mutual Fund to accept and act on any fax / electronic transaction which the Mutual Fund believes in good faith to be given by the Investor and the Mutual Fund shall be entitled to treat any such fax / electronic transaction as if the same was given to the Mutual Fund under the investor's original signature. The AMC shall take necessary steps in connection with or in reliance upon any Fax Submission as the AMC may in good faith consider appropriate regardless of the value involved and notwithstanding any error/errors in transmission or reception or ambiguity or lack of clarity of any nature in terms

of such Fax Submission, the AMC will not be responsible for the above contingencies of nature.

The Investor agrees that the security procedures adopted by the Mutual Fund may include signature verification, telephone callbacks or a combination of the same. Callbacks may be recorded by tape recording device and the Investor consents to such recording and agrees to co-operate with the recipient to enable confirmation of such fax / electronic transaction requests.

In case there is a variance between the particulars mentioned in the fax received as against the original application which may be received thereafter, the AMC reserves the right to process the transaction as per the particulars of the fax received and the pecuniary loss if any due to any such variance shall be entirely borne by the Investor and the AMC shall under no circumstances be liable for such losses.

It is unconditionally agreed by the Investor that the Investor is bound and liable for the transactions processed by the AMC on the basis of instructions received on Fax Submission. The Investor will hold the AMC harmless for any loss if any suffered by the Investor for processing any transaction on the basis of Fax Submission.

The investor further accepts that the fax / electronic transaction shall not be considered until time stamped appropriately as a valid transaction request in the scheme in line with SEBI Regulations. It is further mutually agreed that if any other permission is required under the provisions of law for processing such requests / instructions, the Investor shall be solely liable and responsible for any failure to comply with such provisions of laws and regulations. The Investor will keep the AMC fully absolved and indemnified with respect to any violation of such laws and regulations and consequences thereafter in case of such violation mentioned hereinabove.

It is agreed and confirmed by the Investor that the Investor shall indemnify the AMC on demand from and against any and all claims, liability, loss, damage, cost and expenses incurred by the AMC arising out of or relating to Any unauthorised or fraudulent facsimile transmission to AMC. The Investor also agrees, undertakes to execute any other documents indemnifying the AMC.

In consideration of the mutual fund from time to time accepting and acting on any fax / e-mail transaction request received / believed to be received from the investor, the investor agrees to indemnify and keep indemnified the AMC, IDFC Mutual Fund, Trustees, Sponsor and the group companies of the AMC from and all actions, claims, demands, liabilities, obligations, losses, damages, costs (including without limitation, interest and legal fees) and expenses of whatever name (whether actual or contingent) directly or indirectly suffered or incurred sustained by or threatened against them. The AMC reserves the right to discontinue the above mentioned facilities at any point in time.

It is mutually agreed that the facility may be terminated by the AMC upon and not fewer than 3 days advance written notice in the form of a public notice in one national newspaper and one regional language newspaper circulating in Mumbai. Any termination shall not effect anything done and any rights or liability accrued or incurred prior to the termination. The provisions of clauses hereinabove shall survive any termination.

It is further mutually agreed by the parties that MUMBAI would be the exclusive jurisdiction in respect of any of the legal proceedings.

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).

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.

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 IDFC 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 from this date. Investors are required to register their PAN with the Mutual Fund by providing the PAN card copy (along with the original for verification which will be returned across the counter). All investments without PAN (for all holders, including Guardians and POA holders) are liable to be rejected.

Application Forms without quoting of 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.

Prevention of Money-laundering (Maintenance of Records) Rules, 2005, namely, the Prevention of Money-laundering (Maintenance of Records) Second Amendment Rules, 2017 have made it mandatory for investors to submit Aadhaar number issued by the Unique Identification Authority of India (UIDAI) in respect of their investments.

Accordingly, following are the requirements in relation to submission of Aadhaar number and other prescribed details to IDFC Mutual Fund/its Registrar and Transfer Agent/ Asset Management Company ("the AMC"):

- i. Where the investor is an individual, who is eligible to be enrolled for Aadhaar number, the investor is required to submit the Aadhaar number issued by UIDAI. Where the Aadhaar number has not been assigned to an investor, the investor is required to submit proof of application of enrolment for Aadhaar. If such an individual investor is not eligible to be enrolled for Aadhaar number, and in case the Permanent Account Number (PAN) is not submitted, the investor shall submit one certified copy of an officially valid document containing details of his identity and address and one recent photograph along with such other details as may be required by the Mutual Fund.

The investor is required to submit PAN as defined in the Income Tax Rules, 1962.

- ii. Where the investor is a non-individual, apart from the constitution documents, Aadhaar numbers and PANs as defined in Income-tax Rules, 1962 of managers, officers or employees or persons holding an attorney to transact on the investor's

behalf is required to be submitted. Where an Aadhaar number has not been assigned, proof of application towards enrolment for Aadhaar is required to be submitted and in case PAN is not submitted an officially valid document is required to be submitted. If a person holding an authority to transact on behalf of such an entity is not eligible to be enrolled for Aadhaar and does not submit the PAN, certified copy of an officially valid document containing details of identity, address, photograph and such other documents as prescribed is required to be submitted.

The timelines for submission of the Aadhaar numbers, as per the requirements stated above, the effective date for mandatory submission of PAN and Aadhaar number with requisite documents at the time of opening new mutual was April 1, 2018. Accordingly, no new folio / account shall be opened without these documents effective April 1, 2018.

- Pursuant to the direction issued by Hon'ble Supreme Court on March 13, 2018 in Writ Petition (Civil) no. 494/2012, the date for mandatory submission of Aadhaar in respect of the existing mutual fund folios/accounts (including accounts/folios opened up to March 31, 2018) and for new accounts/folios of a new investor, has been deferred till further notice.

Restriction on Acceptance of Third Party Payments for Subscription of Units

IDFC Asset Management Co. Ltd ("AMC")/ IDFC 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) Submission of a separate, complete and valid ‘Third Party Payment Declaration Form’ from the investors (guardian in case of minor) and the person making the payment i.e. third party. 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 IDFC Mutual Fund or visit our website - www.idfcmf.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 or signature on the cheque does not match, then the first named applicant/investor should submit any one of the following documents:

- (a) a copy[#] 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).

Investors should also bring the original documents along with the documents mentioned in (a) above to the ISCs/OPT of IDFC Mutual Fund. 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.idfc.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 against Cash

The AMC/Mutual Fund/R&TA will not accept any purchase applications from investors if accompanied by a pre-funded instrument issued by a bank against cash for investments for amount upto Rs. 50,000 only. The investor has to mandatorily submit a Certificate (in original) obtained from the bank giving name, address, Bank account number and PAN (if available) 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, ECS, etc.

Investors should attach to the purchase application form, an acknowledged copy of the instruction to the bank also stating the account number debited. The account number mentioned on the transfer instruction copy should be a registered bank account or the first named applicant/ investor should be one of the account holders to the bank account debited for such electronic transfer of funds.

The above broadly covers the various modes of payment for mutual fund subscriptions. The above list is not a complete list and is only indicative in nature and not exhaustive. Any other method of payment, as introduced by the Mutual Fund, will also be covered under these provisions.

In order to prevent frauds and misuse of payment instruments, the investors are mandated to make the payment instrument (cheque, demand draft, pay order, etc.) Investors are urged to mentioned the scheme name.

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 Investor and 10 Bank Accounts in case of Non Individual Investor. 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 copy of any one of the following documents:

- a) cancelled cheque leaf of the bank account which has to be registered [the account number and name of the first unitholder should be printed on the cheque leaf];
- b) Bank Statement / Pass Book with the account number, name of the Unitholder and Address;
- c) Bank letter / certificate on its letter head certifying the account holder's name, account number and branch address [Such letter / certification should be certified by the Bank Manager with his / her full name, signature, employee code.]

Investors should also present the Original of the above Document submitted along with the subscription application, and such original document shall be returned across the Counter post due verification. It is clarified that in case of Change of Bank Account along with Redemption application submitted by the Investor, the redemption proceeds shall be credited to the said bank account only if it is a registered bank account in the records of R&T.

Transactions through Stock Exchange Mechanism

Details pertaining to transactions through NSE, MFSS and BSE STAR Platform have been provided in the Scheme Information Document of the respective Schemes.

Open ended Schemes of IDFC 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.

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 IDFC Mutual Fund (IDFC MF).

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

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

Transaction through MFU portal

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

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

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

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

For facilitating investors to transact through MFU, MFUI will allot a Common Account Number ("CAN"), a single reference number for all investments in the Mutual Fund industry, for transacting in multiple schemes of various mutual funds through MFU and to map existing folios, if any. Investors can create a CAN by submitting the CAN Registration Form and other necessary documents at any of the MFUI POS. IDFC AMC and / or its Registrar and Transfer Agent ("RTA") shall provide necessary details to MFUI as may be needed for providing the required services to investors / distributors through MFU.

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

The transactions routed through the MFU shall be subject to the terms & conditions as may be stipulated by MFUI / IDFC AMC / IDFC MF from time to time. Further, investments in the

schemes of IDFC MF routed through MFU shall continue to be governed by the terms and conditions stated in the Scheme Information Document of the respective scheme(s).

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

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.

TRANSACTIONS THROUGH INTERNET FACILITY:

For the purpose of enabling the individual investor to transact through Internet Facility, the AMC may provide internet access through a secure internet identity and password. Individual investors who intend to avail Invest Now facility are requested to read and understand the terms and conditions applicable for availing of such facilities which are mentioned in the Registration form. Registration Form is available at all the Official Point of Acceptance of Transactions.

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 MF Collection account. The cheque/demand draft should be payable at the Centre where the application is lodged.

The cheque/demand draft should be drawn on any Bank which is situated at and is a member/sub-member of the 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.

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

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.

AMC will bear Demand Draft charges, only for Equity Schemes, except Fund of Fund and Nifty Fund, in locations where CAMS and AMC offices are not present. All DD/Payorder /Bank charges arising out of subscription in any non-equity scheme or in locations where CAMS/AMC official point of acceptance are present, will have to be borne by the investor.

Amount of investment Demand Draft charges that shall be borne by IDFC AMC

Upto Rs. 10,000/- At actuals, subject to a maximum of Rs. 50/-

Above Rs. 10,000/- Rs. 3/- per Rs. 1,000/- subject to a maximum of Rs. 10,000/-

The AMC may, at its discretion, refuse to bear the demand draft charges in case of investments made by the same applicant(s) through multiple applications and such decision of the AMC will be final and binding on the investor. It may be noted that any other charge incurred by the investor, other than demand draft charges, will not be borne by the AMC. Further, additional DD charges, if any, incurred by an investor over and above the levels indicated above will not be borne by the AMC. The AMC will not entertain any request for refund of demand draft charges.

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.

Mode of Payment for SIP:

In case of SIP transaction where, the mode of payment is through Standing Instructions/ 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 30 days prior to the date of first instalment.

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

SIP facility shall be available on any date of the month for SIP registrations, barring 28-31st of each month. In case the date chosen for SIP falls on a Non-Business Day or on a date which is not available in a particular month, the SIP will be processed on the immediate next Business Day.

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

Separate Plan for Direct Investors:

Individual investors who intend to avail Invest Now facility and Corporate investors who intend to avail I-online facility are requested to read and understand the terms and conditions applicable for availing of such facilities which are mentioned in the Registration form. Registration Form is available at all the Official Point of Acceptance of Transactions.

Consequently, the Fund has introduced '**Direct Plan**' with effect from January 1, 2013 (the Effective Date) under various plans/ options/ sub-options of various schemes of the Fund as follows:

- a. all open-ended schemes of the Fund except (i) Exchange Traded Funds and (ii) Plans discontinued for further subscriptions;
- b. New Fund Offer of close-ended schemes of the Fund launched on or after the Effective Date; and
- c. Interval Schemes (commencing from the first day of the Specified Transaction Period immediately succeeding the Effective Date).

There will be two plans available under each Scheme, 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 "IDFC <<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. Switch of investments from Regular Plan to Direct Plan of the same Scheme shall be subject to applicable exit load, if any,
- b. No exit load shall be levied in case of switches from Direct Plan to Regular Plan of the same Scheme.
- c. 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.

Applicable NAV and allotment of units: The starting NAV for the Direct Plan will be at the same NAV as that of Regular Plan.

Investments through systematic routes: In case of registration requests for Systematic Investment Plan (SIP)/ Systematic Transfer Plan (STP)/ IDCW Transfer Plans (DTP), are received on or after the Effective Date without any distributor code, the same shall be by default registered under the "Direct Plan". Similarly, in case of existing SIP/ STP/ DTP registrations without distributor code, all future installments after the Effective Date 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. are not eligible to invest in the schemes and apply for subscription to the units of the schemes, except for lump sum subscription and

switch transactions requests received from Non-resident Indians/Persons of Indian origin who at the time of such investment, are present in India and submit a physical transaction request along with such documents as may be prescribed by IDFC Asset Management Company Limited (the AMC)/IDFC Trust Limited (the Trustee) from time to time.

A U.S. person can do lumpsum purchase provided he is in India and submit the declaration along with purchase or switch transaction. Persons of Canada will not be permitted to make any fresh purchases/additional purchases/switches/SIPs in any Schemes of IDFC 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 IDFC Mutual Fund, except IDFC Cash 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.

Deduction of Transaction charges for investments through distributors/agents:

SEBI has allowed Asset Management Companies (AMCs) to deduct transaction charges per subscription of Rs. 10,000/- and above, vide its Circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011.

In accordance with said circular, the AMC/Mutual Fund shall deduct the Transaction Charges on purchase / subscription received from first time mutual fund investors and investors other than first time mutual fund investors through the distributor/agent (**who have opted to receive the transaction charges**) as under:

a) First Time Mutual Fund Investor (across Mutual Funds):

Transaction charge of Rs. 150/- for subscription of Rs. 10,000 and above will be deducted from the subscription amount and paid to the distributor/agent of the first time investor and the balance shall be invested.

b) Investor other than First Time Mutual Fund Investor:

Transaction charge of Rs. 100/- per subscription of Rs. 10,000 and above will be deducted from the subscription amount and paid to the distributor/agent of the investor and the balance shall be invested.

However, transaction charges in case of investments through Systematic Investment Plan (SIP) shall be deducted only if the total commitment (i.e. amount per SIP installment x No. of installments) amounts to Rs. 10,000/- or more. The Transaction Charges shall be deducted in 3-4 installments.

c) Transaction charges shall not be deducted for:

- (a) purchases /subscriptions for an amount less than Rs. 10,000/-;
- (b) transaction other than purchases/ subscriptions relating to new inflows such as Switch/ STP/SWAP/DTP, etc.
- (c) purchases/subscriptions made directly with the Fund (i.e. not through any distributor/agent).

Investors are requested to contact any of the Investor Service Centres (ISCs) of IDFC Mutual Fund for further details.

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.
- Duly authorised 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, IDFC Asset Management Company 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 A/c
- KYC/FATCA/UBO

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 self-declaration certificate from the applicant, as prescribed by the AMC. In case the self-declaration 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:
 - i) Birth certificate of the minor, or
 - ii) School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., or
 - iii) Passport of the minor, or
 - iv) 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, IDFC Asset Management Company 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, will continue to be processed beyond the date of the minor attaining majority till the time an instruction from the major to terminate the standing instruction is received by the mutual fund along with the prescribed documents for processing the change in Status. The standing instruction shall be terminated within 30 days from the date of receiving the instruction.

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, IDFC Asset Management Company Ltd. (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 Certification The 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-pension.
- (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, our website - www.idfcmf.com and/or at any of our Official Points of Acceptance of Transactions (OPT).

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 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 above 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).

In case of any change in the KYC and / or beneficial ownership information, the investor should immediately intimate IDFC 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 IDFC 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) - As per the requirements of Anti-Money Laundering related laws and regulatory guidelines on client due diligence and identification of Beneficial Ownership, investors (other than Individuals) are required to provide details of 'Ultimate Beneficial Owner(s) [UBO(s)]'. For the purpose of these guidelines, UBO means the natural person or persons who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted, and includes those persons who exercise ultimate effective control over a legal person or arrangement. In case the investor or owner of the controlling interest is a company listed on a stock exchange or is a majority owned subsidiary of such a company, the details of shareholders or beneficial owners are not required to be provided. Non-individual applicants/investors are mandated to provide the details on Ultimate Beneficial Owner(s) (UBOs) by filling up the declaration form for 'Ultimate Beneficial Ownership'. Please contact the nearest Investor Service Centre (ISC) of IDFC Mutual Fund or visit our website www.idfcmf.com for the Declaration Form.

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.

SEPARATE PLAN FOR DIRECT INVESTORS:

Pursuant to SEBI circular dated September 13, 2012, 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. Consequently, the Fund has introduced 'Direct Plan' with effect from January 1, 2013 (the Effective Date) under various plans/options/ sub-options of various schemes of the Fund as follows:

- a. all open-ended schemes of the Fund except (i) Exchange Traded Funds and (ii) Plans discontinued for further subscriptions;
- b. New Fund Offer of close-ended schemes of the Fund launched on or after the Effective Date; and

- c. Interval Schemes (commencing from the first day of the Specified Transaction Period immediately succeeding the Effective Date).

There will be two plans available under each Scheme, 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 a Scheme will have to indicate “Direct Plan” in the application form e.g. “IDFC <<Scheme Name>> - Direct Plan”. Investors should also indicate “Direct” in the ARN column of the application form.

TREATMENT OF APPLICATIONS UNDER "DIRECT" / "REGULAR" PLANS:

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

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

Treatment of business received through suspended distributors:

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

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

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

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

3. In cases where the ARN of a distributor has been permanently terminated, the unitholders have the following options:
 - switch their existing investments under the Regular Plan to Direct Plan (Investors may be liable to bear capital gains taxes and exit load, if any, which may arise at the time of switch from Regular Plan to Direct Plan); or
 - continue their existing investments under the Regular Plan under ARN of another distributor of their choice.

III. 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. Where IDCW is declared in the scheme, IDCW warrants shall be dispatched within 15 days from the record date.
3. 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.

4. The Mutual Fund shall dispatch Redemption proceeds within 10 Business Days of receiving a valid Redemption request.
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 Trustee decides to wind up the Scheme or prematurely redeem the Units.
9. 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.

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.

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 IDFC 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 IDFC Mutual Fund

United States Persons (U.S. Persons) shall not be eligible to invest in the schemes of IDFC Mutual Fund and the Mutual Fund / AMC shall not accept subscriptions from U.S. Persons, except for lump sum subscription and switch transactions requests received from Non-resident Indians/Persons of Indian origin who at the time of such investment, are present in India and submit a physical transaction request along with such documents as may be prescribed by the AMC/Mutual Fund from time to time.

The AMC shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the AMC/Mutual Fund. The investor shall be responsible for complying with all the applicable laws for such investments. The AMC/Mutual Fund reserves the right to put the transaction requests on hold/reject the

transaction request/reverse allotted units, as the case may be, as and when identified by the AMC/Mutual Fund, which are not in compliance with the terms and conditions prescribed in this regard.

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

IV. 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:

VALUATION POLICY	
Background and Rationale	<p>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.</p> <p>This policy shall be based on the principles of fair valuation and 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.</p>
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.
Scope	<ul style="list-style-type: none"> • 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

Policy owner	Board of Directors of IDFC Asset Management Company Limited (AMC) & IDFC Trustee Company Limited (Trustee Company/Trustees)
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.
Delegation of Powers of Valuation Committee	The Valuation Committee is entrusted with the following responsibilities: <ul style="list-style-type: none"> • Reviewing the systems, policies and practices of valuation of securities and exception if any, to 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
Periodicity of review	The valuation policy shall be reviewed annually by the Valuation Committee and internal auditors and the same shall be noted by the board of AMC and Trustee
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.
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 is detailed in Annexure B.
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.
Last revised	October 28, 2021

Annexure A:

Valuation of Equity and Equity related instruments:

Asset Class	Traded / Non-traded Securities	Methodology for valuation
Equity Shares / Preference Shares / Equity Warrants/ Equity rights/rights entitlement/partly paid up rights shares	Traded Securities	<ul style="list-style-type: none"> • 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

Asset Class	Traded / Non-traded Securities	Methodology for valuation
		<p>other stock exchange shall be considered.</p> <ul style="list-style-type: none"> If the security is not traded either on NSE or BSE, the earliest previous day's close price shall be used, provided 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.
	Non-Traded Securities	<ul style="list-style-type: none"> 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. In all other cases: <ul style="list-style-type: none"> 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&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

Asset Class	Traded / Non-traded Securities	Methodology for valuation
		<p>for the valuation of the said security.</p> <p>b) Preference shares: The non-traded Preference Shares, shall be fair valued as per the methodology approved by the Valuation Committee.</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> <p>In case of any other scenario/(s) the same</p>

Asset Class	Traded / Non-traded Securities	Methodology for valuation
		<p>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>
	Unlisted Securities	<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</p>

Asset Class	Traded / Non-traded Securities	Methodology for valuation
		<p>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 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"> i. All calculations as aforesaid shall be based on audited accounts. ii. 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. iii. If the net worth of the company is negative, the share would be marked down to zero. iv. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning. v. In case an individual security accounts for more than 5% of the total assets of the scheme,

Asset Class	Traded / Non-traded Securities	Methodology for valuation
		<p>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.</p> <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 & Trustees at its periodical meetings.</p>
	<p>Thinly traded securities [as defined under the SEBI (Mutual Fund) Regulations]</p>	<p>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. 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.</p>
	<p>Follow-on Public Offer purchase</p>	<p>The security shall be valued at listed price.</p>
	<p>Initial Public Offer purchase</p>	<p>The security shall be valued at cost, till the date of listing.</p>

Asset Class	Traded / Non-traded Securities	Methodology for valuation
Futures & Options (F&O)	Traded	<ul style="list-style-type: none"> On the valuation day, traded F&O are valued at the settlement price provided by the respective stock exchanges.
	Non-Traded	<ul style="list-style-type: none"> Non-Traded F&O are valued based on settlement price / any other equivalent price provided by the respective stock exchanges.

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

Asset Class	Security type	Methodology for valuation
Debt & Money Market Securities (including floating rate securities)		<p>All Debt and Money Market securities, shall be valued at the average of Valuation prices provided for individual securities by CRISIL & 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>
Government Securities (irrespective of residual maturity)		<p>Government Securities shall mean and include such securities issued by Central government or State 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 & ICRA, or any other external independent agency(ies) as prescribed by AMFI.</p>
Other Money market / Debt securities	Short-term deposits with banks (pending deployment), Repurchase (Repo) Transaction (incl. TREPS and Corporate Bond Repo) and Over the Counter (OTC) derivatives	<p>Investments in short-term deposits with banks (pending deployment) and repurchase (repo) transactions (including tri-party repo i.e. TREPS) with tenor of up to 30 days, shall be valued on cost plus accrual basis.</p> <p>Repo transactions (including tri-party repo i.e. TREPS) with tenor of more than 30 days shall be valued at the average of Valuation prices provided for individual securities by CRISIL & ICRA, or any other external independent agency(ies) as prescribed by AMFI.</p> <p>Instruments will be valued by amortization on straight line basis to maturity when it is moved from 31 to 30 days.</p> <p>Prices for all OTC derivatives and market linked</p>

Asset Class	Security type	Methodology for valuation
		debentures shall be obtained from valuation agencies as per the SEBI Circular No. SEBI/HO/IMD/DF4/CIR/P/2019/102 dated 24 September 2019.
	Traded and Non-traded money market / debt security	<p>Traded Money Market / Debt Security</p> <p>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>Non- Traded Money Market / Debt Security</p> <p>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>
Securities with Put / Call Options		<p>Securities with call option:</p> <p>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>Securities with Put option:</p> <p>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>Securities with both Put and Call option:</p> <p>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 valued accordingly. In all other cases, the cash flow of each put / call option shall be evaluated and the security shall be valued on the following basis:</p> <p>i. Identify a ‘Put Trigger Date’, a date on which ‘price to put option’ is the highest when compared with</p>

Asset Class	Security type	Methodology for valuation
		<p>price to other put options and maturity price.</p> <p>ii. Identify a ‘Call Trigger Date’, a date on which ‘price to call option’ is the lowest when compared with price to other call options and maturity price.</p> <p>iii. 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.</p> <p>Securities with multiple Put Options present ab-initio effective October 1, 2021:</p> <p>If a put option is not exercised when exercising such put option would have been in favour of the scheme, in such cases the justification for not exercising the put option shall be provided to the 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>
	<p>AT-1 Bonds and Tier 2 Bonds</p>	<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>
	<p>Interest Rate Futures</p>	<p>The exchange traded Interest Rate Futures would be valued based on the Daily Settlement Price of the exchange.</p>

Asset Class	Security type	Methodology for valuation
Inter scheme - Transfers	Debt & Money Market Securities	<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 & Market Disruptions mentioned below in this policy needs to be adhered to.</p>
	<u>Valuation of money market and debt securities which are rated below investment grade or default</u>	<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, IDFC 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>

Asset Class	Security type	Methodology for valuation
		<p>Treatment of Principal:</p> <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>Treatment of accrued interest, future interest accrual and future recovery:</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</p>

Asset Class	Security type	Methodology for valuation
		<p>with the same haircut applied to the principal. In case of securities classified as default, no further interest accrual shall be made.</p> <p>The following shall be the treatment of how any future recovery should be accounted for in terms of principal or interest:</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>
	<p>Changes in terms of investment</p>	<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> <ol style="list-style-type: none"> 1. Any extension in maturity of money market or debt security shall result in the security being treated as 'Default' for purpose of valuation. 2. 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. 3. 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.
	<p>Upfront Fees on trades</p>	<ol style="list-style-type: none"> a) 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. b) 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. c) 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 d) In case upfront fees are received across multiple schemes, then such upfront fees should be shared on a pro-rata basis across such schemes.

Valuation of other instruments:

<p>Valuation policy for Foreign Securities</p>	<p>Listed Foreign Security (including ADR/GDR/ETF)</p>	<p>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. IDFC AMC shall select the Primary stock exchange prior to transacting in any scheme in case a security is listed on more 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 IDFC AMC and approved by the Valuation Committee.</p> <p>For securities listed in a time zone ahead of Indian Standard Time (IST), the same day's last traded or closing price would be used for valuation and for securities listed on time zone behind IST, the previous day's closing price would be used for valuation.</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, IDFC AMC reserves the right to apply fair valuation as determined by the Valuation Committee.</p>
	<p>Unlisted Foreign Securities (including ADR/GDR)</p>	<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 IDFC 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>
	Mutual Fund Units (Overseas)	Units of Mutual Funds will be valued at latest published NAV.
	Foreign Exchange Conversion	<p>Reserve Bank of India (RBI) reference rate at the time of closing of banking hours on the relevant business day in India (at around 5:00 PM IST) would be used for available currencies and where the 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 around 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 RBI reference rate.</p> <p>The Trustee/AMC reserves the right to change the source of determining the exchange rate.</p>
Mutual Fund units	Mutual Fund Units (Domestic)	Units of Mutual Funds will be valued at latest published NAV.
	Exchange Traded Funds:	<p>The closing price of the Principal Stock Exchange shall be considered for valuation of such security.</p> <p>If units are not traded on Principal Stock Exchange on a valuation day, the closing price on any other stock exchange where units are traded will be used for valuation.</p> <p>If units are not traded on any stock exchange on a valuation day, then the latest published NAV per unit will be considered for valuation.</p>
Securities Lending		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.

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 IDFC AMC 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.

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.

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. AMC's 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:

Time Period	Deemed Residual Maturity (Years)
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:

Time Period	Deemed Residual Maturity for all securities (Years)
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
	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 back	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 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 1 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.

V. TAX, LEGAL & GENERAL INFORMATION

A. TAXATION ON INVESTING IN MUTUAL FUNDS

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 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, 2022 ('FA 2022'); 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 and 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, exceeds the maximum amount which is not chargeable to income-tax.

(a) Securities Transaction Tax (STT)

The Mutual Fund is 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.	Transaction	Rates	Value	Paid by
1	Delivery based purchase/ sale transaction in equity shares or units of business trust ¹	0.1 percent	Value at which the shares/units are purchased/sold	Purchaser & seller

¹ Business Trust is defined as a trust registered as an Infrastructure Investment Trust or a Real Estate Investment Trust, the units of which are required to be listed on a recognized stock exchange, in accordance with the regulations made under SEBI Act, 1992 and notified by the Central Government in this behalf.

Sr. No.	Transaction	Rates	Value	Paid by
2	Delivery based purchase transaction in units of equity oriented fund	NIL	Not Applicable	
3	Delivery based sale transaction in units of equity oriented fund	0.001 percent	Value at which units are sold	Seller
4.	Sale of units of an equity oriented fund to the mutual fund	0.001 percent	Value at which units are sold	Seller
5.	Non-delivery based sale transaction in equity shares / units of 'equity oriented fund' / units of business trust ^{Error!} Bookmark not defined.	0.025 percent	Value at which shares/units are sold	Seller
6.	Derivatives ² : Futures	0.01 percent	Price at which futures are traded	Seller
7	Derivatives ² : Options	0.05 percent	Payable on Option Premium	Seller
	Derivatives ² : Where options are exercised	0.125 percent	The intrinsic value i.e. difference between the settlement price and the strike price	Buyer
8	Sale of unlisted equity shares under an offer for sale to the public included in an initial public offer and subsequently listed on a recognized stock exchange	0.2 percent	Value at which shares are sold	Seller
9	Sale of unlisted units of a business trust ^{Error! Bookmark not defined.} under offer for sale to the public included in an initial offer and where such units are subsequently listed on a recognized stock exchange	0.2 percent	Value at which units are sold	Seller
10	Sale or surrender or redemption of a unit of an equity oriented fund to an insurance company, on maturity or partial withdrawal,	0.001 percent	Value at which units are sold	Seller

² In case of physical settlement, NSE vide its circular dated 30 August 2018 provided following:

- STT of 0.1 percent will be leviable with effect from July 26, 2018;
- STT will be payable by both purchaser (receiver) and seller (giver) of the securities;
- STT will be recovered from the members on those contracts which had expired on July 26 and were settled by way of physical delivery.

Further, as per the Finance (No. 2) Act, 2019, w.e.f. 1 September 2019, in case the option is exercised, STT will be levied on the "intrinsic value", i.e., the difference between the settlement price and the strike price.

Sr. No.	Transaction	Rates	Value	Paid by
	with respect to unit linked insurance policy issued by such insurance company on or after 1 February 2021			

STT is not leviable in respect of taxable securities transactions entered into by any person:

- for, or on behalf of, the New Pension System Trust; and
- on a recognised stock exchange located in an International Financial Service Centre ('IFSC'), where the consideration is paid in foreign currency

"Equity oriented fund" is defined under 112A of the Income-tax Act, 1961, to mean a fund set up under a scheme of a mutual fund specified under clause (23D) of section 10 and,—

- (i) in a case where the fund invests in the units of another fund which is traded on a recognised stock exchange (*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

Deduction on account of STT

STT paid is allowable in the computation of business income. This is subject to the condition that such income from taxable securities transaction is included in computing such business income.

(b) Goods and Service tax

The Mutual Fund is liable for payment of goods and service tax at a rate of 18 percent as the recipient of services on various services availed by it.

(ii) To the Unit holders

a. Tax on Income

With effect from 1 April 2020, income distribution tax has been abolished and now the IDCW income will be taxed in the hands of the unitholder at applicable slab rates/ tax rates as mentioned in below paragraphs and 20% plus applicable surcharge & cess in case of FPIs under section 115AD. Further, the applicable TDS rates are mentioned in paragraph f below.

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

b. Tax on capital gains

Classification of capital asset

As per section 2(42A) of the Act, a unit of a Mutual Fund (other than units of an equity oriented fund) held by the investor as a capital asset, is considered to be a short-term capital asset, if it is held for a period of up to 36 months from the date of its acquisition by the unit holder. Accordingly, if the unit is held for a period of more than 36 months, it is treated as a long-term capital asset. Units of an equity oriented fund would be considered as short-term capital asset if they are held for a period of up to 12 months from the date of its acquisition by the unit holder. Accordingly, if the unit is held for a period of more than 12 months, it is treated as a long term capital asset.

Computation of capital gain

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

Long-term capital gains

Schemes in the nature of equity oriented fund

As per Section 10(38) of the Act, long-term capital gains arising from the sale of units of an equity oriented fund entered into in a recognised stock exchange or sale of such units to the mutual fund were earlier exempt³ from income-tax, provided such transaction of sale is chargeable to STT.

With effect from 1 April 2018, this exemption has been withdrawn and tax will be levied at a concessional rate of 10 percent (plus applicable surcharge and cess) on such capital gains under section 112A, exceeding INR 100,000 (without any indexation benefit), subject to payment of STT on acquisition and transfer of units, as applicable.

For the purpose of computing long-term capital gains, the cost of acquisition is deemed to be the higher of:

- a. Actual cost of acquisition; and
- b. The lower of
 - o FMV⁴ as on 31 January 2018; and
 - o The full value of consideration arising on the transfer.

Companies are required to include such long term capital gains in computing the book profits and minimum alternate tax liability under section 115JB of the Act.

Further, in case of individuals/ HUFs, being residents, where the total income excluding long-term capital gains is below the maximum amount not chargeable to tax, then the difference between the current maximum amount not chargeable to tax and total income excluding long-

³ Applicable upto 31 March 2018

⁴ FMV is defined as –

- The highest quoted price of the unit on a recognized stock exchange. However, if there is no trading on 31 January 2018, the FMV will be the highest price quoted on a date immediately preceding 31 January 2018, on which it has been traded.; or
- NAV of the unit as on 31 January 2018 where the unit is not listed

term capital gains, shall be adjusted from long-term capital gains. Therefore, only the balance long-term capital gains (exceeding Rs. 100,000) will be liable to income tax at the rate of 10 percent plus applicable surcharge and cess.

Schemes other than equity oriented fund

In respect of schemes other than equity oriented funds, the tax implications are as follows:

- As per section 112 of the Act, in case of residents, long-term capital gains on transfer of units are liable to tax at the rate of 20 percent plus applicable surcharge and cess.
- In case of non-residents (other than Foreign Portfolio Investors (FPIs) and specified overseas financial organizations – tax provisions applicable to these investors are discussed separately), long term capital gains on transfer of listed units are liable to tax at the rate of 20 percent plus applicable surcharge and cess.

However, long term capital gains in case of unlisted units shall be liable to tax at the rate of 10 percent plus applicable surcharge and cess (without indexation benefit).

- Further, in case of individuals/ HUFs, being residents, where the total income excluding long-term capital gains is below the maximum amount not chargeable to tax [refer paragraph d], then the difference between the maximum amount not chargeable to tax and total income excluding long-term capital gains, shall be adjusted from long-term capital gains. Therefore, only the balance long term capital gains will be liable to income-tax at the rate of 20 percent.
- As per the provisions of section 115AD of the Act, long-term capital gains on transfer of units arising to FPI⁵, shall be liable to tax at the tax rate of 10 per cent plus applicable surcharge and cess. Such gains shall be computed without the benefit of cost indexation.

Short-term capital gains

Schemes in the nature of equity oriented fund

As per section 111A of the Act, short-term capital gains from the sale of unit of an equity oriented fund entered on a recognized stock exchange or sale of such unit to the mutual fund is taxed at 15 percent plus applicable surcharge & cess, provided such transaction of sale is chargeable to STT.

Further, in case of individuals/ HUFs, being residents, where the total income excluding short-term capital gains is below the maximum amount not chargeable to tax [refer paragraph d] then the difference between the current maximum amount not chargeable to tax and total income excluding short-term capital gains, shall be adjusted from short-term capital gains. Therefore, only the balance short-term capital gains will be liable to tax at the rate of 15 percent.

Schemes other than equity oriented fund

Short-term capital gains arising on transfer of units are subject to tax at normal tax rates (Refer below paragraphs) and 30% plus applicable surcharge & cess in the case of FPIs under section 115AD.

⁵ Definition of FPI is mentioned below in paragraph j

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.
- 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.
- However, each unit holder is advised to consult his / her or its own professional tax advisor before claiming set off of capital loss arising on sale / repurchase of units of an equity oriented fund referred to above, against capital gains arising on sale of other assets.
- Carry forward of losses is admissible maximum up to eight subsequent AYs.

Exemption from long term capital gains

	Section 54 F
Assessee	Individuals / HUF
Sale of which security	Any (not being residential house)
Asset to be purchased -to claim exemption	A residential house property in India
Time-limit for purchase from the date of transfer	Purchase: 1 year back / 2 years forward & Construction: 3 years forward
Amount Exempt	Case-1;- If cost of the residential house property is less than the capital gain arising from sale proceeds from the transfer of the original asset; then the amount exempt will be capital gains proportionate to the investment made. Case-2:- If cost of the residential house property is not less than the capital gain arising from the transfer of the original asset, then the amount exempt will be capital gains.

Lock-in Period	3 years
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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 Trust⁶, is exempt in the hands of such person under section 10(44) of the Act.

c. Tax Rates

The general tax rates for the financial year 2022-23 are as under:

Sr. No.	Assessee	% of Income Tax
1	Individuals, Hindu Undivided Family ('HUF'), Association of Persons ('AOP'), Body of Individuals ('BOI')	Applicable slab rates (as per para d)
2	Domestic company (if the company resorts to the new taxation regime provided under the Taxation Laws (Amendment) Act, 2019) – Section 115BAA ⁷	22%
3	Domestic company (if the company resorts to the new taxation regime provided under the Taxation Laws (Amendment) Act, 2019) – Section 115BAB ⁸	15%
4	Domestic company having turnover/ gross receipt not exceeding INR 400 crore in financial year 2020-21 [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. 2 and 3 above)]	25%
5	Partnership Firms, including Limited Liability Partnerships ('LLPs')	30%
6	Domestic Company (having turnover/gross receipt exceeding INR 400 crore in financial year 2020-21) [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. 2 and 3 above)]	30%
7	Foreign Company	40%

For rate of surcharge and cess, please refer para e.

⁷ As established under the provisions of Indian Trust Act, 1882 on 27 February 2008

⁷ subject to prescribed conditions especially such that certain deductions such as section 80G (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.

⁸ One of the conditions to adopt new taxation regime under section 115BAB is to commence manufacturing on or before 31 March 2023. The FA 2022 has extended the last date to commence manufacturing to 31 March 2024.

d. Slab-wise tax rates

Under the ongoing regime, the slab rates for individuals / HUF / AOP / BOI are as follows:

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 1,000,000	Rs 12,500 plus 20% of the amount by which the total income exceeds Rs 500,000
Where such total income is more than Rs 1,000,000	Rs 112,500 plus 30% of the amount by which the total income exceeds Rs 1,000,000

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

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

Under the alternate new regime⁹ for individuals and HUF w.e.f. FY 2020-21:

⁹ For adopting the new tax regime under section 115BAC, most of the deductions/exemptions such as section 80C, 80D, etc. are to be foregone. The aforesaid regime is optional. Accordingly, individuals and HUFs have the option to be taxed under either of the options. The option under new regime once exercised can be changed in subsequent years (not applicable for business income).

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

For rate of surcharge and cess, please refer paragraph e.

e. Surcharge and cess

The rates of tax mentioned above would be increased by a surcharge of:

i. For Individuals, HUF, Artificial Juridical Person, AOP¹⁰ 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; 2. Long-term capital gains under section 112A and section 112 ¹¹ ; 3. Short term or Long-term capital gains under section 115AD(1)(b)	NIL	10%	15%	15%	15%

¹⁰ The FA 2022 has capped surcharge at 15% in case of AOP consisting of only companies.

¹¹ The FA 2022 has extended the capping of surcharge (currently applicable on capital gain under section 112A and 111A) on long term capital gain under section 112 as well.

4. IDCW Income ¹² – Residents and Non-residents	NIL	10%	15%	25%	37%
5. Any other Income	NIL	10%	15%	25%	37%

ii. For Firms and LLPs:

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

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	10%		
Foreign company	NIL	2%	5%

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

f. Tax deduction at source ('TDS')

The Act provides for the manner and rates at which tax is to be withheld with regard to various types of incomes.

i. IDCW Income

Category	TDS rate
Resident	10% (section 194K ¹³)
FPI (corporate)*	20% (section 196D)
FPI (non-corporate)*	20% (section 196D)
Non-residents including corporates	20% (section 196A)

¹²The FA 2021 caps the surcharge on "IDCW". It appears for this purpose that IDCW would mean IDCW from equity shares and may not cover IDCW from mutual fund schemes/income distributed by mutual funds. This is because the Income-tax Act in several places refers to IDCW from equity as "IDCW" and IDCW from mutual fund as "income distributed by mutual fund". Based on such approach, "mutual fund IDCW" is subject to super-rich surcharge.

¹³ Threshold of Rs. 5,000 is applicable under section 194K.

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*As per FA 2021, an FPI, 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 unit holder will be required to provide appropriate documents to the Mutual Fund 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.

ii. Capital Gains

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

In respect of non-resident unitholder, the relevant provisions and applicable rates of TDS are as under:

A) In the case of other than equity oriented fund

- Non-resident unitholders (other than FPIs)

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

- On income by way of long-term capital gains 20% (plus applicable surcharge and cess) with indexation for listed units OR 10% (plus applicable surcharge and cess) without indexation for unlisted units; and
- On income by way of short term capital gains @ 30% (plus applicable surcharge and cess) in case of individual unitholders.
- On income by way of short term capital gains @ 40% (plus applicable surcharge and cess) in case of corporate unitholders.

B) In the case of an equity oriented fund for non-resident unit holders other than FPIs

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

- Income by way of long term capital gains¹⁴ arising from the transfer of units, subject to STT – 10% (without indexation and foreign exchange fluctuation benefit) (plus applicable surcharge and cess)
- On income by way of short term capital gains arising from the transfer of units, subject to STT @ 15% (plus applicable surcharge and cess).

¹⁴ The FA 2022 has provided that TDS on long term capital gain under section 112A will be calculated on capital gains exceeding Rs.1,00,000.

C) Foreign Institutional Investors / Foreign Portfolio Investors

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.

D) DTAA provisions

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

As per section 90(4) of the Act, a non-resident shall not be entitled to claim treaty benefits, unless the non-resident obtains a TRC of being a resident of his home country. Furthermore, as per section 90(5) of the Act, a non-resident is also required to provide such other documents and information, in Form 10F.

iii. Surcharge and Cess on TDS

- In case of TDS on payments made to residents, the tax rates would not be increased by surcharge and cess.
- In case of TDS on payments made to non-residents, the tax rates would be increased by surcharge and cess. The surcharge rates are as under:

Nature of Income	Up to Rs. 50 lakhs	More than Rs. 50 lakhs but upto Rs. 1 crore	More than Rs. 1 crore but less than Rs. 2 crores	More than Rs. 2 crores but up to Rs. 5 crores	More than Rs. 5 crores	More than Rs. 10 crores
a) Non-corporates						
<ul style="list-style-type: none">• Short-term capital gain under section 111A;• Long-term capital gains under section 112A and section 112¹⁵;	NIL	10%	15%	15%	15%	

¹⁵ The FA 2022 has extended the capping of surcharge on TDS (currently applicable on capital gain under section 112A and 111A) on long term capital gain under section 112 as well.

• IDCW income ¹⁶ – FPIs and other non-residents	NIL	10%	15%	25%	37%
• Any other Income	NIL	10%	15%	25%	37%
b) Corporates	NIL		2% (More than Rs. 1 crore but up to Rs. 10 crores)		5%

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

g. Failure to furnish PAN

As per section 206AA, if any deductee (investor) fails to furnish or furnishes incorrect permanent account number (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, CBDT has vide notification no. 53/2016 dated June 24, 2016 relaxed the applicability of higher rate of TDS u/s 206AA to non-residents on certain payments (payment in the nature of interest, IDCW, payment on transfer of any capital asset etc.,) subject to furnishing the following details and documents to the deductor (Rule 37BC):

- (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

h. Wealth Tax

The levy of wealth tax under the Wealth-tax Act, 1957 has been abolished with effect from 1 April 2016.

i. Failure to file return of income

- FA 2021 has introduced a new section namely section 206AB which 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 rates in force; or
- (iii) at the rate of 5%

¹⁶ The FA 2021 caps the surcharge on "IDCW". It appears for this purpose that IDCW would mean IDCW from equity shares and may not cover IDCW from mutual fund schemes/income distributed by mutual funds. This is because the Income-tax Act in several places refers to IDCW from equity as “IDCW” and IDCW from mutual fund as “income distributed by mutual fund”. Based on such approach, “mutual fund IDCW” is subject to super-rich surcharge.

- This proposed section applies to the provisions of Chapter XVII-B (that is, TDS), other than sections¹⁷ 192, 192A, 194B, 194BB, 194-IA, 194-IB, 194M, 194LBC or 194N.
- If the provisions of section 206AA are applicable to a “specified person”, then the tax shall be deducted at higher of the two rates provided in this section and in section 206AA.
- Specified persons (excluding a non-resident who does not have a permanent establishment in India) means any person who has not filed the return for the previous year¹⁸ immediately preceding the previous year in which tax is required to be deducted; whose time limit to file return has expired and the aggregate of tax deducted at source and tax collected at source is fifty thousand or more in the said previous year.

j. Other relevant provisions

Tax neutrality on merger of similar schemes of Mutual Fund

The consolidation/ merger of different plans in a mutual fund scheme of a fund, in accordance with the process of consolidation of mutual fund schemes under the SEBI (Mutual Fund) Regulations, 1996, shall be tax neutral to the investors. Thus, such consolidation/ merger will not result in transfer and will not be liable to capital gains.

The cost of acquisition of the units of the consolidated scheme shall be the cost of units in the consolidating scheme and the period of holding of the units of the consolidated scheme shall include the period for which the units were held in the consolidating schemes.

FPI

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.

¹⁷ Section 192 – TDS on Salary

Section 192A – TDS on accumulated PF balance due to employee

Section 194B – TDS on winnings from lottery/crossword puzzle

Section 194BB – TDS on winnings from horse race

Section 194-IA – TDS on transfer of immovable property other than agriculture land

Section 194-IB – TDS on payment of rent by certain individuals or Hindu undivided family

Section 194-M – TDS on payment of prescribed sums by certain individuals or Hindu undivided family

Section 194LBC – TDS on income from investment in securitization trust

Section 194N – TDS on Payment of certain amounts in cash

¹⁸ The FA 2022 has reduced the period of non-filing from two years to one year.

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 provisions exclude from the chargeability of MAT, the income arising to foreign companies by way of capital gains from transactions in securities, IDCW 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) 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 percent¹⁹ 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);
- claim, if any, under section 10AA; and
- claim, if any, under section 35AD (in respect of capital expenditure) as reduced by the amount of depreciation allowable in accordance with the provision of section 32 as if no deduction under section 35AD 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.

¹⁹ The FA 2022 has reduced the rate of AMT to 15% in case of co-operative society.

General Anti Avoidance Rules (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.

Multilateral Instrument (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 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.

Stamp duty implications

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

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

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

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

Rate of stamp duty 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
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.

B. 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.

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, IDFC Mutual Fund / IDFC Asset Management Company 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.

Pursuant to AMFI Best Practice Guidelines Circular No.20/2010-11 the following additional Operational guidelines has to be followed for cases of nomination:

- a) Where a folio has joint holders, all joint holders should sign the request for nomination/cancellation of nomination, even if the mode of holding is not "joint". Nomination form cannot be signed by Power of attorney (POA) holders and in the folio of a Minor unitholder.
- b) Every new nomination for a folio/account will overwrite the existing nomination.
- c) 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.

- d) Even those investors who do not wish to nominate must sign separately confirming their non-intention to nominate.

“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 court.

Unclaimed redemption and IDCW amounts

SEBI has vide its circular dated November 24, 2000, asked Mutual Funds to follow the following guidelines:

The redemption and IDCW amounts may be deployed by the mutual funds in call money market or money market instruments only and the investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing Net Asset Value. The Fund would deploy the unclaimed redemption and IDCW amount in the interest of the investors in such instruments / securities which the AMC would feel appropriate, from time to time. After a period of three years, this amount can be transferred to a pool account and the investors can claim the amount at NAV prevailing at the end of the third year. The income earned on such funds can be used for the purpose of investor education. It should be specifically noted that the AMC would make a continuous effort to remind the investors through letters to take their unclaimed amounts. Further, the investment management fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points.

The Treatment of unclaimed redemption and IDCW amounts shall be as per SEBI Circular dated February 25, 2016.

In furtherance to the above circular, SEBI has vide its circular dated February 25, 2016, in addition to deployment in call money or money market instruments has permitted to deploy unclaimed redemption and IDCW amounts in a separate plan of Liquid scheme / Money Market Mutual Fund scheme floated by Mutual Funds, subject to following conditions:

- i. No exit load shall be chargeable in this plan and TER of such plan shall be capped at 50 bps.
- ii. List of names and addresses of investors with unclaimed amount shall be displayed on the Mutual Fund's website.
- iii. The process of claiming unclaimed amount and necessary forms and documents shall also be provided on the Mutual Fund's website for the Investors.
- iv. Account statements and CAS should include information on unclaimed amount along with prevailing NAV.
- v. Investors can claim unclaimed amount for a period of upto 3 years along with income earned on such investments. After 3 years, the income earned on such investments shall be used for investor education.

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 IDFC 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.idfcmf.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 IDFC 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 a onetime submission of documentation.
- 3) Investors who have complied with KYC process before December 31, 2011 and not invested in the schemes of IDFC 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 the all open ended Schemes, any close ended equity linked saving scheme and all close ended schemes launched on or before December 12, 2008 of IDFC 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.idfcmf.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 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.idfcmf.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 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.idfcmf.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.idfcmf.com ;
- Individual affidavits from legal heir/s as per the format as mentioned on our website - www.idfcmf.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:
 - Notarized copy of Probated Will, or
 - 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 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.idfcmf.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.idfcmf.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

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.

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 IDFC 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.

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. However, such redemption will be permitted only on maturity of the scheme. 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 SEBI Circular dated SEBI/HO/IMD/DF3/CIR/P/2020/086 dated May 20, 2020, 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, subject to compliance with listing formalities as stipulated by the stock exchanges. However, pursuant to such listing, trading on stock exchange mechanism will not be mandatory for investors, rather, if they so desire, may avail an optional channel to exit provided to them. 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.

SUSPENSION OF REDEMPTION / REPURCHASE OF UNITS

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

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

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

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

C. GENERAL INFORMATION

UNDERWRITING BY THE FUND

Subject to the Regulations, the Scheme may enter into underwriting agreements only 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, authorising it to carry on activities as underwriters.

The capital adequacy norms for the purpose of underwriting shall be the net assets of the Scheme and the underwriting obligation of the Scheme shall not at any time exceed the total net asset value of the Scheme.

SECURITIES LENDING AND BORROWING

Subject to the SEBI Regulations, the Mutual Fund may, engage in Securities Lending. 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.

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.

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.

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 IDFC Mutual Fund have approved creation of segregated portfolio of debt and money market instruments in case of a credit event in IDFC Emerging Businesses 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 'total 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 total 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:

- a. The AMC puts in sincere efforts to recover the investments of the segregated portfolio.
- b. 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.
- c. 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.
- d. 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:

Total Debt Portfolio				
Total 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
Total	80,000	10,00,000	Total	10,00,000
NAV (Full Portfolio): Rs. 12.5				

- B. 'Debt B' instrument is downgraded. Value of the security falls from 3,00,000 to 2,80,000 and portfolio is segregated**

Main Portfolio				
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
Total	80,000	7,00,000	Total	7,00,000
NAV (Main Portfolio): Rs. 8.75				

Segregated Portfolio				
Investors	Units	Amount	Portfolio	Value
Investor A	30,000	1,05,000	Debt B	2,80,000
Investor B	50,000	1,75,000		
Total	80,000	2,80,000	Total	2,80,000
NAV (Segregated Portfolio): Rs. 3.5				

Total Holdings				
Investors	Portfolio	Units	Amount	Total
Investor A	Main	30,000	2,62,500	3,67,500
	Segregated	30,000	1,05,000	
Investor B	Main	50,000	4,37,500	6,12,500
	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

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.

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.

- (c) The securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

Valuation of inter-scheme transfers shall be in accordance with the provisions of Valuation Policy of the AMC.

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, 2022

Scheme Name	Issuer	Market Value	Net Assets	% to Net assets
IDFC ARBITRAGE FUND	RBL Bank Limited	98,548,380	50,654,586,890	0.19%

Note: There is a Derivative position in IDFC Arbitrage fund, Issuer - RBL Bank Limited with a Market value of Rs. (99,191,745), Net assets Rs. 50,654,586,890 & % to net assets (0.20%)

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, 2021

Scheme Name	Issuer	Market Value	Net Assets	% to Net assets
IDFC LOW DURATION FUND	Grasim Industries Limited	309,625,200	68,811,478,966	0.4500%
IDFC ARBITRAGE FUND	Apollo Tyres Limited	274,032,500	67,556,195,981	0.4056%
IDFC ARBITRAGE FUND	Grasim Industries Limited	133,668,183	67,556,195,981	0.1979%
IDFC CORE EQUITY FUND	Apollo Tyres Limited	286,769,083	22,289,100,132	1.2866%
IDFC TAX ADVANTAGE FUND	Grasim Industries Limited	435,165,000	29,883,520,555	1.4562%
IDFC NIFTY FUND	Grasim Industries Limited	24,698,515	2,890,968,592	0.8543%
IDFC Nifty Exchange Traded Fund	Grasim Industries Limited	1,569,495	182,883,521	0.8582%

Note: There is a Derivative position in IDFC Arbitrage fund, Issuer - Grasim Industries Limited with a Market value of Rs. (134,285,588), Net assets Rs. 67,556,195,981 & % to net assets (0.1988%) and Apollo Tyres Limited with a Market value of Rs. (275,318,750), Net Assets Rs. 67,556,195,981 & % to net assets (-0.4075%)

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, 2020

Scheme Name	Issuer	Market Value	Net Assets	% to Net assets
IDFC MONEY MANAGER FUND	Grasim Industries Limited	1,895,360,000	19,684,586,203	9.63%

Scheme Name	Issuer	Market Value	Net Assets	% to Net assets
IDFC ARBITRAGE FUND	Grasim Industries Limited	473,840,000	64,907,241,956	0.73%
IDFC ARBITRAGE FUND	Apollo Tyres Limited	8,098,800	64,907,241,956	0.01%
IDFC ARBITRAGE FUND	Grasim Industries Limited	741,644,775	64,907,241,956	1.14%
IDFC ARBITRAGE FUND	IDFC First Bank Limited	50,000,000	64,907,241,956	0.08%
IDFC ARBITRAGE FUND	IDFC First Bank Limited	50,000,000	64,907,241,956	0.08%
IDFC ARBITRAGE FUND	IDFC First Bank Limited	100,000,000	64,907,241,956	0.15%
IDFC ARBITRAGE FUND	IDFC First Bank Limited	50,000,000	64,907,241,956	0.08%
IDFC ARBITRAGE FUND	IDFC First Bank Limited	50,000,000	64,907,241,956	0.08%
IDFC ARBITRAGE FUND	IDFC First Bank Limited	100,000,000	64,907,241,956	0.15%
IDFC ARBITRAGE FUND	IDFC First Bank Limited	100,000,000	64,907,241,956	0.15%
IDFC ARBITRAGE FUND	IDFC First Bank Limited	100,000,000	64,907,241,956	0.15%
IDFC ARBITRAGE FUND	IDFC First Bank Limited	100,000,000	64,907,241,956	0.15%
IDFC ARBITRAGE FUND	IDFC First Bank Limited	100,000,000	64,907,241,956	0.15%
IDFC ARBITRAGE FUND	IDFC First Bank Limited	100,000,000	64,907,241,956	0.15%
IDFC ARBITRAGE FUND	IDFC First Bank Limited	100,000,000	64,907,241,956	0.15%
IDFC ARBITRAGE FUND	IDFC First Bank Limited	100,000,000	64,907,241,956	0.15%
IDFC CORE EQUITY FUND	Apollo Tyres Limited	179,524,432	18,294,151,228	0.98%
IDFC STERLING VALUE FUND	Apollo Tyres Limited	111,160,000	19,050,156,431	0.58%
IDFC NIFTY FUND	Grasim Industries Limited	10,355,651	1,685,996,429	0.61%
IDFC Nifty Exchange Traded Fund	Grasim Industries Limited	66,178	12,820,875	0.52%

Note: There is a Derivative position in IDFC Arbitrage fund, Issuer - Grasim Industries Limited with a Market value of (Rs. -745,071,825), Net assets Rs. 64,907,241,956 & % to net assets (-1.15%) and Apollo Tyres Limited with a Market value of (Rs. -8,175,300), Net Assets Rs. 64,907,241,956 & % to net assets (-0.01%)

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:

IDFC Asset Management Company 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 IDFC Mutual Fund into the Securities in which associates of IDFC Mutual Fund acted as Lead Managers is as follows:-

Year	Scheme	Amount (Rs. in Cr.)
2019-2020	-	Nil
2020-2021	-	Nil
2021-2022	-	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 total value of transaction of the fund)		Brokerage (Rs Cr & % of total brokerage paid by the fund)	
			Rs. Cr.	%	Rs. Cr.	%
IDFC Securities Ltd	Associate Company	2019-2020	567.25	0.36%	0.68	2.49%
IDFC Securities Ltd*	Associate Company	2020-2021	36.68	0.01%	0.04	0.09%
Nil	-	2021-2022	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:

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.	%
Mr Jiten Mehta	Relative of employee	2021-2022	0.03	0.00	22,822.96	0.00
		2020-2021	0.51	0.00	24,425.82	0.00
		2019-2020	0.12	0.00	33,059.69	0.00
Mrs Asha Mehta	Relative of employee	2021-2022	0.04	0.00	25,856.98	0.00
		2020-2021	0.27	0.00	35,865.53	0.00
		2019-2020	0.46	0.00	48,756	0.00
IDFC FIRST Bank Limited	Associate	2021-2022	202.16	0.11%	15,172,733.54	0.39
		2020-2021	161.39	0.07	78,61,761.12	0.25
		2019-2020	107.76	0.02	59,32,671.38	0.21
Mr.Pinaki Roychowdhury of M/s Jain Investments**	Relative of employee	2021-2022	Nil			
		2020-2021	Nil			
		2019-2020	1.24	0.00	17,34,657.32	0.06
Aditya Birla Myuniverse Limited ^s	Associate	2021-2022	Nil			
		2020-2021	Nil			
		2019-2020	0.80	0.00	2,51,150.11	0.01
Rajendra Mohanlal Chudiwal	Relative of employee	2021-2022	Nil			
		2020-2021	Nil			
		2019-2020	0.10	0.00	58,021.22	0.00
Fern Wealth Advisors Ltd	Relative of employee	2021-2022	0.53	0.00	667,272.83	0.02
		2020-2021	0.85	0.00	4,25,669.77	0.01
		2019-2020	0.74	0.00	3,98,647.70	0.01

Where percentage is 0.00 value is less than 0.01%

** Please note the data pertains to Mr Pinaki Roychowdhury and not to M/s Jain Investment as a whole

\$ Ceased to be associate with effect from October 30, 2019.

Note: The commission includes trail commission on past business

6. Dealings with Associate Companies:

IDFC 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 IDFC AMC.

7. List of Group Companies / Associates of IDFC AMC as on May 31, 2022:

Particulars	Associate	Group
ASSOCIATION OF MUTUAL FUND IN INDIA	Y	-
DELHI INTEGRATED MULTI-MODAL TRANSIT SYSTEM LIMITED	Y	Y
JETPUR SOMNATH TOLLWAYS PVT LTD	Y	Y
IDFC ALTERNATIVES LIMITED	Y	Y
IDFC AMC TRUSTEE COMPANY LIMITED	Y	Y
IDFC FINANCIAL HOLDING COMPANY LIMITED	Y	Y
IDFC FIRST BANK LIMITED	Y	Y
IDFC FIRST BHARAT LIMITED (HOLDING 40%)	Y	Y
IDFC FOUNDATION	Y	Y
IDFC INVESTMENT MANAGERS (MAURITIUS) LTD.	Y	Y
IDFC LIMITED	Y	Y
IDFC PROJECTS LIMITED	Y	Y
IDFC TRUSTEE COMPANY LIMITED	Y	Y
INFRASTRUCTURE DEVELOPMENT CORPORATION (KARNATAKA) LIMITED.	Y	Y
MF Utilities India Private Limited	Y	-

Particulars	Associate	Group
NOVOPAY SOLUTIONS PRIVATE LIMITED	Y	-
RBL Bank Ltd	Y	-
RBL FINSERVE LIMITED	Y	-
SWADHAR FINACCESS	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:

Name	Relation
IDFC FIRST Bank Limited	Associate company
Mr Jiten Mehta	Relative of employee
Mrs Asha Mehta	Relative of employee
Fernwealth Advisors Pvt Ltd	Relative of employee is Director and Promoter

Commission to these entities / personnel shall be as per applicable market rates.

Documents Available for Inspection

The following documents will be available for inspection at the office of IDFC Mutual Fund at One World Centre, 841, Jupiter Mills Compound, Senapati Bapat Marg, 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.

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

Period	Complaints received	Complaints redressed	Complaints pending
2019-2020	297	298	5
2020-2021	136	140	1
2021-2022	121	122	0
April 2022 - May 2022	16	16	0

Notwithstanding anything contained in this Statement of Additional Information, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines thereunder shall be applicable.

For and on behalf of the Board of Directors of IDFC Asset Management Company Limited

Sd/-
Mr. Vishal Kapoor
Chief Executive Officer

Mumbai,
Dated: June 30, 2022